HALF YEAR FINANCIAL REPORT 2022

CONTENTS

The half-year business and the condensed half-year consolidates financial statements included in this document were approved by the Board of Directors on July 28,2022.

1. Governance and shareholders

Composition of the Board of Directors and Committees as of June 30, 2022

Chairman & Chief Executive Officer

Fréderic Gardès

Directors

Cyril 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 (Chairperson)

Colette Lewiner

Stéphanie Rivoal

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, 2022

Shareholder	Shares As June 30, 2022		Change from December 31, 2021		Voting Rights as of June 30, 2022		Change from December 31, 2021	
	Number of shares	%	Number of shares	%	Number of voting rights	%	Number of voting rights	%
Bouygues SA	31,612,151	96.81	+ 40	ns	63,223,797	98.06	+ 68,464	+ 0.04
Colas en actions (Employee Shareholding Funds)	222,983	0.68	+ 2,766	+ 0.01	436,663	0.68	-3,771	ns
Colas Shares (Employee Shareholding Funds)	4,840	0.01	+ 135	ns	9,310	0.01	+ 135	ns
Other	802,022	2.46	-2,621	- 0.01	807,808	1.25%	-15,607	-0.03
Colas SA (Treasury shares) (1)	12,503	0.04	-320	ns	/	/	/	/
TOTAL	**32,654,499**	**100.00**	**0**	**0.00**	**64,477,578**	**100.00**	**+ 49,221**	**+ 0.01**

(1) Trading Position.
ns : not significant

2. Financial Information – 1st half 2022

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 2021	H1 2022	Change vs 2021	At constant scope and exchange rates
Revenue	**5,591**	**6,517**	**+17%**	**+9%**
of wich France	*2,836*	*2,983*	*+5%*	*+5%*
of witch outside of France	*2,755*	*3,534*	*+28%*	*+14%*
Current operating profit	**(100)**	**(160)**	**-60**	
Current operating margin	*-1.8%*	*-2.5%*	*-0.7 pt*	
Operating profit	**(100)**	**(160)**	**-60**	
Net profit attributable to the Group	**(112)**	**(132)**	**-20**	
Free cash flow	**(54)**	**(203)**	**-149**	
Net surplus cash/ (Net debt)	**(631)**	**(1,434)**	**-803**	

Highlights of the half-year

Main order intakes:

- Extension of the Alliance Contract with Network Rail for the renewal and modernization of rail infrastructure in Western / Wales and East Anglia, UK for a period of 5 years, for a contract value of €540 million
- Construction of phase 1 of line 4 of the Cairo metro in Egypt, for a contract value of €159 million
- Civil engineering works on Highway 401 in Ontario, Canada, for a contract value of €110 million
- Work on rail tracks as part of the South Rail Systems Alliance in the United Kingdom, for a contract value of €63 million
- Upgrading a section of Seward Highway in Alaska, USA, for a contract value of €62 million

CSR strategy:

- In January 2022, Colas and Saipol signed a partnership to decarbonize Colas' trucks in France using Oleo100, a 100% French rapeseed fuel. The bio-based fuel reduces greenhouse gas emissions by 60% compared to diesel and cuts fine particle emissions by up to 80%. This project will avoid the emission of nearly 46,000 tons of CO_2 over one year, once the deployment is completed.
- On May 24 and 25, during a dedicated CSR Convention, 600 managers completed the awareness-raising Climate Fresco workshop.
- On June 9, the Group organized a global event called "Environment Day" across the entire Colas map. This second edition was dedicated to biodiversity, a major challenge for Colas, which launched a low-carbon and biodiversity strategy in 2020 to help protect the planet. Environment Day completes a much broader set of actions in favor of biodiversity. Since 2013, the Group has set the goal of having one biodiversity action in each of its quarries and gravel pits by 2030.

Seasonal nature of business activity

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

Order backlog

The order book at the end of June 2022 stood at a record high of €12.9 billion, up 25% year-on-year and up 14% at constant exchange rates, excluding main acquisitions and disposals.

In **mainland France**, **the order backlog** amounts to €3.4 billion, stable year-on-year. The Roads segment's healthy backlog has offset a drop in the Railway segment's backlog.

For the **International and French Overseas units**, **order backlog** totals €9.5 billion, a sharp 37% year-on-year increase (+20% at constant exchange rates, excluding major acquisitions and disposals). The increase is mainly attributable to:

- the addition at end-2021 of Destia's order backlog;
- Colas Rail's international order backlog, with the Manila metro contract awarded in December 2021 and, in the United Kingdom, the five-year extension of the Alliance Contract with Network Rail for the renewal and modernization of rail infrastructure in the south of the country, recorded in June 2022;
- a good order backlog in North America, boosted by major road upgrading contracts in the United States and maintenance contracts in Canada.

International and Overseas France units account for 74% of Colas' total order backlog, compared to 67% at the end of June 2021.

Revenue

Consolidated revenue for the first half of 2022 stood at €6.5 billion, up 17% compared to the first half of 2021 (+9% at constant scope and exchange rates).

A breakdown of H1 2022 revenue shows that France accounted for €3.0 billion (+5% year-on-year) and the international units for €3.5 billion (+28% and +14% at constant scope and exchange rates).

Revenue by business segment

in millions of euros	H1 2021[(1)]	H1 2022	Change vs 2021	At constant scope and exchange rates
Roads France – Indian Ocean	2,650	2,822	+6%	+6%
Roads EMEA	955	1,379	+44%	+15%
Roads United States	623	798	+28%	+17%
Roads Canada	540	651	+21%	+12%
Roads Asia - Pacific	177	206	+16%	+12%
Total Roads	**4,945**	**5,856**	**+18%**	**+10%**
Railways and Other Activities	**641**	**657**	**+2%**	**-1%**
Parent Company	**5**	**4**	**ns**	**ns**
TOTAL	**5,591**	**6,517**	**+17%**	**+9%**

(1) As of 2022, Latin America is now part of the EMEA zone. The 2021 figures have been restated accordingly.

Roads:

Revenue for the first half of 2022 totaled €5.9 billion, up 10% at constant scope and exchange rates. In most countries, Colas companies have taken all possible steps to pass on the sharp rise in production costs (bitumen, energy, labor, etc.) in the unit prices of their products and services.

The price increases have had significant impact on the increase in revenue.

- Revenue in the **France-Indian Ocean** region is up 6% compared to the first half of 2021.
- Revenue in the **EMEA**[1] region (Europe, Middle East, Africa) is up 15% at constant scope and exchange rates. In addition to higher prices, the geography benefited from the ramp-up of major projects in Europe and Africa. Destia contributed approximately €250 million for the first half.

[1] EMEA now includes Latin America, following internal reorganization

- In the **United States**, revenue rose sharply by 17% at constant scope and exchange rates.
- In **Canada**, revenue increased by 12% at constant scope and exchange rates, mainly due to the increase in the price of bitumen marketed by McAsphalt.
- Finally, in the **Asia-Pacific** region, revenue is up 12% at constant consolidation scope and exchange rates.

Railways and other Activities:

For Railways and other Activities, revenue is up 2% year-on-year, mainly boosted by good momentum in Colas Rail's international business.

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 2022, the Group-share of sales amounted to 44 million tonnes of aggregates (+2% compared to the first half of 2021), 494,000 tonnes of binders and emulsions (-13%), 12 million tonnes of asphalt mix (-6%) and 1.2 million m^3 of ready-mixed concrete (-6%).

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

Financial performance

Current operating profit for the first half of 2022 amounted to -€160 million, down €60 million compared to the first half of 2021. As a reminder, the first half of 2021 was less impacted by the seasonal nature of Colas' businesses, due in particular to better weather in Canada. The sharp increase in production costs, particularly energy and bitumen during the first half of 2022, broadly penalized profitability for contracts that were recorded in the order backlog prior to the sudden price hikes. In fact, the increases were not able to be systematically passed on to clients, as some of the contracts did not provide for price adjustments, be they total or partial, and others were based on price indexes that only partially reflect the real increase in costs.

The Group's **share of net income from joint ventures and associates** amounted to €22 million, up €18 million compared to the first half of 2021. Tipco Asphalt's contribution of €8 million was down €2 million, compared to the end of June 2021.

Net profit attributable to the Group stood at -€132 million, compared with -€112 million at the end of June 2021.

Net debt

Net debt at June 30, 2022 stood at €1.4 billion, compared with net debt of €0.6 billion at the end of June 2021. The change is mainly attributable to:

- a €149-million decrease in free cash flow compared to the end of June 2021, in line with the decrease in results;
- a deterioration in working capital requirements, due to the increase in the value of inventories (in particular bitumen) and the increase in trade receivables linked to the sharp rise in revenues;
- payout of dividends for €227 million in May 2022, compared to €97 million in May 2021.

Corporate Social Responsibility

On May 24 and 25, 2022, nearly **700 Colas managers gathered at the Colas in Motion Convention, an event dedicated to Corporate Social Responsibility (CSR) and the Group's ACT corporate project (Act and Commit Together).**

Be it in terms of safety, the environment, managerial excellence or business ethics, Colas is preparing to face the challenges of today and tomorrow with CSR. Fostering cross-functionality, gaining agility, improving coordination and communication on actions in a concrete, transparent manner, measuring progress... Each employee has a role to play in conveying the pioneering spirit of Colas and giving concrete expression to the Group's eight CSR commitments.

A panel of Colas experts spoke about the impact of CSR on the Colas business model and on how the organization is transforming.

- External speakers gave presentations in plenary sessions and in the form of "masterclasses" on four themes (reconciling climate and economic activity, circular economy, inclusive leadership, renewable energies). The aim was to open up the participants' mindset and broaden their horizons.
- During the Convention, the "village" hosted detailed presentations of Colas' CSR-centric actions and initiatives.
- More than 600 managers participated in the "Climate Frescoes" awareness-raising workshop and 64 frescoes were completed.

"The bedrock of any successful corporate project is getting teams in the field mobilized and onboard! The managers who took part in the Colas in Motion Convention now have a key role to play: as ambassadors of the ACT project, they must convey the messages to their teams to ensure that the Group's CSR commitments are actually put into practice." - explains Frédéric Gardès, Chairman & CEO.

Outlook

Colas, which does not operate in Russia or Ukraine, is not directly impacted by the current conflict. The Group is nonetheless paying very close attention to global macro-economic trends and any direct or indirect impact they might have on its businesses and its results.

Revenue in 2022 should be significantly higher than in 2021, due to the high order backlog to be completed in the second half of 2022, the contribution of Destia, rising unit prices for products and services sold by the Group in a highly inflationary environment, and foreign currency effects with a low euro against the US dollar.

Colas expects its 2022 current operating profit to be higher than in 2021. Part of the increase in revenue has an immediate dilutive impact on the current operating profit margin, in particular for the bitumen trading business. The Group has put in place action plans to offset the impact of rising costs and to safeguard its financial performance.

3. Risks and Uncertainties

3.1. Risks

Section "7. Risk factors" of the 2021 Management Report in the 2021 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.

There has been no significant change in these risk factors during the first half year of 2022.

3.2. Disputes and Litigation

Colas Group companies are involved in various lawsuits and claims as part of the normal course of business.

Risks have been assessed on the basis of past experience and after analysis by the Group's legal departments and advisors. To date, to the best of the Company's knowledge, there are no exceptional events or disputes likely to have a material impact on the Group's business, assets, earnings or financial position as a whole. Litigation is reviewed on a regular basis, particularly when new facts arise. The amounts provided for appear to be adequate in the light of these assessments.

The Group uses all legal means to defend its legitimate interests. Details of the litigation for which provisions have been made and those for which provisions have not been made are not disclosed, as such information could have an impact on the outcome of ongoing litigation.

The section "8. Disputes and litigation" of the 2021 Management Report in the 2021 Annual Report contains a description of the main disputes and litigation.

To date, to the best of the Company's knowledge, there are no significant new disputes or litigation or any major changes to those described in the 2021 Annual Report.

4. Condensed consolidated financial statements for the 1st half year 2022

Condensed consolidated financial statements

as of June 30, 2022

Consolidated balance sheet

(€ million)	Note	06/30/2022	12/31/2021	06/30/2021 restated
Property, plant and equipment		2,373	2,375	2,271
Right of use of leased assets		575	532	468
Intangible assets		201	198	200
Goodwill	3.1	945	929	710
Investments in joint ventures and associates	3.2	381	370	366
Other non-current financial assets		129	142	146
Deferred tax assets		156	141	138
Non-current assets		**4,760**	**4,687**	**4,299**
Inventories		1,050	728	761
Advances and down-payments made on orders		62	46	43
Trade receivables		3,218	2,488	2,889
Customer contract assets		1,229	774	968
Current tax assets		83	28	63
Other current receivables and prepaid expenses		1,024	701	946
Cash and cash equivalents	7	373	547	382
Financial instruments – Hedging of debt	7	9	9	10
Other current financial assets		6	3	3
Current assets		**7,054**	**5,324**	**6,065**
Held-for-sale assets and operations				
Total assets		**11,814**	**10,011**	**10,364**
Share capital	4	49	49	49
Share premium and reserves		2,694	2,585	2,538
Translation reserve		145	60	9
Treasury shares		(2)	(2)	(3)
Net profit/(loss) attributable to the Group		(132)	261	(112)
Shareholders' equity attributable to the Group		**2,754**	**2,953**	**2,481**
Non-controlling interests		19	25	22
Shareholders' equity		**2,773**	**2,978**	**2,503**
Non-current debt	6.7	434	168	412
Non-current lease obligations		452	427	386
Non-current provisions	5.1	729	845	913
Deferred tax liabilities		135	113	104
Non-current liabilities		**1,750**	**1,553**	**1,815**
Current debt	6.7	247	29	29
Current lease obligations		138	129	105
Current tax liabilities		59	108	51
Trade payables		2,580	2,153	2,386
Customer contract liabilities		993	841	893
Current provisions	5.2	389	424	401
Other current liabilities		1,749	1,403	1,597
Overdrafts and short-term bank borrowings	6.7	1,131	383	570
Financial instruments – Hedging of debt	7	4	9	12
Other current financial liabilities		1	1	2
Current liabilities		**7,291**	**5,480**	**6,046**
Liabilities related to held-for-sale operations				
Total liabilities and shareholders' equity		**11,814**	**10,011**	**10,364**

The consolidated balance sheet and consolidated statement of changes in shareholders' equity as of June 30, 2021 have been restated to reflect the effects of the IFRS IC agenda decision on IAS 19, which led to the Colas Group revising its method for calculating the period of service used when measuring the provision for lump-sum retirement benefits (see Note 2.2).

Consolidated income statement

(€ million)	Note	H1 2022	H1 2021	FY 2021
Sales (1)	8	**6,517**	**5,591**	**13,226**
Purchases used in production		(3,381)	(2,548)	(6,310)
Personnel costs		(1,914)	(1,774)	(3,543)
External charges		(1,354)	(1,298)	(2,737)
Taxes other than income tax		(90)	(86)	(146)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets		(175)	(176)	(398)
Net charges for amortization and impairment losses on right of use of leased assets		(62)	(48)	(111)
Charges to provisions and other impairment losses, net of reversals due to utilization		3	(50)	(169)
Change in production inventories		18	8	19
Other income from operations (2)		380	380	821
Other expenses on operations		(102)	(99)	(212)
Current operating profit/(loss)		**(160)**	**(100)**	**440**
Other operating income				
Other operating expenses				(10)
Operating profit/(loss)	9	**(160)**	**(100)**	**430**
Financial income		5	6	9
Financial expenses		(19)	(16)	(31)
Income from net surplus cash/(cost of net debt)		**(14)**	**(10)**	**(22)**
Interest expense on lease obligations		(9)	(7)	(15)
Other financial income		4	6	12
Other financial expenses		(4)	(8)	(16)
Income tax		26	3	(148)
Share of net profits/(losses) of joint ventures and associates		22	4	22
Net profit/(loss) from continuing operations		**(135)**	**(112)**	**263**
Net profit/(loss) from discontinued operations				
Net profit/(loss)		**(135)**	**(112)**	**263**
Net profit/(loss) attributable to the Group		**(132)**	**(112)**	**261**
Net profit/(loss) attributable to non-controlling interests		(3)		2
Basic earnings per share from continuing operations (€)		**(4.06)**	**(3.42)**	**8.01**
Diluted earnings per share from continuing operations (€)		**(4.06)**	**(3.42)**	**8.01**
(1) of which sales generated outside France		3,534	2,755	7,175
(2) of which reversals of unutilized provisions and impairment		70	43	164

Consolidated statement of recognized income and expense

(€ million)	H1 2022	H1 2021	FY 2021
Net profit/(loss)	**(135)**	**(112)**	**263**
Items not reclassifiable to profit or loss			
Actuarial gains/(losses) on post-employment benefits	88	6	64
Net tax effect of items not reclassifiable to profit or loss	(19)	(2)	(14)
Items reclassifiable to profit or loss			
Translation adjustments	74	59	106
Remeasurement of hedging assets	8	1	3
Net tax effect of items not reclassifiable to profit or loss			(1)
Share of reclassifiable income and expense of joint ventures and associates	6	5	9
Income and expense recognized directly in equity	**157**	**69**	**167**
Total recognized income and expense	**22**	**(43)**	**430**
Attributable to the Group	25	(43)	428
Attributable to non-controlling interests	(3)		2

Consolidated statement of changes in shareholders' equity

(€ million)	Share capital Share premium	Reserves related to capital/ retained earnings	Consolidated reserves & profit/ (loss) for period	Treasury shares	Items recognized directly in equity	**Total attributable to the Group**	**Non-controlling interests**	**Total**
Position at 12/31/2020 - restated *(1)*	**455**	**839**	**1,504**	**(3)**	**(176)**	**2,619**	**24**	**2,643**
Movements in the first half of 2021								
Net profit/(loss)			(112)			**(112)**		**(112)**
Income and expense recognized directly in equity					69	**69**		**69**
Total recognized income and expense			(112)		69	**(43)**		**(43)**
Capital and reserves transactions, net								
Dividend paid		**116**	(116)					
Share-based payment			(95)			**(95)**	(2)	**(97)**
Position at 06/30/2021 - restated (1)	**455**	**955**	**1,181**	**(3)**	**(107)**	**2,481**	**22**	**2,503**
Movements in the second half of 2021								
Net profit/(loss)			373			**373**	**4**	**377**
Income and expense recognized directly in equity					98	**98**		**98**
Total recognized income and expense			**373**		**98**	**471**	**4**	**475**
Capital and reserves transactions, net								
Acquisitions/disposals of treasury shares		**3**	(3)					
Dividend paid				1		**1**		**1**
							(1)	**(1)**
Position at 12/31/2021	**455**	**958**	**1,551**	**(2)**	**(9)**	**2,953**	25	**2,978**
Movements in the first half of 2022								
Net profit/(loss)			(132)			**(132)**	**(3)**	**(135)**
Income and expense recognized directly in equity					157	**157**		**157**
Total recognized income and expense *(2)*			**(132)**		**157**	**25**	**(3)**	**22**
Capital and reserves transactions, net		(68)	68					
Dividend paid			(224)			**(224)**	(3)	**(227)**
Position at 06/30/2022	**455**	**890**	**1,263**	**(2)**	**148**	**2,754**	**19**	**2,773**

(1) The consolidated balance sheet and consolidated statement of changes in shareholders' equity as of June 30, 2021 have been restated to reflect the effects of the IFRS IC agenda decision on IAS 19, which led to the Colas Group revising its method for calculating the period of service used when measuring the provision for lump-sum retirement benefits (see Note 2.2).

(2) Change in translation reserve:

(€ million)	**Group**	Non-controlling interests	**Total**
Companies controlled by Colas	**74**	(0)	**74**
Joint ventures and associates	**11**		**11**
Total	**85**	**(0)**	**85**

Consolidated cash flow statement

I - Cash flow from continuing operations (€ million)	H1 2022	H1 2021	FY 2021
Net profit/(loss) from continuing operations	(135)	(112)	263
Adjustments:			
Share of net profits/(losses) of joint ventures and associates, net of dividends received	9	28	33
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	145	176	356
Net charges to amortization and impairment expense and other adjustments to right of use of leased assets	62	48	111
Gains and losses on asset disposals	(45)	(44)	(78)
Income taxes, including uncertain tax positions	(26)	(3)	148
Income taxes paid	(93)	(55)	(130)
Other non-cash income and expenses	(2)		1
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes	**(86)**	**37**	**702**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	23	17	37
Changes in working capital requirements related to operating activities (including current impairment and provisions)	(881)	(481)	(140)
Net cash generated by/(used in) operating activities (a)	**(944)**	**(427)**	**599**
Purchase price of property, plant and equipment and intangible assets	(107)	(101)	(357)
Proceeds from disposals of property, plant and equipment and intangible assets	60	62	123
Net liabilities related to property, plant and equipment and intangible assets	(54)	(25)	26
Purchase price of non-consolidated companies and other investments	(3)	(2)	(7)
Proceeds from disposals of non-consolidated companies and other investments	1	1	1
Net liabilities related to non-consolidated companies and other investments			
Purchase price of consolidated activities	(25)	(4)	(266)
Proceeds from disposals of consolidated activities	3	11	24
Net liabilities related to consolidated activities	4	4	4
Other effects of changes in scope of consolidation: Cash of acquired or divested companies	(1)	(3)	28
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	10	37	46
Net cash generated by/(used in) investing activities (b)	**(112)**	**(20)**	**(378)**
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders			
Dividends paid to shareholders of the parent company	(224)	(95)	(95)
Dividends paid by consolidated companies to non-controlling interests	(3)	(2)	(1)
Change in current and non-current debt	464	49	(195)
Repayment of lease obligations	(70)	(52)	(110)
Income from net surplus cash/(cost of net debt) and interest expense on lease obligations	(23)	(17)	(37)
Other cash flows related to financing activities	1		(1)
Net cash generated by/(used in) financing activities (c)	**145**	**(117)**	**(439)**
Effect of foreign exchange fluctuations (d)	(11)	8	14
Change in net cash position (a+b+c+d)	**(922)**	**(556)**	**(204)**
Net cash position at start of period	**164**	**368**	**368**
Net cash flows	(922)	(556)	(204)
Non-monetary flows			
Held-for-sale operations			
Net cash position at end of period	**(758)**	**(188)**	**164**

II - Cash flow from discontinued operations (€ million)	H1 2022	H1 2021	FY 2021
Net cash position at start of period			
Net cash flows			
Net cash position at end of period			

Notes to the consolidated financial statements

Contents

NOTE 1. SIGNIFICANT EVENTS

1.1 – Significant events of the first half of 2022

On February 24, 2022, a military conflict broke out between Russia and Ukraine. Because Colas has only very limited operations in those two countries (2021 revenue of €36,000 in Russia and zero in Ukraine), it is not directly impacted by the ongoing conflict. However, Colas is paying very close attention to macro-economic trends and to the direct and indirect repercussions for the Group's operations.

1.2 – Significant events of the first half of 2021

None.

1.3 – Significant events and changes in scope of consolidation subsequent to June 30, 2022

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, 2022 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, 2021.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of June 30, 2022. 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, 2022 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 July 28, 2022.
The interim condensed consolidated financial statements for the six months ended June 30, 2022 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 as of and for the year ended December 31, 2021 and the six months ended June 30, 2021. The consolidated balance sheet

and statement of changes in shareholders' equity as of those dates have been restated to reflect the IFRS Interpretations Committee (IFRS IC) agenda decision on IAS 19, which led to the Colas Group revising its method for calculating the period of service used when measuring the provision for lump-sum retirement benefits. Applying the agenda decision led to an increase of €22 million in reported shareholders' equity as of June 30, 2022. Provisions for lump-sum retirement benefits were reduced by €29 million, and deferred tax assets by €7 million. There was no impact on the income statement or the statement of recognized income and expense for the first half of 2021.

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, 2021.

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, 2021. Employee headcount, salaries and actuarial assumptions may be revised where the impact is material.

  As of June 30, 2022, some actuarial assumptions - discount rates, salary inflation rate (including general inflation) and return on plan assets - were revised, given the material changes in those parameters. The impact was a gain of €88 million (€70 million net of deferred taxes), which was recognized in the statement of recognized income and expense for the first half of 2022.

The impact of those revisions is summarized below:

Outside France: provisions for pensions decreased by €66 million. That decrease includes the effect of higher discount rates and a revision of employee turnover statistics at Colas Rail in the UK (€20 million) and a change in the fair value of plan assets (€46 million).

In France: provisions for lump-sum retirement benefits decreased by €19 million. That decrease reflects factors including a change in the discount rate from 1.013% as of December 31, 2021 to 2.945% as of June 30, 2022 (impact: €25 million decrease) and the effects of an increase in the salary inflation rate.

The impact on provisions of an additional increase or decrease in discount rates within and outside France would be as follows:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	50 basis points	-€4.7m	+€5m
Pensions (outside France)	20 basis points	-€11.2m	+€11.2m

In addition, a rise of 50 basis points in the salary inflation rate used in France would result in an increase of €5 million in the provision.

Those impacts would also be recognized in the statement of recognized income and expense.

2.3 – New IFRS accounting standards and interpretations

The Colas Group applied the same standards, interpretations and accounting policies as of June 30, 2022 as were applied in its consolidated financial statements for the year ended December 31, 2021, except for changes required to meet new IFRS requirements applicable from January 1, 2022 (see below).

Principal amendments effective within the European Union and mandatorily applicable from January 1, 2022:

- Amendments to IAS 37

On May 14, 2020, the IASB issued amendments to IAS 37, relating to onerous contracts. The amendments clarify what costs an entity considers in determining the cost of fulfilling a contract, in order to assess whether that contract is onerous. The impact on the Group is immaterial.

- Amendments to IAS 16

On July 2, 2021, the IASB issued amendments to IAS 16, relating to how entities account for the net proceeds generated by an item of property, plant and equipment while that item is being brought to the location and condition necessary for it to be operated. The amendments prohibit entities from deducting such proceeds from the cost of the item; rather, the proceeds generated by the sale and the corresponding costs must be recognized in profit or loss. Colas has not identified any impact from applying the amendments.

As regards the IFRS IC Agenda Decision on IAS 38, as mentioned in Note 2.2 to the consolidated financial statements as of December 31, 2021, the review of the costs of configuring or customizing application software in a Software as a Service (SaaS) arrangement was completed in the first half of 2022. Colas has not identified any impact in the consolidated financial statements as of June 30, 2022. All costs of configuring or customizing application software brought into service since January 1, 2022 have been accounted for in accordance with the IFRS IC Agenda Decision.

2.4 – 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 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 – Goodwill

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

	Carrying amount
12/31/2021	**929**
Changes in scope of consolidation	0
Impairment losses charged during the period	0
Other movements (including translation adjustments)	16
06/30/2022	**945**

Other movements mainly comprise translation adjustments in Canada (€10 million) and the United States (€5 million).

The Colas Group has not made any significant acquisitions since January 1, 2022.

In December 2021, the Group acquired Destia. Destia is a major player in the maintenance and construction of road, rail and energy infrastructure in Finland. With a workforce of over 1,600 people, Destia generated sales of €569 million in 2021 and a net profit of €17 million in 2021.

Provisional goodwill was recognized as of December 31, 2021. The purchase price allocation was still ongoing as of June 30, 2022.

The provisional goodwill on the Destia acquisition as of June 30, 2022 was determined as follows:

Purchase price (I)	**252**
Net assets acquired, excluding goodwill (II)	**(40)**
Non-current assets	(71)
Current assets	(137)
Non-current liabilities	28
Current liabilities	140
Purchase price allocation (III)	
Remeasurement of acquired intangible assets	
Remeasurement of acquired property, plant and equipment	
Other remeasurements (deferred taxes & other)	
Unacquired portion	
Goodwill (I)+(II)+(III)	**212**
Translation adjustments	
Goodwill as of June 30, 2022	**212**

3.1.2 Impairment of indefinite-lived intangible assets and goodwill

As of December 31, 2021, 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.

An increase in euro interest rates, which impacts various components of the discount rates used, was observed during the first half of the year. However, this does not call into question the results of the impairment testing conducted as of December 31, 2021, given that the discount rates as of June 30, 2022 remain below the levels at which the recoverable amount of the assets tested would equal their carrying amount (as reported as of December 31, 2021).

3.2 – 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
12/31/2021	**370**
Share of net profit/(loss) for the period	22
Translation adjustments	11
Other income and expense recognized directly in equity	-6
Net profit/(loss) and other recognized income and expense	**27**
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	-16
06/30/2022	**381**

The share of net profits for the first half of 2022 mainly comprises profit shares from Tipco Asphalt (€8 million), Hincol (€4 million), Mak Mecsek (€2 million) and associates of Colas Canada (€2 million).

Translation adjustments relate primarily to Tipco Asphalt (€5 million) and associates of Colas Canada (€2 million).

Other movements mainly comprise the dividends paid out by Tipco Asphalt (€11 million), Hincol (€3 million), Mak Mecsek (€2 million) and associates of Colas Canada (€1 million).

NOTE 4. CONSOLIDATED SHAREHOLDERS' EQUITY

4.1 – Share capital of Colas SA

The share capital of Colas as of June 30, 2022 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, 2022.

NOTE 5. NON-CURRENT AND CURRENT PROVISIONS

5.1 – Non-current provisions

	Employee benefits[a]	Litigation and claims [b]	Guarantees given [c]	Site remediation	Other non-current provisions [d]	Total
12/31/2021	**350**	**157**	**78**	**190**	**70**	**845**
Translation adjustments	0	1	0	3	0	4
Changes in scope of consolidation	0	0	0	0	-1	-1
Charges to provisions	10	7	4	4	6	31
Reversals of utilized provisions	-6	-5	-4	-10	-1	-26
Reversals of unutilized provisions	-3	-7	-3	-1	-22	-36
Actuarial gains and losses	-88	0	0	0	0	-88
Transfers and other movements	0	-1	0	-2	3	0
06/30/2022	**263**	**152**	**75**	**184**	**55**	**729**

(a) Includes actuarial gains of €63m on provisions for pensions; see Note 2.

Analysis of principal provisions:

(a) Employee benefits	**263**
Lump-sum retirement benefits	165
Long-service awards	75
Pensions	23

(b) Litigation and claims	**152**
Provisions for customer disputes	21
Subcontractor claims	8
Employee litigation and claims	20
Social security litigation and claims	78
Tax litigation and claims	7
Litigation and claims with other official bodies	2
Other litigation and claims	16

(c) Guarantees given	**75**
Provisions for 10-year construction guarantees	43
Provisions for additional building/civil engineering/civil works guarantees	26
Provisions for performance bonds	6

(d) Other non-current provisions	**55**
Provisions for miscellaneous foreign risks	1
Provisions for risks on non-controlled entities	20
Other non-current provisions	34

5.2 – Current provisions

Provisions related to the operating cycle	Provisions for customer warranties	Provisions for project risks and project completion [a]	Provisions for expected losses to completion [a]	Site remediation	Other current provisions [b]	Total
12/31/2021	**39**	**79**	**194**	**27**	**85**	**424**
Translation adjustments	0	1	1	0	2	4
Changes in scope of consolidation	0	0	0	0	0	0
Charges to provisions	1	12	36	0	14	63
Reversals of utilized provisions	-1	-12	-53	-1	-14	-81
Reversals of unutilized provisions	-1	-6	-19	0	-3	-29
Transfers and other movements	3	3	0	3	-1	8
06/30/2022	**41**	**77**	**159**	**29**	**83**	**389**

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

(b) Other current provisions:	**83**
Restructuring provisions	3
Provisions for excess on accident claims	35
Provisions for severance benefits	8
Other current provisions	37

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

	06/30/2022	12/31/2021
Medium/long-term borrowings	415	149
Other long-term debt	19	19
Non-current debt	**434**	**168**
Current portion of borrowings	247	29
Overdrafts and short-term bank borrowings	1,131	383
Current debt, overdrafts & short-term bank borrowings	**1,378**	**412**

NOTE 7. CHANGE IN NET DEBT

	12/31/2021	Translation adjustments	Changes in scope of consolidation	Cash flows	Changes in fair value	Other movements	06/30/2022
Cash and cash equivalents	547	3	-2	-175		0	373
Overdrafts and short-term bank borrowings	-383	-14	0	-734		0	-1,131
NET CASH POSITION (A)	**164**	**-11** [a]	**-2** [a]	**-909** [a]	0	**0**	**-758**
Non-current debt	168	13	0	257 [b]		-4	434
Current debt	29	7	0	207 [b]		4	247
Financial instruments, net	0	0	0	2	-7	0	-5
TOTAL DEBT (B)	**197**	**20**	**0**	**466**	-7	**0**	**676**
NET DEBT (A) – (B)	**-33**	**-31**	**-2**	**-1,375**	**7**	**0**	**-1,434**

(a) Decrease of €922 million in the net cash position in the first half of 2022 as analyzed in the consolidated cash flow statement.

(b) Net cash cash outflow from financing activities of €464 million in the first half of 2022 as analyzed in the consolidated cash flow statement, comprising total inflows of €896 million and total outflows of €432 million.

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 2022	H1 2021
Sales of goods	1,295	1,074
Sales of services	267	164
Construction contracts	4,955	4,353
Sales	**6,517**	**5,591**

NOTE 9. OPERATING PROFIT/(LOSS)

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

(€ million)	**H1 2022**	**H1 2021**	**FY 2021**
Current operating profit/(loss)	**(160)**	**(100)**	**440**
Other operating income	0	0	0
Other operating expenses	0	0	(10)
Operating profit/(loss)	**(160)**	**(100)**	**430**

NOTE 10. INCOME TAXES

Analysis of income tax gain/(expense)

The effective tax rate was 14.3% for the first half of 2022, versus 2.5% for the first half of 2021. The 2022 first-half effective tax rate was mainly due to tax losses outside France for which no deferred tax asset was recognized.

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, 2022, the Colas Group’s operating segments are defined 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**: consists of the Roads business in Europe (excluding France), the Middle East, Africa and Latin America;

- **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 and Oceania;

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

- **Headquarters**: 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

	Roads France/ OD-IO	Roads EMEA	Roads USA	Roads Canada	Roads Asia-Pacific	Railways & Other Activities	Head-quarters	Colas Group
H1 2022								
Sales	**2,822**	**1,379**	**798**	**651**	**206**	**657**	**4**	**6,517**
Current operating profit/(loss)	**(1)**	**(37)**	**(74)**	**(65)**	**2**	**(8)**	**23**	**(160)**
Operating profit/(loss)	**(1)**	**(37)**	**(74)**	**(65)**	**2**	**(8)**	**23**	**(160)**
Cost of net debt	1	(4)	(2)	(4)	(1)	(3)	(1)	**(14)**
Interest expense on lease obligations	(4)	(1)	(1)	(1)	0	(1)	(1)	**(9)**
Other financial income/(expenses), net	0	1	0	0	0	(1)	0	**0**
Income tax	(3)	(4)	18	23	(1)	(1)	(6)	**26**
Share of net profits/(losses) of joint ventures and associates	5	1	0	2	14	0	0	**22**
Net profit/(loss)	**(3)**	**(44)**	**(59)**	**(45)**	**14**	**(14)**	**16**	**(135)**
Net profit/(loss) attributable to the Group	**(3)**	**(41)**	**(59)**	**(45)**	**14**	**(14)**	**16**	**(132)**
H1 2021 restated								
Sales	**2,650**	**955**	**623**	**540**	**177**	**641**	**5**	**5,591**
Current operating profit/(loss)	**3**	**(30)**	**(30)**	**(24)**	**(1)**	**5**	**(23)**	**(100)**
Operating profit/(loss)	**3**	**(30)**	**(30)**	**(24)**	**(1)**	**5**	**(23)**	**(100)**
Cost of net debt	(1)	(3)	(2)	(3)	0	(2)	1	**(10)**
Interest expense on lease obligations	(2)	(1)	(1)	(1)	0	(2)	0	**(7)**
Other financial income/(expenses), net	(1)	0	0	0	0	(1)	0	**(2)**
Income tax	(3)	(2)	7	10	0	(1)	(8)	**3**
Share of net profits/(losses) of joint ventures and associates	4	(2)	0	(15)	17	0	0	**4**
Net profit/(loss)	**0**	**(38)**	**(25)**	**(34)**	**15**	**0**	**(30)**	**(112)**
Net profit/(loss) attributable to the Group	**0**	**(38)**	**(25)**	**(34)**	**15**	**0**	**(30)**	**(112)**

In 2022, Latin America was transferred to the EMEA region. 2021 figures have been restated accordingly.

11.3 – Other indicators

	H1 2022	H1 2021
Current operating profit/(loss)	**(160)**	**(100)**
Interest expense on lease obligations	(9)	(7)
Adjusted current operating profit/(loss)	**(169)**	**(107)**
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	175	176
- Net charges to provisions & impairment losses	(3)	50
Elimination of items included in other income from operations	0	0
- Charges to provisions and impairment losses, net of reversals due to utilization	(70)	(43)
EBITDA after Leases	**(67)**	**76**

	H1 2022	H1 2021
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (i)	(86)	37
Acquisitions of property, plant & equipment and intangible assets, net of disposals (ii)	(47)	(39)
Repayment of lease obligations (iii)	(70)	(52)
Free cash flow (iv) = (i)+(ii)+(iii)	**(203)**	**(54)**

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.

NOTE 12. OFF BALANCE SHEET COMMITMENTS

There has been a material change in off balance sheet commitments since December 31, 2022 for the Railways business, in connection with a project in the Philippines for which performance bonds of €112 million were granted by Colas.

NOTE 13. RELATED-PARTY DISCLOSURES

There has been no material change in transactions with related parties since December 31, 2021.

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, 2022 to June 30, 2022)

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, 2022 to June 30, 2022;
- the verification of the information presented in the half-yearly management report.

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 July 28, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit		MAZARS	
Edouard Sattler	Amélie Jeudi de Grissac	Jean-Marc Deslandes	Charles Desvernois
Associé	Associée	Associé	Associé

6. Certification by the person assuming responsibility for the haif-year financial report

I hereby 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 2, 2022

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.