Consolidated financial statements of the Colas group

Year ended December 31, 2024

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Consolidated balance sheet

(€ million)	Note	12/31/2024	12/31/2023
Property, plant and equipment	3.2.1	2,332	2,311
Right of use of leased assets	3.2.2	808	756
Intangible assets	3.2.3	197	214
Goodwill	3.2.4	939	922
Joint ventures and associates	3.2.6	383	395
Other non-current financial assets	3.2.5	113	112
Deferred tax assets	7	157	157
Non-current assets		**4,929**	**4,867**
Inventories	4.1	813	788
Advances and down-payments made on orders	4.1	51	54
Trade receivables	4.1	2,470	2,646
Customer contract assets	4.1/4.2	832	916
Current tax assets	4.1	46	47
Other current receivables and prepaid expenses	4.1	664	771
Cash and cash equivalents	4.3	1,504	1,050
Financial instruments – Hedging of debt	18	15	6
Other current financial assets	18	7	1
Current assets		**6,402**	**6,279**
Held-for-sale assets and operations			
Total assets		**11,331**	**11,146**
Share capital		49	49
Share premium and reserves		2,816	2,776
Translation reserve		76	39
Treasury shares			(2)
Net profit/(loss) attributable to the Group		310	316
Shareholders’ equity attributable to the Group		**3,251**	**3,178**
Non-controlling interests		27	20
Shareholders’ equity	**5**	**3,278**	**3,198**
Non-current debt	8	155	191
Non-current lease obligations	10	721	703
Non-current provisions	6.1	713	692
Deferred tax liabilities	7	118	127
Non-current liabilities		**1,707**	**1,713**
Current debt	8	85	57
Current lease obligations	10	214	168
Current tax liabilities	11.1	114	131
Trade payables	11.1	2,289	2,394
Customer contract liabilities	11.2	1,384	1,272
Current provisions	6.2/11.1	487	489
Other current liabilities	11.1	1,454	1,524
Overdrafts and short-term bank borrowings	8	312	183
Financial instruments – Hedging of debt	18	2	2
Other current financial liabilities	18	5	15
Current liabilities		**6,346**	**6,235**
Liabilities related to held-for-sale operations			
Total liabilities and shareholders’ equity		**11,331**	**11,146**
Net surplus cash/(net debt)		965	623

Consolidated income statement

(€ million)	Note	FY 2024	FY 2023
Sales (1)	12	**15,907**	**16,015**
Purchases used in production		(7,660)	(8,008)
Personnel costs		(4,278)	(4,175)
External charges		(3,077)	(2,974)
Taxes other than income tax		(148)	(143)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets	4.4	(332)	(360)
Net amortization and impairment expense on right of use of leased assets	4.4	(207)	(173)
Charges to provisions and other impairment losses, net of reversals due to utilization	4.4	(134)	(213)
Change in production inventories		4	(19)
Other income from operations (2)	13.1	665	930
Other expenses on operations	13.1	(196)	(346)
Current operating profit/(loss)		**544**	**534**
Other operating income	13.2	-	2
Other operating expenses	13.2	-	(12)
Operating profit	13.2	**544**	**524**
Financial income		35	21
Financial expenses		(65)	(79)
Income from net surplus cash/(cost of net debt)	**14.1**	**(30)**	**(58)**
Interest expense on lease obligations		(41)	(29)
Other financial income	14.2	16	12
Other financial expenses	14.2	(28)	(22)
Income tax	15	(178)	(169)
Share of net profits/(losses) of joint ventures and associates	3.2.6	31	59
Net profit/(loss) from continuing operations		**314**	**317**
Net profit/(loss) from discontinued operations			
Net profit/(loss)		**314**	**317**
Net profit/(loss) attributable to the Group		**310**	**316**
Net profit/(loss) attributable to non-controlling interests		4	(1)
(1) of which sales generated outside France		9,435	9,649
(2) of which reversals of unused provisions and impairment	*4.4*	133	118

Consolidated statement of recognized income and expense

(€ million)	FY 2024	FY 2023
Net profit/(loss)	**314**	**317**
Items not reclassifiable to profit or loss		
Actuarial gains/(losses) on post-employment benefits	(13)	(34)
Net tax effect of items not reclassifiable to profit or loss	4	9
Items reclassifiable to profit or loss		
Translation adjustments	27	(25)
Remeasurement of hedging assets	7	(9)
Net tax effect of items reclassifiable to profit or loss	0	1
Share of reclassifiable income and expense of joint ventures and associates	8	(11)
Total income and expense recognized in equity	**33**	(69)
Total recognized income and expense	**346**	**248**
Attributable to the Group	343	246
Attributable to non-controlling interests	4	2

Consolidated statement of changes in shareholders' equity

(€ million)	Share capital Share premium	Reserves related to capital/ retained earnings	Consolidated reserves and profit/(loss) for period	Treasury shares	Items recognized directly in equity	**Total attributable to the Group**	**Non-controlling interests**	**Total**
Position at 12/31/2022	**455**	**889**	**1,697**	**(2)**	**133**	**3,172**	**20**	**3,192**
Movements during 2023								
Net profit/(loss)			316			**316**	1	**317**
Income and expense recognized directly in equity [(1)]					(70)	**(70)**	1	**(69)**
Total recognized income and expense	-	-	316	-	(70)	**246**	2	**248**
Capital and reserves transactions, net		130	(130)			-		-
Dividend paid			(240)			**(240)**	(2)	**(242)**
Position at 12/31/2023	**455**	**1,019**	**1,642**	**(2)**	**63**	**3,178**	**20**	**3,198**
Movements during 2024								
Net profit/(loss)			310			**310**	4	**314**
Income and expense recognized directly in equity [(1)]					32	**32**	**0**	**32**
Total recognized income and expense	**-**	**-**	**310**	**-**	**32**	**342**	**4**	**346**
Capital and reserves transactions, net		(150)	150			-		-
Acquisitions/disposals of treasury shares			(2)	2		-		-
Dividend paid			(269)			**(269)**	(2)	**(271)**
Other transactions (changes in scope of consolidation, other transactions with shareholders and other items)					(1)	**(1)**	5	**4**
Position at 12/31/2024	**455**	**869**	**1,832**	**-**	**95**	**3,251**	**27**	**3,278**

(1) Change in translation reserve:

(€ million)	Attributable to:	Group	Non-controlling interests	Total
Companies controlled by Colas		26	-	**26**
Joint ventures and associates		11	-	**11**
Total		**37**	**-**	**37**

Consolidated cash flow statement

(€ million)	Note	FY 2024	FY 2023
Net profit/(loss) from continuing operations		314	317
Adjustments:			
Share of net profits/losses of joint ventures and associates, net of dividends received		14	(8)
Dividends from non-consolidated companies		(3)	(2)
Net charges to/reversals of depreciation, amortization and impairment of property, plant & equipment and intangible assets and non-current provisions		351	381
Amortization and impairment expense and other adjustments to right of use of leased assets		207	173
Gains and losses on asset disposals		(72)	(162)
Income taxes, including uncertain tax positions		178	169
Income taxes paid		(205)	(178)
Other non-cash income and expenses		9	1
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		**793**	**691**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		71	87
Changes in working capital requirements related to operating activities (including current impairment and provisions)	22.2	275	729
Net cash generated by/(used in) operating activities (a)		**1,139**	**1,507**
Purchase price of property, plant and equipment and intangible assets	3.1	(321)	(387)
Proceeds from disposals of property, plant and equipment and intangible assets	3.1	81	332
Net liabilities related to property, plant and equipment and intangible assets		(8)	(42)
Purchase price of non-consolidated companies and other investments		(15)	(1)
Proceeds from disposals of non-consolidated companies and other investments		-	4
Purchase price of consolidated activities, net of cash held by acquired entities		(29)	(38)
Proceeds from disposals of consolidated activities, net of cash held by divested entities		25	52
Net liabilities related to consolidated activities	22.2	5	(7)
Other changes in scope of consolidation: cash held by acquired/divested entities	22.2	-	(1)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		5	(3)
Net cash generated by/(used in) investing activities (b)		**(257)**	**(91)**
Dividends paid to shareholders of the parent company		(269)	(240)
Dividends paid by consolidated companies to non-controlling interests		(2)	(2)
Change in current and non-current debt			30
Increase in current and non-current debt		657	-
Decrease in current and non-current debt		(671)	-
Repayment of lease obligations		(201)	(167)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(71)	(87)
Other cash flows related to financing activities		(9)	(1)
Net cash generated by/(used in) financing activities (c)		**(566)**	**(467)**
Effect of foreign exchange fluctuations (d)		9	(5)
Change in net cash position (a+b+c+d)		**325**	**944**
Net cash position at start of period		**867**	**(77)**
Net cash flows		325	944
Net cash position at end of period		**1,192**	**867**

Notes to the consolidated financial statements

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NOTE 1. SIGNIFICANT EVENTS OF THE YEAR

1.1. Scope of consolidation as of December 31, 2024

As of December 31, 2024, 482 entities were consolidated by Colas SA, compared with 502 as of December 31, 2023.

Number of consolidated entities	2024	2023
Companies controlled by Colas	307	316
Joint operations	58	55
Joint ventures and associates	117	131
Total	**482**	**502**

A list of the main entities in the Group is provided in Note 25.

1.2. Significant events

1.2.1 Significant events of 2024

None.

1.2.2 Significant events of 2023

- **Public tender offer and squeeze-out for Colas shares**

On September 20, 2023, following a Board meeting held on September 17, 2023, Bouygues filed with the Autorité des Marchés Financiers (AMF) a draft public tender offer followed by a squeeze-out for the Colas shares not already held by Bouygues (except for treasury shares) at a price of €175 per share (collectively the "Offer"). The price of €175 per Colas share, representing a total amount of approximately €180 million and payable exclusively in cash, built in the following levels of premium:

- 54.2% to the quoted market price of Colas shares at close of business on September 15, 2023; and
- 52.2%, 50.1% and 50.4% to the volume-weighted average price of Colas shares on the last 60, 120 and 240 trading days respectively preceding announcement of the Offer.

The transaction was intended to simplify the ownership structure of Colas and of the Bouygues group.

On November 20, 2023, the AMF issued its decision validating the draft public tender offer.

The public tender offer period ran from November 22, 2023 through December 5, 2023, and enabled Bouygues to acquire 595,828 Colas shares.

The squeeze-out took place on December 22, 2023, enabling Bouygues to acquire the remaining 433,281 shares.

Following completion of the squeeze-out, the Bouygues group owns 100% of the capital of Colas (except for treasury shares), and Colas shares have been withdrawn from listing.

- **Divestment of Branscome**

On February 25, 2023, Colas divested its subsidiary Branscome, the assets and liabilities of which had been reclassified as held-for-sale as of December 31, 2022. The impact of the divestment is recognized within current operating profit.

- **Sale and leaseback in the United States**

On July 13, 2023, Colas entered into a sale-and-leaseback transaction relating to assets in the United States, the impact of which is recognized within current operating profit.

- **Other sale and leaseback transactions**

The Group divested 74 sites in France for €139 million. Those divestments were recognized as sales within the meaning of IFRS 15. Some of the sites were subsequently leased back, and consequently part of the gain on disposal has been reversed out in accordance with IFRS 16.

1.3. Significant events and changes in scope of consolidation subsequent to December 31, 2024

The Group is not aware of any significant events subsequent to the end of the reporting period.

NOTE 2. GROUP ACCOUNTING POLICIES

2.1. Activities

Colas is a world leader in the construction and maintenance of transport infrastructure.

Roads represent approximately 90% of total operations, including:

- the construction and maintenance of roads, motorways, airport runways, port facilities, industrial and logistics platforms, urban design features, reserved-lane public transport systems (tramways), recreational facilities, but also road safety and signaling, traffic management, and the manufacture, installation and maintenance of safety equipment. Such projects may be carried out through infrastructure concession and management activities including motorways, airports, urban road networks and urban public transport systems;

- civil engineering (small and large-scale infrastructure projects) and building (new build, renovation and demolition/deconstruction) activities, carried on by roads subsidiaries in certain regions;

- upstream of construction: production and recycling of construction materials (aggregates, emulsions and binders, asphalt mixes, ready-mix concrete, bitumen), built on a dense international network of quarries, emulsion plants, asphalt plants and concrete plants.

Colas also operates in other sectors, which account for approximately 10% of total operations:

- railways, including design and engineering on complex major projects, and the construction, renewal and maintenance of railway infrastructure;

- water and energy transport, which includes the laying and maintenance of pipelines and ducting.

2.2. Basis of preparation of the financial statements

The consolidated financial statements of the Colas group include the financial statements of Colas SA and its subsidiaries.

They were closed off by the Board of Directors on February 27, 2025, and will be submitted for approval by the forthcoming Annual General Meeting of the shareholders on April 22, 2025.

The consolidated financial statements for the year ended December 31, 2024 were prepared in millions of euros (unless otherwise mentioned) and in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives with the financial statements for the year ended December 31, 2023.

2.2.1 Changes in accounting standards, rules and policies

The Colas group applied the same standards, interpretations and accounting policies for the year ended December 31, 2024 as were applied in its consolidated financial statements for the year ended December 31, 2023, except for changes required to meet new IFRS requirements applicable in 2024 (see below).

- **Principal amendments effective within the European Union and applicable in 2024:**

  - **Lease Liability in a Sale and Leaseback – Amendment to IFRS 16**

On September 22, 2022 the IASB issued an amendment to IFRS 16 on the initial recognition and subsequent measurement of the right-to-use asset and lease liability in a sale and leaseback. The amendment, endorsed by the European Union on November 20, 2023, has no impact on the consolidated financial statements for the year ended December 31, 2024.

  - **Classification of Liabilities as Current or Non-Current – Amendments to IAS 1**

Between January 2020 and October 2022, the IASB issued amendments to IAS 1 relating to classification of liabilities as current or non-current, in cases where the liability is subject to covenants or is a convertible debt instrument. The amendments were endorsed by the European Union on December 19, 2023, and have no impact on the consolidated financial statements for the year ended December 31, 2024.

  - **Supplier Finance Arrangements – Amendment to IAS 7 and IFRS 7**

On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 relating to disclosures on the effects of supplier finance arrangements (such as reverse factoring) on an entity's financial position, cash flows and exposure to liquidity risk. The amendment was endorsed by the European Union on May 15, 2023, and has no impact on the consolidated financial statements for the year ended December 31, 2024.

The Group has not early adopted the IFRS amendments applicable in 2025 as mentioned below.

- **New standards/interpretations effective within the European Union and mandatorily applicable from January 1, 2025**

  - **Lack of Exchangeability – Amendment to IAS 21**

On November 12, 2024, the European Commission endorsed "Lack of Exchangeability", an amendment to IAS 21.

This amendment was issued by the IASB in August 2023, and relates to how to determine the exchange rate when a currency is not exchangeable.

- **Principal standards, interpretations and amendments issued by the IASB but not endorsed by the European Union**

  - **IFRS 18 – Presentation and Disclosures in Financial Statements**

On April 9, 2024, the IASB issued IFRS 18, "Presentation and Disclosure in Financial Statements". IFRS 18 will replace IAS 1, and the associated IFRIC and SIC interpretations, and is intended to provide investors with more transparent and comparable information about corporate financial performance. It focuses on three main areas:

- improved income statement comparability, with the introduction of new income and expense categories (operating, investing and financing) and of new mandatory sub-totals;
- improved disclosures about performance measures; and
- a review of the relevance of disclosures in primary financial statements and notes to the financial statements, to make them more useful for investors.

Subject to endorsement by the European Union, IFRS 18 will apply as of and from January 1, 2027, with retrospective application. Entities may early adopt IFRS 18 in 2026. An analysis of the impact on the presentation of the Group's primary financial statements and the notes thereto is ongoing.

- **Exercise of judgement and use of estimates:**

In preparing consolidated financial statements to comply with IFRS standards and interpretations, the Group uses estimates and assumptions which may affect the amounts reported for assets, liabilities and contingent liabilities at the end of the reporting period, and the amounts of income and expenses reported for the period.

These estimates and assumptions have been applied consistently on the basis of past experience and of information available as of the date the financial statements were closed off, and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may subsequently differ materially from these estimates.

The main items involved are the impairment testing of goodwill and equity investments (see Note 3.2.4); the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); review of contracts to determine whether they contain a lease; factors taken into account when restating leases (lease terms and incremental borrowing rates, as described respectively in Notes 2.7.2. and Note 2.11.2); and end-of-contract margins on construction contracts (see Note 2.13.1).

Group management exercises judgement in the application of IFRS to certain transactions, in particular in (i) determining the level of control exercised over certain entities; (ii) identifying whether a contract is a lease; (iii) analyzing contingent consideration in business combinations; and (iv) identifying separate performance obligations for revenue recognition purposes.

Where no standard or interpretation applies to a specific transaction, Group management adopts accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements

- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions; and
- are neutral, prudent, and complete in all material respects.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

2.2.2 Held-for-sale assets and operations and discontinued operations

A non-current asset, or a group of directly-associated assets and liabilities, is regarded as being held for sale if its carrying amount will be recovered primarily through a sale rather than through continuing use. For this to be the case, the asset must be available for immediate sale, and its sale must be highly probable. Such held-for-sale assets or asset groups are measured at the lower of the carrying amount or the estimated selling price less costs to sell.

A discontinued operation is one that is material to the Group (having been treated as a cash generating unit) and that has either been divested or has been classified as a held-for-sale asset. Income statement and cash flow statement information about discontinued operations is reported in separate line items in the consolidated financial statements for all periods presented.

2.2.3 Climate-related issues

Climate policy at Colas is built on six pillars:

- embedding climate change issues into the corporate strategy;
- reducing emissions from the fleet, and from industrial activities;
- developing and promoting low-carbon products, techniques and solutions;
- developing reliable carbon accounting;
- contributing to carbon neutrality and reducing emissions of customers and end users; and
- embedding the protection of biodiversity into the Group's operations.

- **Principal opportunities and risks identified**

The principal opportunities identified by Colas derive from the development of solutions that contribute to energy transition and support circular economy principles.

In 2023-2024, a study was carried out to evaluate the transition risks and physical risks associated with climate change.

The principal risks identified by the Group are physical risks, which mainly affect fixed sites (especially industrial sites), and transition risks.

The consequences of global warming (higher temperatures, drought and floods, coastal erosion, rising sea levels, etc.) may increasingly impair the resilience of infrastructure. The greater incidence of heatwaves and extreme weather events (hurricanes, floods, wildfires, etc.) is also liable to disrupt implementation on some projects; this may impact productivity, operating costs and insurance premiums, with a knock-on effect of the profitability of operations. If such risks crystallize, this could lead to the suspension of operations at production sites in affected regions.

Transition risks associated with adaptation to legal, technical or regulatory changes include (i) cross-border carbon adjustment mechanisms (risk of increases in the amount of duties payable and in the cost of raw materials, extensions to the European Union emissions trading system (EU-ETS), and market uncertainties around projected future carbon taxes on fossil-fuel energy and/or associated regulatory changes); (ii) supply chain risks (risk of late delivery or stockouts, and fluctuations in raw material prices); and (iii) risks related to regulatory requirements (obligation to replace existing technologies with lower greenhouse gas emission alternatives).

At present, the impact of the EU-ETS on Colas is low: barely 2% of the its scope 1 emissions (i.e. 34,000 tonnes of CO_2 equivalent) are subject to the EU-ETS system. Those emissions relate to mobile and fixed bitumen plants in Belgium, Denmark and France.

- **Climate strategy and governance**

The Colas climate strategy was established by senior management and signed off by the Board of Directors; roll-out of the strategy is overseen by a Carbon Committee headed up by the Environment Directorate, with input from carbon sponsors within regional business units and from heads of support functions. In 2024, Colas reviewed its targets for cutting greenhouse gas emissions, applying the Science Based Targets initiative (SBTi) methodology. In November 2024, Colas received SBTi certification for its new target of a 46.5% reduction in scopes 1 & 2. SBTi certification attests that the commitments made are consistent with currently available scientific climate data and with the Paris Agreement, which sets a target of keeping the increase in average global temperature at well below 2°C above pre-industrial levels, while continuing with efforts to limit the increase to 1.5°C.

The Board of Directors and the Selection and Remuneration Committee seek to ensure the variable remuneration of the Chief Executive Officer is consistent with the company's performance objectives, so that it is aligned with the corporate interest and with the company's medium/long-term strategy. That remuneration is determined with reference to three non-financial criteria linked to the Group's compliance record and CSR performance (climate and environment, gender balance, health and safety); those criteria represent a sizeable proportion of the variable remuneration of Executive Officers (up to 25% of annual fixed remuneration for 2024, compared with 20% for 2023).

Since 2023, the weighting attached to climate-related criteria in determining variable remuneration has been 10% of annual fixed remuneration (compared with 5% in 2022).

- **Adaptation strategy and impact on the financial statements**

In preparing the financial statements, Colas has analyzed the potential impacts of climate change as of the present time. That analysis did not call into question the useful lives and residual or recoverable amounts of non-financial assets such as property, plant and equipment, intangible assets, goodwill, or rights of use of leased assets.

To date, Colas has not identified any significant assets whose useful lives would need to be reduced for regulatory or admissibility reasons, or that would have to be abandoned.

As part of the financial cycle, Colas subsidiaries present an annual budget, a decarbonization road map, and action points to leverage reductions in CO_2 emissions and the associated costs. Those costs are incorporated into the budget used for impairment tests. To ensure that environmental performance can be tracked alongside financial performance, the climate strategy is being embedded into each business segment's management cycle.

Decarbonization scenarios have been drafted for each Colas subsidiary, greenhouse gas mitigation measures have been defined and actioned in specific priority areas, and new business models founded on circular economy principles are being devised and rolled out. Colas has prepared greenhouse gas emissions forecasts that spell out how consistency with the strategic plan can be achieved (for example through changes to customer offers, new processes, capital expenditure, or reorganization of personnel). Key performance indicators linked to decarbonization levers are monitored annually.

2.3. Consolidation methods

2.3.1 Companies controlled by Colas

Companies over which Colas exercises control are consolidated.

2.3.2 Jointly-controlled companies

A joint venture or joint operation derives from a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. In the case of joint operations (which give each party direct rights over the assets and obligations for the liabilities), the assets, liabilities, income and expenses of the joint operation are consolidated in accordance with the interests held in the joint operation. Joint ventures, which give the parties rights over the net assets, are accounted for using the equity method.

Most of the consortia involving Colas are organized as translucent entities in the form of *Sociétés en Participation* (SEPs) that meet the definition of joint operations.

2.3.3 Companies over which Colas exercises significant influence

An associate is a company over which Colas exercises significant influence without exercising control. Significant influence is presumed to exist where Colas directly or indirectly holds at least 20% of the entity's voting rights.

The net profit or loss and the assets and liabilities of such entities are accounted for by the equity method.

2.4. Business combinations

In a business combination, goodwill at the acquisition date represents (i) the sum total of the consideration transferred (i.e. acquisition price) and non-controlling interests minus (ii) the net amount recognized (usually at fair value) for the identifiable assets acquired and liabilities assumed, adjusted to reflect the fair value remeasurement of any previously-acquired equity interest. The revised IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:

- at fair value (full goodwill method), i.e. the non-controlling interests are allocated their share of goodwill; or
- at the non-controlling interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the non-controlling interests.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an arm's length transaction between market participants as of the date of measurement.

Goodwill is allocated to the Cash Generating Unit (CGU) benefiting from the business combination or to the group of CGUs at the level of which return on investment is measured.

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the non-controlling interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Amortization of intangible assets recognized in a purchase price allocation is charged against current operating profit.

Negative goodwill (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.4 ("Impairment testing of non-current assets, joint ventures and associates), in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

In accordance with the revised IFRS 3, the previously-held equity interest in a step acquisition is remeasured at fair value through profit or loss on the date when control is obtained. In the event of loss of control with a retained equity interest, that retained interest is remeasured at fair value; the gain or loss on remeasurement is recognized in profit or loss, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration transferred and the carrying amount of the non-controlling interest is recognized directly in equity attributable to the Group. Consequently, no additional goodwill is recognized.

All acquisition-related costs are recognized as an expense within operating profit for the period (as non-current items in "Other operating expenses" if they are significant in size).

In the event of a partial divestment of the component operations of a CGU, the Group usually allocates the goodwill in proportion to the value of the divested operation relative to the value of the CGU as measured at the date of divestment, unless it can be demonstrated that another method better reflects the goodwill of the divested operation; this policy complies with paragraph 86 of IAS 36.

Goodwill recognized prior to January 1, 2004 continues to be measured using the partial fair value method. Non-controlling interests are measured on the basis of the carrying amount of the relevant items as shown in the balance sheet of the acquired entity.

2.5. Foreign currency translation

2.5.1 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are recognized in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2.5.2 Financial statements of entities with a functional currency other than the euro

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are presented within "Change in translation reserve" in the consolidated statement of changes in shareholders' equity. Translation differences arising on the net investment in foreign subsidiaries and associates are recognized in shareholders' equity.

2.6. Assessment of income taxes

Deferred taxation is recognized on differences between the carrying amount and tax base of assets or liabilities, and arises as a result of:

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from accelerated tax depreciation that is liable to tax in future periods;
  - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognized to the extent that it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period;
- tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted in the relevant country at the end of the reporting period. As of December 31, 2024, the temporary differences and tax losses available for carry-forward of French entities were measured at the enacted rate of 25.83% for 2024 and future years.

Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

2.7. Non-current assets

2.7.1 Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognized on a straight line basis over the estimated useful life of the asset.

Principal useful lives applied

Land	(see below)
Non-operating buildings	20 to 40 years
Industrial buildings	10 to 20 years
Plant, equipment and tooling	5 to 20 years
Other property, plant and equipment (vehicles and office equipment)	3 to 10 years

Undeveloped and built-on land is not depreciated, but may be written down by an impairment allowance if required.

Land containing mineral deposits is depreciated on the basis of the rate of depletion, up to a maximum of 40 years.

Accumulated depreciation computed on this basis may not be lower than straight-line depreciation.
If an item of property, plant and equipment requires a long period of preparation before it can be used or sold, borrowing costs directly attributable to its acquisition or construction are capitalized as part of the acquisition cost.

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognized in the income statement under “Other income and expenses from operations” unless they meet the criteria for classification within “Other operating income and expenses” (see Note 2.13.2).

Depreciation periods are reviewed annually, and may be adjusted if expected use differs from previous estimates.

Grants received

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2.7.2 Right of use of leased assets

IFRS 16 defines the right of use under a lease as an asset that represents a lessee's right to use an underlying asset for the lease term.

Right-of-use assets relate mainly to property (office leases).

The Group applies the two exemptions offered by IFRS 16, relating to short-term leases and assets with a low as-new value. Rental expenses on leases covered by either of those exemptions are recognized in profit or loss, within "External charges".

In most cases, the lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

This right of use is recognized by the Group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:

- the initial amount of the lease obligation (see Note 2.11.2);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

The right of use asset is amortized on a straight line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired.

The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

Within the Colas group, rights of use relate mainly to property leases and equipment leases.

Where the Group enters into sale-and-leaseback transactions, involving a sale (within the meaning of IFRS 15) of an asset to a third party followed by leasing the asset back as lessee, the right of use asset (representing the Group's retained right of use) is calculated based on the proportion of the prior carrying amount of the transferred asset. That proportion is determined by reference to the ratio of the lease obligations to the selling price of the asset. Similarly, the gain on disposal is recognized only to the extent of the rights effectively transferred to the acquirer/lessor.

2.7.3 Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled if the entity has the power to obtain the future economic benefits from that asset and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to annual impairment testing and are reviewed at the end of each reporting period to ensure that their useful lives are still indefinite.

Intangible assets comprise:

- quarry operating rights;
- brands and customer relationships recognized as part of a purchase price allocation;
- development expenses:
  - Development expenses are capitalized if the IAS 38 criteria are met (i.e. if they are expected to generate future economic benefits and their cost can be reliably measured).
  - In accordance with IFRS, incorporation and research expenses are expensed as incurred.
- concessions, patents and similar rights.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognized in the income statement under “Other income and expenses from operations” unless they meet the criteria for classification within “Other operating income and expenses” (see Note 2.13.2).

2.7.4 Impairment testing of non-current assets, joint ventures and associates

Impairment tests are carried out on the carrying amount of non-current assets and investments in joint ventures and associates if there is objective evidence that they may have become impaired.

The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

Impairment testing method used:

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the CGU to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment.

The groups of CGUs used within Colas reflect the Group's organizational structure.

- Roads France/OD-IO/Corporate: consists of the Roads business and Road Safety & Signaling activities in France, the French overseas departments and the Indian Ocean, and Colas corporate headquarters;
- Roads EMEA (Europe-Middle East-Africa) CGU: consists of the Roads business in Europe (excluding France), the Middle East, Africa, and Latin America;
- Roads United States CGU: consists of the Roads business in the United States;
- Roads Canada CGU: consists of the Roads business in Canada;
- Roads Asia-Pacific CGU: consists of the Roads business in Asia and Oceania;
- Railways CGU: consists of the Railways business, in France and internationally;
- Water & Energy Transport CGU: consists of the Water & Energy Transport business, in France and internationally.

The recoverable amount is determined used the discounted cash flow (DCF) method, applied as follows:

- The cash flows are derived from the three-year business plan prepared by the CGU's management and presented to the Colas Board of Directors.
- The discount rate is determined on the basis of a weighted average cost of capital, in the case of equity by reference to a panel of comparable companies, and in the case of debt by applying two alternative capital structure scenarios: 1/3 debt – 2/3 equity (scenario 1); 2/3 debt – 1/3 equity (scenario 2).
- The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows after lease expenses and a perpetual growth rate.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet, after including right of use assets and deducting lease obligations:

- If the recoverable amount exceeds the carrying amount in both scenarios, sensitivity to each of the parameters is analyzed on the basis of the two scenarios.
- If the recoverable amount is less than the carrying amount in either or both of the scenarios a more detailed analysis is performed to determine the recoverable amount, for example by using an independent valuer.

If the carrying amount in the consolidated balance sheet is greater than the recoverable amount, an impairment loss is recognized. Any such losses are allocated in the first instance to any goodwill carried in the balance sheet, and may not be subsequently reversed.
The method used to take account of IFRS 16 in impairment testing (as described above) is an accepted simplified approach.

Impairment testing of investments in joint ventures and associates:

Because goodwill included in the carrying amount of a joint venture or associate is not reported separately, it is not tested separately for impairment, in line with IAS 36. An impairment loss is recognized if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

2.7.5 Other non-current financial assets

Other non-current financial assets include loans and receivables (including advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those over which the Group exercises neither control nor significant influence).

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken either to shareholders' equity in "Items not reclassifiable to profit or loss" or to the income statement in "Other financial income" or "Other financial expenses", depending on the treatment elected by the Group for each individual investment.

Fair value is the market price for listed investments, and estimated value in use for unlisted investments. Value in use is determined using the most appropriate financial criteria for each individual investment.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortized cost, determined using the effective interest method.

In the case of floating rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

In accordance with IFRS 9 an impairment allowance is recognized on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss (see Note 3.2.6).

Concession arrangements and Public-Private Partnership (PPP) contracts

The Colas group holds equity interests in entities that have entered into concession arrangements or PPP contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortized cost using the method defined in IFRS 9.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

2.8. Current assets

2.8.1 Inventories

Inventories are measured at the lower of cost or net realizable value.

Cost includes all acquisition and transformation costs.

Acquisition cost includes the purchase price, customs duties and other non-recoverable taxes and duties, and transport and handling costs incurred to bring inventories to their current location.

Transformation cost includes all direct and indirect costs incurred to transform raw materials into finished goods.

On subsequent measurement, cost is calculated using the first in first out method or the weighted average cost method, depending on the nature of the inventory.

Net realizable value is the estimated selling price of the product less the estimated costs to complete and sell it.

Where the realizable value of inventory is lower than cost, the necessary provision for impairment is recognized.

2.8.2 Property development programs

None.

2.8.3 Programs and broadcasting rights

None.

2.8.4 Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

For contracts accounted for using the percentage of completion method, trade receivables include invoices and statements issued as works are executed or services provided, and accepted by the project owner.

2.8.5 Customer contract assets

Customer contract assets represent revenue recognized on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

2.8.6 Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2.9. Financial instruments

Some Group entities use hedging instruments to limit the impact on profit or loss of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2.9.1 Risks to which the Group is exposed

2.9.1.1 Foreign exchange risk

The Group has low exposure to foreign exchange risk in its ordinary commercial operations, because half of its revenues are generated within the euro zone, and the subsidiaries generate only a very small proportion of their revenue from exports.

In most cases, international revenue is generated by local subsidiaries that invoice and incur expenditure in the currency of the country where the works are carried out. That means that fluctuations in exchange rates have no material impact on the Group's revenue and profits apart from currency translation effects arising from fluctuations in average exchange rates. Because more than a quarter of revenue is generated in North America, the Group is sensitive to fluctuations in the exchange rate of the US and Canadian dollars against the euro.

Borrowings and deposits are pooled in the local currency of each country (euro, US dollar, Canadian dollar, etc).

The Group pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

2.9.1.2 Interest rate risk

Long-term debt is hedged at fixed rates, and consequently is not sensitive to interest rate risk. Short-term debt is at floating rate, but is partly matched by surplus cash invested at floating rates. Interest rate hedges are contracted on an as-needed basis.

The Group's exposure to interest rate risk is therefore limited to short-term debt.

2.9.1.3 Commodities risk

The Group is sensitive to fluctuations in commodity prices (especially petroleum-based products in the Roads business); there is also some exposure to the prices of certain metals in the Road Safety & Signaling and Railway businesses.

2.9.2 Principles applied to all hedging instruments

Instruments used for hedging purposes are restricted to products such as:

- for hedging foreign exchange risk: forward currency purchases and sales, currency swaps, cross-currency swaps and currency options;
- for hedging interest rate risk: interest rate swaps, future rate agreements, purchases of caps and collars, and interest rate options;
- for hedging commodities risk: forward commodity purchases and sales, commodity swaps and commodity options.

These instruments have the following characteristics:

- they are used solely for hedging purposes;
- they are contracted solely with high-quality French and foreign banks;
- they carry no liquidity risk in the event of reversal.

The use of hedging instruments and selection of counterparties - and more generally, the management of exposure to foreign exchange risk, interest rate risk and commodities risk - are subject to specific detailed monitoring which is reported to the bodies responsible for management and control within the relevant companies, including the parent company (Colas SA).

2.9.3 Hedging rules

2.9.3.1 Foreign exchange risk

The policy applied is to hedge systematically all residual foreign exchange exposure relating to commercial transactions. If the future cash flow is certain, the foreign exchange risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

As part of the process of optimizing the Group's cash position by enabling surplus cash loaned to or borrowed from subsidiaries to be converted into the subsidiary's local currency as a substitute for bank credit facilities, forward currency hedges may be used to eliminate foreign exchange risk.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions.

2.9.3.2 Interest rate risk

The policy applied is to hedge at Group level some or all financial assets and liabilities, where those are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, for a term linked to that of the hedged financial liabilities.

As with foreign exchange risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2.9.3.3 Commodities risk

The policy applied is to hedge at Group level some or all of the exposure to movements in commodity prices on specific contracts.

2.9.4 Accounting policy on financial instruments

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IFRS 9. Three types of accounting treatment are used:

- fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognized symmetrically in the income statement;
- cash flow hedges: changes in the fair value of the hedging instrument are recognized in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion;
- hedges of a net investment in a foreign operation: changes in the intrinsic value of the hedging instrument are recognized in shareholders' equity until the hedge is closed out.

2.10. Consolidated shareholders' equity

Treasury shares are deducted from consolidated shareholders' equity. If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognized at Group level.

2.10.1 Translation reserve

The translation reserve represents translation differences arising since January 1, 2004, when the reserve was deemed to be zero and the balance transferred to "Retained earnings". In the event of disposal of a subsidiary, associate or joint venture that prepares its accounts in a foreign currency, the cumulative translation reserve as of the date of disposal is recycled through profit or loss, such that the gain or loss on disposal is calculated without the effect of exchange rate fluctuations.

2.10.2 Information about the management of capital

The objective of Colas management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable ratio of net debt to shareholders' equity;
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each operating segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Some performance indicators used by Colas may be calculated with reference to shareholders' equity, but most are not.

The shareholders' equity of the Colas group is not subject to any restriction under the articles of association.

2.11. Non-current liabilities

2.11.1 Non-current debt

With the exception of derivative instruments accounted for as liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortized cost using the effective interest method.

The portion of debt due within less than one year is included in current liabilities.

2.11.2 Non-current lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee recognizes a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

The following amounts are included in the lease payments used to measure the obligation:

- fixed payments (including in-substance fixed payments, i.e. payments that may in form contain variability, but in substance are unavoidable);
- variable lease payments that depend on an index or a rate at the commencement date of the lease;
- payments due by the lessee under residual value guarantees;
- the exercise price of a purchase option, if that option is reasonably certain to be exercised;
- payments of penalties for terminating or not extending the lease.

During the term of the lease, the carrying amount of the lease obligation is:

- increased to reflect interest on the lease obligation, which is recognized as an expense in the income statement and calculated using the discount rate used on initial measurement; and
- reduced to reflect lease payments made.

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than twelve months. Such leases are recognized in profit or loss as and when lease payments are made.

The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

As permitted by IFRS 16, the Colas group has not elected to apply the standard to leases of intangible assets.

The portion of lease obligations due within less than one year is included in current liabilities.

2.11.3 Non-current provisions

In accordance with IAS 37, a provision is recorded at the end of the reporting period if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

The amount recognized as a provision represents the Group's best estimate of the net outflow of resources.

In general, non-current provisions are not associated with the Colas group's normal operating cycle. They mainly comprise:

Employee benefits

Pensions

To cover their post-employment pension obligations to employees, Group companies make regular payments to external bodies including public-sector and private-sector pension schemes and independent pension fund managers (defined-contribution plans).

However, some defined-benefit pension plans remain in place in the United Kingdom, Ireland, Canada and Switzerland. With the exception of the Colas Rail Ltd plan, those plans cover only a limited number of employees, as it was decided some years ago to close them to new entrants. These pension plans are managed by independent pension fund managers.

Actuarial gains and losses are recognized in “Other recognized income and expense”.

Lump-sum retirement benefits:

The cost of these benefits is calculated using the projected unit credit method based on final salary. The calculation method is based on individual projections and takes into account:

- status, age and length of service for each employee category;
- employee turnover, calculated on the basis of the average number of voluntary leavers by business segment, age bracket and employee category;
- average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
- a final salary inflation rate;
- a discount rate applied to the obligation over the projected period to the retirement date;
- estimated mortality, based on mortality tables.

Actuarial gains and losses are recognized in “Other recognized income and expense”.

Benefit entitlements are recognized on a straight line basis only over the final years of the period of service during which employees' capped benefits vest.

Long service awards:

The vast majority of Group companies have a long-standing and systematic policy of awarding long service bonuses. The calculation method is based on individual projections and takes into account (i) employee turnover and (ii) estimated mortality, based on mortality tables.
Actuarial gains and losses are recognized in profit or loss.

Litigation and claims

Litigation and claims on contracts:

The amount of risk provided for is measured on the basis of the claim made by the complainant, or an estimate of remedial works issued by court-appointed experts.

Risks relating to tax, social security and other official inspections:

Reassessments are recognized in profit or loss in the period in which they are accepted by the Group; if they are contested, a provision is recognized (except where they relate to corporate income taxes, in which case a tax liability is recognized).

Provisions for customer warranties (long term)

These represent an estimate of works to be carried out under warranties that exceed the length of the operating cycle (1 to 2 years), such as the 10-year warranty provided on some constructions.

Site remediation costs (long term)

Detailed estimates are prepared of the remediation costs that will be incurred when quarries are exhausted or their operating licenses expire; these include labor and materials costs, and a share of overheads. Only costs that will be incurred more than twelve months after the end of the reporting period are included in this line item.

2.12. Current liabilities

2.12.1 Current provisions

These are provisions related to the Colas group's normal operating cycle, and mainly comprise:

Provisions for customer warranties (valid for up to two years)

Provisions for completion of snagging lists under contractual warranties are assessed individually for each project.

Provisions for site clean-up

These comprise costs to be incurred on post-contract clean-up, including the removal of plant and equipment. Such costs are assessed individually for each project, taking account of the size of the project and the distance of the site from permanent Colas facilities.

Provisions for expected losses to completion

These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

Site rehabilitation costs

These provisions cover the cost of rehabilitating sites (mainly quarries) after operations cease, where the work is to be carried out within the twelve months following the end of the reporting period.

As required by IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", information about the most significant provisions is disclosed to the extent that such disclosure is not prejudicial to the Group's interests.

2.12.2 Trade payables

Because of the short-term nature of these liabilities, they are carried at face value in the consolidated financial statements, which is considered a reasonable estimate of their market value.

2.12.3 Customer contract liabilities

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 11.2).

2.13. Income statement

As allowed under IAS 1, the Group presents an income statement that classifies expenses by nature. In presenting its income statement, the Group has applied ANC Recommendations 2013-03 of November 7, 2013, and 2012-01 and 2012-02 of December 21, 2012.

2.13.1 Revenue recognition

The Group recognizes revenue when:

- a customer contract, and the performance obligations within that contract, have been identified;
- a transaction price has been determined, and allocated between the performance obligations;
- the distinct performance obligations under the contract have been satisfied;
- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured; and
- at the transaction date, it is probable that the amount of the sale will be recovered.

Customer contracts are analyzed to determine what performance obligations they contain; most of the Group's contracts contain a single performance obligation.

Sales of goods (bitumen and aggregates)

Revenue is recognized when control of the goods is transferred, i.e. on delivery.

Sales of services (railway infrastructure maintenance, rail networks, water & energy transport)

Revenue is recognized as and when the service is provided.

Construction contracts (road or railway infrastructure construction)

Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are highly probable.

Such revenue is recognized at the end of each period using the percentage of completion method, with the rate of completion determined on the basis of the cost of works completed.

As soon as a loss on a contract is known and can be reliably measured, it is covered by a provision for expected losses to completion within "Current provisions" in the balance sheet. The loss is provided for in full, irrespective of the completion rate.

2.13.2 Other operating income/(expenses), net

These line items contain a very limited number of income and expense items, which are unusual and occur infrequently but are of particularly large amounts. The Group reports these items separately in its income statement to give users of the financial statements a better understanding of ongoing operational performance.

For a description of these items, refer to Note 13.2.

2.13.3 Share-based payment

None.

2.13.4 Cost of net debt

"Cost of net debt" includes expenses and income related to cash and cash equivalents, and borrowing costs.

2.14. Consolidated cash flow statement

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendation 2013-03 of November 7, 2013 (using the indirect method). The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.

Consolidated net profit is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

With effect from the 2024 full-year accounting close, the Group has made two presentational changes to the cash flow statement, with no impact on cash flows (or the component sub-totals) for 2023.

The first change is the deletion of the line item "Other effects of changes in scope of consolidation: cash of acquired and divested companies", with the relevant amounts now allocated to the following line items: "Purchase price of investments in consolidated activities, net of cash held by acquired entities" and "Proceeds from disposals of investments in consolidated activities, net of cash held by divested entities".

The second change relates to the line item "Change in current and non-current debt", which is now separated out into "Increase in current and non-current debt" and "Decrease in current and non-current debt". The 2023 full-year totals for "Net cash generated by/(used in) investing activities" and "Net cash generated by/(used in) financing activities" are unchanged, so the 2023 cash flow statement as published has not been changed.

Applying those changes to the 2023 consolidated cash flow statement would have resulted in:

- an amount of €38 million on the line "Purchase price of investments in consolidated activities, net of cash held by acquired entities";
- an amount of €52 million on the line "Proceeds from disposals of investments in consolidated activities, net of cash held by divested entities"; and
- a split of the €30 million of net cash inflow from financing activities for 2023 between an increase of €3,221 million and a decrease of €3,190 million.

2.15. Other financial indicators

"Current operating profit from activities", "EBITDA after Leases", "Net surplus cash/(net debt)" and "Free cash flow" are non-IFRS financial measures that provide additional information of relevance to shareholders in understanding the Group's performance and financial position. Those indicators are presented in Note 17 to the consolidated financial statements.

2.15.1 Current operating profit from activities

"Current operating profit from activities" (COPA) represents current operating profit before amortization and impairment of intangible assets recognized in business combinations.

"Other income from operations" and "Other expenses from operations", which are a component of current operating profit, mainly comprise:

- reversals of unutilized provisions and impairment;
- net foreign exchange differences on commercial transactions;
- gains and losses on disposals of non-current assets;
- profits and losses from joint operations, representing the Group's share of profits or losses from non-consolidated companies such as *Sociétés en Participation* (SEPs), for example those that operate asphalt and binder production facilities;
- royalties from the licensing of patents;
- revenue from sales of raw material (bitumen) by Colas subsidiaries to asphalt and emulsion entities in the form of SEPs or economic interest groupings that subsequently sell the asphalt and emulsion back to Colas subsidiaries (with the expense recognized in "Purchases used in production").

2.15.2 EBITDA after Leases

"EBITDA after Leases" is defined as current operating profit after taking account of interest expense on lease obligations, before (i) net depreciation, amortization and impairment expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of losses of control (i.e. effects relating to the remeasurement of retained equity interests).

2.15.3 Net debt/net surplus cash

Net debt (or net surplus cash) is obtained by aggregating the following items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt, mainly comprising borrowings, plus any financial liabilities arising from securitized receivables for which the Group does not transfer the risks and rewards; and
- financial instruments (fair value hedges of debt).

Net debt/net surplus cash does not include non-current and current lease obligations.

A positive figure represents net surplus cash and a negative figure represents net debt.

2.15.4 Free cash flow

Free cash flow is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements related to operating activities.

2.15.5 Changes in working capital requirements related to operating activities

"Changes in working capital requirements related to operating activities" as presented in the cash flow statement is obtained by aggregating net changes in:

- inventories and work in progress;
- advances and down-payments made on orders;
- trade receivables;
- customer contract assets;
- trade payables;
- customer contract liabilities;
- current provisions; and
- other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables/liabilities related to property, plant and equipment and intangible assets.

NOTE 3. NON-CURRENT ASSETS

3.1. Acquisitions of non-current assets during the year, net of disposals

	2024	2023
Property, plant and equipment	313	374
Intangible assets and goodwill	8	13
Capital expenditure (a)	**321**	**387**
Non-current financial assets (interests in consolidated and non-consolidated companies, and other investments)	44	39
Acquisitions of non-current assets (b)	**365**	**426**
Proceeds from disposals of property, plant and equipment and intangible assets (c)	(81)	(332)
Proceeds from disposals of equity investments	(25)	(56)
Acquisitions of non-current assets, net of disposals	**259**	**38**

(a) Corresponds to the total of the "Purchase price of property, plant and equipment and intangible assets" line in the consolidated cash flow statement.

(b) Corresponds to the total of the "Purchase price of non-consolidated companies and other investments" and "Purchase price of consolidated activities" lines in the consolidated cash flow statement.

(c) Corresponds to the total of the "Proceeds from disposals of property, plant and equipment and intangible assets", "Proceeds from disposals of non-consolidated companies and other investments" and "Proceeds from disposals of consolidated activities" lines in the consolidated cash flow statement.

3.2. Non-current assets: movements during the period

3.2.1 Property, plant and equipment

	Land and buildings	Plant, equipment and tooling	PP&E under construction and advance payments	Total
Gross value				
12/31/2022	**1,789**	**5,765**	**267**	**7,821**
Translation adjustments	(11)	(47)	(1)	(59)
Transfers between accounts	34	276	(233)	77
Changes in scope of consolidation	18	5		23
Acquisitions during the period	32	215	127	374
Disposals and other reductions	(119)	(320)	(3)	(442)
12/31/2023	**1,743**	**5,894**	**157**	**7,794**
Translation adjustments	10	38	4	52
Transfers between accounts	22	143	(145)	20
Changes in scope of consolidation	2	(2)		
Acquisitions during the period	29	144	140	313
Disposals and other reductions	(20)	(316)	(1)	(337)
12/31/2024	**1,786**	**5,901**	**155**	**7,842**
Depreciation and impairment				
12/31/2022	**(805)**	**(4,657)**		**(5,462)**
Translation adjustments	3	35		38
Transfers between accounts	(1)	(62)		(63)
Changes in scope of consolidation		7		7
Charges and reversals	(57)	(282)		(339)
Disposals and other reductions	57	279		336
12/31/2023	**(803)**	**(4,680)**		**(5,483)**
Translation adjustments	(5)	(31)		(36)
Transfers between accounts	2	(6)		(4)
Changes in scope of consolidation		13		13
Charges and reversals	(53)	(258)		(311)
Disposals and other reductions	13	298		311
12/31/2024	**(846)**	**(4,664)**		**(5,510)**
Carrying amount				
12/31/2022	**984**	**1,108**	**267**	**2,359**
Of which mineral deposits (quarries)	321			321
12/31/2023	**940**	**1,214**	**157**	**2,311**
Of which mineral deposits (quarries)	326			326
12/31/2024	**940**	**1,237**	**155**	**2,332**
Of which mineral deposits (quarries)	327			327

3.2.2 Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
12/31/2022	**474**	**367**	**307**	**1,148**
Translation adjustments	(3)	(2)	(2)	(7)
Changes in scope of consolidation	9	(62)	(2)	(55)
New leases, lease modifications, and other lease-related movements	59	121	58	238
12/31/2023	**539**	**424**	**361**	**1,324**
Translation adjustments	3	(4)	10	9
Changes in scope of consolidation	(9)	(23)	15	(17)
New leases, lease modifications, and other lease-related movements	19	112	77	208
12/31/2024	**552**	**509**	**463**	**1,524**
Amortization and impairment				
12/31/2022	**(246)**	**(143)**	**(127)**	**(516)**
Translation adjustments	1	1	1	3
Changes in scope of consolidation	5	57	4	66
Charges and reversals	(56)	(66)	(51)	(173)
New leases, lease modifications, and other lease-related movements	25	15	12	52
12/31/2023	**(271)**	**(136)**	**(161)**	**(568)**
Translation adjustments	(1)	1	(5)	(5)
Changes in scope of consolidation	4	8	(1)	11
Charges and reversals	(58)	(88)	(61)	(207)
New leases, lease modifications, and other lease-related movements	29	13	11	53
12/31/2024	**(297)**	**(202)**	**(217)**	**(716)**
Carrying amount				
12/31/2022	**228**	**224**	**180**	**632**
12/31/2023	**268**	**288**	**200**	**756**
12/31/2024	**255**	**307**	**246**	**808**

3.2.3 Intangible assets

	Concessions, patents and other rights	Other	Total
Gross value			
12/31/2022	**250**	**209**	**459**
Translation adjustments	(1)	(3)	(4)
Transfers between accounts	9	(15)	(6)
Changes in scope of consolidation	6	1	7
Acquisitions during the period	3	10	13
Disposals and other reductions	(1)	(7)	(8)
12/31/2023	**266**	**195**	**461**
Transfers between accounts	6	(7)	(1)
Changes in scope of consolidation	(1)	(2)	(3)
Acquisitions during the period	3	5	8
Disposals and other reductions	(5)	(9)	(14)
12/31/2024	**269**	**182**	**451**
Amortization and impairment			
12/31/2022	**(140)**	**(100)**	**(240)**
Translation adjustments	1	1	2
Transfers between accounts	(2)	7	5
Charges and reversals	(10)	(11)	(21)
Disposals and other reductions	1	6	7
12/31/2023	**(150)**	**(97)**	**(247)**
Translation adjustments	(1)		(1)
Changes in scope of consolidation	1	1	2
Charges and reversals	(12)	(9)	(21)
Disposals and other reductions	4	9	13
12/31/2024	**(158)**	**(96)**	**(254)**
Carrying amount			
12/31/2022	**110**	**109**	**219**
12/31/2023	**116**	**98**	**214**
12/31/2024	**111**	**86**	**197**

(1) "Concessions, patent and other rights" mainly comprise quarry operating rights and, to a lesser extent, patents and software.

In accordance with IFRS, research costs are expensed as incurred.

Development costs (including software development costs) are in most cases also expensed as incurred, either because they do not meet the capitalization criteria under IAS 38 or because they represent permanent recurring expenditure.

3.2.4 Goodwill

	Gross value	Impairment	Carrying amount
12/31/2022	**989**	**(49)**	**940**
Impairment losses charged during the period		(3)	(3)
Other movements (including translation adjustments)	(2)	(3)	(5)
Disposals and other reductions	(10)		(10)
12/31/2023	**977**	**(55)**	**922**
Changes in scope of consolidation	2	14	16
Other movements (including translation adjustments)	1	-	1
12/31/2024	**980**	**(41)**	**939**

Impairment testing of indefinite-lived intangible assets and goodwill

When there is an indication that an asset may have become impaired, it is tested for impairment using the method described in Note 2.7. Such tests are performed at least once a year, after management has updated the budgets and three-year plans. An impairment loss is recognized within operating profit if the carrying amount of an asset or CGU exceeds its recoverable amount.

The cash flows used for impairment testing reflect any financial impacts arising from the commitments made by the Group in its roadmap for addressing climate risks.

An analysis as of December 31, 2024 of indefinite-lived intangible assets and goodwill by CGU, and of the main assumptions used in impairment testing, is provided below:

Cash Generating Unit	Goodwill	Indefinite-lived intangible assets	Growth rate	Discount rate	
				Scenario 1(1)	Scenario 2(1)
Roads France / OD-IO / Corporate	168	20	2.00%	6.83%	6.41%
Roads EMEA	250	21	2.00%	6.83%	6.41%
Roads United States	52		2.00%	6.83%	6.41%
Roads Canada	159	17	2.00%	6.83%	6.41%
Roads Asia-Pacific	23		2.00%	6.83%	6.41%
Railways	286		2.00%	6.83%	6.41%
Water & Energy Networks	1		2.00%	6.83%	6.41%
Total	**939**	**58**			

(1) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

For all the CGUs tested, the recoverable amounts determined under each capital structure scenario remain above the carrying amounts of the assets tested. Consequently, Colas did not consider recording impairment losses against the carrying amounts of the CGUs.

Sensitivity analyses were performed for each CGU to determine the sensitivity of the calculation to key parameters, either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

Changes in assumptions applied for sensitivity analysis purposes:
Discount rate: +100 basis points
Growth rate: -200 basis points
Normative cash flows: -20%
For all sensitivities, recoverable amounts would exceed carrying amount for all assets tested.

The recoverable amount of the CGUs would equal the carrying amount of the assets tested in each of the scenarios (1 & 2) taken individually if the following data were applied:

Cash Generating Unit	**Discount rate**	**Change in normative cash flows**		**Perpetual growth rate**	
	Scenario 1/ Scenario 2 (1)	**Scenario 1 (1)**	**Scenario 2 (1)**	**Scenario 1 (1)**	**Scenario 2 (1)**
Roads France / OD-IO / Corporate	N/M	(124%)	(122%)	N/M	N/M
Roads EMEA	17%	(77%)	(79%)	(11%)	(12%)
Roads United States	13%	(61%)	(65%)	(5%)	(5%)
Roads Canada	13%	(61%)	(65%)	(5%)	(5%)
Roads Asia-Pacific	13%	(64%)	(67%)	(5%)	(6%)
Railways	N/M	(102%)	(101%)	(152%)	(150%)
Water and energy transport	N/M	(102%)	(102%)	N/M	N/M

(1) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2); N/M= not meaningful.

3.2.5 Investments in joint ventures and associates

	Share of net assets held	Goodwill and fair value remeasurements	**Total gross value**	Impairment	**Carrying amount**
12/31/2022	**338**	**101**	**439**	**(42)**	**397**
Share of net profits/(losses) for the period	61		**61**	(2)	**59**
Translation adjustments	(7)	(1)	**(8)**		**(8)**
Changes in scope of consolidation	(1)	2	**1**		**1**
Acquisitions and other increases	3		**3**		**3**
Dividends distributed	(51)		**(51)**		**(51)**
Transfers and other movements	(6)		**(6)**		**(6)**
12/31/2023	**337**	**102**	**439**	**(44)**	**395**
Share of net profits/(losses) for the period	35		**35**	(4)	**31**
Translation adjustments	11		**11**		**11**
Changes in scope of consolidation	3	(13)	**(10)**		**(10)**
Acquisitions and other increases	1		**1**		**1**
Dividends distributed	(45)		**(45)**		**(45)**
12/31/2024	**342**	**89**	**431**	**(48)**	**383**

The share of net profits for the period was derived mainly from Tipco Asphalt (€12 million), subsidiaries of Colas Canada (€21 million); Hincol (€5 million); and Someca (€4 million).

Dividends distributed derived mainly from Tipco Asphalt (€13 million); subsidiaries of Colas Canada (€9 million); Mak Mecsek (€4 million); Someca (€5 million); Gamma Materials (€5 million); and Hincol (€3 million).

Principal associates and joint ventures

	Share of net assets held		Share of net profit/(loss) for period	
	12/31/2024	12/31/2023	**12/31/2024**	12/31/2023
Associates				
Tipco Asphalt (1)	**139**	134	**12**	19
Mak Mecsek (2)	**29**	32	**1**	2
Miscellaneous associates	**6**	10	**2**	7
Joint ventures				
The Miller Group & Sintra (Canada)	**46**	35	**21**	14
Hincol	**21**	19	**5**	5
Al-Futtaim Colas LLC	**20**	17	**3**	2
Colas Contracting Pty Ltd	**13**	12	**1**	2
Someca SAS	**11**	11	**4**	5
Miscellaneous joint ventures (3)	**57**	67	**(18)**	3
Total	**342**	**337**	**31**	**59**

(1) Tipco Asphalt, based in Bangkok (Thailand), distributes and sells bituminous products in south-east Asia; it is listed on the Stock Exchange of Thailand, and had a carrying amount of €139 million in the Colas financial statements as of December 31, 2024.

(2) Mak Mecsek holds a 30-year PPP concession to build and operate a new 80-km section of the M6 (50 km) and M60 (30 km) motorways in south-west Hungary.

(3) Most of these joint ventures are industrial entities (quarries, emulsion plants) operated jointly with partners from outside the Group, none of which is individually material.

3.2.6 Investments in non-consolidated companies and other non-current financial assets

	Investments in non-consolidated companies	Other financial assets	**Total gross value**	Impairment	**Carrying amount**
12/31/2022	**26**	**91**	**117**	**(3)**	**114**
Translation adjustments					
Changes in scope of consolidation					
Acquisitions and other increases	1	23	**24**		**24**
Charges, reversals and changes in fair value				(2)	**(2)**
Disposals and other reductions	(1)	(21)	**(22)**		**(22)**
Transfers and other movements		(2)	**(2)**		**(2)**
12/31/2023	**26**	**91**	**117**	**(5)**	**112**
Translation adjustments		1	**1**		**1**
Changes in scope of consolidation	(3)		**(3)**		**(3)**
Acquisitions and other increases	15	13	**28**		**28**
Charges, reversals and changes in fair value	(9)		**(9)**	(2)	**(11)**
Disposals and other reductions	(1)	(14)	**(15)**		**(15)**
Transfers and other movements	1		**1**		**1**
12/31/2024	**29**	**91**	**120**	**(7)**	**113**
Impairment		(7)	**(7)**		
12/31/2024 - Carrying amount	**29**	**84**	**113**		

As of December 31, 2024, these comprised:

- investments in non-consolidated companies: €29 million;
- other financial assets (loans, receivables, etc) with a carrying amount of €84 million.

3.2.6.1 Analysis of principal investments in non-consolidated companies

	12/31/2024 Carrying amount	**12/31/2023 Carrying amount**
Asphalt, binder and quarry companies	15	15
Companies not controlled by the Group	6	5
Dormant companies and companies in process of liquidation	5	3
Other	3	3
Total	**29**	**26**

3.2.6.2 Analysis of other financial assets

	Gross value	Impairment	12/31/2024 Carrying amount	12/31/2023 Carrying amount
Loans receivable [(1)]	32	(7)	25	25
City of Portsmouth (UK) [(2)]	30		30	32
Other financial receivables	29		29	29
Total	**91**	**(7)**	**84**	**86**

(1) "Loans receivable" mainly comprises interest-free 20-year loans granted in connection with the French legal obligation for employers to invest in construction, which are recognized at net present value as of the inception date of the loan.

(2) Amount receivable from the City of Portsmouth (UK) in consideration of services provided under the 25-year public-private partnership deal signed in 2004 to upgrade and maintain the urban road network, expiring in 2029. This receivable is measured using the financial asset model in accordance with IFRIC 12.

3.2.6.3 Investments in non-consolidated companies and other non-current financial assets

Analysis of non-current financial assets by accounting category:

	Financial assets at fair value through profit or loss	Loans and receivables at amortized cost	Total
12/31/2023	**26**	**86**	**112**
Movements during 2024	3	(2)	1
12/31/2024	**29**	**84**	**113**

NOTE 4. CURRENT ASSETS

4.1. Inventories, current receivables and prepaid expenses

	12/31/2024			12/31/2023		
	Gross value	Impairment	**Carrying amount**	Gross value	Impairment	**Carrying amount**
Inventories (1)	**882**	**(69)**	**813**	**857**	**(69)**	**788**
Advances and down-payments made on orders	**51**		**51**	**54**		**54**
Trade receivables (2)	**2,597**	**(127)**	**2,470**	**2,778**	**(132)**	**2,646**
Customer contract assets	**832**		**832**	**916**		**916**
Current tax assets	**46**		**46**	**47**		**47**
Amounts due from employees, social security & government	335		335	316		316
Amounts due from related companies (joint ventures, associates, and investments in non-consolidated companies) and sundry receivables	224	(18)	206	368	(24)	344
Pension plan assets	23		23	22		22
Prepaid expenses	100		100	89		89
Other receivables	**682**	**(18)**	**664**	**795**	**(24)**	**771**

(1) Inventories consist of stocks of bitumen, aggregates, raw materials and other supplies.
(2) An analysis of the ageing of trade receivables is provided below:

	Balance	Balance past due by:			
	Not past due	Less than 6 months	6 months to 1 year	More than 1 year	**Total**
Trade receivables (gross)	1,314	1,002	65	216	**2,597**
Impairment	(6)	(9)	(4)	(108)	**(127)**
Trade receivables at 12/31/2024 (net)	**1,308**	**993**	**61**	**108**	**2,470**
Comparative at 12/31/2023 (net)	1,410	1,036	83	117	**2,646**

An analysis of trade receivables more than twelve months past due and not covered by impairment allowances revealed no additional credit risk.

4.2. Customer contract assets

		Movements during 2024				Maturity	
	12/31/2023	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	**12/31/2024**	< 1 year	> 1 year
Differences arising from percentage of completion on contracts (unbilled receivables on construction contracts)	916	3	(23)	(64)	832	832	916
Total customer contract assets	**916**	**3**	**(23)**	**(64)**	**832**	**832**	**916**

4.3. Cash and cash equivalents

	12/31/2024			12/31/2023		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	1,434		1,434	987		987
Cash equivalents	70		70	63		63
Total	**1,504**		**1,504**	**1,050**		**1,050**

Cash and cash equivalents meet the criteria set out in IAS 7 in that they are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The funds involved are primarily invested in:

- instant-access bank deposit accounts;
- negotiable debt securities and term deposits with a maturity of less than three months at inception, or with an early withdrawal option within three months offered by the bank; and
- UCITS that fall within the "money-market" or s"hort-term money-market" classifications of the *Autorité des Marchés Financiers*.

Surplus cash is invested with high-quality French and foreign banks. Cash and cash equivalents are measured at fair value, and cash equivalents are readily convertible into cash.

The table below shows an analysis of cash and cash equivalents by currency as of December 31:

	Euro	USD (1)	CAD (1)	GBP (1)	AUD (1)	Other (1) (2)	Total
Cash	932	27	109	57	11	298	1,434
Cash equivalents				23		47	70
Total	**932**	**27**	**109**	**80**	**11**	**345**	**1,504**
Comparative at 12/31/2023 (net)	691	23	49	56	14	217	1,050

(1) Equivalent value in euros.

(2) Other currencies as of December 31, 2024 mainly comprise the Philippine peso, Egyptian pound, Polish zloty and Moroccan dirham, for a combined amount of €247 million.

4.4. Depreciation, amortization, impairment and provisions in the balance sheet

	12/31/2023	Translation adjustments	Changes in scope of consolidation	Charges and reversals through current operating profit			Other impairment losses & other provisions [(2)]	Reversals on disposal & other movements [(3)]	12/31/2024
				Depreciation, amortization & impairment [(1)]	Other impairment losses & provisions, net	Reversals (provisions not used)			
Property, plant and equipment and intangible assets	(5,730)	(37)	15	(332)				320	(5,764)
Right of use of leased assets	(568)	(5)	11	(207)				53	(716)
Goodwill	(55)		14						(41)
Other non-current financial assets	(49)				(6)				(55)
Sub-total: non-current assets	**(6,402)**	**(42)**	**40**	**(539)**	**(6)**			**373**	**(6,576)**
Inventories	(69)				(4)	4			(69)
Trade receivables	(132)	(1)	1		(4)	9			(127)
Other current receivables and prepaid expenses	(24)				(2)		9	(1)	(18)
Sub-total: current assets	**(225)**	**(1)**	**1**		**(10)**	**13**	**9**	**(1)**	**(214)**
Total assets	**(6,627)**	**(43)**	**41**	**(539)**	**(16)**	**13**	**9**	**372**	**(6,790)**
Non-current provisions	(692)	1			(45)	33	(5)	(5)	(713)
Current provisions	(489)				(77)	87	3	(11)	(487)
Total liabilities	**(1,181)**	**1**			**(122)**	**120**	**(2)**	**(16)**	**(1,200)**
Grand total	**(7,808)**	**(42)**	**41**	**(539)**	**(138)**	**133**	**7**	**356**	**(7,990)**

(1) Charged against property plant and equipment, intangible assets, and right of use of leased assets.

(2) Recognized in “Other operating income and expenses” or “Other financial income and expenses”.

(3) Mainly comprises reductions in accumulated depreciation following disposals or retirements of plant and equipment.

NOTE 5. CONSOLIDATED SHAREHOLDERS' EQUITY

5.1. Composition of the share capital

The share capital of Colas as of December 31, 2024 was €48,961,890.

It consists of 32,641,260 shares with a par value of €1.50, all ranking equally (although registered shares held by the same shareholder for more than two years carry double voting rights).

The share capital of Colas is 100% owned, directly or indirectly, by Bouygues SA.

5.2. Translation reserve

The table below shows the principal translation reserves as of December 31, 2024, as determined for financial statements of foreign subsidiaries and associates expressed in currencies other than the euro:

	12/31/2023	Movements during 2024	12/31/2024
United States	59	39	98
Canada	7	(15)	(8)
United Kingdom	(15)	7	(8)
Slovakia	12	(0)	12
Czech Republic	9	(1)	8
Australia	(10)	(3)	(13)
Other countries	(23)	10	(13)
Total translation reserve	**39**	**37**	**76**

NOTE 6. NON-CURRENT AND CURRENT PROVISIONS

6.1. Non-current provisions

As of December 31, 2024, non-current provisions amounted to €713 million.

	Employee benefits [a]	Litigation and claims [b]	Warranties [c]	Site remediation	Other non-current provisions [d]	Total
12/31/2022	**227**	**142**	**71**	**179**	**59**	**678**
Translation adjustments	-	-	1	(1)	-	-
Changes in scope of consolidation	-	(1)	-	(1)	-	(2)
Charges to provisions	21	29	16	24	16	106
Reversals of utilized provisions	(15)	(13)	(8)	(17)	(6)	(59)
Reversals of unutilized provisions	(3)	(16)	(5)	(4)	(5)	(33)
Actuarial gains and losses	12	-	-	-	-	12
Transfers and other movements	(6)	1	1	-	(6)	(10)
12/31/2023	**236**	**142**	**76**	**180**	**58**	**692**
Translation adjustments	-	-	(1)	-	-	(1)
Charges to provisions	34	21	18	13	26	112
Reversals of utilized provisions	(21)	(16)	(10)	(7)	(8)	(62)
Reversals of unutilized provisions	(2)	(17)	(6)	(4)	(4)	(33)
Actuarial gains and losses	13	-	-	-	-	13
Transfers and other movements	(2)	-	(2)	(1)	(4)	(9)
12/31/2024	**258**	**130**	**75**	**181**	**68**	**713**

Analysis of principal provisions:

(a) Employee benefits	**258**
Lump-sum retirement benefits	175
Long service awards	67
Pensions	16
(b) Litigation and claims	**130**
Disputes with customers	27
Disputes with social security bodies	53
Disputes with employees	21
Disputes with subcontractors	7
Disputes with tax authorities	7
Disputes with other official bodies	1
Other disputes	14

(c) Warranties	**75**
10-year construction warranties	44
Provisions for additional building/civil engineering/civil works guarantees	27
Provisions for performance bonds	4

(d) Other non-current provisions	**68**
Provisions for risks related to non-controlled entities	18
Provisions for miscellaneous foreign risks	2
Provisions for country risks	1
Other non-current provisions	47

The assumptions used to determine provisions for employee benefits have been updated (see Note 20.3.3.).

The impact of the changes in actuarial assumptions was recorded in recognized income and expense (for lump-sum retirement benefits and pensions), and in profit or loss under "Personnel costs" (for long service awards).

6.2. Current provisions

As of December 31, 2024, non-current provisions amounted to €487 million.

Provisions relating to operations	Provisions for customer warranties	Project risks and project completion [a]	Provisions for expected losses to completion [a]	Site remediation	Other current provisions [b]	Total
12/31/2022	**43**	**76**	**188**	**22**	**82**	**411**
Translation adjustments	-	-	-	-	(1)	(1)
Charges to provisions	27	69	165	2	63	326
Reversals of utilized provisions	(5)	(17)	(116)	(7)	(40)	(185)
Reversals of unutilized provisions	(8)	(24)	(31)	(1)	(3)	(67)
Transfers and other movements	(2)	5	-	3	(1)	5
12/31/2023	**55**	**109**	**206**	**19**	**100**	**489**
Translation adjustments	-	-	(1)	-	1	-
Charges to provisions	24	45	224	4	36	334
Reversals of utilized provisions	(6)	(26)	(194)	(2)	(32)	(260)
Reversals of unutilized provisions	(18)	(19)	(44)	(2)	(5)	(87)
Transfers and other movements	1	-	4	1	5	11
12/31/2024	**56**	**109**	**196**	**20**	**106**	**487**

(a) Individual project provisions are not disclosed for confidentiality reasons.

(b) Other current provisions:	**106**
Provision for excess in accident claims	43
Provisions for redundancy costs	9
Provisions for restructuring	2
Other current provisions	53

NOTE 7. DEFERRED TAX ASSETS AND LIABILITIES

7.1. Movement in deferred taxes

	Deferred tax assets	Deferred tax liabilities	Net deferred tax position
12/31/2022	**141**	**(144)**	**(3)**
Translation adjustments	(1)	2	1
Changes in scope of consolidation		(2)	(2)
Movements recognized in profit or loss	22	2	24
Other movements	(5)	15	10
12/31/2023	**157**	**(127)**	**30**
Translation adjustments	(1)	(1)	(2)
Changes in scope of consolidation	(1)	(2)	(3)
Movements recognized in profit or loss	(1)	11	10
Other movements (1)	3	1	4
12/31/2024	**157**	**(118)**	**39**

(1) "Other movements" include deferred taxes recognized in equity, within the consolidated statement of recognized income and expense, with a net positive impact of €4 million (mainly from actuarial gains/losses on employee benefits).

Deferred tax assets not recognized because recovery is judged not to be probable amounted to €307 million as of December 31, 2024 (€268 million as of December 31, 2023).

The period to recovery of deferred tax assets is in most cases more than two years.

Deferred tax liabilities arise mainly from temporary differences between tax and accounting treatments, including fair value remeasurements and differences in depreciation methods.

7.2. Principal sources of deferred taxation

	12/31/2024	12/31/2023
Provision for employee benefits (mainly lump-sum retirement benefits and pensions)	40	36
Tax losses	35	41
Non-current assets (including restricted provisions and fair value remeasurements)	(98)	(94)
Other temporary differences	62	48
Net deferred tax asset/(liability)	**39**	**30**

Deferred tax liabilities on non-current assets include €-7 million relating to restricted provisions of French subsidiaries included in the group tax election (2023: €-7 million).

NOTE 8. NON-CURRENT AND CURRENT DEBT

8.1. Interest-bearing debt by maturity

12/31/2024	Maturing in less than 1 year	Maturing after more than 1 year					
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total maturing after >1 year 12/31/2024
Bank borrowings	82	57	17	18	7	43	142
Other borrowings	3	2	2	2	2	5	13
Sub-total	**85**	**59**	**19**	**20**	**9**	**48**	**155**
Overdrafts and short-term bank borrowings (1)	312						
Total	**397**	**59**	**19**	**20**	**9**	**48**	**155**

(1) Of which current account with Bouygues group cash pool: €13m.

12/31/2023	Maturing in less than 1 year	Maturing after more than 1 year					
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total maturing after >1 year 12/31/2023
Bank borrowings	49	82	18	15	17	44	176
Other borrowings	8	2	2	2	2	7	15
Sub-total	**57**	**84**	**20**	**17**	**19**	**51**	**191**
Overdrafts and short-term bank borrowings (1)	183						
Total	**240**	**84**	**20**	**17**	**19**	**51**	**191**

(1) Of which current account with Bouygues group cash pool: €13m.

The table below shows the maturity of lease obligations (principal and interest) based on undiscounted contractual cash flows and interest rate as of December 31, 2024:

	Current and non-current debt								
	Carrying amount	**Total contractual cash flows**	**< 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**5 to 6 years**	**6 years and over**
Bond issues									
Principal									
Future interest									
Bank borrowings	**224**	**247**	**89**	**62**	**20**	**20**	**8**	**6**	**42**
Principal	224	224	82	57	17	18	7	5	38
Future interest		23	7	5	3	2	1	1	4
Other borrowings	**16**	**17**	**4**	**2**	**2**	**2**	**2**	**2**	**3**
Principal	16	16	3	2	2	2	2	2	3
Future interest		1	1						
Total 12/31/2024	**240**	**264**	**93**	**64**	**22**	**22**	**10**	**8**	**45**
Total 12/31/2023	*248*	*271*	*66*	*87*	*23*	*19*	*20*	*9*	*47*

8.2. Confirmed credit facilities and drawdowns

As of December 31, 2023, confirmed facilities were €2,564 million, of which €248 million was drawn down. As of December 31, 2024, confirmed credit facilities and drawdowns were as follows:

	Confirmed facilities – Maturity				Drawdowns – Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	**Total**	Less than 1 year	1 to 5 years	More than 5 years	**Total**
Credit facilities	85	2,390	49	**2,524**	85	106	49	**240**

Undrawn confirmed credit facilities amounted to €2,284 million as of December 31, 2024.

8.3. Liquidity at December 31, 2024

As of December 31, 2024, net cash and cash equivalents (plus financial instruments used to hedge debt) stood at €965 million. The Group also had €2,284 million of undrawn confirmed medium-term credit facilities (maturing after more than one year) as of that date, versus €2,230 million as of December 31, 2023.

The confirmed bank credit facilities contracted by companies under the control of Colas are not subject to any material contractual clauses liable to make them due on demand or before maturity.

8.4. Split of current and non-current debt by interest rate type

Fixed rate debt represented 44% of total current and non-current debt (including the effect of all open interest rate hedges at the end of the reporting period, and excluding overdrafts and short-term bank loans), compared with 52% at the end of 2023.

The table below gives a maturity analysis of floating rate debt not hedged by interest rate swaps:

	Maturity						Total
	Less than 1 year (1)	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	
	2025	**2026**	**2027**	**2028**	**2029**	**2030 and later**	
Floating rate debt	**85**	**39**	**4**	**3**	**2**	**-**	**133**

(1) Fixed rate debt maturing within less than one year is treated as though it were floating rate.

8.5. Interest rate risk

The split of financial assets and financial liabilities by type of interest as of December 31, 2024 is shown below:

	Floating rate	Fixed rate	Total
Cash and cash equivalents	1,504	-	1,504
Borrowings (1) (2)	(203)	(24)	(227)
Bank overdrafts and short-term bank loans	(312)	-	(312)
Net pre-hedging position	**989**	**(24)**	**965**
Interest rate hedges (2)	82	(82)	
Net post-hedging position	**1,071**	**(106)**	**965**
Adjustment for seasonal nature of operations (3)	(1,175)	-	(1,175)
Adjustment for seasonal nature of interest rate hedges (4)	64	(64)	-
Net post-hedging position after adjustment	**(40)**	**(170)**	**(210)**

(1) Includes the fair value of interest rate swaps recognized in the balance sheet within "Financial instruments – Hedging of debt" (net amount: €13 million).

(2) The portion maturing within less than one year of fixed rate debt, and of floating rate debt hedged by swaps, is treated as though it were floating rate.

(3) Operations, and cash flows from operations, are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash or debt position over the full year, which is used as the basis for analyzing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between average net debt over the full year (calculated on the basis of average monthly debt positions) and the net position in the balance sheet at December 31.

(4) Colas has adopted a treatment of cyclical interest rate hedges (the notional amount of which varies through the year) that is aligned on debt forecasts. This adjustment enables the average notional amount of these hedges to be taken into account.

An immediate 1% rise in short-term interest rates on the net post-hedging position as presented above would not materially increase the cost of net debt.

8.6. Split of current and non-current debt by currency

	Euro	USD (1)	CAD (1)	GBP (1)	AUD (1)	Other (1)	Total
Debt at December 31, 2024							
Non-current	12	54		37	36	16	**155**
Current	120	3	69	20	36	149	**397**
Debt at December 31, 2023							
Non-current	18	54	0	46	25	48	**191**
Current	40	3	52	27	38	80	**240**

(1) Equivalent value in euros.

8.7. Receivables assignment programs

The Group has implemented a number of receivables assignment programs. Based on an analysis of the risks and rewards as defined in IFRS 9 (mainly where the risks of debtor insolvency, late payment and dilution are transferred in substance to a third party), the Group has derecognized some of the receivables assigned in those programs. The amount of assigned receivables derecognized was €3 million as of December 31, 2024, versus €4 million as of December 31, 2023. In the consolidated cash flow statement, those assignments are presented within “Changes in working capital requirements related to operating activities”.

NOTE 9. MAIN COMPONENTS OF CHANGE IN NET DEBT

9.1. Change in net debt

	12/31/2023	Translation adjustments	Changes in scope of consolidation	Cash flows		Fair value adjustments	Other movements	12/31/2024
Cash and cash equivalents	1,050	(11)	-	465		-	-	1,504
Overdrafts and short-term bank borrowings	(183)	20	(11)	(138)		-	-	(312)
Net cash position (A)	**867**	**9**	**(11)**	**327**	a	-	**-**	**1,192**
Non-current debt	191	2	-	3	b		(41)	155
Current debt	57	1	3	(17)	b		41	85
Financial instruments, net	(4)	-	-	(9)		-	-	(13)
Total debt (B)	**244**	**3**	**3**	**(23)**		-	**-**	**227**
Net debt (A) – (B)	**623**	**6**	**(14)**	**350**		**-**	**-**	**965**

a) 325 million increases in net cash analyzed in the consolidated cash flow statement.
b) Net cash used in financing activities of (14) million euros analyzed in the consolidated cash flow statement breaking down into an increase of 657 million euros and a decrease of 671 million euros.

9.2. Principal changes in net debt during 2024

	12/31/2024	12/31/2023
Net surplus cash/(net debt) at start of period	623	(292)
Net cash generated by/(used in) operating activities	1,139	1,507
Net cash generated by/(used in) investing activities	(257)	(91)
Interest expense on debt and lease obligations	(71)	(87)
Dividends paid	(271)	(242)
Adjustment for repayments of lease obligations	(201)	(167)
Other (exchange rate fluctuations, changes in scope of consolidation, etc)	3	(5)
Net debt at end of period	**965**	**623**

NOTE 10. NON-CURRENT AND CURRENT LEASE OBLIGATIONS

10.1. Maturity analysis of lease obligations

	Current lease obligations	Non-current lease obligations						
	Maturing in less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years and over	**Total maturing after >1 year**
12/31/2024	**214**	191	164	122	76	45	123	**721**
12/31/2023	**168**	171	145	112	78	50	147	**703**

The table below shows the maturity of lease obligations based on undiscounted contractual cash flows:

	Current and non-current lease obligations								
	Carrying amount	**Total undiscounted contractual cash flows**	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years and over
12/31/2024	**935**	**1,089**	251	223	188	140	88	53	146
12/31/2023	**871**	**1,012**	213	193	164	130	87	55	171

10.2. Movement in lease obligations

	12/31/2023	**Translation adjustments**	**Changes in scope of consolidation**	**Cash flows**	**New leases, lease modifications, and other lease-related movements**	**12/31/2024**
Non-current lease obligations	703	3	(19)		34	721
Current lease obligations	168	1	19	(201)	227	214
Total lease obligations	**871**	**4**		**(201)**	**261**	**935**

NOTE 11. CURRENT LIABILITIES

11.1. Current liabilities

	12/31/2024	12/31/2023
Current debt (1)	85	57
Current lease obligations	214	168
Current tax liabilities	114	131
Trade payables	2,289	2,394
Customer contract liabilities (2)	1,384	1,272
Current provisions (3)	487	489
Other current liabilities, accruals/deferred income and similar:	1,454	1,524
amounts due to employees, social security and government	*1,161*	*1,135*
other non-financial liabilities	*293*	*389*
Overdrafts and short-term bank borrowings	312	183
Financial instruments – Hedging of debt	2	2
Other current financial liabilities	5	15
Total	**6,346**	**6,235**

(1) See analysis in Note 8.
(2) See analysis in Note 11.2.
(3) See analysis in Note 6.2.

11.2. Customer contract liabilities

	12/31/2023	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	12/31/2024
Advances and down-payments received on orders	680	(10)	(45)	76	702
Differences relating to percentage of completion on contracts (1)	592	8	(4)	86	682
Total customer contract liabilities	**1,272**	**(2)**	**(49)**	**162**	**1,384**

(1) Primarily deferred income on construction contracts.

NOTE 12. SALES

12.1. Analysis by type of revenue

	2024 sales	2023 sales
Sales of goods	3,182	3,295
Sales of services	536	512
Construction contracts	12,189	12,208
Sales	**15,907**	**16,015**

There were no material exchanges of goods or services in 2024 or 2023, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

12.2. Order backlog

The order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensive conditions lifted).

The order backlog stood at €13,124 million as of December 31, 2024.

	12/31/2023	Translation adjustments	Changes in scope of consolidation	Other movements arising from operating activities	12/31/2024
Order backlog	**12,428**	**(67)**	**(326)**	**1,089**	**13,124**
maturing within less than 1 year	6,865				7,150
maturing within 1 to 5 years	4,789				5,342
maturing after more than 5 years	774				632

NOTE 13. OPERATING PROFIT

Current operating profit for 2024 includes rental expenses of approximately €838 million on leases exempt from IFRS 16. Most of that amount relates to short-term leases, or leases of assets with a low as-new value.

13.1. Other income and expenses from operations

“Other income from operations” and “Other expenses from operations”, which are a component of current operating profit, mainly comprise:

	2024	2023
Profits transferred from/losses transferred to joint operations	37	34
Proceeds from asset disposals	111	384
Reversals of unutilized provisions and impairment	133	118
Other operating income (1)	384	394
Other income from operations	**665**	**930**
Profits transferred to/losses transferred from joint operations	(22)	(18)
Carrying amount of divested assets	(38)	(160)
Other operating expenses	(136)	(168)
Other expenses on operations	**(196)**	**(346)**

(1) Mainly expenses recharged to partners in *sociétés en participation* and economic interest groupings.

13.2. Current operating profit and other operating income and expenses

	2024	2023
Current operating profit/(loss)	**544**	**534**
Other operating income	-	2
Other operating expenses	-	(12)
Operating profit	**544**	**524**

For 2023, the main items are the collective redundancy program implemented in La Réunion island, and the impact of the French pension reforms that raised the retirement age to 64.

NOTE 14. COST OF NET DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

14.1. Analysis of cost of net debt

	2024	2023
Interest income relating to the net cash position	28	16
Income from short-term investments	7	5
Financial income	**35**	**21**
Interest expense relating to the net cash position	(45)	(46)
Interest expense on debt	(20)	(33)
Financial expenses	**(65)**	**(79)**
Cost of net debt	**(30)**	**(58)**

14.2. Other financial income/(expenses), net

	2024	2023
Dividends received from non-consolidated companies	3	2
Reversals of financial provisions	11	4
Proceeds from disposals of financial assets	-	4
Other income	2	2
Other financial income	**16**	**12**
Charges to financial provisions	(7)	(12)
Carrying amount of divested financial assets	(1)	(1)
Other expenses	(20)	(9)
Other financial expenses	**(28)**	**(22)**
Other financial income/(expenses), net	**(12)**	**(10)**

NOTE 15. INCOME TAXES

15.1. Analysis of income tax expense

	2024	2023
Current taxes	(167)	(189)
Deferred taxes	11	24
Back tax, tax relief, and other taxes not related to profit or loss	(17)	1
Taxes on dividends	(5)	(5)
Income tax expense, net	**(178)**	**(169)**

15.2. Tax proof (reconciliation between theoretical tax rate and effective tax rate)

The table below shows reconciling items between (i) the theoretical income tax rate applicable to the parent company, Colas SA (25.83% in both 2024 and 2023) and (ii) the effective tax rate for the period:

	2024	2023
Net profit (100%)	**314**	**317**
Eliminations:		
Income tax	178	169
Share of net (profits)/losses of joint ventures and associates	(31)	(59)
Net pre-tax profit from continuing operations	**461**	**427**
Standard French tax rate for the year	25.8%	25.8%
Effect of permanent differences	1.4%	3.2%
Unrecognized deferred tax assets	9.7%	13.2%
Flat rate taxes, taxes on dividends and tax credits	4.6%	1.0%
Differential tax rates and foreign taxes	(2.9%)	(3.6%)
Effective tax rate	**38.6%**	**39.6%**

NOTE 16. BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Because Colas shares have been withdrawn from listing, a diluted earnings per share calculation is no longer required.

NOTE 17. SEGMENT INFORMATION AND OTHER FINANCIAL INDICATORS

17.1. Segment information

In accordance with paragraph 2(b) of IFRS 8, because Colas shares have been withdrawn from listing, segment information is no longer required.

17.2. Other indicators

	2024	2023
Current operating profit/(loss)	**544**	**534**
Interest expense on lease obligations	(41)	(29)
Adjusted current operating profit/(loss)	**503**	**505**
Elimination of net depreciation and amortization expense and net charges to provisions and impairment losses		
- Net depreciation and amortization expense on property, plant and equipment and intangible assets	332	360
- Net charges to provisions & impairment losses	134	213
Elimination of items included in other income from operations		
- Reversals of unutilized provisions and impairment & other items	(133)	(118)
EBITDA after Leases	**836**	**960**

	2024	2023
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (i)	793	691
Acquisitions of property, plant & equipment and intangible assets, net of disposals (ii)	(240)	(55)
Repayment of lease obligations (iii)	(201)	(167)
Free cash flow (iv) = (i) + (ii) + (iii)	**352**	**469**

NOTE 18. FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts as of December 31, 2024 for each category of hedging instrument used, split by final maturity (for interest rate hedges) and by currency (for currency hedges).

All open derivative positions were contracted for hedging purposes.

18.1. Hedges of interest rate risk

Interest rate swaps		Maturity		**Total**	Total
	Less than 1 year	1 to 5 years	More than 5 years	**12/31/2024**	12/31/2023
On financial assets	-	-	-	-	-
On financial liabilities	120	43	58	**220**	240

Interest rate options		Maturity		**Total**	Total
	Less than 1 year	1 to 5 years	More than 5 years	**12/31/2024**	12/31/2023
On financial assets	-	-	-	**-**	-
On financial liabilities	-	-	-	**-**	-

To ensure that the City of Portsmouth (UK) can pay a fixed monthly fee under the 25-year urban road network upgrade and maintenance contract, Colas has contracted an interest rate swap maturing in January 2028.

This swap (receive floating rate, pay fixed rate) has a nominal amount perfectly aligned on the drawdown and repayment profile of the non-recourse loan financing the contract, such that the fixed cost of the loan is matched with the monthly fee received. As of December 31, 2024, the swap had a notional amount of €28 million (£23 million).

Part of the interest rate hedging contracted by the Colas group is in the form of cyclical swaps (pay fixed rate), which are used to hedge the seasonal profile of the Group's debt. The average amount of the swaps over the life of the instruments is €96 million and they expire on July 31, 2025.

18.2. Hedges of foreign exchange risk

	USD[1]	GBP[1]	CAD[1]	HUF[1]	JPY[1]	Other[1]	**12/31/2024**	12/31/2023
Forward purchases	528	103	32	69	68	44	**844**	701
Forward sales	61	29	90	2	15	37	**234**	161

[1] Equivalent value in euros

18.3. Hedges of commodities risk

	12/31/2024	12/31/2023
Forward purchases	**53**	42
Forward sales	**13**	-

18.4. Other hedges

	12/31/2024	12/31/2023
Cross-currency swap	**20**	21

A cross-currency swap was contracted in 2020 to hedge foreign exchange and interest rate risk on the debt carried in the books of Colvias Chile.

18.5. Market value of hedging instruments

The hedging portfolio was valued by an independent valuer using standard market practice.

As of December 31, 2024, the hedging instruments portfolio had a positive market value (net present value) of €14 million, including accrued interest. This mainly reflects the net present value of foreign exchange hedges, and comprises €8 million for fair value hedges and €6 million for cash flow hedges. The market value of other instruments (hedges of a net investment in a foreign operation, or not part of a hedging relationship) was immaterial at the end of the reporting period.

The negative market value of the interest rate swap contracted for the City of Portsmouth contract (€0.5 million, including accrued interest) is entirely offset by the €0.5 million positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

Consequently, after taking account of the derivative embedded in the fixed contractual fee paid by the City of Portsmouth, the financial instruments portfolio has a market value of €14 million (including accrued interest), presented in the balance sheet as follows:

	2024	**2023**
Financial instruments – Hedging of debt	15	6
Other current financial assets	7	1
Total financial instruments recognized as assets (a)	**22**	**7**
Financial instruments – Hedging of debt	2	2
Other current financial liabilities	5	15
Total financial instruments recognized as liabilities (b)	**7**	**17**
Net value of financial instruments (a)-(b)	**15**	**(10)**

In the event of a +1% movement in the yield curve, the market value of the financial instruments portfolio (including accrued interest) would increase from €14 million to €18 million; in the event of a -1% movement, it would reduce to negative €11 million.

In the event of a uniform 1% adverse movement in the exchange rate of the euro against all the other currencies, the market value of the financial instruments portfolio (including accrued interest) would increase from €14 million to €20 million.

In the event of a uniform 1% adverse movement in commodity prices, the financial instruments portfolio would still have a market value of €14 million (including accrued interest).

NOTE 19. OFF BALANCE SHEET COMMITMENTS

This note supplements the disclosures provided in Notes 3.2.1, 3.2.2, 3.2.3, 4.1 and 8.2.

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

Guarantee commitments and other contractual commitments

Maturity	Less than 1 year	1 to 5 years	More than 5 years	**Total 12/31/2024**	Total 12/31/2023
Commitments given					
Guarantees and endorsements	265	45	1	311	290
Miscellaneous contractual commitments (1)	54	34	86	174	199
Commitments received					
Contractual obligations	-	-	-	-	-
Collateral given					
Mortgages and pledges	7	30	27	64	65

(1) As of December 31, 2024, committed orders placed for plant and equipment amounted to €21 million (versus €28 million as of December 31, 2023).

Colas SA issued guarantees during 2024 pursuant to Section 357 of the Irish Companies Act 2014, to cover commitments entered into by its subsidiaries Colas Teoranta, Colas Bitumen Emulsion (East), Continental Bitumen Emulsion (West), Colas Contracting Ltd, Atlantic Bitumen Company Ltd, Siac Bituminous Products Limited, and Continental Bitumen Ltd.

NOTE 20. EMPLOYEE BENEFIT OBLIGATIONS

20.1. Average headcount

The Group had an average headcount of 64,357 in 2024, compared with 64,427 in 2023.

20.2. Employee benefit obligations

	12/31/2023	Movements during 2024	12/31/2024
Lump-sum retirement benefits	156	19	**175**
Long service awards and other benefits	65	2	**67**
Other post-employment benefits (pensions, net of plan assets) (1)	(7)	-	**(7)**
Total	**214**	**21**	**235**

(1) As of December 31, 2024, the fair value of plan assets exceeded the present value of the obligation by €7 million (see Note 20.3.2).

Those obligations are recognized as a non-current provision (see Note 6.1).

20.3. Employee benefit obligations and post-employment benefit obligations (excluding long service awards)

20.3.1 Defined-contribution plans

	2024	2023
Amount recognized as an expense	**1,105**	**1,075**

Defined-contribution plan expense consists of contributions to:
- health insurance funds;
- pension funds (compulsory and supplementary schemes);
- unemployment insurance funds.

20.3.2 Defined-benefit plans

Obligations in respect of lump-sum retirement benefits and pension plans as of December 31, 2024 break down as follows:

	Lump-sum retirement benefits		Pensions	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Present value of obligation	175	156	553	535
Fair value of plan assets (dedicated funds)			(573)	(548)
Asset ceiling			13	6
Net (asset)/liability recognized	**175**	**156**	**(7)**	**(7)**
of which: deficit recognized as a provision			16	15
of which: overfunded plans recognized as an asset			(23)	(22)
Ratio of plan assets to present value of obligation			104%	102%

The fair value of plan assets by investment category is as follows:

	12/31/2024		12/31/2023	
	€ million	**%**	€ million	%
Equity instruments	160	28%	133	24%
Debt instruments	283	49%	299	55%
Property	61	11%	48	9%
Investment funds	10	2%	13	2%
Cash	10	2%	10	2%
Other items	49	9%	45	8%
Total	**573**	**100%**	**548**	**100%**

	Lump-sum retirement benefits		Pensions	
	2024	**2023**	**2024**	**2023**
Start of period (January 1)	**156**	**155**	**(7)**	**(36)**
Current and past service cost	4	1	(3)	(3)
Net interest cost	7	5		(2)
Total expense recognized	**11**	**6**	**(3)**	**(5)**
Translation adjustments				(1)
Changes in scope of consolidation				
Actuarial (gains)/losses recognized in equity (1)	8	(4)	5	38
Transfers between accounts & other		(1)	(2)	(3)
End of period (December 31)	**175**	**156**	**(7)**	**(7)**

(1) Corresponds to the €13 million of total actuarial losses on post-employment benefits reported in the statement of recognized income and expense. The €5 million actuarial losses on pensions in 2024 comprise €9 million of provisions, net of €4 million of assets recognized on overfunded plans.

Actuarial gains and losses recognized in equity break down as follows:

	Lump-sum retirement benefits		Pensions	
	2024	**2023**	**2024**	**2023**
Effect of changes in demographic assumptions		1	(2)	(3)
Effect of changes in financial assumptions	8	(5)		(1)
Effect of experience adjustments			3	16
Return on plan assets (excluding financial income)			(3)	29
Effect of asset ceiling			7	(3)
Total	**8**	**(4)**	**5**	**38**

The amount of contributions to be paid to pension funds in 2025 is estimated at €12 million.

20.3.3 Main actuarial assumptions used for lump-sum retirement benefits, pensions and long service awards

	2024	**2023**
Discount rate for lump-sum retirement benefits and long service awards: IBoxx € Corporate A10	3.381%	3.877%
Discount rate for pensions	0.90% to 5.70%	1.70% to 4.80%
Lump-sum retirement benefits and long service awards: Salary inflation rate (1)	2.50%	2.50%
Pensions: Salary inflation rate (1)	1.00% to 4.00%	1.00% to 4.00%
Life table – women	INSEE 2017-2019 Women	INSEE 2017-2019 Women
Life table – men	INSEE 2017-2019 Men	INSEE 2017-2019 Men
Age on retirement: managerial grades	65	65
Age on retirement: technical, supervisory & clerical staff, and site workers	64	64

(1) Includes the general inflation rate.

The sensitivity of provisions for lump-sum retirement benefits and pensions to changes in discount rates is presented below:

Lump-sum retirement benefits	**Impact of a 70 bp movement**	
(France)	decrease (€m)	increase (€m)
12/31/2024	+14	-12

Pensions	**Impact of a 50 bp movement**	
(Other countries)	decrease (€m)	increase (€m)
12/31/2024	+31	-29

A rise of 50 basis points in the salary inflation rate for employees in France would require an increase of €10 million in the provision.

Any such impacts would be recognized in the statement of recognized income and expense.

20.3.4 Share-based payment

In 2024, options to subscribe for new Bouygues shares were awarded by Bouygues to certain employees of Colas and its subsidiaries.

NOTE 21. DISCLOSURES ON RELATED PARTIES AND REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

21.1. Related-party disclosures

Identity of related parties

Parties with an ownership interest:	Bouygues and its subsidiaries, equity investees and associates.
Joint operations:	*Sociétés en participation* (construction project entities).
Joint ventures:	Carrières Roy, Ibys, and various immaterial joint ventures.
Associates:	Tipco Asphalt, Mak Mecsek and various immaterial associates.
Other related parties:	Various non-consolidated companies owned by the Group.

Analysis of transactions with related parties

	Expenses		Income		Receivables		Payables	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Parties with an ownership interest (1)	**90**	84	**78**	58	**817**	569	**42**	25
Joint operations	**18**	19	**75**	79	**113**	93	**41**	30
Joint ventures and associates	**19**	19	**68**	69	**31**	31	**4**	8
Other related parties	**127**	127	**92**	208	**65**	124	**29**	33
Total	**254**	**249**	**313**	**414**	**1,026**	**817**	**116**	**96**
Due within less than 1 year					**1,026**	**815**	**116**	**96**
Due within 1 to 5 years					-	**2**	-	-
Due after more than 5 years					-	-	-	-

21.2. Disclosures about remuneration and benefits awarded to directors and senior executives in office on December 31, 2024

The senior executives covered by this disclosure are the members of the Strategic Committee.
As of December 31, 2024, the Strategic Committee had five members: the Chief Executive Officer, and four salaried executives.

Direct remuneration

The total amount of direct remuneration awarded to the Strategic Committee in 2024 was €6.3 million (versus €5 million in 2023), including €3.4 million of variable remuneration accrued as of December 31, 2024 (the actual amount paid will be contingent on the attainment of performance conditions).

Post-employment benefits

The Chief Executive Officer is entitled to benefits under a vested-rights top-up pension scheme governed by Article L. 137-11-2 of the French Social Security Code, management of which is contracted out to an insurance company.
As of December 31, 2024, an accrual of €396,000 was booked to cover the payment to be made to the insurance company in 2024 relating to the 2023 financial year.

Other senior executives:
The other members of the Strategic Committee belong to a top-up defined-contribution pension scheme (employer contribution equal to 5.6% of the executive's total remuneration, in a range of 3x to 12x the annual social security ceiling).
The net increase during 2024 in the provision for lump-sum retirement benefits for those employees was €639,181.

Share-based payment

Senior executives were awarded a total of 59,000 Bouygues stock options in 2024.

They also received a contingent award of up to 60,000 consideration-free Bouygues shares subject to performance conditions calculated over a three-year period (2024, 2025, 2026).

Finally, Pierre Vanstoflegatte is eligible for the Bouygues group's equity-based retirement benefit scheme. For the year ended December 31, 2024, based on actual performances achieved he was awarded 11,000 consideration-free Bouygues shares (subject to a compulsory lock-up period until his retirement).

Directors' remuneration

The gross amount of remuneration paid to directors of Colas by Colas SA and Colas group companies during 2024 was €219,880 (versus €219,921 in 2023).

NOTE 22. ADDITIONAL INFORMATION ABOUT THE CASH FLOW STATEMENT AND CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES

22.1. Information on cash flows relating to acquisitions and divestments of subsidiaries

The main acquisitions of 2024 were Muskoka (Canada), De Luca (Switzerland), Brosseau (France) and Rificum (Finland), representing a combined purchase price of €31 million (less €2 million of cash held by the acquired entities).

The main divestments were Colas Rail Italy, Colas Isle of Man, HAMP Holubice JV (Czech Republic), ISAF (Romania) and Street Sweep (Ireland), for combined sales proceeds of €39 million (less €14 million of cash held by the divested entities).

Overall, the net acquisition cost of consolidated activities (after sales proceeds from divestments, and cash held by acquired and divested entities) was €4 million, comprising:

	2024	2023
Non-current assets	5	37
Current assets	28	(14)
Non-current liabilities	(13)	(57)
Current liabilities	(24)	48
Purchase price of consolidated activities net of proceeds from divestments, and net of cash held by acquired and divested entities	**(4)**	**14**
Net liabilities related to consolidated activities	5	(7)
Net cash inflow/(outflow) from acquisitions and divestments of subsidiaries	**1**	**6**

22.2. Changes in working capital requirements related to operating activities

Changes in working capital requirements include movements in current provisions recognized in the balance sheet.

	2024	2023
Assets		
Inventories	(20)	71
Advances and down-payments made on orders	1	9
Trade receivables	159	74
Customer contract assets	65	2
Other current receivables and current financial assets	69	37
Sub-total: Assets (1)	**274**	**193**
Liabilities		
Trade payables	(101)	128
Customer contract liabilities	162	255
Current provisions	(13)	74
Other current liabilities and current financial liabilities	(47)	79
Sub-total: Liabilities (2)	**1**	**536**
Changes in working capital requirements related to operating activities	**275**	**729**

(1) (Increase) / Decrease in working capital requirements related to operating activities
(2) Increase / (Decrease) in working capital requirements related to operating activities

NOTE 23: LITIGATION AND CLAIMS

23.1. Significant litigation and claims

Colas group companies are involved in a variety of litigation and claims in the normal course of their business. Risks are assessed on the basis of past experience and analysis by the Group's in-house legal departments and external counsel. As far as Colas is aware, there is at present no exceptional event, dispute or claim likely to have a significant negative impact on the business, assets and liabilities, results or financial position of the Group as a whole. Disputes and claims are subject to regular review, especially when new facts emerge. The provisions recorded in the financial statements appear to be adequate in light of these assessments. The Group uses all legal means to defend its legitimate interests. Details about which claims are or are not covered by provisions have not been disclosed, since such disclosure might affect the outcome of some ongoing claims.

23.1.1 France – URSSAF inspections

All ongoing URSSAF inspections, and the related disputes and challenges concerning social security relief under the "TEPA" and "Fillon" regimes, have been assessed on an overall basis by Colas. The total potential amount of the reassessments, including late payment penalties, is estimated at €56.8 million.
These disputes have been referred to the Social Security section of the Judicial Courts.

23.1.2 France – Nouvelle Route du Littoral

The consortium awarded the MT 5.1 contract package to build the sea wall (the "Consortium"), of which Colas subsidiary GTOI is a member with a 55% stake, has filed a claim for compensation against its customer (the region of La Réunion) in the Saint Denis de La Réunion Administrative Court. The claim seeks compensation inter alia for difficulties in sourcing rock armor and obtaining payment for site installations, and extended delays; it also seeks recovery of late delivery penalties.
The total amount claimed is €216.8 million.
In two rulings issued on October 22, 2024, the court rejected virtually all of the Consortium's claims, ordering the Region to pay it €122,000.
On December 23, 2024, the Consortium lodged an appeal with the Bordeaux Administrative Court of Appeal.
The Consortium also brought an action in the Saint Denis de La Réunion Administrative Court, requesting the Court to establish a definitive statement of account for the contract package.
The Region, which is also facing a compensation claim from the consortium awarded the MT 3 contract package (construction of a viaduct) in the Saint Denis de La Réunion Administrative Court, has called in a guarantee from the Consortium in relation to a portion of that claim, alleging that the claim made by the MT 3 consortium has its origins in non-performance by the Consortium. Those guarantee claims were notified to the Consortium in full at the end of 2024, and are currently being reviewed.

23.1.3 International – complaint filed by Colas Rail in relation to an international project

In 2017, an internal audit followed by an external investigation requested by Colas Rail (a subsidiary of Colas) revealed that suspicious payments in euros and in local currency had been made by a foreign subsidiary of Colas Rail to local consultants.
Colas Rail filed a complaint in France. The contracts with these consultants were terminated and all payments prohibited. In agreement with the customer, Colas Rail transferred the construction contract, with no material economic impact on the Colas group.
Investigation of the complaint filed by Colas Rail is ongoing.

NOTE 24. AUDITORS’ FEES

Colas is audited by Forvis Mazars and PricewaterhouseCoopers Audit, appointed as statutory auditors by the Annual General Meetings of April 25, 2001 and April 17, 2019, respectively.

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of the Colas group (parent company and subsidiaries).

	Forvis Mazars		PwC	
	2024	**2023**	**2024**	**2023**
A – Audit				
Colas SA	0.2	0.2	0.2	0.2
Subsidiaries	4.7	4.6	3.7	3.7
Sub-total	**4.9**	**4.8**	**3.9**	**3.9**
B – Non-audit services (1)				
Total	**4.9**	**4.8**	**3.9**	**3.9**

(1) Non-audit services: primarily tax engagements for various international subsidiaries.

NOTE 25. LIST OF PRINCIPAL CONSOLIDATED COMPANIES

Unless indicated as being accounted for by the equity method, all the companies listed are consolidated as subsidiaries.

Company	Registered office	% interest 2024	% interest 2023
France			
Mainland France			
Colas France and its subsidiaries	Paris (75)	100.0	100.0
Aximum and its subsidiaries	Magny-les-Hameaux (78)	100.0	100.0
Spac	Nanterre (92)	100.0	100.0
Colas Rail and its subsidiaries	Courbevoie (92)	100.0	100.0
Société de la Raffinerie de Dunkerque	Dunkerque (59)	100.0	100.0
Colas Digital Solutions	Vélizy-Villacoublay (78)	100.0	100.0
French overseas departments			
Grands Travaux Océan Indien GTOI	Le Port - Réunion Island	100.0	100.0
Société de Concassage et Préfabrication de La Réunion SCPR	Le Port - Réunion Island	100.0	100.0
Colas Mayotte	Mamoudzou – Mayotte	100.0	100.0
Colas Martinique	Le Lamentin – Martinique	100.0	100.0
Sogetra	Les Abymes – Guadeloupe	100.0	100.0
Ribal Travaux Publics	Cayenne – Guyana	100.0	100.0
French overseas territories			
Société Colas de Nouvelle-Calédonie	Nouméa – New Caledonia	100.0	100.0
Europe (excluding France)			
Colas Belgium and its subsidiaries	Brussels – Belgium	100.0	100.0
Colas Danmark A/S	Glostrup – Denmark	100.0	100.0
Colas Ltd.	Birmingham – United Kingdom	100.0	100.0
Colas Hungaria	Budapest – Hungary	100.0	100.0
Colas Polska	Sroda Wielkopolska – Poland	100.0	100.0
Colas CZ	Prague – Czech Republic	99.1	99.1
Colas Slovakia	Kosice – Slovakia	99.6	99.6
Colas Teoranta	Dublin – Irish Republic	100.0	100.0
Colas Suisse Holding SA	Lausanne – Switzerland	99.2	99.2
Destia Oy and its subsidiaries	Helsinki - Finland	100.0	100.0
Mak Mecsek zrt (equity method)	Budapest – Hungary	30.0	30.0
North America			
Colas Canada Inc. and its subsidiaries	Toronto, Ontario – Canada	100.0	100.0
Colas Inc. and its subsidiaries	Morristown, New Jersey – United States	100.0	100.0
Africa – Indian Ocean			
Colas Gabon	Libreville – Gabon	89.9	89.9
Colas Madagascar	Antananarivo – Madagascar	100.0	100.0
Colas Africa	Cotonou – Benin	100.0	100.0
Transinvest Construction Ltd.	Petite Rivière – Mauritius	100.0	100.0
Gamma Materials (equity method)	Beau Bassin – Mauritius	50.0	50.0
Colas du Maroc	Casablanca – Morocco	100.0	100.0
Grands Travaux Routiers	Rabat – Morocco	67.9	67.9
Colas Africa Holdings	Cape Town – South Africa	100.0	100.0
Asia			
Tipco Asphalt (equity method)	Bangkok – Thailand	31.1	31.1
Hincol (equity method)	Mumbai – India	30.0	30.0
Colas Australia Group and its subsidiaries	Sydney – Australia	100.0	100.0