HALF YEAR FINANCIAL REPORT 2021

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The half-year business report and the condensed half-year consolidated financial statements included in this document were approved by the Board of Directors on August 24, 2021.

1. Governance and shareholders

Composition of the Board of Directors and Committees as of June 30, 2021

Chairman & Chief Executive Officer

Fréderic Gardès

Directors

Olivier Bouygues

Olivier Roussat

Société Bouygues, permanent representative Pascal Grangé

Colette Lewiner (Independent director)

Stéphanie Rivoal (Independent director)

Catherine Ronge (Independent director)

Arnauld Van Eeckhout

Board of Directors' Committees

Audit Committee

Société Bouygues, permanent representative Pascal Grangé

Colette Lewiner

Stéphanie Rivoal

Catherine Ronge

Selection and Compensation Committee

Colette Lewiner (Chairperson)

Catherine Ronge

Arnauld Van Eeckhout

Ethics and Patronage Committee

Arnaud Van Eeckhout (Chairperson)

Catherine Ronge

Colette Lewiner

Shareholders as of June 30, 2021

Shareholder	Shares		Change from December 31, 2020		Voting Rights		Change from December 31, 2020	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Bouygues SA	31,611,646	96.81	0	0	63,154,868	98.05	0	0
Colas en actions (Employee Shareholding Funds)	222,480	0.68	0	0	444,960	0.69	0	0
Colas Shares (Employee Shareholding Funds)	4,770	0.01	+130	+0.02	9,240	0.01	+380	+0.04
Public	794,739	2.44	-115	- 0.01	800,529[1]	1.25	-171	- 0.1
Colas SA (Treasury shares)	20,864[1]	0.06	-15	-0.01	/	/	/	/

(1) Trading Position.

2. Financial Information – 1st half 2021

Colas has one mission: to imagine, build and maintain sustainable transport infrastructure from its local roots around the world. With networks in more than 50 countries on five continents, Colas' ambition is to be the world leader in innovative, sustainable mobility solutions.

Consolidated key figures

in millions of euros	H1 2019	H1 2020	H1 2021	Change vs 2020	At constant scope and exchange rates
Revenue	**5,834**	**4,870**	**5,591**	**+15%**	**+16%**
o/w France	*3,071*	*2,236*	*2,836*	*+27%*	*+27%*
o/w International	*2,763*	*2,634*	*2,755*	*+5%*	*+7%*
Current operating profit	**(136)**	**(304)**	**(100)**	**+204**	
Current operating margin	*-2.3%*	*-6.2%*	*-1.8%*	*+4.4 pts*	
Operating profit	**(136)**	**(349)** [a]	**(100)**	**+249**	
Net profit attributable to the Group	**(102)**	**(295)**	**(112)**	**+183**	
Free cash flow [b]	**(158)**	**(269)**	**(54)**	**+215**	
Net surplus cash/ (Net debt) [b]	**(1,544)**	**(1,065)**	**(631)**	**+434**	

(a) Including €45 million in non-current expenses related to the reorganization of the Group's road business in France and the continued dismantling of the Dunkirk site.

(b) See definition in the glossary on page37.

Highlights of the half year

- Frederic Gardès is appointed Chairman of the Board of Directors of Colas SA as of February 16.

- Amelia Irion is appointed Human Resources Director of the Colas Group as of June 1.

- Main order intakes:
  - Reinforcement of the Route de l'Est and construction of engineering structures in the Côte d'Ivoire, for an amount of €157 million
  - 7-year maintenance contract for streets in the city of New Liskeard, Ontario, Canada, for an amount of €94 million
  - Upgrading the Yellowhead Trail expressway into a highway in Edmonton, Alberta, Canada, for an amount of €77 million euros
  - Upgrade of the Belotin-Rybi section on the D48 motorway in the Czech Republic, for an amount of €76 million
  - Power supply and overhead catenaries for the Verona-Vicenza high speed railway section in Italy, for an amount of €56 million

Seasonal nature of business activity

Due to the highly seasonal nature of the majority of the Group's businesses, operating losses are recorded each year during the 1st half year.

Order backlog

The order backlog at the end of June 2021 stood at a historic high of €10.3 billion euros, up 4% at constant exchange rates over one year.

In Mainland France, the order backlog (€3.4 billion) is down 6% over one year, in particular in the Railways segment, whereas order backlog for the Roads segment remained stable.

For the International and French Overseas units, order backlog amounts to €6.9 billion, up 7% over one year (+10% at constant exchange rates). During the second quarter, Colas won major noteworthy road contracts in Canada. Colas Rail's international order backlog is stable, awaiting significant contracts in the second half of 2021.

International and Overseas France represent 67% of Colas' total order backlog.

Revenue

Consolidated revenue for the first half of 2021 amounted to €5.6 billion, up 15% compared to the first half of 2020 (+16% at constant scope and exchange rates), boosted by very good business in the 2nd quarter, which recovered the same level recorded in Q2 2019.
H1 revenue amounted to €2.8 billion in France (+27% over one year) and €2.8 billion outside of France (+5% and +7% at constant scope and exchange rates).
As a reminder, the impact of the health crisis on revenue for H1 2020 was estimated at around €810 million.

Revenue by business segment

in millions of euros	H1 2019	H1 2020	H1 2021	Change vs 2020	At constant scope and exchange rates
Roads France – Indian Ocean	2,766	2,101	2,650	+26%	+26%
Roads EMEA	921	916	933	+2%	+2%
Roads United States	675	674	623	-8%	+1%
Roads Canada	494	456	540	+18%	+19%
Roads Asia - Pacific	202	184	198	+8%	+1%
Total Roads	**5,058**	**4,331**	**4,944**	**+14%**	**+15%**
Railways and Other Activities	**762[(a)]**	**534**	**642**	**+20%**	**+21%**
Parent Company	**14**	**5**	**5**	**ns**	**ns**
TOTAL	**5,834[(a)]**	**4,870**	**5,591**	**+15%**	**+16%**

(a) As a reminder, Smac, which was deconsolidated in the 2nd quarter of 2019, contributed to the amount of €141 million in the 1st quarter of 2019.

Roads:

Revenue for the first half of 2021 totaled €4.9 billion, up 15% at constant scope and exchange rates.

- Business in the France - Indian Ocean zone has improved significantly (+26% compared to H1 2020), reflecting good performance for all activities in the area. These figures benefit from a favorable baseline effect compared to 2020 which was impacted by Covid-19 lockdowns (construction sites were closed from mid-March and activity was able to start back up gradually in April and May).

- Business in the EMEA zone (Europe, Middle East, Africa) and the United States improved slightly over one year (+2% and +1% respectively at constant scope and

- exchange rates), boosted by good Q2 recovery, after activity in Q1 was impacted by unfavorable weather in both geographies.

- In Canada, business is up 19% at constant scope and exchange rates, as activity has benefitted from favorable weather since the start of the half-year.

- Lastly, in the Asia-Pacific zone, revenue is up a slight 1% at constant scope and exchange rates.

Railways and other Activities:

Revenue for Railways and Other Activities was up a sharp 21% at constant scope and exchange rates compared to the first half of 2020, mainly boosted by good momentum at Colas Rail in the United Kingdom. Colas Rail's business in France is also up compared to the first half of 2020, recovering the level recorded in the first half of 2019.

Production of materials

Around the world, Colas is involved in large-scale production and recycling of construction materials, in particular aggregates, from an international network of 478 operating quarries and gravel pits, 151 emulsion plants, 538 mixing plants and 192 concrete plants. In the first half of 2021, the Group-share of sales amounted to 43 million tonnes of aggregates (+19% compared to the first half of 2020), 568,000 tonnes of binders and emulsions (+12%), 13 million tonnes of asphalt mix (+14%) and 1.3 million m^3 of ready-mixed concrete (+26%).

Colas has a major bitumen distribution business that is backed by 71 bitumen terminals.

Financial performance

Current operating profit for the first half of 2021 was -€100 million, a sharp increase of €204 million compared to the first half of 2020. Current operating profit also exceeded the figures recorded for the first half of 2019 (-€136 million), thanks to an early start for activity in Canada, the first impact of industrial optimization plans and the new organization of Colas France.

As a reminder, the impact of the health crisis on current operating profit for the first half of 2020 was estimated at around -€190 million euros (loss of current operating profit and inevitable costs).

The **share of net income from joint ventures and associates** amounted to €4 million, stable compared to the first half of 2020. Tipco Asphalt's contribution was up €2 million at €10 million, compared to the end of June 2020.

Net profit attributable to the Group totaled -€112 million, compared to -€295 million at the end of June 2020, and -€102 million at the end of June 2019.

Net debt

Net debt as of June 30, 2021 stood at €631 million, compared to net debt of €1,065 million at the end of June 2020. The improvement is the result of better results and good management of working capital requirements and investments.

CSR commitments

As part of its policy to reduce the Group's carbon footprint, Colas has launched a program to convert its passenger vehicle fleet to all-electric. To do so, Colas has started installing EV charging stations in all of its 300 branches in mainland France. The goal is for combustion engine vehicles to be the exception within 3 years. This approach will be extended outside of France in the coming months.

Outlook

The outlook below is understood to exclude any further deterioration in the Covid-19 health crisis.

The recovery recorded in the second quarter means that forecasts for 2021 show significantly higher revenue than in 2020, but without actually reaching the same level as in 2019.

The current operating profit for 2021 is expected to rise compared to 2019 (3.2% of consolidated revenue), and a target of 4% has been set for 2023.

3. Risks and Disputes

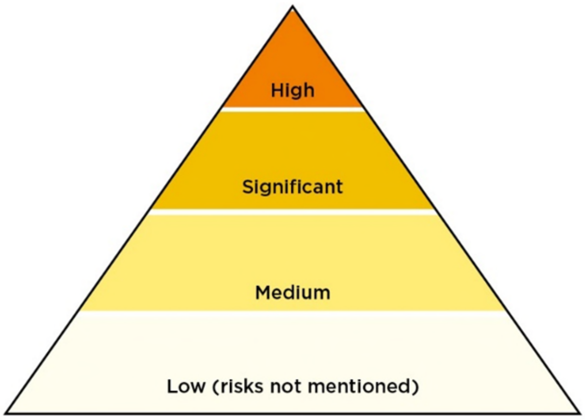
3.1. Risks

Section "7. Risk factors" of the 2020 Management Report in the 2020 Annual Report provides a description of the main risk factors to which the Group is exposed, as they emerge from business analysis and annual risk mapping. The assessments reflect gross risk, before any control measure implemented by the Group, and make it possible to evaluate the risk according to its probability of occurrence and its negative impact. Three levels of assessment were retained: medium, significant and high (the risks identified as low are therefore not mentioned).

There was no significant change in these risk factors.

Nevertheless, while preparing the half-year financial report, it was deemed relevant to remove the risk relating to "the breach of personal security" from the list of main risks and to add the risk relating to "cybersecurity", a risk identified during the 2021 risk mapping, which was not mentioned in the 2020 annual report.

Risk ranking:



Risk categorization:

Categories	Risks	Importance
Risks arising from the operations and activities of Colas Group companies	Risk associated with major projects	
	Risk associated with changing regions and markets	
	Risk associated with volatility in raw material costs	
Legal, regulatory and ethical risks	Non-compliance risks	
Non-financial risks	Risk associated with natural phenomena and the effects of climate change	
	Risk associated with employee health and safety	
	Risk of loss of expertise and talent	
	Risk to personal security	
	Risk of environmental damage	
Risks associated with information systems	Cyber security	

3.1.1. Risks arising from the operations and activities of Colas Group companies

Risk associated with major projects

In addition to its main business, which consists of fulfilling several tens of thousands of small contracts of low unit value, Colas also carries out projects considered major by virtue of their value, complexity, implementation difficulty, duration or financing method (notably concessions and PPP projects). These major projects carry greater risks in terms of design, constraints (geological, archaeological, etc.), availability of construction land, cost estimates, resource shortages (human resources, raw materials, etc.), delivery deadlines, payment terms, and so on. An example of a major project is the tram project in Liège, Belgium. To help it manage such projects more effectively, in 2016 the Group established Colas Projects. This entity, which works alongside local subsidiaries, is dedicated to studying, designing and implementing major projects.

This risk may thus be categorized as high.

Risk associated with changing regions and markets

Colas' business activities and results are exposed to the following risks:

– changes in the macroeconomic environment in the main regions in which the Group has a longstanding presence (France, Europe and North America): adverse changes may have an impact on business volumes, competitive pressures and market prices;

– changes in public sector procurement, since a significant proportion of the Group's business involves public sector customers (especially local and regional authorities in France); the main risk is that of public sector customers not having the capacity to finance their maintenance and investment expenditure. Rising budget deficits, the state of public finances in many countries, the resulting austerity measures and, in France, the drop in state contributions to local governments, all compound this risk. Furthermore, administrative and political considerations (e.g. difficulties agreeing on budgets, elections, plans to combine local authorities, and changes in local leadership) can also adversely affect the volume of public sector business. There is therefore a risk that infrastructure construction and maintenance projects, whether under consideration or already approved, may be called into question or delayed.

Failure to anticipate and/or respond to such changes may cause a Group company to be out of step with its market (resulting in poor positioning, reduced competitiveness and agility as a result of an overly cumbersome structure, or loss of market share or business opportunities), resulting in lower profitability.

However, these risks are mitigated by the large proportion of Group business deriving from infrastructure maintenance, which is vital to the economy as a whole, the roll out of Covid-19 recovery plans, the broad geographical spread of its operating units, the wide range of business activities pursued by the Group and the large number of projects undertaken.

This risk may thus be categorized as significant.

Risk associated with volatility in raw material prices

For its road construction and maintenance projects, Colas mainly uses aggregates and bitumen.

While aggregate prices are location-specific and fluctuate little, global bitumen prices have varied significantly in past years. The risk associated with this volatility is limited by three key factors: the number of contracts and their average duration, enabling the Group to quickly pass on price changes in its bids; revision and indexing clauses included in many contracts, in France and abroad; and the diversification of its supply sources (especially with the creation in 2020 of the entity Continental Bitumen, to meet the needs of Colas' European and African subsidiaries). In some regions, supply contracts may also be signed at guaranteed prices for a given period; and for major contracts, tailored hedging policies may be put in place as and when required once the order has been placed. Lastly, some Colas subsidiaries sell bitumen derivatives directly to third parties as part of a trading business (e.g. SAMI Bitumen in Australia and McAsphalt in Canada): the larger these entities' inventories, the more exposed they are to unfavorable price changes in their markets.

Given these various factors, the sensitivity of the Group's operating performance to changes in raw material prices mainly depends on its exposure to fluctuations in bitumen prices; however, it remains difficult to measure at the overall level due to the thousands of contracts executed in different legal environments and with varying levels of protection, and also with prices varying from one geographical region and time period to another.

This risk may thus be categorized as significant.

3.1.2. Legal, regulatory and ethical risks

Compliance risks

More than 57% of Colas' business is with public sector customers in France and abroad. Legislation in many countries prohibits operators from bidding for public sector contracts if they have been found guilty of violating public procurement rules.

More generally, the high proportion of the Group's business deriving from the public sector (or from major structured groups such as highway operators, railway operators, mining companies, etc.) means Colas is also exposed to the risk of anti-competitive practices or corruption, particularly in countries where such practices are still widespread.

For the past several years, steps have been taken to limit risks arising from non-compliant practices: compliance programs have been introduced (focusing in particular on corruption prevention and competition), procedures have been disseminated more widely and training has been made available for all potentially exposed Group employees. Moreover, Colas always penalizes non-compliant behavior and notifies the relevant judicial authorities. In spite of these measures, Colas remains exposed to these risks, though their financial and/or legal impact remains difficult to assess.

This risk may thus be categorized as high.

3.1.3. Non-financial risks

Risk associated with natural phenomena and the effects of climate change

Work may be disrupted by natural phenomena such as earthquakes, floods, cyclones, windstorms, fires or lightning that require work to be suspended or destroy work under construction.

The most exposed geographical areas in which the Group operates include North America (United States and Canada), the Indian Ocean, the Caribbean and French Guyana, and Australia. If this risk should materialize, operations could be disrupted at production sites located in the affected areas (e.g. cyclones in the Indian Ocean), or the seasonal period during which activities can be carried out could be shortened (e.g. length of winter in Canada).

In view of the above, the relevant subsidiaries have adopted warning systems and systems to ensure the safety of people and property, as well as including the risk in their insurance cover. However, the large number and small size of Colas' facilities, and the fact that they are spread across the regions they serve, help to mitigate the overall impact.

However, Colas anticipates that such natural phenomena could worsen or increase in number in the future as a result of climate change. In addition to its efforts to offer techniques and materials to protect existing infrastructure and equip new infrastructure to withstand more extreme climate variation, the Group is endeavoring to adapt its business model in response to the changes observed, which may give rise to both risks and opportunities (e.g. shorter winter breaks in Northern European countries).

This risk may thus be categorized as medium.

Risk associated with employee health and safety

The Colas Group is exposed to two main types of occupational hazards: the operation of construction machinery and industrial equipment; and traffic accidents in which employees may be directly involved and those that may occur when hauling a wide load (e.g. transport of construction machinery and industrial equipment, etc.). In spite of safety measures in place, the risk of gross negligence in connection with a workplace accident involving an employee or temporary staff member is undoubtedly the greatest risk in financial terms. Colas has long pursued a proactive policy of prevention, safety training for new personnel, and research (e.g. "security bubble" for moving machinery).

As regards workplace health, Colas has identified four specific areas of risk:

- bitumen fumes, which in recent years have been the subject of analysis and epidemiological research by agencies such as the IARC (International Agency for Research on Cancer, an agency of the World Health Organization) and ANSES (the French national agency for food, environmental and workplace safety), and which are currently monitored by the INRS (the French national research and safety institution, which focuses on the prevention of occupational accidents and diseases): the risk associated with exposure to bitumen fumes is considered low, except where machinery is used in a confined space, in which case a targeted risk analysis must be carried out (effects of exhaust gases, ventilation systems, etc.);

- dust: workplace health bodies and industry players have focused on the issue of exposure to silica dust at worksites, quarries and gravel pits. In France, Colas is a member of Routes de France, which is actively involved in publishing two guides prepared with the OPPBTP (the French professional agency for risk prevention in construction and civil engineering), in conjunction with the DGT (General Labor Directorate). The Group is also taking action around the world to reduce exposure to dust at manufacturing facilities and construction sites alike by using appropriate equipment and processes (e.g. working in a humid environment created through spraying or misting, wearing personal protective equipment, upgrading milling and planning equipment and replacing them with machines fitted with dust extraction systems, etc.);

- solvents: the risk associated with solvent use has been reduced in workshops, on worksites and in laboratories through a worldwide policy to restrict their use and put in place appropriate safety equipment;
- asbestos: concerning the risk of asbestos being found in certain buildings or facilities, Colas implements and applies individual and collective protection principles, notably as regards dust, in accordance with procedures laid down in Single Risk Assessment Documents drawn up by Colas business units. To this end, Colas implements the recommendations set out in the “dust” prevention guide published by the industry body Routes de France, drawn up by the OPPBTP in conjunction with the DGT.

Beyond these four areas, Colas also takes into account its duty of care with respect to anxiety associated with activities involving the use of potentially toxic substances.

This risk may thus be categorized as medium.

Risk of loss of expertise and talent

Public works are traditionally a less attractive business sector than others that therefore faces difficulties hiring staff regardless of the job on offer and the skills required. Furthermore, the development in some areas of ambitious infrastructure programs with tight deadlines (e.g. Le Grand Paris Express projects in the Greater Paris region, as well as high levels of activity around certain metropolitan areas in Canada) and the highly seasonal nature of activities in some geographical regions (notably North America) further increase labor market competition in certain highly sought-after categories of employees. The unavailability or lack of adequate resources and the loss of key skills and expertise pose a risk to the Group’s day-to-day business and its ability to successfully complete the major projects entrusted to it.

In light of this situation, Colas places the emphasis on retaining employees and developing their skills and expertise; in addition to day-to-day activities undertaken by Human Resources teams, the Group regularly surveys its global workforce so as to better understand and manage the risks associated with labor relations, employee turnover, workplace well-being (psychosocial issues), skills management and hiring.

Colas’ strategy also includes working hard to make the Group more attractive and diversify its sources of hiring (developing its employer brand and social media presence, forming and/or maintaining partnerships with educational institutions around the world, developing the role of apprenticeships, etc.) so as to attract and hire new talent that reflects social diversity (in terms of culture, ethnicity, age, gender, formal education, etc.).

This risk may thus be categorized as medium.

Risk of environmental damage

The need to safeguard against the risk of environmental damage is taken into account in Colas' operational activities. Environmentally certified sites are subject to environmental analysis in addition to budgeted preventive action plans. Colas uses this information during management reviews to analyze and limit the impact of the Group's operations and improve environmental performance, and it is also examined as part of a standard budget monitoring procedure. Operating licenses for environmentally sensitive facilities subject to special administrative processes ("ICPE" or "ISDI" facilities in France) generally require strict compliance with environmental requirements, irrespective of the country in question. ISO 14001 certification and the use of checklist-based self-assessments give Colas a degree of assurance that it will meet these requirements.

In line with its management guidelines, Colas also makes provisions for clean-up expenses when the amounts have been determined based on an assessment by an independent firm and when a date for site rehabilitation has been set.

This risk may thus be categorized as medium.

3.1.4. Risks linked to Information Systems

Cyber Security

Cyber-attacks on networks and information systems can cripple a company's computer systems, causing business disruption and shutdown.

In the event of an attack of this nature, the company would be exposed to negative impacts on its financial results, operations and image.

To protect itself, the Group has implemented a security policy adapted to its specific risks. This policy is structured around:

- strengthening the cybersecurity organization, both at central and local levels (appointment of local officers, etc.);
- deploying dedicated resources (Security Operations Center-SOC, Computer Security Incident Response Team-CSIRT) in order to better detect and process security incidents, notably with a significant increase in budgets dedicated to cyber security;
- conducting regular assessments and audit missions to verify the IT security systems in place and identify any corrective actions;
- preparing and formalizing the response process to a possible crisis situation and better preparing for it through crisis management tests (at least annually).

Thus, this risk can be qualified as medium.

3.2. Disputes and Litigation

Hungary: cases before the Hungarian Competition Authority and associated claims for damages

Between 2004 and 2012, the Hungarian Competition Authority found that some ten Hungarian companies, including Colas subsidiaries, had infringed competition rules by engaging in price-fixing practices for public works contracts. The penalties have been paid.

In the aftermath of these various decisions, claims for damages have been brought against certain Hungarian companies controlled by Colas subsidiaries in Hungarian courts by several companies alleging they were harmed by these price-fixing practices.

There are still two cases that are ongoing: (i) one concerning the City of Budapest and (ii) the other concerning the Hungarian government (M3 motorway).

France: URSSAF audits

In late 2009, URSSAF (the French labor inspectorate) notified Colas of an adjustment to exemptions affecting social security contributions allowed under the TEPA and Fillon laws for the 2006-2008 fiscal years. URSSAF requested the payment of all social security contributions covered by these exemptions, from the very first euro, in the form of a lump-sum tax, on the grounds that the Group companies concerned had failed to supply the necessary information in support of these exemptions in electronic form. The submission of this information in electronic form was deemed mandatory by URSSAF, in its interpretation of the French Social Security Code. Colas and its subsidiaries consider that the conditions for lump-sum taxation as provided for under Article R.242 of the French Social Security Code are not met, as the supporting documents necessary for verification were submitted in a timely fashion, and since the format in which these were supplied enabled them to be used. The amount attributable to this adjustment, including late payment penalties, is estimated at €63.3 million.

This dispute has been referred to the Social Security courts.

Canada: tax-related dispute pertaining to technical assistance charged by Colas to its subsidiary Colas Canada Inc.

The Canada Revenue Agency is challenging the deductibility of technical assistance expenses invoiced by the Colas parent company to its subsidiary Colas Canada Inc. on the grounds that the amounts of these expenses are excessive and insufficiently documented.

Notices of assessment for 2004 to 2007 challenging the full deductibility of expenses incurred were addressed through the out-of-court settlement procedure under the tax treaty between France and Canada. The French and Canadian authorities had agreed on a technical assistance rate very similar to the rate charged. For fiscal years 2008 to 2014, Colas Canada Inc. challenged the rate accepted by the Canada Revenue Agency via the out-of-court settlement procedure. The tax audit at Colas Canada Inc. covering 2015 and 2016 is still ongoing.

The total amount in question at June 30, 2021 is €14 million.

International: complaint filed by Colas Rail concerning an international project

In 2017, an internal audit and subsequent external investigation mandated by Colas subsidiary Colas Rail revealed that suspicious euro and local currency payments had been made to local consultants by a foreign subsidiary of Colas Rail.

Colas Rail filed a complaint in France. The consultants in question had their contracts terminated and all payments blocked. By agreement with the customer, Colas Rail transferred the construction contract, without any significant financial impact on Colas Group. The investigation following the complaint filed by Colas Rail is ongoing.

4. Condensed consolidated financial statements for the 1st half year 2021

Société anonyme with capital of €48,981,748.50
Registered office: 1 rue du Colonel Pierre Avia – 75015 Paris – France
Registered number: R.C.S. Paris 552 025 314   A.P.E. Code: 4211Z
Financial year from January 1 through December 31, 2021

Condensed consolidated financial statements

as of June 30, 2021

Consolidated balance sheet

Consolidated income statement

Consolidated statement of recognized income and expense

Consolidated statement of changes in shareholders' equity

Consolidated cash flow statement

Notes to the consolidated financial statements

Consolidated balance sheet

(€ million)	Note	06/30/2021	12/31/2020	06/30/2020
Property, plant and equipment	3.1	2,271	2,322	2,460
Right of use of leased assets		468	411	394
Intangible assets	3.2	200	196	202
Goodwill	3.3	710	697	709
Investments in joint ventures and associates	3.4	366	395	396
Other non-current financial assets	3.5	146	177	168
Deferred tax assets		145	149	186
Non-current assets		**4,306**	**4,347**	**4,515**
Inventories		761	606	762
Advances and down-payments made on orders		43	40	68
Trade receivables		2,889	2,246	2,592
Customer contract assets		968	618	925
Current tax assets		63	30	66
Other current receivables and prepaid expenses		946	685	846
Cash and cash equivalents		382	606	341
Financial instruments – Hedging of debt		10	10	11
Other current financial assets		3		1
Current assets		**6,065**	**4,841**	**5,612**
Held-for-sale assets and operations				
Total assets		**10,371**	**9,188**	**10,127**
Share capital		49	49	49
Share premium and reserves		2,516	2,512	2,740
Translation reserve		9	(55)	20
Treasury shares		(3)	(3)	(3)
Net profit/(loss) attributable to the Group		(112)	94	(295)
Shareholders' equity attributable to the Group		**2,459**	**2,597**	**2,511**
Non-controlling interests		22	24	24
Shareholders' equity	4	**2,481**	**2,621**	**2,535**
Non-current debt	6	412	346	582
Non-current lease obligations		386	345	323
Non-current provisions	5.1	942	941	893
Deferred tax liabilities		104	100	116
Non-current liabilities		**1,844**	**1,732**	**1,914**
Current debt	6	29	28	31
Current lease obligations		105	96	91
Current tax liabilities		51	80	42
Trade payables		2,386	1,884	2,034
Customer contract liabilities		893	791	834
Current provisions	5.2	401	397	339
Other current liabilities		1,597	1,304	1,501
Overdrafts and short-term bank borrowings	6	570	238	792
Financial instruments – Hedging of debt		12	11	12
Other current financial liabilities		2	6	2
Current liabilities		**6,046**	**4,835**	**5,678**
Liabilities related to held-for-sale operations				
Total liabilities and shareholders' equity		**10,371**	**9,188**	**10,127**
Net surplus cash/(net debt)	7	**(631)**	**(7)**	**(1,065)**

Consolidated income statement

(€ million)	Note	H1 2021	H1 2020	FY 2020
Sales (1)	8	**5,591**	**4,870**	**12,297**
Purchases used in production		(2,548)	(2,178)	(5,553)
Personnel costs		(1,774)	(1,659)	(3,416)
External charges		(1,298)	(1,159)	(2,608)
Taxes other than income tax		(86)	(89)	(156)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets		(176)	(186)	(442)
Net charges for depreciation, amortization and impairment losses on right of use of leased assets		(48)	(47)	(97)
Charges to provisions and impairment losses, net of reversals due to utilization		(50)	(17)	(237)
Change in production inventories		8	(5)	1
Other income from operations (2)		380	228	622
Other expenses on operations		(99)	(62)	(157)
Current operating profit/(loss)	9	**(100)**	**(304)**	**254**
Other operating income	9			2
Other operating expenses	9		(45)	(71)
Operating profit/(loss)	9	**(100)**	**(349)**	**185**
Financial income		6	6	11
Financial expenses		(16)	(21)	(38)
Income from net surplus cash/(cost of net debt)		**(10)**	**(15)**	**(27)**
Interest expense on lease obligations		(7)	(7)	(15)
Other financial income		6	2	13
Other financial expenses		(8)	(1)	(14)
Income tax	10	3	71	(86)
Share of net profits/(losses) of joint ventures and associates		4	4	38
Net profit/(loss) from continuing operations		**(112)**	**(295)**	**94**
Net profit/(loss) from discontinued operations				
Net profit/(loss)		**(112)**	**(295)**	**94**
Net profit/(loss) attributable to the Group		**(112)**	**(295)**	**94**
Net profit/(loss) attributable to non-controlling interests				
Basic earnings per share from continuing operations (€)		(3.42)	(9.03)	2.88
Diluted earnings per share from continuing operations (€)		(3.42)	(9.03)	2.88
(1) of which sales generated outside France		2,755	2,634	6,746
(2) of which reversals of unused provisions and impairment		43	25	89

Consolidated statement of recognized income and expense

Net profit/(loss)		**(112)**	**(295)**	**94**
Items not reclassifiable to profit or loss				
Actuarial gains/(losses) on post-employment benefits	13	6	(29)	(51)
Net tax effect of items not reclassifiable to profit or loss		(2)	6	11
Items reclassifiable to profit or loss				
Translation adjustments		59	(43)	(105)
Remeasurement of hedging assets		1		(2)
Net tax effect of items reclassifiable to profit or loss				
Share of reclassifiable income and expense of joint ventures and associates		5	(10)	(23)
Income and expense recognized directly in equity		**69**	**(76)**	**(170)**
Total recognized income and expense		**(43)**	**(371)**	**(76)**
Total recognized income and expense attributable to the Group		(43)	(371)	(76)
Total recognized income and expense attributable to non-controlling interests				

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 12/31/2019	**455**	**838**	**1,599**	**(3)**	**(7)**	**2,882**	**27**	**2,909**
Movements in the first half of 2020								
Net profit/(loss)			(295)			**(295)**		**(295)**
Income and expense recognized directly in equity					(76)	**(76)**		**(76)**
Total recognized income and expense (1)			**(295)**		**(76)**	**(371)**		**(371)**
Capital and reserves transactions, net		210	(210)					
Acquisitions/disposals of treasury shares								
Acquisitions/disposals without change of control								
Dividend paid							(3)	**(3)**
Share-based payment								
Other transactions (changes in scope of consolidation, other transactions with shareholders and other items)								
Position at 06/30/2020	**455**	**1,048**	**1,094**	**(3)**	**(83)**	**2,511**	**24**	**2,535**
Movements in the second half of 2020								
Net profit/(loss)			389			**389**		**389**
Income and expense recognized directly in equity					(94)	**(94)**		**(94)**
Total recognized income and expense			**389**		**(94)**	**295**		**295**
Capital and reserves transactions, net		(209)	209					
Acquisitions/disposals of treasury shares								
Acquisitions/disposals without change of control								
Dividend paid			(209)			**(209)**		**(209)**
Share-based payment								
Other transactions (changes in scope of consolidation, other transactions with shareholders and other items)								
Position at 12/31/2020	**455**	**839**	**1,483**	**(3)**	**(177)**	**2,597**	**24**	**2,621**
Movements in the first half of 2021								
Net profit/(loss)			(112)			**(112)**		**(112)**
Income and expense recognized directly in equity (2)					69	**69**		**69**
Total recognized income and expense (1)			**(112)**		**69**	**(43)**		**(43)**
Capital and reserves transactions, net		116	(116)					
Acquisitions/disposals of treasury shares								
Acquisitions/disposals without change of control								
Dividend paid			(95)			**(95)**	(2)	**(97)**
Share-based payment								
Other transactions (changes in scope of consolidation, other transactions with shareholders and other items)								
Position at 06/30/2021	**455**	**955**	**1,160**	**(3)**	**(108)**	**2,459**	**22**	**2,481**

(1) Refer to the consolidated statement of recognized income and expense.

(2) Change in translation reserve:

	Group	Non-controlling interests	**Total**
Companies controlled by Colas	59		59
Investments in joint ventures and associates	5		5
Total	**64**		**64**

Consolidated cash flow statement

I. Cash flow from continuing operations (€ million)	H1 2021	H1 2020	FY 2020
Net profit/(loss) from continuing operations	(112)	(295)	94
Adjustments:			
Share of net profits/(losses) of joint ventures and associates, net of dividends received	28	24	14
Dividends from non-consolidated companies	(1)	(1)	(1)
Net charges to/(reversals of) depreciation, amortization and impairment of property, plant and equipment and intangible assets and non-current provisions	176	194	493
Net charges to amortization and impairment expense and other adjustments to right of use of leased assets	48	47	97
Gains and losses on asset disposals	(44)	(14)	(60)
Income taxes, including uncertain tax positions	(3)	(71)	86
Income taxes paid	(55)	(34)	(82)
Other non-cash income and expenses			
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**37**	**(150)**	**641**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	17	22	42
Changes in working capital requirements related to operating activities (including current impairment and provisions)	(481)	(334)	313
Net cash generated by/(used in) operating activities (a)	**(427)**	**(462)**	**996**
Purchase price of property, plant and equipment and intangible assets	(101)	(102)	(304)
Proceeds from disposals of property, plant and equipment and intangible assets	62	30	120
Net liabilities related to property, plant and equipment and intangible assets	(25)	(71)	(63)
Purchase price of non-consolidated companies and other investments	(2)	(1)	(1)
Proceeds from disposals of non-consolidated companies and other investments	1		1
Net liabilities related to non-consolidated companies and other investments			
Purchase price of consolidated activities	(4)	(38)	(38)
Proceeds from disposals of consolidated activities	11		
Net liabilities related to consolidated activities	4		
Other effects of changes in scope of consolidation: cash of acquired or divested companies	(3)	3	1
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	37	(3)	(4)
Net cash generated by/(used in) investing activities (b)	**(20)**	**(182)**	**(288)**
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		1	1
Dividends paid to shareholders of the parent company	(95)		(209)
Dividends paid by consolidated companies to non-controlling interests	(2)	(3)	(3)
Change in current and non-current debt	49	168	(68)
Repayment of lease obligations	(52)	(47)	(99)
Income from net surplus cash/cost of net debt and interest expense on lease obligations	(17)	(22)	(42)
Other cash flows related to financing activities			
Net cash generated by/(used in) financing activities (c)	**(117)**	**97**	**(420)**
Effect of foreign exchange fluctuations (d)	8	(5)	(21)
Change in net cash position (a+b+c+d)	**(556)**	**(552)**	**267**
Net cash position at start of period	**368**	**101**	**101**
Net cash flows	(556)	(552)	267
Non-monetary flows			
Held-for-sale operations			
Net cash position at end of period	**(188)**	**(451)**	**368**

Notes to the consolidated financial statements

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NOTE 1. SIGNIFICANT EVENTS

1.1 – Significant events of the first half of 2021

The Group is not aware of any significant events occurring during the first half of 2021.

1.2 – Significant events of the first half of 2020

Consequences of the Covid-19 pandemic

Impact of the pandemic on Colas group operations

From March 2020 onwards, the Colas group was significantly impacted by the Covid-19 pandemic, as well as the government measures announced in response (in particular, the lockdown imposed on the French population from March 16) and the resulting economic crisis.

Reduced activity levels due to the pandemic affected the Colas group's operating segments to varying degrees. The shutdown of all worksites and production facilities in France from March 17 primarily affected the Roads France-OD/IO segment, followed (to a lesser extent) by the Railways and Other Activities segment (see Note 11.2).

After picking up gradually from mid-April, activity returned close to 2019 levels in the second half of 2020.

Estimated impacts of the Covid-19 pandemic on the 2020 first-half financial statements.

The Covid-19 pandemic led to a reduction in sales. Current operating profit was impacted by the erosion of current operating margin, reflecting not only the reduction in sales but also non-productive costs that could not be adjusted in such a short time-frame in spite of flexibility measures. Those costs mainly comprised fixed personnel costs (staff working part-time or not at all, net of any support received from governmental authorities); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site were protected from health risks.

The impact of the Covid-19 crisis, and its repercussions for the Colas group's 2020 first-half performance, are estimated at a reduction of approximately €810 million in sales between the end of March and the end of May 2020.

That loss of sales generated a shortfall of approximately €190 million at current operating profit level, due to loss of operating margin and unavoidable costs.

1.3 – Significant events and changes in scope of consolidation subsequent to June 30, 2021

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

NOTE 2. GROUP ACCOUNTING POLICIES

2.1 – Declaration of compliance

The interim condensed consolidated financial statements of Colas and its subsidiaries ("the Group") for the six months ended June 30, 2021 were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Colas group for the year ended December 31, 2020.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of June 30, 2021. Those standards (collectively referred to as "IFRS") comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of June 30, 2021 any standard or interpretation not endorsed by the European Union.

Unless otherwise indicated, the financial statements are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated; they comprise the balance sheet, the income statement, the statement of recognized income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

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, and its investments in joint ventures, associates and joint operations.

They were closed off by the Board of Directors on August 24, 2021.

The interim condensed consolidated financial statements for the six months ended June 30, 2021 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is required under IFRS. They include comparatives with the financial statements for the year ended December 31, 2020 and the six months ended June 30, 2020.

In preparing the interim condensed consolidated financial statements, management took account of the estimates and assumptions as described in Note 2.2 to the consolidated financial statements for the year ended December 31, 2020.

Accounting policies specific to the interim condensed consolidated financial statements are as follows:

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity for the period are recognized on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognize income taxes on the basis of the actual tax position at the end of the period).
- Employee benefit expenses for interim periods are recognized pro rata based on the estimated expense for the full year, calculated using the actuarial assumptions and projections applied as of December 31, 2020. Employee headcount, salaries and actuarial assumptions may be revised where the impact is material.

2.3 – New accounting standards and interpretations

The Colas group applied the same standards, interpretations and accounting policies as of June 30, 2021 as were applied in its consolidated financial statements for the year ended December 31, 2020, except for changes required to meet new IFRS requirements applicable from January 1, 2021 (see below).

Principal amendments effective within the European Union and mandatorily applicable from January 1, 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On August 27, 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (phase 2) in connection with interest rate benchmark reform. Those amendments were endorsed by the European Union on January 13, 2021, and are applicable retrospectively from January 1, 2021.

The impact of the amendments on the Group is immaterial.

- IFRS IC Agenda Decision on IAS 19

In May 2021, the IASB approved the IFRS IC Agenda Decision of December 2020 on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits. The most common approach currently applied in France (including by Colas) is to attribute the benefit on a straight line basis over the entire period from the date an employee joins the retirement benefit scheme to the date of retirement. However, the IFRS IC takes the view that the benefit should be attributed only over the specified number of pre-retirement years of service at which the benefit entitlement is capped.

Colas is currently assessing the impact of the Agenda Decision, in particular through an analysis of the relevant retirement benefit schemes and collective agreements. As of June 30, 2021, Colas continues to attribute such benefits on a straight line basis from the date on which the employee joins the scheme.

2.4 – Financial indicators

2.4.1 EBITDA after Leases

“EBITDA after Leases” is defined as current operating profit/loss after taking account of interest expense on lease obligations, before (i) net depreciation and amortization expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

“Other income from operations” and “Other expenses from operations”, which are a component of current operating profit/loss, mainly comprise (i) net foreign exchange differences on commercial transactions; (ii) gains and losses on disposals of non-current assets; (iii) profits and losses from joint operations; (iv) royalties from the licensing of patents; and (v) revenue from sales of raw materials (bitumen) to asphalt and emulsion entities in the form of *sociétés en participation* (SEPs) or economic interest groupings that subsequently sell the asphalt and emulsion back to Colas.

Profits and losses from joint operations represent the Group's share of profits or losses from non-consolidated companies (SEPs, etc.), for example those that operate asphalt and binder production facilities.

2.4.2 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;
- financial instruments (used to hedge financial liabilities measured at fair value).

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.

2.4.3 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.

2.4.4 Changes in working capital requirements related to operating activities

"Changes in working capital requirements related to operating activities" represents the net change in current assets and current liabilities excluding (i) income taxes; (ii) receivables and liabilities related to property, plant and equipment and intangible assets; (iii) net cash and cash equivalents and current debt; (iv) current lease obligations; and (v) financial instruments used to hedge financial liabilities.

2.5 – Seasonal fluctuations

Sales and operating profit are subject to strong seasonal fluctuations due to low activity levels during the first half as a result of weather conditions. The extent of those fluctuations varies from year to year; in the first half of 2020, the effect was amplified by the impact of the Covid-19 pandemic (see Note 1.2). In accordance with IFRS, sales for interim accounting periods are recognized on the same basis as full-year sales.

NOTE 3. NON-CURRENT ASSETS

3.1 – Property, plant and equipment

	Land and buildings	Plant, equipment and tooling	PP&E under construction and advance payments	**Total**
Carrying amount				
June 30, 2020	1,052	1,308	100	**2,460**
December 31, 2020	1,017	1,185	120	**2,322**
June 30, 2021	1,016	1,129	126	**2,271**

3.2 – Intangible assets

	Concessions, patents and other rights	Other items	**Total**
Carrying amount			
June 30, 2020	88	114	**202**
December 31, 2020	87	109	**196**
June 30, 2021	96	104	**200**

3.3 – Goodwill

3.3.1 – Movement in the carrying amount of goodwill in the period

	Carrying amount
December 31, 2020	**697**
Changes in scope of consolidation	1
Impairment losses charged during the period	
Other movements (including translation adjustments)	12
June 30, 2021	**710**

Other movements mainly comprise translation adjustments in Canada (€8 million), the United States (€2 million) and the United Kingdom (€2 million).

The Colas group has not made any major acquisitions since January 1, 2020.

3.3.2 – Impairment of indefinite-lived intangible assets and goodwill

As of December 31, 2020, goodwill was tested for impairment using recoverable amounts determined on the basis of three-year cash flow projections corresponding to the business plans of each cash generating unit.

Those impairment tests were not updated as of June 30, 2021 because there was no indication of potential impairment at that date.

3.4 – Investments in joint ventures and associates

An analysis by business segment of the share of net profits/losses of joint ventures and associates is provided in Note 11.

	Carrying amount
December 31, 2020	**395**
Share of net profits/(losses) for the period	4
Translation adjustments	5
Other income and expense recognized directly in equity	
Net profit/(loss) and other recognized income and expense	**9**
Changes in scope of consolidation	(5)
Other movements (dividends, etc.)	(33)
June 30, 2021	**366**

The share of net profits for the first half of 2021 mainly comprises shares of profits from Tipco Asphalt (€12 million), Hincol (€3 million), quarrying companies in France (€3 million), and Mak Mecsek (€2 million), and the €16 million share of losses incurred by associates of Colas Canada.

Translation adjustments relate primarily to Tipco Asphalt (€2 million) and associates of Colas Canada (€2 million).

Other movements mainly comprise the dividends paid out by Tipco Asphalt (€18 million), quarrying companies in France (€6 million), Hincol (€2 million), Mak Mecsek (€2 million), and associates of Colas Canada (€2 million).

3.5 – Other non-current financial assets

	Investments in non-consolidated companies	Other financial assets	**Total gross value**	Impairment	**Carrying amount**
June 30, 2020	76	141	**217**	(49)	**168**
December 31, 2020	29	151	**180**	(3)	**177**
June 30, 2021	30	118	**148**	(2)	**146**

NOTE 4. CONSOLIDATED SHAREHOLDERS' EQUITY

4.1 – Share capital of Colas SA (€)

The share capital of Colas as of June 30, 2021 was €48,981,748.50.

It consists of 32,654,499 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).

4.2 – Movements during the period

No change since January 1, 2021.

NOTE 5. NON-CURRENT AND CURRENT PROVISIONS

5.1 – Non-current provisions

	Long-term employee benefits	Litigation and claims	Warranties (long term)	Site rehabilitation (long term)	Other non-current provisions	Total
June 30, 2020	432	177	58	178	48	893
December 31, 2020	**431**	**193**	**69**	**195**	**53**	**941**
Translation adjustments	6		3	3		12
Changes in scope of consolidation					(3)	(3)
Charges to provisions	9	7	3	4	20	43
Reversals of provisions (used or unused) (1)	(3)	(18)	(4)	(14)	(3)	(42)
Actuarial gains and losses (2)	(6)					(6)
Transfers and other movements					(3)	(3)
June 30, 2021	**437**	**182**	**71**	**188**	**64**	**942**

(1) Includes reversals of unused provisions in the first half of 2021: €5m.

(2) Includes actuarial losses of €6m on provisions for pensions; see Note 13.

Analysis of principal provisions:

	06/30/2021	12/31/2020	06/30/2020
Long service awards	87	86	86
Lump-sum retirement benefits	224	220	217
Pensions	126	125	129
Long-term employee benefits	**437**	**431**	**432**
Disputes with customers	29	42	39
Disputes with employees	22	23	21
Disputes with social security bodies	91	88	87
Disputes with tax authorities	3	3	2
Disputes with other official bodies	1	1	2
Other disputes	36	36	26
Litigation and claims	**182**	**193**	**177**

5.2 – Current provisions

	Expected losses to completion	Project risks and project completion	Warranties (short term)	Site rehabilitation (short term)	Other current provisions	**Total**
June 30, 2020	110	72	32	12	113	339
December 31, 2020	**172**	**85**	**42**	**11**	**87**	**397**
Translation adjustments	1	1	1		1	4
Changes in scope of consolidation			(1)	1		
Charges to provisions	52	14	5		16	87
Reversals of provisions (used or unused) (1)	(56)	(10)	(3)		(27)	(96)
Transfers and other movements	2	(3)		3	7	9
June 30, 2021	**171**	**87**	**44**	**15**	**84**	**401**

(1) Includes reversals of unused provisions in the first half of 2021: €32m.

NOTE 6. NON-CURRENT AND CURRENT DEBT (EXCLUDING LEASE OBLIGATIONS)

6.1 – Breakdown of debt

	06/30/2021	12/31/2020	06/30/2020
Medium/long-term borrowings	392	326	581
Other long-term debt	20	20	1
Non-current debt	**412**	**346**	**582**
Current portion of borrowings	29	28	31
Overdrafts and short-term bank borrowings	570	238	792
Current debt, overdrafts & short-term bank borrowings	**599**	**266**	**823**

6.2 – Confirmed credit facilities and drawdowns

As of December 31, 2020, confirmed facilities amounted to €2,864 million, of which €374 million was drawn down. As of June 30, 2021, 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	569	2,265	35	**2,869**	29	377	35	**441**

Undrawn confirmed credit facilities amounted to €2,428 million as of June 30, 2021.

NOTE 7. CHANGE IN NET DEBT

	12/31/2020	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other impacts	06/30/2021	06/30/2020
Cash and cash equivalents	606	(233)	(2)	11			382	341
Overdrafts and short-term bank borrowings	(238)	(328)	(1)	(3)			(570)	(792)
Net cash position (A)	**368**	**(561)**	**(3)**	**8**			**(188)**	**(451)**
Non-current debt (1)	346	55		16		(5)	412	582
Current debt (1)	28	(6)		1		6	29	31
Financial instruments, net	1	1					2	1
Total debt (B)	**375**	**50**		**17**		**1**	**443**	**614**
Net surplus cash/(net debt) (A) – (B) (2)	**(7)**	**(611)**	**(3)**	**(9)**		**(1)**	**(631)**	**(1,065)**

(1) Analysis of cash flows impacting debt:

	Increases	Decreases	Cash flows
Non-current debt	515	(460)	**55**
Current debt	170	(176)	**(6)**

(2) See Note 2.4.2.

NOTE 8. SALES

See Note 11 for an analysis of sales by operating segment.

An analysis of sales by type of revenue is provided below.

	H1 2021	H1 2020
Sales of goods	1,074	868
Sales of services	164	164
Construction contracts	4,353	3,838
Sales	**5,591**	**4,870**

NOTE 9. OPERATING PROFIT/(LOSS)

	H1 2021	H1 2020
Current operating profit/(loss)	**(100)**	**(304)**
Other operating income	-	-
Other operating expenses	-	(45)
Operating profit/(loss)	**(100)**	**(349)**

See Note 11 for an analysis of operating profit/loss by operating segment.

NOTE 10. INCOME TAXES

Analysis of income tax gain/(expense)

	H1 2021	H1 2020
Tax receivable from/(payable to) the tax authorities	13	38
Deferred taxes	(6)	37
Back taxes, tax reliefs and dividend taxes	(4)	(4)
Income tax gain/(expense), net	**3**	**71**

NOTE 11. SEGMENT INFORMATION AND OTHER FINANCIAL INDICATORS

IFRS 8, "Operating Segments", requires operating segments to be identified on the basis of internal reports that are reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

11.1 – Determination of operating segments

Effective January 1, 2020, the Colas group's operating segments were redefined as follows:

- **Roads France/OD-IO**: consists of the Roads business and Road Safety & Signaling activities in France, the French overseas departments and the Indian Ocean;

- **Roads EMEA (Europe-Middle East-Africa)**: consists of the Roads business in Europe (excluding France), the Middle East and Africa;

- **Roads United States**: consists of the Roads business in the United States;

- **Roads Canada**: consists of the Roads business in Canada;

- **Roads Asia-Pacific**: consists of the Roads business in Asia, Oceania and Latin America;

- **Railways and Other Activities**: consists of the Group's Railways and Water & Energy Transport activities in France and internationally;

- **Holding company**: consists of activities carried out at Colas corporate headquarters.

Operating segment information is compiled using the same accounting policies as are used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

11.2 – Information by operating segment

H1 2021	Roads France-OD/IO	Roads EMEA	Roads USA	Roads Canada	Roads Asia-Pacific	Railways & Other Activities	Holding company	**Colas group**
Sales	2,650	933	623	540	198	642	5	**5,591**
Current operating profit/(loss)	3	(26)	(30)	(24)	(4)	4	(23)	**(100)**
Operating profit/(loss)	3	(26)	(30)	(24)	(4)	4	(23)	**(100)**
Interest expense on lease obligations	(2)	(1)	(1)	(1)		(2)		**(7)**
Share of net profits/(losses) of joint ventures and associates	4	(2)		(15)	17			**4**
Net profit/(loss) attributable to the Group	0	(34)	(25)	(34)	12	(1)	(30)	**(112)**

H1 2020								
Sales	2,101	916	674	456	184	534	5	**4,870**
Current operating profit/(loss)	(128)	(25)	(44)	(59)	1	(34)	(15)	**(304)**
Operating profit/(loss)	(163)	(25)	(44)	(59)	1	(34)	(25)	**(349)**
Interest expense on lease obligations	(2)	(1)	(1)	(1)		(1)	(1)	**(7)**
Share of net profits/(losses) of joint ventures and associates	(5)	(2)	(1)	1	11			**4**
Net profit/(loss) attributable to the Group	(131)	(32)	(36)	(43)	11	(39)	(25)	**(295)**

11.3 – Other indicators

	H1 2021	H1 2020
Current operating profit/(loss)	**(100)**	**(304)**
Interest expense on lease obligations	(7)	(7)
Net depreciation and amortization expense on property, plant and equipment and intangible assets	176	186
Charges to provisions and impairment losses, net of reversals due to utilization	50	17
Reversals of impairment losses and of unused provisions & other items	(43)	(25)
EBITDA after Leases	**76**	**(133)**

	H1 2021	H1 2020	FY 2020
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	37	(150)	641
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(39)	(72)	(184)
Repayment of current and non-current lease obligations (III)	(52)	(47)	(99)
Free cash flow (I) + (II) + (III)	**(54)**	**(269)**	**358**

NOTE 12. OFF BALANCE SHEET COMMITMENTS

There has been no material change in off balance sheet commitments since December 31, 2020.

The only significant change is an order for the construction of a bitumen tanker ship, placed by Colas subsidiary McAsphalt Marine Transportation Ltd in the second quarter of 2021. As of June 30, 2021, that represented a capital expenditure commitment in the region of $40 million (€34 million).

NOTE 13. POST-EMPLOYMENT BENEFITS

	Lump-sum retirement benefits		Pensions	
	2021	2020	**2021**	2020
Net liability recognized as of January 1	220	220	114	76
(Gain)/expense for the period (1)	4	6	1	
Translation adjustments			5	(3)
Transfers between accounts & other				
Actuarial gains and losses recognized in equity (2)		(9)	(6)	38
Net liability recognized as of June 30	**224**	**217**	**114**	**111**
of which: deficit recognized as a provision	224	217	126	129
of which: overfunded plans recognized as an asset			(12)	(18)

(1) (Gain)/expense for the period comprises current service cost, interest expense on the obligation, and the expected return on plan assets.

(2) Relates to the impact of changes in actuarial assumptions on post-employment benefits, resulting in the recognition of net actuarial losses of €6m in the first half of 2021 (see the consolidated statement of recognized income and expense); that relates solely to pensions, given that the same discount rate was applied to lump-sum retirements as of December 31, 2020 and June 30, 2021.

There was no material change in the sensitivity of provisions for lump-sum retirement benefits and pensions to changes in discount rates between December 31, 2020 and June 30, 2021.

NOTE 14. PRINCIPAL EXCHANGE RATES USED FOR TRANSLATION PURPOSES

Convention: 1 euro = x local currency units

Country	Currency unit	Exchange rate at 06/30/2021	Average exchange rate for H1 2021	Exchange rate at 06/30/2020	Average exchange rate for H1 2020
Europe					
Croatia	Croatian kuna	7.4995	7.5535	7.5463	7.5307
Denmark	Danish krone	7.4364	7.4369	7.4556	7.4657
United Kingdom	Pound sterling	0.8567	0.8686	0.9003	0.8724
Hungary	Forint	354.11	358.2451	345.9400	344.6732
Poland	Zloty	4.5329	4.5384	4.4647	4.4065
Czech Republic	Czech koruna	25.5690	25.8765	26.6890	26.2965
Switzerland	Swiss franc	1.0954	1.0945	1.0667	1.0641
North America					
United States	US dollar	1.1891	1.2062	1.1222	1.1008
Canada	Canadian dollar	1.4758	1.5050	1.5218	1.5013
Other					
Australia	Australian dollar	1.5821	1.5617	1.6356	1.6807
Morocco	Dirham	10.6168	10.7557	10.8582	10.7614
Thailand	Baht	37.5930	37.1024	34.9280	34.8278

5. Statutory Auditors' Report on the half-year financial information

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Mazars
Tour Exaltis – 61, rue Henri Regnault
92075 Paris La Défense
France

Statutory auditors' review report on the half-yearly financial information
(For the period from January 1, 2021 to June 30, 2021)

This is a free translation into English of the statutory auditors' review report half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,
COLAS SA
1 Rue du Colonel Pierre Avia
75015 Paris

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

– the review of the accompanying condensed half-yearly consolidated financial statements of COLAS SA, for the period from January 1, 2021 to June 30, 2021;
– the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

II - Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

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

Paris-La Défense et Neuilly-sur-Seine on August 24, 2021

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT		MAZARS	
Edouard Sattler Associé	Amélie Jeudi de Grissac Associée	Daniel Escudeiro Associé	Gilles Rainaut Associé

6. Certification by the person assuming responsibility for the half-year activity report

I certify that to the best of my knowledge the condensed financial statements for the half-year included in this document have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of all the companies included within the scope of consolidation, and that the enclosed half-year activity report is a true reflection of the important events arising in the first six months of the financial year and their impact on the annual financial statements, a statement of the principal transactions between related parties as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.

Paris, August 26, 2021

Frédéric GARDÈS

Chairman & Chief Executive Officer

Glossary

Order backlog: 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 suspensory clauses have been lifted).

Changes in revenue at constant scope and exchange rates:

- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;

- at constant scope: change in revenue for the periods compared, adjusted as follows:

- for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
- for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

Free Cash Flow: 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 WCR (working capital requirement).

Net surplus cash/(Net debt): the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(Net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt.