NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31/12/2022

A heat pump factory operated by Systecon, a US subsidiary of Equans in the suburbs of Cincinnati.

BOUYGUES

Making progress become reality

Notes to the consolidated financial statements

Contents (figures in millions of euros unless otherwise indicated)

Note 1 Significant events of the year

1.1 Scope of consolidation as of 31 December 2022

As of 31 December 2022, the scope of consolidation of Bouygues SA consisted of 1,580 entities, compared with 1,266 as of 31 December 2021. The increase is mainly due to the acquisition of Equans and its subsidiaries on 4 October 2022 (see Note 1.2.1).

31 December	2022	2021
Companies controlled by the Group	1,137	846
Joint operations	172	166
Joint ventures and associates	271	254
	1,580	**1,266**

1.2 Significant events

1.2.1 Significant events of 2022

The principal corporate actions and acquisitions of 2022 are described below:

- Acquisition of Equans by Bouygues
  - Description of the acquisition process

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 €6.7 billion.

On 12 May 2022, Bouygues signed the Equans Share Purchase Agreement with Engie, following the issuance of all the opinions of the relevant employee representative bodies of Equans and Engie.

On 19 July 2022, the European Commission authorised the acquisition of Equans by Bouygues, subject to compliance with the undertakings made by Bouygues to divest Colas Rail Belgium; that divestment was completed on 30 September 2022.

Also on 19 July 2022, the UK Competition and Markets Authority (CMA) issued an opinion indicating that its concerns around competition were limited to the ongoing tendering process for catenary systems for the High Speed 2 (HS2) railway line. On 26 July 2022, Bouygues submitted its proposed remedies, on the basis of which the CMA authorised the transaction on 27 September 2022.

On 4 October 2022, Bouygues SA completed the acquisition of Equans, a key milestone in its development. The final purchase price for 100% of the shares of Equans was €6.1 billion (of which €130 million had been paid to Engie on 12 May 2022 when the Share Purchase Agreement was signed). As of the date control was obtained and after the purchase price allocation, provisional goodwill of €5,209 million was recognised; the impact on the net debt of Bouygues was €6.5 billion, after factoring in the €0.4 billion net debt of Equans as of the acquisition date.

  - Financing of the acquisition

On 3 December 2021, Bouygues contracted a €6 billion syndicated loan facility to finance the acquisition of Equans. 16 banks participated in the facility, which expires on the earlier of (i) 24 months after closing of the acquisition or (ii) 31 March 2025. The intention was that the facility would be refinanced by bond issues before 2024. Having been initially reduced to €4.7 billion as a result of the bond issues carried out by Bouygues on 17 May 2022, the syndicated loan facility was drawn down in full on completion of the acquisition, before being partially refinanced by further bond issues totalling €2.25 billion on 24 October 2022. As of 31 December 2022, the residual syndicated loan facility was drawn down in full, and amounted to €2.45 billion. The economic cost of the Equans financing is approximately 2%. Details of the refinancing are provided below.

On 17 May 2022, Bouygues carried out two bond issues totalling €2 billion with an effective date of 24 May 2022. The issues comprise a 7-year €1 billion tranche bearing interest at 2.25%, and a 15-year €1 billion tranche bearing interest at 3.25%.

On 24 October 2022, Bouygues carried out two bond issues totalling €2.25 billion, with an effective date of 3 November 2022. The issues comprise a 10-year tranche of €1.25 billion bearing interest at a rate of 4.625%, and a 20-year tranche of €1 billion bearing interest at a rate of 5.375%.

As of 31 December 2022, the fair value of the pre-hedging swaps contracted in connection with the acquisition of Equans amounted to €1,015 million before deferred taxes. Of that amount, €146 million was recognised as an asset in the balance sheet within "Financial instruments – Hedging of debt", and €869 million within "Cash and cash equivalents" following receipt of the upfront cash payments on the May 2022 and November 2022 bond issues. As of 31 December 2021, the fair value of the pre-hedging swaps contracted in connection with the acquisition of Equans was €38 million before deferred taxes. The change in fair value of the pre-hedging swaps during 2022 (€977 million) was recognised within "Income and expense recognised directly in equity". That fair value will be released to profit or loss in line with the pattern of amortisation of the hedged bond issues.

The tax payable on receipt of the upfront payments on the pre-hedging swaps amounted to €224 million; this was partially offset against the entire tax losses arising within the Bouygues SA group tax election, such that a net amount of €146 million was paid in tax in this respect during 2022.

  - Financial information as of 31 December 2022

Equans is consolidated in the Bouygues financial statements from the start of October 2022. The activities of the Energies & Services arm of Bouygues, which remained part of Bouygues Construction up to and including 31 December 2022, became part of the Equans IFRS 8 operating segment with effect from the start of January 2023 (see Note 1.3). The contribution of the Equans operating segment for the 2022 financial year is disclosed in Note 17 to these financial statements.

The acquisition costs incurred in connection with Equans are recognised within "Other operating expenses" in the consolidated income statement for the year ended 31 December 2022, and amounted to €71 million (versus €17 million for the year ended 31 December 2021).

If Bouygues had obtained control of Equans and financed the acquisition as of 1 January 2022, the Bouygues group would have recorded sales of €54,385 million, current operating profit of €2,069 million, and a net profit of €1,127 million.

- On 23 February 2022, Bouygues Telecom and Cellnex signed an agreement to set up a new company to roll out up to approximately 1,350 new mobile sites in France outside very dense areas. The new company, controlled by Cellnex, will own and manage the sites. Bouygues Telecom will have a call option over Cellnex's shares exercisable between 1 July and 31 December 2045, 2050 and 2055, which would give Bouygues Telecom control over the new company.

- On 23 February 2022, Bouygues Telecom and Phoenix Tower International (a Blackstone portfolio company based in the United States, specialising in mobile infrastructure construction) and Phoenix France Infrastructures signed an agreement to set up a new company to acquire 2,000 new mobile sites in very dense areas, and to roll out up to 400 additional sites. The new company, a directly owned subsidiary of Phoenix France Infrastructures, will own and manage the sites. Bouygues Telecom will have a call option over the shares of Phoenix France Infrastructures exercisable between 15 January and 15 July 2038 and at two-year intervals to 2051, which would give Bouygues Telecom control over the two companies.
- On 24 February 2022, a military conflict broke out between Russia and Ukraine. Because Bouygues has only very limited operations in those two countries (2021 revenue of €123,000 in Russia and €24,000 in Ukraine), it is not directly impacted by the ongoing conflict. In 2022, no sales were generated in either country. However, the Group is paying very close attention to macro-economic trends and to the direct and indirect repercussions for the Group's operations and profits.
- On 28 February 2022, TF1 announced that Altice Media had entered into a purchase agreement in respect of the TFX channel (DTT channel 11), and that Altice Media had been granted an exclusivity clause. On 8 April 2022, TF1 announced the finalisation of the agreements with Altice relating to the sale of TFX.
- On 3 November 2015, Bouygues E&S Contracting UK Limited and Full Circle Generation Limited entered into (i) an engineering, procurement and construction contract (EPCC) and (ii) an operation & maintenance contract (OMC) relating to a biomass energy generation facility in Belfast. The facility was commissioned on 26 March 2020. Performance tests conducted since then have proved inconclusive. The customer terminated the EPC for breach of contract on 5 July 2021, and terminated the OMC on the same grounds on 6 July 2021. On 28 March 2022, the customer initiated arbitration proceedings under the EPCC seeking compensation for underperformance of the facility (preliminary claim of approximately £12.4 million in principal, equivalent to €14 million). On 3 February 2023, the customer submitted a statement of account in respect of the alleged breaches, which is contested by Bouygues E&S Contracting UK Limited.
- On 24 March 2022, the TF1 group and the M6 group signed an agreement with France Télévisions relating to the buyout of the 33.33% equity interest held by France Télévisions in Salto (the subscription video on demand service owned in equal shares by France Télévisions, TF1 and M6). Under the terms of the agreement, the TF1 and M6 groups undertook that if their merger were completed, they would buy out the 33.33% equity interest held by France Télévisions at a definitive value of €45 million.

  Completion of both of those transactions was subject to completion of the proposed merger between the TF1 group and the M6 group, which was abandoned during the second half of 2022.

  On 26 July 2022, Bouygues announced that the French competition authority (ADLC) investigation teams had issued their report on the proposed merger between the TF1 group and the M6 group. In that report, which was without prejudice to the final decision of the ADLC board, the investigation teams took the view that the deal raised a number of significant competition concerns (especially in relation to the advertising market). The nature and extent of the remedies required in the report would mean that the merger plans would no longer be meaningful for the parties involved, who would therefore abandon them.

  On 16 September 2022, Bouygues, RTL Group, TF1 and the M6 group halted the proposed merger between the TF1 and M6 groups (announced on 17 May 2021). This decision came after the parties appeared at the hearings of the ADLC board on 5 and 6 September 2022 to argue in favour of the benefits and necessity of the merger. Following discussions with the ADLC, and despite the additional remedies proposed, it became clear that only structural remedies involving as a minimum the divestment of either the TF1 TV channel or the M6 TV channel would have been sufficient for the merger to have been approved. The parties therefore concluded that the proposed merger no longer had any strategic rationale. Consequently, the parties agreed to end the ADLC review of the transaction.

  As a result, the sale agreements entered into with Altice (relating to TFX) and with France Télévisions (relating to the buyout of the residual equity interest in Salto) lapsed.
- On 6 April 2022, Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) announced the signature of a strategic agreement to ramp up the roll-out of FTTH to property operators in medium dense areas (AMII) and less dense areas (AMEL/PIN), representing around 21 million premises. Bouygues Telecom created a special purpose vehicle called Société de Développement de la Fibre Au Service des Territoires (SDFAST) and Vauban Infrastructure Partners, acting on behalf of its funds, was chosen to be SDFAST's majority shareholder. The primary purpose of SDFAST is to acquire long-term access rights from property operators, helping to co-finance fibre optics alongside the main French telecoms operators. Approximately €2 billion will be invested over the next five years.

  When SDFAST was created, Vauban Infrastructure Partners and Bouygues Telecom undertook to subscribe to the capital of the company. Bouygues Telecom also contributed (i) a service contract that includes a commitment to source FTTH connections solely from SDFAST for a period of 35 years at a pre-set tariff and (ii) supply contracts enabling SDFAST to acquire FTTH connections from building operators. SDFAST will also be able to offer the same access services to third-party operators. The transactions valued Bouygues Telecom's 49% equity interest in SDFAST at €585 million as of 6 April 2022, including €535 million for the contracts contributed (which will be recognised in current operating profit over the life of the contract) and €50 million for the capital increase to be carried out by Bouygues Telecom. As of 31 December 2022, Bouygues Telecom's equity interest in SDFAST was valued at €603 million.

  Bouygues Telecom has an option to take control of SDFAST exercisable between 31 July and 31 December each year from 2031 to 2033, and then every five years from 2036 to 2056.
- On 28 June 2022, TF1 signed an agreement with a view to selling its Digital Media arm's Publishers business – including the aufeminin, Marmiton, Doctissimo, and Les Numériques brands – to the Reworld Media group. Completion of the sale was announced on 18 October 2022.

  Because the Publishers business of the Digital Media arm was held for sale as of 30 September 2022, all of the assets and liabilities relating to that business were classified as of that date in "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations", which are separate line items presented at the foot of the balance sheet in accordance with IFRS 5.
- On 21 July 2022, TF1 signed an agreement to enter into exclusive negotiations with Future Technology Retail with a view to the sale of the influence marketing operations carried on by the Ykone entities.

Completion of the sale was announced on 27 July 2022. Because those entities were held for sale as of 30 June 2022, all of their assets and liabilities were classified as of that date in "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations", which are separate line items presented at the foot of the balance sheet in accordance with IFRS 5.

- On 9 August 2022, Colas Rail signed an agreement to acquire a 100% equity interest in the Hasselmann group, which is based in Thuringia and specialises in the construction of rail track and rail infrastructures. Hasselmann is a family-owned group, made up of three companies: Hasselmann GmbH (rail infrastructure), NTG GmbH (rail track), and LGM Logistik GmbH (rail safety). It currently employs nearly 300 people, and generated sales of €70 million in 2021. Effective completion of the deal took place on 4 October 2022, after clearance from the competition authorities. As of the date control was obtained, and pending completion of the purchase price allocation, provisional goodwill of €46 million was recognised, and the impact on net debt was €63 million.
- In the fourth quarter of 2022, Colas divested 39 sites in France for €70 million, and a site in Australia for the equivalent of €35 million. Those divestments were recognised as sales within the meaning of IFRS 15. Some of the sites were immediately leased back, and consequently part of the gain on disposal has been reversed out in accordance with IFRS 16.
- On 17 November 2022, following the abandonment of the proposed M6/TF1 merger and in the absence of any satisfactory offers to buy the Salto platform, TF1 and M6 formally notified a Supervisory Board meeting of their withdrawal from Salto. The costs of the withdrawal for each of the partners were recognised by way of provisions as of 31 December 2022, over and above their share of Salto's net loss for the year. The Group's share of net losses from Salto for 2022 was €46 million (see Note 3.2.6.2), including €22 million of provisions incurred to cover the costs of the liquidation. The excess of the accumulated losses arising since the incorporation of Salto (including the €46 million loss for 2022) over the carrying amount of the Group's equity interest in Salto has been offset against short-term cash advances held in its shareholder current account (regarded as a component of the investment in Salto), with the residual €15 million recognised as a provision for charges. In addition, on 29 March 2022 the Group subscribed €41 million to a capital increase at Salto via offset of short-term cash advances held in its shareholder current account.
- During 2022, Bouygues Telecom sold to Towerlink the buildings and passive infrastructure of four data centres (MSC – Mobile Switching Centres) for €102 million. The €52 million gain on the sale was recognised in "Other operating income" for the year ended 31 December 2022.

1.2.2 Reminder of significant events of 2021

The principal corporate actions and acquisitions of 2021 are described below:

- On 29 January 2021, Alstom announced that it had acquired Bombardier Transportation, via two rights issues reserved for affiliates of Caisse de dépôt et placement du Québec and Bombardier Inc. Bouygues recognised a gain on dilution of €56 million within "Share of net profits/losses of joint ventures and associates" in the consolidated income statement for the first quarter of 2021, based on Alstom's €3.4 billion valuation of the 76,184,296 shares issued on the date of completion of the acquisition. On completion of all those various rights issues, Bouygues held an equity interest of 6.35% in Alstom.

  On 10 March 2021 and 2 June 2021, Bouygues announced the sale of 12 million and 11 million Alstom shares respectively, representing 3.23% and 2.96% of Alstom's share capital, for €984 million (net of transaction costs), through an accelerated book building reserved for institutional investors. Bouygues recognised a gain of €152 million (net of transaction costs and taxes) within "Share of net profits/losses of joint ventures and associates" in the consolidated income statement for the first half of 2021. Following those sales, Bouygues holds an equity interest of 0.16% in Alstom. Loss of significant influence over Alstom led to the reclassification of the residual equity interest to "Other non-current financial assets", and to the recognition of a fair value remeasurement of €6 million in respect of the residual equity interest within "Share of net profits/losses of joint ventures and associates" as of 2 June 2021.

  The residual equity interest in Alstom, recognised in "Other non-current financial assets", amounted to €18 million as of 31 December 2021.
- During the first half of 2021, Bouygues Telecom sold to Towerlink the buildings and passive infrastructure of 11 data centres (MSC – Mobile Switching Centres) for €168 million. A further two MSCs were sold in the second half of 2021 for €31 million, increasing the overall gain for the year ended 31 December 2021 to €114 million (recognised in "Other operating income"). Two MSCs were classified within "Held-for-sale assets and operations" as of 31 December 2021 for €8 million.
- On 27 April 2021, TF1 announced that Newen had taken a majority stake in the iZen group, a major player in audiovisual production in Spain, by acquiring a 65% equity interest for a basic price of €20 million. The iZen group, which employs around 40 people and also has operations in the United Kingdom, generated average sales of €35 million over the last three financial years. The vendors and the Newen group entered into a shareholder agreement which specifies the terms for (i) the payment of contingent consideration and (ii) the exercise of reciprocal undertakings whereby the vendors have an option to sell, and the TF1 group has an option to acquire, additional equity interests of 15% in 2025 and 10% in 2028. As of the date control was obtained, provisional goodwill of €15 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €29 million, including €9 million for the put option granted to the non-controlling shareholders. Following completion of the valuation of the reciprocal undertakings and the contingent consideration of €2 million in the second half of 2021, provisional goodwill amounted to €15 million as of 31 December 2021; the impact on net debt was €34 million, including €12 million for the put option granted to the non-controlling shareholders. At the end of the 12-month purchase price allocation period, the provisional goodwill became final; it amounted to €16 million as of 31 December 2022.
- On 17 May 2021, TF1, M6, Bouygues and RTL Group announced that they had signed agreements to enter into exclusive negotiations to merge the activities of TF1 and M6, creating a major French media group. Based on 2020 proforma figures, the merged entity would generate sales of approximately €3.4 billion and current operating profit in the region of €460 million. Bouygues and RTL Group support the transaction, on completion of which they would hold 30% and 16% of the new entity respectively, following the acquisition by Bouygues of an 11% stake from RTL Group for €641 million. Bouygues would exercise control, and would act in concert with RTL Group in a strategic partnership. The proposal has been approved unanimously by the Boards of Directors of TF1, Bouygues and RTL Group, and by the Supervisory Board of M6. On 8 July 2021, the Bouygues group and RTL Group (of the one part) and TF1 and M6 (of the other part) announced the signature of agreements between the parties relating to the merger of the TF1 and M6 groups, following unanimous approval of the proposal by the employee representative bodies of Bouygues, TF1 and M6 on 24 June 2021. On 16 September 2022, Bouygues, RTL Group, TF1 and the M6 group halted the proposed merger between the TF1 and M6 groups (see Note 1.2.1).

- In June 2021, Bouygues SA repurchased 350,000 of its own shares for €12 million, followed by a further 2,220,000 shares in the second half of 2021 for €76 million; all those shares were cancelled in the year ended 31 December 2022.
- On 25 August 2021, Colas signed a memorandum of understanding to acquire 100% of the share capital of Destia Oy from the Finnish family-owned Ahlström Capital Group. Destia is a major player in the field of road, rail and energy infrastructure in Finland. With a workforce of over 1,600 people, Destia generated sales of €569 million and net profit of €17 million in 2021. Destia is consolidated in the financial statements of the Colas group with effect from 31 December 2021, given that the acquisition was completed at the end of the financial year. As of the date control was obtained, provisional goodwill of €213 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €222 million (excluding acquisition costs). At the end of the 12-month purchase price allocation period, the provisional goodwill became final; it amounted to €191 million as of 31 December 2022.
- On 6 September 2021, Bouygues announced that it had submitted a non-binding offer to Engie to acquire Equans, as part of Bouygues' strategy of creating a major player in multi-technical services within the 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 €6.7 billion. The transaction was completed on 4 October 2022 (see Note 1.2.1).
- On 27 October 2021, Bouygues carried out an €800-million bond issue maturing 11 February 2030, bearing interest at 0.5%.
- On 17 December 2021, Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) signed an agreement on a project to accelerate the roll-out of FTTH lines by co-funding around 20 million premises outside the Very Dense Zone (AMII zone, AMEL zone, and Public Initiative Network zones). A newly-created special company, SDFAST (Société de Développement de la Fibre au service des territoires) will contribute to the co-financing and roll-out of fibre optics in France, with the aim of acquiring indefeasible right of use (IRU) of FTTH lines from infrastructure operators. The special purpose vehicle will be able to supply the full range of FTTH access services to Bouygues Telecom and to third-party operators. The deal was completed on 6 April 2022 (see Note 1.2.1).

1.3 Significant events and changes in scope of consolidation subsequent to 31 December 2022

- On 4 January 2023, Bouygues Construction transferred to Equans all of its shares comprising the capital of its Energies & Services operations (i.e. the entities Bouygues Energies & Services and Kraftanlagen Energies & Services GmbH). All the Equans shares received by Bouygues Construction as consideration for the transfer were distributed to its shareholders (i.e. Bouygues SA and SFPG).
- On 9 February 2023, the Paris Commercial Court delivered a ruling in connection with a series of claims lodged by Free Mobile against its competitors, and specifically their so-called "subsidised" smartphone plus mobile bundled offers. The case brought by Free Mobile against Bouygues Telecom relates to Bouygues Telecom's former bundled offers. The ruling ordered Bouygues Telecom to pay Free Mobile €308 million in damages, and stated that there must be "immediate execution of the judgment"; Bouygues Telecom argues that this is incorrect, as the claim had been lodged prior to 1 January 2020. Bouygues Telecom is contesting this ruling vigorously, believing that its bundled offers are legal and that it has always acted in strict compliance with the law and in the interests of its customers. The ruling is not final, and Bouygues Telecom has lodged an appeal with the Paris Appeal Court.
- On 15 February 2023, the France Télévisions, M6 and TF1 groups announced that they had decided to shut down the Salto platform (see Note 1.2.1).

Note 2 Group accounting policies

2.1 Sectors of activity

Bouygues is a diversified services group organised into four sectors of activity:

- Construction businesses:
  - Construction and services (Bouygues Construction, including its Energies & Services activities until 31 December 2022 – see Note 1.2.1);
  - Property development (Bouygues Immobilier);
  - Transport infrastructure (Colas).
- Energies and services:
  - The Equans group ("Equans"), subsequent to its acquisition by Bouygues SA on 4 October 2022 (see Note 1.2.1).
- Media:
  - The TF1 group ("TF1").
- Telecoms:
  - Mobile, fixed, TV and internet services (Bouygues Telecom).

2.2 Basis of preparation of the financial statements

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its six business segments.

The consolidated financial statements were closed off by the Board of Directors on 22 February 2023, and will be submitted for approval by the forthcoming Annual General Meeting on 27 April 2023.

The consolidated financial statements for the year ended 31 December 2022 are expressed in millions of euros and were prepared in accordance with IFRS (as endorsed by the European Union) using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as of and for the year ended 31 December 2021.

The Bouygues group applied the same standards, interpretations and accounting policies in the year ended 31 December 2022 as were applied in its consolidated financial statements for the year ended 31 December 2021, except for changes required to meet new IFRS requirements applicable in 2022.

- Principal amendments effective within the European Union and applicable in 2022
  - **Amendments to IAS 37**

    On 14 May 2020, the IASB issued amendments to IAS 37, relating to onerous contracts. The amendments clarify what costs an entity considers in determining the cost of fulfilling a contract, in order to assess whether that contract is onerous. The impact on the Group is immaterial.
  - **Amendments to IAS 16**

    On 2 July 2021, the IASB issued amendments to IAS 16, relating to how entities account for the net proceeds generated by an item of property, plant and equipment while that item is being brought to the location and condition necessary for it to be operated. The amendments prohibit entities from deducting such proceeds from the cost of the item; rather, the proceeds generated by the sale and the corresponding costs must be recognised in profit or loss. The impact 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 required to be recognised as an expense, either immediately or over the term of the contract. An analysis of the agenda decision has been completed, and the impacts on the Group are immaterial. No restatement has been made to opening shareholders' equity. All costs of configuring or customising application software brought into service since 1 January 2022 have been accounted for in accordance with the IFRS IC agenda decision.
- Amendments effective within the European Union and mandatorily applicable from 1 January 2023
  - **Amendments to IAS 12**

    On 7 May 2021, the IASB issued amendments to IAS 12 on accounting for deferred taxation on the initial recognition of a single transaction that gives rise to deferred tax assets and liabilities of equal amounts. The amendments apply to transactions in which an entity recognises both an asset and a liability, such as when accounting for a lease or a decommissioning obligation, and were endorsed by the European Union on 11 August 2022.

    An impact analysis is ongoing, and is due to be completed in the first quarter of 2023. At this stage, the impact on the Group would appear to be immaterial.
- 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 (Note 3.2.4); employee benefits (lump-sum retirement benefits, pensions, etc.) (Note 20); the fair value of unlisted financial instruments (Note 18); the recoverability of deferred tax assets (Note 7.4), especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.) (Note 6); review of contracts to determine whether they contain a lease; factors taken into account when restating leases (lease terms and incremental borrowing rates, as described respectively in Notes 2.7.2 and 2.11.2); and end-of-contract margins on construction and property development contracts (Note 2.13.1).

  Group management has exercised judgement in the application of IFRS to certain transactions, in particular in (i) determining the level of control exercised over certain entities (for example, in network or infrastructure sharing agreements); (ii) identifying whether a contract is a lease, and especially whether substantive substitution rights exist; (iii) analysing contingent consideration in business combinations; and (iv) identifying separate performance obligations for revenue recognition purposes.

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

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

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

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

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

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

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

2.3 Consolidation methods

2.3.1 Companies controlled by the Bouygues group

Companies over which Bouygues exercises control are consolidated.

- Assessment of control over TF1:

As of 31 December 2022, Bouygues held, directly or indirectly, 44.51% of the capital and voting rights of TF1. All the factors mentioned below, taken collectively, establish that the Bouygues group exercises control over TF1:

- Bouygues has the power to direct the relevant activities of TF1. The Bouygues group:
  - has consistently and regularly held a large majority of the voting rights exercised at TF1 general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than Bouygues; and
  - has had exclusive power to determine decisions at TF1 general meetings during at least two consecutive financial years.
- Bouygues has exposure and rights to variable returns. Due to its 44.51% equity interest, the Bouygues group has high exposure to variable returns from TF1 in the form of dividends.
- Bouygues has the ability to affect the returns it obtains through the power it exercises. The Bouygues group:
  - holds five of the 11 seats on the TF1 Board of Directors; and
  - has a dominant role in appointing key executives of TF1.

2.3.2 Jointly-controlled companies

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

2.3.3 Companies over which Bouygues exercises significant influence

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

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

2.4 Business combinations

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

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

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

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

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.

Depreciation and amortisation of property, plant and equipment and intangible assets recognised in a purchase price allocation is charged against current operating profit.

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

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.5 ("Impairment testing of non-current assets, joint ventures and associates"), in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item. In accordance with the revised IFRS 3, the previously-held equity interest in a step acquisition is remeasured at fair value through profit or loss on the date when control is obtained. In the event of loss of control with a retained equity interest, that retained interest is remeasured at fair value; the gain or loss on remeasurement is recognised in profit or loss, along with the gain or loss arising on the disposal.

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

Acquisition-related costs are recognised within non-current operating profit for the period if material.

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

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

2.5 Foreign currency translation

2.5.1 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are 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.

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

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are taken to the translation reserve (which is a component of consolidated shareholders' equity). Translation differences arising on the net investment in foreign subsidiaries and associates are recognised in shareholders' equity.

2.6 Assessment of income taxes

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

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

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is 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 2022, 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.

2.7 Non-current assets

2.7.1 Property, plant and equipment

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

2.7.1.1 Principal useful lives by main asset category and sector of activity

	Construction	Media	Telecoms
Mineral deposits (quarries)	[a]		
Non-operating buildings	10 to 40 years	25 to 50 years	
Industrial buildings	10 to 20 years		30 years
Plant, equipment and tooling [b]	3 to 15 years	3 to 7 years	10 to 30 years
Other property, plant and equipment (vehicles and office equipment) [b]	3 to 10 years	2 to 10 years	3 to 10 years

(a) Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas).

(b) Depending on the type of equipment.

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

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

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

2.7.2 Right of use of leased assets

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

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

- the initial amount of the lease obligation (see Note 2.11.2);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained; and
- 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 group, rights of use relate mainly to property leases contracted by the various business segments within France, and leases of radio sites and optical fibres at Bouygues Telecom. Property leases in France typically have a lease term of nine years.

Where the Bouygues group enters into a sale-and-leaseback transaction, under which an asset is sold to a third party within the meaning of IFRS 15 and then taken back by the Group as lessee, the right of use asset is determined based on the proportion of the previous carrying amount of the transferred asset, and represents the right of use retained by the Group. That proportion is determined by reference to the ratio of the lease obligations to the selling price of the asset. Similarly, any gain or loss on disposal is only recognised to the extent of the rights effectively transferred to the acquirer/lessor.

2.7.3 Intangible assets

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

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

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

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

Intangible assets include:

- development expenses, which are capitalised if they are expected to generate future economic benefits and can be reliably measured; and
- concessions, patents and similar rights; and
- identifiable intangible assets recognised in a business combination (such as brands, order backlogs and customer relationships, etc.).

In accordance with IFRS, incorporation and research expenses are expensed as incurred.

Intangible assets include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period	
UMTS licence	Straight line	17.5 years	a
IAP-IRU and front fees (Indefeasible Right of Use)	Straight line	25 years	
Software, IT developments, office applications	Straight line	3 to 8 years	
Licence to use the 2.6 GHz, 800 MHz and 700 MHz frequencies	Straight line	20 years	b
Licence to use 3.5 GHz frequencies	Straight line	15 years	c
Licence to use the 900 MHz, 1800 MHz and 2100 MHz frequencies	Straight line	10 years	d

(a) UMTS licence awarded in 2002 for a 20-year period: amortised from the date on which the broadband network opened (26 May 2005). The licence fee comprises (i) a fixed component of €619m, recognised as an intangible asset on the date the licence was awarded (12 December 2002), and (ii) a variable component, calculated at 1% of sales generated by the operation of the third generation mobile network, recognised as incurred from the date on which the UMTS network opened (November 2007).

(b) The licences acquired in 2011 (2.6 GHz, for €228m) and 2012 (800 MHz, for €683m) were awarded for a 20-year period, and are being amortised from the date on which they came into service (1 October 2013), over 18 and 18.3 years respectively. The dates on which the 700 MHz frequencies are being brought into service depend on the dates of (i) transfer of digital terrestrial television transmission to the telecoms sector, (ii) opening to commercial use and (iii) rate of coverage of the population.

(c) The licences acquired in 2020 – 3.5 GHz (5G) for €602m – were awarded for a 15-year period, and are being amortised over 15 years from the date on which they came into service (1 December 2020); see Note 1.2.2.

(d) As part of the "New Deal for Mobile" signed with the French government and Arcep (the French telecoms regulator) in 2018, Bouygues Telecom secured the renewal of its licences to use frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands for a further ten-year period from the expiry date (2024 for the 900 MHz and 1800 MHz bands, and 2022 for the 2100 MHz band). In July 2022, Arcep issued guidance confirming that the licence fees will be fixed.

Consequently, the licence to use the 2100 MHz band was renewed on 11 December 2022 for a 10-year period, in return for a fixed annual fee over that period. The aggregate net present value of the future annual licence fees has been recognised as an intangible asset at a carrying amount of €70 million (with a matching liability recognised within "Liabilities related to property, plant and equipment and intangible assets"), which will be amortised annually.

In light of the Arcep guidance of July 2022 and to standardise the accounting treatment of all frequency bands, Bouygues Telecom has accounted for the future fixed annual fees for the 900 MHz and 1800 MHz bands for the years 2022 to 2024 as intangible assets, at a carrying amount of €63 million; this treatment is in line with actual market practice. Previously, when they were awarded in 2009, those bands were accounted for as operating expenses, given that the annual fee was expected to change in anticipation of the potential entry of a fourth operator into the market.

Apart from the fact that the effects of applying the discount rate to the future licence fees is recognised in "Financial expenses", this change of accounting estimate has no other impact on operating profit; and it has no impact on cash or on capital expenditure forecasts, the latter being reported net of frequency bands. Bear in mind also that all frequency bands are technically equivalent, and hence each can be used independently for 2G, 3G, 4G or 5G.

2.7.4 Other intangible assets

Other intangible assets recognised by the Group include audiovisual rights owned by TF1.

Audiovisual rights

This item includes shares in films and audiovisual programmes produced or co-produced by TF1 SA, TF1 Films Production and TF1 Production; audiovisual rights produced by Newen; audiovisual distribution and trading rights owned by TF1 Studios and TF1 Entertainment; and music rights owned by TF1 group entities.

Audiovisual rights are recognised as assets, at historical acquisition cost.

Amortisation methods for the various categories of audiovisual rights are as follows:

- producer shares in French drama acquired by broadcasters: amortised on a straight-line basis over the projected period of rights exploitation, taking account of the expected decline in value of their economic benefits;
- producer shares in French drama produced by TF1: amortised on a reducing balance basis, taking account of the expected decline in value of their economic benefits;
- shares in film co-productions and audiovisual distribution rights: amortised on a reducing balance basis, taking account of the expected decline in value of their economic benefits;
- audiovisual trading rights: amortised on a straight-line basis over the contract term or expected period of exploitation; and
- music rights: amortised over two years, 75% of gross value in the first year and the remaining 25% in the second year.

A provision for impairment of audiovisual rights is recorded individually as required, based on an analysis of the future economic benefits derived from the rights relative to their carrying amount.

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

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

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

2.7.5.1 Impairment testing of TF1, Colas, Bouygues Telecom, Bouygues Construction and Equans

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the CGU to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment (business segment level in the case of the Bouygues group). The recoverable amount of CGUs is measured as follows:

- For TF1 and Colas, which are listed on the stock market: on the basis of the quoted share price if this exceeds the carrying amount of the assets (after allowing for a control premium where applicable); or by using the Discounted Cash Flow (DCF) method as described below, taking account of the specific characteristics of the investment.
- For Bouygues Telecom, Bouygues Construction and Equans: using the DCF method, taking account of the specific characteristics of each investment:
  - The cash flows used are derived from three-year business plans prepared by the management of the business segment and presented to the subsidiary's Board of Directors and to the Bouygues Board of Directors, with cash flows beyond the three-year plan time horizon also used where appropriate.
  - The discount rate is determined on the basis of a weighted average cost of capital, in the case of equity by reference to a panel of comparable companies, and in the case of debt by applying two alternative capital structure scenarios: 1/3 debt – 2/3 equity (scenario 1); 2/3 debt – 1/3 equity (scenario 2).
  - The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows after lease expenses and a perpetual growth rate.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet:

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

If the carrying amount in the consolidated balance sheet is greater than the recoverable amount, an impairment loss is recognised. Any such losses are allocated in the first instance to any goodwill carried in the balance sheet, and that portion of the loss may not be subsequently reversed.

2.7.5.2 Impairment testing of investments in joint ventures and associates

Because goodwill included in the carrying amount of a joint venture or associate is not reported separately, it is not tested separately for impairment, in line with IAS 36. If the carrying amount is greater than the recoverable amount, an impairment loss is recognised. Any such losses are offset against the carrying amount of the investment, and may be subsequently reversed.

2.7.6 Other non-current financial assets

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

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

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

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

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

Loans and receivables are accounted for at amortised cost. In accordance with IFRS 9, an impairment allowance is recognised on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss (see Note 3.2.5).

Concession arrangements and Public-Private Partnership (PPP) contracts

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

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

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

2.8 Current assets

2.8.1 Inventories

Inventories are stated at the lower of cost (first in first out or weighted average cost, depending on the nature of the business) or market price.

Where the realisable value of inventory is lower than cost, the necessary provision for impairment is recognised.

2.8.2 Property development programmes

Property development programme inventories are measured at cost; this includes land acquisition costs and taxes, construction and fitting-out costs, utilities connection costs, professional fees and ancillary costs.

All advertising costs are recognised in profit or loss as incurred.

Preliminary studies relating to property development programmes are recognised in inventory to the extent they are recoverable. If the probability of the programme being completed becomes low, especially if there is a risk of withdrawal of or appeal against building permits, the amount recognised is written down via a provision for impairment.

2.8.3 Programmes and broadcasting rights

In order to secure broadcasting schedules for future years, TF1 enters into binding contracts, sometimes for a period of several years, under which it acquires (and the other party agrees to deliver) programmes and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions).

In the case of rights and programmes for which those two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), TF1 takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet (see Note 4.1).

However, any advance payments made to acquire such rights are recognised within "Trade payables".

The ''Inventories'' line item includes the following programmes and broadcasting rights:

- in-house productions, made by TF1 companies for TF1 channels; and
- external productions, comprising broadcasting rights acquired by TF1 channels.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: overall production cost (direct costs plus a portion of indirect production costs); and
- broadcasting rights and co-productions: purchase cost, less consumption for the year calculated at the end of each reporting period.

TF1 SA programmes are deemed to have been consumed on transmission. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

	Type of programme			
%	Dramas with a running time of at least 52 minutes	Series	Films, TV movies and cartoons	Other programmes and broadcasting rights
1st transmission	80	67	50	100
2nd transmission	20	33	50	

"Other programmes and broadcasting rights" in the table above refers to children's programmes (other than cartoons), light entertainment, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by the TF1 programme department. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

Programmes that have not been transmitted and the rights to which have expired are written off as a component of current operating profit, at which point any previously-recognised provisions are reversed.

Rights ordered under irrevocable contracts but not yet available for transmission are disclosed in Note 4.1, and are priced at the contractual amount or the estimated future cash outflow (in the case of output deals), less any advance payments made.

2.8.4 Trade receivables

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

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

For Bouygues Telecom, when a subscription is bundled with a subsidised handset (two separate performance obligations), revenue from the handset sale is reflected by recognising a trade receivable in the balance sheet equal to the amount of the subsidy, which is then taken to profit or loss over the average life of the contract (see Note 2.13.1).

2.8.5 Customer contract assets

"Customer contract assets" (see Note 4.4) comprises:

- contract origination costs (mainly at Bouygues Telecom). These are incremental costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained, and which qualify for recognition as an asset under IFRS 15. This mainly applies to variable consideration paid to distributors and retailers to acquire new customers. The resulting asset is charged to profit or loss over the average life of the customer contract;
- customer contract execution costs (mainly at Bouygues Telecom). These are line activation costs which qualify for recognition as an asset under IFRS 15; they are charged to profit or loss over the average life of the customer contract; and
- assets representing 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.

2.8.6 Other current receivables and prepaid expenses

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

2.9 Financial instruments

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

2.9.1 Risks to which the Group is exposed

2.9.1.1 Currency risk

In general, the Bouygues group has little exposure to currency risk in routine commercial transactions, given that its international operations (primarily Bouygues Construction and Colas) do not involve exports. 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. Exposure to currency risk is therefore limited to contract margins, and to any design work carried out in France. The Bouygues group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

2.9.1.2 Interest rate risk

The Group's financial expenses have low sensitivity to interest rate risk, since the bulk of debt is at fixed-rate either in the form of fixed-rate bond issues, or via a portfolio of hedging instruments that convert floating-rate debt into fixed-rate debt.

Consolidated financial expenses would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

2.9.1.3 Commodities risk

In general, the Bouygues group has little exposure to commodities risk. The main exposure is in roads and construction activities, which can be sensitive to fluctuations in commodity prices (especially petroleum-based products); there is also some exposure to the prices of certain metals in the road safety/signalling, railway and construction activities. Hedges may be contracted on an as-needed basis in connection with specific contracts.

2.9.2 Principles applied to all hedging instruments

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for hedging currency risk; interest rate swaps, future rate agreements, and purchases of caps and collars for hedging interest rate risk; cross-currency swaps for hedging currency and interest rate risk; and forward commodity purchases and sales, commodity swaps and commodity options for hedging commodities risk.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality 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 hedging instruments, the selection of counterparties, and more generally the management of exposure to currency risk, interest rate risk and commodities risk.

2.9.3 Hedging rules

2.9.3.1 Foreign exchange risk

Group policy is to hedge systematically all residual currency exposure relating to commercial transactions. 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; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions (i.e. management on a net basis). Currency derivatives are used solely for hedging purposes.

2.9.3.2 Interest rate risk

Group policy is for each business segment to hedge some or all of its financial assets and liabilities, where those are foreseeable and recurring.

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

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

2.9.3.3 Commodities risk

Group policy is for each business segment to hedge some or all of the exposure to movements in commodity prices on specific contracts, primarily in the roads activity.

2.9.4 Accounting methods

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. Two types of accounting treatment are used:

- fair value hedges, in which changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognised symmetrically in the income statement; or
- cash flow hedges, in which changes in the fair value of the hedging instrument are recognised in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion.

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 Bouygues group consolidated financial statements.

2.10 Consolidated shareholders' equity

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

2.10.1 Translation reserve

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

2.10.2 Information about the management of capital

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

- maintaining a reasonable ratio of net debt (see Note 2.15.2) to shareholders' equity; and
- distributing regular dividends to shareholders.

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

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

Within these overall principles, Group management allows subsidiaries within each of its five segments and their parent company a degree of autonomy to manage their equity in line with their specific objectives and needs, given that equity capital requirements vary from business to business and segment to segment.

2.11 Non-current liabilities

2.11.1 Non-current debt

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

Transaction costs directly attributable to the acquisition or issuance of a financial liability are offset against that liability, and amortised over the life of the liability using the effective interest method.

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

2.11.2 Non-current lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee 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; and
- 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 location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than 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, the Group 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.

2.11.3 Non-current provisions

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

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

Non-current provisions are not usually associated with the normal operating cycle of each business segment.

Non-current provisions mainly comprise:

- Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.
- Provisions related to tax exposures (except those relating to corporate income taxes, which are recognised in "Taxes payable") and to fines levied by the competition authorities.
- Provisions for litigation, claims and foreseeable risks relating to the Group's operations, especially foreign operations, including permanent withdrawal from projects and sundry risks and liabilities.
- Provisions for site rehabilitation and decommissioning costs (e.g. quarries).

  Costs incurred as a result of a contractual obligation to remedy immediate environmental damage are covered by a provision.
- Provisions for employee benefits, which comprise:
  - Provisions for long-service awards.

- Provisions for obligations to employees in respect of lump-sum benefits payable on retirement.

  These provisions are calculated using the projected unit credit method based on final salary. Benefits are attributed on a straight line basis only over the final years of the period of service during which an employee's capped rights to the benefits vest. Provisions are measured on the basis of the collective agreement for each business segment, taking account of:

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

- Provisions for pension obligations (depending on the country and terms of the pension plan).

  To cover their pension obligations, Group companies make regular payments to external bodies including public-sector and private-sector pension schemes and independent pension fund managers (defined-contribution plans). There are however some remaining defined-benefit plans still in existence, mainly at Colas and Bouygues Construction (Canada, Ireland, the United Kingdom and Switzerland). These pension plans are managed by independent pension funds, and involve only a limited number of employees.

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. 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.

The Bouygues group recognises the effect of changes in actuarial assumptions in consolidated shareholders' equity if they relate to the pension obligation, and in profit or loss if they relate to long-service awards.

- Contingent liabilities assumed in a business combination, which are accounted for in accordance with the criteria specified in IFRS 3 as revised. Such contingent liabilities reflect potential obligations arising from past events, the existence of which will only be confirmed by the occurrence of future events that are not wholly within the control of Bouygues.

  Contingent liabilities also relate to current provisions (see Note 2.12.1)

2.12 Current liabilities

2.12.1 Current provisions

Current provisions, which relate to the normal operating cycle of each segment, mainly comprise:

- provisions for construction contract risks, including risks relating to construction project companies in the form of *Sociétés en Participation* (SEPs);
- provisions for losses to completion on construction contracts, which 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.

2.12.2 Trade payables and other current liabilities

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.

Grants received

Investment grants (in particular, those received from the French state) mainly comprise grants received by TF1 from audiovisual industry support funds – especially those received by the TF1 group's production companies from the Centre National de Cinématographie (CNC). Such grants are recorded as deferred income in "Trade payables" on the liabilities side of the balance sheet once the grant has been definitively awarded. They are taken to the income statement under "Other income from operations" on exploitation of the corresponding rights.

2.12.3 Customer contract liabilities

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

2.13 Income statement

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

2.13.1 Revenue recognition

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; and
- at the transaction date, it is probable that the amount of the sale will be recovered.

Most contracts entered into by the Group contain only a single performance obligation. However, some contracts at Bouygues Telecom (as described below) are split into two performance obligations.

Construction businesses

BOUYGUES CONSTRUCTION AND COLAS

Revenue from construction businesses 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.

BOUYGUES IMMOBILIER

Revenues and profits are recognised using the percentage of completion method once the following conditions have been met:

- building permit with no appeal;
- signature of notarised deed of sale or development contract with the customer; and
- construction contract signed (order given to start works).

The percentage of completion represents costs recognised to date (including land-related costs) as a proportion of the total estimated final cost of the project, taking account of the progress towards legal completion of the sale in the case of property sales.

Accrued expenses are recognised for finishing costs on this type of project, based on the percentage of completion; residual expenses on delivered projects are also recognised in "Trade payables".

Overheads, including sales force costs and all advertising costs, are expensed as incurred.

Energies & Services

Equans generates revenue mainly from constructing and installing assets on site for public and private sector customers. In general, they involve only a single performance obligation, which is satisfied when the contract is fulfilled (usually on delivery). However, where a contract also includes the operation and maintenance of a constructed asset, it will involve a number of separate performance obligations corresponding to construction, operation, and maintenance. In such cases, the Group allocates the overall contract price between the performance obligations in accordance with IFRS 15.

Revenue earned on construction and installation work is usually recognised on a percentage of completion basis, based on costs incurred.

Telecoms

Bouygues Telecom generates revenue primarily from services with no handset sale; from sales of stand-alone handsets and accessories; and from sales of services with subsidised handsets.

SALES OF SERVICES WITH NO HANDSET SALE

Plans and commercial services (mobile and fixed) are invoiced one month in advance and the corresponding revenue is recognised on a straight-line basis over the service period.

Revenue from call charges other than plans, and from roaming and interconnection fees, is recognised as the service is used, based on a best estimate of the pattern of consumption.

Revenue generated by prepaid cards is recognised on sale of the card to the distributor or retailer but deferred until the card is activated, and then adjusted for unused minutes.

Services carried out on behalf of content providers in relation to SMS+ services and special numbers are not included in income and expenses for the period. Only the margin charged as consideration for the service is recognised in sales.

SALES OF STAND-ALONE HANDSETS AND ACCESSORIES

Sales of handsets and SIM cards are recognised on sale to the distributor or retailer, but the margin on the sale is eliminated until the line is activated by the customer. Since August 2013, retail and business customers have been able to pay for their handsets in instalments; the entire revenue from the sale of the handset is recognised when the customer signs up to the plan.

SALES OF SERVICES WITH SUBSIDISED HANDSETS

When the sale of a handset is accompanied by the customer subscribing to a plan, the handset sale is accounted for by recognising a trade receivable in the balance sheet for the amount of the subsidy, i.e. the difference between (i) the price paid by the customer on initial subscription and (ii) the transaction price. This asset is charged to profit or loss over the average life of the contract.

2.13.2 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.

For a description of these items, refer to Note 13.

2.13.3 Share-based payment

In accordance with IFRS 2, stock subscription options granted to corporate officers or employees of the Group are accounted for in the financial statements as follows: the fair value of the options granted (corresponding to the fair value of the services rendered by the employees as consideration for the options) is recognised as an employee benefit over the vesting period of the rights under "Personnel costs" in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model.

2.14 Cash flow statement

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

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

2.15 Other financial indicators

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

2.15.1 Current operating profit from activities

"Current operating profit from activities" (COPA) represents current operating profit before amortisation and impairment of intangible assets recognised in acquisitions (PPA).

2.15.2 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, amortisation and impairment on property, plant and equipment and intangible assets, (ii) net charges to provisions and other impairment losses, and (iii) effects of losses of control. Those effects relate to the impact of remeasuring retained equity interests.

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

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

2.15.3 Net debt/Net surplus cash

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

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.
- non-current and current debt; and
- 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.

2.15.4 Free cash flow

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

2.15.5 Changes in working capital requirements related to operating activities

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

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

Note 3 Non-current assets

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

3.1.1 Capital expenditure and acquisitions of non-current financial assets, net of disposals

Total acquisitions of non-current assets during the year were €8,914 million, an increase of €6,074 million, due mainly to the acquisition of Equans on 4 October 2022 for €6,146 million (see Note 1.2.1).

	2022	2021
Property, plant and equipment	2,027	1,992
Intangible assets	598	454
Capital expenditure	**2,625** [a]	**2,446** [a]
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	6,289 [b]	394 [d]
Acquisitions of non-current assets	**8,914**	**2,840**
Disposals of non-current assets	(701) [c]	(1,526) [e]
Acquisitions of non-current assets, net of disposals	**8,213**	**1,314**

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

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

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

Disposals of non-current assets amount to €701 million. This mainly comprises (i) divestments made by TF1 of Ykone for €31m and Unify's Publisher activities for €83m (see Note 1.2.1), and Gamned for €50m; (ii) the sale of Colas Rail Belgium by Colas for €26m; and (iii) various disposals of intangible assets and property, plant and equipment for €404m.

(d) Includes €266m of investments made by Colas in 2021 (mainly the acquisition of Destia Oy for €253m), and contingent purchase consideration of €52m related to BTBD (formerly EIT) at Bouygues Telecom.

(e) Disposals during 2021 mainly comprise partial divestments of equity interests in Alstom in March (3.23%) and June (2.96%) for a total for €984m net of costs, and the divestment by Bouygues Telecom of the buildings and passive infrastructure of 13 Mobile Switching Centres (MSCs) for €199m (see Note 1.2.1).

3.1.2 Capital expenditure under the (EU) 2020/852 taxonomy

In Section 3 ("Statement on Non-Financial Performance" – SNFP) of the Universal Registration Document, the Bouygues group discloses which of its activities are eligible, non-eligible, aligned and non-aligned under the (EU) 2020/852 taxonomy as regards sales, capital expenditure (CapEx) and operating expense (OpEx).

CapEx as disclosed for taxonomy purposes covers increases in (i) property, plant and equipment, (ii) intangible assets, and (iii) rights of use of leased assets, along with increases in those items arising from business combinations. An analysis of CapEx is shown in the table below:

	2022	2021
Capital expenditure (Note 3.1.1)	2,625	2,446
Right of use assets relating to new leases contracted (Note 3.2.2)	885	417
Increases arising from business combinations (Notes 3.2.1, 3.2.2 and 3.2.3) [a]	2,388	269
CapEx under the (EU) 2020/852 taxonomy	**5,898**	**3,132**

(a) Includes €2,360m relating to acquisition of Equans, after the provisional purchase price allocation.

3.2 Analysis of movements in non-current assets during the period

3.2.1 Property, plant and equipment

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
Gross value					
31/12/2020	**2,672**	**13,915**	**3,366**	**600**	**20,553**
Movements during 2021					
Translation adjustments	65	159	36	8	268
Changes in scope of consolidation	(6)	87	35	3	119
Acquisitions during the period	40	1,247	312	393	1,992
Disposals, transfers and other movements	(125)	(318)	(325)	(336)	(1,104)
31/12/2021	**2,646**	**15,090**	**3,424**	**668**	**21,828**
Movements during 2022					
Translation adjustments	18	32	3	5	58
Changes in scope of consolidation [a]	138	243	142	109	632
Acquisitions during the period	39	1,135	331	522	2,027
Disposals, transfers and other movements	(59)	(58)	(261)	(391)	(769)
31/12/2022	**2,782**	**16,442**	**3,639**	**913**	**23,776**
Depreciation and impairment					
31/12/2020	**(1,134)**	**(9,426)**	**(2,507)**		**(13,067)**
Movements during 2021					
Translation adjustments	(23)	(123)	(31)		(177)
Changes in scope of consolidation	16	(62)	(17)		(63)
Net expense for the period	(86)	(1,054)	(283)		(1,423)
Disposals, transfers and other movements	84	535	331		950
31/12/2021	**(1,143)**	**(10,130)**	**(2,507)**		**(13,780)**
Movements during 2022					
Translation adjustments	(8)	(30)	(5)		(43)
Changes in scope of consolidation	12	48	9		69
Net expense for the period	(82)	(1,087)	(292)		(1,461)
Disposals, transfers and other movements	48	404	174		626
31/12/2022	**(1,173)**	**(10,795)**	**(2,621)**		**(14,589)**
Carrying amount					
31/12/2021	**1,503**	**4,960**	**917**	**668**	**8,048**
31/12/2022	**1,609**	**5,647**	**1,018**	**913**	**9,187**

(a) Includes €666m arising from business combinations.

Operating commitments not yet recognised involving future outflows of resources

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	Total 2022	Total 2021
Colas: orders in progress for plant and equipment [a]	74	30		104	124
Bouygues Telecom: orders in progress for network equipment assets	66	197		263	216
TOTAL	**140**	**227**		**367**	**340**

(a) Between 2020 and 2022, Colas subsidiaries Continental Bitumen Ltd and Asphalt Marine Transportation Ltd placed an order for the construction of asphalt carrier cargo ships amounting to €46m and €26m respectively. In addition, there were committed orders for plant and equipment of €32m as of 31 December 2022.

3.2.2 Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
31/12/2020 restated	**1,413**	**1,572**	**286**	**3,271**
Movements during 2021				
Translation adjustments	16	8	14	38
Changes in scope of consolidation	18	46	(30)	34
New leases, lease modifications, and other lease-related movements	26	188	24	238
31/12/2021	**1,473**	**1,814**	**294**	**3,581**
Movements during 2022				
Translation adjustments	4	(3)	(3)	(2)
Changes in scope of consolidation [a]	300	45	37	382
New leases, lease modifications, and other lease-related movements [b]	208	303	74	585
31/12/2022	**1,985**	**2,159**	**402**	**4,546**
Amortisation and impairment				
31/12/2020 restated	**(731)**	**(756)**	**(116)**	**(1,603)**
Movements during 2021				
Translation adjustments	(8)	(3)	(7)	(18)
Changes in scope of consolidation		(23)	18	(5)
Net expense for the period	(167)	(149)	(37)	(353)
Lease modifications and other lease-related movements	88	31	20	139
31/12/2021	**(818)**	**(900)**	**(122)**	**(1,840)**
Movements during 2022				
Translation adjustments	(1)	1	2	2
Changes in scope of consolidation	9	2	3	14
Net expense for the period	(178)	(205)	(63)	(446)
Lease modifications and other lease-related movements	88	79	29	196
31/12/2022	**(900)**	**(1,023)**	**(151)**	**(2,074)**
Carrying amount				
31/12/2021	**655**	**914**	**172**	**1,741**
31/12/2022	**1,085**	**1,136**	**251**	**2,472**

(a) Includes €393m arising from business combinations.

(b) Includes €885m of right of use assets relating to new leases.

3.2.3 Intangible assets

	Development expenses [b]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31/12/2020	**501**	**3,983**	**3,805**	**8,289**
Movements during 2021				
Translation adjustments		6	14	20
Changes in scope of consolidation		25	48	73
Acquisitions during the period	89	58	307	454
Disposals, transfers and other movements	(1)	(21)	221	199
31/12/2021	**589**	**4,051**	**4,395**	**9,035**
Movements during 2022				
Translation adjustments		(1)	(5)	(6)
Changes in scope of consolidation [a]	10	209	1,020	1,239
Acquisitions during the period	102	199	366	667
Disposals, transfers and other movements	2	(5)	5	2
31/12/2022	**703**	**4,453**	**5,781**	**10,937**
Amortisation and impairment				
31/12/2020	**(280)**	**(1,972)**	**(3,343)**	**(5,595)**
Movements during 2021				
Translation adjustments		(4)	(6)	(10)
Changes in scope of consolidation		(24)	(46)	(70)
Net expense for the period	(50)	(213)	(380)	(643)
Disposals, transfers and other movements	(1)	38	20	57
31/12/2021	**(331)**	**(2,175)**	**(3,755)**	**(6,261)**
Movements during 2022				
Translation adjustments			4	4
Changes in scope of consolidation		13	27	40
Net expense for the period	(54)	(244)	(469)	(767)
Disposals, transfers and other movements		15	1	16
31/12/2022	**(385)**	**(2,391)**	**(4,192)**	**(6,968)**
Carrying amount				
31/12/2021	**258**	**1,876**	**640**	**2,774**
31/12/2022	**318**	**2,062** [c]	**1,589** [d]	**3,969**

(a) Includes €1,329m arising from business combinations.

(b) Software development expenses are generally capitalised (applies mainly to Bouygues Telecom), while development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (applies mainly to Colas).

In accordance with IFRS, research costs are expensed as incurred. Research and development costs expensed were €63m in 2022 and €41m in 2021.

(c) Includes for Bouygues Telecom: €510m for the 2.6 GHz and 800 MHz frequency user licence; €383m for the 700 MHz user licence; €528m for the 3.5 GHz user licence; and €111m for the 900 MHz, 1800 MHz and 2100 MHz user licence.

(d) Includes €179m for audiovisual rights at TF1. Movements during the year relate primarily to Equans (€1,037m, including €989m for the provisional purchase price allocation, mainly comprising brands and customer lists, against which amortisation of €13m was charged in the fourth quarter of 2022).

Operating commitments not yet recognised involving future outflows of resources

The table below shows the maturities of audiovisual rights acquisition contracts entered into by TF1 for the purpose of securing future programming schedules:

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	Total 2022	Total 2021
Audiovisual rights	29	13		42	25
TOTAL	**29**	**13**		**42**	**25**

3.2.4 Goodwill

	Gross value	Impairment	Carrying amount
31/12/2020	**7,344**	**(112)**	**7,232**
Movements during 2021			
Changes in scope of consolidation	240		240
Impairment losses			
Other movements (including translation adjustments)	(26)		(26)
31/12/2021	**7,558**	**(112)**	**7,446**
Movements during 2022			
Changes in scope of consolidation	5,097	58	5,155
Impairment losses			
Other movements (including translation adjustments)	25		25
31/12/2022	**12,680**	**(54)**	**12,626**

For 2022, the "Changes in scope of consolidation" line mainly comprises goodwill arising on the acquisitions of a 100% equity interest in Equans by Bouygues SA and a 100% equity interest in Hasselmann by Colas (see Note 1.2.1), generating provisional goodwill of €5,209 million and €46 million respectively. The principal assets recognised in the Equans purchase price allocation were intangible assets (brands, order backlogs, customer contracts/relationships, and internally-developed technologies); property, plant and equipment; and investments accounted for by the equity method (VIVO). During 2022, the divestments of Gamned, Ykone and Unify's Publisher activities by TF1 led to reductions in goodwill of €36 million, €24 million and €25 million respectively. The final allocation of the Destia Oy purchase price (Colas) to intangible assets (brands and order backlogs) led to a reduction in goodwill of €21 million.

The table below shows how provisional or final goodwill as of 31 December 2022 was determined for significant acquisitions made since 1 January 2021 (including adjustments made during the twelve-month purchase price allocation period).

		Hasselmann	Destia Oy	iZen
CGU	**Equans**	**Colas**	**Colas**	**TF1**
Purchase price (I)	**6,146**	**71**	**252**	**22**
Net assets acquired, excluding goodwill (II)	**(160)**	**(25)**	**(40)**	**(7)**
Non-current assets	(1,803) [a]	(11)	(71)	(5)
Current assets	(6,331) [a]	(35)	(137)	(16)
Non-current liabilities	669	8	28	2
Current liabilities	7,305 [a]	13	140	12
Purchase price allocation (III)	**(783)**		**(21)**	**(3)**
Remeasurement of acquired intangible assets	(989)		(27)	(4)
Remeasurement of acquired property, plant and equipment	(30)			
Other remeasurements (including deferred taxes)	236		6	1
Unacquired portion (IV)	**6**			**4**
Goodwill (I)+(II)+(III)+(IV)	**5,209**	**46**	**191** [b]	**16** [b]
Translation adjustments				
Goodwill at 31/12/2022	**5,209**	**46**	**191**	**16**

(a) The net assets acquired mainly comprised non-current assets of €1,341m, trade receivables of €2,218m and customer contract assets of €2,483m, less trade payables of €2,179m and customer contract liabilities of €1,922m.
(b) Provisional goodwill that became final during 2022.

The provisional goodwill arising on the Equans acquisition mainly represents amounts paid for the value of synergies, future contracts and customer relationships, and the workforce and its expertise. A strategic review of the assets acquired was initiated at the start of 2023, and none of them meets the criteria for classification as a held-for-sale asset as of 31 December 2022.

For goodwill on joint ventures and associates, see Note 3.2.6 to the consolidated financial statements.

3.2.4.1 Consolidated carrying amount of listed shares as of 31 December 2022

€	Consolidated carrying amount per share	Closing market price per share on 31/12/2022
Colas	115.99	117.00
TF1	14.89	7.16

3.2.4.2 Split of goodwill by Cash Generating Unit (CGU)

For impairment testing purposes, goodwill is allocated to operating segments, the lowest level at which it is monitored for internal management purposes.

CGU	31/12/2022 Total	31/12/2022 Bouygues or subsidiaries (%)	31/12/2021 Total	31/12/2021 Bouygues or subsidiaries (%)
Bouygues Construction [a]	1,160	100.00	1,129	100.00
Colas [b]	1,562	96.85	1,552	96.85
Equans [c]	5,209	100.00		
TF1 [b]	1,299	44.51	1,369	43.68
Bouygues Telecom [b]	3,396	90.53	3,396	90.53
TOTAL	**12,626**		**7,446**	

(a) Only includes goodwill on subsidiaries acquired by the CGU. Includes goodwill on Energies & Services activities.

(b) Goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU.

(c) Goodwill on acquisitions made at parent company (Bouygues SA) level for the CGU.

INFORMATION ABOUT IMPAIRMENT TESTING OF GOODWILL AS OF 31 DECEMBER 2022

- The recoverable amounts of Bouygues Construction, Colas, Equans, Bouygues Telecom and TF1 were determined using the method described in Note 2.7.5.1, based on cash flow projections as presented to the Boards of Directors at entity and Bouygues SA level that take account of the financial impacts of the commitments set out in the Group's climate risks roadmap.

  The cash flow projections used cover a three-year period and correspond to the business plan for each segment. Beyond that time-frame, cash flow projections have been extrapolated using a perpetual growth rate.

  The projection timeframes for Equans and Bouygues Telecom have been extended out by a further year to reflect the unlocking of synergies at Equans, and the rollout of the "Ambition 2026" strategic plan at Bouygues Telecom.

Because of the reorganisation of the Group's operating segments in 2023 (see Note 1.2.1), the Energies & Services activities that were consolidated in the Bouygues Construction financial statements until 31 December 2022 have been incorporated into the Equans business plan. Carrying amounts were tested on a consistent basis with the business plans.

Goodwill arising on acquisitions carried out by Bouygues Construction has been allocated to Equans on the basis of the historical values of the Energies & Services activities, given that the Group's building and civil works activities have expanded mainly through organic growth and that the future synergies from the goodwill associated with the Energies & Services activities are expected to arise from Equans.

The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2022 were as follows:

%	Discount rate 2022 Scenario 1 [a]	Discount rate 2022 Scenario 2 [a]	Perpetual growth rate 2022	Discount rate 2021 Scenario 1 [a]	Discount rate 2021 Scenario 2 [a]	Perpetual growth rate 2021
Bouygues Construction	6.7	6.3	2	6.2	5.9	2
Colas	6.9	6.5	2	7.0	6.5	2
Equans	7.3	6.8	2			
TF1	6.7	6.3	1	7.3	6.8	1
Bouygues Telecom	4.5	4.3	2	4.3	4.2	2

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

As of 31 December 2022, the recoverable amount substantially exceeded the carrying amount of the assets for Bouygues Construction, Colas and Equans; consequently, sensitivity analyses are presented for TF1 and Bouygues Telecom only.

- The business plans used for Equans assume:
  - Slight sales growth in 2023 and 2024, reflecting its selective contract acceptance strategy, followed by an acceleration in organic growth from 2025 to levels comparable with the market.
  - Current operating profit from activities (COPA) margin of 5% in 2027 versus 2.3% in 2022, with:
    - COPA margin in the 2.5%-3% range in 2023;
    - COPA margin of close to 4% in 2025; and
    - COPA margin of 5% in 2027.
- The business plans used for TF1 were prepared on the basis of revenue growth rates and operating margins consistent with actual performances over the previous five years. Those business plans take account of factors including:
  - the impacts of the economic situation and competitive environment, and of trends in how content is consumed and in advertising media;
  - the acceleration of the transformation of TF1, and the organic growth of its activities;
  - ongoing implementation of a resolutely multi-channel, multi-media and multi-line strategy that allies mass audience power with targeting across all platforms, plus the expansion of production activities and the development of new monetisation techniques, involving:
    - securing the stream of core business TV content (including news) and advertising,

- leveraging a high-powered online offer;
- opening up new distribution channels (platformisation, OTT) via the MYTF1 site; and
- ongoing build-up of Newen to reinforce the production and distribution side, in France and internationally;

The reduction in the discount rate for 2022 (6.7% in 2022, versus 7.3% in 2021) reflects changes to the peer comparison group following the sale of the Publishers and digital and influence marketing activities. Normative cash flows for TF1 were determined on the basis of the business plan, and take account of the issues mentioned above.

- Normative cash flows for Bouygues Telecom were determined on the basis of the three-year business plan and the "Ambition 2026" strategic plan. That plan translates Bouygues Telecom's three-pronged operational and commercial ambition in mobile, fixed B2C and fixed B2B. Bouygues Telecom aims to secure a customer reputation as France's no.2 mobile operator, add a further three million FTTH customers, double its market share in B2B fixed line, and become a player in wholesale fixed line. The following financial assumptions were used to calculate future cash flows:
  - For 2023, Bouygues Telecom is predicting:
    - an increase in sales billed to customers;
    - EBITDA after Leases of around €1.9 billion;
    - €1.5 billion of capital expenditure (excluding frequency bands).
  - The objectives of the strategic plan are to achieve by 2026:
    - sales from services of over €7 billion;
    - EBITDA after Leases of approximately €2.5 billion, with an EBITDA after Leases margin in the region of 35%;
    - free cash flow before changes in working capital requirements related to operating activities of approximately €600 million.

Bouygues Telecom is also planning for annual capital expenditure of around €1.5 billion to 2025, and around €1.4 billion in 2026.

Sensitivity analysis of assumptions used

For the TF1 and Bouygues Telecom CGUs, sensitivity analyses were performed to determine the sensitivity of the calculation to key parameters (discount rates, growth rates, normative cash flows), either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

For those CGUs, the recoverable amount would equal the carrying amount of the assets tested if scenarios 1 & 2 shown below (taken individually) were to be applied:

	Discount rate	Change in normative cash flows		Perpetual growth rate	
%	Scenario 1/Scenario 2 [a]	Scenario 1 [a]	Scenario 2 [a]	Scenario 1 [a]	Scenario 2 [a]
TF1	8.1	(23.0)	(29.3)	(0.6)	(1.0)
Bouygues Telecom	6.0	(41.1)	(46.2)	0.3	0.1

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

For TF1, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be lower than the carrying amount by €138 million under scenario 1, and by €73 million under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would exceed the carrying amount by €183 million under scenario 1 and by €278 million under scenario 2.

For Bouygues Telecom, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be €602 million lower than the carrying amount under scenario 1, and €13 million lower than the carrying amount under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would exceed the carrying amount by €1,815 million under scenario 1 and by €2,568 million under scenario 2.

Conclusion on impairment testing

For all the CGUs tested, the recoverable amounts determined under both capital structure scenarios remain greater than the carrying amount of the assets. Consequently, we have not performed a more in-depth estimate of the recoverable amounts of the CGUs.

3.2.5 Other non-current assets

As of 31 December 2022, these comprised:

- investments in joint ventures and associates accounted for by the equity method: €1,686 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €584 million; and
- deferred tax assets: €489 million.

		Other non-current financial assets			
	Investments in joint ventures and associates [a]	Investments in non-consolidated companies	Other non-current financial assets [b]	Total	Deferred tax assets [c]
31/12/2020 restated	**1,543**	**76**	**453**	**529**	**334**
Movements during 2021					
Translation adjustments	16	1	13	14	4
Acquisitions		9	3	12	
Share of profits/(losses) for period, net change in provisions and impairment allowances, and changes in fair value through profit or loss	222		16	16	
Other income and expense recognised directly in equity	22	(9)	2	(7)	
Dividend distributions, capital increases, inter-account transfers, changes in scope of consolidation and other movements	(925) [d]	23	(91)	(68)	(46)
31/12/2021	**878** [e]	**100**	**396**	**496**	**292**

(a) Includes goodwill on joint ventures and associates: €136m as of 31 December 2021.

(b) Net of impairment allowances of €15m against other non-current financial assets (see Note 4.6).

(c) See Note 7.

(d) Includes €930m for the reduction in the value of the investment in Alstom, mainly reflecting the corporate actions of the first half of 2021 that resulted in the loss of significant influence (see Note 3.2.6.2).

(e) Includes €280m for SDAIF (see Note 3.2.6.2).

		Other non-current financial assets			
	Investments in joint ventures and associates [a]	Investments in non-consolidated companies	Other non-current financial assets [b]	Total	Deferred tax assets [c]
31/12/2021	**878**	**100**	**396**	**496**	**292**
Movements during 2022					
Translation adjustments	1				(5)
Acquisitions		13	7	20	
Share of profits/(losses) for period, net change in provisions and impairment allowances, and changes in fair value through profit or loss	(30)	23	(2)	21	
Other income and expense recognised directly in equity	109	(5)	5		(26)
Dividend distributions, capital increases, inter-account transfers, changes in scope of consolidation and other movements	728	(12)	59	47	228
31/12/2022	**1,686** [d]	**119**	**465**	**584**	**489**

(a) Includes goodwill on joint ventures and associates: €134m as of 31 December 2022.

(b) Net of impairment allowances of €19m against other non-current financial assets (see Note 4.6).

(c) See Note 7.

(d) Includes €603m for SDFAST and €290m for SDAIF (see Note 3.2.6.2).

3.2.6 Investments in joint ventures and associates

	Share of net assets held		Goodwill on joint ventures & associates	Carrying amount	
31/12/2020 restated	**1,156**		**387**	**1,543**	
Movements during 2021					
Share of profit/(loss) for period	224	[a]	(2)	222	
Translation adjustments	16			16	
Other income and expense recognised directly in equity	22			22	
Net profit/(loss) and recognised income/(expense) for the period	**262**		**(2)**	**260**	
Dividend distributions, capital increases, inter-account transfers, changes in scope of consolidation and other movements	(676)		(249)	(925)	
31/12/2021	**742**		**136**	**878**	
Movements during 2022					
Share of profit/(loss) for period	(28)	[a]	(2)	(30)	
Translation adjustments	1			1	
Other income and expense recognised directly in equity	109	[c]		109	
Net profit/(loss) and recognised income/(expense) for the period	**82**		**(2)**	**80**	
Dividend distributions, capital increases, inter-account transfers, changes in scope of consolidation and other movements	728			728	
31/12/2022	**1,552**		**134**	**1,686**	[b]

(a) Excluding impairment losses on goodwill.
(b) Includes €603m for SDFAST and €290m for SDAIF (see Note 3.2.6.2).
(c) Mainly at Bouygues Telecom (€94m, including remeasurements of financial instruments of €39m at SDFAST and €28m at SDAIF) and Colas (€10m, relating to the fair value of financial instruments and currency translation differences) .

A list of the principal joint ventures and associates in which the Bouygues group holds an interest is provided in Note 24.

The carrying amount of investments in joint ventures and associates rose by €808 million in the period, due mainly to the €585 million impact of the first-time inclusion of SDFAST (see Note 1.2.1)

As of 31 December 2022, the total carrying amount of €1,686 million included €525 million for joint ventures (Note 3.2.6.1) and €1,161 million for investments in associates (Note 3.2.6.2).

3.2.6.1 Joint ventures

	31/12/2021	Net movement in 2022	31/12/2022	of which: share of profit/loss and impairment losses
Miscellaneous joint ventures	291	23	314	22
VIVO (Equans)		121	121	5
Axione (Bouygues Construction)	84	6	90	13
TOTAL	**375**	**150**	**525**	**39**

"Miscellaneous joint ventures" are mainly industrial entities (quarries, emulsion plants) operated jointly by Colas and partners from outside the Bouygues group.

3.2.6.2 Investments in associates

	31/12/2021	Net movement in 2022	31/12/2022	of which: share of profit/loss and impairment losses
Bouygues SA				
Miscellaneous associates		(11)	(11)	(11)
Bouygues Construction				
Concession companies	7	1	8	1
Miscellaneous associates	4	(1)	3	1
Bouygues Immobilier				
Miscellaneous associates	9		9	1
Colas				
Tipco Asphalt (Thailand)	132	10	142	20
Mak Mecsek zrt (Hungary)	35		35	3
Miscellaneous associates	17	(3)	14	2
Equans				
Miscellaneous associates		5	5	
TF1				
Salto				(46)
Miscellaneous associates	5		5	1
Bouygues Telecom				
SDFAST		603	603	(22)
SDAIF	280	10	290	(12)
Miscellaneous associates	14	44	58	(6)
TOTAL	**503**	**658**	**1,161**	**(69)**

SDFAST

SDFAST is an entity created in 2022 by Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) in connection with a strategic agreement to ramp up the roll-out of FTTH in medium dense areas and less dense areas (see Note 1.2.1).

The carrying amount of SDFAST in the Bouygues financial statements as of 31 December 2022 was €603 million, after taking account of a €22 million share of the net loss for the period and €39 million of remeasurements of financial instruments.

Summary information about the principal assets, liabilities, income and expenses of SDFAST is provided below:

Amounts shown are for 100% of investee	SDFAST 31/12/2022
Non-current assets	1,974
Current assets	369
TOTAL ASSETS	**2,343**
Shareholders' equity	1,230
Non-current liabilities	781 [a]
Current liabilities	332
TOTAL LIABILITIES	**2,343**
SALES	**49**
NET PROFIT	**(45)**

(a) Includes €762m of non-current debt.

Reconciliation of shareholders' equity to the carrying amount of the interest held by the Bouygues group:

	31/12/2022
SDFAST: SHAREHOLDERS' EQUITY	**1,230**
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS (Bouygues share: 49%)	**603**

SDAIF

SDAIF is an entity created in 2020 by Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) in connection with a strategic agreement to ramp up the roll-out of FTTH in medium dense areas.

Bouygues has an option to buy out some or all of the shares in SDAIF, exercisable between 15 March and 15 June each year from 2024 to 2027, and then every five years from 2030 to 2050.

The carrying amount of SDAIF in the Bouygues financial statements as of 31 December 2022 was €290 million, after taking account of a €12 million share of the net loss for the period and €28 million of remeasurements of financial instruments.

Summary information about the principal assets, liabilities, income and expenses of SDAIF is provided below:

	SDAIF	
Amounts shown are for 100% of investee	**31/12/2022**	**31/12/2021**
Non-current assets	1,466	1,470
Current assets	218	131
TOTAL ASSETS	**1,684**	**1,601**
Shareholders' equity	592	572
Non-current liabilities	1,003 [a]	961 [b]
Current liabilities	89	68
TOTAL LIABILITIES	**1,684**	**1,601**
SALES	**162**	**128**
NET PROFIT	**(25)**	**(30)**

(a) Includes €994m of non-current debt.
(b) Includes €911m of non-current debt.

Reconciliation of shareholders' equity to the carrying amount of the interest held by the Bouygues group:

	31/12/2022	31/12/2021
SDAIF: SHAREHOLDERS' EQUITY	**592**	**572**
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS (Bouygues share: 49%)	**290**	**280**

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

The table below shows the principal investments in non-consolidated companies as of 31 December:

	31/12/2022		31/12/2021	
Investment	**Fair value**	**% interest**	**Fair value**	**% interest**
French companies				
Alstom	**13**	**0.16**	**18**	**0.16**
Bouygues Construction				
Bouygues Construction Airport Concessions Europe SAS	4	51	4	51
UBY (formerly Com'in SAS) [b]			2	50
Bouygues Telecom				
Recommerce Solutions	4	3		
Equans				
PGH2	3	100		
Colas				
UBY (formerly Com'in SAS) [b]			2	50
SUB-TOTAL	**24**		**26**	
Foreign companies				
Bouygues Construction				
Cross Yarra Partnership (Australia)	16	10	16	10
Jamaican Infrastructure Operator Ltd (Jamaica)	7	49		
Bouygues SA				
Alice Technologies Inc (USA)	5	5		
SUB-TOTAL	**28**		**18**	
Asphalt, binder and quarry companies (Colas) [a]	9		15	
Other investments [a]	**58**		**41**	
TOTAL	**119**		**100**	

(a) The information provided for "Asphalt, binder and quarry companies" (Colas) and "Other investments" relates to a large number of companies, for which individual information is not disclosed on grounds of immateriality.
(b) Entity fully consolidated from 2022.

The net change in investments in non-consolidated companies during 2022 was an increase of €19 million, mainly related to the acquisition of Equans.

The table below shows information about other non-current financial assets as of 31 December:

	31/12/2022	31/12/2021
Advances to non-consolidated companies	71	104
Loans receivable	193	157
• Deposits and caution money paid (net)	162	100
• Mutual funds	35	31
• Other investments with carrying amounts of less than €2 million individually	4	4
Other long-term investments	201	135
Other non-current financial assets	**465**	**396**

Analysis of investments in non-consolidated companies and other non-current financial assets (excluding joint ventures and associates) by category

	Financial assets at fair value through OCI [a] [b]	Financial assets at fair value through profit or loss [c]	Financial assets at amortised cost [d]	Total
31/12/2021	**60**	**75**	**361**	**496**
Movements during 2022	3	20	65	88
31/12/2022	**63**	**95**	**426**	**584**
Due within less than 1 year			34	34
Due within 1 to 5 years			122	122
Due after more than 5 years	63	95	270	428

(a) Mainly relates to investments in non-consolidated companies (€32m at 31 December 2022) and other long-term investments (€31m at 31 December 2022), which are measured at fair value (levels 1 and 3 in the fair value hierarchy).

(b) Movements recognised in "Other comprehensive income" in the consolidated statement of recognised income and expense.

(c) Mainly relates to investments in non-consolidated companies (€87m at 31 December 2022), which are measured at fair value (level 3 in the fair value hierarchy).

(d) Includes financial receivables relating to Public-Private Partnership (PPP) activities.

Fair value of financial assets and financial liabilities

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): prices 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); and
- 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 group, this applies mainly to certain investments in non-consolidated companies.

	LEVEL 1 Quoted prices	LEVEL 2 Observable inputs	LEVEL 3 Unobservable inputs	31/12/2022
Financial assets at fair value through OCI [a]	13		50	63
Financial assets at fair value through profit or loss			95	95
Net cash position	5,318			5,318
Financial instruments (net) and other current financial assets and liabilities	208			208

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

Note 4 Current assets

4.1 Inventories

	31/12/2022			31/12/2021		
	Gross value	Impairment [a]	Carrying amount	Gross value	Impairment [a]	Carrying amount
Property development inventories	1,424	(163)	1,261 [b]	1,385	(152)	1,233
Raw materials and finished goods	1,610	(128)	1,482	1,239	(94)	1,145
Programmes and broadcasting rights	471	(83)	388	543	(111)	432
TOTAL INVENTORIES	**3,505**	**(374)**	**3,131**	**3,167**	**(357)**	**2,810**

(a) Includes:

	31/12/2022	31/12/2021
• impairment losses charged in the period	(79)	(88)
• impairment losses reversed in the period	85	124

(b) Includes Bouygues Immobilier: properties under construction €1,135m; completed properties €37m.

Operating commitments not yet recognised involving future outflows of resources

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2022	31/12/2021
ACQUISITIONS OF LAND BANKS (Bouygues Immobilier)	**710**			**710**	**305**
FORWARD GAS AND ELECTRICITY PURCHASES (Equans)	**3**	**1**		**4**	
Programmes and broadcasting rights	434	266	3	703	781
Sports transmission rights	83	206	50	339	154
RIGHTS ORDERED BUT NOT YET AVAILABLE FOR TRANSMISSION (TF1)	**517**	**472**	**53**	**1,042**	**935**
AGREEMENTS TO SECURE HANDSET SUPPLIES (Bouygues Telecom)	**579**			**579**	**452**

4.2 Advances and down-payments made on orders

	31/12/2022			31/12/2021		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	423	(1)	422	348	(1)	347

4.3 Trade receivables, tax assets and other current receivables

	31/12/2022			31/12/2021		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	10,461	(888)	9,573	7,283	(642)	6,641
Customer contract assets	5,595		5,595	2,909		2,909
Current tax assets (receivable)	310	(4)	306	173	(4)	169
Other current receivables and prepaid expenses:						
• Employees, social security, government and other receivables	2,127	(9)	2,118	1,743	(12)	1,731
• Sundry receivables	1,557	(78)	1,479	1,233	(67)	1,166
• Prepaid expenses	878		878	588		588
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**4,562**	**(87)**	**4,475**	**3,564**	**(79)**	**3,485**
TOTAL	**20,928**	**(979)**	**19,949**	**13,929**	**(725)**	**13,204**

Split of carrying amount of trade receivables between non past due and past due balances

	Non past due	Past due by: 0-6 months	6-12 months	More than 12 months	31/12/2022	31/12/2021
Trade receivables	6,881	1,897	387	1,296	10,461	7,283
Impairment of trade receivables	(44)	(92)	(64)	(688)	(888)	(642)
TOTAL TRADE RECEIVABLES	**6,837** [a]	**1,805** [b]	**323**	**608** [c]	**9,573**	
Total 31/12/2021	4,670	1,296	221	454		6,641

(a) Includes: Bouygues Construction €1,097m, Colas €1,720m and Equans €1,992m.

(b) Includes: Bouygues Construction €387m, Colas €760m and Equans €357m.

(c) Includes: Bouygues Construction €144m, Colas €150m and Equans €306m.

Receivables more than 12 months past due and not covered by impairment allowances mainly comprise recoverable VAT. An analysis of those receivables did not reveal any further credit risk.

4.4 Customer contract assets

	31/12/2021	Movements during 2022: Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2022	Falling due: Less than 1 year	More than 1 year
Customer contract origination costs	312			49	361	234	127
Customer contract execution costs	742			207	949	128	821
Differences relating to percentage of completion on contracts [a]	1,855	(24)	2,514 [b]	(60)	4,285	4,285	
TOTAL CUSTOMER CONTRACT ASSETS	**2,909**	**(24)**	**2,514**	**196**	**5,595**	**4,647**	**948**

(a) Comprises unbilled receivables on construction contracts at Bouygues Construction, Bouygues Immobilier, Colas and Equans.

(b) Mainly relates to the first-time consolidation of Equans.

4.5 Cash and cash equivalents

	31/12/2022			31/12/2021		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	5,247		5,247	6,056		6,056
Cash equivalents	489		489 [a]	445		445
TOTAL	**5,736**		**5,736**	**6,501**		**6,501**

(a) €454m of these cash equivalents are held by Bouygues SA.

Surplus cash is invested with high-quality French and foreign banks.

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

All investments of cash and equivalents were accessible as of 31 December 2022.

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

	Euro	Pound sterling	Swiss franc	Other European currencies	Australian dollar	US dollar	Canadian dollar	Other currencies	Total 31/12/2022	Total 31/12/2021
Cash	4,022	228	13	34	162	259	134	395	5,247	6,056
Cash equivalents	467		1			2	2	17	489	445
Overdrafts and short-term bank borrowings	(206)	(2)	(47)	(36)	(44)	(30)	(2)	(51)	(418)	(351)
Total 31/12/2022	**4,283**	**226**	**(33)**	**(2)**	**118**	**231**	**134**	**361** [a]	**5,318**	
Total 31/12/2021	5,154	181	31	75	170	182	99	258		6,150

(a) “Other currencies” relate mainly to the Asia-Pacific region (€185m), North Africa (€58m), and the Middle East (€12m).

4.6 Analysis of depreciation, amortisation, impairment and provisions in the balance sheet and income statement

	31/12/2021	Translation adjust-ments	Change in scope of consolida-tion [a]	Charges and reversals through current operating profit: Depre-ciation, amorti-sation and impair-ment losses [b]	Charges and reversals through current operating profit: Other impair-ment losses & provi-sions, net	Charges and reversals through current operating profit: Reversals (un-utilised)	Other impair-ment losses & other provisions [c]	Other move-ments	31/12/2022
Property, plant and equipment and intangible assets	(20,041)	(39)	109	(2,228) [d]		1		641 [e]	(21,557)
Right of use of leased assets	(1,840)	1	12	(446)				187 [f]	(2,086)
Goodwill	(112)		58						(54)
Goodwill on joint ventures & associates	(49)							(1)	(50)
Other non-current financial assets	(15)	1	(3)		(2)	(1)		1	(19)
SUB-TOTAL: NON-CURRENT ASSETS	**(22,057)**	**(37)**	**176**	**(2,674)**	**(2)** [d]	[d]	[d]	**828**	**(23,766)**
Inventories	(357)	(1)	(23)		(14)	20		1	(374)
Trade receivables	(642)	(2)	(227)		(46)	29	(2)	2	(888)
Cash equivalents									
Other current receivables & prepaid expenses	(79)		(5)			2	(2)	(3)	(87)
SUB-TOTAL CURRENT ASSETS	**(1,078)**	**(3)**	**(255)**		**(60)**	**51**	**(4)**		**(1,349)**
TOTAL ASSETS	**(23,135)**	**(40)**	**(79)**	**(2,674)**	**(62)**	**51** [g]	**(4)**	**828**	**(25,115)**
Non-current provisions	(2,093)	3	(217)		(48) [d]	137 [d]	(120) [d]	88	(2,250)
Current provisions	(1,330)	(9)	(662)		(62)	176	1	54	(1,832)
TOTAL LIABILITIES	**(3,423)**	**(6)**	**(879)**		**(110)**	**313** [g]	**(119)**	**142**	**(4,082)**

(a) Changes in scope of consolidation relate mainly to the acquisition of Equans by Bouygues SA and the sale of Unify's Publisher activities by TF1.
(b) Depreciation, amortisation and impairment losses on property, plant and equipment, intangible assets, and right of use of leased assets.
(c) Recognised in "Other operating income and expenses" or "Other financial income and expenses".
(d) The net aggregate amount of depreciation, amortisation, provisions and impairment charged against non-current assets is €2,261m (see the consolidated cash flow statement).
(e) Mainly a reduction in depreciation following disposals or retirements of plant and equipment including €196m for Bouygues Construction, €276m for Colas and €117m for Bouygues Telecom.
(f) Due mainly to lease amendments, resulting in partial derecognition of right of use assets.
(g) Unutilised reversals of €364m, as shown in a footnote to the consolidated income statement.

Note 5 Consolidated shareholders' equity

5.1 Shareholders' equity at 31 December 2022 attributable to the Group and to non-controlling interests

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit/(loss) for period	Treasury shares	Items recognised directly in equity	31/12/2022
Attributable to the Group	374	2,193	809	2,367	5,637	(54)	886	12,212
Attributable to non-controlling interests					1,734		(14)	1,720 [a]
TOTAL SHAREHOLDERS' EQUITY	**374**	**2,193**	**809**	**2,367**	**7,371**	**(54)**	**872**	**13,932**

(a) Includes €1,038m for TF1 and €535m for Bouygues Telecom.

5.2 Share capital of Bouygues SA

As of 31 December 2022, the share capital of Bouygues SA consisted of 374,486,777 shares with a €1 par value. A total of 8,045,000 treasury shares were cancelled during the fourth quarter of 2022, of which 5,475,000 had been acquired during the first nine months of 2022 for €170 million. During the fourth quarter of 2022, Bouygues acquired 1,825,000 of its own shares for €54 million; these are being held as treasury shares with a view to their cancellation.

		Movements during 2022		
	31/12/2021	Increases	Reductions	31/12/2022
Shares	382,504,795	26,982	(8,045,000)	374,486,777
NUMBER OF SHARES	**382,504,795**	**26,982**	**(8,045,000)**	**374,486,777**
Par value	€1			€1
Share capital (€)	**382,504,795**	**26,982**	**(8,045,000)**	**374,486,777**

The net capital reduction of €258 million (see the consolidated statement of changes in shareholders' equity) mainly reflects the cancellation of 8,045,000 of the company's own shares on 16 November 2022.

5.3 Analysis of income and expenses recognised directly in equity

	Note	2022	2021
Reserve for actuarial gains/(losses)	5.3.1	196	62
Fair value remeasurement reserve: equity instruments	5.3.2	(1)	(4)
Translation reserve of controlled entities	5.3.3	(19)	110
Fair value remeasurement reserve: hedging instruments	5.3.4	1,017 [c]	59
Tax on items recognised directly in equity		(304)	(24)
Share of remeasurements of joint ventures and associates		109 [a]	38 [b]
ATTRIBUTABLE TO THE GROUP		**998**	**241**
Other income and expenses attributable to non-controlling interests		20	12
TOTAL		**1,018**	**253**

(a) Relates mainly to changes in the fair value of financial instruments at Bouygues Telecom (positive impact of €94m) and changes in the fair value of financial instruments and currency instruments at Colas (positive impact of €10m).
(b) Relates mainly to Alstom (positive impact of €20m) and translation reserves at Colas (positive impact of €9m).
(c) Relates mainly to pre-hedging swaps (€977m) contracted in connection with the Equans acquisition (see Note 1.2.1).

5.3.1 Reserve for actuarial gains and losses on employee benefits (attributable to the Group)

	31/12/2021	Movements during 2022	31/12/2022
Movement before tax (controlled entities)	(221)	196 [a]	(25)

(a) Relates mainly to (i) the change in the iBoxx A10+ rate in France to 3.56% as of 31 December 2022, compared with 1.01% as of 31 December 2021 and (ii) a decrease in the fair value of the obligation (see Note 20.3.2.1).

5.3.2 Fair value remeasurement reserve: equity instruments (attributable to the Group)

	31/12/2021	Movements during 2022	31/12/2022
Movement before tax (controlled entities)	(24)	(1)	(25)

5.3.3 Translation reserve (attributable to the Group)

The principal translation reserves as of 31 December 2022 arising on the consolidated financial statements of foreign controlled entities, joint ventures and associates reporting in the following currencies are shown in the table below. The €17 million negative movement in the year mainly reflects a decrease of €35 million in the Equans translation reserve, partly offset by an increase of €14 million at Colas.

	31/12/2021	Movements during 2022	31/12/2022
US dollar	39	(6)	33
Australian dollar	3	1	4
Canadian dollar	17	(7)	10
Hong Kong dollar	(1)	5	4
Swiss franc	39	1	40
Pound sterling	14	(13)	1
Other currencies	(19)	2	(17)
TOTAL	**92**	**(17)** [a]	**75**

(a) Reduction of €19m after taking account of a positive impact of €2m for joint ventures and associates.

5.3.4 Fair value remeasurement reserve: hedging instruments (attributable to the Group)

This reserve contains movements caused by the remeasurement at fair value of financial instruments used for hedging purposes. Movements for the period are shown below:

	31/12/2021	Movements during 2022	31/12/2022
Movement before tax (controlled entities) [a]	(22)	1,017 [b]	995

(a) Mainly relates to cash flow hedges and currency hedges.

(b) Relates mainly to pre-hedging swaps (€977m) contracted in connection with the Equans acquisition (see Note 1.2.1).

5.4 Analysis of share-based payment

The impact on consolidated shareholders' equity of share-based payment (IFRS 2) is as follows:

	31/12/2022	31/12/2021
Transfer to reserves:		
Expense calculated for plans awarded by TF1 in the last 5 years	1	1
Expense calculated for plans awarded by Bouygues SA in the last 5 years	12	8
TOTAL (attributable to the Group)	**13**	**9**
Non-controlling interests	2	1
TOTAL	**15**	**10**

5.5 Analysis of "Acquisitions/disposals without change of control and other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)"

The decrease of €14 million reflects the impact of acquisitions of TF1 shares by Bouygues SA for that amount.

Note 6 Non-current and current provisions

6.1 Non-current provisions

Non-current provisions amounted to €2,250million as of 31 December 2022:

	Employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
31/12/2020 restated	**868**	**282**	**378**	**627**	**2,155**
Movements during 2021					
Translation adjustments	8	2	6	7	23
Changes in scope of consolidation	7		2	9	18
Charges to provisions	82	62	116	105	365
Reversals of utilised provisions	(81)	(54)	(79)	(71)	(285)
Reversals of unutilised provisions	(19)	(41)	(30)	(51)	(141)
Actuarial gains and losses	(56)				(56)
Transfers and other movements		(5)	3	16	14
31/12/2021	**809**	**246**	**396**	**642**	**2,093**
Movements during 2022					
Translation adjustments	(1)		(5)	3	(3)
Changes in scope of consolidation	194	21	(1)	3	217
Charges to provisions	94	117	140	78	429
Reversals of utilised provisions	(109)	(30)	(89)	(33)	(261)
Reversals of unutilised provisions	(20)	(29)	(30)	(58)	(137)
Actuarial gains and losses	(202)				(202) [e]
Transfers and other movements	23	1	73	17	114
31/12/2022	**788**	**326**	**484**	**652**	**2,250** [f]

Provisions are measured on the basis of management's best estimate of the risk.

(a) Employee benefits (see Note 20.2)	**788**
Lump-sum retirement benefits	542
Long-service awards	145
Other long-term employee benefits	101
(b) Litigation and claims	**326**
Provisions for customer disputes	73
Subcontractor claims	43
Employee-related and other litigation and claims	210
(c) Guarantees given	**484**
Provisions for 10-year construction guarantees	360
Provisions for additional building/civil engineering/civil works guarantees	124
(d) Other non-current provisions	**652**
Provisions for miscellaneous foreign risks	42
Risks relating to non-controlled entities	133
Dismantling and site rehabilitation	306
Provisions for social security inspections	93
Other non-current provisions	78

(e) The corresponding figure in the consolidated statement of recognised income and expense is €206m, which includes net actuarial gains of €4m on overfunded plans (shown on the assets side of the balance sheet).

(f) Equans contingent liabilities included in "Non-current provisions" amounted to €85m as of 31 December 2022, and mainly comprised €75m of provisions for guarantees given and €8m of provisions for litigation and claims; the amounts involved are stable relative to 30 September 2022 (first-time consolidation of Equans).

6.2 Current provisions

Provisions related to the operating cycle as of 31 December 2022 amounted to €1,832 million:

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions [b]	Total
31/12/2020	**44**	**383**	**498**	**317**	**1,242**
Movements during 2021					
Translation adjustments	1	11	9	6	27
Changes in scope of consolidation			3	6	9
Charges to provisions	14	250	258	155	677
Reversals of utilised provisions	(5)	(145)	(137)	(107)	(394)
Reversals of unutilised provisions	(9)	(102)	(81)	(47)	(239)
Transfers and other movements	(3)	12	2	(3)	8
31/12/2021	**42**	**409**	**552**	**327**	**1,330**
Movements during 2022					
Translation adjustments		2	4	3	9
Changes in scope of consolidation	55	81	203	323	662
Charges to provisions	21	160	233	120	534
Reversals of utilised provisions	(7)	(125)	(213)	(127)	(472)
Reversals of unutilised provisions	(12)	(66)	(67)	(32)	(177)
Transfers and other movements	3	12	1	(70)	(54)
31/12/2022	**102**	**473**	**713**	**544**	**1,832** [b]

Provisions for project risks and project completion, and for expected losses to completion, relate mainly to Bouygues Construction, Colas and Equans. Individual project provisions are not disclosed for confidentiality reasons.

(a) Other current provisions:	**544**
Reinsurance provisions	43
Restructuring provisions	33
Site rehabilitation (current portion)	41
Miscellaneous current provisions	427

(b) Equans contingent liabilities included in "Current provisions" amounted to €148m as of 31 December 2022, and mainly comprised €46m of miscellaneous current provisions, €61m of provisions for expected losses to completion, €21m of provisions for project risks and project completion, and €20m of provisions for guarantees given; the amounts involved are stable relative to 30 September 2022 (first-time consolidation of Equans).

Note 7 Deferred tax assets and liabilities

The deferred tax assets and liabilities relating to the tax losses of the entities included in the Bouygues SA group tax election (Bouygues Construction, Bouygues Immobilier and Colas) are presented on the "Bouygues SA & other" line in the table below. Equans has joined the Bouygues SA group tax election with effect from 1 January 2023.

7.1 Deferred tax assets

Deferred tax assets	31/12/2021	Movements during 2022	31/12/2022
Bouygues Construction	45		45
Bouygues Immobilier	19	(3)	16
Colas	137	4	141
Equans		287	287
TF1			
Bouygues Telecom			
Group tax election: Bouygues SA & other	91	(91)	
TOTAL	**292**	**197**	**489**

Deferred tax assets mainly arise from temporary differences (such as provisions temporarily non-deductible for tax purposes), and from tax losses with a high probability of recovery.

7.2 Deferred tax liabilities

Deferred tax liabilities	31/12/2021	Movements during 2022	31/12/2022
Bouygues Construction	17	33	50
Bouygues Immobilier			
Colas	113	32	145
Equans		20	20
TF1	30	(7)	23
Bouygues Telecom	177	36	213
Group tax election: Bouygues SA & other	7	301	308
TOTAL	**344**	**415**	**759**

7.3 Net deferred tax asset/liability by business segment

Net deferred tax asset/liability by segment and type	Net deferred tax asset/ (liability) at 31/12/2021	Translation adjustments	Changes in scope of consolidation	Income/ (expense) recognised in profit or loss	Income/ (expense) recognised in equity	Other movements	Net deferred tax asset/ (liability) at 31/12/2022
A - Tax losses							
Bouygues Construction				1			1
Bouygues Immobilier	2			(2)			
Colas	4			10			14
Equans			75	(24)			51
TF1	1			(1)			
Bouygues Telecom	2			4			6
Group tax election: Bouygues SA & other	101			(101)			[a]
SUB-TOTAL	**110**		**75**	**(113)**			**72**
B - Temporary differences							
Bouygues Construction	28			(21)	(3)	(10)	(6)
Bouygues Immobilier	17				(2)		15
Colas	20	(1)	(5)	(1)	(33)	1	(19)
Equans		(4)	217	9	(6)		216
TF1	(31)			3	(2)	7	(23)
Bouygues Telecom	(179)			(31)	(13)	4	(219)
Group tax election: Bouygues SA & other	(17)		(290)	243	(252)	10	(306)
SUB-TOTAL	**(162)**	**(5)**	**(78)**	**202**	**(311)**	**12**	**(342)**
TOTAL	**(52)**	**(5)**	**(3)**	**89**	**(311)**	**12**	**(270)**

(a) This line shows the tax loss arising on the Bouygues SA group tax election. As of 31 December 2022, those tax losses had been absorbed in full.

As of 31 December 2022, the net deferred tax liability amounted to €270 million; an analysis by segment is provided in the table above.

The year-on-year increase of €218 million in the net deferred tax liability was due mainly to:

- The €290 million of deferred tax liabilities recognised by Bouygues SA in the Equans provisional purchase price allocation.
- A reduction in deferred tax assets at Bouygues SA following the absorption during the year of all the prior losses (€94 million) generated by the group tax election, reflecting the tax due on the upfront payments received on the pre-hedging swaps which increased the current tax charge in 2022 (see Note 15.1).
- The elimination of the €224 million tax charge on the pre-hedging swaps in the books of Bouygues SA, which has been replaced by a tax charge of the same amount recognised in equity (see Note 1.2.1). The deferred tax liability recognised in equity will be released to profit or loss to match the pattern of cash flows on the bond issues.
- Partly offset by the first-time consolidation of Equans, which had the effect of reducing the net deferred tax liability by €292 million.

Principal sources of deferred taxation:	31/12/2022	31/12/2021
• Deferred tax assets on employee benefits (mainly lump-sum retirement benefits and pensions)	137	145
• Tax losses	72	110
• Restricted provisions booked solely for tax purposes	(72)	(123)
• Remeasurement of assets	(286) [a]	
• Other items	(121) [b]	(184)
TOTAL	**(270)**	**(52)**

(a) Relates to deferred tax liabilities recognised by Bouygues SA in the Equans provisional purchase price allocation.

(b) Mainly relates to deferred tax liabilities arising on consolidation adjustments.

7.4 Period to recovery of deferred tax assets

31/12/2022	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	342	47	100 [a]	**489**

(a) Mainly deferred tax assets on employee benefits at Bouygues Construction, Colas and Equans.

7.5 Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2022 due to the low probability of recovery (mainly tax losses generated abroad or in France by companies not included in the Bouygues SA group tax election).

	31/12/2021	Movements during 2022	31/12/2022
Bouygues Construction	341	(4)	337
Bouygues Immobilier	31	2	33
Colas	97	11	108
Equans		235	235
TF1	6	(1)	5
TOTAL	**475**	**243**	**718**

Note 8 Non-current and current debt

8.1 Interest-bearing debt by maturity

	Current debt at 31 December				Non-current debt at 31 December							
	Accrued interest	Other current debt	Total maturing in <1y 2022	Total maturing in <1y 2021	1-2y	2-3y	3-4y	4-5y	5-6y	≥6y	Total maturing after >1y 2022	Total maturing after >1y 2021
Bond issues	88	697	785	884			593	742	988	5,013	7,336	3,814
Bank borrowings		451	451	340	2,725	649	50	45	357	7	3,833	1,565
Other borrowings		125	125	100	140	71	109	30	54	13	417	426
TOTAL DEBT	**88**	**1,273**	**1,361**		**2,865**	**720**	**752**	**817**	**1,399**	**5,033**	**11,586**	
Total 31/12/2021	86	1,238		1,324	1,161	265	699	728	777	2,175		5,805

Non-current debt increased by €5.78 billion in 2022. This mainly reflects (i) the four bond issues carried out in connection with the financing of the Equans acquisition, two of which took place in May 2022 (total €2 billion) and two in October 2022 (total €2.25 billion) and (ii) the €2.45 billion drawn down under a syndicated loan facility (see Note 1.2.1). This increase was partly offset by the reclassification of the €700 million Bouygues SA bond issue maturing in January 2023 from non-current to current.

Current debt rose by €37 million, with the redemption of the €800 million Bouygues SA bond issue in February 2022 largely offset by the reclassification of the €700 million Bouygues SA bond issue maturing in January 2023 from non-current to current.

The table below lists all outstanding Bouygues bond issues. The quoted price in each case is presented as a percentage of the nominal, on a full price basis (i.e. including accrued interest):

ISIN	Issue date	Maturity	Nominal value on maturity	Interest rate (%)	Quoted price at 31/12/2022, as % of nominal on full price basis [a]
FR0011332196	02/10/2012	16/01/2023	700	3.625	100.0200
FR0010379255	06/10/2006	06/10/2026	595 [b]	5.500	101.0640
FR0013222494	07/12/2016	07/06/2027	750	1.375	90.7050
FR0013507654	14/04/2020	24/07/2028	1,000	1.125	87.1350
FR0014006CS9	03/11/2021	11/02/2030	800	0.500	78.4880
FR001400AJX2	5/24/2022	6/29/2029	1,000	2.250	89.9830
FR001400AJY0	5/24/2022	6/30/2037	1,000	3.250	84.5200
FR001400DNG3	11/3/2022	6/7/2032	1,250	4.625	101.6590
FR001400DNF5	11/3/2022	6/30/2042	1,000	5.375	102.4970
TOTAL			**8,095**		

(a) Source: Bloomberg.

(b) Equivalent value in euros of the sterling-denominated nominal value.

8.2 Confirmed credit facilities and drawdowns

	Confirmed facilities – Maturity				Drawdowns – Maturity			
Description	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Bond issues (mainly Bouygues SA)	785	1,335	6,001	8,121	785	1,335	6,001	8,121
Bank borrowings	511	12,014 [b]	923	13,448	451	3,469	364	4,284
Other borrowings	125	350	67	542	125	350	67	542
TOTAL [a]	**1,421**	**13,699**	**6,991**	**22,111**	**1,361**	**5,154**	**6,432**	**12,947**

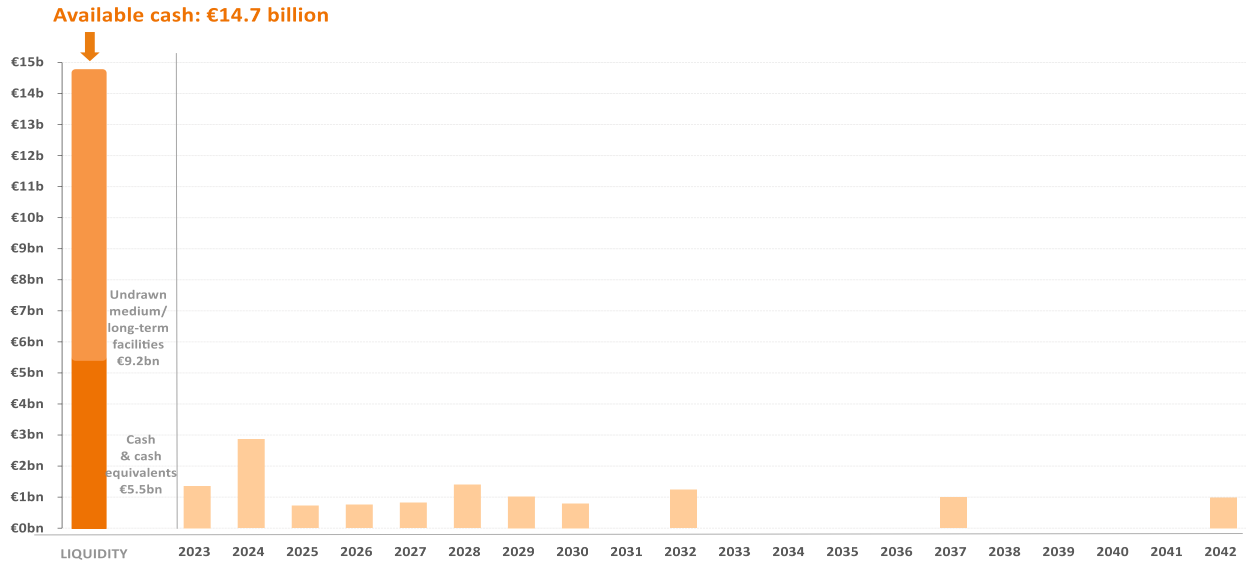
(a) Confirmed undrawn credit facilities: €9.62 billion.

(b) Includes a syndicated loan facility of €2.45 billion for the Equans acquisition, expiring on 3 October 2024.

8.3 Liquidity at 31 December 2022

As of 31 December 2022, available cash stood at €5,507 million. The Group also had €9,164 million of undrawn confirmed credit facilities at the same date.

Debt maturity schedule (drawdowns) at 31 December 2022



The bond issues contain a change of control clause relating to Bouygues SA.

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to facilities used by Bouygues SA subsidiaries.

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

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

%	31/12/2022	31/12/2021
Fixed rate debt [a]	72	77
Floating rate debt	28	23

(a) Rates fixed for more than one year.

8.5 Interest rate risk

The split of financial assets and financial liabilities by type of interest as of 31 December 2022 is shown below:

	Floating rate	Fixed rate	Total
Financial liabilities (debt) [a]	(4,914)	(8,033)	(12,947)
Financial assets (net cash position)	5,507		5,507
Net pre-hedging position	**593**	**(8,033)**	**(7,440)**
Interest rate hedges [b]	1,269	(1,269)	
Net post-hedging position	**1,862**	**(9,302)**	**(7,440)**
Adjustment for seasonal nature of some activities [c]	679	(679)	
Net post-hedging position after adjustment	**2,541**		

(a) Call options and contingent consideration recognised as financial liabilities under IFRS 9 are treated as fixed rate.

(b) Excludes the pre-hedging contracted in connection with the refinancing of the bond issue maturing in 2023 (€700 million as of 31 December 2022).

(c) At Colas, operations and cash flows from operations are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analysing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between the average cash position over the full year, and the net cash position in the balance sheet at 31 December.

The effect of an immediate 1% rise in short-term interest rates on the net post-hedging position after adjustment exposed to interest rate risk (as presented above) would be a reduction in the cost of net debt of €25 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
	Euro	**Pound sterling**	**Other currencies**	**US dollar**	**Canadian dollar**	**Other currencies**	**Total**
Non-current: 31/12/2022	**10,763**	**643**	**29**	**61**	**11**	**79**	**11,586**
Current: 31/12/2022	**1,309**	**20**	**1**	**10**	**1**	**20**	**1,361**
Non-current: 31/12/2021	5,035	650	6	41	3	70	5,805
Current: 31/12/2021	1,289	17	1	5	2	10	1,324

An analysis of debt by business segment is provided in Note 17.

Details by segment of collateral and pledges given by the Bouygues group are provided in Note 19.1.

Note 9 Main components of change in net debt

9.1 Change in net debt

	31/12/2021	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	31/12/2022
Cash and cash equivalents	6,501	(51)	566	(1,280)			5,736
Overdrafts and short-term bank borrowings	(351)	19	(818)	732			(418)
NET CASH POSITION (A) [a]	**6,150**	**(32)**	**(252)**	**(548)**			**5,318**
Non-current debt	5,805	22	75	6,433 [b]	9	(758)	11,586
Current debt	1,324	(29)	59	(688) [b]	(1)	696	1,361
Financial instruments, net	(38)	(1)	(2)	[b]	(148)		(189)
TOTAL DEBT (B)	**7,091**	**(8)**	**132**	**5,745**	**(140)** [d]	**(62)**	**12,758**
NET DEBT (A)-(B)	**(941)**	**(24)**	**(384)** [e]	**(6,293)**	**140**	**62** [c]	**(7,440)**

(a) Net cash outflow of €832m, as reported in the consolidated cash flow statement.

(b) Net cash inflow for 2022 of €5,745m, as reported in the consolidated cash flow statement, and comprising total inflows of €11,189m and total outflows of €5,444m.

(c) Includes:

- a zero impact from the reclassification of the €700m Bouygues SA bond issue maturing January 2023 from non-current to current;
- the extinguishment of the €58m liability for contingent purchase consideration paid to BTBD (payment of which is included in the cash flow statement), and a reduction of €40m in the BTBD contingent consideration liability;
- a €50m commitment to subscribe to the SDFAST rights issue; and
- a reduction of €13m in net debt due to movements in put options granted to non-controlling shareholders in the Newen Studios segment (TF1);

(d) Includes €108m of fair value remeasurements on financial instruments contracted in connection with the financing of the Equans acquisition.

(e) Increase in net debt mainly related to Equans (impact of €370m on net debt).

9.2 Principal changes in net debt during 2022

NET DEBT AT 31 DECEMBER 2021	**(941)**	
Acquisition of 100% equity interest in Equans	(6,146)	
Other acquisitions/disposals of consolidated activities, non-consolidated companies and other long-term investments, including changes in scope of consolidation and commitments to buy out non-controlling interests	(285)	a
Payment for frequency bands	(109)	b
Pre-hedging swaps	831	c
Transactions involving the share capital of Bouygues SA	(227)	d
Dividends paid	(777)	
Operating items	214	
NET DEBT AT 31 DECEMBER 2022	**(7,440)**	

(a) Relates mainly to the divestments of Gamned, Ykone, and Unify's Publishers activities (TF1), and to the acquisition of Hasselmann (Colas)

(b) Relates to 5G frequency bands (€86m) and to the 900 MHz and 800MHz frequency bands (€23m).

(c) Includes fair value remeasurements of pre-hedging swaps of €977m, net of tax paid of €146m (see Note 1.2.1).

(d) Mainly comprises purchases of treasury shares foe €224m (see Note 5.2).

Note 10 Non-current lease and current lease obligations

10.1 Maturity analysis of lease obligations

			Current lease obligations	Non-current lease obligations						
	1 to 3 months	4 to 12 months	Total maturing in <1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 or more years	Total maturing after >1 year
TOTAL 31/12/2022	**85**	**413**	**498**	**432**	**348**	**279**	**226**	**229**	**593**	**2,107**
TOTAL 31/12/2021	89	273	362	310	269	236	180	133	345	1,473

10.2 Movement in lease obligations

	31/12/2021	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications, and other lease-related movements	31/12/2022
Non-current lease obligations	1,473	(1)	278		357	2,107
Current lease obligations	362		118	(441)	459	498
TOTAL LEASE OBLIGATIONS	**1,835**	**(1)**	**396**	**(441)**	**816**	**2,605**

Changes in scope of consolidation relate mainly to Equans.

Note 11 Current liabilities

11.1 Current liabilities

	31/12/2022	31/12/2021
Current debt [a]	1,361	1,324
Current lease obligations	498	362
Current taxes payable	349	196
Trade payables	11,116	8,266
Customer contract liabilities [b]	6,941	4,305
Current provisions [c]	1,832	1,330
Other current liabilities:		
• Other operating liabilities (employees, social security, government)	4,636	3,152
• Deferred income	171	125
• Other non-financial liabilities	2,578	2,702
Overdrafts and short-term bank borrowings	418	351
Financial instruments – Hedging of debt	4	9
Other current financial liabilities	13	16
TOTAL	**29,917**	**22,138**

(a) See analysis in Note 8.
(b) See analysis in Note 11.2.
(c) See analysis in Note 6.2.

11.2 Customer contract liabilities

	31/12/2021	Movements during 2022			31/12/2022
		Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	
Advances and down-payments received on orders [a]	979	(16)	327 [c]	140	1,430
Differences relating to percentage of completion on contracts [b]	3,326	4	2,104 [c]	77	5,511
CUSTOMER CONTRACT LIABILITIES	**4,305**	**(12)**	**2,431**	**217**	**6,941**

(a) As of 31 December 2022, "Advances and down-payments received on orders" included €13m (€1m as of 31 December 2021) of advances received from customers on signature of deeds of sale in respect of off-plan sales under property development programmes.
These sums are not refundable and are used to finance work on the programmes.
(b) Mainly comprises deferred income on construction contracts at Bouygues Construction and Equans.
(c) Relates mainly to the first-time consolidation of Equans (€1,922m) and the two rollout contracts transferred to SDFAST by Bouygues Telecom (€535m, see Note 1.2.1).

Note 12 Sales

12.1 Analysis by business segment

Sales by geographical area are allocated to the territory in which the sale is generated. The main change in the scope of consolidation was the acquisition of Equans on 4 October 2022 (see Note 1.2.1).

	2022 sales				2021 sales			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	5,211	7,850	13,061	29	5,225	7,401	12,626	34
Bouygues Immobilier	1,932	100	2,032	5	2,002	113	2,115	6
Colas	6,168	9,288	15,456	35	6,011	7,170	13,181	35
Equans [a]	1,230	2,521	3,751	8				
TF1	2,109	353	2,462	6	2,118	269	2,387	6
Bouygues Telecom	7,504		7,504	17	7,226		7,226	19
Bouygues SA & other	14	42	56	0	13	41	54	0
CONSOLIDATED SALES	**24,168**	**20,154**	**44,322**	**100**	**22,595**	**14,994**	**37,589**	**100**

(a) The contribution from Equans to 2022 full-year sales includes the fourth quarter of 2022 only (see Note 1.2.1).

An analysis of sales by accounting classification and segment is provided in Note 17.

There were no material exchanges of goods or services in the years ended 31 December 2022 and 2021, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

12.2 Analysis by geographical area

	2022 sales		2021 sales	
	Total	%	Total	%
France	24,168	55	22,595	60
European Union (27 members)	4,698	10	2,704	7
Rest of Europe	5,812	13	4,550	12
Africa	1,274	3	947	3
Middle East	51	0	44	0
North America	5,750	13	4,181	11
Central and South America	358	1	294	1
Asia-Pacific	2,211	5	2,274	6
TOTAL	**44,322**	**100**	**37,589**	**100**

The United Kingdom accounts for 64% of sales in the "Rest of Europe" region, and Switzerland for 32%; the majority of those sales arise in construction and Energies & Services.

12.3 Split by type of contract, France/International

%	2022 France	2022 International	2022 Total	2021 France	2021 International	2021 Total
Public-sector contracts [a]	26	45	34	26	44	33
Private-sector contracts	74	55	66	74	56	67

(a) Sales billed directly to government departments, local authorities or public enterprises (mainly works and maintenance contracts).

12.4 Order backlog

The Group's order backlog stood at €58,070 million as of 31 December 2022.

	31/12/2021	Movements during 2022: Translation adjustments	Movements during 2022: Changes in scope of consolidation	Movements during 2022: Other movements arising from operating activities	31/12/2022
Construction businesses	**33,224**	**794**	**(27)**	**(238)**	**33,753**
Bouygues Construction	20,759	530		(701) [a]	20,588
Bouygues Immobilier	1,739			(291)	1,448
Colas	10,726	264	(27)	754	11,717
Equans		**299**	**17,775**	**651**	**18,725**
TF1	**201**			**(33)**	**168**
Bouygues Telecom	**3,778**			**1,675**	**5,453**
Inter-segment adjustments	**(50)**			**21**	**(29)**
TOTAL ORDER BACKLOG	**37,153**	**1,093**	**17,748**	**2,076**	**58,070**
maturing within less than 1 year	19,662				29,393
maturing within 1 to 5 years	14,380				21,710
maturing after more than 5 years	3,111				6,967

(a) Includes an order intake of €12,053m.

For Bouygues Construction, Colas and Equans, 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).

For Bouygues Immobilier, the order backlog represents notarised sales not yet completed, and total revenue from all reservations signed but not yet notarised. In accordance with IFRS 11, Bouygues Immobilier excludes from the order backlog revenue from reservations taken through equity-accounted joint ventures (jointly-controlled co-promotion entities).

The TF1 order backlog represents the amount of work still to be done on productions for which a firm order has been taken, i.e. the contract has been signed and has taken effect.

The Bouygues Telecom order backlog mainly comprises subscription revenue chargeable to customers up to the end of their contractually agreed term.

Note 13 Operating profit

	2022	2021
CURRENT OPERATING PROFIT	**1,962**	**1,693**
Other operating income	93	115
Other operating expenses	(183)	(75)
OPERATING PROFIT	**1,872**	**1,733**

See Note 17 for an analysis of current operating profit and operating profit by business segment.

Current operating profit for 2022 incorporates lease expenses of €1,190 million (versus €1,045 million in 2021), which comprise lease expenses relating to contracts exempt from IFRS 16 (see Note 2.11.2). These figures relate mainly to short-term leases and to leases of assets with a low as-new value at Colas and Bouygues Construction. The non-lease (service) component of lease contracts is recognised in "External charges".

Other operating income and expenses:

2022

Other operating income/expenses represented a net charge of €90 million, relating to Bouygues Telecom, Bouygues Construction, TF1 and Bouygues SA. They include €71 million of costs relating to the Equans acquisition, and €18 million of costs relating to the proposed merger of TF1 and M6.

The breakdown of other operating income and expenses by segment is as follows:

- Bouygues Telecom: €52 million of gains on disposals of mobile switching centres (see Note 1.2.1) and €40 million for the reduction in the BTBD contingent consideration liability (see Note 9.1), partly offset by costs of €12 million on network sharing rollout and a €10 million impairment charge against user rights;
- TF1: €15 million of costs relating to the proposed merger of TF1 and M6 (see Note 1.2.2);
- Bouygues Construction: €52 million of provisions for risks relating to a regulatory change, €11 million of costs within Energies & Services relating to the acquisition of Equans by Bouygues SA, €8 million of restructuring costs, and €11 million of other operating expenses; and
- Bouygues SA: €63 million of costs, relating mainly to the acquisition of Equans from Engie and the proposed merger of TF1 and M6 (see Note 1.2.2).

2021

Other operating income/expenses represented net income of €40 million, relating to Bouygues Telecom, Bouygues Immobilier, Colas, TF1 and Bouygues SA, and comprising:

- Bouygues Telecom: €114 million of gains on disposals of mobile switching centres (see Note 1.2.2), partly offset by costs of €13 million on the roll-out of network sharing and €10 million of net other operating expenses;
- Bouygues Immobilier: €8 million of adaptation costs;
- Colas: €10 million of costs relating to the acquisition of Destia Oy, and additional dismantling costs at the Dunkirk site;
- TF1: €10 million of costs relating to the proposed merger of TF1 and M6; and
- Bouygues SA: €23 million of costs, relating mainly to the proposed merger of TF1 and M6 and the plan to acquire Equans from Engie.

Note 14 Cost of net debt and other financial income and expenses

14.1 Analysis of cost of net debt

	2022	2021
Financial expenses, comprising:	**(231)**	**(176)**
Interest expense on debt	(190)	(162)
Interest expense related to treasury management	(39)	(14)
Negative impact of financial instruments	(2)	
Financial income, comprising:	**33**	**21**
Interest income from cash and cash equivalents	29	19
Income and gains on disposal from cash and cash equivalents	2	2
COST OF NET DEBT	**(198)**	**(155)**

See Note 17 for an analysis of cost of net debt by business segment.

Cost of net debt was €43 million higher year-on-year, reflecting a higher level of net debt. The main increases were €25 million at Colas and €14 million at Bouygues SA, where net interest expenses associated with the financing of the Equans acquisition (€37 million) were partly offset by lower interest rates on other bond issues (€31 million).

14.2 Other financial income and expenses

	2022	2021
Other financial income	91	63
Other financial expenses	(118)	(74)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**(27)**	**(11)**

Other financial income and expenses include financial income from equity holdings; gains or losses on disposals of investments in non-consolidated companies; interest paid to investors on calls for funds (commercial property); commitment fees; changes in the fair value of "Other current financial assets"; dividends received from non-consolidated companies; and other items arising during the period.

Overall, other net financial expenses increased by €16 million year-on-year, reflecting higher commitment fees than in 2021 in line with increased deal activity at Bouygues Telecom and Bouygues SA (Equans).

Note 15 Income tax expense

15.1 Analysis of income tax expense

	2022			2021		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(383)	(130)	(513)	(233)	(159)	(392)
Change in deferred tax liabilities	(54)	(13)	(67)	(1)	4	3
Change in deferred tax assets	157	(1)	156	(55)	12	(43)
TOTAL	**(280)**	**(144)**	**(424)**	**(289)**	**(143)**	**(432)**

See Note 17 for an analysis of income tax expense by business segment.

Tax payable to the tax authorities is €121 million higher than in 2021, largely because of the €146 million tax liability incurred by Bouygues SA on the upfront payments received on the pre-hedging swaps contracted in connection with the Equans acquisition. Because the tax on those payments is recognised directly in equity (see Note 1.2.1), the corresponding charge has been eliminated via the "Deferred taxes" line and will be taken to profit or loss in line with the pattern of cash flows relating to the bond issues.

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:

	2022	2021
NET PROFIT FOR THE PERIOD (100%)	**1,131**	**1,305**
Eliminations:		
Income tax	424	432
Net profit/(loss) from discontinued operations	None	None
Share of net (profits)/losses of joint ventures and associates	30	(222)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS	**1,585**	**1,515**
Standard annual tax rate in France	25.83%	28.41%
Effect of non-recognition of tax loss carry-forwards and other temporary differences created/(utilised)	3.20%	4.58%
Effect of permanent differences	(0.55)%	0.28%
Flat-rate taxes, dividend taxes and tax credits	0.63%	(1.39)%
Differential tax rates applied to gains on disposals	(2.04)%	(0.67)%
Differential income tax rates, foreign taxes, impact of future enacted tax rates	(0.32)%	(2.71)%
EFFECTIVE TAX RATE	**26.75%**	**28.51%**

The effective tax rate for 2022 was 27%, versus 29% in 2021. The 2022 effective tax rate was mainly impacted by tax losses outside France for which no deferred tax asset was recognised, partly offset by the effects of differences in income tax rates on long-term capital gains on disposals. The reduction in the effective tax rate compared with 2021 was due partly to the cut in the standard corporate income tax rate in France from 28.41% to 25.83%.

Note 16 Net profit from continuing operations and basic/diluted earnings per share

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 2022, excluding the average number of ordinary shares bought and held as treasury shares.

Basic earnings per share from continuing operations for 2022 includes only a three-month contribution from Equans (see Note 1.2.1).

	2022	2021
Net profit from continuing operations attributable to the Group (€m)	973	1,125
Weighted average number of shares outstanding	381,180,055	381,496,616
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**2.55**	**2.95**

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 (i.e. stock subscription options legally exercisable and in the money at the end of the reporting period).

Diluted earnings per share from continuing operations for 2022 includes only a three-month contribution from Equans (see Note 1.2.1).

	2022	2021
Net profit from continuing operations attributable to the Group (€m)	973	1,125
Weighted average number of shares outstanding	381,180,055	381,496,616
Adjustment for potentially dilutive effect of stock options	59,975	444,659
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**2.55**	**2.95**

Note 17 Segment information

The segment information below is presented by business segment (CGU): Bouygues Construction (Construction & Services), Bouygues Immobilier (Property), Colas (Transport Infrastructure), Equans (Energies & Services), TF1 (Media), Bouygues Telecom (Telecoms), and "Bouygues SA & other".

Inter-segment sales are generally conducted on an arm's length basis.

An analysis of sales by geographical area is provided in Note 12.2.

The operating segments used in reporting by business segment are those reviewed by the chief operational decision-maker of the Group, and are not aggregated. This information is used to allocate resources to operating segments, and to monitor their performance.

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

The "Bouygues SA & other" segment includes contributions from holding companies, and from entities dedicated to the centralised financing of the Group.

The contributions from Equans to the 2022 income statement, EBITDA after Leases and other financial indicators only include the fourth quarter of 2022.

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
2022 INCOME STATEMENT								
Advertising					1,669			1,669
Sales of services	4,446	69	630	281	787	5,753	207	12,173
Other sales from construction businesses	8,613	1,963	11,655	3,374				25,605
Other revenues	108		3,244	102	52	1,779		5,285
Total sales	**13,167**	**2,032**	**15,529**	**3,757**	**2,508**	**7,532**	**207**	**44,732**
Inter-segment sales	(106)		(73)	(6)	(46)	(28)	(151)	(410)
THIRD-PARTY SALES	**13,061**	**2,032**	**15,456**	**3,751**	**2,462**	**7,504**	**56**	**44,322**
CURRENT OPERATING PROFIT/(LOSS) FROM ACTIVITIES	**413**	**37**	**468**	**130**	**322**	**694**	**(46)**	**2,018**
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(8)		(6)	(29)	(13)	(56)
CURRENT OPERATING PROFIT/(LOSS)	**413**	**37**	**460**	**130**	**316**	**665**	**(59)**	**1,962**
Other operating income						93		93
Other operating expenses	(82)				(15)	(23)	(63)	(183)
OPERATING PROFIT/(LOSS)	**331**	**37**	**460**	**130**	**301**	**735**	**(122)**	**1,872**
Income from net surplus cash/(cost of net debt)	18	(1)	(47)	(8)	(2)	(18)	(140)	(198)
Interest expense on lease obligations	(9)	(1)	(19)	(3)	(3)	(27)		(62)
Income tax	(106)	(11)	(142)	(26)	(56)	(145)	62	(424)
Share of profits/(losses) of joint ventures and associates	5	8	49	5	(49)	(39)	(9)	(30)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**273**	**18**	**300**	**90**	**182**	**485**	**(217)**	**1,131**
Net profit/(loss) from discontinued operations								
NET PROFIT/(LOSS)	**273**	**18**	**300**	**90**	**182**	**485**	**(217)**	**1,131**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**273**	**18**	**292**	**90**	**78**	**439**	**(217)**	**973**

After eliminating (i) the contribution from Equans and (ii) amortisation and impairment of intangible assets recognised in the Equans purchase price allocation (presented within the "Bouygues SA and other" contribution), the current operating profit for 2022 was €1,845 million.

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
2021 INCOME STATEMENT							
Advertising				1,695			1,695
Sales of services	4,277	75	234	661	5,586	213	11,046
Other sales from construction businesses	8,423	2,041	10,386				20,850
Other revenues	70		2,606	71	1,670		4,417
Total sales	**12,770**	**2,116**	**13,226**	**2,427**	**7,256**	**213**	**38,008**
Inter-segment sales	(144)	(1)	(45)	(40)	(30)	(159)	(419)
THIRD-PARTY SALES	**12,626**	**2,115**	**13,181**	**2,387**	**7,226**	**54**	**37,589**
CURRENT OPERATING PROFIT/(LOSS) FROM ACTIVITIES	**342**	**43**	**447**	**348**	**601**	**(47)**	**1,734**
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(7)	(5)	(29)		(41)
CURRENT OPERATING PROFIT/(LOSS)	**342**	**43**	**440**	**343**	**572**	**(47)**	**1,693**
Other operating income					115		115
Other operating expenses		(8)	(10)	(10)	(24)	(23)	(75)
OPERATING PROFIT/(LOSS)	**342**	**35**	**430**	**333**	**663**	**(70)**	**1,733**
Income from net surplus cash/ (cost of net debt)	11		(22)	(2)	(11)	(131)	(155)
Interest expense on lease obligations	(9)	(1)	(15)	(3)	(24)		(52)
Income tax	(117)	(10)	(148)	(70)	(159)	72	(432)
Share of profits/(losses) of joint ventures and associates	25	(2)	22	(29)	(14)	220	222
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**276**	**7**	**263**	**224**	**445**	**90**	**1,305**
Net profit/(loss) from discontinued operations							
NET PROFIT/(LOSS)	**276**	**7**	**263**	**224**	**445**	**90**	**1,305**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**274**	**7**	**253**	**98**	**403**	**90**	**1,125**

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**413**	**37**	**460**	**130**	**316**	**665**	**(59)**	**1,962**
• Interest expense on lease obligations	(9)	(1)	(19)	(3)	(3)	(27)		(62)
Elimination of net depreciation/ amortisation expense and net charges to provisions and impairment losses:								
• Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	186	11	392	41	446	1,122	30	2,228
• Charges to provisions and other impairment losses, net of reversals due to utilisation	(9)	21	121	22	(6)	25	(2)	172
Elimination of items included in “Other income from operations”:								
• Reversals of unutilised provisions and impairment and other items	(145)	(16)	(170)		(20)	(12)	(1)	(364)
EBITDA AFTER LEASES 2022	**436**	**52**	**784**	**190**	**733**	**1,773**	**(32)**	**3,936**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**342**	**43**	**440**	**343**	**572**	**(47)**	**1,693**
• Interest expense on lease obligations	(9)	(1)	(15)	(3)	(24)		(52)
Elimination of net depreciation/ amortisation expense and net charges to provisions and impairment losses:							
• Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	200	11	398	371	1,075	10	2,065
• Charges to provisions and other impairment losses, net of reversals due to utilisation	195	39	169	(5)	5	2	405
Elimination of items included in "Other income from operations":							
• Reversals of unutilised provisions and impairment and other items	(230)	(22)	(164)	(11)	(16)	(1)	(444)
EBITDA AFTER LEASES 2021	**498**	**70**	**828**	**695**	**1,612**	**(36)**	**3,667**

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
BALANCE SHEET AT 31 DECEMBER 2022								
Investments in joint ventures and associates	**119**	**108**	**397**	**15**	**12**	**950** a	**85**	**1,686**
Non-current provisions	**(789)**	**(120)**	**(678)**	**(276)**	**(41)**	**(311)**	**(35)**	**(2,250)**
Current provisions	**(745)**	**(22)**	**(411)**	**(604)**	**(31)**		**(19)**	**(1,832)**
Net debt at 31 December 2022:								
Cash and cash equivalents	5,261	72	471	578	484	39	(1,169)	5,736
Non-current debt	(921)	(28)	(181)	(40)	(108)	(1,942)	(8,366)	(11,586)
Current debt	(12)		(40)	(30)	(51)	(432)	(796)	(1,361)
Overdrafts and short-term bank borrowings	(511)	(200)	(548)	(535)	(1)		1,377	(418)
Financial instruments – Hedging of debt (assets/liabilities)			6	3	2	32	146	189
NET SURPLUS CASH/(NET DEBT) [b]	**3,817**	**(156)**	**(292)**	**(24)**	**326**	**(2,303)**	**(8,808)**	**(7,440)**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
BALANCE SHEET AT 31 DECEMBER 2021							
Investments in joint ventures and associates	**109**	**87**	**370**	**16**	**295** a	**1**	**878**
Non-current provisions	**(791)**	**(112)**	**(845)**	**(46)**	**(260)**	**(39)**	**(2,093)**
Current provisions	**(828)**	**(28)**	**(424)**	**(27)**	**(1)**	**(22)**	**(1,330)**
Net debt at 31 December 2021:							
Cash and cash equivalents	4,956	54	547	384	286	274	6,501
Non-current debt	(885)	(9)	(168)	(109)	(1,671)	(2,963)	(5,805)
Current debt	(5)	(8)	(29)	(72)	(349)	(861)	(1,324)
Overdrafts and short-term bank borrowings	(545)	(179)	(383)	(4)		760	(351)
Financial instruments – Hedging of debt (assets/liabilities)				(1)		39	38
NET SURPLUS CASH/(NET DEBT) [b]	**3,521**	**(142)**	**(33)**	**198**	**(1,734)**	**(2,751)**	**(941)**

(a) Includes SDFAST: €603m as of 31 December 2022 (first-time consolidation), and SDAIF: €290m as of 31 December 2022, €280m as of 31 December 2021.

(b) Contribution at business segment level, including Bouygues Relais and Uniservice intra-group current accounts (these intra-group accounts are eliminated in the "Bouygues SA & other" column).

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2022								
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	440	41	616	164	614	1,743	(294)	3,324
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(101)	(6)	(178)	(59)	(312)	(1,543)	(22)	(2,221)
Repayment of lease obligations (III)	(70)	(9)	(151)	(36)	(21)	(153)	(1)	(441)
FREE CASH FLOW (I) + (II) + (III)	**269**	**26**	**287**	**69**	**281**	**47**	**(317)**	**662**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**(128)**	**(41)**	**(251)**	**210**	**(156)**	**(179)**	**(61)**	**(606)**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2021							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	359	50	702	583	1,562	(91)	3,165
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(71)	(6)	(234)	(331)	(1,331)	(1)	(1,974)
Repayment of lease obligations (III)	(76)	(8)	(110)	(19)	(145)	(3)	(361)
FREE CASH FLOW (I) + (II) + (III)	**212**	**36**	**358**	**233**	**86**	**(95)**	**830**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**274**	**157**	**(140)**	**55**	**(190)**	**48**	**204**

Free cash flow was €168 million lower than in 2021.

After stripping out the €133 impact of the frequency bands acquired in 2022 (see Note 2.7.3):

- free cash flow was €35 million lower year-on-year, at €795 million in 2022 versus €830 million in 2021; and
- free cash flow after changes in working capital requirements was €845 million lower year-on-year, at €189 million in 2022 versus €1,034 million in 2021.

For information, the contribution from Bouygues Energies & Services to key financial indicators for the Bouygues Construction segment is presented below:

	2022	2021
INCOME STATEMENT		
Total sales	**3,863**	3,871
Inter-segment sales	(47)	(51)
THIRD-PARTY SALES	**3,816**	**3,820**
CURRENT OPERATING PROFIT/(LOSS)	**137**	**109**
Other operating income		
Other operating expenses	(10)	
OPERATING PROFIT/(LOSS)	**127**	**109**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**110**	**104**

	2022	2021
BALANCE SHEET AT 31 DECEMBER		
NET SURPLUS CASH/(NET DEBT)	**205**	**594**

Note 18 Financial instruments

The tables below show aggregate notional amounts for each type of financial instrument used as of 31 December 2022, split by residual maturity and by currency.

18.1 Hedging of interest rate risk, foreign exchange risk and commodities risk

18.1.1 Analysis by business segment

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total 31/12/2022	Total 31/12/2021
Forward purchases	463		119	12	6			600	649
Forward sales	343		6	2	14		1	366	332
Currency swaps	10		282	172			1,442	1,906	1,642
Interest rate swaps [a]		1,130	348	1	92	400	4,500 [b]	6,471	3,942
Interest rate options (caps, floors)									800
Commodities derivatives			7					7	7
Other			22 [c]					22	18

(a) This amount relates to fixed rates paid.
(b) Relates to the pre-hedging swap contracted in connection with the financing of the Equans acquisition (see Note 1.2.1).
(c) Cross-currency swap.

18.1.2 Analysis by maturity and original currency

	Maturity				Original currency							
	<1 year	1 to 5 years	>5 years	Total	EUR	USD	CAD	GBP	HKD	CHF	AUD	Other
Forward purchases	548	52		600	182	128	4	18	16	16	212	24
Forward sales	338	28		366	5	42	10	93	77	93	16	30
Currency swaps	1,906			1,906	5	162	348	697	147	257	38	252
Interest rate swaps	4,502	1,175	794	6,471	6,247	152	32	34				6
Interest rate options (caps, floors)												
Commodities derivatives	3	4		7	3	3						1
Other		22 [a]		22								22

(a) Cross-currency swap.

18.2 Market value of hedging instruments

Derivatives recognised as assets	Original currency								Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	CAD	GBP	HKD	CHF	AUD	Other				
Forward purchases	2	2			1		10	1	16		16	
Forward sales	1	1		2					4	1	3	
Currency swaps		1	5	3		1		1	11	4	6	1
Interest rate swaps	188	7						1	196		196	
Interest rate options (caps, floors)												
Commodities derivatives												
Other												
TOTAL ASSETS	**191**	**11**	**5**	**5**	**1**	**1**	**10**	**3**	**227**	**5**	**221**	**1**

Derivatives recognised as liabilities	Original currency								Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	CAD	GBP	HKD	CHF	AUD	Other				
Forward purchases	(3)	(4)							(7)	(3)	(4)	
Forward sales		(1)			(3)	(2)			(6)		(6)	
Currency swaps				(3)	(1)				(4)	(1)	(3)	
Interest rate swaps	(1)			(1)					(2)	(1)	(1)	
Interest rate options (caps, floors)												
Commodities derivatives												
Other								(1)	(1)		(1)	
TOTAL LIABILITIES	**(4)**	**(5)**		**(4)**	**(4)**	**(2)**		**(1)**	**(20)**	**(5)**	**(15)**	
TOTAL, NET	**187**	**6**	**5**	**1**	**(3)**	**(1)**	**10**	**2**	**207** [a]		**206**	**1**

(a) The difference from the value shown in the balance sheet is mainly due to the €1m negative market value of the interest rate swap contracted by Colas for the City of Portsmouth contract, which is entirely offset by the €1m positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a positive market value of €273 million; in the event of a -1.00% movement, it would have a positive value of €143 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 €210 million; in the event of a -1.00% movement, it would have a positive market value of €211 million.

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

Note 19 Off balance sheet commitments

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

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

19.1 Guarantee commitments

									Falling due			
	31/12/2022	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2021
Pledges, mortgages and collateral	150	4		57	89				49	87	14	65
Guarantees and endorsements given	396	69		298		25		4	262	89	45	393
TOTAL GUARANTEE COMMITMENTS GIVEN	**546**	**73**		**355**	**89**	**25**		**4**	**311**	**176**	**59**	**458**
Guarantees and endorsements received	4							4	2	2		6
TOTAL GUARANTEE COMMITMENTS RECEIVED	**4**							**4**	**2**	**2**		**6**
NET BALANCE	**542**	**73**		**355**	**89**	**25**			**309**	**174**	**59**	**452**

In connection with its ordinary activities, the Bouygues 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 by Bouygues in the consolidated balance sheet.

19.2 Miscellaneous contractual commitments

									Falling due			
	31/12/2022	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2021
Image transmission	75					75			24	51		84
Network	4,585						4,585		407	1,570	2,608	4,254
Other items	344			127		170		47	207	56	81	223
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**5,004**			**127**		**245**	**4,585**	**47**	**638**	**1,677**	**2,689**	**4,561**
Image transmission	75					75			24	51		84
Network	4,585						4,585		407	1,570	2,608	4,254
Other items	344			127		170		47	207	56	81	223
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**5,004**			**127**		**245**	**4,585**	**47**	**638**	**1,677**	**2,689**	**4,561**
NET BALANCE												

"Sundry contractual commitments given" relate to (i) service agreements entered into by Bouygues Telecom with owners of towers (TDF, FPS, PFI and Cellnex) and of data centres (Towerlink), and with FTTH fibre optic suppliers, and (ii) quarry operating licence contracts entered into by Colas. Those commitments rose by €422 million during the year, including a net increase of €331 million at Bouygues Telecom.

19.3 Other commitments

Bouygues Telecom

Licences to use frequencies in the 800 MHz and 700 MHz bands

The 20-year licences to use frequencies in the 800 MHz and 700 MHz bands awarded to Bouygues Telecom in 2012 (800 MHz) and 2015 (700 MHz) are subject to an obligation to open the frequencies to MVNOs[a], and to roll out coverage of the French population progressively (98% within 12 years, 99.6% within 15 years – ongoing as of 31 December 2022).

These coverage obligations include a priority roll-out zone defined by Arcep (the French telecoms regulator), to be covered simultaneously by the 700 MHz frequencies (50% by 17 January 2022, 92% by 17 January 2027, 97.7% within 15 years) and the 800 MHz frequencies (90% of the population in less dense areas by 17 January 2022 – this 2022 commitment has been met), and an obligation to provide coverage within each French administrative department (90% within 12 years, 95% within 15 years – ongoing as of 31 December 2022).

The 700 MHz licence includes a new obligation to provide 4G coverage for regular train services on the French railway network (60% in 2022, 80% by 17 January 2027, and 90% by 17 January 2030). The 2022 commitment has been met.

Licence to use frequencies in the 2600 MHz band

The 20-year licence to use frequencies in the 2600 MHz band awarded to Bouygues Telecom in 2011 is subject to an obligation to open the frequencies to MVNOs, and to roll out coverage of the French population progressively (25% within 4 years, 60% within 8 years, 75% within 12 years). This commitment has been met.

This coverage obligation may be fulfilled by any other frequencies owned by Bouygues Telecom. At present, it is primarily fulfilled via Bouygues Telecom's 1800 MHz frequencies that have been refarmed to 4G.

Licence to use technologically equivalent frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands

On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal for Mobile" agreement, aimed at extending quality mobile coverage to all French people. The desired objective of digital roll-out across France led to stringent coverage obligations being imposed on the operators, in return for a ten-year renewal of their licences to use frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands.

Given that Bouygues Telecom's then current licences were due to expire in 2022 (2100 MHz band) and in 2024 (900 MHz and 1800 MHz bands), Arcep (in decision 2018-0680 of 3 July 2018) amended the existing frequency licences to incorporate the new roll-out requirements. Subsequently (in decision 2018-1390 of 15 November 2018), Arcep formally renewed the 900 MHz, 1800 MHz and 2100 MHz licences for a further ten years.

Consequently, Bouygues Telecom now holds licences to use the 900 MHz and 1800 MHz bands until 8 December 2034, and the 2100 MHz band until 11 December 2032. All frequency bands are now technologically equivalent and hence can be used independently for 2G/3G/4G/5G.

Licence to use frequencies in the 3.4-3.8 GHz band (5G)

On 12 November 2020, Arcep issued Bouygues Telecom with a licence to use frequencies in the 3.4-3.8 GHz band in Time Division Duplexing (TDD) mode. The licence was awarded for a fifteen-year period ending on 17 November 2035, and may be extended to 17 November 2040.

Obligations imposed in return for licences to use frequencies in the 900, 1800 and 2100 MHz bands

The coverage obligations imposed on Bouygues Telecom by the decisions renewing the 900 MHz, 1800 MHz and 2100 MHz licences, and met as of 31 December 2022, are as follows:

- Installing 4G capability across all network sites: 100% of existing sites by 9 April 2021 (deadline extended by three months and one week pursuant to Order No. 2020-306 of 25 March 2020 on the extension of administrative deadlines in light of the Covid-19 crisis), except for sites in the "Town Centre Not Spots" programme, of which 75% were upgraded to 4G by 31 December 2020 and 100% by 31 December 2022.
- Covering the strategic road network other than inside vehicles by 9 April 2021 (deadline extended by three months and one week pursuant to Order No. 2020-306 of 25 March 2020 on the extension of administrative deadlines in light of the Covid-19 crisis).
- Covering 90% of the regional rail network by 31 December 2025.

The other obligations imposed on Bouygues Telecom and still ongoing as of 31 December 2022 are as follows:

- Achieving good coverage for 99.6% of the French population (excluding non-European territories and dependencies) by 9 December 2027, rising to 99.8% by 9 December 2031.
- Participating in targeted coverage improvement programmes, with 5,000 zones per operator covered by 2029.

Obligations imposed in return for licence to use frequencies in the 3.4-3.8 GHz (5G) bands

The coverage obligations imposed on Bouygues Telecom in return for the licence to use frequencies in the 3.4-3.8 GHz band are as follows:

- Rolling out a mobile network using the 3.4-3.8 GHz band in France (excluding non-European territories and dependencies): 3,000 mobile network sites by 31 December 2022, 8,000 by 31 December 2024, and 10,500 by 31 December 2025 (25% of them in rural areas or industrial zones outside very dense areas). The 2022 obligation has been met.
- Improving mobile network performance and speed by 31 December 2030: maximum download speed at least 240 mbps at 75% of sites by 31 December 2022, 85% of sites by 31 December 2024, 90% of sites by 31 December 2025 and 100% of sites by 31 December 2030. The 2022 obligation has been met.
- 5G coverage of (i) the entire motorway-grade road network with differential service access, a theoretical maximum download speed of 100 mbps, and a theoretical time lag of less than ten minutes between data packets being supplied to the user at the transmitter's radio layer and received at the receiver's Medium Access Control (MAC) layer by 31 December 2025 and (ii) the standard road network with a theoretical maximum download speed of 100 mbps, by 31 December 2027;
- providing a fixed-line offer via the 5G network from 31 December 2023, a commercial differentiated services offer from 31 December 2023, and providing "vertical" services to all private-sector businesses regardless of the nature of their business, and to public-sector organisations.

(a) Mobile Virtual Network Operators.

Finally, Bouygues Telecom has met the following commitments imposed as part of its obligations:

- hosting MVNOs and offering them a 5G package;
- providing transparency on site outages and rollout projections;
- making the mobile network compatible with Internet protocol version 6 (Ipv6) by 31 December 2020;
- providing coverage inside buildings for businesses and public-sector organisations, and granting requests for connections to Distributed Antenna Systems (DAS) by 18 November 2021; and
- publishing a common specification across all four operators.

Bouygues SA and other

Financing of the Equans acquisition

On 3 December 2021, Bouygues signed a €6 billion syndicated loan facility agreement to finance the acquisition of Equans from Engie. The facility, provided by sixteen participating banks, expires on 4 October 2024. As of 31 December 2022 the facility was drawn down in full; following the four bond issues carried out in 2022 (see Note 1.2.1), the facility amounts to €2.45 billion.

TF1

On 31 December 2021, TF1 subsidiary Newen signed a new lease that falls within the scope of IFRS 16. The related right of use asset and lease obligation (€29 million) were not recognised in the balance sheet as of 31 December 2021 because the lessor had not made the leased asset effectively available as of that date. The asset was made available in the first quarter of 2022, thereby extinguishing the commitment made in 2021.

19.4 Contingent assets and liabilities

None.

Note 20 Employee benefit obligations and employee share ownership

20.1 Average headcount

	2022	2021
Managerial staff	27,404	25,047
Clerical, technical & supervisory staff	22,273	19,541
Site workers	22,897	21,317
SUB-TOTAL - HEADCOUNT FRANCE	**72,573**	**65,905**
Expatriate staff and local employment contracts	74,870	61,399
TOTAL AVERAGE HEADCOUNT	**147,443**	**127,304**

The year-on-year increase of 20,139 in average headcount was mainly due to the inclusion of Equans employees from the fourth quarter of 2022.

20.2 Employee benefit obligations

	31/12/2021	Movements during 2022	31/12/2022
Lump-sum retirement benefits	519	23	542
Long service awards and other benefits	124	21	145
Other post-employment benefits (pensions)	166	(65)	101
TOTAL	**809**	**(21)**	**788**

These obligations are covered by non-current provisions (see Note 6.1).

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

20.3.1 Defined-contribution plans

	2022	2021
Amount recognised as an expense	(2,338)	(2,014)

This defined-contribution expense consists of contributions to:

- public health insurance and supplementary health insurance schemes;
- pension funds (compulsory and supplementary schemes); and
- unemployment insurance funds.

20.3.2 Defined-benefit plans

20.3.2.1 Provisions for retirement benefit and pension obligations

	Lump-sum retirement benefits		Pensions		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Present value of obligation	561	526	2,267	1,865	2,828	2,391
Fair value of plan assets (dedicated funds)	(19)	(7)	(2,506)	(1,893)	(2,525)	(1,900)
Asset ceiling			280	173	280	173
NET LIABILITY RECOGNISED	**542**	**519**	**41**	**145**	**583**	**664**
of which: deficit recognised as a provision	542	519	101	166	643	685
of which: overfunded plans recognised as an asset			(60)	(21)	(60)	(21)
Ratio of plan assets to present value of obligation			x1.11	x1.02		

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

	2022		2021	
	Total	%	Total	%
Equity instruments	(679)	27	(643)	34
Debt instruments	(945)	37	(647)	34
Property	(484)	19	(327)	17
Investment funds	(49)	2	(93)	5
Cash	(70)	3	(25)	1
Other	(298)	12	(165)	9
TOTAL	**(2,525)**	**100**	**(1,900)**	**100**

	Lump-sum retirement benefits		Pensions	
	2022	2021	2022	2021
NET LIABILITY RECOGNISED AT 1 JANUARY	**519**	**527**	**145**	**191**
Current and past service cost	31	37	25	36
Interest cost	4	3	(5)	2
TOTAL EXPENSE RECOGNISED	**35**	**40**	**20**	**38**
Benefits paid	(25)	(36)		
Contributions paid			(46)	(45)
Translation adjustments			1	6
Changes in scope of consolidation	104	1	35 [a]	6
Actuarial (gains)/losses recognised in equity	(92)	(11)	(114)	(54)
Transfers and other movements	1	(2)		3
NET LIABILITY RECOGNISED AT 31 DECEMBER	**542**	**519**	**41**	**145**

(a) Mainly relates to the commitments of Equans as of the date of acquisition by Bouygues.

The amount of contributions to be paid into pension funds in 2023 is estimated at €75 million.

Actuarial gains amounted to €206 million in 2022; they are recognised directly in equity (see Note 5.3.1) and break down as follows:

	Lump-sum retirement benefits		Pensions	
	2022	2021	2022	2021
Analysis of actuarial (gains)/losses recognised in equity				
Effect of changes in demographic assumptions		(7)	1	(29)
Effect of changes in financial assumptions	(115)	(21)	(415)	7
Effect of experience adjustments	23	17	49	(24)
Return on plan assets (excluding financial income)			271	(136)
Effect of asset ceiling			(20)	128
TOTAL	**(92)**	**(11)**	**(114)**	**(54)**

20.3.2.2 Analysis by business segment as of 31 December 2022

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Non-current provisions:								
• lump-sum retirement benefits	160	16	155	100	31	65	15	542
• pensions	50		10	33			8	101
Provisions recognised as liabilities	**210**	**16**	**165**	**133**	**31**	**65**	**23**	**643**
Overfunded plans recognised as an asset	(2)		(46)	(12)				(60)
TOTAL	**208**	**16**	**119**	**121**	**31**	**65**	**23**	**583**

20.3.2.3 Analysis by geographical area as of 31 December 2022

	France and overseas departments	European Union	Rest of Europe [a]	Africa	Americas	Asia-Pacific	Middle East	Total
Non-current provisions:								
• lump-sum retirement benefits	535	1		2	2	2		542
• pensions	9	79	9		4			101
Provisions recognised as liabilities	**544**	**80**	**9**	**2**	**6**	**2**		**643**
Overfunded plans recognised as an asset		(15)	(42)		(3)			(60)
TOTAL	**544**	**65**	**(33)**	**2**	**3**	**2**		**583**

(a) Mainly relates to Switzerland and the United Kingdom.

20.3.2.4 Main actuarial assumptions used to measure lump-sum retirement benefit and pension obligations

	2022	2021
Discount rate for lump-sum retirement benefits [a]	3.56% (iBoxx A10+)	1.01% (iBoxx A10+)
Discount rate for pensions [a]	1.95% to 6.00%	0.20% to 6.00%
Life table	INSEE	INSEE
Retirement age (depending on business segment):		
• Managerial staff	62/65 years	62/65 years
• Clerical, technical & supervisory staff, and site workers	62/65 years	62/65 years
Lump-sum retirement benefits and long-service awards: salary inflation rate [b]	1.65% to 4.13%	1.30% to 3.60%
Pensions: salary inflation rate [b]	1.50% to 4.50%	0.50% to 4.00%

(a) See Note 20.3.2.5 for an analysis of sensitivity to interest rates.

(b) Includes general inflation.

20.3.2.5 Sensitivity analysis of actuarial obligation for lump-sum retirement benefits and pensions

The impact of an additional increase or decrease in discount rates in France and internationally on these obligations is presented below:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	70 basis points	(40)	46
Pensions (outside France)	50 basis points	(85)	87

An increase of 50 basis points in the salary inflation rate in France would require the provision to be increased by €28 million.

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

20.4 Employee share ownership

Stock options

As of 31 December 2022, no stock options were effectively exercisable given that the share price as of that date was €28.04.

Plan grant date	Outstanding options at 31/12/2022	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
28/05/2015	1,914,996	29/05/2017	29/05/2016	37.11	
30/05/2016	1,460,076	31/05/2018	31/05/2017	29.00	
01/06/2017	2,186,160	02/06/2019	02/06/2018	37.99	
01/06/2018	2,301,250	02/06/2020	02/06/2019	41.57	
31/05/2019	2,532,659	01/06/2021	01/06/2020	32.59	
08/10/2020	2,720,000	09/10/2022	09/10/2021	30.53	
02/06/2021	2,703,000	03/06/2023	03/06/2022	34.16	
03/06/2022	2,675,500	6/4/2024	6/4/2023	31.77	
TOTAL	**18,493,641**				

Stock options are effectively exercisable if they meet both of the following conditions:

- they must be legally exercisable as of 31 December 2022, either by normal exercise (two or four years after the plan grant date) or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme; and
- they must be in the money as of 31 December 2022, in other words the exercise price must be less than the closing share price on that date (the last quoted price of 2022), i.e. €28.04.

Note 21 Disclosures on related parties and remuneration of directors and senior executives

21.1 Related party information

	Expenses		Income		Receivables		Payables	
	2022	2021	2022	2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Parties with an ownership interest	2	4						
Joint operations	47	108	419	461	305	312	371	477
Joint ventures and associates	116	143	777	552	404	301	159	140
Other related parties	131	74	234	174	103	100	46	47
TOTAL	**296**	**329**	**1,430**	**1,187**	**812**	**713**	**576**	**664**
Maturity								
• less than 1 year					734	645	576	664
• 1 to 5 years					31	26		
• more than 5 years					47	42		
of which impairment of doubtful receivables (mainly non-consolidated companies)					59	56		

Types of related party transaction:

Transactions between the Bouygues group and related parties mainly comprise:

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

Identity of related parties:

- parties with an ownership interest: the Bouygues group is accounted for by the equity method in the financial statements of SCDM (a company controlled by Martin and Olivier Bouygues), which provides consultancy services in strategy, development, research and analysis into strategic developments and growth of the Bouygues group, major investments and divestments, and multi-year plans;
- joint operations: mainly involves transactions with construction project companies;
- joint ventures and associates: mainly transactions with concession companies and quarry companies; and
- other related parties: mainly involves transactions with non-consolidated companies controlled or jointly controlled by the Group.

21.2 Disclosures about remuneration and benefits paid to directors and senior executives in office on 31 December 2022

Direct remuneration in respect of the 2022 financial year for key executives (the 12 members of the Group Management Committee) amounted to €19,996,349, comprising basic remuneration of €9,249,382 plus variable remuneration of €10,746,967 linked to 2022 performance, including the expense accrued for long-term remuneration arrangements. Remuneration during the year for participating in Board meetings of Bouygues SA and its subsidiaries amounted to €275,144.

Remuneration paid to non-executive directors in respect of directorships held at Bouygues SA and its subsidiaries amounted to €856,833.

Short-term benefits: none.

Post-employment benefits: members of the Group Management Committee are entitled to benefits under a vested-rights supplementary pension scheme, governed by Article L. 137-11-2 of the Social Security Code, which has been contracted out to an insurance company. In 2022, the obligation in respect of members in post as of 31 December 2022 increased by €3,629,644. No payments were made under this scheme in 2022.

In addition, because Olivier Roussat has reached the upper limit under this scheme, he is entitled to a retirement benefit scheme in the form of an award of performance shares. The estimated expense recognised in respect of 2022 is €978,000. This will be converted into performance shares using the quoted market price of Bouygues shares on the day following the Annual General Meeting of 27 April 2023. The resulting shares will not be available until Olivier Roussat retires.

Long-term benefits: none.

Lump-sum retirement and termination benefits: The provision decreased by a net amount of €995,526 during 2022 for members of the Group Management Committee, with an increase in discount rates leading to a reduction in the amount of the obligation.

Stock option plan: none.

Note 22 Additional cash flow statement information and changes in working capital related to operating activities

22.1 Cash flows of acquired and divested subsidiaries

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total 31/12/2022
Non-current assets	44		(122)		111		(6,370)	(6,337)
Current assets	26		22		(16)			32
Non-current liabilities	(1)		16		5			20
Current liabilities	(13)		(11)		32	37		45
Cash	2		(4)		12		242	252
PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF DISPOSALS	**58**		**(99)**		**144**	**37**	**(6,128)**	**(5,988)**
Cash of acquired or divested companies	(2)		4		(12)		(242)	(252)
Net liabilities related to consolidated activities	7	(4)	4	(2)	1	(96)	(7)	(97)
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**63**	**(4)**	**(91)**	**(2)**	**133**	**(59)**	**(6,377)**	**(6,337)**

Acquisitions and divestments in the period generated a net cash outflow of €6,337 million, and mainly comprised:

- Bouygues SA: acquisition of Equans for €6,388 million. After including the €128 million of net debt carried by Equans as of the acquisition date, the impact of the acquisition on net debt was €6,516 million (see Note 1.2.1).
- Colas: acquisition of Hasselmann for €63 million (see Note 1.2.1).
- TF1: divestments of Gamned, Ykone and Unify's Publishers activities for €149 million.
- Bouygues Telecom: movement of €98 million in the BTBD contingent purchase consideration (see Note 9).

22.2 Changes in working capital requirements related to operating activities

Changes in working capital include changes in current provisions recognised in the balance sheet.

	2022	2021
Assets		
Inventories/Programmes/Broadcasting rights	(165)	70
Advances and down-payments made on orders	(70)	51
Trade receivables	(828)	115
Customer contract assets	(196)	(399)
Other current receivables and current financial assets	(134)	(181)
SUB-TOTAL	**(1,393)**	**(344)**
Liabilities		
Trade payables	746	243
Customer contract liabilities	217	98
Current provisions	(109)	49
Other current liabilities and current financial liabilities	(67)	158
SUB-TOTAL	**787**	**548**
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES [a]	**(606)**	**204**

(a) For both assets and liabilities: decreases/(increases) in working capital related to operating activities.

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 and consolidated companies, as expensed through the income statement in 2022 (in thousands of euros).

	2022				2021			
	Mazars network		EY network		Mazars network		EY network	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
A - Audit	**(10,369)**	**96**	**(7,858)**	**92**	**(9,400)**	**97**	**(5,549)**	**92**
• Bouygues SA	(444)		(371)		(244)		(244)	
• Consolidated subsidiaries	(9,925)		(7,487)		(9,156)		(5,305)	
B - Non-audit services	**(435)**	**4**	**(714)**	**8**	**(266)**	**3**	**(514)**	**8**
TOTAL	**(10,804)**	**100**	**(8,572)**	**100**	**(9,666)**	**100**	**(6,063)**	**100**

The increase relative to 2021 was mainly due to fees incurred on the audit of the consolidation package of Equans (acquired on 4 October 2022) and of the allocation of the purchase price to identifiable assets and liabilities.

Non-audit services as shown in the table above mainly comprise assurance or agreed-upon procedure engagements relating to financial data, and procedures performed in connection with the statement on non-financial performance and acquisitions.

The total amount of fees paid to audit firms that do not belong to the network of either of the firms that audit the financial statements of Bouygues SA was €5,801 thousand in respect of the 2022 financial year and €4,072 thousand (mainly PwC for Colas and Deloitte for Equans) in respect of the 2021 financial year (mainly PwC for Colas).

Note 24 List of principal consolidated companies at 31 December 2022

Company	City/Country	% interest		% direct and indirect control [a]	
		2022	2021	2022	2021
FRANCE					
Companies controlled by Bouygues					
Construction and services					
Bouygues Construction SA	**Saint-Quentin-en-Yvelines**	**100.00**	**100.00**		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	100.00	100.00		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	100.00	100.00		
Bouygues TP SA	Saint-Quentin-en-Yvelines	100.00	100.00		
BYTP Régions France SA	Balma	100.00	100.00		
Brézillon SA	Margny-lès-Compiègne	100.00	100.00		
Challenger SNC	Saint-Quentin-en-Yvelines	100.00	100.00		
DTP SAS	Saint-Quentin-en-Yvelines	100.00	100.00		
Linkcity Centre Sud-Ouest (formerly Bouygues Bâtiment Centre Sud-Ouest)	Lormont	100.00	100.00		
Bouygues Energies & Services SAS	Saint-Quentin-en-Yvelines	100.00	100.00		
Bouygues E&S FM France	Saint-Quentin-en-Yvelines	100.00	100.00		
Bouygues Bâtiment Sud-Est	Lyon	100.00	100.00		
Bouygues Bâtiment Grand Ouest	Nantes	100.00	100.00		
Bouygues Construction Central Europe	Saint-Quentin-en-Yvelines	100.00	100.00		
Bouygues Bâtiment Nord-Est	Villeneuve d'Ascq	100.00	100.00		
Linkcity IDF	Saint-Quentin-en-Yvelines	100.00	99.99		
Bouygues Bâtiment IDF PPP SA	Saint-Quentin-en-Yvelines	100.00	100.00		
Linkcity Sud-Est	Lyon	100.00	100.00		
Linkcity Nord-Est	Nancy	100.00	100.00		
Property					
Bouygues Immobilier SAS	**Issy-les-Moulineaux**	**100.00**	**100.00**		
SCCV Lavoisier	Issy-les-Moulineaux	100.00	100.00		
SLC SA	Lyon	100.00	100.00		
Urbis Réalisations SA	Toulouse	100.00	100.00		
Transport infrastructure					
Colas SA and its regional subsidiaries	**Paris**	**96.85**	**96.85**		
Aximum and its subsidiaries	Magny-les-Hameaux	96.85	96.85	100.00	100.00
Colas Rail and its subsidiaries	Courbevoie	96.85	96.85	100.00	100.00
Grands Travaux Océan Indien (GTOI) SA	Le Port (Reunion Island)	96.85	96.85	100.00	100.00
Spac and its subsidiaries	Nanterre	96.85	96.85	100.00	100.00
Energies & Services					
Equans SAS	**Courbevoie**	**100.00**			
Ineo SA and its subsidiaries	Courbevoie	100.00			
Axima Concept and its subsidiaries	Courbevoie	100.00			
Pierre Guerin (Finox)	Mauze-sur-le-Mignon	100.00			
MCI	Gennevilliers	100.00			
Media					
Télévision Française 1 SA	**Boulogne-Billancourt**	**44.51**	**43.68**		
Aufeminin and its subsidiaries	Paris	Divested	43.68		100.00
E-TF1	Boulogne-Billancourt	44.51	43.68	100.00	100.00
TF1 Séries Films	Boulogne-Billancourt	44.51	43.68	100.00	100.00
La Chaîne Info	Boulogne-Billancourt	44.51	43.68	100.00	100.00
Newen and its subsidiaries	Paris	44.51	43.68	100.00	100.00
TFX	Boulogne-Billancourt	44.51	43.68	100.00	100.00
Télé Monte Carlo (TMC)	Monaco	44.51	43.68	100.00	100.00
TF1 Studios	Boulogne-Billancourt	44.51	43.68	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	44.51	43.68	100.00	100.00

Company	City/Country	% interest 2022	% interest 2021	% direct and indirect control [a] 2022	% direct and indirect control [a] 2021
Telecoms					
Bouygues Telecom SA and its subsidiaries	**Paris**	**90.53**	**90.53**		
Bouygues Telecom Business – Distribution BTBD (formerly EIT)	Boulogne-Billancourt	90.53	90.53	100.00	100.00
Other subsidiaries					
Bouygues Relais SNC	Paris	100.00	100.00		
GIE 32 Hoche	Paris	90.00	90.00		
Joint operations					
Construction and services					
Evesa	Paris	47.53 [b]	47.53		
Oc'via Construction	Nîmes	73.21 [c]	73.21		
Joint ventures and associates					
Construction and services					
Consortium Stade de France SA	Saint-Denis	33.33	33.33		
Axione	Malakoff	51.00	51.00		
Property					
SAS NDH	Issy-les-Moulineaux	50.00	50.00		
Associates					
Telecoms					
Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF)	Malakoff	44.36	44.36	49.00	49.00
Société de Développement de la Fibre Au Service des Territoires (SDFAST)	Paris	44.36		49.00	
INTERNATIONAL					
Companies controlled by Bouygues					
Construction and services					
Americaribe LLC	Miami/United States	100.00	100.00		
AW Edwards Pty and its subsidiaries	Northbridge, NSW/Australia	100.00	100.00		
Bouygues Construction Australia Pty	Sydney/Australia	100.00	100.00		
Bouygues Development Ltd	London/United Kingdom	100.00	100.00		
Bouygues Thai Ltd	Bangkok/Thailand	49.00	49.00		
Bouygues UK Ltd	London/United Kingdom	100.00	100.00		
Bouygues E&S Solutions	London/United Kingdom	100.00	100.00		
Bouygues E&S Intec AG (Alpiq Engineering Services)	Olten/Switzerland	100.00	100.00		
Kraftanlagen München GmbH (Alpiq Engineering Services)	Munich/Germany	100.00	100.00		
Bymaro	Casablanca/Morocco	99.99	99.99		
Dragages et TP (Hong-Kong) Ltd	Hong Kong/China	100.00	100.00		
BYME Engineering (Hong Kong)	Hong Kong/China	90.00	90.00		
DTP Singapore Pte Ltd	Singapore	100.00	100.00		
Bouygues E&S Contracting UK	Holytown/Scotland	100.00	100.00		
Bouygues E&S UK	London/United Kingdom	100.00	100.00		
Karmar SA	Warsaw/Poland	100.00	100.00		
Bouygues E&S Schweiz	Zurich/Switzerland	100.00	100.00		
Losinger Marazzi AG	Bern/Switzerland	100.00	100.00		
Losinger Holding AG	Lucerne/Switzerland	100.00	100.00		
Plan Group Inc. and its subsidiaries	Vaughan/Canada	100.00	100.00		
VCES Holding company SRO and its subsidiaries	Prague/Czech Republic	100.00	100.00		
VSL International Ltd	Bern/Switzerland	100.00	100.00		

Company	City/Country	% interest 2022	% interest 2021	% direct and indirect control [a] 2022	% direct and indirect control [a] 2021
Property					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Transport infrastructure					
Colas Australia Group and its subsidiaries	Sydney/Australia	96.85	96.85	100.00	100.00
Colas Belgium and its subsidiaries	Brussels/Belgium	96.85	96.85	100.00	100.00
Colas Canada Inc. and its subsidiaries	Toronto, Ontario/Canada	96.85	96.85	100.00	100.00
Colas CZ	Prague/Czech Republic	95.98	95.98	99.10	99.10
Colas Danmark A/S and its subsidiaries	Glostrup/Denmark	96.85	96.85	100.00	100.00
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.85	96.85	100.00	100.00
Colas Inc. and its subsidiaries	Morristown, New Jersey/United States	96.85	96.85	100.00	100.00
Colas Ltd and its subsidiaries	Birmingham/United Kingdom	96.85	96.85	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.85	96.85	100.00	100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	96.09	96.09	99.22	99.22
Colas Slovakia	Kosice/Slovakia	96.46	96.46	99.60	99.60
Destia Oy and its subsidiaries	Helsinki/Finland	96.46	96.46	99.60	99.60
Colas Polska	Sroda Wlkp/Poland	96.85	96.85	100.00	100.00
Colas Teoranta	Dublin/Irish Republic	96.85	96.85	100.00	100.00
Energies & Services					
Equans Nederland NV and its subsidiaries	Bunnik/Netherlands	100.00			
Equans Techniques SA	Plan les Ouates/Switzerland	100.00			
Equans Services AG	Zurich/Switzerland	100.00			
SPL Powerlines Germany Gmbh	Forchheim/Germany	100.00			
SPL Powerlines UK Ltd	United Kingdom	100.00			
Fabricom	Brussels/Belgium	100.00			
Fabricom Industrie Sud	Fleurus/Belgium	100.00			
Equans Services	Brussels/Belgium	100.00			
Equans FM Consolidation	Newcastle-upon-Tyne/United Kingdom	100.00			
Equans Buildings Ltd	Newcastle-upon-Tyne/United Kingdom	100.00			
Equans Regeneration Consolidation	Newcastle-upon-Tyne/United Kingdom	100.00			
Equans Services Ltd	Newcastle-upon-Tyne/United Kingdom	100.00			
H.T. Lyons Inc.	Houston/United States	100.00			
Unity Electric Co. Inc.	Houston/United States	100.00			
Donnelly Mechanical Corporation	Houston/United States	100.00			
Conti Service LLC	Houston/United States	100.00			
Indicon LLC	United States	100.00			
Media					
iZen and its subsidiaries	Madrid/Spain	34.94	34.94	80.00	80.00
Other subsidiaries					
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		
Joint ventures and associates					
Construction and services					
Bina Fincom	Zagreb/Croatia	50.70	50.70		
Transport infrastructure					
Gamma Materials	Beau Bassin/Mauritius	48.43	48.43	50.00	50.00
Mak Mecsek zrt	Budapest/Hungary	29.05	29.05	30.00	30.00
Tipco Asphalt	Bangkok/Thailand	30.12	30.12	31.10	31.10
Energies & Services					
Vivo Defence Services Limited	Newcastle-upon-Tyne/United Kingdom	50.00			

(a) Where percentage control differs from percentage interest.

(b) 33.00% Bouygues Construction, 15.00% Colas.

(c) 49.00% Bouygues Construction, 25.00% Colas Rail.

In accordance with ANC recommendation 2016-01 of 2 December 2016, a full list of companies included in the consolidation is available from Armelle Gary, Investor Relations Director.