2021 FINANCIAL REPORT

BOUYGUES CONSTRUCTION

CONTENTS

HIGHLIGHTS

▲ Engie Campus,
La Garenne-Colombes (France)

Big Carl, the world's biggest crane, lifting a steel ring weighing 347 tonnes and 17 metres high onto the Unit 1 reactor at the Hinkley Point C nuclear power plant (UK) ▶

▼ Issy Cœur de Ville eco-neighbourhood, Issy-les-Moulineaux (France)

ACQUISITIONS – PROJECTS

- Bouygues signed a purchase agreement with a view to acquiring Equans

MAJOR CONTRACT GAINS

- Engie Campus in La Garenne-Colombes (France)
- University of Essex (UK)
- The new St. Paul's hospital in Vancouver (Canada)
- CloudHQ datacentre in Frankfurt (Germany)
- Ebury Bridge Estate residential complex in London (UK)
- Petit Saconnex property development in Geneva (Switzerland)

PROJECTS UNDER CONSTRUCTION

- Section C1 of the High Speed 2 (HS2) rail link (UK)
- "Grand Paris" rapid transport link, Line 15, packages T2A and T3A (France)
- Melbourne metro and WestConnex tunnel in Sydney (Australia)
- Trunk Road T2 and Central Kowloon Route transport links (Hong Kong)
- Hinkley Point C EPR power plant (UK)
- Roll-out of optical fibre in Brittany with Megalis/Axione (France)
- Issy Cœur de Ville eco-neighbourhood in Issy-les-Moulineaux (France)
- Biology-Pharmacy-Chemistry cluster for Paris Saclay University (France)

PROJECTS HANDED OVER

- Five projects in Ashgabat (Turkmenistan)
- Monaco offshore extension project
- Port of Calais offshore extension (France)
- The Poste du Louvre building in Paris (France)

GOVERNANCE

In August 2021, Pascal Minault succeeded Philippe Bonnave as Chairman and CEO.

KEY FIGURES

▲ Calais Port 2015, Calais (France). A project on a grand scale: creating a 177-hectare harbour and 65 hectares of quays (including 45 hectares reclaimed from the sea), to double the port's capacity and facilitate intermodal operation.

53,000
Headcount

€274m
Net profit attributable to the Group

€20.8bn
Order backlog

€12,770m
Sales

2.7%
Current operating margin

MANAGEMENT REPORT

I - INTRODUCTION

With nearly 53,000 dedicated and responsible employees in almost 60 countries, Bouygues Construction designs, builds and operates building, civil works and energies and services projects. We are acknowledged as a benchmark player in sustainable construction: delivering numerous eco-neighbourhoods, low-carbon (timber-frame) buildings, and structures certified to the world's best eco-standards, as well as upgrading sites to reach positive-energy status[1]. We also develop circular economy business models, from the design phase of projects to recycling the waste they generate.
We are increasingly involved in high value-added large-scale structures, and in more all-encompassing projects ranging from neighbourhoods to connected cities.

1. GROWTH STRATEGY AND OPPORTUNITIES

Our strategy is based around four priorities:
- **be a global player in places where we have a long-term presence** like Australia, Canada, France, the UK, Hong Kong and Switzerland, by drawing on our innovative products and services, and also **develop one-off projects** with local partners;
- in **our Building operations, be a leader in renovation and regeneration** whilst **boosting our property development activities** via our Linkcity network;
- in our **Civil Works operations, continue to be a top-notch player in the major infrastructure market** (bridges, tunnels, nuclear power plants, offshore wind power, concessions and PPP projects) in France and worldwide, and expand our activities in the growing market for infrastructure repair work; and
- **develop our Energies & Services** activities to become a major player in the multi-technical services sector; the purchase agreement signed by the Bouygues group on 6 November 2021 with Engie is fully in line with this priority.

In all our operations, we are investing to increase productivity and improve our performance in the construction process. We are also boosting our actions in innovation and renewable energies, and rolling out our Carbon strategy.

At Bouygues Construction, we:
- **give top priority to the health and safety** of our employees and partners in all our projects;
- **make shared innovation our primary source of added value** and propose full-service offerings that meet customer needs, capitalising on our knowledge of markets in key sectors such as regeneration, healthcare and hotels;
- **pursue customer satisfaction over the long term**, in particular by ensuring tight control over execution, delivering high-quality products and services, and through after-sales support;
- **are digitising our building methods** in order to improve productivity; and
- **use digital technology as a strategic avenue of growth**, via the design of new products and services and the use of digital solutions within our own business activities.

2. CLIMATE STRATEGY AND BIODIVERSITY

We aim to:
- **make the transition to a low-carbon economy a major growth driver** and generate business growth opportunities by offering customers distinctive, high value-added products and services to minimise the carbon impact across the entire value chain;
- **pioneer the integration of solutions** for producing, storing and distributing decarbonised energy (solar, nuclear, hydrogen, etc.); for making buildings, neighbourhoods, towns and cities more energy-efficient (positive-energy buildings, "zero-carbon" neighbourhoods, etc.); and for supporting the development of low-carbon mobility (electric mobility, rail infrastructure, etc.); and
- **reduce the direct and indirect emissions** related to our activities.

Our targets are to:
- **reduce the intensity of our direct and indirect emissions by at least 30%** by 2030 (scopes 1, 2 and 3a) **versus 2019** (equating to 40% for scopes 1 and 2 and 30% for scope 3a); and
- **offer solutions to our customers** that allow them to address the challenges of ecological transition.

1. A building which, in operation, produces more energy than it consumes.

Our plan of action to create a low-carbon culture aims to:

- **reduce the carbon intensity of our operations** by focusing on design and building methods (timber construction, etc.), purchasing (especially priority packages such as concrete, steel, facades and external joinery), and on the energy consumption of our worksites;
- **boost and promote our expertise, skills and flagship projects** in solutions for a low-carbon world;
- **foster a low-carbon mindset for all** by providing training to 100% of our clerical, technical, supervisory and managerial grade employees about carbon issues, encouraging them to reduce travel-related emissions, and engaging in dialogue with customers and partners about projects; and
- **champion biodiversity** in our infrastructure and building projects by developing innovative solutions that protect existing on-site wildlife and ecosystems, and by reintroducing nature into urban environments.

3. STRENGTHS AND ASSETS

Innovative, responsible and proactive, we have many strengths to draw on across all our operations:

- **know-how** through the talent of employees in almost 60 countries who share the same customer-focused values;
- **a positioning that spans the entire value chain of the construction sector in the digital era**;
- **a strong international presence:** Bouygues Construction and its subsidiaries operate worldwide and boast a wide variety of expertise and innovations. We have long-established operations in certain countries, but also work on a one-off basis in other places on projects requiring high-level technical expertise. These two approaches are complementary, and give us the necessary flexibility to deploy our resources quickly in strong-potential markets. We generate over half our sales on international markets;
- **distinctive, high value-added products and services** based on long experience of managing complex projects, specific knowledge of sustainable construction and constant innovation in all its forms;
- **the ability to adapt to changing markets:** the level of our order backlog provides good medium-term visibility, enabling costs to be adjusted while focusing commercial investment on the most dynamic markets; and
- **substantial net surplus cash.**

4. MARKET POSITION

Given the organisational structure of our direct competitors, it is difficult to make like-for-like comparisons between them and Bouygues Construction.

- **in the world:** the Bouygues group's construction arm (represented by its three business segments Bouygues Construction, Bouygues Immobilier and Colas) is placed tenth in the ENR[2] ranking of international contractors, rising to **fifth when based solely on its share of sales generated in international markets** (unchanged from the 25020 rankings).
- **in Europe:** based on the 2020 rankings published by trade magazine Le Moniteur in December 2021, the Bouygues group's construction arm (Bouygues Construction, Bouygues Immobilier, Colas) is the **third largest in Europe** after Vinci and Spanish firm ACS but ahead of Hochtief (Germany) and Eiffage (France).
- **in France:** according to the same rankings[3], Bouygues Construction (based on Building and Civil Works activities alone) is **one of the top three contractors** behind Vinci Construction and ahead of Eiffage (construction activities, excluding property development and infrastructures).

II. BUSINESS ACTIVITY IN 2021

ORDER INTAKE UNDERPINNED BY CORE BUSINESS PROJECTS

In 2021, our order intake came to €11.1 billion, a drop of 13% on 2020, due to a decline in the number of major projects. The volume of contracts worth less than €100 million grew by €0.4 billion.

In **France,** order intake amounted to €4.9 billion, up 3% on 2020. This includes the Engie eco-campus at Garenne-Colombes and phase 2 of the Megalis project to roll out fibre in Brittany.

In **international** markets, order intake amounted to €6.2 billion, down 22% on 2020, which benefited from the signing of several major contracts, including the High Speed 2 rail link in the UK for €1.1 billion.

BACKLOG REMAINS HEALTHY

The backlog at end 2021 stood at a high €20.8 billion (down 6% on end December 2020 and down 6% like-for-like and at constant exchange rates), with international markets accounting for 61%.

Europe was the largest international market, ahead of the Asia-Pacific region. At end 2021, orders to be executed in 2022 amounted to €9.7 billion.

2. ENR Top 250 International Contractors survey (August 2021).
3. 2020 ranking published by *Le Moniteur* magazine in December 2021.

SALES DRIVEN BY INTERNATIONAL MARKETS

Sales were €12.8 billion in 2021, up 6% versus 2020 (up 5% like-for-like and at constant exchange rates). Note that the first half of 2020 was hit hard by the effects of the Covid-19 pandemic, which led to the total or partial shutdown of worksites for several weeks, especially in France. Business returned to normal in the second half.

Building and Civil Works accounted for 70% of sales, and Energies & Services 30%.

Sales in France reached €5.4 billion, up 11% on 2020, and representing 42% of total sales.

Sales in international markets reached €7.4 billion, up 2% on 2020.

IMPROVED OPERATING PERFORMANCES

Current operating profit rose to €342 million, an impressive increase of €171 million compared to 2020. Current operating margin was 2.7%, a level close to the 2.8% posted in 2019.

- Energies & Services showed significant margin recovery, rising to 2.8% in 2021 from 2.1% in 2019 on the back of the first positive effects of the operational transformation plan implemented at end 2018.
- In Building and Civil Works, current operating margin was 2.6%, up 1 point on 2020 but down half a point on 2019.

Net profit attributable to the Group came to €274 million, up from €152 million in 2020.

Net margin advanced to 2.1%.

HIGHEST EVER NET SURPLUS CASH

Net surplus cash at end 2021 stood at an all-time high of €3.5 billion, up by around €0.4 billion on what was already a good 2020 despite Covid.

1. DEVELOPMENTS IN OUR MARKETS AND ACTIVITIES

BUILDING AND CIVIL WORKS

Sales in Building and Civil Works came to €8.9 billion, 5% more than in 2020. International sales were stable versus 2020 and accounted for 55% of the total.

France

2021 sales: € 4 billion (+11%)

Since the outset of the Covid crisis, the building sector has benefited from government aid initiatives and stimulus plans that primarily targeted sustainable investment in the housing sector and in energy renovation.

In the Paris region in particular, urban renovation projects and eco-neighbourhoods open up interesting opportunities (positive-energy buildings, zero-carbon neighbourhoods). However, competition in the sector is fierce. In the non-residential segment, commercial and industrial projects were hit by a number of delays.

In France, the civil works market recovered quickly, with sales back to normal from the end of summer 2020 and the backlog being driven by the Grand Paris infrastructure programme. Although the level of major project investment remained stable in the Paris region, the level of investment outside this region remains uncertain.

The 9% growth in our Building operations is partly due to the resumption of activity following the Covid-related fall in 2020. However, we remain selective, and take on only the most commercially viable projects.

Our Building operations in the Paris region in 2021 were marked by orders taken for the eco-campus in Garenne-Colombes that will host the headquarters of Engie, the Scor offices in Gentilly, and the Îlot A2 complex of the Olympic Village in Saint-Denis. Several projects are currently underway including the construction and redevelopment of the Triangle Eole Evangile district as part of the "Îlot Fertile" project; the public-private partnership created for the Biology-Pharmacy-Chemistry (BPC) cluster in Saclay; and the construction of a maintenance centre for metro Line 18 in Aulnay-sous-Bois, as part of the Grand Paris Express rapid transport link. Outside the Paris region, work continues on the Co'Met entertainment complex in Orleans.

Our Civil Works operations held up well in the Paris region, sustained by Grand Paris infrastructure projects such as packages T2A and T3A for metro Line 15 and the RER Eole East-West Express Rail Link from Saint-Lazare station to the La Défense business district.

Large-scale infrastructure projects are also still in progress outside the Paris region, such as the extension to Port-la-Nouvelle harbour and the offshore wind farm at Fécamp.

Europe

2021 sales: €2.3 billion (+19%)

In **Western Europe**, stimulus plans are boosting the construction market: civil works are gaining momentum in the UK and Switzerland, driven by the transport sector (road and rail) and by major government-led infrastructure projects, both in construction and renovation.

Central and Eastern Europe are mature but promising markets with high economic potential in the construction sector. Demand for housing and infrastructure in the region is still growing.

In the **UK**, Bouygues Construction is involved in several urban regeneration projects, such as the Canning Town and Luton Street projects in London and Riverside in Canterbury. The company continued to work on high value-added educational and research projects (such as Cardiff University's Innovation Campus and a student halls of residence for the University of Essex). We are still working on the construction of the Hinkley Point C nuclear power plant. May 2021 saw a landmark with the lifting – using the world's largest crane – of the second of the three steel rings that will form the liner of the unit 1 reactor; the plant will eventually cover 7% of the UK's electricity needs and supply power to over five million homes. We also continued with construction of section C1 of the HS2 high-speed rail link that will connect central London to Birmingham and Manchester.

In **Switzerland**, we are using our expertise in complex property developments to increasingly scale up to the level of an entire neighbourhood. Our Losinger Marazzi subsidiary won the contract for the mixed-use Petit-Saconnex project in 2021.

In **Central Europe**, our building operations are covered by local subsidiaries in Poland and the Czech Republic, and by a property development strategy.

In **Monaco**, our local subsidiary Richelmi is managing the construction of the Grand IDA mixed housing development and of Villa Lucia.

In **Croatia**, work continues on the dualling of a section of the Istrian motorway, in addition to the design/build of the second tube of the Učka tunnel.

Asia-Pacific

2021 sales: €1.8 billion (-12%)

Asia enjoyed dynamic growth, driven by strong demand for private housing as the economy recovered, low interest rates for property loans, and the urbanisation of emerging countries. Hong Kong, Singapore and the Philippines continue to exhibit strong potential thanks to a high level of demand.

In **Asia-Pacific,** we have developed our expertise through our Building and Civil Works subsidiaries so that we now have long-established local operations, especially in Australia, Hong Kong, Singapore and Thailand.

In **Australia**, the construction market has been slow in the residential sector, while the health sector remains buoyant on the back of public investment. Government spending on the infrastructure construction market is likely to remain strong, especially on roads and telecommunications. Bouygues Construction is continuing to work on the WestConnex tunnel in Sydney and on the Melbourne metro contract. Thanks to our subsidiary AW Edwards, we are now firmly established in the Australian construction sector, particularly in data centres and hospitals, but also in the major Crows Nest metro station project in Sydney.

Several major underground projects are underway in **Hong Kong**, including the Central Kowloon Route and the T2 Trunk Road undersea tunnel. The latter forms part the government's project to build the Route 6 road link, which aims to relieve traffic congestion in central Kowloon.

Bouygues Construction is a recognised player in the building segment in **Singapore** and **Thailand**, especially for high-rise residential buildings such as the Project Glory complex in Singapore and the Summit Tower in Bangkok.

In the **Philippines**, Bouygues Travaux Publics and VSL are continuing to build a bridge as part of the North–South Commuter Railway (NSCR) urban rail network.

Africa-Middle East

2021 sales: €0.4 billion (-12%)

High levels of economic growth are expected in **Africa**, linked in particular to rapid urbanisation, though the geopolitical context remains fragile. The **Africa-Middle East** region posted rapid growth. The Gulf countries have been hit by the drop in oil prices in recent years, but heavy investment in other sectors is paving the way for a "post-oil" economy: transport and leisure infrastructure will be the main growth drivers in this high-potential region. Bouygues Construction takes a selective approach to projects in this part of the world.

In **Egypt**, after taking part in the construction of Lines 1 and 2 of the Cairo metro, we are building the new phase of Line 3.

We also have long-standing building operations in **Morocco**, where we excel in upmarket building projects and leverage our Linkcity network to carry out property developments such as the BO52 programme in Casablanca. We are also present in the education sector with the construction of Benguerir university.

Our expertise in earthworks for opencast mining is illustrated in our operation of gold mines at Kibali in the **Democratic Republic of Congo**, Tongon in **Côte d'Ivoire** and Gounkoto in **Mali**. Bouygues Construction is also involved on a one-off basis in roadbuilding projects in other African countries and has a presence in **Benin** and **Côte d'Ivoire**, with two contracts underway to build the Abomey Calavi and Yopougon hospitals.

Americas – Caribbean

2021 sales: €0.3 billion (-15%)

There are opportunities in the Americas, especially in **Canada** and the **United States**, as a result of the public authorities' stated intention of rebuilding infrastructure. Bouygues Construction is building the Pawtucket water management tunnel in the US, while the year-end was also marked by the award of a contract to build the Palmer Lake Logistics centre in Miami.

The demand for tourist complexes in the Caribbean is another area of interest for Bouygues Construction, despite the heavy blow that Covid-19 has dealt the tourism industry.

ENERGIES AND SERVICES

Our Energies & Services business segment – comprised of the subsidiaries Bouygues Energies & Services, Bouygues Energies & Services InTec, and Kraftanlagen – operates in digital networks, electrical and HVAC engineering, facilities management and services to industry.

As a general rule, both in France and abroad, improving the energy efficiency of buildings is becoming essential due to the increasing demands of industry (Building Management Systems, smart buildings, smart cities, energy consulting, etc.), environmental challenges, demographic growth, and the growing scarcity of raw materials. Telecommunications needs are also driving the growth of network infrastructure.

These large-scale market trends, along with ambitious governmental targets to increase the share of renewables in energy production, open up new growth prospects in both mature economies (Germany, Canada, France, the UK, Switzerland) and emerging countries, particularly in Asia.

The Energies & Services business segment contributed €3.9 billion to the consolidated sales of Bouygues Construction in 2020, an increase of €319 million on 2020.

France

2021 sales: €1.4 billion (+13%)

The French government's stimulus plan and energy transition law (which calls for renewables to generate 32% of all energy production by 2030) create a bright outlook for green energy, energy-efficient buildings, and digitisation. Growth at Bouygues Energies & Services is coming from involvement with local authorities' digital development policies; these projects are undertaken in partnership with Axione.

Numerous large-scale contracts are underway in Brittany and in northern France. In December 2021, Bouygues Construction began a new phase of FTTH (Fibre-To-The-Home) roll-out with the Megalis project to accelerate coverage in Brittany.

Bouygues Energies & Services is involved in numerous construction and renovation projects in the building sector, offering expertise in electrical, mechanical and HVAC engineering. Examples are the installation of the HVAC systems in "Store 3" of La Samaritaine in central Paris, handed over in 2021, and more recently in the future headquarters of the European Space Agency in Paris. Bouygues Energies & Services is also renowned for expertise in the design and installation of solar farms, with landmark projects including the farms at Piolenc and Saint-Maurice-la-Clouère, both in south-east France.

International

2021 sales: €2.5 billion (+7%)

The Bouygues Energies & Services InTec and Kraftanlagen subsidiaries possess recognised expertise in energy systems and industrial engineering, and also offer solutions for power plants. They have already put down solid roots in Europe, notably in **Switzerland** and **Italy** for Bouygues Energies & Services InTec and in **Germany** and **Romania** for Kraftanlagen.

In the field of power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions. In Japan, for example, it is building a solar farm in Tochigi prefecture.

Bouygues Energies & Services is developing its facilities management activity, notably in the **United Kingdom** with the Southmead hospital in Bristol. In 2021, Bouygues was chosen by the operator Virtus to design and build its new London 8 data centre. This is the seventh contract Virtus has awarded the Group for construction, mechanical and electrical works for its data centres, with orders totalling around €800 million since 2012.

In **Canada**, the company provides facilities management services for Surrey Hospital and the Royal National Mounted Police headquarters. Facilities management gives Bouygues Energies & Services a long-term revenue stream. We also operate in the electrical engineering market through our subsidiary Plan Group, which completed the first "smart hospital" in the country, the Mackenzie Hospital at Vaughan, in the Toronto metropolitan region. In 2021, Bouygues Energies & Services also won a €190 million contract for the St Paul hospital in Vancouver.

III. RESEARCH AND DEVELOPMENT ACTIVITIES

1. SHARED INNOVATION AS CUSTOMER SERVICE

As Bouygues Construction continually adapts to meet customer needs, its main strength is shared innovation. We are driving innovation at every stage in the value chain:

- **In the design phase,** Bouygues Construction highlights its expertise in Building Information Modelling, which can be used to manage all the information needed to design and build a structure.

  We can expect to see digitisation gather pace in the years ahead. Improvements in data capture and processing will pave the way for the development of digital twins, generating efficiencies in workflow management and reducing the gap between forecasts and outcomes. In 2022, Bouygues Construction is due to complete a project to finalise a roadmap and identify priority use cases for digital twins.

  Digital twins can also deliver solutions further upstream in the value chain. Working with our partner Dassault Systems, we are drawing inspiration from design and production methods used in the aeronautics, space and automotive industries and from university research (at Stanford, TU Delft and Centrale Lille) to initiate new design solutions for buildings: our MDO project makes it possible to shift from a limited, sequential design process to a multi-disciplinary, parametric design process – leading to significant optimisation. Another project (ALICE, developed by the Plan Group) will enable fluids to be generated automatically in Revit building information modelling software.

  Finally, virtual reality (VR) and augmented reality (AR) – which have emerged in recent years as technologies that could radically change how we live and work – require further work to establish their value in a range of use cases, from safety training and ergonomics to virtual and interactive tours. As part of this process, our R&D teams inaugurated a new DesignLab at the Challenger building in 2021. This demonstrator facility showcases tried and tested technologies developed by R&D, so that our operational teams can visualise how they can be deployed in practice.

  We have also developed a "serious game" that all stakeholders can use to imagine how the neighbourhoods of the future will look.

  Launched by Bouygues Construction a few years ago and drawing on play-based tools including the serious game concept, CityPlay is developing into a fully-fledged co-construction approach to urban development.

The aim is to imagine and build – in conjunction with residents, neighbours and stakeholders – a more resilient, inclusive and intelligent city. The CityPlay approach uses a set of play-based, online and face-to-face solutions to transform cities: citizens and users become designers, and residents are fully engaged.

Examples include:
- future workshops, to help local authorities plan their strategies;
- serious games, to co-construct a project with end users;
- spatial planning of unique, hybrid places, to create the future user community; and
- intrapreneurship: incubating citizen projects, so that hyper-local initiatives can emerge.

Solutions like these can tap into a network of partners (institutions, businesses, universities and non-profits) to support cities with their transformation projects.

The serious game concept has already been deployed on 45 projects, including La Maillerie in Lille (urban spatial planning), Les Fabriques in Marseille (new business start-ups in a makerspace), Share in Tours (serious game), and the Smart City projects developed by Bouygues Energies & Services.

Bouygues Construction also offers local authorities integrated solutions for regenerating industrial wasteland that combine sustainable construction, energy efficiency, a mix of uses, active travel, biodiversity, and new technologies tailored to residents' needs. The Bouygues group has been involved in a number of landmark projects, both in France and internationally.

Since 2016, the Group has been involved in two sustainable city pilot projects in France under the auspices of the *Institut pour la ville durable* (Sustainable City Institute – IVD). These two projects – Eureka Confluence in Lyon, and Descartes 21 Marne-la-Vallée in the Greater Paris region – provide a test-bed for disruptive innovations in all aspects of urban living, where normal rules will not apply.

Bouygues Construction's "OSH" offers clients an office building design concept capable of subsequent conversion to residential use, which is being trialled as part of the Eureka Confluence project. More generally, we provide support for clients seeking to repurpose office space as residential units.

Over the last five years, Bouygues Construction has developed closer ties with the academic community.

For the fifth consecutive year, we have worked with the Centrale Lille engineering school on research around Construction 4.0 (leveraging productivity through digitisation and industrialisation).

We have also built closer links to research into digital twins with the Center for Integrated Facility Engineering (CIFE), headed up by Prof. Martin Fischer at Stanford University in the USA; with the ETSP Paris engineering school; and with the Cambridge Service Alliance at the University of Cambridge in the UK.

These collaborations broaden the scope of our research, especially in emerging trends.

- **In the construction phase,** Bouygues Construction emphasises eco-construction methods and the use of innovative or biosourced materials, and provides the keys for constructing buildings aligned on circular economy principles.

For several years, we have been developing multiple techniques for optimising concrete formulations, in particular by using mineral admixtures (such as metakaolin and milk protein) to reduce carbon emissions. We have developed the use of unconventional materials such as fibre reinforced concrete, ultra-light and ultra-resistant concrete, and composite frame concrete.

During 2021, our R&D teams trialled alkali-activated cement on a range of building and civil works sites (including the widening of the A10 motorway at Orléans, the Pantin conservatoire, and urban generation with Novaxia) to establish the conditions and current limitations for its use. At present, this type of cement has a carbon footprint 70% lower than CEM I.

Based on this trial, we were able to select this clinker-free binder for various projects including the Loiret departmental archive building in Orléans, the ARENA venue for the Paris Olympics, and the Issy les Moulineaux station on the Grand Paris Express rapid transit rail system.

Also in 2021, we continued our partnership with Hoffmann Green Cement Technologies (HGCT) and Chryso, involving research into geopolymer-based concrete and testing concrete formulations on H-EVA technology. The aim is to reduce CO2 emissions by 60%-70% versus CEM I without using milk-based admixtures.

As part of our active technology watch initiative, we are planning to explore other research themes linked to climate challenges so we can evaluate their impact, including carbon capture solutions (carbon sinks) with the CLOVERS project and solutions that are positive for biodiversity, resilience and resource conservation.

Industry 4.0 features increased connectivity between tools, machines, people and systems (such as Internet of Things sensors, big data and artificial intelligence) not only within production sites, but also across the entire ecosystem including clients, partners and other production sites.

In 2021, we launched the Construction Lab, a partnership designed to fast-track two major projects: "Connected Operator" and "Augmented Crane".

The "Connected Operator" projects aims to design a simple, robust interface so that our on-site operators (workers and team leaders) are embedded in the digital chain of our organisational structures.

The "Augmented Crane" project is intended to apply disruptive technologies to crane operator workstations. The project focuses on three areas: developing an application (MAGI) that integrates into a single system all the essential information needed for crane driving; a Proof of Concept (POC) for driving cranes remotely from the ground; and the development of automated crane-driving procedures. In 2021, we tested our first-ever driver-assistance tools (obstacle recognition and route optimisation). The trials under way at the Quai 22 site in Lille are due to continue in the first half of 2022 to assess the business impacts.

- **In the operational phase,** Bouygues Construction is responsive to customer needs in terms of usage, energy efficiency and optimal infrastructure and utilities management.

The "smart city" concept is constantly evolving. The use of information and communication technology will become increasingly important for the competitiveness of cities. But cities also need to be sustainable, and to ensure that parts of their population are not left behind. The European Union is supporting these activities, and its Horizon Europe program (€95 billion in grant money) will lead to significant investment in addressing the issues raised by growing urbanisation.

Our research is geared towards helping cities perform better: public accessibility of services, infrastructure optimisation, and limiting environmental impacts. During 2021, we worked on urban resilience – specifically, on evaluating and reducing heat island risks in neighbourhood redevelopment projects.

Our R&D teams are adding new skillsets in the collection and analysis of open source data. These include an ongoing parking data collection project with Optimove; a trial at our Losinger Marazzi subsidiary in conjunction with Microsoft; and work to improve the reliability of data capture for our carbon balance sheet. We are also extending our sociological research into urban behaviour and mobility.

Whether city-wide or for individual buildings, we are migrating towards the "smart building" concept – in other words, buildings that communicate and integrate with the "smart city". The core mission of our Connected Buildings unit is to help develop in-house expertise that will make us competitive in embedding new information and communication technologies into buildings via a "Building Operating System" (BOS).

Smalt (formerly known as Wizom) is a start-up created and incubated by Bouygues Construction which delivers solutions that reduce the carbon footprint of a building during its use. Smalt's digital technology tools give users closer control over their individual consumption.

In the UK, Bouygues Energies & Services has completed an LED replacement program covering 90% of its public lighting network, helping Redcar & Cleveland Council in Yorkshire to cut its energy consumption. The energy saved equates to around 1,200 tonnes of CO_2 annually.

2. A LEADING PLAYER IN SUSTAINABLE CONSTRUCTION

At the heart of our strategy as a responsible and engaged business is our emphasis on environmental issues.

In a world of dwindling resources, we are developing alternative solutions, such as reusing tunnelling spoil to make concrete for use in building new structures.

Bouygues Construction also designs and constructs buildings that are self-sufficient in 100% renewable energies, and smart electricity supply networks (Smart Grids). We support industrial companies in the production of renewable energies. We also offer our customers innovative infrastructure solutions such as eco-neighbourhoods.

Since 2012, we have been working across the globe to deliver tailor-made renewable energy projects, from photovoltaic arrays and thermal energy generation to wind farms. In March 2021, the biggest solar farm in the UK went live. The project, at Llanwern in Wales, puts 75 MW into the National Grid. In conjunction with a second solar farm at Strensham, that's enough energy to power 31,500 homes in the UK annually. We are also continuing to expand in Japan, with the signature of a new contract to build the Koriyama solar farm.

In 2021, Bouygues Construction linked up with Mont Blanc road tunnel and motorway operator ATMB and Akuo Energy in the Alp'Hyne Mont-Blanc consortium. This consortium aims to design and operate a renewable hydrogen distribution network, using water electrolysis powered by green electricity generated locally in the Haute-Savoie and Ain regions.

Bouygues Travaux Publics is partnering with Saipem to design, build and install on the seabed gravity-based foundations for offshore wind turbines. With a total capacity of around 500 MW, the Fécamp wind farm off the Normandy coast is expected to generate the equivalent of the domestic energy consumption of some 770,000 people, or 60% of the population of the Seine-Maritime region of Normandy.

A number of Bouygues Construction projects reuse secondary raw materials directly on site. For the Pantin Kanal project (a 20,500 m² office block on the edge of the Port de Pantin development zone in the north-eastern suburbs of Paris), our subsidiary Bouygues Bâtiment Ile-de-France Construction Privée is adopting a circular economy approach. A range of measures are being taken to reduce the project's carbon footprint: recovery and reuse of raised floor panels; metal posts that can be reused through the entire cycle; algae-based paints that are not classed as hazardous waste; and composting facilities at the site office. Another example: in refurbishing the Blomet indoor swimming baths in Paris, Bouygues Bâtiment Ile-de-France Ouvrages Publics repurposed the 900 m² of polycarbonate glazing panels from the old structure to create greenhouses for communal gardens.

Bouygues Construction is experimenting with alternative construction methods, and has strengthened its expertise in using timber (which has a lower carbon footprint). Since 2005, we have used timber for nearly 100 new-build or refurbishment projects in France, the United Kingdom and Switzerland.

For example, Revaison College at Saint-Priest, built by Bouygues Bâtiment Sud-Est for Lyon City Council in partnership with timber-construction specialist Ossabois, is 90% timber (half of which is modular). Using modular timber construction meant that the building was completed more quickly, to a higher standard, and in a more eco-friendly way.

Bouygues Construction is also involved in developing two new accreditation standards: BiodiverCity Life et BiodiverCity Ready. While the existing accreditation scheme takes account of biodiversity in the design and construction phases, the new standards will broaden the scope to include pre-existing buildings or even the biodiversity of an entire neighbourhood. In 2021, 33% of Bouygues Construction projects incorporated biodiversity measures. Our performance on this indicator reflects a better general understanding of biodiversity issues, and a strong commitment among our operational teams to biodiversity initiatives such as species conservation (fauna and flora); ecological continuity measures; and the installation of beehives and community food-growing areas. Bouygues Bâtiment International has issued a guide with 17 practical tips to help operational staff take practical steps to support biodiversity. And Bouygues Bâtiment France Europe systematically applies a process for identifying biodiversity challenges, allowing for input from local environmental groups if necessary.

IV. RISK MANAGEMENT POLICIES

Internal control and disclosures about risks (Article L. 225-100-1, I-3 to I-6 of the French Commercial Code)

1. INTERNAL CONTROL

INTERNAL CONTROL SYSTEMS

The Internal Control and Risk Management Reference Manual of the Bouygues group is based on the reference framework published by the AMF. The Reference Manual covers the general principles of internal control and risk management, and internal control principles relating to accounting and finance. In addition to setting out the general principles of internal control within the Bouygues group, the Reference Manual also identifies good practices common to all the Group's business segments, and applies standard treatments on important transverse issues. Each business segment has supplemented the Reference Manual with principles specifically related to its own activities.

Annual internal control self-assessment campaigns are conducted to check on how well internal control principles are being applied. In selecting which control principles are assessed, priority is given to identified risks and topics. At Bouygues Construction, the self-assessment campaign is usually conducted during the spring and summer, with summary reports presented at the end of the year. Around one-third of the control principles are assessed each year. The data collected are used to compile findings about the effectiveness of internal control within Bouygues Construction, and to develop and implement action plans with a view to constantly improving the internal control system and risk management. Each entity develops its own action plans. At Bouygues Construction level, managers of the support functions oversee transverse action plans.

After an eventful 2020 (including a cyber-attack and Covid-19), 2021 saw a return to normal.

Overall, the 2021 campaign involved 643 people in 198 entities or units, representing 86% of Bouygues Construction sales. On average, each entity or unit evaluated 87 principles from the risk management and internal control reference manual.

Three topics were selected by Bouygues SA:
- PG.06 – Investments in External Growth
- PG.08 – Insurance
- PG.12 – Procurement

Fifteen topics were selected by Bouygues Construction:
- PG.01 – Governance
- PG.03 – Organisational Structure Charts and Delegations of Powers
- PG.031 – BYCN – Corporate Officers
- PG.032 – BYCN – Sales Operations
- PG.033 – BYCN – Complex Project Financing
- PG.034 – BYCN – Property Development
- PG.0341 – BYCN – Managing Major Project Risks
- PG.04 – Human Resources
- PG.05 – Information Systems (security aspects)
- CF.05 – Information Systems Organisation and Security
- CF.051 – BYCN – Structure – User Authorisations – Segregation of Duties
- CF.121 – BYCN – Accounting
- CF.122 – BYCN – Prudence Principle
- CF.123 – BYCN – Reporting and Indicators
- CF.20 – Employee Benefits

The 2021 campaign continued the process of extending the rollout of internal control systems to the entities and units closest to the front line, while identifying areas for progress in the rigour of self-assessment ratings. By providing high-quality feedback and pooling their results, those involved are helping internal control to become a training, team-building and management tool.

RISK MAPPING

Risk mapping is integrated into the Bouygues Construction management cycle. It is submitted to the Audit Committee and the Board of Directors.

This management process provides a shared vision of major risks within Bouygues Construction, with the aim of constantly improving control over those risks and reducing exposure. In addition, synergies between risk management, internal control and internal audit can add value to the organisation's control processes. The annual internal audit plan includes a number of assignments which address the key risks identified by the mapping process.

Risk mapping is updated during the summer and autumn. The work done at entity level is supplemented by contributions from the support functions, forming the basis for risk mapping across the Bouygues Construction group as a whole.

Key risk factsheets, which identify action plans, are updated during the campaign.

RESOURCES DEPLOYED

The internal control rollout strategy adopted by Bouygues Construction reflects the Group's decentralised structure, and the decision to rely on strong and highly-structured support functions. The control environment is adapted accordingly:

Role of the Bouygues Construction holding company

Overall management of the internal control system is handled by a dedicated team within the Legal Affairs, Insurance, Audit, Internal Control and Legal Compliance departments. The holding company plays the lead role in the process, co-ordinates the self-assessment campaigns, and provides methodological support to the entities. It also prepares the Group-level summary report, monitors transverse action plans, and drafts the risk mapping.

Role of the entities

Within the entities, the internal control system is the responsibility of the Corporate Secretary. Internal control correspondents are responsible for the rollout of self-assessment campaigns. The Corporate Secretary of each operational unit is usually responsible for onward deployment within the unit itself.

Role of the support functions

The support functions bind the process together, building on the work done at entity level. Managers of the support functions and centres of excellence are responsible for approving certain principles; they also prepare a summary report, and monitor transverse action plans.

Training and awareness programmes

Numerous training and awareness programmes form part of the campaign: discussion forums and feedback meetings, internal control workshops, committee meetings at support function level, and reporting to the Executive Committees. A co-ordinating committee for those responsible for internal control at entity level provides a forum for information-sharing across the Group's entities.

ACCOUNTING AND FINANCIAL INTERNAL CONTROL

The entities have specific resources in both accounting and financial control. Accounting teams may be centralised or decentralised, depending on the circumstances. Financial controllers – present at every level of the organisation – work closely with operational managers.

The financial control and accounting functions both report to the Corporate Secretary. Shared resource centres are in place in the main territories where Bouygues Construction operates. These centres enable subsidiaries based in the same geographical territory to access shared accounting resources, helping to ensure that common policies and rules are strictly observed.

2. RISKS RELATING TO BOUYGUES CONSTRUCTION'S OPERATIONS AND ACTIVITIES

OPERATIONAL RISKS ON MAJOR PROJECTS

The complexity and size of the projects undertaken by Bouygues Construction may expose the Group to risk both in studies and design, and in the execution phase.

Such risks may originate from factors such as:
- errors in design, costings or methods;
- technical failings by the company or its partners (co-contractors, subcontractors, service-providers and/or suppliers);
- co-ordination and interface issues, especially on co-construction projects or works in occupied premises; and/or
- failure to manage tough contractual commitments.

If this type of risk materialises, it can lead to consequences such as (i) cost overruns due to project delays (such as the cost of additional resources or late delivery penalties); (ii) the need to deploy additional technical and human resources; (iii) the need to carry out unforeseen design and/or construction work; (iv) replacement of a partner that has failed; (v) claims and litigation; and (vi) damage to the company's image or reputation.

Bouygues Construction's organisational structure builds in strict selection, commitment, validation and control procedures, at the most appropriate level within the business; the bigger the project, the more centralised the process.

For all major projects, the commercial commitment validation procedure requires the preparation of a Risk Executive Summary or Project Executive Summary at the outset, to identify and quantify the main risks. Internal audits are regularly conducted on major projects to obtain assurance of adequate control over emerging risks.

Finally, Bouygues Construction entities can call upon highly qualified human resources in both technical fields (through skills hubs) and specialist support services.

RISKS ASSOCIATED WITH HIGH INTERNATIONAL EXPOSURE

Bouygues Construction generates more than 60% of its business outside France, operating in over 60 countries, and hence is exposed to risks arising from (i) political or social instability in certain nation states or regions (such as Myanmar in 2021), with a potential impact on the local economy or currency and (ii) diplomatic and/or economic and commercial tensions between nation states. Global instability has intensified since the Covid-19 crisis, coupled with the rise of protectionism (local content).

Generally speaking, if such a risk materialises, it could result in Bouygues Construction:
- incurring extra costs to continue operations and/or maintain a presence in the region affected, due (for example) to tougher regulation, higher taxes, embargoes and/or asset freezes;
- incurring extra costs to withdraw from a region or country;
- forgoing certain contracts or markets.

The risks arising from Bouygues Construction's international exposure are limited by:

- the gradual redeployment of our operations towards Europe (e.g. France, Germany and Switzerland), North America (United States and Canada), Australia, and Asia (e.g. Hong Kong, Singapore, the Philippines and Thailand);
- the resources in place to prevent and mitigate such risks, including:
  - a rigorous selection procedure implemented by the Executive Committee for any country where Bouygues Construction entities do not yet have a presence, or where they have not recently carried on operations;
  - in some regions, a "nomadic" business model, with a temporary operation set up to execute a specific major project;
  - the use of protective contractual terms, and the implementation of legal, financial and insurance-based preventive measures;
  - requiring payment in stable currencies;
  - close monitoring of forecasts (made possible by the depth of our order backlog) so that we can anticipate adverse trends and reallocate our means of production to less affected markets or activities.

RISKS ASSOCIATED WITH SUPPLY CHAIN DISRUPTION

Since the start of 2021, we have seen a sharp rise in the price of materials, with no visibility on trends in the medium term. Freight and international logistics were seriously disrupted in the wake of the Covid-19 pandemic, and the effects have been compounded by longer manufacturing and delivery lead-times, a shortage of containers, and price rises.

The increasing scarcity of some commodities has also created supply issues, and may generate extra costs for or business.

For Bouygues Construction, supply chain risks are mitigated by:
- a centralised procurement function, with specialist buyers and strategic offices around the world to take us as close as possible to where we source our supplies;
- an increased role for our dedicated cross-disciplinary Trading & Logistics unit in under-pressure regions, especially in the UK where the fallout from Brexit is also a factor.

Our procurement function has activated action plans to reduce supply chain disruption, including:
- specialised focus on supplies and subcontracting;
- enlarged scope via the central management team;
- digitisation, including applications such as Constellation and Ivalua, plus marketplace and RPA software;
- communication (economic briefing notes, and specific guidance on materials-related risks).

INDUSTRY TRENDS AND UBERISATION

Our ability to innovate and adapt to changes in markets, techniques and technologies is essential.

Failure to adapt and innovate can adversely affect our capacity to improve productivity and reduce production costs. It could also lead to lost opportunities, and to our withdrawal from certain markets.

However, we believe this risk is limited for Bouygues Construction, which has set up a dedicated innovation unit tasked with:
- supporting R&D activities within our subsidiaries, and centralising cross-disciplinary issues;
- monitoring developments in the field of innovation;
- identifying and securing partnerships with start-ups that offer a good fit with our business;
- promoting in-house initiatives.

LEGAL, REGULATORY AND ETHICAL RISKS

Ethical and compliance breaches

Bouygues Construction is exposed to ethical and compliance risks due to non-compliance with Group standards, especially as regards:
- its relationships with public sector bodies, whether acting as principal or granting the permissions necessary for projects to go ahead;
- the potential for employees to be subject to illegal approaches by intermediaries, suppliers or local partners, potentially resulting in anti-competitive practices, conflicts of interest, or embargo violations;
- the number of players involved in projects, whether in the prospecting phase or during execution;
- the extent of its geographical footprint.

Ethical and compliance breaches may lead to substantial financial penalties; denial of access to certain contracts, markets, sources of funding and/or insurance policies; reputational damage; internal disruption; and the imposition of restrictive monitoring regimes. Following a complete overhaul of our corruption risk mapping in 2021, exposure to corruption risk is addressed through specific monitoring and action plans, in line with recommendations issued by the French anti-corruption agency.

Our ethics and compliance policy has strong backing at the highest level of management, and is supported by our Executive Committee (our chief decision-making body), of which our Chief Ethics Officer is a member. Resources deployed centrally by the Chief Ethics Officer include a Compliance and Privacy Desk within the Legal and Compliance Department, backed up by compliance reps within entity-level Legal Affairs departments and our Local Legal Desks. Our policy is built around the Bouygues group's Code of Ethics and the five Bouygues group compliance programmes. Bouygues Construction also provides employees with a practical guide that includes our policies on gifts and hospitality, guidance on patronage and sponsorship, and the rule under which the use of commercial intermediaries is no longer allowed. Implementation of the policy is supported by online tools including gift and hospitality reporting, compliance verification databases, and training tools developed in-house.

Employee training and awareness programs are provided on these systems, and performance indicators are presented during entity-level compliance reviews and at meetings of the Bouygues Construction Ethics Committee.

NON-FINANCIAL RISKS

Erosion of skills base and loss of attractiveness as an employer

Bouygues Construction's activities are dependent on the competencies, know-how and expertise of its employees, especially for the delivery of construction projects.

So the risk is that Bouygues Construction may be unable to attract and retain the most suitable people in terms of their know-how and/or potential; to train and build the skills of its employees effectively; or to allocate resources appropriately.

If this risk were to materialise, it would:
- reduce the overall level of expertise within Bouygues Construction, potentially weakening its market position;
- make it difficult to plan the availability of essential resources, leading to internal disruption;
- impair the quality and lead-times of project design and/or execution, leading to cost overruns;
- adversely affect the image and reputation of Bouygues Construction.

Preventive and corrective measures are applied; these relate to spotting skills and talents, management training and support, and promoting the attractiveness of the sector and of Bouygues as an employer with a new employee promise.

Risks associated with climate change and carbon reduction expectations (CSR)

For Bouygues Construction, responding to mounting expectations in terms of corporate social responsibility, environmental exemplariness, climate risks and reducing our carbon footprint represents a major challenge.

Failure to address this challenge could result in lost opportunities and reputational damage.

Bouygues Construction has set up specific organisational structures to meet the challenge and limit the associated risks, and is continuing to apply its "Responsible and Engaged" approach covering 12 issues: Health & Safety; Ethics; Human Rights; Exemplary Operations; Energy & Carbon; Diversity & Quality of Life at Work; Circular Economy; Biodiversity; Sourcing of Sustainable Resources; Employability & Local Rootedness; Openness to Society; and Community Spirit.

We have also set up "TopSite", an internal accreditation scheme for our work sites, which addresses five issues: Health & Safety; Environment; Employees; Society; and Quality/Customer Engagement. All projects lasting more than six months and worth over €3 million are required to seek accreditation.

During 2021, we rolled out our climate strategy, and are now monitoring performance against our 2030 CO_2 reduction targets.

This is being backed up by awareness, communication and training campaigns to secure buy-in from everyone throughout our business.

INSURANCE – RISK COVERAGE

Bouygues Construction's policy on insurance cover focuses on optimising and ensuring the continuing validity of the policies contracted for the company and its subsidiaries; the aim is to protect against exceptionally large or numerous potential claims at a cost that does not impair the company's competitiveness.

This long-term approach to insurance cover requires partnerships with high-quality insurers with excellent financial solidity. To preserve these partnerships and prevent information being used to the detriment of Bouygues Construction, especially in legal disputes, the amount of premiums and the terms of cover are kept strictly confidential, especially in liability insurance.

In addition to insurance policies required by law, Bouygues Construction also takes out liability cover (including for cyber risk) against loss or injury to third parties for which Group companies may be liable. Because Group companies vary greatly in size and in the nature of their operations, cover is tailored to the risks incurred, but is generally in excess of €5 million per claim.

Permanent premises (like the headquarters building, branch offices, depots and workshops) are protected by comprehensive insurance policies that provide cover up to a contractual rebuild cost agreed with the insurers on a maximum probable loss basis.

Projects in progress are usually covered by contractors' comprehensive insurance policies that provide protection for property damage. The insured sum is generally the market value.

However, in some cases, the insured sum may be limited by the total capacity available in the world insurance market, in light of specific criteria such as geographical location, the type of project (e.g. tunnels), the risk covered (e.g. cyclones or earthquakes), or the nature of the cover (e.g. ten-year construction guarantees for major building projects).

For all these contracts, deductibles are set so as to optimise the overall cost to Bouygues Construction, based on the likelihood of claims and the premium reductions that can be obtained from insurers by increasing the deductible.

Finally, Bouygues Construction and its subsidiaries operate a prevent and protect policy, including the development of new measures to further reduce the incidence and financial effect of accidents and claims.

3. CREDIT AND/OR COUNTERPARTY RISK

COMMERCIAL CREDIT AND COUNTERPARTY RISK

The fact that our projects and operational units are structurally cash-positive is a fundamental principle underpinning the financial security of our operations. Cash flow and financial risk projections are prepared for major projects from the prospecting phase onwards, and are regularly updated.

The quality and financial soundness of sensitive customers, consortium members, partners, suppliers and subcontractors are closely analysed. Depending on the contractual and commercial context of a project, we may inter alia:
- require an upfront advance from the customer before works commence and deduct warranty retentions from subcontractor progress statements;
- require bank guarantees (e.g. to secure payment in the case of customers, or as performance bonds in the case of subcontractors);

assign trade receivables without recourse;
- take out export risk insurance (covering against country risk and political risk);
- take out credit insurance.

The Bouygues Construction group is not exposed to any risk of dependency on a specific customer.

In the case of ad-hoc consortia, temporary allocations of cash between consortium members are covered by bank guarantees securing the return of the cash.

BANKING CREDIT AND COUNTERPARTY RISK

Any investment of funds with a third party requires the prior approval of the Treasury and Financing Department, in terms of both the choice of bank counterparty (based on an analysis of the bank's rating) and the type of instrument.

The main investment products used are:
- certificates of deposit and term deposits with a maturity of no more than three months with high-grade counterparties;
- term accounts and interest-bearing accounts with high-grade banks offering daily liquidity;
- pure money-market funds offering daily liquidity and a positive yield.

These investments are subject to review and monitoring on a monthly basis.

No losses arose during 2021 on any of the investment products used by the Group.

As of 31 December 2021, no single bank held more than 5% of the Group's available liquidity. Over 90% of investments are placed with counterparties rated investment grade or better (minimum: Standard & Poors BBB+).

LIQUIDITY RISK

As of 31 December 2021, net cash amounted to €4,116 million, and the Group also had €150 million of undrawn confirmed short-term credit facilities on that date.

4. INTEREST RATE RISK

EXPOSURE TO INTEREST RATE RISK

Interest rate risk exposure arises on floating-rate debt recognised in the balance sheet, and is hedged by floating-rate investments. Bouygues Construction negotiates upfront payments with customers before starting work on a contract, and hence has a substantial net cash surplus which is invested in the short term in products that are sensitive to interest rate movements.

INTEREST RATE RISK HEDGING POLICY

The only instruments that can be used for interest rate risk hedging purposes are interest rate swaps, caps and collars. These instruments are used solely for hedging purposes, are contracted solely with high-grade French and foreign banks, and carry no liquidity risk in the event of reversal. Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of these instruments, the selection of counterparties with whom they are contracted, and more generally, the management of exposure to interest rate risk.

Bouygues Construction's policy is to hedge at Group level some or all of its financial assets and liabilities, where these are foreseeable and recurring. Given the Group's level of debt and capital expenditure needs, use of the financial instruments listed above is limited to hedging the company's risk exposures.

5. CURRENCY RISK

EXPOSURE TO CURRENCY RISK

Bouygues Construction has low exposure to currency risk in routine commercial transactions. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed.

This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Bouygues Construction also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

CURRENCY RISK HEDGING POLICY

The only instruments that can be used for currency risk hedging purposes are forward currency purchases and sales, currency swaps and currency options. These instruments are used solely for hedging purposes, are contracted solely with high-grade French and foreign banks, and carry no liquidity risk in the event of reversal. Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of these instruments, the selection of counterparties with whom they are contracted, and more generally, the management of exposure to currency risk.

Bouygues Construction group policy is to hedge systematically all residual exposure to currency risk on commercial transactions relative to the functional currency of a project or entity. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed. Equity investments in foreign companies are usually hedged by a liability of a similar amount in the same currency in the books of the entity that holds the investment.

6. RISK RELATING TO EQUITIES AND OTHER FINANCIAL INSTRUMENTS

Bouygues Construction has no exposure to equities risk.

Financial instruments may occasionally be contracted to hedge a commodities risk, provided that an adequate instrument is available on the financial markets. These instruments are used solely for hedging purposes and are contracted solely with high-grade banks.

V. STATEMENT ON NON-FINANCIAL PERFORMANCE

SOCIAL AND ENVIRONMENTAL IMPACT OF ACTIVITIES – SOCIETAL COMMITMENTS – COLLECTIVE AGREEMENTS – WORKING CONDITIONS

In accordance with Articles L. 22-10-36 and L 225-102-1 of the French Commercial Code as amended by Law no. 2020-1142 of 16 September 2020, information about:

- the consideration given by the company to the social and environmental consequences of its activities, including the consequences for climate change of those activities and of the use made of the goods and services produced by the company;
- its societal commitments to support sustainable development and the circular economy, cut food waste, combat food poverty, respect animal welfare and responsible, fair and sustainable food, combat discrimination, and promote diversity and the interests of people with disabilities;
- collective agreements in effect within the company, and their impacts on the company's economic performance and on the working conditions of employees;

is provided in the 2021 Bouygues Universal Registration Document, available at www.bouygues.com.

VI. VIGILANCE PLAN

In accordance with Article L. 225-102-4 of the French Commercial Code as amended by Order no. 2017-1162 of 12 July 2017, information about:

- human rights and fundamental freedoms;
- human health and safety, and the environment;

is provided in the 2021 Bouygues Universal Registration Document, available at www.bouygues.com.

VII. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the reporting period.

VIII. OUTLOOK FOR THE CONSTRUCTION SECTOR

The outlook provided below assumes no further deterioration in the public health situation.

Bouygues Construction has a number of strengths:
- Confirmed order intake for 2022 of €9.7 billion as of 31 December 2021 (the same level as for 2021 at the end of 2020), plus a medium-term order backlog (2 to 5 years) of €9 billion as of 31 December 2021.
- A full-service player in territories where we have a long-term presence (such as Australia, Canada, the UK, Switzerland and Hong Kong), alongside one-off projects developed with local partners.
- A healthy financial position, bolstered by high net surplus cash of €3.5 billion as of 31 December 2021.
- Leading player status in refurbishment/regeneration and property development within the Building sector, and in the major infrastructure market within the Civil Works sector.
- A range of innovative solutions, backed by investment in digitisation and new construction techniques.
- Expansion of Energies & Services operations, to become a big hitter in multi-technical services.

IX. REVIEW OF THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

A total of 422 companies are included in the scope of consolidation, 55% of which are located outside France, unchanged from end 2020.

These comprise:
- 267 controlled entities, accounted for using the full consolidation method;
- 120 entities meeting the definition of a joint operation, which are accounted for using the proportional consolidation method; and
- 35 entities meeting the definition of a joint venture or over which Bouygues Construction exercises significant influence, which are accounted for using the equity method.

Changes in the scope of consolidation during 2021 did not have a material impact on the consolidated financial statements, except for the acquisition of SEA Productique by the Energies & Services business segment for €8.6 million on 6 April 2021. The provisional goodwill recognised as of 31 December 2021 amounted to €10.4 million.

The main significant events are described below:

Covid-19

Financial impacts

The Covid-19 pandemic led to a reduction in sales of approximately €1,250 million in the first half of 2020. Current operating profit was negatively impacted by €290 million due to the erosion of current operating margin caused by the reduction in sales.

Due to the resumption of the Group's activities, from the second half of 2020 onwards it has no longer been possible to quantify separately the impact of Covid-19 on the Group's year-on-year performance.

Proposed acquisition of Equans by the Bouygues group:

On 6 September 2021, Bouygues announced that it had submitted a non-binding offer to Engie to acquire Equans, as part of the strategy of creating a major player in multi-technical services within the Bouygues group. As stated on 26 August at its first-half 2021 results presentation, Bouygues will not require a capital increase to finance this acquisition. The Bouygues offer was one of five selected by Equans in September to proceed to the second phase of the sale process.

On 2 November 2021, Bouygues submitted a new and binding offer to Engie to acquire Equans.

On 5 November 2021, the Bouygues and Engie groups signed a purchase agreement under which Bouygues agreed to acquire all of the Equans group, based on an enterprise value of €7.1 billion (including lease liabilities under IFRS 16). The deal had already received a favourable opinion from the relevant employee representative bodies within the Bouygues group (Bouygues SA, Bouygues Construction and Bouygues Energies & Services, and the Bouygues European Works Council). The process of informing and consulting the employee representative bodies of Engie and Equans is ongoing in accordance with current legislation. Completion of the deal is subject to finalisation of the scope of the Equans group and the customary suspensive conditions. Final completion of the deal is expected in the second half of 2022.

The proposed merger between Equans and the Bouygues group's Energies & Services business segment (Bouygues Energies & Services and Kraftanlagen Energies & Services) is a unique opportunity to create a new French world champion in energy, digital and industrial transition. Equans would become the largest business area within the Bouygues group by sales (approximately €16 billion) and number of employees (approximately 96,000).

As part of the proposed merger, Bouygues Construction is expected to transfer its Energies & Services business segment to Equans during the second half of 2022. Bouygues Construction therefore considers the transfer of control over the operations of its Energies & Services business segment to be highly probable, and that the conditions for applying IFRS 5 on held-for-sale operations have been met.

Impact on the presentation of the financial statements:

They include comparatives as of 31 December 2020. The balance sheet, statement of recognised income and expense and statement of changes in shareholders' equity as of that date have been restated to reflect the IFRS IC Agenda Decision on IAS 19; the income statement and cash flow statement as of that date have been restated to reflect the application of IFRS 5.

Consequently, the Energies & Services business segment is presented in the financial statements as follows:

- Assets and liabilities are presented as a total amount in specific line items within the balance sheet; receivables and payables between the Energies & Services business segment and other Group entities continue to be eliminated on consolidation. The comparative balance sheet is not restated.
- The net after-tax profit is presented in a specific line item within the income statement, which includes (i) the net after-tax profits generated by such operations until the date of their disposal and (ii) any after-tax gain arising on disposal. The prior-year income statement presented for comparative purposes is restated in the same way.
- Cash flows are also presented in a specific line item within the cash flow statement, which includes (i) the cash generated by such operations until the date of their disposal and (ii) any cash proceeds (net of taxes) from the disposal. The prior-year cash flow statement presented for comparative purposes is restated in the same way.

ASSETS

In aggregate, property, plant and equipment (€552 million) and intangible assets (€11 million) are €112 million lower than at the end of 2020. The main factors in this year-on-year movement are:
- capital expenditure of €193 million during the year, comprising €116 million outside France (including €25 million on the Trunk Road T2 tunnelling project in Hong Kong and €16 million on the treatment plant, and €77 million within France);
- depreciation and amortisation expense charged during the period (€178 million);
- disposals of property, plant and equipment and intangible assets (generating a cash inflow of €45 million);
- the reclassification of the property, plant and equipment and intangible assets of the Energies & Services business segment to held-for-sale assets and operations (reduction of €83 million).

Goodwill amounts to €283 million, including €10 million for the impact of fluctuations in foreign exchange rates against the euro (because goodwill is recognised and tracked in the functional currency of the acquired entity).

Investments in joint ventures and associates, accounted for by the equity method, amount to €26 million (versus €94 million at the end of 2020). This line item saw a reduction of €84 million due to an IFRS 5 reclassification, and as of 31 December 2021 mainly comprises the 33% equity interest in the Stade de France consortium (€6.5 million).

Other non-current financial assets (€217 million) comprise €32 million of investments in non-consolidated companies, plus €185 million of non-current loans and receivables, advances to non-consolidated companies, and deposits and caution money. That compares with €225 million at the end of 2020.

Deferred tax assets amount to €57 million, mainly comprising unrealised tax gains related to provisions for employee benefits and provisions temporarily non-deductible for tax purposes.

Current assets (excluding cash and cash equivalents) amount to €3,047 million as of 31 December 2021.

The net cash position (cash and cash equivalents, net of overdrafts and short-term bank borrowings) is €4,116 million, €103 million lower than at the end of 2020 (€4,219 million), after taking into account a reduction of €295 million due to an IFRS 5 reclassification.

LIABILITIES AND EQUITY

Total shareholders' equity, including non-controlling interests (i.e. minority interests), is €136 million higher than the end-2020 figure, at €971 million.

The main factors in this year-on-year movement are:
- the €282 million of net profit attributable to the Group for the period;
- minus the dividend payout of €152 million to shareholders;
- plus a €6 million increase in the translation reserve.

Non-current debt is €881 million, €184 million lower than at the end of 2020, due mainly to repayments of borrowings used to hedge shareholdings as part of the internal reorganisations in 2021.

Provisions – which are a significant item in the Building & Civil Works sector – are split between non-current (€629 million) and current (€682 million), in accordance with international financial reporting standards.

Current taxes payable amount to €75 million, and comprise corporate income taxes payable by French and foreign subsidiaries in the short term.

Trade payables are €2,133 million at end 2021, compared with €2,921 million at end 2020, after taking account of a reduction of €572 million due to an IFRS 5 reclassification.

Customer contract liabilities amount to €2,004 million at 31 December 2021, versus €2,633 million a year earlier. This line item is presented to comply with the requirements of IFRS 15, and represents the sum total of advances/down-payments received and deferred income.

Other current liabilities amount to €1,445 million. This line item mainly comprises tax and employee-related liabilities.

INCOME STATEMENT

Sales for the year are €8,900 million; this represents a 5% increase versus 2020, which was significantly affected by the impacts of the Covid-19 pandemic.

Of this, 45% was generated in France, and 26% in the rest of Europe.

Current operating profit is €234 million (versus €137 million in 2020). After deducting income tax expense of €101 million, net profit attributable to the Group is €282 million.

2. PARENT COMPANY FINANCIAL STATEMENTS

COMMENTS

The increase of €444 million in net non-current assets (€2,290 million at end 2021, versus €1,846 million at end 2020) is mainly due to:

- the acquisition of Bouygues UK from Bouygues Bâtiment International for €206 million, and of equity interests in Wizom, Aria and Com'in for €3 million;
- movements in financing used to hedge shareholdings in
  - Bouygues Energies & Services: new financing of €421 million for the holding in BYES Intec;
  - repayments for Bouygues Energies & Services (€137 million, across various shareholdings) and Bouygues Bâtiment International (€79 million, relating to Bouygues UK).

The reduction of €117 million in current assets (€308 million at end 2021, versus €425 million at end 2020) mainly reflects a decrease in intra-group current accounts and currency translation differences.

Shareholders' equity at end 2021 is €777 million, an increase of €89 million, after taking account of the €152 million dividend payout and the net profit for the year of €241 million.

Debt at end December 2021 is €1,245 million (versus €1,234 million a year earlier). This line item consists of cash borrowed from Bouygues group cash pooling entities to finance non-current assets, insofar as Bouygues Construction has access to confirmed, available and undrawn long-term credit facilities.

Current liabilities amount to €223 million at 31 December 2021 (versus €257 million at end 2020), a decrease of €34 million, mainly relating to unrealised foreign exchange gains.

Net debt at 31 December 2021 is €1,591 million, versus €1,318 million at end 2020, a year-on-year increase of €273 million.

Indebtedness

As of 31 December 2021, net cash amounted to €4,116 million, and the Group also had €150 million of undrawn confirmed short-term credit facilities on that date.

Loans of less than three years made by the company ancillary to its principal business (Article L. 511-6, 3bis para.1 and Articles R. 511-2-1-1 and R. 511-2-1-2 of the French Monetary and Financial Code)

Bouygues Construction did not make any loans of less than three years ancillary to its principal business in the last financial year

SUBSIDIARIES AND AFFILIATES

As required by Articles L. 233-6 and L. 247-1 of the French Commercial Code, the description of the Bouygues Construction group's activities and results contained in this Financial Report includes the activities of the company's subsidiaries and of companies under its control.

A table showing information about holdings in subsidiaries and affiliates is appended to the company's balance sheet and reproduced on the following page.

Branches – secondary establishments

As required by Article L. 232-1 of the French Commercial Code, we inform you that the company has three secondary establishments in the form of shared resource centres, located at Rouen and St Herblain (accounting) and Lyon (payroll).

INFORMATION ABOUT SUPPLIER AND CUSTOMER PAYMENT TERMS

As required by Articles L. 441-4 and D. 441-4 of the French Commercial Code, information about payment terms is provided below:

- suppliers: invoices received and due for payment that remain unpaid at the end of the reporting period;
- customers: invoices issued and due for payment that remain unpaid at the end of the reporting period.

Year ending 31 December 2021

Subsidiaries and affiliates (€ million)	Share Capital [4]	Reserves & retained earnings before appropriation of profits [4]	% interest in capital	Carrying amount of shares held		Loans and advances receivable by the parent	Guarantees given by the parent	Sales for last financial year	Net profit/(loss) for last financial year	Dividends received by the parent during the year	Comments
				Gross	Net						
A. Detailed information[1][2]											
Subsidiaries (interest held >50%)	**–**	**–**	**–**	**1,549**	**1,530**	**919**	**31**	**–**	**–**	**–**	**–**
DTP	10	1	100.00%	24	24	–	–	1	(1)	4	–
Bouygues Bâtiment International	25	86	100.00%	85	85	45	–	394	8	100	–
Bouygues Bâtiment Île-de-France	13	39	99.70%	103	103	0	1	1,477	50	32	–
Bouygues Travaux Publics	291	(137)	98.88%	343	343	84	2	1,769	15	–	–
BYES	62	382	100.00%	510	510	561	7	946	139	–	–
Bouygues Bâtiment Nord-Est	25	24	100.00%	35	35	–	–	348	10	11	–
Bouygues Bâtiment Centre Sud-Ouest	7	15	93.04%	11	11	0	–	256	3	4	–
Bouygues Bâtiment Sud-Est	3	38	100.00%	6	6	–	–	276	10	6	–
Fichallenge	2	(6)	100.00%	2	–	–	–	–	(0)	–	–
Challenger	0	-	99.99%	15	15	–	–	19	4	–	–
Bouygues Bâtiment Grand Ouest	2	51	100.00%	4	4	–	–	473	9	12	–
Bouygues Bâtiment Central Europe	0	20	100.00%	25	25	31	–	–	(2)	–	–
VSL (Switzerland)	2	3	100.00%	32	32	82	–	39	(3)	–	–
Losinger Holding (Switzerland)	15	12	99.96%	22	22	–	–	–	36	46	CHF 1 = 0.967961
Dragages Hong Kong (Hong Kong)	50	534	100.00%	6	6	57	–	124	39	47	HKD 1 = 0.113208
Acieroid (Spain)	1	1	93.81%	18	1	0	–	18	(0)	–	–
Kraftanlagen (Germany)	5	9	100.00%	99	99	–	21	235	6	–	–
Bouygues UK	125	(0)	100.00%	206	206	59	–	1	(103)	–	–
Detailed information: affiliates (interest held: 10%-50%)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
B. Aggregate information for subsidiaries and affiliates not included in A.											
Total	**–**	**–**	**–**	**36**	**11**	**14**	**–**	**–**	**–**	**–**	**–**
French subsidiaries (aggregate)	–	–	–	5	4	11	–	–	–	4	–
Foreign subsidiaries (aggregate)[3]	–	–	–	0	0	–	–	–	–	0	–
French affiliates	–	–	–	30	7	2	–	–	–	1	–
Foreign affiliates	–	–	–	0	0	0	–	–	–	0	–
Grand total	**–**	**–**	**–**	**1,585**	**1,541**	**933**	**–**	**–**	**–**	**–**	**–**

(1) Where the carrying amount exceeds a certain percentage (determined by applicable regulations) of the share capital of the reporting entity. If the reporting entity has also published a consolidated balance sheet that complies with the applicable regulations, it is only required to disclose aggregate information (item B), showing separately (a) French subsidiaries and (b) foreign subsidiaries.
(2) Give the name and registered office of each subsidiary and affiliate in which the reporting entity holds an equity interest.
(3) Foreign subsidiaries and affiliates exempt from inclusion in item A are included on these lines.
(4) Amount in local currency, with the currency and exchange rate shown in the "Comments" column.

Amounts in thousands of euros	Invoices <u>received</u> and due for payment that remain unpaid at the end of the reporting period						Invoices <u>issued</u> and due for payment that remain unpaid at the end of the reporting period					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
A/ Ageing profile of payment arrears												
Number of invoices	398					1	431					16
Total amount (incl. VAT)	31,734	3	0	0	0	3	30,399	564	343	210	199	1,316
% of total purchases (incl. VAT)	18.96%	0.0%	0.0%	0.0%	0.0%	0.0%						
% of total sales (incl. VAT)							12.19%	0.23%	0.14%	0.08%	0.08%	0.53%
B/ Invoices excluded from (A) because they are disputed or not recognised in the accounts												
Number of invoices			3						0			
Total amount (incl. VAT)			5						0			
C/ Benchmark payment terms used (contractual or statutory – Article L. 441-6 or L. 443-1 of the French Commercial Code)												
Payment terms used to determine arrears	Contractual terms: other than in special cases, the contractual term generally used is 45 days from the end of the invoice month						Contractual terms: other than in special cases, the contractual term generally used is 30 days after the 15th of the following month					

Note:
- the "Trade payables" line item (€52 million) also includes accrued expenses and unpresented bills of exchange;
- the "Trade receivables" line item (€34 million) also includes unbilled receivables.

X. HUMAN RESOURCES UPDATE

As of 31 December 2021, Bouygues Construction had a consolidated headcount of **52,913 (including BYES Intec and Kraftanlagen)** split as follows:

• **France**	**21,996**
- Site workers	5,298
- Clerical, technical and supervisory	6,559
- Managerial	10,139
Includes managerial staff on secondment outside France	
International	**30,917**
- Expatriate staff*	474
- Local staff	30,443

*Only includes expatriates governed by French law.

The frequency rate of accidents requiring time off work in 2021 was 4.3.

The severity rate was 0.31.

XI. APPROPRIATION OF 2021 PROFITS

We propose that you approve the following appropriation of profits:

Legal reserve (already at the maximum amount)	NONE
Net profit for the 2021 financial year	€240,924,492.15
Retained earnings brought forward	€380,627,872.49
Giving distributable profits of	€621,552,364.64
Distribution of a dividend of (€160.70 per share)	€274,191,161.00
Balance carried forward as retained earnings	€347,361,203.64

As required by law, dividends paid in respect of each of the last three financial years are disclosed below:

Year	2018	2019	2020
Number of shares	1,706,230	1,706,230	1,706,230
Dividend per share	€128.45	€190.48	€89.00
Total dividend	**€219,165,243.50**	**€325,002,690.40**	**€151,854,470.00**

XII. ACQUISITIONS OF EQUITY INTERESTS AND CONTROL

1. ACQUISITIONS OF SIGNIFICANT EQUITY INTERESTS IN COMPANIES WITH THEIR REGISTERED OFFICE IN FRANCE

In accordance with Articles L. 233-6 and L. 247-1 of the French Commercial Code, we inform you that during the last financial year Bouygues Construction did not acquire any direct equity interest (in share capital or voting rights) representing more than 5%, 10%, 20%, 33.33% or 50% of the capital of companies with their registered office in French territory.

2. ACQUISITIONS OF CONTROL OF COMPANIES WITH THEIR REGISTERED OFFICE IN FRANCE

In accordance with Articles L. 233-6 and L. 247-1 of the French Commercial Code, we inform you that during the last financial year Bouygues Construction did not acquire direct or indirect control over any company with its registered office in French territory.

XIII. INFORMATION ABOUT THE SHARE CAPITAL

1. TRANSACTIONS ALTERING THE SHARE CAPITAL

No transaction that had the effect of altering the amount of share capital took place during the year ended 31 December 2021.

2. IDENTITY OF INDIVIDUALS OR ENTITIES OWNING MORE THAN ONE-TWENTIETH OF THE SHARE CAPITAL OR VOTING RIGHTS

In accordance with Article L. 233-13 of the French Commercial Code and in light of the information received pursuant to Article L. 233-12 of that Code, we inform you that as of 31 December 2021, 99.96% of the share capital of Bouygues Construction was held by Bouygues, a *Société Anonyme* with its registered office at 32, Avenue Hoche, 75008 Paris, France, registered in the Paris Register of Commerce and Companies as number 572 015 246.

3. INFORMATION ABOUT CONTROLLED ENTITIES AND OWN SHARES

As required by Article L. 233-13 of the French Commercial Code, we inform you that as of 31 December 2021 Bouygues Construction did not hold any of its own shares.

4. ASSIGNMENTS OF SHARES TO REGULARISE CROSS-SHAREHOLDINGS

Because Bouygues Construction has no cross-shareholdings with any other company, the requirement to regularise the situation by assignment of shares (as imposed by Article L. 233-39 of the French Commercial Code) does not apply.

Consequently, no assignments of shares to regularise cross-shareholdings were carried out in the year ended 31 December 2021.

5. SHARES BOUGHT AND SOLD IN CONNECTION WITH VOLUNTARY EMPLOYEE PROFIT-SHARING SCHEMES (ARTICLES L. 225-208, L. 225-209-2 AND L. 225-211 OF THE FRENCH COMMERCIAL CODE)

No shares were bought or sold in connection with voluntary employee profit-sharing schemes during the year ended 31 December 2021.

XIV. NON-DEDUCTIBLE EXPENSES

As required by Articles 223 *quater* and 223 *quinquies* of the French General Tax Code, we inform you that no expenses not deductible for tax purposes (as mentioned in Article 39.4 of that Code) were incurred during the year, and no overheads mentioned in Article 39.5 of that Code were added back for tax purposes.

XV. EMPLOYEE SHARE OWNERSHIP

As required by Article L. 225-102 of the French Commercial Code, we inform you that as of the end of the reporting period (i.e. 31 December 2021), the percentage interest in the company's share capital held by employees of the company itself (and of entities related to the company within the meaning of Article L. 225-180 of the French Commercial Code) was zero.

However, as required by Article L. 225-184 of the French Commercial Code, a special report is being presented to the Annual General Meeting on awards and exercises of stock options during the year relating to (i) corporate officers of the company and (ii) the ten company employees awarded the most options.

XVI. ECONOMIC AND SOCIAL COMMITTEE OBSERVATIONS

The Economic and Social Committee has made no observations pursuant to Article L. 2323-7-2 of the French Labour Code.

XVII. AUTHORISATION OF GUARANTEES

As required by Articles L. 225-35 and R. 225-28 of the French Commercial Code, we inform you that the Board of Directors, at its meeting of 8 November 2021, authorised the Chairman & Chief Executive Officer to enter into guarantees up to an overall cap of €300 million.

The authorisation was granted for a period of one year.

XVIII. RESOLUTIONS

The following resolutions relating to agenda items are submitted for your approval:

- Reading of the Management Report, the Board of Directors' report on corporate governance and the statutory auditors' reports.
- Approval of the parent company financial statements for the 2021 financial year and of transactions carried out in that year.
- Approval of the consolidated financial statements for the 2021 financial year and of transactions carried out in that year.
- Appropriation of profits for the 2021 financial year, and setting of the dividend.
- Approval of regulated agreements covered by Article L. 225-38 of the French Commercial Code.
- Ratification of the co-opting of Pascal Minault as a director.
- Reappointment of Mazars as a statutory auditor.
- Formal note of the end of the term of Loïc Wallaert as an alternate statutory auditor.
- Powers for filing and formalities.

We request that you cast your vote on the resolutions submitted to you.

XIX. OTHER INFORMATION

ADMINISTRATION AND AUDIT OF THE COMPANY

As of 31 December 2021, Bouygues Construction is directed by a Chairman & CEO and two Deputy CEOs.

We inform you that:

- the terms of office of Ernst & Young Audit as a statutory auditor and Auditex as an alternate statutory auditor will expire at the end of the Ordinary Annual General Meeting held to approve the financial statements for the year ended 31 December 2026;
- the terms of office of Mazars as a statutory auditor and Loïc Wallaert as an alternate statutory auditor will expire at the end of the present Ordinary Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS (€ million)	31/12/2021 net	31/12/2020 net restated[a]
Property, plant and equipment	**552**	659
Right of use of leased assets	**108**	226
Intangible assets	**11**	16
Goodwill	**283**	1,148
Investments in joint ventures and associates	**26**	94
Other non-current financial assets	**217**	225
Deferred tax assets	**57**	72
Non-current assets	**1,254**	**2,440**
Inventories	**205**	268
Advances and down-payments made on orders	**91**	137
Trade receivables	**1,138**	1,941
Customer contract assets	**635**	1,000
Current tax assets	**49**	64
Other current receivables and prepaid expenses	**915**	1,109
Cash and cash equivalents	**4,474**	4,582
Financial instruments – Hedging of debt	**–**	–
Other current financial assets	**14**	14
Current assets	**7,521**	**9,115**
Held-for-sale assets and operations	**2,937**	–
Total assets	**11,712**	**11,555**

(a) The balance sheet as of 31 December 2020 has been restated for the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	31/12/2021	31/12/2020 restated[a]
Share capital	**128**	128
Share premium and reserves	**545**	545
Translation reserve	**10**	4
Treasury shares	**–**	–
Net profit/(loss) attributable to the Group	**282**	152
Shareholders' equity attributable to the Group	**965**	**829**
Non-controlling interests	**6**	6
Shareholders' equity	**971**	**835**
Non-current debt	**881**	1,065
Non-current lease obligations	**106**	197
Non-current provisions	**629**	816
Deferred tax liabilities	**24**	23
Non-current liabilities	**1,640**	**2,101**
Current debt	**5**	11
Current lease obligations	**37**	72
Current tax liabilities	**75**	83
Trade payables	**2,133**	2,921
Customer contract liabilities	**2,004**	2,633
Current provisions	**682**	769
Other current liabilities	**1,445**	1,760
Overdrafts and short-term bank borrowings	**358**	363
Financial instruments – Hedging of debt	**–**	–
Other current financial liabilities	**9**	7
Current liabilities	**6,748**	**8,619**
Liabilities related to held-for-sale operations	**2,353**	–
Total liabilities and shareholders' equity	**11,712**	**11,555**
Net surplus cash/(net debt)	**3,230**	**3,143**

(a) The balance sheet as of 31 December 2020 has been restated for the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.

CONSOLIDATED INCOME STATEMENT

(€ million)	Full year 2021	Full year 2020 restated[a]
Sales[b]	**8,900**	**8,497**
Other revenues from operations	**19**	18
Purchases used in production	**(5,431)**	(5,065)
Personnel costs	**(2,028)**	(1,976)
External charges	**(1,358)**	(1,155)
Taxes other than income tax	**(98)**	(109)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets	**(178)**	(197)
Net amortisation expense on right of use of leased assets	**(46)**	(66)
Charges to provisions and other impairment losses, net of reversals due to utilization	**(145)**	(246)
Change in production and property development inventories	**(2)**	–
Other income from operations[c]	**596**	500
Other expenses on operations	**5**	(64)
Current operating profit/(loss)	**234**	**137**
Other operating income	**–**	–
Other operating expenses	**–**	(8)
Operating profit/(loss)	**234**	**129**
Financial income	**24**	28
Financial expenses	**(16)**	(15)
Income from net surplus cash/(cost of net debt)	**8**	**13**
Interest expense on lease obligations	**(5)**	(6)
Other financial income	**34**	26
Other financial expenses	**(5)**	(12)
Income tax	**(101)**	(95)
Share of net profits/(losses) of joint ventures and associates	**8**	(9)
Net profit/(loss) from continuing operations	**173**	**46**
Net profit/(loss) from discontinued operations	**111**	108
Net profit/(loss)	**284**	**154**
Net profit/(loss) attributable to the Group	**282**	**152**
Net profit/(loss) attributable to non-controlling interests	**2**	2
Basic earnings per share from continuing operations attributable to the Group (€)	**100.48**	**25.87**
Diluted earnings per share from continuing operations attributable to the Group (€)	**100.48**	**25.87**

(a) The income statement for the year ended 31 December 2020 has been restated for the effects of applying IFRS 5. The impacts of those restatements are presented in Note 25.

(b) Of which sales generated abroad	**4,902**	4,893
(c) Of which reversals of unutilised provisions/impairment losses and other items	**181**	156

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€ million)	Full year 2021	Full year 2020 restated[a]
Net profit/(loss)	**284**	**154**
Items not reclassifiable to profit or loss		
Actuarial gains/(losses) on post-employment benefits	**2**	(16)
Remeasurement of investments in equity instruments	**(1)**	(3)
Net tax effect of items not reclassifiable to profit or loss	**7**	2
Share of non-reclassifiable income and expense of joint ventures and associates	**–**	(1)
Non-reclassifiable items related to discontinued operations, net of tax	**2**	39
Items reclassifiable to profit or loss		
Translation adjustments	**11**	(13)
Remeasurement of hedging assets	**(4)**	6
Net tax effect of items reclassifiable to profit or loss	**–**	(1)
Share of reclassifiable income and expense of joint ventures and associates	**–**	4
Reclassifiable items related to discontinued operations, net of tax	**(6)**	4
Income and expense recognised directly in equity	**11**	**21**
Total recognised income and expense	**295**	**175**
Recognised income & expense attributable to the Group	**293**	173
Recognised income & expense attributable to non-controlling interests	**2**	2

(a) The consolidated statement of recognised income and expense for 2020 has been restated for (i) the application of IFRS 5 and (ii) the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.
The impacts of those restatements are presented in Note 25.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Share capital & share premium	Reserves related to share capital & retained earnings	Consolidated reserves & profit/ (loss) for period	Treasury shares held	Items recognised directly in equity	Total Group	Non-controlling interests	Total
Position at 31 December 2019 restated[a]	**143**	**346**	**594**		**(102)**	**981**	**6**	**987**
Movements during 2020 restated								
Net profit/(loss)	–	–	152	–	–	**152**	2	**154**
Income and expense recognised directly in equity	–	–	–	–	21	**21**	–	**21**
Total recognised income and expense[c]	**–**	**–**	**152**	**–**	**21**	**173**	**2**	**175**
Capital and reserves transactions, net	–	(16)	16	–	–	**–**	–	**–**
Acquisitions & disposals of treasury shares	–	–	–	–	–	**–**	–	**–**
Acquisitions and disposals with no change of control	–	–	–	–	–	**–**	–	**–**
Dividend paid	–	–	(325)	–	–	**(325)**	(2)	**(327)**
Share-based payments	–	–	–	–	–	**–**	–	**–**
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)	–	–	–	–	–	**–**	–	**–**
Position at 31 December 2020 restated[a]	**143**	**330**	**437**		**(81)**	**829**	**6**	**835**
Movements during 2021								
Net profit/(loss)	–	–	282	–	–	**282**	2	**284**
Income and expense recognised directly in equity	–	–	–	–	11[b]	**11**	[b]	**11**
Total recognised income and expense[c]	**–**	**–**	**282**	**–**	**11**	**293**	**2**	**295**
Capital and reserves transactions, net	–	63	(63)	–	–	**–**	–	**–**
Acquisitions & disposals of treasury shares	–	–	–	–	–	**–**	–	**–**
Acquisitions and disposals with no change of control	–	–	–	–	–	**–**	–	**–**
Dividend paid	–	–	(152)	–	–	**(152)**	(2)	**(154)**
Share-based payments	–	–	–	–	–	**–**	–	**–**
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)	–	–	(5)	–	–	**(5)**	–	**(5)**
Position at 31 December 2021	**143**	**393**	**499**	**–**	**(70)**	**965**	**6**	**971**

(a) Shareholders' equity as of 31 December 2019 and 31 December 2020 has been restated for the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.
(b) Change in translation reserve

Attributable to:	Group	Non-controlling interests	Total
Controlled companies	6		6
Joint ventures and associates			
	6	**–**	**6**

(c) See the statement of recognised income and expense.

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	Full year 2021	Full year 2020 restated[a]
I – Cash flow from continuing operations		
A – NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		
Net profit/(loss) from continuing operations	**173**	46
Adjustments:		
Share of (profits)/losses of joint ventures and associates, net of dividends received	**(3)**	11
Dividends from non-consolidated companies	**(4)**	(3)
Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets and non-current provisions	**127**	196
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets	**47**	66
Gains and losses on asset disposals	**(29)**	(31)
Income taxes, including uncertain tax positions	**101**	95
Income taxes paid	**(120)**	(137)
Other income and expenses with no cash effect	**(6)**	(5)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**286**	238
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	**(3)**	(7)
Changes in working capital requirements related to operating activities (including current impairment and provisions)[a]	**271**	157
Net cash generated by/(used in) operating activities	**554**	**388**
B – NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		
Purchase price of property, plant and equipment and intangible assets	**(193)**	(160)
Proceeds from disposals of property, plant and equipment and intangible assets	**45**	51
Net liabilities related to property, plant and equipment and intangible assets	**–**	(8)
Purchase price of non-consolidated companies and other investments	**(3)**	–
Proceeds from disposals of non-consolidated companies and other investments	**1**	–
Net liabilities related to non-consolidated companies and other investments	**–**	–
Purchase price of investments in consolidated activities	**(14)**	–
Proceeds from disposals of investments in consolidated activities	**–**	–
Net liabilities related to consolidated activities	**–**	–
Other effects of changes in scope of consolidation: cash of acquired and divested companies	**1**	–
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	**6**	(12)
Net cash generated by/(used in) investing activities	**(157)**	**(129)**
C – NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	**(1)**	(16)
Dividends paid to shareholders of the parent company	**(152)**	(325)
Dividends paid by consolidated companies to non-controlling interests	**(2)**	(2)
Change in current and non-current debt	**(543)**	19
Repayment of lease obligations	**(48)**	(71)
Income from net surplus cash/cost of net debt and interest expense on lease obligations	**3**	7
Other cash flows related to financing activities	**(1)**	7
Net cash generated by/(used in) financing activities	**(744)**	**(381)**
D – EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**92**	**(91)**
Change in net cash position (A + B + C + D)	**(255)**	**(213)**
Net cash position at start of period	**4,219**	**4,204**
Net cash flows	**(255)**	**(213)**
Non-monetary flows	**–**	–
Held-for-sale operations	**152**	228
Net cash position at end of period	**4,116**	**4,219**
II – Cash flows from discontinued operations		
Net cash position at start of period	**716**	**488**
Net cash flows	**447**	**228**
Net cash position at end of period	**1,163**	**716**

(a) The cash flow statement for the year ended 31 December 2020 has been restated for the effects of applying IFRS 5. The impacts of those restatements are presented in Note 25.
Definition of changes in working capital requirements related to operating activities: current assets minus current liabilities, excluding (i) income taxes; (ii) receivables/liabilities related to property, plant and equipment and intangible assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS OF 2021

1.1. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION IN 2021

On 6 September 2021, Bouygues announced that it had submitted a non-binding offer to Engie to acquire Equans, as part of the strategy of creating a major player in multi-technical services within the Bouygues group. As stated on 26 August at its first-half 2021 results presentation, Bouygues will not require a capital increase to finance this acquisition. The Bouygues offer was one of five selected by Equans in September to proceed to the second phase of the sale process.

On 2 November 2021, Bouygues submitted a new and binding offer to Engie to acquire Equans.

On 5 November 2021, the Bouygues and Engie groups signed a purchase agreement under which Bouygues agreed to acquire all of the Equans group, based on an enterprise value of €7.1 billion (including lease liabilities under IFRS 16). The deal had already received a favourable opinion from the relevant employee representative bodies within the Bouygues group (Bouygues SA, Bouygues Construction and Bouygues Energies & Services, and the Bouygues European Works Council). The process of informing and consulting the employee representative bodies of Engie and Equans is ongoing in accordance with current legislation. Completion of the deal is subject to the scope delimitation of the Equans group and the customary suspensive conditions. Final completion of the deal is expected in the second half of 2022.

The proposed merger between Equans and the Bouygues group's Energies & Services business segment (Bouygues Energies & Services and Kraftanlagen Energies & Services) is a unique opportunity to create a new French world champion in energy, digital and industrial transition. Equans would become the largest business area within the Bouygues group by sales (approximately €16 billion) and number of employees (approximately 96,000).

As part of the proposed merger, Bouygues Construction is expected to transfer its Energies & Services business segment to Equans during the second half of 2022. Bouygues Construction therefore considers the transfer of control over the operations of its Energies & Services business segment to be highly probable, and that the conditions for applying IFRS 5 on held-for-sale operations have been met.

Consequently, the Energies & Services business segment has been classified in the "Held-for-sale assets and operations and discontinued operations" category as of 31 December 2021, in accordance with IFRS 5 (see Notes 17 and 25).

1.2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 DECEMBER 2021

There were no significant events subsequent to 31 December 2021.

NOTE 2. GROUP ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Bouygues Construction group for the year ended 31 December 2021 were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of that date. 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 (IFRS IC) – 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 31 December 2021 any standard or interpretation not endorsed by the European Union.

The financial statements are presented in millions of euros (unless otherwise indicated) and comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

They include comparatives as of 31 December 2020. The balance sheet, statement of recognised income and expense and statement of changes in shareholders' equity as of that date have been restated to reflect the IFRS IC Agenda Decision on IAS 19, as described below; the statement of recognised income and expense, income statement and cash flow statement as of that date have been restated to reflect the application of IFRS 5.

The financial statements of the Bouygues Construction group include the financial statements of Bouygues Construction SA and its subsidiaries, its investments in associates and joint ventures, and its joint operations. They are presented in millions of euros, and take account of Recommendations 2013 03 (of 7 November 2013) and 2016–01 (of 2 December 2016), issued by the *Autorité des Normes Comptables* (ANC), the French national accounting standard-setter.

The consolidated financial statements were closed off by the Board of Directors on 17 February 2022, and will be submitted for approval by the forthcoming Annual General Meeting on 26 April 2022.

The consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with IFRS using the historical cost convention, except for certain assets and liabilities measured at fair value where this is a requirement under IFRS.

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

EXERCISE OF JUDGEMENT AND USE OF ESTIMATES:

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

These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

The main items involved are the impairment testing of goodwill and equity investments; the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); leases (reasonable certainty of exercise of lease options and incremental borrowing rates, as described respectively in Notes 2.4.1.1. and 2.4.2.1 to the consolidated financial statements); end-of-contract margins on construction contracts (see Note 2.4.3.2 to the consolidated financial statements); and the high probability of loss of control over the assets and operations classified as held-for-sale within the 12 months following the end of the reporting period in accordance with IFRS 5.

Where no standard or interpretation applies to specific transactions, events or conditions, Group management exercises its judgement to define and apply accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements:
- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

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

HELD-FOR-SALE ASSETS AND OPERATIONS AND DISCONTINUED OPERATIONS

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

A discontinued operation is one that is material to the Group (having been treated as a Cash Generating Unit) and that has either been disposed of or classified as a held-for-sale asset. Discontinued operations are presented in the financial statements as follows:

- The assets and liabilities related to the held-for-sale operations are presented as a total amount in specific line items within the balance sheet; receivables and payables between those operations and other Group entities continue to be eliminated at consolidation level. The comparative balance sheet is not restated.

- The net after-tax profit of discontinued operations is presented in a specific line item within the income statement, which includes (i) the net after-tax profits generated by such operations until the date of their disposal and (ii) any after-tax gain arising on disposal. The prior-year income statement presented for comparative purposes is restated in the same way.

- Cash flows from discontinued operations are also presented in a specific line item within the cash flow statement, which includes (i) the cash generated by such operations until the date of their disposal and (ii) any cash proceeds (net of taxes) from the disposal. The prior-year cash flow statement presented for comparative purposes is restated in the same way.

2.2. NEW IFRS ACCOUNTING STANDARDS AND INTERPRETATIONS

The Bouygues Construction group applied the same standards, interpretations and accounting policies for the year ended 31 December 2021 as were applied in its consolidated financial statements for the year ended 31 December 2020, except for new IFRS requirements applicable from 1 January 2021 as mentioned below.

- Principal amendments effective within the European Union and mandatorily applicable in 2021:
  - **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**
    On 27 August 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 13 January 2021, and are applicable retrospectively from 1 January 2021.

The impact of the amendments on the Group is immaterial.

- **IFRS IC Agenda Decision on IAS 38**
  In April 2021, the IASB approved the December 2020 Agenda Decision of the IFRS IC on accounting for the costs of configuring or customising application software in a Software as a Service (SaaS) arrangement. Depending on their nature, such costs are generally recognised as an expense, either immediately or over the term of the contract. An analysis of those costs within the Group is ongoing, and will be finalised in 2022. At this stage, the impact on the Group would appear to be 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 commonly-applied approach used in France (including by Bouygues Construction) was 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 took the view that the benefit should only be attributed on a straight line basis over the specified number of pre-retirement years of service at which the benefit entitlement is capped. The effects of applying this decision are as follows:
  - As of 1 January 2020: an increase in published shareholders' equity of €15 million. Provisions for lump-sum retirement benefits were reduced by €18 million, and deferred tax assets were reduced by €4 million. On the assets side of the balance sheet, investments in joint ventures and associates increased by €1 million.
  - As of 31 December 2020: an increase in published shareholders' equity of €16 million, representing a €1 million positive movement (net of deferred taxes) during 2020 in the reserve for actuarial gains and losses. There was no impact on the consolidated income statement for the year ended 31 December 2020. Provisions for lump-sum retirement benefits were reduced by €19 million, deferred tax liabilities were reduced by €4 million, and investments in joint ventures and associates increased by €1 million.

2.3. CONSOLIDATION METHODS

2.3.1. CONSOLIDATION METHODS AND SCOPE OF CONSOLIDATION

Companies over which Bouygues Construction exercises exclusive control are consolidated by the full consolidation method.

In the case of jointly controlled operations (which give each party direct rights over the assets and obligations for the liabilities), the income, expenses, assets and liabilities of the joint operation are accounted for in accordance with the interests held in the joint operation.

Companies over which Bouygues Construction exercises significant influence, and joint ventures (which give the parties rights over the net assets), are accounted for using the equity method.

- Changes in scope of consolidation

	31/12/2021	31/12/2020
Controlled companies	**267**	261
Joint operations	**120**	127
Joint ventures and associates	**35**	34
Total	**422**	**422**

2.3.2. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The financial statements of consolidated subsidiaries with a functional currency other than the euro are translated at the exchange rate prevailing at the end of the reporting period (in the case of the balance sheet) and at the average exchange rate for the year (in the case of the income statement and cash flow statement). The resulting translation differences are taken to equity under "Translation reserve".

Translation differences arising on foreign-currency liabilities accounted for as a net investment hedge in a foreign operation are recognised in equity.

2.3.3. TRANSLATION OF TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

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

2.3.4. DEFERRED TAXATION

Deferred taxation is recognised on all differences between the carrying amount and the tax base of assets or liabilities (balance sheet liability method). These differences arise from:

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
    - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods;
    - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Deferred tax assets are reviewed at the end of each reporting period, and recognised where it is probable there will be sufficient taxable profits to enable the temporary differences to be offset.
- tax losses available for carry-forward (deferred tax assets), provided that there is a strong probability of recovery in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted in the relevant country by the end of the reporting period. As of 31 December 2021, the temporary differences and tax losses available for carry-forward of French entities were measured at the enacted rate of 25.83% for 2022 and later.

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

2.3.5. CONCESSION CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS (PPP)

The Bouygues Construction group has equity interests in associates that have been awarded concession/PPP contracts; these are accounted for in accordance with IFRIC 12.

2.4. ACCOUNTING POLICIES AND VALUATION METHODS

2.4.1. ASSETS

2.4.1.1. Non-current assets

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at acquisition cost.

Where an item of property, plant and equipment consists of significant components with different useful lives or different depreciation methods, each component is accounted for as a separate item of property, plant and equipment (component-based approach).

The cost of an item of property, plant and equipment comprises the purchase price after deducting any commercial discounts and rebates, and including import duties and non-refundable taxes and any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating as intended by management.

Subsequent costs are recognised as an expense unless they improve the performance of the asset as originally specified, extend its useful life, or reduce the cost of operating the asset as previously established.

Following initial recognition as an asset, items of property, plant and equipment are carried at cost less accumulated depreciation and impairment. The Bouygues Construction group accounts for property, plant and equipment using the historical cost model. Depreciation is calculated over the expected useful life of the asset. The useful life of an asset is the period over which the Group expects the asset to be available for use.

The depreciable amount of an asset is cost less any estimated residual value net of costs of disposal. The residual value of an item of property, plant and equipment is the amount the Group would receive currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life (excluding the effects of inflation).

The principal useful lives applied are:

- buildings: 10 to 40 years;
- plant, equipment and tooling: 3 to 15 years;
- other property, plant and equipment: 3 to 10 years, depending on the type of asset (vehicles, office equipment and furniture, etc).

Depreciation periods are reviewed annually, and may be adjusted if expectations differ from previous estimates. Any such changes in estimates are accounted for prospectively.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under "Other income from operations" unless they meet the criteria for classification within "Other operating income and expenses".

RIGHT OF USE OF LEASED ASSETS

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

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

- the initial amount of the lease obligation (see Note 3.2.2 to the consolidated financial statements);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

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

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

Within the Bouygues Construction group, rights of use relate mainly to property leases, which generally have a lease term of nine years in France.

INTANGIBLE ASSETS

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

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

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are tested for impairment annually.

Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.

Incorporation and research expenses are expensed as incurred.

BUSINESS COMBINATIONS

With effect from 1 January 2010, business combinations have been accounted for in accordance with the revised IFRS 3 and IAS 27, which use the concept of "obtaining control" in determining the accounting treatment to be applied to acquisitions or disposals of equity interests; depending on the circumstances, the impacts of such acquisitions and disposals are recognised either in consolidated profit or loss or in equity.

In a business combination, the fair value of the consideration transferred is allocated to the identifiable assets and liabilities of the acquiree, which are measured at fair value at the acquisition date and presented in the balance sheet using the full fair value method in accordance with the revised IFRS 3. This method involves remeasuring the assets and liabilities acquired at fair value in full (including non-controlling interests), rather than remeasuring just the percentage interest acquired.

The revised IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:

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

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial goodwill method. This method involves restricting the fair value remeasurement of identifiable items to the percentage interest acquired. Non-controlling interests in these items are measured on the basis of the carrying amount of the items as shown in the balance sheet of the acquired entity. The revised standards allow the acquirer to elect to account for each new business combination on either a full goodwill basis or a partial goodwill basis.

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

Goodwill is the excess of the acquisition cost over the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities that can be reliably measured at the acquisition date.

It represents the payment made by the acquirer in anticipation of the future economic benefits arising from assets that cannot be individually identified and separately recognised, and is reported separately as an asset in the balance sheet.

If the cost of a business combination is less than the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, then the difference is referred to as "negative goodwill" or "gain on a bargain purchase" and is recognised in profit or loss in the period in which the combination occurred.

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

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses in accordance with IAS 36, and is tested for impairment annually. Impairment losses are charged to the income statement as an operating item.

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

The value in use of CGUs is determined using the discounted cash flow (DCF) method, applying the following principles:

- The discount rate is determined by reference to the weighted average cost of capital.
- The cash flows used are derived from the medium-term business plan prepared by the management of the CGU.
- The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows (after lease expenses) and a perpetual growth rate that is consistent with the growth potential of the markets in which the CGU operates and with its competitive position in those markets.

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

Bouygues Construction has identified two CGUs: one comprising French and international Building & Civil Works activities, and the other comprising French and international Energies & Services activities.

The business plan used was prepared within the context of the Group's management cycle.

The assumptions applied include no changes in the scope of the Group's Building & Civil Works and Energies & Services activities, and the continuation of those activities as a going concern over the three-year period covered by the business plan.

The Bouygues Construction group has set a year by year profitability target for its Building & Civil Works and Energies & Services activities.

This target is incorporated into the assumptions used in the business plan, which also takes into account past experience and external sources of information.

Building & Civil Works CGU:
- Discount rate applied: 6.80%/6.40%, depending on the assumptions used.
- Growth rate applied: 2%.

Energies & Services CGU:
- Discount rate applied: 6.20%/5.90%, depending on the assumptions used.
- Growth rate applied: 2%.

NON-CURRENT FINANCIAL ASSETS
The accounting treatment of financial assets depends on the management model and the characteristics of the contractual cash flows. Based on those criteria, they are accounted for in one of three ways:
- at amortised cost;
- at fair value through other comprehensive income; or
- at fair value through profit or loss.

- **Investments in non-consolidated companies and other long-term investment securities**
  Equity instruments (other than investments in consolidated companies) are accounted for at fair value. Changes in fair value are recognised either (i) through profit or loss, in "Other financial income" or "Other financial expenses", or (ii) through equity, in "Other comprehensive income not reclassifiable through profit or loss"; the choice between those two methods is made on initial recognition for each instrument individually, and cannot be subsequently changed.

- **Loans and receivables**

Loans and receivables are accounted for at amortised cost. In accordance with IFRS 9, an impairment allowance is booked on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss.

2.4.1.2. Current assets

INVENTORIES
Inventories are stated at the lower of cost or market price.

Where the realisable value of inventory is lower than cost, an impairment loss is recognised.

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

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

CUSTOMER CONTRACT ASSETS
Customer contract assets (see Note 4.4) represent a contingent right for the Group to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditional on something other than the passage of time. They comprise sales recognised on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

CASH AND CASH EQUIVALENTS
Cash equivalents (short-term investments) are measured at fair value and classified as available-for-sale financial assets.

Cash and short-term deposits, and bank overdrafts: because of their short-term nature, the carrying amounts shown in the consolidated financial statements are a reasonable approximation of their market value.

2.4.2. LIABILITIES

2.4.2.1. Non-current liabilities

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

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

NON-CURRENT LEASE OBLIGATIONS
In accordance with IFRS 16, on commencement of a lease the lessee recognises a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

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

During the term of the lease, the carrying amount of the lease obligation is:
• increased to reflect interest on the lease obligation, which is recognised as an expense in the income statement and calculated using the discount rate used on initial measurement; and
• reduced to reflect lease payments made.

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

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than 12 months. Such leases are recognised in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

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

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

NON-CURRENT PROVISIONS
A provision is recorded where the Group has a present obligation to a third party at the end of the reporting period resulting from a past event, the settlement of which is expected to result in a probable outflow from the Group of resources embodying economic benefits that can be reliably estimated.

These mainly comprise:

• **Employee benefits**

• **Provisions for lump-sum retirement benefit obligations:**

The Group records a provision for its obligations to pay lump-sum benefits to its employees on retirement, to the extent that those obligations are not covered by insurance policies.

This provision is calculated using the projected unit credit method based on final salary.

The amount of the provision is determined on the basis of the relevant collective agreement, and taking account of the following factors:
- employees classified in groups with similar characteristics in terms of grade, age and length of service;
- monthly salary, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
- final salary inflation rate;
- discount rate applied to the obligation over the projected period to the retirement date;
- employee turnover rate, determined by age bracket and socio-professional category;
- life expectancy, determined using the INSEE 2012-2014 mortality table.

In accordance with the revised IAS 19, all actuarial gains and losses on defined-benefit post-employment benefit plans are recognised in non-current provisions, with the matching entry recognised in equity via the statement of recognised income and expense.

• **Provision for long-service awards:**
The Group records a provision for its obligations in respect of long-service awards (10, 20, 30 and 40 years) using the projected unit credit method, projected over the period to the date of the award.

• **Pension provisions (defined-benefit plans):**

The Group calculates and recognises defined-benefit obligations (see Note 20) in accordance with the revised IAS 19.

The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. These assumptions are internally consistent. The discount rate and the rate of return on plan assets are determined by reference to the expected market rate, taking into account the estimated timing of benefit payments; the discount rate applied to the obligation is determined by reference to the market rate for high-quality corporate bonds at the end of the reporting period.

• **Provisions for litigation, claims and foreseeable risk exposures**

• **Customer warranty provisions**

These provisions are intended to cover risks for which the company is liable during the warranty period (essentially the ten-year warranty in France). Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees are recognised in line with the recognition of contract revenues, based on statistical data reflecting actual experience over the long term.

• **Site rehabilitation costs:**
Rehabilitation costs arising from the gradual deterioration of a site are covered by provisions recognised on the liabilities side of the balance sheet.

2.4.2.2. Current liabilities

TRADE AND OTHER CREDITORS
Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

CURRENT PROVISIONS
Current provisions, which relate to the normal operating cycle, mainly comprise:
• provisions for project risks and project completion;
• provisions for expected losses to completion on customer contracts. These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

CUSTOMER CONTRACT LIABILITIES

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 11.1 to the consolidated financial statements).

2.4.3. INCOME STATEMENT

2.4.3.1. Consolidated sales

Consolidated sales represent the aggregate amount of contract revenues, sales of products and sales of services where control of the asset produced has transferred to the customer, including sales generated by entities controlled by Bouygues Construction and by joint operations (after eliminating intercompany transactions).

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

Most contracts entered into by the Group contain a single performance obligation.

2.4.3.2. Accounting for construction contracts

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

Such revenue is recognised at the end of each reporting period by the percentage of completion method, using a completion rate determined by reference to progress of the works (output method) or to the cost of completed works (input method).

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

2.4.3.3. Profits/losses from joint operations

These represent the Group's share of profits or losses from non-consolidated partnerships and non-consolidated joint ventures; as such, they are a component of operating profit and are reported on the lines "Other income from operations" and "Other expenses on operations".

2.4.3.4. Operating profit

Operating profit represents the net amount of all income and expenses not generated by financing activities, by associates or by discontinued or held-for-sale operations, and excluding income taxes.

Any impairment of goodwill is recognised as a charge against operating profit.

2.4.3.5. Other operating income and expenses

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

2.4.3.6. Income from net surplus cash

Income from net surplus cash comprises all gains, losses, income and expenses generated by components of net surplus cash during the period (see Note 9.1, "Main components of change in net surplus cash"), including gains and losses on related interest rate and currency hedges.

2.4.3.7. Other financial income and expenses

This comprises financial income and expenses that are of a non-operating nature and do not relate to components of "Income from net surplus cash".

2.4.4. FINANCIAL INSTRUMENTS

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

The only instruments used for that purpose are:
- forward currency purchases and sales, currency swaps and currency options for currency risk hedging purposes;
- interest rate swaps and purchases of caps and collars for interest rate risk hedging purposes;
- commodity swaps and options for commodity risk hedging purposes.

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

Specific reports are prepared on a regular basis for those responsible for the management and supervision of the relevant Group companies, describing the use of hedging instruments; the selection of counterparties with whom they are contracted; and more generally, the management of exposure to currency risk and interest rate risk.

- **Financial risks to which the Group is exposed, and principles applied to the management of those risks**

FOREIGN EXCHANGE RISK

In general, the Bouygues Construction group has little exposure to currency risk in routine commercial transactions. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. The Group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

Group policy is to hedge systematically all residual exposure to currency risk on commercial transactions relative to the functional currency of a project or entity. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed.

Equity investments in foreign companies are usually hedged by a liability of a similar amount in the same currency in the books of the entity that holds the investment.

INTEREST RATE RISK
Interest rate risk exposure arises on floating-rate debt recognised in the balance sheet, and is hedged by floating-rate investments.

The Group's income statement could be adversely affected by a significant fall in European interest rates. Interest rate swaps may be contracted to lock in the income streams from the Group's surplus cash.

- **Hedge accounting policies and rules**

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

Hedge accounting is applied where a derivative instrument wholly or partly offsets changes in the fair value or cash flows of a hedged item. If a hedging relationship cannot be demonstrated, all changes in fair value are recognised in profit or loss.

All derivative instruments are measured at fair value. Fair value is the quoted market price in the case of listed instruments, or is determined using calculation and valuation models based on market data (yield curves, exchange rates, etc) in other cases.

As required by IFRS 9, the fair value measurement of derivative financial instruments takes account of credit risk (for derivative assets) and of own credit risk (for derivative liabilities). Those components have no material impact on the consolidated financial statements.

CASH FLOW HEDGES
A cash flow hedge is a hedge of the exposure to variability in the future cash flows from a hedged item or a future transaction.

Where a derivative instrument is used to hedge the exposure to variability in the cash flows from a firm commitment or a forecast transaction, the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised directly in equity.

The change in fair value of the portion of the hedge regarded as ineffective is recognised immediately in profit or loss.

FAIR VALUE HEDGES
The purpose of a fair value hedge is to limit the variability of the fair value of an asset or a liability recognised in the balance sheet.

Where a derivative instrument hedges exposure to changes in the fair value of a receivable or a payable, the change in the fair value of the hedging instrument is recognised immediately in profit or loss. The gain or loss on the hedged item attributable to the hedged risk is accounted for as an adjustment to the carrying amount of the hedged item, and is recognised directly in profit or loss.

The fair value of hedged items corresponds to their carrying amount translated into euros using the rate prevailing at the end of the reporting period.

HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION
A hedge of a net investment in a foreign operation is a hedge of the currency risk exposure on the parent company's interest in the net assets of that operation. Where a liability denominated in a foreign currency is used to hedge a net investment in a foreign operation, translation differences arising between that currency and the euro are recognised directly in equity. If the hedging instrument is a derivative instrument, the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised directly in equity; the change in fair value of the ineffective portion is recognised immediately in profit or loss.

2.4.5. CASH FLOW STATEMENT

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendations 2013-03 of 7 November 2013 (using the indirect method) and 2016-01 of 2 December 2016.

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

The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:
- cash and cash equivalents;
- overdrafts and short-term bank borrowings.

2.4.6. OFF BALANCE SHEET COMMITMENTS

A summary of off balance sheet commitments is provided in Note 19.

2.4.7. EBITDA AFTER LEASES

"EBITDA after Leases" equates to current operating profit after taking account of interest expense on lease obligations, before (i) net charges for depreciation and amortisation of 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, mainly comprise:
- net foreign exchange differences on commercial transactions;
- gains and losses on disposals of non-current assets;
- profits and losses from joint operations, representing the Group's share of profits or losses from translucent entities such as Sociétés en Participation (SEPs).

2.4.8. 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.

2.4.9. 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.

2.4.10. CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES

"Changes in working capital requirements related to operating activities" as presented in the cash flow statement is obtained by aggregating movements in the following items:
- inventories and work in progress;
- advances and down-payments made on orders;
- trade receivables;
- customer contract assets;
- trade payables;
- customer contract liabilities;
- current provisions;
- other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables/liabilities related to property, plant and equipment and intangible assets.

2.5. OTHER INFORMATION

COMPARABILITY OF THE FINANCIAL STATEMENTS:
Under the revised IAS 1, "Presentation of Financial Statements", the Group has elected to present the components of comprehensive income in two detailed statements, as permitted by the IASB:
a) an income statement;
b) a statement of recognised income and expense that reports other comprehensive income, including income and expenses recognised
directly in equity.

Bouygues Construction is included in the scope of consolidation of Bouygues SA for the purposes of the presentation of the Bouygues SA consolidated financial statements.

NOTE 3. NON-CURRENT ASSETS

3.1. ACQUISITIONS OF NON-CURRENT ASSETS DURING THE YEAR, NET OF DISPOSALS

	2021	2020 restated
Acquisitions of property, plant & equipment	**189**	156
Acquisitions of intangible assets	**4**	4
Capital expenditure	**193**	**160**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	**17**	–
Acquisitions of non-current assets	**210**	**160**
Disposals of non-current assets	**(46)**	(51)
Acquisitions of non-current assets, net of disposals	**164**	**109**

3.2. NON-CURRENT ASSETS: MOVEMENTS DURING THE PERIOD

3.2.1. PROPERTY, PLANT AND EQUIPMENT

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2019	**507**	**1,006**	**420**	**58**	**1,991**
Movements during 2020					
Translation adjustments	(7)	(19)	(6)	(1)	**(33)**
Changes in scope of consolidation	–	–	–	–	**–**
Acquisitions during the period	12	80	35	44	**171**
Disposals, transfers and other movements	1	(126)	(58)	(70)	**(253)**
31/12/2020	**513**	**941**	**391**	**31**	**1,876**
Movements during 2021					
Translation adjustments	8	18	8	2	**36**
Changes in scope of consolidation	–	–	–	–	**–**
Acquisitions during the period	4	94	42	76	**216**
Disposals, transfers and other movements	(36)	(132)	(52)	(36)	**(256)**
Held-for-sale operations	(80)	(75)	(139)	(3)	**(297)**
31/12/2021	**409**	**846**	**250**	**70**	**1,575**

Depreciation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2019	**(219)**	**(730)**	**(296)**	**–**	**(1,245)**
Movements during 2020					
Translation adjustments	6	13	4	–	**23**
Changes in scope of consolidation	–	–	–	–	**–**
Depreciation and impairment, net(1)	(22)	(151)	(38)	–	**(211)**
Disposals, transfers and other movements	3	173	40	–	**216**
31/12/2020	**(232)**	**(695)**	**(290)**	**–**	**(1,217)**
Movements during 2021					
Translation adjustments	(6)	(14)	(6)	–	**(26)**
Changes in scope of consolidation	–	–	(1)	–	**(1)**
Depreciation and impairment, net(1)	(22)	(130)	(38)	–	**(190)**
Disposals, transfers and other movements	15	132	46	–	**193**
Held-for-sale operations	40	65	113	–	**218**
31/12/2021	**(205)**	**(642)**	**(176)**	**–**	**(1,023)**

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2020	**281**	**246**	**101**	**31**	**659**
31/12/2021	**204**	**204**	**74**	**70**	**552**

(1) Of which impairment losses in 2020: 0
Of which impairment losses in 2021: €2m

3.2.2. RIGHT OF USE OF LEASED ASSETS

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2019	**392**	**58**	**23**	**473**
Movements during 2020				
Translation adjustments	(4)	–	(1)	**(5)**
Changes in scope of consolidation	–	–	–	**–**
New leases, lease modifications, and other lease-related movements	3	(15)	(1)	**(13)**
31/12/2020	**391**	**43**	**21**	**455**
Movements during 2021				
Translation adjustments	9	1	1	**11**
Changes in scope of consolidation	2	–	–	**2**
New leases, lease modifications, and other lease-related movements	(19)	(34)	(1)	**(54)**
Held-for-sale operations	(174)	–	(7)	**(181)**
31/12/2021	**209**	**10**	**14**	**233**

Amortisation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2019	**(178)**	**(21)**	**(12)**	**(211)**
Movements during 2020				
Translation adjustments	2	–	1	**3**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net	(59)	(30)	(6)	**(95)**
New leases, lease modifications, and other lease-related movements	50	19	5	**74**
31/12/2020	**(185)**	**(32)**	**(12)**	**(229)**
Movements during 2021				
Translation adjustments	(4)	–	–	**(4)**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net	(56)	(8)	(5)	**(69)**
New leases, lease modifications, and other lease-related movements	56	35	5	**96**
Held-for-sale operations	77	–	4	**81**
31/12/2021	**(112)**	**(5)**	**(8)**	**(125)**

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2020	**206**	**11**	**9**	**226**
31/12/2021	**97**	**5**	**6**	**108**

3.2.3. INTANGIBLE ASSETS

Gross value	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2019	**–**	**122**	**25**	**147**
Movements during 2020				
Translation adjustments	–	(1)	(1)	**(2)**
Changes in scope of consolidation	–	–	–	**–**
Acquisitions during the period	–	5	1	**6**
Disposals, transfers and other movements	–	(2)	–	**(2)**
31/12/2020	**–**	**124**	**25**	**149**
Movements during 2021				
Translation adjustments	–	1	1	**2**
Changes in scope of consolidation	–	–	–	**–**
Acquisitions during the period	–	5	–	**5**
Disposals, transfers and other movements	–	(3)	(1)	**(4)**
Held-for-sale operations	–	(23)	(19)	**(42)**
31/12/2021	**–**	**104**	**6**	**110**

Amortisation and impairment	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2019	**–**	**(109)**	**(22)**	**(131)**
Movements during 2020				
Translation adjustments	–	1	1	**2**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net(1)	–	(5)	(1)	**(6)**
Disposals, transfers and other movements	–	2	–	**2**
31/12/2020	**–**	**(111)**	**(22)**	**(133)**
Movements during 2021				
Translation adjustments	–	(1)	(1)	**(2)**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net(1)	–	(6)	–	**(6)**
Disposals, transfers and other movements	–	4	–	**4**
Held-for-sale operations	–	21	17	**38**
31/12/2021	**–**	**(93)**	**(6)**	**(99)**

Carrying amount	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2020	**–**	**13**	**3**	**16**
31/12/2021	**–**	**11**	**–**	**11**

(1) Of which impairment losses in 2020: 0
Of which impairment losses in 2021: 0

3.2.4. GOODWILL

	Gross value	Impairment losses	Carrying amount	Building & Civil Works	Energies & Services
31/12/2019	**1,157**	**–**	**1,157**	**280**	**877**
Movements during 2020					
Changes in scope of consolidation					
Impairment losses	–	–	–	–	–
Other movements (including translation adjustments)	(9)	–	(9)	(7)	(2)
31/12/2020	**1,148**	**–**	**1,148**	**273**	**875**
Movements during 2021					
Changes in scope of consolidation	11	–	11	–	11
Impairment losses	–	–	–	–	–
Other movements (including translation adjustments)	39	–	39	10	29
Held-for-sale operations	(915)	–	(915)	–	(915)
31/12/2021	**283**	**–**	**283**	**283**	**–**

3.2.5. NON-CURRENT FINANCIAL ASSETS

	Investments in joint ventures and associates(1)	Investments in non-consolidated companies(2)	Other non-current financial assets(2)	Total	Amortisation & impairment	Carrying amount	Deferred tax assets(3)
31/12/2020 restated	**122**	**37**	**214**	**373**	**(54)**	**319**	**72**
Movements during 2021							
Translation adjustments	–	–	7	7	(1)	6	**-**
Changes in scope of consolidation	–	–	–	–	–	–	**1**
Acquisitions and other increases	–	3	31	34	–	34	**7**
Amortisation and impairment, net	–	–	–	–	15	15	**-**
Disposals and other reductions	–	–	(25)	(25)	–	(25)	**(18)**
Transfers and other movements	16	(2)	(9)	5	(1)	4	**6**
Held-for-sale operations	(94)	(6)	(20)	(120)	10	(110)	**(11)**
31/12/2021	**44**	**32**	**198**	**274**	**(31)**	**243**	**57**
Amortisation & impairment	**(28)**	**–**	**(13)**	**(41)**	**–**	**–**	**–**
Held-for-sale operations	10	–	–	10	–	–	**-**
Carrying amount at 31/12/2021	**26**	**32**	**185**	**243**	**–**	**–**	**57**

(1) Includes goodwill on associates of €63 million as of 31 December 2021 contributing to held-for-sale operations.
(2) Items presented within "Other non-current financial assets" in the consolidated balance sheet.
(3) See Note 7.

	Investments in joint ventures and associates	Investments in non-consolidated companies(1)	Other non-current financial assets(1)	Total	Amortisation & impairment	Carrying amount	Deferred tax assets
01/01/2020 restated	**125**	**40**	**216**	**381**	**(54)**	**327**	**67**
Movements during 2020							
Translation adjustments	3	–	(11)	(8)	1	(7)	**-**
Changes in scope of consolidation	–	–	–	–	–	–	**-**
Acquisitions and other increases	2	1	39	42	–	42	**21**
Amortisation and impairment, net	–	–	–	–	(1)	(1)	**-**
Disposals and other reductions	–	(4)	(26)	(30)	–	(30)	**(17)**
Transfers and other movements	(8)	–	(4)	(12)	–	(12)	**1**
31/12/2020 restated	**122**	**37**	**214**	**373**	**(54)**	**319**	**72**
Amortisation and impairment	**(28)**	**–**	**(26)**	**(54)**	**–**	**–**	**–**
Carrying amount at 31/12/2020 restated	**94**	**37**	**188**	**319**	**–**	**–**	**72**

(1) Items presented within "Other non-current financial assets" in the consolidated balance sheet.

3.2.6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Share of net assets held	Goodwill on joint ventures and associates, net	Carrying amount
01/01/2020 restated	**33**	**73**	**106**
Movements during 2020			
Net profit/(loss) for the period	48	(10)	38
Translation adjustments	3	–	3
Other income and expense recognised directly in equity	–	–	–
Total recognised income and expense	**51**	**(10)**	**41**
Acquisitions and share issues	2	–	2
Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements	(55)	–	(55)
31/12/2020 restated	**31**	**63**	**94**
Movements during 2021			
Net profit/(loss) for the period	25	–	25
Translation adjustments	–	–	–
Other income and expense recognised directly in equity	–	–	–
Total recognised income and expense	**25**	**–**	**25**
Acquisitions and share issues	–	–	–
Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements	(9)	–	(9)
Held-for-sale operations	(21)	(63)	(84)
31/12/2021	**26**	**–**	**26**

Principal joint ventures and associates	31/12/2020 restated	Net movements during 2021	Held-for-sale operations	31/12/2021	of which: share of profit/loss and impairment losses
Associates					
STADE DE FRANCE	5	2	–	**7**	2
VSL JAPON	2	–	–	**2**	–
OTHER ASSOCIATES	2	–	–	**2**	–
Joint ventures					
AXIONE	72	12	(84)	**–**	17
Sté AMENAGEMENT ANSE DU PORTIER	2	1	–	**3**	2
HSU JV LLP	3	–	–	**3**	–
VSL CHILI	2	–	–	**2**	–
MDBI	1	1	–	**2**	5
TRANSINVEST GCC	–	–	–	**–**	(2)
OTHER JOINT VENTURES	5	–	–	**5**	1
TOTAL	**94**	**16**	**(84)**	**26**	**25**

Accumulated unrecognised losses on joint ventures and associates: €14 million.

Summary information about the assets, liabilities, income and expense of the principal joint ventures and associates is provided in the table below:

Figures are for 100% of the investee	31/12/2021 Axione SAS	31/12/2020 Axione SAS
Non-current assets[1]	**104**	106
Current assets	**307**	208
Total assets	**411**	**314**
Shareholders' equity	**50**	20
Non-current liabilities	**72**	50
Current liabilities	**289**	244
Total liabilities and equity	**411**	**314**
Sales	**399**	301
Operating profit/(loss)	**44**	9
Net profit/(loss)	**37**	**8**

Axione SAS contributes to held-for-sale operations.

(1) Net of grants received.

3.2.7. INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND OTHER NON-CURRENT FINANCIAL ASSETS

3.2.7.1. INVESTMENTS IN NON-CONSOLIDATED COMPANIES

Investments in non-consolidated companies[1]	31/12/2021		31/12/2020	
	Fair value	% interest	Fair value	% interest
French companies				
BOUYGUES CONSTRUCTION AIRPORT CONCESSIONS EUROPE SAS	**4**	**51%**	3	51%
COM'IN SAS	**2**	**50%**	–	–
OPALE DEFENSE SAS	**1**	**19%**	1	19%
Other investments in French companies	**3**	–	9	–
Sub-total	**10**	**–**	**13**	–
Foreign companies				
CROSS YARRA PARTNERSHIP (AUSTRALIA)	**16**	**10%**	16	10%
RAVINALA AIRPORT SA	**2**	**10%**	2	10%
HOSPITALITY CAPITAL PARTNERS SA	**1**	**5%**	–	–
Other investments in foreign companies	**3**	–	6	–
Sub-total	**22**	**–**	**24**	–
TOTAL	**32**	**–**	**37**	–

(1) Not consolidated because:
- the Group does not exercise control or significant influence over the entity;
- the potential contribution of the entity to the consolidated financial statements is immaterial.

3.2.7.2. OTHER NON-CURRENT FINANCIAL ASSETS

The main items included in "Other non-current financial assets" are:

	31/12/2021	31/12/2020
Loans and advances to subsidiairies and affiliates	**68**	55
Loans and receivables	**99**	106
Other long-term investments	**18**	27
• Deposits and caution money	**17**	25
• Financial assets at fair value through profit or loss	**1**	2

3.2.7.3. ANALYSIS OF INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND OTHER NON-CURRENT FINANCIAL ASSETS BY CATEGORY

	Equity instruments		Other financial assets at fair value through profit or loss	Other financial assets at amortised cost	Total
	at fair value through through OCI[1]	at fair value through profit or loss			
31/12/2020	**6**	**31**	**2**	**186**	**225**
Movements during 2021	(1)	2	–	17	18
Held-for-sale operations	(1)	(5)	(2)	(18)	(26)
31/12/2021	**4**	**28**	**–**	**185**	**217**
Due within less than 1 year	–	–	–	26	26
Due within 1 to 5 years	–	–	–	45	45
Due after more than 5 years	4	28	–	114	146

(1) Movements recognised in "Other Comprehensive Income" (consolidated statement of recognised income and expense).

3.2.7.4. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY FAIR VALUE HIERARCHY LEVEL

Under IFRS 13, the fair value hierarchy that reflects the significance of the inputs used in making fair value measurements has three levels:

- level 1 (unadjusted quoted prices): price accessible to the entity on the date of measurement in active markets, for identical assets or liabilities;
- level 2 (observable inputs): inputs relating to the asset or liability, other than quoted market prices classified as level 1 inputs, that are observable either directly (such as a price) or indirectly (i.e. derived from observable prices);
- level 3 (unobservable inputs): inputs that are not observable on markets, including observable inputs that require significant adjustment (for example, extrapolation of yield curves over long, unobservable periods). Within the Bouygues Construction group, this applies mainly to investments in non-consolidated companies.

	Level 1 Quoted market prices	Level 2 Observable inputs	Level 3 Unobservable inputs	31/12/2021
Financial assets at fair value through OCI	–	–	5	**5**
Financial assets at fair value through profit or loss	–	–	29	**29**
Net cash	4,116	–	–	**4,116**
Financial instruments: assets & liabilities (short-term)	5	–	–	**5**

NOTE 4. CURRENT ASSETS

4.1. INVENTORIES

	31/12/2021			31/12/2020		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Raw materials and finished goods	**192**	**(16)**	**176**	260	(20)	240
Property development inventories	**32**	**(3)**	**29**	33	(5)	28
Total	**224**	**(19)**	**205**	**293**	**(25)**	**268**

	Charges during the period		Reversals during the period	
	2021	2020	2021	2020
Impairment of raw materials and finished goods	**(1)**	**(5)**	5	9
Impairment of property development inventories	**(1)**	**(1)**	3	–
Total	**(2)**	**(6)**	**8**	**9**

4.2. ADVANCES AND DOWN-PAYMENTS MADE ON ORDERS

	31/12/2021			31/12/2020		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	**91**	**–**	**91**	137	–	137
Total	**91**	**–**	**91**	**137**	**–**	**137**

4.3. TRADE RECEIVABLES, TAX ASSETS AND OTHER CURRENT RECEIVABLES

	31/12/2021			31/12/2020		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	**1,350**	**(212)**	**1,138**	2,196	(255)	1,941
Customer contract assets	**635**	**–**	**635**	1,000	–	1,000
Tax asset (receivable)	**50**	**(1)**	**49**	66	(2)	64
Other current receivables and prepaid expenses	**963**	**(48)**	**915**	1,159	(50)	1,109
• Other current receivables (employees, social security, government & other)	**330**	**(5)**	**325**	478	(6)	472
• Sundry receivables (including current accounts)	**542**	**(43)**	**499**	599	(44)	555
• Prepaid expenses	**91**	**–**	**91**	82	–	82
Total	**2,998**	**(261)**	**2,737**	**4,421**	**(307)**	**4,114**

4.4. CUSTOMER CONTRACT ASSETS

	31/12/2020	Movements during 2021				31/12/2021
		Translation adjustments	Changes in scope of consolidation and other movements	Movements arising from operating activities	Held-for-sale operations	
Customer contract origination costs	–	–	–	–	–	**–**
Customer contract execution costs	–	–	–	–	–	**–**
Differences relating to percentage of completion on contracts	1,000	27	–	32	(424)	**635**
TOTAL CUSTOMER CONTRACT ASSETS	**1,000**	**27**	**–**	**32**	**(424)**	**635**

4.5. SPLIT OF CARRYING AMOUNT OF TRADE RECEIVABLES BETWEEN NON PAST DUE AND PAST DUE

	Non past due balances	Past due by:			Total
		0–6 months	6–12 months	>12 months	
Trade receivables	855	154	40	301	**1,350**
Impairment of trade receivables	(5)	(3)	(4)	(200)	**(212)**
Total trade receivables: 31/12/2021	**850**	**151**	**36**	**101**	**1,138**
Total trade receivables: 31/12/2020	**1,260**	**332**	**93**	**256**	**1,941**

4.6. CASH AND CASH EQUIVALENTS

	31/12/2021			31/12/2020		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Bouygues Relais	**2,433**	**–**	**2,433**	2,050	–	2,050
Uniservice	**1,364**	**–**	**1,364**	1,632	–	1,632
By Construction Relais	**–**	**–**	**–**	–	–	–
Other cash items	**671**	**–**	**671**	897	–	897
Short-term investments	**6**	**–**	**6**	3	–	3
Total	**4,474**	**–**	**4,474**	**4,582**	**–**	**4,582**

"Cash and cash equivalents" as reported in the balance sheet as of 31 December 2021 includes €878 million that the Energies & Services business segment has deposited with cash pooling subsidiaries within the Bouygues Construction group (which remain part of continuing operations). Only the €482 million of cash and cash equivalents deposited by the Energies & Services business segment with non-Group third parties has been reclassified to "Held-for-sale assets and operations" in accordance with IFRS 5.

Other cash items and cash equivalents are measured at fair value and are readily convertible into cash.

	Euro	Pound sterling	Swiss franc	Other European currencies	Hong Kong dollar	Australian dollar	US dollar	Canadian dollar	Singapore dollar	Other currencies	Total 31/12/2021	Total 31/12/2020
Cash	2,672	387	353	37	287	353	187	7	29	156	**4,468**	4,579
Short-term investments	–	–	1	–	–	–	–	–	–	5	**6**	3
Total 31/12/2021	**2,672**	**387**	**354**	**37**	**287**	**353**	**187**	**7**	**29**	**161**	**4,474**	**–**
Total 31/12/2020	**2,511**	**462**	**453**	**19**	**329**	**313**	**280**	**42**	**33**	**140**	**–**	**4,582**

As of 31 December 2021, cash and cash equivalents deposited by the Energies & Services business segment with cash pooling subsidiaries within the Bouygues Construction group break down by currency as follows:

	Euro	Pound sterling	Total 31/12/2021
Cash	876	2	**878**
Short-term investments	–	–	**–**
Total 31/12/2021	**876**	**2**	**878**

The net cash position shown in the cash flow statement breaks down as follows:

	31/12/2021	31/12/2020
Cash	**4,468**	4,579
Short-term investments	**6**	3
Total cash and cash equivalents	**4,474**	**4,582**
Overdrafts and short-term bank borrowings	**(358)**	(363)
Net cash position	**4,116**	**4,219**

The net cash position reported in the balance sheet as of 31 December 2021 includes €868 million that the Energies & Services business segment has deposited with cash pooling subsidiaries of the Bouygues Construction group (which remain part of continuing operations).

NOTE 5. SHAREHOLDERS' EQUITY

5.1. SHARE CAPITAL OF BOUYGUES CONSTRUCTION SA

As of 31 December 2021, the share capital of Bouygues Construction SA consisted of 1,706,230 shares with a €75 par value. Movements during 2021 were as follows:

	31/12/2020	Movements during 2021		31/12/2021
		Increases	Reductions	
Shares	1,706,230	–	–	**1,706,230**
Number of shares	**1,706,230**	**–**	**–**	**1,706,230**
Par value (in euros)	75	–	–	**75**
Share capital (in euros)	**127,967,250**	**–**	**–**	**127,967,250**

5.2. ITEMS RECOGNISED DIRECTLY IN EQUITY

5.2.1. ANALYSIS OF "INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY"

	31/12/2020 restated	Movements during 2021		31/12/2021
		Continuing operations	Held-for-sale operations	
Reserve for actuarial gains/(losses), net of tax	(77)	9	–	**(68)**
Fair value remeasurement reserve (equity instruments), net of tax	(5)	(1)	2	**(4)**
Translation reserve of controlled entities	(1)	11	(5)	**5**
Fair value remeasurement reserve (hedging instruments), net of tax	(1)	(4)	(1)	**(6)**
Share of remeasurements of joint ventures and associates	3	–	–	**3**
Total attributable to the Group	**(81)**	**15**	**(4)**	**(70)**
Other income and expenses attributable to non-controlling interests	1	–	–	**1**
Total	**(80)**	**15**	**(4)**	**(69)**

5.2.2. TRANSLATION RESERVE (ATTRIBUTABLE TO THE GROUP)

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero in accordance with IFRS 1.

It includes cumulative translation differences arising on subsidiaries, joint ventures and associates.

Principal translation adjustments in the year ended 31 December 2021 arising on the consolidated financial statements of foreign entities reporting in the following currencies:

Currency	31/12/2020 restated	Movements during 2021	31/12/2021
Pound sterling	12	–	**12**
Australian dollar	10	(2)	**8**
Swiss franc	–	4	**4**
Singapore dollar	4	(1)	**3**
Canadian dollar	–	(1)	**(1)**
Hong Kong dollar	(9)	7	**(2)**
US dollar	(6)	(1)	**(7)**
Other currencies	(7)	–	**(7)**
Total	**4**	**6**	**10**

NOTE 6. NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS

	Employee benefits	Litigation and claims	After-sales guarantees	Risks on subsidiaries & affiliates	Miscellaneous foreign risks	Other non-current provisions	Total
01/01/2020 restated	**339**	**83**	**310**	**36**	**33**	**38**	**839**
Movements during 2020							
Translation adjustments	–	–	(3)	–	(2)	(1)	**(6)**
Transfers and other movements	(1)	1	2	5	–	–	**7**
Changes in scope of consolidation	–	–	–	–	–	–	**–**
Actuarial gains and losses	(15)	–	–	–	–	–	**(15)**
Charges to provisions	38	30	67	–	22	6	**163**
Reversals (provisions used)	(54)	(4)	(56)	–	(1)	(4)	**(119)**
Reversals (provisions not used)		(9)	(34)	(1)	(5)	(4)	**(53)**
31/12/2020 restated	**307**	**101**	**286**	**40**	**47**	**35**	**816**
Movements during 2021							
Translation adjustments	3	–	5	–	2	–	**10**
Transfers and other movements	3	3	–	3	–	1	**10**
Changes in scope of consolidation	1	–	–	–	–	–	**1**
Actuarial gains and losses	(6)	–	–	–	–	–	**(6)**
Charges to provisions	36	24	85	–	22	15	**182**
Reversals (provisions used)	(54)	(15)	(60)	(2)	(23)	(5)	**(159)**
Reversals (provisions not used)	(1)	(22)	(24)	–	(9)	(6)	**(62)**
Held-for-sale operations	(113)	(18)	(25)	–	–	(7)	**(163)**
31/12/2021	**176**	**73**	**267**	**41**	**39**	**33**	**629**

6.2. CURRENT PROVISIONS

	Risks on completed projects	Project completion expenses	Expected losses to completion	Other current provisions	Total
31/12/2019	**76**	**237**	**292**	**137**	**742**
Movements during 2020					
Translation adjustments	(1)	(7)	–	(6)	**(14)**
Transfers and other movements	–	(1)	(1)	–	**(2)**
Changes in scope of consolidation	–	–	–	–	**–**
Charges to provisions	29	131	122	66	**348**
Reversals (provisions used)	(8)	(85)	(61)	(37)	**(191)**
Reversals (provisions not used)	(23)	(50)	(26)	(15)	**(114)**
31/12/2020	**73**	**225**	**326**	**145**	**769**
Movements during 2021					
Translation adjustments	3	7	8	2	**20**
Transfers and other movements	(2)	24		–	**22**
Changes in scope of consolidation	–	–	3	–	**3**
Charges to provisions	28	186	114	58	**386**
Reversals (provisions used)	(5)	(125)	(55)	(36)	**(221)**
Reversals (provisions not used)	(21)	(63)	(38)	(29)	**(151)**
Held-for-sale operations	(3)	(65)	(45)	(33)	**(146)**
31/12/2021	**73**	**189**	**313**	**107**	**682**

NOTE 7. DEFERRED TAX ASSETS AND LIABILITIES

7.1. DEFERRED TAX ASSETS

Movement in deferred taxes in the consolidated balance sheet	31/12/2020 restated	Movements during 2021		Held-for-sale operations	31/12/2021
		Net expense	Other movements		
Deferred tax assets	72	(11)	7	(11)	**57**

7.2. DEFERRED TAX ASSETS BY BUSINESS SEGMENT

	Deferred tax assets 31/12/2020 restated	Changes in scope of consolidation	Translation adjustments	Movements during 2021		Other movements	Held-for-sale operations	Deferred tax assets 31/12/2021
				Income	Expense			
A. Tax losses								
Building & Civil Works	–	–	–	1	–	–	–	**1**
Energies & Services	14	–	–	–	(4)	–	(10)	**–**
Sub-total	**14**	**–**	**–**	**1**	**(4)**	**–**	**(10)**	**1**
B. Temporary differences[(1)]								
Building & Civil Works	49	–	–	6	(6)	7	–	**56**
Energies & Services	9	1	–	–	(8)	(1)	(1)	**–**
Sub-total	**58**	**1**	**–**	**6**	**(14)**	**6**	**(1)**	**56**
Total deferred tax assets	**72**	**1**	**–**	**7**	**(18)**	**6**	**(11)**	**57**

(1) Arising on differences between tax and accounting treatments, and on consolidation adjustments.

7.3. DEFERRED TAX LIABILITIES

Movement in deferred taxes in the consolidated balance sheet	31/12/2020 restated	Movements during 2021		Held-for-sale operations	31/12/2021
		Net expense	Other movements		
Deferred tax liabilities	23	2	–	(1)	**24**

7.4. DEFERRED TAX LIABILITIES BY BUSINESS SEGMENT

	Deferred tax liabilities 31/12/2020 restated	Changes in scope of consolidation	Translation adjustments	Movements during 2021		Other movements	Held-for-sale operations	Deferred tax liabilities 31/12/2021
				Income	Expense			
A. Tax losses								
Building & Civil Works	(1)	–	–	–	1	–	–	**–**
Energies & Services	(1)	–	–	–	1	–	–	**–**
Sub-total	**(2)**	**–**	**–**	**–**	**2**	**–**	**–**	**–**
B. Temporary differences[(1)]								
Building & Civil Works	20	–	–	–	4	–	–	**24**
Energies & Services	5	–	–	(4)	–	–	(1)	**–**
Sub-total	**25**	**–**	**–**	**(4)**	**4**	**–**	**(1)**	**24**
Total deferred tax liabilities	**23**	**–**	**–**	**(4)**	**6**	**–**	**(1)**	**24**

(1) Arising on differences between tax and accounting treatments, and on consolidation adjustments.

7.5. PRINCIPAL SOURCES OF DEFERRED TAXATION

	31/12/2021	31/12/2020 restated
Deferred tax assets	**57**	**72**
Employee benefits	**33**	38
Provisions temporarily non-deductible for tax purposes	**26**	36
Tax losses	**1**	14
Other sources of deferred tax assets	**(3)**	(16)
Deferred tax liabilities	**24**	**23**
Total	**33**	**49**

7.6. ESTIMATED PERIOD TO RECOVERY OF DEFERRED TAX ASSETS

31 December 2021	Less than 2 years	2 to 5 years	More than 5 years	Total
Deferred tax assets	**28**	**8**	**21**	**57**

7.7. UNRECOGNISED DEFERRED TAX ASSETS

Some deferred tax assets were not recognised as of 31 December 2021 due to the low probability of recovery (mainly tax losses generated abroad or in France).

	31/12/2021	31/12/2020 restated
Bouygues group tax election	**75**	81
Other assets	**343**	355
Total	**418**	**436**

NOTE 8. NON-CURRENT AND CURRENT DEBT

8.1. INTEREST-BEARING DEBT BY MATURITY

	Current debt		Non-current debt						Total 31/12/2021	Total 31/12/2020
	0–3 months	3–12 months	1–2 years	2–3 years	3–4 years	4–5 years	5–6 years	6 years & beyond		
Bond issues	–	–	–	–	–	–	–	–	**–**	–
Bank borrowings	1	1	–	–	–	–	–	–	**2**	8
Other borrowings	–	3	1	1	3	2	4	16	**30**	31
Uniservice borrowings	–	–	239	70	475	70	–	–	**854**	1,037
Total interest-bearing debt	**1**	**4**	**240**	**71**	**478**	**72**	**4**	**16**	**886**	**–**
Total 31/12/2020	**3**	**8**	**14**	**530**	**21**	**480**	**3**	**17**	**–**	**1,076**

Debt reported in the balance sheet as of 31 December 2021 includes €561m of debt contracted by Bouygues Construction SA on behalf of the Energies & Services business segment. Only the €4 million of debt contracted by the Energies & Services business segment with non-Group third parties has been reclassified to "Liabilities related to held-for-sale operations" in accordance with IFRS 5.

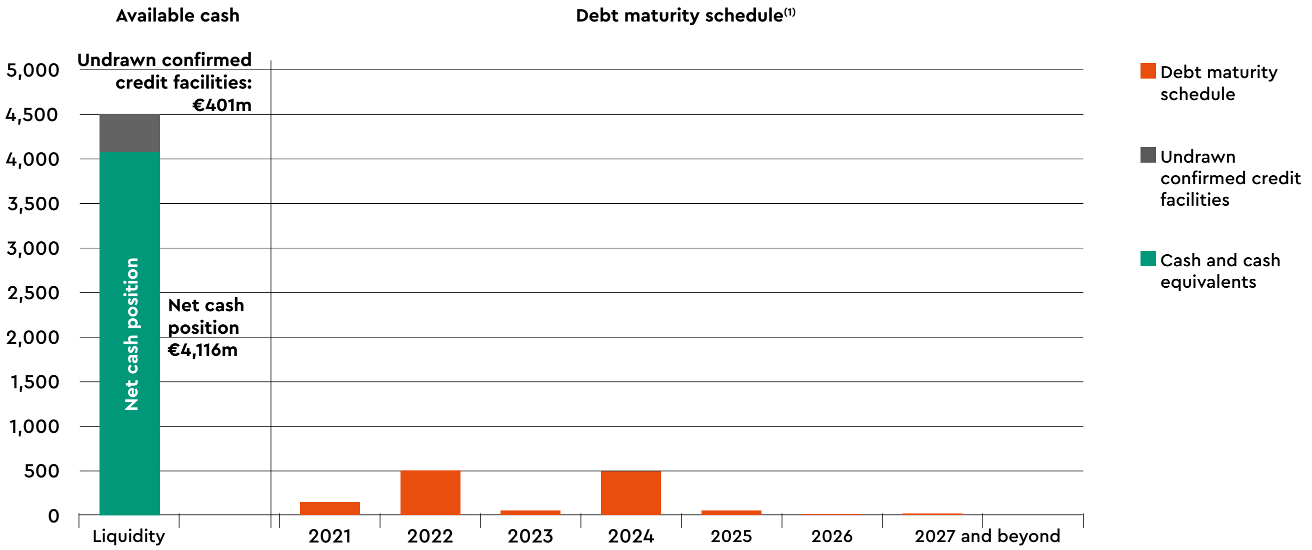
8.2. CONFIRMED CREDIT FACILITIES AND DRAWDOWNS

	Confirmed facilities – Maturity				Drawdowns – Maturity			
	Less than 1 year	1 to 5 years	> 5 years	Total	Less than 1 year	1 to 5 years	> 5 years	Total
Bond issues	–	–	–	**–**	–	–	–	**–**
Bank borrowings	2	–	–	**2**	2	–	–	**2**
Other borrowings	3	7	20	**30**	3	7	20	**30**
Uniservice borrowings(1)	150	1,105	–	**1,255**	–	854	–	**854**
Total	**155**	**1,112**	**20**	**1,287**	**5**	**861**	**20**	**886**

(1) Confirmed undrawn credit facilities: €401 million.

8.3. LIQUIDITY AT 31 DECEMBER 2021

As of 31 December 2021, the net cash position was €4,116 million. The Group also had €401 million of undrawn confirmed credit facilities as of that date.



(1) Non-current debt (€881 million) and current debt (€5 million).

Consequently, the Group is not exposed to liquidity risk.

The bank credit facilities contracted by the Bouygues Construction group contain no financial covenants or trigger event clauses.

8.4. FIXED/FLOATING RATE SPLIT OF CURRENT AND NON-CURRENT DEBT

Split of current and non-current debt, including the effect of all open interest rate hedges at the end of the reporting period:

(%)	31/12/2021	31/12/2020
Fixed rate debt[1]	–	–
Floating rate debt	100%	100%

(1) Rates fixed for more than one year.

8.5. SPLIT OF CURRENT AND NON-CURRENT DEBT BY CURRENCY

	Europe				Canadian dollar	US dollar	Australian dollar	Hong Kong dollar	Singapore dollar	Other currencies	Total
	Euro	Pound sterling	Swiss franc	Other European currencies							
Non-current 31/12/2021	45	55	495	20	99	97	62	8	–	–	881
Current 31/12/2021	–	–	1	–	–	–	–	–	–	4	5
Non-current 31/12/2020	46	120	592	19	110	93	61	7	–	17	1,065
Current 31/12/2020	–	–	–	–	–	–	–	–	1	10	11

As of 31 December 2021, debt contracted by Bouygues Construction SA on behalf of the Energies & Services business segment breaks down by currency as follows:

	Europe		Canadian dollar	Total
	Pound sterling	Swiss franc		
Non-current 31/12/2021	41	421	99	561
Current 31/12/2021	–	–	–	–

NOTE 9. MAIN COMPONENTS OF CHANGE IN NET SURPLUS CASH

9.1. CHANGE IN NET SURPLUS CASH

	31/12/2020	Cash flows	Cash flows from discontinued operations	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	Held-for-sale operations	31/12/2021
Cash and cash equivalents	4,582	(311)	597	–	91	–	(3)	(482)	**4,474**
Overdrafts and short-term bank borrowings	(363)	(32)	(150)	(1)	1	–	–	187	**(358)**
Net cash position (A)	**4,219**	**343**[1]	**447**[1]	**(1)**[1]	**92**[1]	[1]	**(3)**[1]	**(295)**[1]	**4,116**
Non-current debt	(1,065)	542[2]	311	(1)	(50)	–	–	4	**(881)**
Current debt	(11)	1[2]	5	–	–	–	–		**(5)**
Financial instruments – Hedging of debt		–	–	–	–	–	–		**-**
Total debt (B)	**(1,076)**	**543**	**(306)**	**(1)**	**(50)**	**-**	**-**	**4**	**(886)**
Net surplus cash (A+B)	**3,143**	**200**	**141**	**(2)**	**42**	**-**	**(3)**	**(291)**	**3,230**

(1) Net cash outflow of €(103) million in 2021, as reported in the cash flow statement.
(2) Net cash inflow related to current and non-current debt of €543 million in 2021 as reported in the cash flow statement, comprising a reduction of €561 million in total debt and an increase of €18 million.

The net cash position reported in the balance sheet as of 31 December 2021 includes €868 million that the Energies & Services business segment has deposited with cash pooling subsidiaries within the Bouygues Construction group. Debt reported in the balance sheet as of 31 December 2021 includes €561m of debt contracted by Bouygues Construction SA on behalf of the Energies & Services business segment. Consequently, net surplus cash of continuing operations as of 31 December 2021 (€3,230 million) as reported under IFRS 5 includes €307m of net surplus cash from the Energies & Services business segment.

9.2. PRINCIPAL CHANGES IN NET SURPLUS CASH DURING 2021

Net surplus cash at 31/12/2020	**3,143**
Net cash generated by/(used in) operating activities	**554**
Net cash generated by/(used in) investing activities	**(157)**
Dividends paid	**(154)**
Income from net surplus cash and interest expense on lease obligations	**3**
Effect of changes in scope of consolidation on total debt	**(1)**
Effect of exchange rates on net cash position and total debt	**42**
Repayment of lease obligations	**(48)**
Disposals of equity interests without loss of control	**-**
Other items	**(1)**
Cash flows from discontinued operations, and reclassification of held-for-sale operations	**(151)**
Net surplus cash at 31/12/2021	**3,230**

NOTE 10. NON-CURRENT AND CURRENT LEASE OBLIGATIONS

10.1. ANALYSIS OF CURRENT AND NON-CURRENT LEASE OBLIGATIONS BY MATURITY

	Current lease obligations			Non-current lease obligations						Total maturing after >1 year
	0–3 months	3–12 months	Total maturing in less than 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–6 years	6 years & beyond	
Total 31/12/2021	**9**	**28**	**37**	**31**	**21**	**18**	**15**	**8**	**13**	**106**
Total 31/12/2020	18	54	**72**	53	41	31	25	21	26	**197**

10.2. CHANGE IN NON-CURRENT AND CURRENT LEASE OBLIGATIONS

	31/12/2020	Translation adjustments	Changes in scope of consolidation	Lease payments made	New leases, lease modifications, and other lease-related movements	Held-for-sale operations	31/12/2021
Non-current lease obligations	197	6	2	–	(23)	(76)	**106**
Current lease obligations	72	2	–	(76)	64	(25)	**37**
TOTAL LEASE OBLIGATIONS	**269**	**8**	**2**	**(76)**	**41**	**(101)**	**143**

NOTE 11. OTHER CURRENT LIABILITIES

	31/12/2021	31/12/2020
Current taxes payable	**75**	**83**
Trade payables	**2,133**	**2,921**
Customer contract liabilities	**2,004**	**2,633**
Other current liabilities	**1,445**	**1,760**
• Employee-related and social security liabilities	**398**	485
• Amounts due to government and local authoriities	**444**	617
• Other current payables	**603**	658
Overdrafts and short-term bank borrowings	**358**	**363**

Overdrafts and short-term bank borrowings reported in the balance sheet as of 31 December 2021 include €10 million loaned to the Energies & Services business segment by the cash pooling subsidiaries of the Bouygues Construction group (which remain part of continuing operations). Only the €187 million of overdrafts and short-term bank borrowings contracted by the Energies & Services business segment with non-Group third parties has been reclassified to "Held-for-sale assets and operations" in accordance with IFRS 5.

11.1. CUSTOMER CONTRACT LIABILITIES

	31/12/2020	Movements during 2021				31/12/2021
		Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	Held-for-sale operations	
Advances and down-payments received on orders	701	10	1	(82)	(144)	**486**
Differences relating to percentage of completion on contracts	1,932	49	–	139	(602)	**1,518**
TOTAL CUSTOMER CONTRACT LIABILITIES	**2,633**	**59**	**1**	**57**	**(746)**	**2,004**

11.2. OVERDRAFTS AND SHORT-TERM BANK BORROWINGS

	Euro	Pound sterling	Swiss franc	Other European currencies	Hong Kong dollar	Canadian dollar	Singapore dollar	US dollar	Australian dollar	Other currencies[1]	Total
Split by currency at 31/12/2021	**165**	**56**	**32**	**4**	**61**	**2**	**3**	**2**	**–**	**33**	**358**
Split by currency at 31/12/2020	79	19	150	1	58	6	2	–	–	48	**363**

(1) "Other currencies" mainly comprise the CFA franc: €19 million in 2021, €22 million in 2020.

As of 31 December 2021, overdrafts and short-term bank borrowings loaned by the cash pooling subsidiaries of the Bouygues Construction group to the Energies & Services business segment break down by currency as follows:

	Euro	Pound sterling	Total
Split by currency at 31/12/2021	**1**	**9**	**10**

NOTE 12. SALES

12.1. ANALYSIS OF SALES – FRANCE/INTERNATIONAL

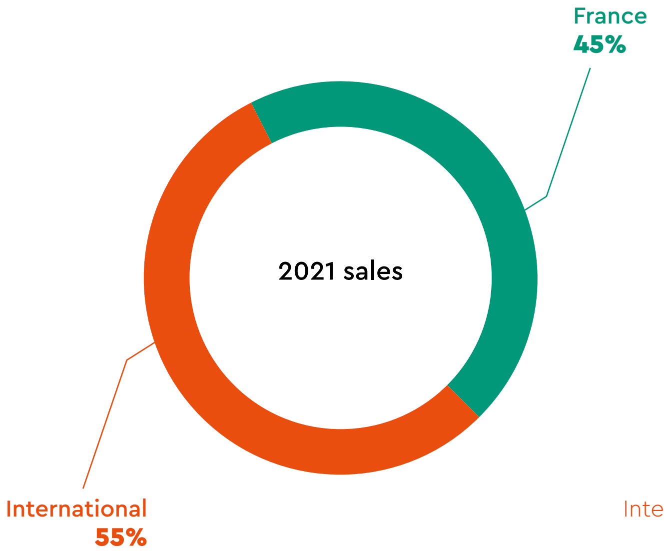
Sales by geographical area are allocated to the territory in which the sale is generated.

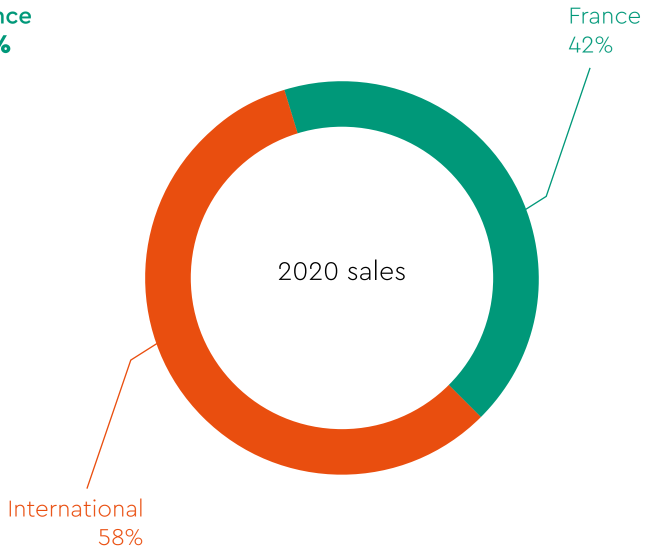
	2021		
	France	International	Total
Sales	**3,998**	**4,902**	**8,900**

	2020 restated		
	France	International	Total
Sales	**3,604**	**4,893**	**8,497**
% change 2021 vs 2020	11%	0%	5%

There were no material exchanges of goods or services in the years ended 31 December 2021 and 2020, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

BY GEOGRAPHICAL REGION





12.2. ANALYSIS OF SALES BY GEOGRAPHICAL REGION

	2021 sales		2020 sales restated	
	Total	%	Total	%
France	**3,998**	**44.9%**	3,604	42.4%
European Union (27 members)	**320**	**3.7%**	241	2.8%
Rest of Europe	**2,023**	**22.7%**	1,733	20.4%
Africa	**358**	**4.0%**	365	4.3%
Middle East	**26**	**0.3%**	70	0.8%
Americas	**330**	**3.7%**	388	4.6%
Asia/Pacific/Oceania	**1,845**	**20.7%**	2,096	24.7%
Total	**8,900**	**100.0%**	**8,497**	**100.0%**

The UK accounted for 71% of 2021 sales from continuing operations in the "Rest of Europe" region. These operations are carried out locally within the UK, and have no material exposure to uncertainties relating to imports and exports.

12.3. ANALYSIS OF SALES BY TYPE OF CONTRACT

(%)	2021			2020 restated		
	France	International	Total	France	International	Total
Public-sector contracts[1]	**40%**	**34%**	**37%**	38%	40%	39%
Private-sector contracts	**60%**	**66%**	**63%**	62%	60%	61%

(1) Sales billed directly to government departments, local authorities or public enterprises in France and abroad.

12.4. ORDER BACKLOG

	31/12/2020	Movements during 2021				31/12/2021
		Translation adjustments	Changes in scope of consolidation and other movements	Order intake	Sales recognised	
Total order backlog	**21,987**	**161**	**287**	**11,094**	**(12,770)**	**20,759**
maturing within less than 1 year	9,748	–	–	–	–	**9,679**
maturing within 1 to 5 years	9,553	–	–	–	–	**9,018**
maturing after more than 5 years	2,686	–	–	–	–	**2,062**

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

The order backlog for held-for-sale operations was €6,722 million as of 31 December 2021.

NOTE 13. OPERATING PROFIT AND EBITDA AFTER LEASES

13.1. OPERATING PROFIT

	2021	2020 restated
Current operating profit/(loss)	**234**	**137**
Other operating income	**–**	–
Other operating expenses	**–**	(8)
Operating profit/(loss)	**234**	**129**
Current operating margin	**2.6%**	**1.6%**

Current operating profit for 2021 includes lease expense of €229 million relating to payments on leases exempt from IFRS 16 (see Note 2.4.2.1). The non-lease (service) component is recognised in "External charges".

13.2. EBITDA AFTER LEASES

	2021	2020 restated
Current operating profit	**234**	**137**
Interest expense on lease obligations	**(5)**	(6)
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses:		
• Net depreciation and amortisation expense on property, plant and equipment and intangible assets	**(178)**	(197)
• Charges to provisions and impairment losses, net of reversals due to utilisation	**(145)**	(246)
Elimination of items included in "Other income from operations":		
• Reversals of unutilised provisions and impairment and other items	**181**	156
EBITDA after Leases	**371**	**418**

NOTE 14. INCOME FROM NET SURPLUS CASH AND OTHER FINANCIAL INCOME AND EXPENSES

14.1. ANALYSIS OF INCOME FROM NET SURPLUS CASH

	2021	2020 restated
Cost of debt	**(12)**	**(11)**
• Net Interest expense on debt	**(12)**	(11)
• Impact of financial instruments on debt	**–**	–
Income from cash and cash equivalents	**20**	**24**
• Net interest income from cash and cash equivalents	**20**	24
• Impact of financial instruments on cash and cash equivalents	**–**	–
Income from net surplus cash	**8**	**13**

14.2. ANALYSIS OF OTHER FINANCIAL INCOME AND EXPENSES

	2021	2020 restated
Dividends from non-consolidated entities	**4**	3
Net decrease/(increase) in financial provisions	**14**	8
Net discounting expense	**–**	–
Change in fair value of other financial assets and liabilities	**–**	–
Current account waivers, gains and losses on disposals of investments in non-consolidated companies and of other financial assets, net interest other than on debt, and other items	**11**	3
Total other financial income and expenses	**29**	**14**

NOTE 15. INCOME TAXES

15.1. ANALYSIS OF INCOME TAX EXPENSE

	2021			2020 restated		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	**(41)**	**(52)**	**(93)**	(31)	(51)	(82)
Change in deferred tax liabilities[1]	**(4)**	**–**	**(4)**	(3)	–	(3)
Change in deferred tax assets[1]	**–**	**1**	**1**	(5)	–	(5)
Taxes on dividends	**–**	**(5)**	**(5)**	–	(5)	(5)
Total	**(45)**	**(56)**	**(101)**	**(39)**	**(56)**	**(95)**

	2021	2020 restated
(1) deferred tax arising from temporary differences	(3)	(5)
deferred tax arising from tax losses	–	(1)
deferred tax arising from changes in tax rates	–	(2)

15.2. TAX PROOF (RECONCILIATION BETWEEN STANDARD TAX RATE AND EFFECTIVE TAX RATE)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are explained as follows:

	2021	2020 restated
NET PROFIT	**284**	**154**
Eliminations		
Income tax	**101**	95
Net profit/(loss) from divested, discontinued or held-for-sale operations	**(111)**	(108)
Share of net (profits)/losses of joint ventures and associates	**(8)**	9
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING JOINT VENTURES & ASSOCIATES	**266**	**150**
Standard tax rate in France	**28.41%**	32.02%
Effect of non-recognition of tax loss carry-forwards and other temporary differences: created/(utilised)	**12.40%**	43.52%
Effect of permanent differences	**5.42%**	10.46%
Flat-rate taxes, dividend taxes and tax credits	**5.13%**	6.88%
Differential tax rates applied to gains on disposals	**(0.44%)**	(0.08%)
Differential income tax rates, foreign taxes, impact of future enacted tax rates	**(13.04%)**	(29.47%)
EFFECTIVE TAX RATE	**37.88%**	**63.34%**

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

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations attributable to the Group by the weighted average number of shares outstanding during the year (excluding the average number of ordinary shares bought and held as treasury shares), i.e. 1,706,230 shares.

	2021	2020 restated
Net profit from continuing operations attributable to the Group	**€171m**	€44m
Weighted average number of shares outstanding	**1,706,230**	1,706,230
Basic earnings per share from continuing operations (in euros)	**100.48**	**25.87**

Diluted earnings per share from continuing operations is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares. There are no dilutive instruments, so the two figures are the same.

	2021	2020 restated
Net profit from continuing operations attributable to the Group	**€171m**	€44m
Weighted average number of shares outstanding used to calculate diluted earnings per share from continuing operations	**1,706,230**	1,706,230
Diluted earnings per share from continuing operations (in euros)	**100.48**	**25.87**

NOTE 17. COMPONENTS OF NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The operations of the Energies & Services business segment meet the conditions set by IFRS 5 for classification within the "Held-for-sale assets and operations and discontinued operations" category as of 31 December 2021.

This note presents the components of those operations as of 31 December 2021.

17.1. NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

	2021
Sales	**3,869**
Current operating profit/(loss)	**117**
Other operating income	–
Other operating expenses	–
Operating profit/(loss)	**117**
Income from net surplus cash/(cost of net debt)	**3**
Interest expense on lease obligations	(3)
Other financial income	12
Other financial expenses	(18)
Income tax	(17)
Share of profits/(losses) of joint ventures and associates	17
Net profit/(loss)	**111**

17.2. NET CASH FLOWS FROM DISCONTINUED OPERATIONS

	31/12/2021
Net cash generated by/(used in) operating activities	77
Net cash generated by/(used in) investing activities	89
Net cash generated by/(used in) financing activities	274
Effect of foreign exchange fluctuations	7
Change in net cash position	447
Net cash position at start of period	**716**
Net cash flows	447
Net cash position at end of period	**1,163**

17.3. HELD-FOR-SALE ASSETS AND OPERATIONS, AND LIABILITIES RELATED TO HELD-FOR-SALE OPERATIONS

Assets	31/12/2021 net
Non-current assets	1,219
Current assets	1,718
Total held-for-sale assets and operations	**2,937**

Liabilities	31/12/2021
Non-current liabilities	244
Current liabilities	2,109
Total liabilities related to held-for-sale operations	**2,353**

Details of IFRS 5 reclassifications to the balance sheet as of 31 December 2021 are shown below:

Assets	31/12/2020 net restated[a]	31/12/2021 before IFRS 5 reclassifications	IFRS 5 reclassifications	31/12/2021 net
Property, plant and equipment	659	**631**	(79)	**552**
Right of use of leased assets	226	**208**	(100)	**108**
Intangible assets	16	**15**	(4)	**11**
Goodwill	1,148	**1,198**	(915)	**283**
Investments in joint ventures and associates	94	**110**	(84)	**26**
Other non-current financial assets	225	**243**	(26)	**217**
Deferred tax assets	72	**68**	(11)	**57**
Non-current assets	**2,440**	**2,473**	**(1,219)**	**1,254**
Inventories	268	**251**	(46)	**205**
Advances and down-payments made on orders	137	**116**	(25)	**91**
Trade receivables	1,941	**1,669**	(531)	**1,138**
Customer contract assets	1,000	**1,059**	(424)	**635**
Current tax assets	64	**63**	(14)	**49**
Other current receivables and prepaid expenses	1,109	**1,111**	(196)	**915**
Cash and cash equivalents	4,582	**4,956**	(482)	**4,474**
Financial instruments – Hedging of debt	–	**–**	–	**–**
Other current financial assets	14	**14**	–	**14**
Current assets	**9,115**	**9,239**	**(1,718)**	**7,521**
Held-for-sale assets and operations	–	**–**	2,937	**2,937**
Total assets	**11,555**	**11,712**	**–**	**11,712**

Liabilities and shareholders' equity	31/12/2020 restated[a]	31/12/2021 before IFRS 5 reclassifications	IFRS 5 reclassifications	31/12/2021
Share capital	128	**128**	–	**128**
Share premium and reserves	545	**545**	–	**545**
Translation reserve	4	**10**	–	**10**
Treasury shares	–	**–**	–	**–**
Net profit attributable to the Group	152	**282**	–	**282**
Shareholders' equity attributable to the group	**829**	**965**	**–**	**965**
Non-controlling interests	6	**6**	–	**6**
Shareholders' equity	**835**	**971**	**–**	**971**
Non-current debt	1,065	**885**	(4)	**881**
Non-current lease obligations	197	**182**	(76)	**106**
Non-current provisions	816	**792**	(163)	**629**
Deferred tax liabilities	23	**25**	(1)	**24**
NON-CURRENT LIABILITIES	**2,101**	**1,884**	**(244)**	**1,640**
Current debt	11	**5**	–	**5**
Current lease obligations	72	**62**	(25)	**37**
Current tax liabilities	83	**86**	(11)	**75**
Trade payables	2,921	**2,705**	(572)	**2,133**
Customer contract liabilities	2,633	**2,750**	(746)	**2,004**
Current provisions	769	**828**	(146)	**682**
Other current liabilities	1,760	**1,866**	(421)	**1,445**
Overdrafts and short-term bank borrowings	363	**545**	(187)	**358**
Financial instruments – Hedging of debt	–	**–**	–	**–**
Other current financial liabilities	7	**10**	(1)	**9**
Current liabilities	**8,619**	**8,857**	**(2,109)**	**6,748**
Liabilities related to held-for-sale operations	**–**	**–**	**2,353**	**2,353**
Total liabilities and shareholders' equity	**11,555**	**11,712**	**–**	**11,712**
Net surplus cash/(net debt)	**3,143**	**3,521**	**(291)**	**3,230**

(a) The balance sheet as of 31 December 2020 has been restated for the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.

NOTE 18. FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts for each type of financial instrument used, split by residual maturity and by currency.

18.1. INTEREST RATE AND CURRENCY HEDGES

18.1.1. ANALYSIS BY TYPE OF FINANCIAL INSTRUMENT

	31/12/2021	31/12/2020
Forward purchases	**534**	443
Forward sales	**263**	328
Currency swaps	**17**	22
Interest rate swaps	**–**	–
Interest rate options (caps, floors)	**–**	–
Commodities derivatives	**4**	–
Total	**818**	**793**

18.1.2. ANALYSIS BY MATURITY AND ORIGINAL CURRENCY

31/12/2021

	Maturity			Total	Original currency								
	< 1 year	1 to 5 years	> 5 years		EUR	AUD	HRK	USD	CHF	GBP	HKD	SGD	Other
Forward purchases	474	60	–	**534**	139	259	74	5	9	3	7	25	13
Forward sales	242	21	–	**263**	2	19	–	25	62	79	57	8	11
Currency swaps	17	–	–	**17**	7	–	–	3	–	–	–	1	6
Interest rate swaps	–	–	–	**–**	–	–	–	–	–	–	–	–	–
Interest rate options (caps, floors)	–	–	–	**–**	–	–	–	–	–	–	–	–	–
Commodities derivatives	4	–	–	**4**	–	4	–	–	–	–	–	–	–
Total	**737**	**81**	**–**	**818**	**148**	**282**	**74**	**33**	**71**	**82**	**64**	**34**	**30**

18.2. MARKET VALUE OF HEDGING INSTRUMENTS

31/12/2021

Derivatives recognised as assets	Original currency							Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	AUD	USD	GBP	CHF	SGD	Other				
Forward purchases	–	12	–	–	–	1	1	**14**	–	14	–
Forward sales	–	–	–	–	–	–	–	**–**	–	–	–
Currency swaps	–	–	–	–	–	–	–	**–**	–	–	–
Interest rate swaps	–	–	–	–	–	–	–	**–**	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	–	**–**	–	–	–
Commodities derivatives	–	–	–	–	–	–	–	**–**	–	–	–
Total – assets	**–**	**12**	**–**	**–**	**–**	**1**	**1**	**14**	**–**	**14**	**–**

31/12/2021

Derivatives recognised as liabilities	Original currency							Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	AUD	USD	GBP	CHF	SGD	Other				
Forward purchases	(4)	–	–	–	–	–	–	**(4)**	–	(4)	–
Forward sales	–	–	(1)	(2)	(1)	–	–	**(4)**	–	(4)	–
Currency swaps	–	–	–	–	–	–	–	**–**	–	–	–
Interest rate swaps	–	–	–	–	–	–	–	**–**	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	–	**–**	–	–	–
Commodities derivatives	–	(1)	–	–	–	–	–	**(1)**	–	(1)	–
Total – liabilities	**(4)**	**(1)**	**(1)**	**(2)**	**(1)**	**–**	**–**	**(9)**	**–**	**(9)**	**–**
Total – net	**(4)**	**11**	**(1)**	**(2)**	**(1)**	**1**	**1**	**5**	**–**	**5**	**–**

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a positive market value of €4.3 million; in the event of a -1.00% movement, it would have a positive market value of €4.3 million.

In the event of a +1.00% movement in the exchange rate of the euro against the other currencies, the hedging instruments portfolio would have a positive market value of €4.5 million; in the event of a -1.00% movement, it would have a positive market value of €4.1 million.

These calculations were prepared by the Bouygues Construction group, or obtained from the banks with which the instruments were contracted.

NOTE 19. OFF BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2021

19.1. GUARANTEE COMMITMENTS

Guarantee commitments include held-for-sale operations.

	31/12/2021	Less than 1 year	1 to 5 years	More than 5 years
• Pledges, mortgages and collateral	**4**	–	3	1
• Guarantees and endorsements given[1]	**67**	10	57	–
Total guarantee commitments given	**71**	**10**	**60**	**1**
• Guarantees and endorsements received	**–**	–	–	–
Total guarantee commitments received	**–**	**–**	**–**	**–**
Net balance	**71**	**10**	**60**	**1**

(1) In connection with its ordinary activities, the Group grants multi-year guarantees (such as ten-year building guarantees), which are usually covered by statistically-based provisions on the liabilities side of the balance sheet. Contract guarantees provided by banks to Group customers represent off balance sheet commitments for those banks. Where such guarantees are liable to result in payments being made, a provision is recognised in the balance sheet.

19.2. SUNDRY CONTRACTUAL COMMITMENTS

	31/12/2021	Less than 1 year	1 to 5 years	More than 5 years
• Lump-sum retirement benefit obligations	**–**	–	–	–
• Unmatured bills	**–**	–	–	–
• Other items	**–**	–	–	–
Total sundry contractual commitments given	**–**	**–**	**–**	**–**
• Lump-sum retirement benefit obligations	**–**	–	–	–
• Unmatured bills	**–**	–	–	–
• Other items	**–**	–	–	–
Total sundry contractual commitments received	**–**	**–**	**–**	**–**
Net balance	**–**	**–**	**–**	**–**

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

NOTE 20. AVERAGE HEADCOUNT AND EMPLOYEE BENEFIT OBLIGATIONS

20.1. AVERAGE HEADCOUNT

	2021	2020
Managerial staff	**10,083**	9,815
Technical, supervisory & clerical staff	**6,442**	6,279
Site workers	**5,393**	5,614
SUB-TOTAL – HEADCOUNT FRANCE	**21,918**	21,708
Expatriate staff and local employment contracts	**31,384**	37,324
Total average headcount[1]	**53,302**	**59,032**

(1) Includes 21,267 relating to held-for-sale operations.

20.2. EMPLOYEE BENEFIT OBLIGATIONS

20.2.1. EMPLOYEE BENEFIT OBLIGATIONS

	31/12/2020 restated	Movements during 2021	Held-for-sale operations	31/12/2021
Lump-sum retirement benefits	196	(9)	(44)	**143**
Long-service awards	32	–	(6)	**26**
Other post-employment benefits (pensions)	79	(9)	(63)	**7**
Total	**307**	**(18)**	**(113)**	**176**

These obligations are covered by non-current provisions.

20.2.2. EMPLOYEE BENEFIT OBLIGATIONS AND PENSION OBLIGATIONS (POST-EMPLOYMENT BENEFITS) EXCLUDING LONG-SERVICE AWARDS

20.2.2.1. Defined-contribution plans

	2021	2020 restated
Amount recognised as an expense	**139**	136

The figures disclosed above are the contributions paid to pension funds for compulsory and top-up schemes.

20.2.2.2. Defined-benefit plans (retirement benefit obligations)

a. Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions		Total	
	31/12/2021	31/12/2020 restated	31/12/2021	31/12/2020	31/12/2021	31/12/2020 restated
Present value of obligation	**143**	196	**304**	1,039	**447**	1,235
Fair value of plan assets (dedicated funds)	**–**	–	**(360)**	(1,006)	**(360)**	(1,006)
Asset ceiling	**–**	–	**63**	43	**63**	43
Net liability recognised	**143**	196	**7**	76	**150**	272
of which: deficit recognised as a provision	**143**	196	**7**	79	**150**	275
of which: overfunded plans recognised as an asset	**–**	–	**–**	(3)	**–**	(3)
Ratio of plan assets to present value of obligation	**–**	–	**118%**	97%	**–**	–

The table below shows the split of the fair value of plan assets by investment category:

	2021		2020 restated	
Equity instruments	**75**	**21%**	338	33%
Debt instruments	**58**	**16%**	349	35%
Property	**105**	**29%**	170	17%
Mutual funds	**–**	**0%**	18	2%
Cash	**9**	**3%**	16	2%
Other items	**113**	**31%**	115	11%
Total	**360**	**100%**	**1,006**	**100%**

b. Movement in balance sheet items (non-current provisions)

	Lump-sum retirement benefits		Pensions	
	2021	2020 restated	2021	2020
Start of period	**196**	188	**76**	119
Current and past service cost	**12**	12	**21**	23
Interest cost	**1**	1	**1**	1
Total expense recognised	**13**	13	**22**	24
Reversals of provisions (benefits and contributions paid)	**(18)**	(18)	**(34)**	(35)
Translation adjustments	**–**	–	**–**	–
Changes in scope of consolidation	**1**	–	**–**	–
Actuarial gains and losses recognised in equity	**(5)**	13	**3**	(35)
Transfers and other movements	**–**	–	**3**	3
Held-for-sale operations	**(44)**	–	**(63)**	–
End of period	**143**	196	**7**	76
of which: deficit recognised as a provision	**143**	196	**7**	79
of which: overfunded plans recognised as an asset	**–**	–	**–**	(3)

Actuarial gains and losses comprise the following:

	Lump-sum retirement benefits		Pensions	
	2021	2020 restated	**2021**	2020 restated
Analysis of actuarial gains and losses recognised in equity				
Effect of changes in demographic assumptions	**(11)**	(11)	**(22)**	(91)
Effect of changes in financial assumptions	**(9)**	7	**(8)**	38
Effect of experience adjustments	**15**	17	**(4)**	13
Return on plan assets (excluding financial income)	**–**	–	**(85)**	(32)
Effect of asset ceiling	**–**	–	**122**	37
Total	**(5)**	13	**3**	(35)

c. Analysis by geographical area at 31 December 2021

	France incl. overseas departments	European Union	Rest of Europe	Total
Non-current provisions (balance sheet):				
• lump-sum retirement benefits	143	–	–	**143**
• pensions	–	7	–	**7**
Provisions recognised as liabilities	**143**	**7**	**–**	**150**
Overfunded plans recognised as an asset	–	–	–	**–**
Total	**143**	**7**	**–**	**150**

d. Main actuarial assumptions used to measure post-employment benefit obligations

	2021	2020
Discount rate:		
Lump-sum retirement benefits	**1.01%** **(iboxx € corporate A10+)**	0.60% (iboxx € corporate A10+)
Pensions	**0.2% to 1%**	0.15% to 6.00%
Salary inflation rate:		
Lump-sum retirement benefits	**1.30% to 3.60%**	1.2% to 3.80%
Pensions	**1% to 2.5%**	0% to 2.95%

Other economic and demographic assumptions have been applied locally to reflect the specific characteristics of individual countries.

The table below shows the impact on the provision of an additional increase or decrease in discount rates in France and outside France:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	50 basis points	(7)	7
Pensions (outside France)	20 basis points	–	–

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

NOTE 21. RELATED PARTY DISCLOSURES

Transactions with related parties mainly comprise:

- remuneration and benefits awarded to directors and senior executives;
- commercial and financial transactions with Bouygues group companies, or with companies over which Bouygues Construction exercises joint control or significant influence.

Identity of related parties:

- Parties with an ownership interest: Bouygues SA, and other companies owned by Bouygues SA.
- Joint operations: primarily construction project companies.
- Joint ventures and associates.
- Other related parties: mainly transactions with non-consolidated companies in which Bouygues Construction has an interest.

21.1. RELATED PARTY INFORMATION

Related party information includes held-for-sale operations.

	Expenses		Income		Receivables		Payables	
	2021	**2020**	**2021**	**2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Parties with an ownership interest	**(133)**	(128)	**114**	113	**4,163** (1)	3,718	**1,239**	1,313
Joint operations	**(90)**	(119)	**355**	225	**243**	239	**451**	389
Joint ventures and associates	**(61)**	(46)	**122**	102	**51**	49	**105**	38
Other related parties	**-**	(4)	**107**	61	**53**	51	**24**	29
Total	**(284)**	**(297)**	**698**	**501**	**4,510**	**4,057**	**1,819**	**1,769**
Due within less than 1 year	**-**	-	**-**	-	**4,442**	3,997	**965**	732
Due within 1 to 5 years	**-**	-	**-**	-	**26**	23	**854**	1,037
Due after more than 5 years	**-**	-	**-**	-	**42**	37	**-**	-
of which impairment of receivables	**-**	-	**-**	-	**56**	57	**-**	-

(1) Includes Bouygues Relais €2,433 million, Uniservice €1,698 million.

The off balance sheet commitments reported in Note 19 do not include any commitments to related parties.

21.2. DISCLOSURES ABOUT REMUNERATION AND BENEFITS AWARDED TO DIRECTORS AND SENIOR EXECUTIVES

Disclosures about senior executives cover members of the General Management Committee, which had nine members in post on 31 December 2021.

Direct remuneration: amounted to €7,037 thousand, comprising €4,661 thousand of basic remuneration and €2,376 thousand linked to 2020 performance.

Short-term benefits: none.

Post-employment benefits: Members of the Group Management Committee belong to a top-up retirement scheme, management of which is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €676 thousand in 2021.

Long-term benefits: none.

Termination benefits: these amounted to €3,068 thousand as of 31 December 2021, including lump-sum retirement benefits.

Share-based payment: 174,000 stock options were awarded on 2 June 2021, at an exercise price of €34.157 each.

The earliest exercise date is 3 June 2023.

NOTE 22. ADDITIONAL CASH FLOW STATEMENT INFORMATION

22.1. CASH FLOWS OF ACQUIRED AND DIVESTED SUBSIDIARIES

Breakdown by business segment of net cash flows resulting from acquisitions and divestments of consolidated companies.

There were no acquisitions or divestments of consolidated entities valued at more than €1 million in either 2020 or 2021.

22.2. DETERMINATION OF CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES

	2021	2020 restated
Assets		
Inventories	**17**	(14)
Advances and down-payments made on orders	**20**	23
Trade receivables	**223**	117
Customer contract assets	**64**	41
Other current receivables and current financial assets	**60**	(82)
Sub-total (1)	**384**	85
Liabilities		
Trade payables	**(240)**	(139)
Customer contract liabilities	**(29)**	(68)
Current provisions	**10**	74
Other current payables and current financial liabilities	**146**	205
Sub-total (2)	**(113)**	72
Changes in working capital needs related to operating activities	**271**	157

(1) Assets: decrease / (increase)
(2) Liabilities: (decrease) / increase

NOTE 23. AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues Construction and fully consolidated companies, as expensed through the income statement in 2021 (in € '000).

	Mazars network			Ernst & Young network			Other items			Total fee expense	
	2021	**%**	**2020**	**2021**	**%**	**2020**	**2021**	**%**	**2020**	**2021**	**2020**
A. Audit											
Audit of consolidated and individual company financial statements	**2,647**	96%	2,360	**3,479**	97%	4,273	**286**	12%	135	**6,412**	6,768
Related engagements	**33**	1%	31	**6**		14	**(421)**	(18%)	1,365	**(382)**	1,410
SUB-TOTAL	**2,680**	98%	2,391	**3,485**	97%	4,287	**(135)**	(6%)	1,500	**6,030**	8,178
B. Other services											
Legal, tax, employment law	**36**	1%	50	**102**	3%	201	**1,641**	71%	871	**1,779**	1,122
Other items	**34**	1%	–	**4**	0%	–	**797**	35%	1,523	**835**	1,523
SUB-TOTAL	**70**	3%	50	**106**	3%	201	**2,438**	106%	2,394	**2,614**	2,645
Total fee expense	**2,750**	100%	2,441	**3,591**	100%	4,488	**2,303**	100%	3,894	**8,644**	10,823

NOTE 24. LIST OF PRINCIPAL CONSOLIDATED ENTITIES AT 31 DECEMBER 2021

			% interest		% control	
Company	**City**	**Country**	**2021**	**2020**	**2021**	**2020**
FULLY CONSOLIDATED						
1 – Bouygues Construction						
Bouygues Construction	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
Bouygues Construction Relais SNC	Guyancourt	France	**99.50%**	99.50%	**99.50%**	99.50%
Challenger Investissement	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Challenger SNC	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction Matériel SNC	Tourville–la–Rivière	France	**99.93%**	99.93%	**100.00%**	100.00%
Gie Bouygues Construction Purchasing	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction IT	Guyancourt	France	**98.98%**	98.98%	**99.00%**	99.00%
Bouygues Construction Middle East	Guyancourt	France	**99.99%**	99.99%	**100.00%**	100.00%
OTHER COUNTRIES						
Bypar SARL	Luxembourg	Luxembourg	**100.00%**	100.00%	**100.00%**	100.00%
2 – Bouygues Bâtiment France Europe						
Bouygues Bâtiment Île-de-France	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
Bouygues Construction Central Europe	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Batiment Île-de-France PPP	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Brezillon	Margny-lès-Compiègne	France	**100.00%**	99.35%	**100.00%**	99.36%
Elan SARL	Guyancourt	France	**99.99%**	99.99%	**99.99%**	99.99%
Linkcity Île-de-France	Guyancourt	France	**99.99%**	99.99%	**99.99%**	99.99%
Linkcity Centre Sud-Ouest	Lormont	France	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Nord-Est	Nancy	France	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Sud-Est	Lyon	France	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Grand Ouest	Rouen	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Centre Sud-Ouest	Lormont	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Sud-Est	Lyon	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Grand Ouest	Nantes	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Nord-Est	Villeneuve d'Ascq	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Acieroid	Barcelona	Spain	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Belgium	Brussels	Belgium	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues UK Ltd	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
By Development Ltd	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Karmar	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Poland	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
Losinger Marazzi AG	Bern	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Vces Holding SRO and its subsidiaries	Prague	Czech Republic	**100.00%**	100.00%	**100.00%**	100.00%
RJ Richelmi	Monaco	Monaco	**50.00%**	50.00%	**50.00%**	50.00%
3 – Bouygues Bâtiment International						
Bouygues Bâtiment International	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Americaribe LLC	Miami	United States	**100.00%**	100.00%	**100.00%**	100.00%
Americaribe Ghana	Accra	Ghana	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction India Building Projects LLP	Mumbai	India	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construccion Cuba	Mariel	Cuba	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Guinée Équatoriale	Malabo	Equatorial Guinea	**99.96%**	99.96%	**99.96%**	99.96%

			% interest		% control	
Company	City	Country	2021	2020	2021	2020
Bouygues Bâtiment Trinidad & Tobago	Port of Spain	Trinidad & Tobago	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construcao Brasil	Sao Paulo	Brazil	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction Nigeria Ltd	Abuja	Nigeria	**86.37%**	86.37%	**86.37%**	86.37%
Bouygues Construction Ghana	Accra	Ghana	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construcciones Peru	Lima	Peru	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Thai Ltd	Bankgok	Thailand	**49.00%**	49.00%	**49.00%**	49.00%
Bouygues Building Canada	Vancouver	Canada	**100.00%**	100.00%	**100.00%**	100.00%
By Thai/VSL Australia Ltd	Bankgok	Thailand	**92.32%**	92.32%	**99.97%**	99.97%
Bymaro	Casablanca	Morocco	**99.99%**	99.99%	**99.99%**	99.99%
Byme Singapore Private Company Ltd	Singapore	Singapore	**100.00%**	100.00%	**100.00%**	100.00%
Byme Usa LLC	Miami	United States	**100.00%**	100.00%	**100.00%**	100.00%
Dragages et Travaux Publics Singapore Pte Ltd	Singapore	Singapore	**100.00%**	100.00%	**100.00%**	100.00%
Dragages Engineering and Construction Nigeria Ltd	Abuja	Nigeria	**100.00%**	100.00%	**100.00%**	100.00%
A.W. Edwards Pty and its subsidiaries	Northbridge NSW	Australia	**100.00%**	100.00%	**100.00%**	100.00%
Société d'études et de travaux pour l'Afrique de l'Ouest – Setao	Abidjan	Côte d'Ivoire	**78.61%**	78.61%	**78.61%**	78.61%
4 – Other Bâtiment International subsidiaries						
OTHER COUNTRIES						
Byme Engineering Hong Kong Limited	Hong Kong	China	**90.00%**	90.00%	**90.00%**	90.00%
Dragages Hong Kong Limited	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
IEC Investments Ltd	Hong Kong	China	**0.00%**	60.00%	**0.00%**	60.00%
Dragages Construction Macau Ltd	Macao	China	**100.00%**	100.00%	**100.00%**	100.00%
5 – Bouygues Travaux Publics						
Bouygues TP	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
DTP	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction Services Nucléaires	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
BYTP Régions France	Balma	France	**100.00%**	100.00%	**100.00%**	100.00%
Europe Fondations	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Bouygues Construction Australia Pty Ltd	Sydney	Australia	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Travaux Publics MC (Monaco)	Monaco	Monaco	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Travaux Publics Philippines	Makati	Philippines	**100.00%**	100.00%	**100.00%**	100.00%
Civil & Building North America INC	Miami	United States	**100.00%**	100.00%	**100.00%**	100.00%
DCW	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
DTP Côte d'Ivoire Sasu	Bouake	Côte d'Ivoire	**100.00%**	100.00%	**100.00%**	100.00%
DTP Mining Guinée	Kaloum-Conakry	Guinea	**100.00%**	100.00%	**100.00%**	100.00%
Gounkoto Mining Services	Bamako	Mali	**100.00%**	100.00%	**100.00%**	100.00%
Kibali Minig Services (KMS) SPRL	Watsa Province Orientale	DR Congo	**100.00%**	100.00%	**100.00%**	100.00%
Mining and Rehandling Services (MARS)	Bamako	Mali	**100.00%**	100.00%	**100.00%**	100.00%
Prader Losinger	Sion	Switzerland	**99.67%**	99.67%	**99.67%**	99.67%
Sociéte anonyme de Construction du Pont Riviera Marcory (SACPRM)	Abidjan	Côte d'Ivoire	**100.00%**	100.00%	**100.00%**	100.00%
Tongonaise des Mines (TOMI)	Korhogo	Côte d'Ivoire	**100.00%**	100.00%	**100.00%**	100.00%
Société Ivoirienne de Construction du Métro d'Abidjan (SICMA)	Abidjan	Côte d'Ivoire	**99.79%**	100.00%	**100.00%**	100.00%

			% interest		% control	
Company	**City**	**Country**	**2021**	**2020**	**2021**	**2020**
6 – VSL						
VSL International Ltd	Bern	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
FT Laboratories Limited	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
Intrafor Hong Kong Limited	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
VSL Construction Systems	Madrid	Spain	**99.75%**	99.75%	**99.75%**	99.75%
VSL Civil Works Ltd	Subingen	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
VSL Engineering (China)	Hefei	China	**60.00%**	60.00%	**60.00%**	60.00%
VSL Australia Pty Ltd	Sydney	Australia	**100.00%**	100.00%	**100.00%**	100.00%
VSL Annahutte System AG	Rapperswil-Jona	Switzerland	**70.00%**	69.91%	**70.00%**	70.00%
VSL Canada	Toronto	Canada	**100.00%**	100.00%	**100.00%**	100.00%
VSL Egypt LLC	Cairo	Egypt	**99.00%**	99.00%	**99.00%**	99.00%
VSL Hong Kong	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
VSL India	Chennai	India	**100.00%**	100.00%	**100.00%**	100.00%
VSL Indonesia	Jakarta	Indonesia	**60.00%**	60.00%	**60.00%**	60.00%
VSL Malaysia	Kuala Lumpur	Malaysia	**100.00%**	100.00%	**100.00%**	100.00%
VSL Mexico	Mexico D.F	Mexico	**100.00%**	100.00%	**100.00%**	100.00%
VSL Middle East LLC	Dubai	United Arab Emirates	**99.00%**	99.00%	**100.00%**	100.00%
VSL Middle East Qatar	Doha	Qatar	**98.00%**	98.00%	**98.00%**	98.00%
VSL Philippines	Mandaluyong	Philippines	**80.00%**	80.00%	**80.00%**	80.00%
VSL Polska	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
VSL Portugal	Paço de Arcos	Portugal	**99.33%**	99.33%	**99.33%**	99.33%
VSL Saudi Arabia LLC	Riyadh	Saudi Arabia	**100.00%**	100.00%	**100.00%**	100.00%
VSL Singapour	Singapore	Singapore	**100.00%**	100.00%	**100.00%**	100.00%
VSL Suisse	Bern	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
VSL Systems UK Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
VSL Systems Manufacturer (Spain)	Madrid	Spain	**100.00%**	100.00%	**100.00%**	100.00%
VSL Tchequecz	Prague	Czech Republic	**100.00%**	100.00%	**100.00%**	100.00%
VSL Thailand	Bangkok	Thailand	**82.15%**	82.15%	**88.00%**	88.00%
VSL Vietnam Ltd	Hô Chi Minh City	Vietnam	**100.00%**	100.00%	**100.00%**	100.00%
7 – Bouygues Energies & Services						
Bouygues Energies & Services	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
Bouygues E&S Fondations	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S FM France	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S SPV Management	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Maintenance Industrielle	Feyzin	France	**100.00%**	100.00%	**100.00%**	100.00%
S.M.I Information Automatismes	Carcarès-Sainte-Croix	France	**100.00%**	100.00%	**100.00%**	100.00%
Thiais Lumière	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Byhome Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Infrastructure UK	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Solutions	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Contracting UK	Holytown	Scotland	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Côte d'Ivoire	Abidjan	Côte d'Ivoire	**98.98%**	93.85%	**98.98%**	93.85%
Bouygues Energies and Services Canada	Vancouver BC	Canada	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S UK	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Ireland	Dublin	Ireland	**100.00%**	100.00%	**100.00%**	100.00%
Europland Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S FM Italia	Milan	Italy	**100.00%**	100.00%	**100.00%**	100.00%

			% interest		% control	
Company	**City**	**Country**	**2021**	**2020**	**2021**	**2020**
Gastier M.P. Inc and its subsidiaries	Montreal	Canada	**100.00%**	100.00%	**100.00%**	100.00%
ICEL Group Limited and its subsidiaries	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Plan Group Inc and its subsidiaries	Vaughan	Canada	**100.00%**	100.00%	**100.00%**	100.00%
Byes Solar UK Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Japan	Tokyo	Japan	**100.00%**	100.00%	**100.00%**	100.00%
8 – Kraftanlagen München						
Kraftanlagen München and its subsidiaries	Munich	Germany	**100.00%**	100.00%	**100.00%**	100.00%
9 – Byes Intec						
Bouygues E&S Intec Ag and its subsidiaries	Olten	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Energies & Services Schweiz	Zurich	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
JOINT OPERATIONS						
1 – Bouygues Bâtiment France Europe						
XXL Marseille SNC	Marseille	France	**50.00%**	50.00%	**50.00%**	50.00%
2 – Bouygues Bâtiment International						
Byma PTE	Singapore	Singapore	**60.00%**	60.00%	**60.00%**	60.00%
Byma Myanmar Ltd	Yangon	Myanmar	**60.00%**	60.00%	**60.00%**	60.00%
CMBI SNC	Antananarivo	Madagasgar	**50.00%**	50.00%	**50.00%**	50.00%
3 – Bouygues Travaux Publics						
Société pour la réalisation du port de Tanger Méditerranée	Tanger	Morocco	**66.67%**	66.67%	**66.67%**	66.67%
TMBYS	Guyancourt	France	**66.67%**	66.67%	**66.67%**	66.67%
Oc'via Maintenance	Guyancourt	France	**49.00%**	49.00%	**49.00%**	49.00%
GIE Oc'via Construction	Nimes	France	**49.00%**	49.00%	**49.00%**	49.00%
GIE L2 Construction	Marseille	France	**56.50%**	56.50%	**56.50%**	56.50%
GIE Compagnie Maritime du Littoral	Rueil-Malmaison	France	**33.00%**	33.00%	**33.00%**	33.00%
GIE Prefa Réunion	Le Port	La Réunion	**33.00%**	33.00%	**33.00%**	33.00%
GIE Viaduc du Littoral	Le Port	La Réunion	**33.00%**	33.00%	**33.00%**	33.00%
KAS 1 Limited	Saint Helier	Jersey	**49.90%**	49.90%	**49.90%**	49.90%
Pawtucket Equipment LLC	Providence	United States	**65.00%**	–	**65.00%**	–
4 – Bouygues Energies & Services						
Themis FM	Boulogne-Billancourt	France	**50.00%**	50.00%	**50.00%**	50.00%
Evesa	Paris	France	**33.00%**	33.00%	**33.00%**	33.00%
JOINT VENTURES AND ASSOCIATES						
1 – Bouygues Construction						
Consortium Stade de France	Saint-Denis	France	**33.33%**	33.33%	**33.33%**	33.33%
2 – Bouygues Bâtiment France Europe						
Bedford Riverside Regeneration	Bedford	United Kingdom	**50.00%**	50.00%	**50.00%**	50.00%
3 – Bouygues Bâtiment International						
ANFA3B2I	Casablanca	Morocco	**15.00%**	15.00%	**15.00%**	15.00%
Bouygues Construction Qatar Llc	Doha	Qatar	**49.00%**	49.00%	**49.00%**	49.00%
4 – Bouygues Travaux Publics						
Bina Istra	Zagreb	Croatia	**16.00%**	16.00%	**16.00%**	16.00%
Bina Fincom	Zagreb	Croatia	**50.70%**	50.70%	**50.70%**	50.70%
5 – VSL						
GPN2	Rueil-Malmaison	France	**48.00%**	48.00%	**48.00%**	48.00%
VSL Japon	Tokyo	Japan	**25.00%**	25.00%	**25.00%**	25.00%
VSL Sistemas Especiales de Construcción	Santiago	Chile	**50.00%**	50.00%	**50.00%**	50.00%
6 – Bouygues Energies & Services						
Axione	Malakoff	France	**51.00%**	51.00%	**51.00%**	51.00%
Betron/Plan Group Inc.	Ottawa	Canada	**0.00%**	50.00%	**0.00%**	50.00%

A full list of companies included in the consolidation is available from the Investor Relations Department at Bouygues SA.

NOTE 25. IMPACTS OF APPLYING IFRS 5 (NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS) AND THE IFRS IC AGENDA DECISION ON IAS 19 (EMPLOYEE BENEFITS)

This note presents the effects of applying IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and the IFRS IC Agenda Decision on IAS 19 (Employee Benefits) on the 2020 consolidated financial statements and key performance indicators of the Bouygues Construction group.

Consolidated financial statements as of 31 December 2020, restated for IFRS 5 and the IFRS IC Agenda Decision on IAS 19

25.1. CONSOLIDATED BALANCE SHEET

ASSETS (€ million)	31/12/2020 net published	Lump-sum retirement benefit adjustments[a]	31/12/2020 net restated[a]
Property, plant and equipment	**659**	–	659
Right of use of leased assets	**226**	–	226
Intangible assets	**16**	–	16
Goodwill	**1,148**	–	1,148
Investments in joint ventures and associates	**93**	1	94
Other non-current financial assets	**225**	–	225
Deferred tax assets	**76**	(4)	72
Non-current assets	**2,443**	**(3)**	**2,440**
Inventories	**268**	–	268
Advances and down-payments made on orders	**137**	–	137
Trade receivables	**1,941**	–	1,941
Customer contract assets	**1,000**	–	1,000
Current tax assets	**64**	–	64
Other current receivables and prepaid expenses	**1,109**	–	1,109
Cash and cash equivalents	**4,582**	–	4,582
Financial instruments – Hedging of debt	**–**	–	–
Other current financial assets	**14**	–	14
Current assets	**9,115**	**–**	**9,115**
Held-for-sale assets and operations	**–**	–	–
Total assets	**11,558**	**(3)**	**11,555**

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	31/12/2020 published	Lump-sum retirement benefit adjustments[a]	31/12/2020 restated[a]
Share capital	**128**	–	128
Share premium and reserves	**529**	16	545
Translation reserve	**4**	–	4
Treasury shares	**–**	–	–
Net profit/(loss) attributable to the Group	**152**	–	152
Shareholders' equity attributable to the Group	**813**	**16**	**829**
Non-controlling interests	**6**	–	6
Shareholders' equity	**819**	**16**	**835**
Non-current debt	**1,065**	–	1,065
Non-current lease obligations	**197**	–	197
Non-current provisions	**835**	(19)	816
Deferred tax liabilities	**23**	–	23
Non-current liabilities	**2,120**	**(19)**	**2,101**
Current debt	**11**	–	11
Current lease obligations	**72**	–	72
Current tax liabilities	**83**	–	83
Trade payables	**2,921**	–	2,921
Customer contract liabilities	**2,633**	–	2,633
Current provisions	**769**	–	769
Other current liabilities	**1,760**	–	1,760
Overdrafts and short-term bank borrowings	**363**	–	363
Financial instruments – Hedging of debt	**–**	–	–
Other current financial liabilities	**7**	–	7
Current liabilities	**8,619**	**–**	**8,619**
Liabilities related to held-for-sale operations	**–**	–	–
Total liabilities and shareholders' equity	**11,558**	**(3)**	**11,555**
Net surplus cash/(net debt)	**3,143**	**–**	**3,143**

(a) The balance sheet as of 31 December 2020 has been restated for the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.

25.2. CONSOLIDATED INCOME STATEMENT

(€ million)	2020 published	IFRS 5 adjustments	2020 restated
Sales[a]	**12,047**	**(3,550)**	**8,497**
Other revenues from operations	**27**	(9)	18
Purchases used in production	**(6,911)**	1,846	(5,065)
Personnel costs	**(3,231)**	1,255	(1,976)
External charges	**(1,479)**	324	(1,155)
Taxes other than income tax	**(133)**	24	(109)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets	**(218)**	21	(197)
Net charges for amortisation and impairment losses on right of use of leased assets	**(95)**	29	(66)
Charges to provisions and other impairment losses, net of reversals due to utilization	**(244)**	(2)	(246)
Change in production and property development inventories	**–**	–	–
Other income from operations [b]	**629**	(129)	500
Other expenses on operations	**(221)**	157	(64)
Current operating profit/(loss)	**171**	**(34)**	**137**
Other operating income	**41**	(41)	–
Other operating expenses	**(5)**	(3)	(8)
Operating profit/(loss)	**207**	**(78)**	**129**
Financial income	**29**	(1)	28
Financial expenses	**(16)**	1	(15)
Income from net surplus cash/(cost of net debt)	**13**	**–**	**13**
Interest expense on lease obligations	**(10)**	4	(6)
Other financial income	**32**	(6)	26
Other financial expenses	**(23)**	11	(12)
Income tax	**(103)**	8	(95)
Share of net profits/(losses) of joint ventures and associates	**38**	(47)	(9)
Net profit/(loss) from continuing operations	**154**	**(108)**	**46**
Net profit/(loss) from discontinued operations	**–**	108	108
Net profit/(loss)	**154**	**–**	**154**
Net profit/(loss) attributable to the Group	**152**	**–**	**152**
Net profit/(loss) attributable to non-controlling interests	**2**	–	2
Basic earnings per share from continuing operations attributable to the Group (€)	**89.04**	**(63.17)**	**25.87**
Diluted earnings per share from continuing operations attributable to the Group (€)	**89.04**	**(63.17)**	**25.87**

(a) of which sales generated abroad	**7,234**	(2,341)	4,893
(b) of which reversals of unutilised provisions/impairment losses and other items	**199**	(43)	156

25.3. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€ million)	2020 published	Lump-sum retirement benefit adjustments	IFRS 5 adjustments	2020 restated
Net profit/(loss)	**154**	**–**	**–**	**154**
Items not reclassifiable to profit or loss				
Actuarial gains/(losses) on post-employment benefits	**22**	1	(39)	(16)
Remeasurement of investments in equity instruments	**(3)**	–	–	(3)
Net tax effect of items not reclassifiable to profit or loss	**2**	–	–	2
Share of non-reclassifiable income and expense of joint ventures and associates	**(1)**	–	–	(1)
Non-reclassifiable items related to discontinued operations, net of tax	**–**	–	39	39
Items reclassifiable to profit or loss				
Translation adjustments	**(10)**	–	(3)	(13)
Remeasurement of hedging assets	**7**	–	(1)	6
Net tax effect of items reclassifiable to profit or loss	**(1)**	–	–	(1)
Share of reclassifiable income and expense of joint ventures and associates	**4**	–	–	4
Reclassifiable items related to discontinued operations, net of tax	**–**	–	4	4
Income and expense recognised directly in equity	**20**	**1**	**–**	**21**
Total recognised income and expense	**174**	**1**	**–**	**175**
Recognised income & expense attributable to the Group	**172**	1	–	173
Recognised income & expense attributable to non-controlling interests	**2**	–	–	2

25.4. CONSOLIDATED CASH FLOW STATEMENT

(€ million)	2020 published	IFRS 5 Adjustments	2020 restated
I – Cash flow from continuing operations			
A – NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
Net profit/(loss) from continuing operations	**154**	(108)	46
Adjustments:			
Share of net (profits)/losses of joint ventures and associates, net of dividends received	**(34)**	45	11
Dividends from non-consolidated companies	**(3)**	–	(3)
Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets and non-current provisions	**209**	(13)	196
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets	**94**	(28)	66
Gains and losses on asset disposals	**(32)**	1	(31)
Income taxes, including uncertain tax positions	**103**	(8)	95
Income taxes paid	**(132)**	(5)	(137)
Other income and expenses with no cash effect	**(4)**	(1)	(5)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**355**	(117)	238
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	**(3)**	(4)	(7)
Changes in working capital requirements related to operating activities (including current impairment and provisions)	**252**	(95)	157
Net cash generated by/(used in) operating activities	**604**	**(216)**	**388**
B – NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant & equipment and intangible assets	**(177)**	17	(160)
Proceeds from disposals of property, plant & equipment and intangible assets	**63**	(12)	51
Net liabilities related to property, plant and equipment and intangible assets	**(7)**	(1)	(8)
Purchase price of non-consolidated companies and other investments	**(1)**	1	–
Proceeds from disposals of non-consolidated companies and other investments	**–**	–	–
Net liabilities related to non-consolidated companies and other investments	**–**	–	–
Purchase price of investments in consolidated activities	**–**	–	–
Proceeds from disposals of investments in consolidated activities	**56**	(56)	–
Net liabilities related to consolidated activities	**–**	–	–
Other effects of changes in scope of consolidation: cash of acquired and divested companies	**–**	–	–
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	**(12)**	–	(12)
Net cash generated by/(used in) investing activities	**(78)**	**(51)**	**(129)**
C – NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	**–**	(16)	(16)
Dividends paid to shareholders of the parent company	**(325)**	–	(325)
Dividends paid by consolidated companies to non-controlling interests	**(2)**	–	(2)
Change in current and non-current debt	**9**	10	19
Repayment of lease obligations	**(100)**	29	(71)
Income from net surplus cash/cost of net debt and interest expense on lease obligations	**3**	4	7
Other cash flows related to financing activities	**–**	7	7
Net cash generated by/(used in) financing activities	**(415)**	**34**	**(381)**
D – EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**(96)**	**5**	**(91)**
Change in net cash position (A + B + C + D)	**15**	**(228)**	**(213)**
Net cash position at start of period	**4,204**	**–**	**4,204**
Net cash flows	**15**	**(228)**	**(213)**
Non-monetary flows	**–**	–	–
Held-for-sale operations	**–**	228	228
Net cash position at end of period	**4,219**	**–**	**4,219**
II – Cash flows from discontinued operations			
Net cash position at start of period	**–**	**–**	**488**
Net cash flows	**–**	**–**	**228**
Net cash position at end of period	**–**	**–**	**716**

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2021

To the Annual General Meeting of Bouygues Construction

OPINION

In accordance with the assignment entrusted to us by your Annual General Meetings, we have conducted our audit of the accompanying consolidated financial statements of Bouygues Construction for the year ended 31 December 2021.

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

BASIS FOR OUR OPINION

Auditing standards

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

Our responsibilities under those standards are described in the section "Auditors' responsibilities for the audit of the consolidated financial statements" below.

Independence

We conducted our audit engagement in compliance with the rules on independence contained in the French Commercial Code and in the code of ethics of the auditing profession during the period from 1 January 2021 to the date of issuance of this report.

COMMENTS

Without modifying the opinion expressed above, we draw to your attention the following matters:

- Note 1.1 to the consolidated financial statements, which presents the context for the application of IFRS 5 on held-for-sale operations as regards the activities of the Energies & Services business segment;
- Note 2.2 to the consolidated financial statements, which presents the impact of applying the IFRS IC Agenda Decision relating to IAS 19.

JUSTIFICATION OF OUR ASSESSMENTS

The global crisis caused by the Covid-19 pandemic created challenging conditions for the preparation and audit of this year's financial statements. The crisis – and the unprecedented public health measures taken in response – had multiple consequences for businesses, especially on their operations and finances, and also created increased uncertainty about their future prospects. Some of those measures, such as travel restrictions and teleworking, also had an impact on internal organisation within companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, pursuant to Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we draw your attention to the following assessments that in our professional judgment were of the most significance in the audit of the consolidated financial statements for the year.

Our assessments should be seen in the context of the audit of the consolidated financial statements taken as a whole, and of the formation of our opinion as expressed above. We do not express an opinion on elements of the consolidated financial statements taken in isolation.

- The Bouygues Construction group accounts for profits and losses on long-term contracts using the policies described in Note 2.4.3 to the consolidated financial statements. Such profits and losses are dependent on estimates made by the Bouygues Construction group of the profits or losses to completion on contracts. Based on the information supplied to us, our procedures included assessing the data and assumptions underlying the estimates of profits or losses to completion on contracts, and evaluating the key controls used by the Group to measure profits or losses to completion. Our assessment also included reasonableness tests on those estimates.
- The Bouygues Construction group records provisions for litigation and claims, as presented in Notes 2.4.2, 6.1 and 6.2 to the consolidated financial statements; those provisions are intended to cover litigation, claims and foreseeable uncertainties relating to the Group's operations. Based on the information currently available, our assessment of those provisions included an examination of the situation and of the assumptions underlying the measurement of the provisions.

SPECIFIC VERIFICATIONS

As required by law and regulations we also carried out, in accordance with professional standards applicable in France, the specific verifications relating to information about the Group presented in the Board of Directors' management report.

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

RESPONSIBILITIES OF MANAGEMENT, AND OF THOSE CHARGED WITH GOVERNANCE, FOR THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as endorsed by the European Union, and to implement such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern; to disclose in those financial statements any matters relating to going concern; and to apply the going concern basis of accounting unless it is intended to liquidate the company or cease trading.

The consolidated financial statements have been closed off by the Board of Directors.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not involve guaranteeing the viability of the company or the quality of how it is managed.

As part of an audit in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. In addition, the auditor:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error and designs and performs audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Those conclusions are based on the audit evidence obtained up to the date of the auditor's report, with the caveat that future events or conditions may cause a company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer;
- evaluates the overall presentation of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them;
- obtains what the auditor considers sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements, and for the opinion expressed on those financial statements.

Paris-La Défense, 1 April 2022

The Statutory Auditors

Mazars	**ERNST & YOUNG Audit**
Gilles Rainaut	Nicolas Pfeuty

PARENT COMPANY FINANCIAL STATEMENTS

BOUYGUES CONSTRUCTION SA: BALANCE SHEET AT 31 DECEMBER 2021

Assets (€ million)	31/12/2021			31/12/2020
	Gross value	Amortisation, depreciation & impairment	Carrying amount	Carrying amount
Intangible assets	76	71	4	5
Property, plant and equipment	44	27	17	17
Long-term investments				
• Holdings in subsidiaries and affiliates	1,585	43	1,541	1,330
• Other	728	0	728	493
Sub-total	**2,313**	**44**	**2,269**	**1,823**
Non-current assets	**2,432**	**142**	**2,290**	1,846
Inventories and work in progress	–	–	–	–
Advances and down-payments made on orders	0	–	0	0
Trade receivables	34	–	34	36
Other receivables	220	8	212	269
Short-term investments	–	–	–	–
Cash	2,452	–	2,452	2,121
Current assets	**2,706**	**8**	**2,698**	2,426
Other assets	62	–	62	120
Total assets	**5,200**	**151**	**5,050**	4,392

LIABILITIES & SHAREHOLDERS' EQUITY (€ million)	31/12/2021	31/12/2020
Share capital	128	128
Share premium	15	15
Revaluation reserves	–	–
Other reserves	13	13
Retained earnings	381	318
Net profit/(loss) for the period	241	215
Investment grants	–	–
Restricted provisions	–	–
Shareholders' equity	**777**	688
Other forms of equity	**–**	–
Provisions	**7**	9
Debt	**1,245**	1,234
Advances and down-payments received on orders	**–**	–
Trade payables	52	55
Other payables	133	130
Non-financial liabilities	**184**	185
Overdrafts and short-term bank borrowings	2,798	2,205
Accruals and deferred income	38	72
Total liabilities & shareholders' equity	**5,050**	4,392

BOUYGUES CONSTRUCTION SA: INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(€ million)	31/12/2021	31/12/2020
Sales	**212**	198
Other operating revenue	**1**	2
Purchases and changes in inventory	**(0)**	(0)
Taxes other than income tax	**(4)**	(4)
Personnel costs	**(72)**	(76)
Other operating expenses	**(141)**	(129)
Depreciation, amortisation, impairment & provisions, net	**(3)**	–
Profits/(losses) from shared operations	**4**	4
Operating profit/(loss)	**(3)**	(5)
Financial income and expenses	**244**	221
Pre-tax profit/(loss) on ordinary activities	**241**	215
Exceptional items	**(0)**	(0)
Employee profit-sharing	**–**	–
Income tax expense	**(0)**	(0)
Net profit/(loss) for the year	**241**	215

BOUYGUES CONSTRUCTION SA: YEAR ENDED 31 DECEMBER 2021 CASH FLOW STATEMENT

(€ million)	31/12/2021	31/12/2020
A - OPERATING ACTIVITIES		
Operating cash flow		
Net profit/(loss) for the period	**241**	215
Depreciation and amortisation	**5**	6
Net change in impairment and provisions[1]	**(4)**	(4)
Net gains on asset disposals and other items[2]	**(0)**	–
Sub-total	**242**	**218**
Change in working capital needs		
Current assets, other assets, accruals and deferred income	**117**	5
Net advances and down-payments received, non-financial liabilities & other items	**(33)**	71
Net cash generated by/(used in) operating activities	**326**	294
B – INVESTING ACTIVITIES		
Increases in non-current assets:		
Acquisitions of intangible assets and property, plant & equipment	**(3)**	(3)
Acquisitions of holdings in subsidiaries and affiliates	**(209)**	(69)
Sub-total	**(212)**	**(71)**
Disposals of non-current assets:		
Disposals of intangible assets and property, plant & equipment	**–**	–
Disposals of holdings in subsidiaries and affiliates	**–**	–
Other financial investments, net	**(186)**	3
Amounts receivable in respect of non-current assets, net	**(0)**	(1)
Net cash generated by/(used in) investing activities	**(399)**	(70)
C – FINANCING ACTIVITIES		
Increase in shareholders' equity	**–**	–
Dividends paid during the year	**(152)**	(325)
Change in net debt	**(38)**	9
Net cash generated by/(used in) financing activities	**(189)**	(316)
Change in net cash position (A + B + C)	**(262)**	(92)
Net cash position at 1 January[3]	**(84)**	7
Net cash flows during the year, excluding inter-account transfers	**(262)**	(92)
Impact of inter-account transfers	**–**	–
Net cash position at end of period[3]	**(346)**	(84)

(1) Excluding impairment of current assets.
(2) Net of corporate income tax.
(3) Cash + Short-term investments – Overdrafts and short-term bank borrowings.

LIST OF SUBSIDIARIES AND AFFILIATES YEAR ENDED 31 DECEMBER 2021

Subsidiaries and affiliates (€ million)	Share capital[4]	Reserves & retained earnings before appropriation of profits[4]	% interest in capital	Carrying amount of shares held	
				Gross	Net
A. DETAILED INFORMATION [1] [2]					
Subsidiaries (interest held >50%)	–	–	–	**1,549**	**1,530**
DTP	10	1	100.00%	24	24
Bouygues Bâtiment International	25	86	100.00%	85	85
Bouygues Bâtiment Île-de-France	13	39	99.70%	103	103
Bouygues Travaux Publics	291	(137)	98.88%	343	343
BYES	62	382	100.00%	510	510
Bouygues Bâtiment Nord-Est	25	24	100.00%	35	35
Bouygues Bâtiment Centre Sud-Ouest	7	15	93.04%	11	11
Bouygues Bâtiment Sud-Est	3	38	100.00%	6	6
Fichallenge	2	(6)	100.00%	2	-
Challenger	0	-	99.99%	15	15
Bouygues Bâtiment Grand Ouest	2	51	100.00%	4	4
Bouygues Bâtiment Central Europe	0	20	100.00%	25	25
VSL (Switzerland)	2	3	100.00%	32	32
Losinger Holding (Switzerland)	15	12	99.96%	22	22
Dragages Hong Kong (Hong Kong)	50	534	100.00%	6	6
Acieroid (Spain)	1	1	93.81%	18	1
Kraftanlagen (Germany)	5	9	100.00%	99	99
Bouygues UK	125	(0)	100.00%	206	206
Detailed information: affiliates (interest held: 10%-50%)	–	–	–	–	–
B. AGGREGATE INFORMATION FOR SUBSIDIARIES AND AFFILIATES NOT INCLUDED IN A.					
Total	–	–	–	**36**	**11**
French subsidiaries (aggregate)	–	–	–	5	4
Foreign subsidiaries (aggregate)[3]	–	–	–	–	–
French affiliates	–	–	–	30	7
Foreign affiliates	–	–	–	–	–
Grand total	–	–	–	**1,585**	**1,541**

(1) Where the carrying amount exceeds a certain percentage (determined by applicable regulations) of the share capital of the reporting entity. If the reporting entity has also published a consolidated balance sheet that complies with the applicable regulations, it is only required to disclose aggregate information (item B), showing separately (a) French subsidiaries and (b) foreign subsidiaries.
(2) Give the name and registered office of each subsidiary and affiliate in which the reporting entity holds an equity interest.
(3) Foreign subsidiaries and affiliates exempt from inclusion in item A are included on these lines.
(4) Amount in local currency, with the currency and exchange rate shown in the "Comments" column.

Loans and advances receivable by the parent	Guarantees given by the parent	Sales for last financial year	Net profit/(loss) for last financial year	Dividends received by the parent during the year	Comments
919	**31**	**–**	**–**	**–**	
–	–	1	(1)	4	
45	–	394	8	100	
–	1	1,477	50	32	
84	2	1,769	15	–	
561	7	946	139	–	
–	–	348	10	11	
–	–	256	3	4	
–	–	276	10	6	
–	–	–	(0)	–	
–	–	19	4	–	
–	–	473	9	12	
31	–	–	(2)	–	
82	–	39	(3)	–	
–	–	–	36	46	CHF 1 = 0.967961
57	–	124	39	47	HKD 1 = 0.113208
–	–	18	(0)	–	
–	21	235	6	–	
59	–	1	(103)	–	
–	**–**	**–**	**–**	**–**	
14	**–**	**–**	**–**	**–**	
11	–	–	–	4	
–	–	–	–	–	
2	–	–	–	1	
–	–	–	–	–	
933	**–**	**–**	**–**	**–**	

Photo credits:

Fécamp offshore wind farm (France) ©Jacques Basile (cover)

Engie Campus, La Garenne-Colombes (France) ©Image Kreaction – Design/Build Project Owner: Nexity – Investor: Swiss Life – User: Engie – Architects: Scau, Chaix & Morel and partners, ArtBuild Architects. (page 4)

Unit 1 Reactor, Hinkley Point C nuclear power plant (UK) ©EDF UK – Project Owner: EDF, CGN – Consortium: BYLOR (Laing O'Rourke / Bouygues Travaux Publics) (p. 4)

Issy Cœur de Ville eco-neighbourhood, Issy-les-Moulineaux (France) ©Potion Médiatique – Project Owner: Altarea Cogedim – Architects: Valode & Pistre – Economists: Alliance Economie 79 – Lead Contractor: Bouygues Bâtiment Ile-de-France Private Construction, Residential Division – Additional Contractor: Bouygues Energies & Services (page 4)

Calais Port 2015, Calais (France) ©Calais Port 2015 Construction Consortium (page 5) – Project Owner: La Société des Ports du Détroit – Consortium: Bouygues Travaux Publics / Bouygues Travaux Publics Régions France / DTP / Colas / SPIE Batignolles / Jan De Nul (p. 5)

TERRE DE SIENNE