NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31/12/2023

The Saint-Denis Aquatics Centre built by Bouygues Bâtiment Ile-de-France (Bouygues Construction) has four swimming pools, of which two are competition pools, as well as seating for 2,500 spectators.

BOUYGUES

Making progress become reality

1.1.1 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 2023

As of 31 December 2023, the scope of consolidation of Bouygues SA consisted of 1,582 entities, compared with 1,580 as of 31 December 2022.

31 December	2023	2022
Companies controlled by the Group	1,128	1,137
Joint operations	175	172
Joint ventures and associates	279	271
	1,582	**1,580**

A list of the principal entities included in the scope of consolidation is provided in Note 25.

1.2 Significant events

1.2.1 Significant events of 2023

The main corporate actions and acquisitions of 2023 are described below:

- 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).

  The Energies & Services operations of Bouygues, which were part of Bouygues Construction during the 2022 financial year, have been included within the "Equans" IFRS 8 operating segment since the beginning of January 2023. The contribution of the Equans operating segment to the Bouygues group consolidated financial statements for the year ended 31 December 2023 is disclosed in Note 17.

  The transfer was carried out on the basis of the historical carrying amount of the Energies & Services operations in the books of Bouygues Construction as a business combination under common control, and has no impact on the Bouygues consolidated financial statements.

- In October 2019, Free Mobile brought an unfair competition action against Bouygues Telecom in the Paris Commercial Court, alleging that some of Bouygues Telecom's former mobile telephony offers combining a phone plan and the purchase of a handset were allegedly consumer credit transactions and misleading practices. On 9 February 2023, the Paris Commercial Court ordered Bouygues Telecom to pay Free Mobile €308 million in damages and also stated that there must be immediate execution of the ruling; Bouygues Telecom argued that this was incorrect, as the proceedings had been initiated prior to 1 January 2020. Free Mobile decided to enforce the immediate execution of the ruling. As a result, on 16 May 2023 Bouygues Telecom paid Free Mobile the sum of €308 million plus statutory interest and other items, making a total of €310 million (funded out of debt). Bouygues Telecom contests the ruling of the Paris Commercial Court and its immediate execution, and has lodged an appeal with the Paris Court of Appeal. The amount paid was classified within "Other non-current financial assets" in the balance sheet as of 31 December 2023, and the cash outflow is presented within "Other cash flows from investing activities" in the consolidated cash flow statement. Free Mobile has also lodged an appeal against the ruling, and increased the amount claimed in damages to €742 million.

- On 15 February 2023, the France Télévisions, M6 and TF1 groups announced that they had decided to shut down the Salto platform, and to initiate winding-up proceedings with a view to dissolving the company. Salto discontinued its service on 27 March 2023.

  As of 31 December 2022, the accumulated losses arising since the incorporation of Salto were offset in the first instance against the short-term cash advances held in its shareholder current account (regarded as a component of the investment in Salto), with the residual losses recognised as a provision for charges. This position did not change during 2023.

- On 27 June 2023, Bouygues carried out a capital increase of €150 million (inclusive of share premium) in connection with the Bouygues Confiance n°12 employee share ownership plan.

  The capital increase was reserved for employees of French companies belonging to the Group; it was effected via a dedicated mutual fund ("FCPE"), the units in which are subject to a lock-up period of five years except in circumstances where early release is allowed under the law. It led to the issuance of 6,845,564 new Bouygues shares (see Note 5.2) at a subscription price of €21.912.

- On 3 July 2019, the Singapore Appeal Court upheld the decision at first instance ordering Bouygues Construction subsidiary Dragages Singapore to meet the costs of refurbishing all the cladding on the facades of the Centennial Tower (delivered in 1997) following incidents in 2004, and again in 2011, when cladding panels fell from the tower. On 19 April 2023, Dragages Singapore was ordered by the Singapore High Court to pay €39 million.

  On 26 June 2023, under the terms of an appeal procedure and negotiations with the customer, Dragages Singapore signed an agreement in final settlement of the dispute for an amount of €37 million, which was paid during the second quarter of 2023.

- Further to the selection of the TF1 channel by Arcom on 22 February 2023 in the call for bids for a DTT broadcasting licence, TF1 signed a new agreement with Arcom on 27 April 2023 under which it will be able to use the DTT spectrum for a period of ten years starting on 6 May 2023.

  Following a Competition Council ruling on 9 May 2007, the Île-de-France Regional Authority (the "Region") led a series of proceedings in 2008 seeking compensation for losses it claimed to have incurred as a result of anti-competitive practices by construction companies in connection with the award of public works contracts for the renovation of secondary school buildings in the region.

  As the Conflicts Court decided on 16 November 2015 that this dispute came within the jurisdiction of the Administrative Courts, the Region brought a case in the Paris Administrative Court on 28 March 2017, with claims for damages for each school, and for all jointly liable defendants to jointly and severally pay an indemnity of 16.4% of the price paid for each secondary school.

  The Paris Administrative Court ruled that the indemnity claims were time-barred in several judgments dated 29 July 2019.

The Region appealed, and the Administrative Court of Appeal held in two rulings dated 19 February 2021 that the Region's claim was not time-barred and ordered the losses to be assessed by a court-appointed expert.

In two rulings dated 17 May 2023, the Conseil d'État (Supreme Administrative Court) rejected appeals lodged by Bouygues group companies against the aforementioned rulings from the Administrative Court of Appeal.

The expert assessment ordered by the Administrative Court of Appeal in 2021, which had been suspended pending a decision from the Conseil d'État ruling, has resumed.

- On 2 May 2023, the Equans Board of Directors implemented a one-off Performance Management Plan (PMP) designed to incentivise selected Equans managers and to align their interests with the financial objectives set by Bouygues for Equans through to 2027.

  The terms of the plan, and its accounting impacts, are described in Note 2.13.3 and Note 20.4.

- On 30 May 2023, Bouygues announced that it had successfully placed a bond issue of €1 billion with an 8-year maturity (maturing 17 July 2031), bearing interest at 3.875%. The economic cost to the Bouygues group after taking account of pre-hedging is slightly below 1.95%.

- During 2023, Bouygues repaid in full the €2,450 million syndicated loan (see Note 8) contracted in connection with the financing of the Equans acquisition (see Note 1.2.2).

- As mentioned in Note 1.2.2, on 3 November 2015 Bouygues E&S Contracting UK Limited (BYES Contracting) and Full Circle Generation Limited (FCG) signed (i) an engineering, procurement and construction contract (EPCC) and (ii) an operation & maintenance contract (OMC) relating to an Energy from Waste facility in the port of Belfast. The facility was commissioned on 26 March 2020. FCG considers that performance tests conducted since then have proved inconclusive. FCG terminated the EPCC for breach of contract on 5 July 2021, and terminated the OMC on the same grounds on 6 July 2021. BYES Contracting is contesting FCG's right to terminate.

  On 28 March 2022, FCG initiated arbitration seeking compensation for underperformance of the facility. In a submission to the arbitration tribunal on 30 June 2023, FCG valued that compensation at €323.8 million for the EPCC and €88.5 million for the OMC, excluding interest. Proceedings are ongoing, and BYES Contracting contests the FCG claim.

- On 15 September 2023, Equans signed an agreement with the Swiss Life Asset Managers and Schroders Greencoat consortium for the sale of its district heating and cooling networks activities in the UK for a cumulative enterprise value of approximately £260 million (£270 million including IFRS 16 liabilities). The business to be sold, which operates under the name Equans Urban Energy, comprises East London Energy Limited and Equans DE Holding Company Limited. Humber Energy was also to be sold.

  The sale is in line with the Equans strategic plan presented at the Capital Markets Day on 23 February 2023, under which its asset-based activities were to be divested. It has no impact on the revenue and COPA trajectory of Equans as presented at the Capital Markets Day.

  The sale of those activities, excluding Humber Energy, was completed on 31 December 2023 at a cumulative enterprise value of approximately £255 million excluding IFRS 16 liabilities (€284 million, of which €139 million was the selling price for the equity interests), after clearance was obtained from the European Commission and the Cabinet Office.

  The sale of Humber Energy is expected to be finalised during 2024.

  On 10 October 2023, Equans signed an agreement with Essent for the sale of its Aquifer Thermal Energy Storage (ATES) activities in the Netherlands.

  The sale of those activities was completed on 1 December 2023 at an enterprise value of €55 million excluding IFRS 16 liabilities, of which €53 million was the selling price for the equity interests.

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

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

  This transaction is intended to simplify the ownership structure of Colas and of the Bouygues group.

  As of 30 September 2023, a commitment to buy out the remaining non-controlling interests of Colas was recognised within current debt, with the corresponding entry recognised within "Acquisitions and disposals with no change of control" in the consolidated statement of changes in shareholders' equity.

  On 21 November 2023, the AMF validated the draft public tender offer followed by a squeeze-out and draft offer documents that had been filed.

  The buyout of the non-controlling interests of Colas was recognised in "Acquisitions and disposals with no change of control" in the consolidated statement of changes in shareholders' equity, and in "Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders" in the consolidated cash flow statement.

  Following completion of the squeeze-out on 22 December 2023, the Bouygues group owns 100% of the capital of Colas, which has been withdrawn from listing. The net profit of Colas is consolidated on a 100% basis in the Bouygues consolidated financial statements with effect from 1 October 2023.

- On 2 October 2023, Bouygues raised €450 million via tap issues from two existing bonds, with effect from 9 October 2023 (€250 million of nominal value tapped from the bond issue maturing 7 June 2027, and €200 million in nominal value tapped from the bond issue maturing 11 February 2030). The total cash proceeds were €390 million, after a discount of €60 million reflecting movements in interest rates since the initial issue. Following these two tap issues, the average maturity of the Group's bond issues is 8.5 years, at an average interest rate of 3.01% (and an average effective interest rate of 2.25%). The maturity schedule is well spread over time.

1.2.2 Reminder of the significant events of 2022

The main 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.

    On completion of the purchase price allocation period, the provisional goodwill became final; it amounted to €5,205 million as of 31 December 2023 (see Note 3.2.4).

  - 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 amounted to €2.45 billion (repaid in full during 2023; see Note 1.2.1). 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 tranche of €1 billion bearing interest at 2.25%, and a 15-year tranche of €1 billion 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 is being 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 as of 31 December 2022. 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 remained part of Bouygues Construction up to and including 31 December 2022; their contribution to the financial statements for the 2022 financial year is disclosed in Note 17.

    The acquisition costs incurred in connection with Equans were recognised in "Other operating expenses" in the consolidated income statement, and amounted to €71 million in the year ended 31 December 2022 compared with €17 million in 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. No sales were generated in either country in 2022. 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. On completion of the purchase price allocation period, the provisional goodwill became final; it amounted to €44 million as of 31 December 2023 (see Note 3.2.4).
- 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 to the consolidated financial statements for the year ended 31 December 2022), 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.

1.3 Significant events and changes in scope of consolidation subsequent to 31 December 2023

- On 26 February 2024, the Bouygues Board of Directors closed off the consolidated financial statements for the year ended 31 December 2023. Those financial statements will not become final until approved by the Annual General Meeting of Bouygues shareholders on 25 April 2024. That meeting will be asked to approve a dividend of €1.90 per share in respect of the 2023 financial year, to be paid on 3 May 2024.
- Bouygues Telecom will not exercise during 2024 the call option exercisable on or after 15 March 2024 that would enable it to hold a 51% equity interest in SDAIF, the joint venture between Bouygues Telecom and Vauban Infrastructure Partners (see Note 3.2.6.2).
- On 22 February 2024, Bouygues Telecom signed an exclusive memorandum of understanding with the La Poste group with a view to (i) acquiring 100% of its subsidiary La Poste Telecom, France's leading virtual operator (currently held 51% by the La Poste group and 49% by SFR) and (ii) entering into an exclusive distribution partnership involving the La Poste group, La Banque Postale and La Poste Telecom.

  La Poste Telecom employs 400 people, and is expected to generate sales of approximately €300 million in 2023.

  The purchase price for the shares is €950 million, subject to adjustment depending on the timescale to completion of the deal, and corresponding to an enterprise value of €963 million.

  Bouygues Telecom expects to incur integration costs in 2025 and 2026 to ensure optimal conditions for customer migration. On completion of the migration, which would take place in 2027, the contribution from the La Poste Telecom acquisition would reach approximately €140 million a year in EBITDA after Leases from 2028 onwards.

  The transaction requires consultation with employee representative bodies, and is expected to be completed by the end of 2024 subject to the necessary administrative clearances (in particular from the competition authorities) and to SFR choosing not to exercise its pre-emptive rights.

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 (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:
  - Equans, subsequent to its acquisition by Bouygues SA on 4 October 2022 (see Note 1.2.2).
- 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 26 February 2024, and will be submitted for approval by the forthcoming Annual General Meeting on 25 April 2024.

The consolidated financial statements for the year ended 31 December 2023 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 2022.

2.2.1 Changes in accounting standards, rules and policies

The Bouygues group applied the same standards, interpretations and accounting policies in the year ended 31 December 2023 as were applied in its consolidated financial statements for the year ended 31 December 2022, except for changes required to meet new IFRS requirements applicable in 2023.

- Principal amendments effective within the European Union and applicable in 2023
  - **Amendment to IAS 12**

    On 7 May 2021, the IASB issued an amendment to IAS 12 on the initial recognition of deferred taxation relating to assets and liabilities arising from a single transaction. The amendment applies 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 was endorsed by the European Union on 11 August 2022. An impact analysis concluded that the impact on the Group was immaterial, and consequently there has been no restatement of opening shareholders' equity.

  - **Global Minimum Tax (Pillar 2)**

    Bouygues is affected by the Global Minimum Tax, and has initiated a project to compile the data needed to quantify the impact. However, it is unlikely to be material at the level of the taxes actually paid by the Group (€516 million in 2023, €518 million in 2022).

    The non-recognition exception for deferred taxes arising under Pillar 2, as permitted under the amendment to IAS 12 ("Income Taxes") approved by the IASB in May 2023, is applied by the Group.

  - **IFRS 17 – Insurance Contracts**

    On 18 May 2017, the IASB issued a new standard on the recognition, measurement and presentation of insurance contracts, intended to replace IFRS 4. The new standard, which was endorsed by the European Union on 8 September 2022, has an immaterial impact on the Group.

  - **Disclosure of Accounting Policies – Amendment to IAS 1**

    On 1 August 2019, the IASB issued an amendment to IAS 1, requiring entities to disclose material accounting policy information rather than significant accounting policies. The amendment was endorsed by the European Union on 2 March 2022, and has an immaterial impact on the Group.

  - **Definition of Accounting Estimates – Amendment to IAS 8**

    On 12 February 2021, the IASB issued an amendment to IAS 8 which clarified the definition of accounting estimates, but without altering the concept. The amendment was endorsed by the European Union on 2 March 2022, and has an immaterial impact on the Group.

The Bouygues group has not early adopted the IFRS amendments applicable in 2024 as mentioned below.

- IFRS standards, amendments and interpretations effective within the European Union and mandatorily applicable from 1 January 2024
  - **Lease Liability in a Sale and Leaseback – Amendment to IFRS 16**

    On 22 September 2022 the IASB issued an amendment to IFRS 16 on the initial recognition and subsequent measurement of the right-to-use asset and lease liability in a sale and leaseback. This amendment was endorsed by the European Union on 20 November 2023.

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

    Between January 2020 and October 2022, the IASB issued amendments to IAS 1 relating to classification of liabilities as current or non-current, in cases where the liability is subject to covenants or is a convertible debt instrument. The amendments were endorsed by the European Union on 19 December 2023.

- IFRS standards, amendments and interpretations not endorsed by the European Union and mandatorily applicable from 1 January 2024
  - **Supplier Finance Arrangements – Amendment to IAS 7 and IFRS 7**

    On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 relating to disclosures on the effects of supplier finance arrangements (such as reverse factoring) on an entity's financial position, cash flows and exposure to liquidity risk.

An analysis of the impact of those amendments is ongoing; at this stage, the impact on the Group would appear to be immaterial.

- Pension reform in France

  On 15 April 2023, pension reforms that raise the statutory retirement age in France to 64 were published in the Official Journal. The impact of the reforms on the Bouygues group is estimated at €29 million; this relates mainly to Bouygues Construction, TF1, Equans and Bouygues Telecom, and was recognised within "Other operating income" and "Other operating expenses" in the consolidated income statement in the second quarter of 2023 (see Note 13).

2.2.2 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 (Note 3.2.4.2); measurement of identifiable assets and liabilities in a purchase price allocation (Note 3.2.4); employee benefits such as lump-sum retirement benefits and pensions (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. (Notes 6 and 23); 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 (Note 2.7.2); (iii) analysing contingent consideration in business combinations; and (iv) identifying separate performance obligations for revenue recognition purposes.

Management has also exercised judgement in respect of reverse factoring programmes, under which trade accounts payable are assigned to financial institutions. After analysis, such liabilities have been retained within "Trade payables", given that their characteristics have not been substantively altered (see Note 22.3).

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 (see Note 2.2.4).

2.2.3 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.

2.2.4 Climate-related issues

The climate emergency is among the key environmental and societal challenges facing each of the Group's business segments. The Bouygues group climate strategy is built on three pillars: developing a portfolio of solutions that contribute positively to ecological and energy transition; reducing direct and indirect emissions of greenhouse gases (GHG); and implementing a resilience and adaptation strategy.

Principal opportunities and risks identified by the Group

The principal opportunities identified by the Group derive from the development of new solutions that contribute to ecological and energy transition and are based on circular economy principles. At the end of 2022, Bouygues acquired Equans so as to be able to develop a range of decarbonisation solutions for customers.

The principal risks identified by the Group are (i) physical risks and (ii) transition risks, which relate above all to construction activities (which account for over 90% of the Group's GHG emissions).

The consequences of global warming (higher temperatures, drought and floods, coastal erosion, rising sea levels, etc.) may increasingly impair the resilience of infrastructure. The greater incidence of heatwaves and extreme weather events (hurricanes, floods, wildfires, etc.) is also liable to disrupt implementation on some projects; this may impact productivity, operating costs and insurance premiums, with a knock-on effect of the profitability of operations. If such risks crystallise, this could lead to the suspension of operations at production sites in affected regions (triggered, for example, by a cyclone in the Indian Ocean). To the extent that they are not covered by insurance, such risks are incorporated into contract costs as and when they emerge.

Transition risks associated with adaptation to legal, technical or regulatory changes include (i) cross-border carbon adjustment mechanisms (risk of increases in the amount of duties payable and in the cost of raw materials with a high grey energy component, obligations to acquire emission rights, increased infrastructure operation costs, and market uncertainties around projected future carbon taxes on fossil-fuel energy and/or associated regulatory changes); (ii) supply chain risks (risk of late delivery or stockouts, and fluctuations in raw material prices); and (iii) risks related to regulatory requirements (obligation to replace existing technologies with lower GHG emission alternatives).

At present, the impact of the European emissions trading system (EU-ETS) on the Bouygues group is low: only 2% of the Group's scope 1 emissions (i.e. 34,000 tonnes of CO_2 equivalent) are subject to the EU-ETS system. Those emissions relate to mobile and fixed bitumen plants owned and operated by Colas in Belgium, Denmark and France.

Climate strategy and governance

The Bouygues group's climate strategy was established by senior management and signed off by the Board of Directors; roll-out of the strategy is overseen by a cross-functional committee.

Each business segment has developed its own targets for cutting GHG emissions, applying the Science Based Targets initiative (SBTi) methodology. By the end of 2023, the targets set by five of the Group's six business segments had obtained short-term SBTi certification; Equans, which joined the Group in October 2022, is due to submit its targets in early 2024. SBTi validation attests that the commitments made are consistent with currently available scientific climate data and with the Paris Agreement, which sets a target of keeping the increase in average global temperature at well below 2°C above pre-industrial levels, while continuing with efforts to limit the increase to 1.5°C.

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

In 2023, the weighting attached to climate-related criteria in determining variable remuneration was increased from 5% to 10%.

Adaptation strategy and impact on the financial statements

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

In preparing their most recent three-year plans, each business segment presented its strategic plan and decarbonisation trajectory, and the levers for implementation. To ensure that environmental performance can be tracked alongside our financial performance, the climate strategy is being embedded into the Group's management cycle.

Decarbonisation scenarios have been drafted for each business segment, GHG mitigation measures have been defined and actioned in specific priority areas, and new business models founded on circular economy principles are being devised and rolled out. Each business segment now prepares GHG emissions forecasts that spell out how consistency with the strategic plan can be achieved (for example through changes to customer offers, new processes, capital expenditure, or reorganisation of personnel). Key performance indicators linked to decarbonisation levers are monitored annually. In the specific case of low carbon solutions – which are more expensive than traditional solutions – it is considered that the price differential can be passed on to customers.

Longer-term climate challenges are taken into account in goodwill impairment tests by analysing the sensitivity of the calculations to a fall in normative cash flows and growth rates (see Note 3.2.4.2).

Finally, the business segments that generate the highest levels of GHG emissions within the Group (Bouygues Construction and Colas) are also those whose assets have the greatest excess of recoverable amount over carrying amount, which limits the risk of impairment within those cash generating units.

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 2023, Bouygues held, directly or indirectly, 45.4% 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 45.4% 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 2023,

the temporary differences and tax losses available for carry-forward of French entities were measured at the enacted rate of 25.83% for 2023 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.

Right-of use assets relate mainly to the following asset classes:

- Property: commercial leases for sales outlets, and office rentals. Property leases in France are generally long-term contracts, typically "3-6-9" contracts (9-year leases with 3-yearly break clauses).
- Radio transmission sites: as part of its mobile telephony operations, the Group leases land for the installation of radio masts. The Group also has contracts with "towercos" (telecom tower operators), most of which are not subject to IFRS 16 since the towercos enjoy substantive substitution rights, on which basis we have concluded that there is no identified asset.
- Fixed-line network: mainly comprises leases of fibre optic links. In cases where the portion of fibre capacity made available to the Group does not represent substantially all of the asset, the contract is treated as a service agreement outside the scope of IFRS 16.

The Bouygues group applies the two exemptions offered by IFRS 16, relating to short-term leases and assets with a low as-new value. Rental expenses on leases covered by either of those exemptions are recognised in profit or loss, within "External charges" (see Note 13).

In the majority of cases, the enforceable lease term used is the non-cancellable period of the contract during which the lessee has the right to use the underlying asset, after taking account of renewal or termination options that the lessee is reasonably certain to exercise. In the case of radio transmission sites subject to IFRS 16, the enforceable lease term used is the longer of (i) the non-cancellable contractual period or (ii) 17 years, i.e. the average depreciation period for the fixed installations representing the passive infrastructure of the site (such as the concrete plinth and mast).

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.

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 2600 MHz, 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 (2600 MHz, 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).

(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. 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 Bouygues group mainly comprise (i) audiovisual rights owned by TF1 and (ii) intangible assets identified as part of a purchase price allocation in a business combination in accordance with the revised IFRS 3.

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 the TF1 group: 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.

Intangible assets identified in business combinations

This line item mainly comprises brands, customer relationships, order backlogs and internally developed technologies identified in purchase price allocations carried out in connection with business combinations, in accordance with the revised IFRS 3.

Such items are carried in the balance sheet at the fair value recognised on the acquisition date, net of amortisation and impairment.

The fair values of those assets are primarily determined using the following methods:

- Brands and internally developed technologies: relief from royalty method. This approach is based on the present value of the royalties that are saved by owning the brands or technologies outright, and that would have been invoiced in a transaction negotiated between independent parties.
- Order backlogs and customer relationships: super profits method. This approach is based on the present value of the expected future cash flows from customer contracts or customer relationships, net of the return on the assets that contribute to executing the contracts.

All intangible assets other than brands are amortised on a straight line basis over their useful lives, determined as follows:

- Customer relationships: over a period of between 5 and 24 years (average useful life: 14 years).
- Order backlogs: over a period of between 1 and 6 years.
- Internally developed technologies: over a period of between 3 and 6 years.

Brands with indefinite useful lives are not amortised to the extent that the Group has decided to use them.

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, Bouygues Telecom, Bouygues Construction, Colas 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, which is 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, Colas 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, after adding right-of-use assets and deducting lease obligations:

- If the recoverable amount exceeds the carrying amount in both scenarios, sensitivity to each of the parameters is 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.

Indefinite-lived brands must be subject to annual impairment testing.

Because the brands identified in the Equans purchase price allocation do not generate cash flows independently from other assets, they are tested for impairment within the Equans CGU.

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 (which account for the bulk of TF1 group programme inventory) 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 given their short maturities, 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).

The Bouygues group has implemented a number of receivables assignment programmes. An analysis of the risks and rewards as defined in IFRS 9 (mainly where the risk of debtor insolvency, late payment and dilution are substantively transferred to a third party) has led the Group to derecognise virtually all of the receivables assigned under those programmes. In the absence of any transfer, a financial liability is recognised. In the cash flow statement, these programmes are presented within "Changes in working capital requirements related to operating activities".

2.8.5 Customer contract assets

Customer contract assets represent the Group's contingent right to receive consideration for goods and services already transferred to customers, where that right is conditioned on something other than the passage of time. The line item "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, Colas and Equans) 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 2.15.3) 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.
- 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, they are carried at face value in the consolidated financial statements, given that is considered to be a reasonable estimate of their market value.

The Group has implemented reverse factoring programmes, in which trade payables are assigned to financial institutions. Such programmes allow for (i) suppliers to be paid early, sometimes in return for a discount and/or (ii) a negotiated extension of the payment term initially agreed with the supplier. The liabilities covered by those programmes are recognised within "Trade payables". These programmes have no impact on the cash flow statement. Payments are presented within "Changes in working capital requirements related to operating activities" on extinguishment of the liability.

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. As described below, some contracts at Bouygues Telecom and Equans are split into two performance obligations.

Construction businesses

BOUYGUES CONSTRUCTION AND COLAS

Revenue from construction businesses is recognised using the percentage of completion method. How revenue and margin on construction contracts are accounted for depends primarily on:

- revenue estimates for each contract, which build in the latest estimate of the total selling price and take account of claims that have been accepted by the customer or are highly probable;
- total estimated costs to completion;
- percentage of completion, measured:
  - at Bouygues Construction: by reference to progress of the works (output method) or to the cost of completed works (input method);
  - at Colas: revenue is recognised by reference to the cost of completed works (input method), calculated on the basis of costs incurred to date relative to the total expected to fulfil a performance obligation.

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 using the expected cost plus margin approach in accordance with IFRS 15, paragraph 79 .

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

In operation and maintenance contracts, the Group is usually responsible for the provision of services to ensure the availability of energy generation facilities.

Overall, the tasks performed are clearly distinct, in that the customer may benefit from either service independently. However, the conditions for just a single performance obligation are generally met, because:

- how the asset is operated has an impact on maintenance, such that the operation and maintenance elements are highly inter-dependent; and
- the maintenance tasks do not constitute a promise to the customer, but are essential to enable performance of an obligation to make the asset available to generate physical production when required (which is the promise made to the customer).
- There are no specific contractual obligations to fulfil (in particular, there is no obligation to carry out major overhauls on specified dates).

In such cases, revenue is recognised on a percentage of completion basis, by reference to costs incurred or hours of services provided.

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.

For content offers (such as SMS+, special numbers or some TV offers) the Group acts as agent – i.e. as an intermediary in the supply of services by a third party to the end customer – and not as principal. In such cases, 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. Retail and business customers can opt 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 purchase cost of the handset. 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.

2.13.3 Share-based payment

Two types of share-based payment plan are awarded within the Bouygues group:

- stock subscription option plans; and
- performance share plans.

Share-based payments are accounted for in accordance with IFRS 2.

Stock subscription option plans

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 received) is recognised as an employee benefit over the vesting period within "Personnel costs" in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at fair value as of the grant date of the option using the Black & Scholes model, and is not subsequently remeasured.

Performance share plans

- Bouygues SA

Performance share plans awarded by Bouygues SA to members of the Group Management Committee are settled solely by delivery of equity instruments. Consequently, the employee benefit is recognised within "Personnel costs" in the income statement over the vesting period using the same method as that described for stock subscription options above, with the matching entry credited to shareholders' equity. The calculation is based on the probable number of equity instruments expected to be delivered to beneficiaries who remain in service on the date of delivery of the shares; that number may be revised during the vesting period in line with fulfilment of continuing employment and performance conditions.

- Equans

The Equans performance share plan awarded to selected managers is a cash-settled plan, given that Bouygues SA has a commitment to purchase the Equans shares awarded.

Consequently, the employee benefit is recognised within "Personnel costs" over the vesting period (with the matching entry credited to employee-related liabilities), taking account of:

- a fair value determined on the date of grant using (i) a multi-criterion approach (discounted cash flows, deal multiples, stock market multiples), taking account of the absence of any dividends during the vesting period, in the case of ordinary shares and (ii) the Monte Carlo method, in the case of preference shares. That fair value, determined by an independent expert, is remeasured at each annual accounting close; and
- the probable number of equity instruments expected to be delivered to beneficiaries who remain in service on the date of delivery of the shares; that number may be revised during the vesting period in line with fulfilment of continuing employment and performance conditions.

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).

"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").

2.15.2 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.

2.15.3 Net debt/Net surplus cash

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

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.
- non-current and current debt, mainly comprising bond issues, bank borrowings (including any financial liabilities arising from securitised receivables for which the Group does not transfer the risks and rewards), other borrowings, and sundry financial liabilities (contingent purchase consideration, commitments in respect of capital increases and buyouts of non-controlling interests, etc.); 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 €2,720 million, a decrease of €6,194 million, due mainly to the fact that the 2022 figure included the impact of the Equans acquisition (€6,146 million).

	2023	2022
Property, plant and equipment	2,056	2,027
Intangible assets	516	598
Capital expenditure	**2,572** [a]	**2,625** [a]
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	148 [b]	6,289 [d]
Acquisitions of non-current assets	**2,720**	**8,914**
Disposals of non-current assets	(714) [c]	(701) [e]
Acquisitions of non-current assets, net of disposals	**2,006**	**8,213**

(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.
Divestments during 2023 amounted to €714m, mainly comprising (i) the sale of the district urban heating and cooling networks activities in the UK and the Aquifer Thermal Energy Storage activities in the Netherlands by Equans, for €139m and €53m respectively (see Note 1.2.1); (ii) the sale of Branscome, Inc. by Colas for €50m; and (iii) various disposals of intangible assets and property, plant and equipment for €455m.

(d) Includes €6,146m of investments in 2022 associated with the acquisition of Equans.

(e) Divestments during 2022 mainly comprised (i) the sale by TF1 of Ykone for €31m and Unify's Publisher activities for €83m (see Note 1.2.2), 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.

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 eligible and non-eligible CapEx is shown in the table below:

	2023	2022
Capital expenditure (Note 3.1.1)	2,572	2,625
Right of use assets relating to new leases contracted (Note 3.2.2)	979	885
Increases arising from business combinations (Notes 3.2.1, 3.2.2 and 3.2.3) [a]	30	2,388
CapEx under the (EU) 2020/852 taxonomy	**3,581**	**5,898**

(a) Includes €2,360m in 2022 relating to the acquisition of Equans.

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

For an analysis of property, plant and equipment, rights of use of leased assets, intangible assets and investments in joint ventures and associates by business segment, refer to Note 17.

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					
31/12/2021	**2,646**	**15,090**	**3,424**	**668**	**21,828**
Movements during 2022					
Translation adjustments	18	32	3	5	58
Changes in scope of consolidation	138	240	142	109	629
Acquisitions during the period	39	1,135	331	522	2,027
Disposals, transfers and other movements	(59)	(58)	(261)	(391)	(769)
31/12/2022 restated [a]	**2,782**	**16,439**	**3,639**	**913**	**23,773**
Movements during 2023					
Translation adjustments	(13)	(44)	(6)	(1)	(64)
Changes in scope of consolidation [b]	19	(77)	5	(29)	(82)
Acquisitions during the period	54	1,032	566	404	2,056
Disposals, transfers and other movements	(70)	(59)	(133)	(547)	(809)
31/12/2023	**2,772**	**17,291**	**4,071**	**740**	**24,874**
Depreciation and impairment					
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)**
Movements during 2023					
Translation adjustments	7	33	4		44
Changes in scope of consolidation	(1)	1	(1)		(1)
Net expense for the period	(94)	(1,147)	(356)		(1,597)
Disposals, transfers and other movements	58	396	180		634
31/12/2023	**(1,203)**	**(11,512)**	**(2,794)**		**(15,509)**
Carrying amount					
31/12/2022 restated [a]	**1,609**	**5,644**	**1,018**	**913**	**9,184**
31/12/2023	**1,569**	**5,779**	**1,277**	**740**	**9,365**

(a) Property, plant and equipment as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).
(b) Movements relating primarily to the sale by Equans of its district heating and cooling networks activities in the UK and its Aquifer Thermal Energy Storage activities in the Netherlands (see Note 1.2.1).
(c) Includes €10m arising from business combinations (see Note 3.1.2).

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 2023	Total 2022
Colas: orders in progress for plant and equipment [a]	47	3		50	104
Bouygues Telecom: orders in progress for network equipment assets	31	94		125	263
TOTAL	**78**	**97**		**175**	**367**

(a) In the second quarter of 2021, Colas subsidiary McAsphalt Marine Transportation Ltd placed a €22m order for the construction of an asphalt carrier cargo ship. In addition, there were committed orders for plant and equipment of €28m as of 31 December 2023.

3.2.2 Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
31/12/2021	**1,473**	**1,814**	**294**	**3,581**
Movements during 2022				
Translation adjustments	4	(3)	(3)	(2)
Changes in scope of consolidation	300	45	37	382
New leases, lease modifications, and other lease-related movements	208	303	74	585
31/12/2022	**1,985**	**2,159**	**402**	**4,546**
Movements during 2023				
Translation adjustments	4	(2)	(2)	
Changes in scope of consolidation [a]	10	(74)	(2)	(66)
New leases, lease modifications, and other lease-related movements [b]	270	319	87	676
31/12/2023	**2,269**	**2,402**	**485**	**5,156**
Amortisation and impairment				
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)**
Movements during 2023				
Translation adjustments	(3)	1	1	(1)
Changes in scope of consolidation	6	57	4	67
Net expense for the period	(278)	(220)	(85)	(583)
Lease modifications and other lease-related movements	191	58	21	270
31/12/2023	**(984)**	**(1,127)**	**(210)**	**(2,321)**
Carrying amount				
31/12/2022	**1,085**	**1,136**	**251**	**2,472**
31/12/2023	**1,285**	**1,275**	**275**	**2,835**

(a) None of these amounts arose from business combinations in 2023 (see Note 3.1.2).

(b) Includes €979m of right of use assets relating to new leases.

3.2.3 Intangible assets

	Development expenses [c]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31/12/2021	**589**	**4,051**	**4,395**	**9,035**
Movements during 2022				
Translation adjustments		(1)	(5)	(6)
Changes in scope of consolidation	10	300	1,018	1,328
Acquisitions during the period	102	199	366	667
Disposals, transfers and other movements	2	(5)	5	2
31/12/2022 restated [a]	**703**	**4,544**	**5,779**	**11,026**
Movements during 2023				
Translation adjustments		4	(1)	3
Changes in scope of consolidation [b]		(158)	11	(147)
Acquisitions during the period	143	73	300	516
Disposals, transfers and other movements	(4)	(36)	22	(18)
31/12/2023	**842**	**4,427**	**6,111**	**11,380**
Amortisation and impairment				
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)**
Movements during 2023				
Translation adjustments		(1)	(1)	(2)
Changes in scope of consolidation			(11)	(11)
Net expense for the period	(63)	(261)	(410)	(734)
Disposals, transfers and other movements	6	22	24	52
31/12/2023	**(442)**	**(2,631)**	**(4,590)**	**(7,663)**
Carrying amount				
31/12/2022 restated [a]	**318**	**2,153**	**1,587**	**4,058**
31/12/2023	**400**	**1,796** [d]	**1,521** [e]	**3,717**

(a) Intangible assets as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Includes €20m arising from business combinations (see Note 3.1.2).

(c) 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 €71m in 2023 and €63m in 2022.

(d) Includes for Bouygues Telecom: €454m for the 2.6 GHz and 800 MHz frequency user licence; €358m for the 700 MHz user licence; €488m for the 3.5 GHz user licence; and €83m for the 900 MHz, 1800 MHz and 2100 MHz user licence.

(e) Includes €205m for audiovisual rights at TF1, and €989m for intangible assets identified in the Equans purchase price allocation (mainly comprising brands, customer lists, order backlogs and technologies), against which accumulated amortisation of €74m has been charged (including €61m in 2023).

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 2023	Total 2022
Audiovisual rights	32	17		49	42
TOTAL	**32**	**17**		**49**	**42**

[illegible]

	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			
Changes in scope of consolidation	5,093	58	5,151
Impairment losses			
Other movements (including translation adjustments)	25		25
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			
Changes in scope of consolidation	35		35
Impairment losses		(3)	(3)
Other movements (including translation adjustments)	6	(2)	4
[illegible]	[illegible]	[illegible]	[illegible]

(a) Goodwill as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet.

Goodwill recognised on the Equans acquisition amounts to €5,205 million, and became final during 2023. It mainly represents (i) the value of paid-for synergies; (ii) contracts and future customer relationships; and (iii) the workforce and its expertise.

The final goodwill is €4 million lower than the amount reported as of 31 December 2022, following the finalisation of the Equans opening balance sheet during the third quarter of 2023 in light of further information obtained about facts and circumstances that existed at the acquisition date. In accordance with the revised IFRS 3, the assets and liabilities recognised at the acquisition date may be adjusted retrospectively during the 12 months following the acquisition date. The principal adjustments made for the purposes of the final purchase price allocation, as compared with the provisional allocation reported as of 31 December 2022, are described below and mainly comprise:

- Review of assumptions used to measure the risks covered and alignment of accounting policies and methods in respect of current and non-current provisions, and contingent liabilities, which had the effect of increasing goodwill by €94 million.
- Remeasurement of Equans concession assets (including assets relating to the district heating and cooling networks activities in the UK and the Aquifer Thermal Energy Storage activities in the Netherlands, which were sold on 31 December 2023 – see Note 1.2.1), which had the effect of reducing goodwill by €92 million.

The updating of the purchase price allocation had no material impact on the income statement either for the fourth quarter of 2022, or for the previously-published interim periods of 2023.

The opening balances of the balance sheet line items affected by these adjustments have been restated in the notes to the consolidated financial statements for the year ended 31 December 2023.

	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
of which property, plant & equipment, right-of-use assets and intangible assets	*(1,341)*	*5*	*(1,336)*
[illegible]	[illegible]	[illegible]	[illegible]
of which trade receivables	*(2,218)*	*(8)*	*(2,226)*
of which customer contract assets	*(2,483)*	*(3)*	*(2,486)*
[illegible]	[illegible]	[illegible]	[illegible]
of which non-current provisions	*294*	*25*	*319*
[illegible]	[illegible]	[illegible]	[illegible]
of which current provisions	*592*	*69*	*661*
of which trade payables	*2,179*		*2,179*
of which customer contract liabilities	*1,922*		*1,922*
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
of which brands	*(419)*		*(419)*
of which internally developed technologies	*(10)*		*(10)*
of which order backlogs	*(78)*		*(78)*
of which customer relationships	*(482)*		*(482)*
of which concession assets		*(92)*	*(92)*
[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]

In accordance with the revised IFRS 3 and IAS 12, Bouygues has measured and recognised deferred tax assets and liabilities using the tax rate applicable in each entity or region in which the relevant asset or liability is located. The main deferred tax impacts are (i) deferred tax assets in respect of future tax savings and (ii) deferred tax liabilities arising from remeasurement of acquired assets.

The goodwill arising on the acquisition of Hasselmann became final on 30 September 2023, and was determined as follows:

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Non-current assets	(11)
Deferred tax assets	(35)
Non-current liabilities	8
Current liabilities	11
[illegible]	
Remeasurement of acquired intangible assets	
Remeasurement of acquired property, plant and equipment	
Other remeasurements (including deferred taxes)	
[illegible]	
[illegible]	[illegible]
Translation adjustments	
[illegible]	[illegible]

Goodwill of joint ventures and associates is presented in Note 3.2.6.

[illegible]

€	[illegible]	[illegible]
TF1	15.17	7.14

[illegible]

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

	[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bouygues Construction [b]	257	100.00	1,160	100.00
Colas [c]	1,545	100.00	1,562	96.85
Equans [c]	6,148	100.00	5,205	100.00
TF1 [c]	1,307	45.40	1,299	44.51
Bouygues Telecom [c]	3,401	90.53	3,396	90.53
[illegible]	[illegible]		[illegible]	

(a) Goodwill as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet.

(b) Only includes goodwill on subsidiaries acquired by the CGU. Includes goodwill on Energies & Services activities for 2022.

(c) Goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU. With effect from 1 January 2023, the goodwill on the Energies & Services activities (included in the books of Bouygues Construction as of 31 December 2022) is allocated to Equans (see Note 1.2.1).

INFORMATION ABOUT IMPAIRMENT TESTING OF GOODWILL AS OF 31 DECEMBER 2023

- 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 (see Note 2.2.4).

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 discount rates (weighted average cost of capital) and growth rates used as of 31 December 2023 were as follows:

%	Discount rate 2023			Discount rate 2022		
	Scenario 1 [a]	Scenario 2 [a]	Perpetual growth rate 2023	Scenario 1 [a]	Scenario 2 [a]	Perpetual growth rate 2022
Bouygues Construction	7.1	6.6	2	6.7	6.3	2
Colas	7.4	6.9	2	6.9	6.5	2
Equans	8.2	7.6	2	7.3	6.8	2
TF1	7.3	6.8	1	6.7	6.3	1
Bouygues Telecom	5.0	4.7	2	4.5	4.3	2

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

As of 31 December 2023, 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. In the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate (for example as a result of negative climate impacts), the recoverable amounts of the assets of Bouygues Construction and Colas would remain greater than their carrying amount.

- In 2024, Equans will continue to roll out its strategic plan, retaining its focus on improving performance in a buoyant market and favouring profitability over volume. Sales for 2024 will be close to the 2023 level, reflecting (i) the impact of growth in Equans' markets; (ii) changes in the scope of consolidation resulting from the sale of the asset-based activities at the end of 2023; and (iii) a selective approach to contracts strategy.

  Equans is aiming for:

  - an acceleration in organic sales growth from 2025 to levels comparable with the market;
  - a current operating profit from activities (COPA) margin objective of close to 4% in 2025 and 5% in 2027; and
  - a cash conversion rate, expressed as COPA to cash flow before working capital requirements, in a range of 80%-100%.

- The business plans used for TF1 were prepared on the basis of revenue growth rates and operating margins consistent with the TF1 group's digital ambitions, and take account of factors including:

  - the impacts of the economic situation and competitive environment, and trends in how content is consumed and advertising media spend;
  - the acceleration of the transformation of the TF1 group, and the organic expansion of its activities;
  - factors related to the Group's Climate strategy, as presented in Note 2.2.4;
  - the implementation of the Group's new digital acceleration ambitions, which are built on the following strategic orientations:
    - in linear TV, strengthening market share through premium content and differentiating reach;
    - ambition to become France's No. 1 free streaming platform, available as the first-choice display option on all IPTV and OTT TV screens;
    - monetising a unique line of serialised, family-friendly premium content; and
    - developing Newen Studios, primarily through organic growth.

- 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 3 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 2024, Bouygues Telecom is predicting:
    - an increase in sales billed to customers;
    - EBITDA after Leases of over €2 billion;
    - approximately €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 (excluding frequency bands) of around €1.5 billion out 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	11.0	(43.1)	(48.0)	(3.3)	(3.8)
Bouygues Telecom	6.2	(31.6)	(37.7)	0.7	0.4

(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 exceed the carrying amount by €179 million under scenario 1, and by €274 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 €613 million under scenario 1 and by €751 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 €1,400 million lower than the carrying amount under scenario 1, and €815 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 €778 million under scenario 1 and by €1,519 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.

IMPAIRMENT TESTING OF BRANDS AS OF 31 DECEMBER 2023

The main brands recognised in the Bouygues group consolidated financial statements as of 31 December 2023 are those that were identified in connection with the acquisition of Equans on 4 October 2022, and measured at €419 million.

During 2023, the Group reviewed the valuation of those brands as part of the impairment testing conducted on the Equans goodwill. Those tests did not reveal any indication of impairment.

3.2.5 Other non-current assets

As of 31 December 2023, these comprised:

- investments in joint ventures and associates accounted for by the equity method: €1,758 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €945 million; and
- deferred tax assets: €511 million.

		Other non-current financial assets			
	Investments in joint ventures and associates [b]	**Investments in non-consolidated companies**	**Other non-current financial assets [c]**	**Total**	**Deferred tax assets [d]**
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	(16)	59	43	222
31/12/2022 restated [a]	**1,686**	**115**	**465**	**580**	**483**

(a) Investments in non-consolidated companies as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

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

(c) Net of impairment allowances of €18m against other non-current financial assets (see Note 4.6).

(d) See Note 7.

	Investments in joint ventures and associates [b]	Other non-current financial assets: Investments in non-consolidated companies	Other non-current financial assets: Other non-current financial assets [c]	Other non-current financial assets: Total	Deferred tax assets [d]
31/12/2022 restated [a]	**1,686**	**115**	**465**	**580**	**483**
Movements during 2023					
Translation adjustments	(7)		(3)	(3)	2
Acquisitions		12	85	97	
Share of profits/(losses) for period, net change in provisions and impairment allowances, and changes in fair value through profit or loss	59	(4)		(4)	
Other income and expense recognised directly in equity	(41)	(5)	1	(4)	13
Dividend distributions, capital increases, inter-account transfers, changes in scope of consolidation and other movements	61	(9)	288	279	13
31/12/2023	**1,758**	**109**	**836**	**945**	**511**

(a) Investments in non-consolidated companies as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Includes goodwill on joint ventures and associates: €140m as of 31 December 2023.

(c) Net of impairment allowances of €21m against other non-current financial assets (see Note 4.6).

(d) See Note 7.

3.2.6 Investments in joint ventures and associates

	Share of net assets held	Goodwill on joint ventures & associates	Carrying amount
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		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**
Movements during 2023			
Share of profit/(loss) for period	61 [a]	(2)	59
Translation adjustments	(7)		(7)
Other income and expense recognised directly in equity	(41) [c]		(41)
Net profit/(loss) and recognised income/(expense) for the period	**13**	**(2)**	**11**
Dividend distributions, capital increases, inter-account transfers, changes in scope of consolidation and other movements	53	8	61
31/12/2023	**1,618**	**140**	**1,758** [b]

(a) Excluding impairment losses on goodwill.

(b) Includes €559m for SDFAST and €270m for SDAIF (see Note 3.2.6.2).

(c) Mainly at Bouygues Telecom (€36m, including remeasurements of financial instruments of €13m at SDFAST and €10m at SDAIF).

A list of the principal joint ventures and associates in which the Bouygues group holds an interest is provided in Note 25.

The carrying amount of investments in joint ventures and associates rose by €72 million in 2023. This mainly reflects (i) capital increases of €120 million, including €109 million at Bouygues Telecom (€52 million for Phoenix France Infrastructures, €49 million for Nexloop and €8 million for Cellnex France Infrastructures) and (ii) €59 million for the share of the net profits of joint ventures and associates, partly offset by (iii) dividends received of €94 million (including €51 million at Colas).

As of 31 December 2023, the total carrying amount of €1,758 million included €549 million for joint ventures (Note 3.2.6.1) and €1,209 million for investments in associates (Note 3.2.6.2).

3.2.6.1 Joint ventures

	31/12/2022	Net movement in 2023	31/12/2023	of which: share of profit/loss and impairment losses
Miscellaneous joint ventures	314	8	322	41
VIVO (Equans)	121	15	136	15
Axione (2023 Equans, 2022 Bouygues Construction)	90	1	91	12
TOTAL	**525**	**24**	**549**	**68**

"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

	31/12/2022	Net movement in 2023	31/12/2023	of which: share of profit/loss and impairment losses
Bouygues SA				
Miscellaneous associates	(11)	11		
Bouygues Construction				
Concession companies	8	1	9	7
Miscellaneous associates	3	3	6	
Bouygues Immobilier				
SAS Les jardins d'Arcadie Exploitation	5		5	
Miscellaneous associates	4		4	
Colas				
Tipco Asphalt (Thailand)	142	(3)	139	19
Mak Mecsek zrt (Hungary)	35	(3)	32	2
Miscellaneous associates	14	(1)	13	7
Equans				
Miscellaneous associates	5	3	8	(1)
TF1				
Salto				2
Miscellaneous associates	5	(1)	4	(3)
Bouygues Telecom				
SDFAST	603	(44)	559	(31)
SDAIF	290	(20)	270	(10)
Nexloop	48	52	100	8
Miscellaneous associates	9	51	60	(9)
TOTAL	**1,160**	**49**	**1,209**	**(9)**

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 1.2.2).

Bouygues Telecom will carry out a €50 million equity injection in 2028.

Bouygues Telecom has an option to acquire 2% of the shares of SDFAST between 31 July and 31 December every year from 2031 to 2033, and then every five years from 2036 to 2056. Bouygues Telecom will then be able to buy out the residual equity interest between 1 October and 31 December every five years from 2046 to 2056.

The carrying amount of SDFAST in the Bouygues financial statements as of 31 December 2023 was €559 million, down €44 million year-on-year after taking account of a €31 million share of the net loss for 2023 and a decrease of €13 million due to remeasurements of financial instruments net of deferred taxes.

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

Amounts shown are for 100% of investee	SDFAST	
	31/12/2023	31/12/2022
Non-current assets	2,155	1,974
Current assets	318 [a]	369 [b]
TOTAL ASSETS	**2,473**	**2,343**
Shareholders' equity	1,140	1,230
Non-current liabilities	1,098 [a]	781 [b]
Current liabilities	235	332
TOTAL LIABILITIES	**2,473**	**2,343**
SALES	**369**	**49**
NET PROFIT	**(63)**	**(45)**

(a) Includes €921m of net debt.

(b) Includes €563m of net debt.

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

	31/12/2023	31/12/2022
SDFAST: SHAREHOLDERS' EQUITY	**1,140**	**1,230**
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS (Bouygues share: 49%)	**559**	**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 Telecom will carry out a €30 million equity injection on the earlier of (i) exercise of the first partial call option in 2024 or (ii) 31 December 2024.

Bouygues Telecom has an option to buy 2% of the shares of SDAIF between 15 March and 15 June every year from 2024 to 2027, and then every five years from 2030 to 2050. Bouygues Telecom will then be able to buy out the residual equity interest between 15 March and 15 June every year from 2040 to 2050.

The carrying amount of SDAIF in the Bouygues financial statements as of 31 December 2023 was €270 million, down €20 million year-on-year, after taking account of a €10 million share of the net loss for the period and a decrease of €10 million due to remeasurements of financial instruments net of deferred taxes.

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

Amounts shown are for 100% of investee	SDAIF	
	31/12/2023	31/12/2022
Non-current assets	1,477	1,466
Current assets	228 [a]	218 [b]
TOTAL ASSETS	**1,705**	**1,684**
Shareholders' equity	552	592
Non-current liabilities	1,092 [a]	1,003 [b]
Current liabilities	61	89
TOTAL LIABILITIES	**1,705**	**1,684**
SALES	**366**	**162**
NET PROFIT	**(19)**	**(25)**

(a) Includes €916m of net debt.

(b) Includes €875m of net debt.

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

	31/12/2023	31/12/2022
SDAIF: SHAREHOLDERS' EQUITY	**552**	**592**
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS (Bouygues share: 49%)	**270**	**290**

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:

	31/12/2023		31/12/2022 restated [a]	
Investment	**Fair value**	**% interest**	**Fair value**	**% interest**
French companies				
Alstom	**7**	**0.15**	**13**	**0.16**
Bouygues Construction				
Bouygues Construction Airport Concessions Europe SAS	6	51	4	51
Bouygues Telecom				
Recommerce Solutions	4	4	4	3
Equans				
PGH2		100	3	100
Mecanuc	3	100		
SUB-TOTAL	**20**		**24**	
Foreign companies				
Bouygues Construction				
Cross Yarra Partnership (Australia)	16	10	16	10
Jamaican Infrastructure Operators Ltd (Jamaica)	7	49	7	49
Bouygues SA				
Alice Technologies Inc (USA)	5	5	5	5
SUB-TOTAL	**28**		**28**	
Asphalt, binder and quarry companies (Colas) [b]	**9**		**9**	
Other investments [b]	**52**		**54**	
TOTAL	**109**		**115**	

(a) Investments in non-consolidated companies as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) 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.

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

	31/12/2023	31/12/2022
Advances to non-consolidated companies	72	71
Loans receivable	177	193
• Deposits and caution money paid (net) [a]	467	162
• Other long-term investments [b]	120	39
Other financial assets	587	201
Other non-current financial assets	**836**	**465**

(a) The increase of €305m in "Deposits and caution money paid (net)" in 2023 is mainly due to the payment of €310m in damages to Free Mobile (see Note 1.2.1).

(b) The increase of €81m in "Other long-term investments" versus 2022 is mainly due to €79 million of investments into the Isai Build Venture Fund, the interest in which is classified within "Other financial assets at fair value through OCI".

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 [b] [c]	Financial assets at fair value through profit or loss [d]	Financial assets at amortised cost [e]	Total
31/12/2022 restated [a]	**63**	**91**	**426**	**580**
Movements during 2023	73	2	290	365
31/12/2023	**136**	**93**	**716**	**945**
Due within less than 1 year			28	28
Due within 1 to 5 years			109	109
Due after more than 5 years	136	93	579	808

(a) Investments in non-consolidated companies as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Mainly relates to investments in non-consolidated companies (€25m at 31 December 2023) and other long-term investments (€111m at 31 December 2023), which are measured at fair value (levels 1 and 3 in the fair value hierarchy).

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

(d) Mainly relates to investments in non-consolidated companies (€84m at 31 December 2023), which are measured at fair value (level 3 in the fair value hierarchy).

(e) 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	31/12/2023
Financial assets at fair value through OCI [a]	7		129	136
Financial assets at fair value through profit or loss			93	93
Net cash position	4,907			4,907
Financial instruments (net) and other current financial assets and liabilities	14			14

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

Note 4 Current assets

4.1 Inventories

	31/12/2023			31/12/2022		
	Gross value	Impairment [a]	Carrying amount	Gross value	Impairment [a]	Carrying amount
Property development inventories	1,323	(141)	1,182 [b]	1,424	(163)	1,261
Raw materials and finished goods	1,476	(116)	1,360	1,610	(128)	1,482
Programmes and broadcasting rights	441	(59)	382	471	(83)	388
TOTAL INVENTORIES	**3,240**	**(316)**	**2,924**	**3,505**	**(374)**	**3,131**

(a) Includes:

	31/12/2023	31/12/2022
• impairment losses charged in the period	(79)	(79)
• impairment losses reversed in the period	136	85

(b) Includes Bouygues Immobilier: properties under construction €1,060m; 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	31/12/2023	31/12/2022
ACQUISITIONS OF LAND BANKS (Bouygues Immobilier) [a]	**516**			**516**	**710**
FORWARD GAS AND ELECTRICITY PURCHASES (Equans) [b]					**4**
Programmes and broadcasting rights	518	447	6	971	703
Sports transmission rights	72	224		296	339
RIGHTS ORDERED BUT NOT YET AVAILABLE FOR TRANSMISSION (TF1) [c]	**590**	**671**	**6**	**1,267**	**1,042**
AGREEMENTS TO SECURE HANDSET SUPPLIES (Bouygues Telecom) [d]	**424**			**424**	**579**

(a) Acquisitions of land banks consist of signed firm commitments subject to conditions, where Bouygues Immobilier is obliged to purchase the land if the conditions are met (usually, obtaining the building permit).
(b) Following the sale of the district heating and cooling networks in the United Kingdom (see Note 1.2.1), there are no longer any firm gas and electricity purchase commitments in the books of Equans as of 31 December 2023.
(c) Includes contracts denominated in foreign currencies of €27m as of 31 December 2023 (all in USD), compared with €33m as of 31 December 2022 (all in USD).
(d) Handset supplies are generally secured under triennial contracts with handset suppliers, which set a minimum quantity. The supplier undertakes to supply the handsets, and Bouygues Telecom to purchase the agreed quantity.

4.2 Advances and down-payments made on orders

	31/12/2023			31/12/2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	408		408	423	(1)	422

4.3 Trade receivables, tax assets and other current receivables

	31/12/2023			31/12/2022 restated [a]		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	10,561	(861)	9,700	10,458	(877)	9,581
Customer contract assets	5,610		5,610	5,598		5,598
Current tax assets (receivable)	244	(8)	236	313	(4)	309
Other current receivables and prepaid expenses:						
• Employees, social security, government and other receivables	2,332	(9)	2,323	2,127	(9)	2,118
• Sundry receivables	1,206	(88)	1,118	1,578	(78)	1,500
• Prepaid expenses	1,040		1,040	878		878
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**4,578**	**(97)**	**4,481**	**4,583**	**(87)**	**4,496**
TOTAL	**20,993**	**(966)**	**20,027**	**20,952**	**(968)**	**19,984**

(a) Other current receivables and prepaid expenses as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

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	31/12/2023	31/12/2022 restated [a]
Trade receivables	6,468	2,665	399	1,029	10,561	10,458
Impairment of trade receivables	(23)	(95)	(82)	(661)	(861)	(877)
TOTAL TRADE RECEIVABLES	**6,445**	**2,570**	**317**	**368**	**9,700**	
31/12/2022 restated [a]	6,845	1,805	323	608		9,581

(a) Trade receivables as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

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

	31/12/2022 restated [a]	Movements during 2023: Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2023	Falling due: Less than 1 year	More than 1 year
Customer contract origination costs	361		1	108	470	381	88
Customer contract execution costs	949		(1)	77	1,025	147	878
Differences relating to percentage of completion on contracts [b]	4,288	9	16	(198)	4,115	4,115	
TOTAL CUSTOMER CONTRACT ASSETS	**5,598**	**9**	**16**	**(13)**	**5,610**	**4,643**	**966**

(a) Customer contract assets as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).
(b) Comprises unbilled receivables on construction contracts at Bouygues Construction, Bouygues Immobilier, Colas and Equans.

4.5 Cash and cash equivalents

	31/12/2023			31/12/2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
TOTAL	**5,548**		**5,548**	**5,736**		**5,736**

These investments meet the IAS 7 criteria in that they are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The majority of these investments are in the form of:

- instant-access bank deposits;
- negotiable debt instruments and term deposits with a term of less than three months on inception, or where the bank offers a withdrawal option within less than three months; and
- UCITS that fall within the AMF "money-market" or "short-term money-market" classifications.

Surplus cash is invested with high-quality French and foreign banks.
Cash and 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 2023.

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 31/12/2023	Total 31/12/2022
Cash and cash equivalents	4,028	570	22	58	77	154	73	566	5,548	5,736
Overdrafts and short-term bank borrowings	(413)	(21)	(31)	(20)	(38)	(6)	(53)	(59)	(641)	(418)
Total 31/12/2023	**3,615**	**549**	**(9)**	**38**	**39**	**148**	**20**	**507** [a]	**4,907**	
Total 31/12/2022	4,283	226	(33)	(2)	118	231	134	361		5,318

(a) "Other currencies" relate mainly to sub-Saharan Africa (€142m), Asia-Pacific (€128m), North Africa (€48m), and the Middle East (€14m).

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

				Charges and reversals through current operating profit					
	31/12/2022 restated [a]	Translation adjust-ments	Change in scope of consolida-tion	Depre-ciation, amorti-sation and impair-ment losses [b]	Other impair-ment losses & provi-sions, net	Reversals (un-utilised)	Other impair-ment losses & other provisions [c]	Other move-ments	31/12/2023
Property, plant and equipment and intangible assets	(21,557)	42	(13)	(2,328) [d]			(3)	687 [e]	(23,172)
Right of use of leased assets	(2,074)	(1)	67	(577)			(6)	270 [f]	(2,321)
Goodwill	(54)				(3)			(2)	(59)
Goodwill on joint ventures & associates	(52)						(2)		(54)
Other non-current financial assets	(18)				(2)			(1)	(21)
SUB-TOTAL: NON-CURRENT ASSETS	**(23,755)**	**41**	**54**	**(2,905)**	**(5)** [d]	[d]	**(11)** [d]	**954**	**(25,627)**
Inventories	(374)		1		22	35			(316)
Trade receivables	(877)	1	1		(22)	35		1	(861)
Cash equivalents									
Other current receivables & prepaid expenses	(91)				(8)	2	(8)		(105)
SUB-TOTAL CURRENT ASSETS	**(1,342)**	**1**	**2**		**(8)**	**72**	**(8)**	**1**	**(1,282)**
TOTAL ASSETS	**(25,097)**	**42**	**56**	**(2,905)**	**(13)**	**72** [g]	**(19)**	**955**	**(26,909)**
Non-current provisions	2,275	3	(4)		53 [d]	(92) [d]	95 [d]	66	2,396
Current provisions	1,901	(12)	(1)		268	(166)	(2)	14	2,002
TOTAL LIABILITIES	**4,176**	**(9)**	**(5)**		**321**	**(258)** [g]	**93**	**80**	**4,398**

(a) Impairment of trade receivables, current provisions and non-current provisions as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Depreciation, amortisation and impairment losses on property, plant and equipment, intangible assets, and right of use of leased assets.

(c) Mainly recognised in “Other operating income and expenses” or “Other financial income and expenses”.

(d) The net aggregate amount of depreciation, amortisation, provisions and impairment is reversed out in the consolidated cash flow statement.

(e) Mainly a reduction in depreciation following disposals or retirements of plant and equipment including €106m for Bouygues Construction, €284m for Colas and €216m for Bouygues Telecom.

(f) Due mainly to lease amendments, resulting in partial derecognition of right of use assets.

(g) Unutilised reversals of €330m, as shown in a footnote to the consolidated income statement alongside the effects of loss of control (€8m).

Note 5 Consolidated shareholders' equity

5.1 Shareholders' equity at 31 December 2023 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	31/12/2023
Attributable to the Group	382	2,364	809	2,187	6,124	(123)	665	12,408
Attributable to non-controlling interests					1,728		(24)	1,704 [a]
TOTAL SHAREHOLDERS' EQUITY	**382**	**2,364**	**809**	**2,187**	**7,852**	**(123)**	**641**	**14,112**

(a) Includes €1,069m for TF1 and €575m for Bouygues Telecom.

5.2 Share capital of Bouygues SA

As of 31 December 2023, the share capital of Bouygues SA consisted of 382,273,297 shares with a €1 par value. That includes 3,960,648 treasury shares, of which 3,325,000 (valued at €102 million) are being held with a view to their cancellation, and 635,648 (valued at €21 million) are being held to fulfil performance share plans. During 2023, 2,135,648 treasury shares were acquired for a total of €69 million.

		Movements during 2023		
	31/12/2022	Increases	Reductions	31/12/2023
Shares	374,486,777	7,786,520		382,273,297
NUMBER OF SHARES	**374,486,777**	**7,786,520**		**382,273,297**
Par value	€1			€1
Share capital (€)	**374,486,777**	**7,786,520**		**382,273,297**

The capital increase during the year corresponds to (i) the 6,845,564 new Bouygues shares issued under the Bouygues Confiance n°12 employee share ownership plan (see Note 1.2.1), for an amount of €150 million and (ii) the exercise during 2023 of options to subscribe for a total of 940,956 shares, for an amount of €29 million. The overall impact was an increase of €179 million in consolidated shareholders' equity (see the consolidated statement of changes in shareholders' equity).

5.3 Analysis of income and expenses recognised directly in equity

	Note	2023	2022
Reserve for actuarial gains/(losses)	5.3.1	(70)	196
Fair value remeasurement reserve: equity instruments	5.3.2	(5)	(1)
Translation reserve of controlled entities	5.3.3	(45)	(19)
Fair value remeasurement reserve: hedging instruments	5.3.4	(87)	1,017 [c]
Tax on items recognised directly in equity		34	(304)
Share of remeasurements of joint ventures and associates		(48) [a]	109 [b]
ATTRIBUTABLE TO THE GROUP		**(221)**	**998**
Other income and expenses attributable to non-controlling interests		(10)	20
TOTAL MOVEMENTS DURING THE PERIOD		**(231)**	**1,018**

(a) Relates mainly to changes in the fair value of financial instruments at Bouygues Telecom (negative impact of €36m) and changes in translation adjustments at Colas (negative impact of €11m).

(b) 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).

(c) Relates mainly to pre-hedging swaps (€977m) contracted in connection with the finance for the Equans acquisition (see Note 1.2.2).

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

	31/12/2022	Movements during 2023	31/12/2023
Actuarial gains/(losses) on employee benefits (attributable to the Group) before tax (controlled entities)	(25)	(70) [a]	(95)

(a) Relates mainly to an increase 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)

	31/12/2022	Movements during 2023	31/12/2023
Fair value of equity instruments (attributable to the Group) before tax (controlled entities)	(25)	(5)	(30)

5.3.3 Translation reserve (attributable to the Group)

The principal translation reserves as of 31 December 2023 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 €52 million negative movement in the year mainly reflects decreases of €32 million in the Colas translation reserve and €22 million in the Bouygues Construction translation reserve.

	31/12/2022	Movements during 2023	31/12/2023
US dollar	33	(34)	(1)
Australian dollar	4	(1)	3
Canadian dollar	10	(7)	3
Hong Kong dollar	4	(2)	2
Swiss franc	40	(10)	30
Pound sterling	1	10	11
South African rand	(6)	(1)	(7)
Czech koruna	11	(2)	9
Hungarian forint	(13)		(13)
Indian rupee	(4)	(1)	(5)
Nigerian naira	(3)	(4)	(7)
Other currencies	(2)		(2)
TOTAL	**75**	**(52)** [a]	**23**

(a) Reduction of €45m before taking account of a negative impact of €7m 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:

	31/12/2022	Movements during 2023	31/12/2023
Fair value of hedging instruments (attributable to the Group) before tax (controlled entities) [a]	995	(87) [b]	908

(a) Relates mainly to cash flow hedges and currency hedges.

(b) Relates mainly to amortisation of upfront payments on pre-hedging swaps (negative impact: €60m) contracted in connection with the Equans acquisition (see Note 1.2.2).

5.4 Analysis of share-based payment

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

	31/12/2023	31/12/2022
Transfer to reserves:		
Expense calculated for plans awarded by TF1 in the last 2 years	1	1
Expense calculated for plans awarded by Bouygues SA in the last 2 years	7	12
Expense calculated for employee benefit: Bouygues Confiance n°12 employee share ownership plan	5	
Tax saving generated by Bouygues Confiance n°12 employee share ownership plan	8	
TOTAL (attributable to the Group)	**21**	**13**
Non-controlling interests	1	2
TOTAL	**22**	**15**

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 €184 million mainly reflects the impact of acquisitions by Bouygues SA of shares in Colas (for €180 million) and TF1 (for €15 million), partly offset by remeasurements of commitments to buy out non-controlling interests at TF1.

Note 6 Non-current and current provisions

For an analysis of current and non-current provisions by business segment, refer to Note 17.

6.1 Non-current provisions

Non-current provisions amounted to €2,396 million as of 31 December 2023:

	Employee benefits [b]	Litigation and claims [c]	Guarantees given [d]	Other non-current provisions [e]	Total
31/12/2021	**809**	**246**	**396**	**642**	**2,093**
Movements during 2022					
Translation adjustments	(1)		(5)	3	(3)
Changes in scope of consolidation	194	22	22	4	242
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 [f]	(202)				(202)
Transfers and other movements	23	1	73	17	114
31/12/2022 restated [a]	**788**	**327**	**507**	**653**	**2,275**
Movements during 2023					
Translation adjustments			6	(3)	3
Changes in scope of consolidation		(2)	(1)	(1)	(4)
Charges to provisions	121	67	203	86	477
Reversals of utilised provisions	(128)	(34)	(81)	(44)	(287)
Reversals of unutilised provisions	(34)	(22)	(28)	(50)	(134)
Actuarial gains and losses [f]	43				43
Transfers and other movements	2	(7)	11	17	23
31/12/2023	**792**	**329**	**617**	**658**	**2,396** [g]

Provisions are measured on the basis of management's best estimate of the risk. Provisions for litigation and claims relate mainly to Bouygues Telecom, Bouygues Construction and Colas. Individual project provisions are not disclosed for confidentiality reasons.

(a) Non-current provisions as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Employee benefits (see Note 20.2)	**792**
Lump-sum retirement benefits	521
Long-service awards	162
Other long-term employee benefits	109
(c) Litigation and claims	**329**
Provisions for customer disputes	70
Subcontractor claims	55
Employee-related and other litigation and claims	204
(d) Guarantees given	**617**
Provisions for 10-year construction guarantees	510
Provisions for additional building/civil engineering/civil works guarantees	107
(e) Other non-current provisions	**658**
Provisions for miscellaneous foreign risks	31
Risks relating to non-controlled entities	151
Dismantling and site rehabilitation	307
Provisions for social security inspections	91
Other non-current provisions	78

(f) The corresponding figure in the consolidated statement of recognised income and expense is €71m, which includes net actuarial losses of €28m on overfunded plans (shown on the assets side of the balance sheet).

(g) Equans contingent liabilities included in "Non-current provisions" amounted to €60m as of 31 December 2023, stable relative to 2022.

6.2 Current provisions

Provisions related to the operating cycle as of 31 December 2023 amounted to €2,002 million:

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions [b]	Total
31/12/2021	**42**	**409**	**552**	**327**	**1,330**
Movements during 2022					
Translation adjustments		2	4	3	9
Changes in scope of consolidation	55	91	260	325	731
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 restated [a]	**102**	**483**	**770**	**546**	**1,901**
Movements during 2023					
Translation adjustments		(1)	(5)	(6)	(12)
Changes in scope of consolidation			(2)	1	(1)
Charges to provisions	41	243	375	277	936
Reversals of utilised provisions	(32)	(145)	(298)	(193)	(668)
Reversals of unutilised provisions	(8)	(61)	(73)	(26)	(168)
Transfers and other movements		16	7	(9)	14
31/12/2023	**103**	**535**	**774**	**590**	**2,002** [c]

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) Non-current provisions as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Other current provisions:	**590**
Reinsurance provisions	56
Restructuring provisions	17
Site rehabilitation provisions (current portion)	30
Miscellaneous current provisions	487

(c) Equans contingent liabilities included in "Current provisions" amounted to €81m as of 31 December 2023, and included €46m of miscellaneous current provisions; €13m of provisions for expected losses to completion; €21m of provisions for project risks and project completion; and €1m of provisions for guarantees given. Provisions reversed and utilised during 2023 amounted to €42m.

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 are presented on the "Group tax election: Bouygues SA & other" line in the table below. With effect from 1 January 2023, Equans has joined the Bouygues SA group tax election alongside Bouygues Construction, Bouygues Immobilier and Colas.

7.1 Deferred tax assets

Deferred tax assets	31/12/2022 restated [a]	Movements during 2023	31/12/2023
Bouygues Construction	45	(4)	41
Bouygues Immobilier	16	1	17
Colas	141	16	157
Equans	281	15	296
TF1			
Bouygues Telecom			
Group tax election: Bouygues SA & other			
TOTAL	**483**	**28**	**511**

(a) Deferred tax assets as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

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	31/12/2022	Movements during 2023	31/12/2023
Bouygues Construction	50	(27)	23
Bouygues Immobilier		6	6
Colas	145	(18)	127
Equans	20	15	35
TF1	23	2	25
Bouygues Telecom	213	30	243
Group tax election: Bouygues SA & other	308	16	324
TOTAL	**759**	**24**	**783**

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 31/12/2022 restated [a]	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 31/12/2023
A - Tax losses							
Bouygues Construction	1			(1)			
Bouygues Immobilier				1			1
Colas	14			12			26
Equans	43	1		(2)		(12)	30
TF1							
Bouygues Telecom	6			(6)			
Group tax election: Bouygues SA & other [b]							
SUB-TOTAL	**64**	**1**		**4**		**(12)**	**57**
B - Temporary differences							
Bouygues Construction	(6)			(26)	2	7	(23)
Bouygues Immobilier	15			(9)	1	1	8
Colas	(19)	1	(2)	17	10		7
Equans	218	1	19	(9)	2	(5)	226
TF1	(23)			(2)	1	(1)	(25)
Bouygues Telecom	(219)			(28)	4		(243)
Group tax election: Bouygues SA & other	(306)			2	16	9	(279)
SUB-TOTAL	**(340)**	**2**	**17**	**(55)**	**36**	**11**	**(329)**
TOTAL	**(276)**	**3**	**17**	**(51)**	**36**	**(1)**	**(272)**

(a) Deferred tax assets as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).
(b) This line shows the tax loss arising on the Bouygues SA group tax election. As of 31 December 2023, there were no group tax losses.

As of 31 December 2023, the net deferred tax liability amounted to €272 million; an analysis by segment is provided in the table above.

Principal sources of deferred taxation:	31/12/2023	31/12/2022 restated [a]
• Employee benefits (mainly lump-sum retirement benefits and pensions)	160	137
• Tax losses	57	64
• Restricted provisions booked solely for tax purposes	(80)	(72)
• Right of use of leased assets	(573)	(549)
• Lease obligations	623	580
• Remeasurement of assets [b]	(271)	(286)
• Other items[c]	(188)	(150)
TOTAL	**(272)**	**(276)**

(a) Deferred tax assets as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).
(b) Relates to deferred tax liabilities recognised by Bouygues SA following the Equans provisional purchase price allocation.
(c) Mainly relates to deferred tax liabilities arising on consolidation adjustments at Bouygues Telecom

7.4 Period to recovery of deferred tax assets

31/12/2023	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	249	110	152 [a]	511

(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 2023 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).

	31/12/2022	Movements during 2023	31/12/2023
Bouygues Construction	337	(25)	312
Bouygues Immobilier	33	2	35
Colas	108	39	147
Equans	235	57	292
TF1	5	(2)	3
TOTAL	**718**	**71**	**789**

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 2023	Total maturing in <1y 2022	1-2y	2-3y	3-4y	4-5y	5-6y	≥6y	Total maturing after >1y 2023	Total maturing after >1y 2022
Bond issues	102		102	785		594	972	990	999	5,194	8,749	7,336
Bank borrowings		275	275	451	864	144	129	402	70	35	1,644	3,833
Other borrowings		155	155	140	64	92	8	61	16	10	251	417
TOTAL DEBT	**102**	**430**	**532**		**928**	**830**	**1,109**	**1,453**	**1,085**	**5,239**	**10,644**	
Total 31/12/2022 restated [a]	88	1,288		1,376	2,865	720	752	817	1,399	5,033		11,586

(a) Current debt as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

The €1,786 million decrease in current and non-current debt mainly reflects transactions at Bouygues SA level:

- the repayment in full of the €2,450 million syndicated loan used to finance the Equans acquisition, and the redemption of a €700 million bond issue on maturity in January 2023;
- partly offset by new bond issues: a €1-billion issue carried out in the second quarter of 2023, and two issues (of €200 million and €250 million) carried out in the fourth quarter of 2023.

The table below shows a maturity analysis of debt based on undiscounted contractual cash flows (principal and interest), measured on the basis of interest rates as of 31 December2023:

	Carrying amount in balance sheet	Total contractual cash flows	Current and non-current debt						
			<1 year	1-2y	2-3y	3-4y	4-5y	5-6y	≥6y
Bond issues	**8,851**	**11,526**	**269**	**265**	**860**	**1,235**	**1,222**	**1,210**	**6,465**
Principal		8,845			595	1,000	1,000	1,000	5,250
Future interest		2,681	269	265	265	235	222	210	1,215
Bank borrowings	**1,919**	**2,293**	**351**	**910**	**196**	**166**	**431**	**60**	**179**
Principal		1,917	282	857	150	128	400	33	67
Future interest		376	69	53	46	38	31	27	112
Other borrowings	**406**	**383**	**126**	**47**	**101**	**8**	**62**	**13**	**26**
Principal		371	123	44	98	6	61	13	26
Future interest		12	3	3	3	2	1		
TOTAL DEBT 31/12/2023	**11,176**	**14,202**	**746**	**1,222**	**1,157**	**1,409**	**1,715**	**1,283**	**6,670**
Total 31/12/2022 restated [a]	12,962	15,772	1,465	3,094	1,000	1,024	1,053	1,621	6,515

(a) Current debt as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

The table below lists all outstanding Bouygues SA 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 31/12/2023, as % of nominal on full price basis [a]
FR0010379255	06/10/2006	06/10/2026	595 [b]	5.500	102.5860
FR0013222494	07/12/2016	07/06/2027	1,000	1.375	95.3280
FR0013507654	14/04/2020	24/07/2028	1,000	1.125	93.2880
FR001400AJX2	24/05/2022	29/06/2029	1,000	2.250	96.8650
FR0014006CS9	03/11/2021	11/02/2030	1,000	0.500	86.8930
FR001400IBM5	06/06/2023	17/07/2031	1,000	3.785	104.3880
FR001400DNG3	03/11/2022	07/06/2032	1,250	4.625	109.9710
FR001400AJY0	24/05/2022	30/06/2037	1,000	3.250	98.1100
FR001400DNF5	03/11/2022	30/06/2042	1,000	5.375	119.1850
TOTAL			**8,845**		

(a) Source: Bloomberg.
(b) Equivalent value in euros of the sterling-denominated nominal value.

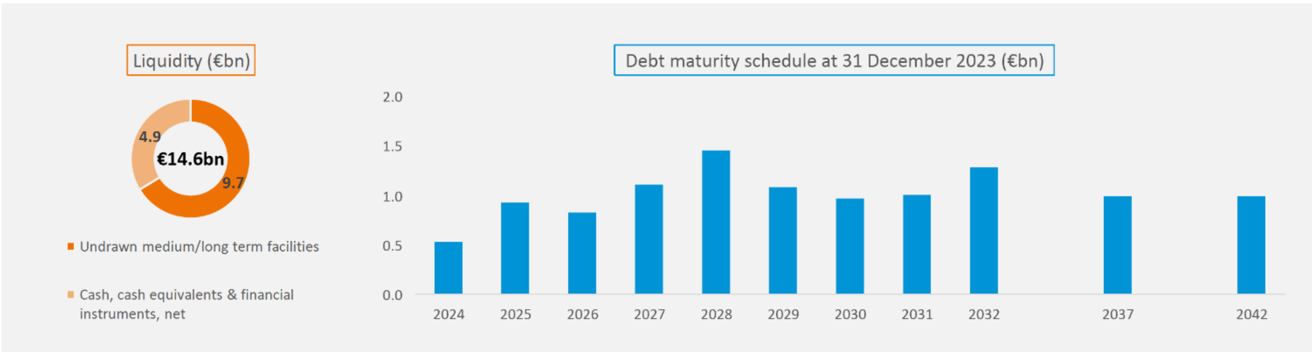
8.2 Confirmed credit facilities and drawdowns

Description	Confirmed facilities – Maturity				Drawdowns – Maturity			
	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)	102	2,556	6,193	8,851	102	2,556	6,193	8,851
Bank borrowings	625	9,827	1,162	11,614	275	1,539	105	1,919
TOTAL CREDIT FACILITIES	**727**	**12,383**	**7,355**	**20,465**	**377**	**4,095**	**6,298**	**10,770**

Confirmed undrawn credit facilities amount to €9.7 billion. Drawdowns are included in the analysis of debt by type presented in Note 8.1.

8.3 Liquidity at 31 December 2023

As of 31 December 2023, available cash and financial instruments used to hedge net debt stood at €4,925 million. The Group also had €9,695 million of undrawn confirmed credit facilities at the same date.



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:

%	31/12/2023	31/12/2022 restated [a]
Fixed rate debt [b]	89	72
Floating rate debt	11	28

(a) Current debt as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) 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 2023 is shown below:

	Floating rate	Fixed rate	Total
Financial liabilities (debt) [a]	(2,427)	(8,749)	(11,176)
Financial assets (net cash position)	4,907		4,907
Financial instruments used to hedge net debt	18		18
Net pre-hedging position	**2,498**	**(8,749)**	**(6,251)**
Interest rate hedges	1,144	(1,144)	
Net post-hedging position	**3,642**	**(9,893)**	**(6,251)**
Adjustment for seasonal nature of some activities [b]	(1,120)	(281)	
Net post-hedging position after adjustment	**2,522**		

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

(b) 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: 31/12/2023	**9,789**	**660**	**14**	**54**	**27**	**100**	**10,644**
Current: 31/12/2023	**469**	**26**		**11**		**26**	**532**
Non-current: 31/12/2022	10,763	643	29	61	11	79	11,586
Current 31/12/2022 restated [a]	1,324	20	1	10	1	20	1,376

(a) Current debt as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

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.

8.7 Receivables assignment programme

The Bouygues group has implemented a number of receivables assignment programmes, which have led the Group to derecognise substantively all of the receivables in question (see Note 2.8.4). The amount of assigned receivables derecognised was €437 million as of 31 December 2023, versus €426 million as of 31 December 2022. In the cash flow statement, these programmes are presented within "Changes in working capital requirements related to operating activities".

Note 9 Main components of change in net debt

9.1 Change in net debt

	31/12/2022 restated [a]	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	31/12/2023
Cash and cash equivalents	5,736	(36)	5	(158) [c]		1	5,548
Overdrafts and short-term bank borrowings	(418)	(22)	93	(293)		(1)	(641)
NET CASH POSITION (A) [b]	**5,318**	**(58)**	**98**	**(451)**			**4,907**
Non-current debt	11,586	(31)	6	(612) [d]	60	(365)	10,644
Current debt	1,376	(1)	1	(1,068) [d]		224	532
Financial instruments, net	(189)	3		[d]	166 [e]	2	(18)
TOTAL DEBT (B)	**12,773**	**(29)**	**7**	**(1,680)**	**226**	**(139)** [f]	**11,158**
NET DEBT (A)-(B)	**(7,455)**	**(29)**	**91**	**1,229**	**(226)**	**139**	**(6,251)**

(a) Net debt as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Net cash outflow of €411m, as reported in the consolidated cash flow statement.

(c) Includes a net cash outflow of €60m representing the difference between (i) interest on bond issues paid at the coupon rate and (ii) cost of net debt recognised at the hedged rate as presented within "Free cash flow after cost of net debt, interest expense on lease obligations and taxes paid".

(d) Net cash outflow from financing activities for 2023 of €1,680m, as reported in the consolidated cash flow statement, and comprising total inflows of €8,793m and total outflows of €10,473m.

(e) Includes a €146m fair value remeasurement of the pre-hedging swaps contracted in connection with the financing of the Equans acquisition (see Note 1.2.2) following receipt of the €138m upfront payment on the May 2023 bond issue, presented within "Other cash flows related to financing activities" in the cash flow statement.

(f) Includes €97m at Bouygues Telecom relating to a reduction in the BTBD contingent purchase consideration, comprising €47m in respect of the payment for 2023 and €50m for the cancellation of the contingent consideration liability, presented within "Net liabilities related to consolidated activities" in the consolidated cash flow statement.

9.2 Principal changes in net debt during 2023

NET DEBT AT 31/12/2022 RESTATED [a]	**(7,455)**	
Free Mobile litigation	(310)	
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	25	b
Payments for frequency bands	(28)	c
Pre-hedging swaps	(44)	d
Transactions involving the share capital of Bouygues SA	116	e
Dividends paid	(744)	
Operating items	2,189	
NET DEBT AT 31 DECEMBER 2023	**(6,251)**	

(a) Net debt as of 31 December 2022 has been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Relates mainly to the sale by Equans of the district heating and cooling networks activities in the UK and the Aquifer Thermal Energy Storage activities in the Netherlands, partly offset by buyouts of non-controlling interests of Colas and TF1 and capital increases at Bouygues Telecom.

(c) Relates to 1800 MHz frequency bands (€28m).

(d) Includes fair value remeasurements of pre-hedging swaps amounting to €146m (see Note 1.2.2), and an amount of €102m received for the upfront payment (net of taxes paid) on the May 2023 bond issue.

(e) Mainly relates to Bouygues SA, including (i) €150m for the capital increase carried out in connection with the Bouygues Confiance n°12 employee share ownership plan; (ii) €29m for capital increases carried out on exercise of stock options; and (iii) €69m for purchases of treasury shares (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						
	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 31/12/2023	**563**	**457**	**392**	**316**	**259**	**229**	**801**	**2,454**
TOTAL 31/12/2022	498	432	348	279	226	229	593	2,107

The table below provides a maturity analysis of lease obligations, based on undiscounted contractual cash flows.

	Current and non-current lease obligations								
	Carrying amount	Total undiscounted contractual cash flows	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 or more years
TOTAL 31/12/2023	**3,017**	**3,480**	**625**	**547**	**470**	**388**	**312**	**261**	**877**
TOTAL 31/12/2022	2,605	3,108	530	484	403	326	264	254	847

10.2 Movement in lease obligations

	31/12/2022	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications, and other lease-related movements	31/12/2023
Non-current lease obligations	2,107	(1)	(25)		373	2,454
Current lease obligations	498		31	(559)	593	563
TOTAL LEASE OBLIGATIONS	**2,605**	**(1)**	**6**	**(559)**	**966**	**3,017**

Note 11 Current liabilities

11.1 Current liabilities

	31/12/2023	31/12/2022 restated [a]
Current debt [b]	532	1,376
Current lease obligations	563	498
Current tax liabilities	346	349
Trade payables	11,006	11,116
Customer contract liabilities [c]	7,724	6,941
Current provisions [d]	2,002	1,901
Other current liabilities:		
• Other operating liabilities (employees, social security, government)	4,862	4,636
• Deferred income	186	171
• Other non-financial liabilities	2,459	2,576
Overdrafts and short-term bank borrowings	641	418
Financial instruments – Hedging of debt	11	4
Other current financial liabilities	25	13
TOTAL CURRENT LIABILITIES	**30,357**	**29,999**

(a) Current liabilities as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).
(b) See analysis in Note 8.
(c) See analysis in Note 11.2.
(d) See analysis in Note 6.2.

11.2 Customer contract liabilities

		Movements during 2023			
	31/12/2022	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2023
Advances and down-payments received on orders [a]	1,430	(11)	(7)	406	1,818
Differences relating to percentage of completion on contracts [b]	5,511	(4)	(54)	453	5,906
TOTAL CUSTOMER CONTRACT LIABILITIES	**6,941**	**(15)**	**(61)**	**859**	**7,724**

(a) As of 31 December 2023, “Advances and down-payments received on orders” included €23m (€13m as of 31 December 2022) 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.

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 decrease in sales at Bouygues Construction is due to the transfer of the Energies & Services activities, which are now consolidated within Equans (see Note 1.2.1).

	2023 sales				2022 sales			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	3,816	5,819	9,635	17	5,211	7,850	13,061	29
Bouygues Immobilier	1,611	127	1,738	3	1,932	100	2,032	5
Colas	6,322	9,640	15,962	29	6,168	9,288	15,456	35
Equans [a]	6,361	12,300	18,661	33	1,230	2,521	3,751	8
TF1	1,927	329	2,256	4	2,109	353	2,462	6
Bouygues Telecom	7,697		7,697	14	7,504		7,504	17
Bouygues SA & other	16	52	68	0	14	42	56	0
CONSOLIDATED SALES	**27,750**	**28,267**	**56,017**	**100**	**24,168**	**20,154**	**44,322**	**100**

(a) The contribution from Equans to 2022 full-year sales includes the fourth quarter of 2022 only (see Note 1.2.2).

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 2023 and 2022, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

12.2 Analysis by type of activity

	2023 sales	2022 sales
Bouygues Construction	**9,755**	**13,167**
Bouygues Immobilier	**1,738**	**2,032**
Residential property	1,678	1,879
Commercial property	60	153
Colas	**16,015**	**15,529**
Equans	**18,761**	**3,757**
TF1	**2,297**	**2,508**
Media	1,968	2,080
Newen Studios	329	428
Bouygues Telecom	**7,727**	**7,532**
Sales from services [a]	5,979	5,753
Other	1,748	1,779
Bouygues SA & other	**229**	**207**
Inter-segment sales	**(505)**	**(410)**
CONSOLIDATED SALES	**56,017**	**44,322**

(a) Sales billed to customers amounted to €5,912m in 2023, and €5,619m in 2022.

12.3 Analysis by geographical area

	2023 sales		2022 sales	
	Total	%	Total	%
France	27,750	50	24,168	55
European Union (27 members)	8,177	14	4,698	10
Rest of Europe	8,311	15	5,812	13
Africa	1,245	2	1,274	3
Middle East	226	0	51	0
North America	7,174	13	5,750	13
Central and South America	559	1	358	1
Asia-Pacific	2,575	5	2,211	5
TOTAL	**56,017**	**100**	**44,322**	**100**

The United Kingdom accounts for 71% of sales in the “Rest of Europe” region, and Switzerland for 27%; the majority of those sales arise in construction and Energies & Services.

12.4 Split by type of contract, France/International

	2023			2022		
%	France	International	Total	France	International	Total
Public-sector contracts [a]	26	43	35	26	45	34
Private-sector contracts	74	57	65	74	55	66

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

12.5 Order backlog

The Group's order backlog stood at €61,107 million as of 31 December 2023.

		Movements during 2023			
	31/12/2022	Translation adjustments	Changes in scope of consolidation	Other movements arising from operating activities	31/12/2023
Construction businesses	**27,295**	**(383)**	**123**	**1,385**	**28,420**
Bouygues Construction [a]	14,130	(178)	202	853 [b]	15,007
Bouygues Immobilier	1,448			(463)	985
Colas	11,717	(205)	(79)	995	12,428
Equans [a] [c]	**25,927**	**(291)**		**(859)**	**24,777**
TF1	**168**			**(28)**	**140**
Bouygues Telecom	**5,453**			**2,317**	**7,770**
Inter-segment adjustments	**(29)**			**29**	
TOTAL ORDER BACKLOG	**58,814**	**(674)**	**123**	**2,844**	**61,107**
maturing within less than 1 year	29,472				29,926
maturing within 1 to 5 years	22,375				25,403
maturing after more than 5 years	6,967				5,778

(a) The Bouygues Energies & Services order backlog, which amounted to €6,458m as of 31 December 2022, was transferred from Bouygues Construction to Equans at the start of 2023.

(b) Includes an order intake of €10,608m.

(c) The Equans order backlog (excluding Bouygues Energies & Services) as of 31 December 2022 has been adjusted from €18,725m to €19,469m, due to the harmonisation of calculation methods used for multi-year contracts in Belgium.

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

13.1 Other income and expenses from operations

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

	2023	2022
Foreign exchange differences	14	
Net gains on disposals of property, plant & equipment and intangible assets	184	184
Net gains on disposals of securities	22	71
Impacts of financial instruments on operating profit	(10)	(7)
Reversals of unutilised provisions	330	364
Royalties from licensing of patents	(197)	(200)
Research and audiovisual tax credits	52	70
Impacts of lease renegotiations	(2)	(26)
Other income and expenses from operations [a]	985	857
TOTAL OTHER INCOME AND EXPENSES FROM OPERATIONS	**1,378**	**1,313**

(a) Mainly comprises (i) the non-Group portion of recharges to translucent industrial entities such as *Sociétés en Participation* (SEPs) and economic interest groupings (GIEs), including but not limited to sales of bitumen, staff secondment and other services (at Colas and Bouygues Construction); (ii) investment grants; (iii) royalties and onward payments to rights-holders; and (iv) bad debt write-offs.

13.2 Current operating profit and other operating income and expenses

	2023	2022
CURRENT OPERATING PROFIT	**2,308**	**1,962**
Other operating income	111	93
Other operating expenses	(306)	(183)
OPERATING PROFIT	**2,113**	**1,872**

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

Current operating profit for 2023 incorporates lease expenses of €1,465 million (versus €1,190 million in 2022), 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, Equans and Bouygues Construction. The non-lease (service) component of lease contracts is recognised in "External charges" and relates mainly to contracts with owners of telecom masts (Bouygues Telecom), for which no identified asset within the meaning of IFRS 16 could be determined given the substantive nature of the substitution rights.

Other operating income and expenses:

2023

Net other operating expenses (€195 million at Group level) comprise:

- €87 million of reorganisation and integration costs:
  - €32 million at TF1, relating to the new Jobs and Career Management (Gestion des Emplois et Parcours Professionnels – GEPP) agreement linked to the digital acceleration strategy and resource optimisation plan launched in 2023;
  - €17 million of integration costs and €16 million of consultancy fees in connection with a strategic business review at Equans;
  - €13 million at Bouygues Immobilier; and
  - €9 million at Colas;
- €107 million of costs associated with risks and litigation:
  - €92 million at Bouygues Construction, comprising €25 million incurred on settlement of the Centennial litigation in Singapore (see Note 1.2.1), €60 million of provisions for risks linked to a change in regulations, and €7 million arising from the signature in May 2023 of a deferred prosecution agreement with the French financial crime prosecutor's office relating to the awarding of public contracts for work on the Annecy Genevois hospital complex; and
  - €15 million at Bouygues Telecom, relating to tax inspections;
- €55 million of costs associated with the Performance Management Plan (PMP) at Equans (see Note 1.2.1);
- €10 million of reversals of impairment charged against right of use assets in the fourth quarter of 2022, partly offset by €8 million of network sharing rollout costs at Bouygues Telecom;
- a €29 million gain arising from pension reforms (see Note 2.2.1); and
- a net €23 million of other operating income, the main factor being a €50 million reduction in the BTBD contingent purchase consideration at Bouygues Telecom.

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 data centres (see Note 1.2.2) and €40 million for the reduction in the BTBD contingent consideration liability, 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).

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

14.1 Analysis of cost of net debt

	2023	2022
Financial expenses, comprising:	**(387)**	**(231)**
Interest expense on debt	(273)	(190)
Interest expense related to treasury management	(114)	(39)
Negative impact of financial instruments		(2)
Financial income, comprising:	**101**	**33**
Interest income from cash and cash equivalents	73	29
Income and gains on disposal from cash and cash equivalents	10	2
Positive impact of financial instruments	18	2
COST OF NET DEBT	**(286)**	**(198)**

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

Cost of net debt was €88 million higher year-on-year, mainly due to the net interest expense of €80 million associated with the financing of the Equans acquisition.

14.2 Other financial income and expenses

	2023	2022
Other financial income	113	91
Other financial expenses	(164)	(118)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**(51)**	**(27)**

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; net interest on net post-employment benefit liabilities (see Note 20.3.2.1); changes in the fair value of "Other non-current financial assets"; dividends received from non-consolidated companies; and other items arising during the period.

Note 15 Income tax expense

15.1 Analysis of income tax expense

	2023			2022		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(261)	(235)	(496)	(383)	(130)	(513)
Change in deferred tax liabilities	(61)	3	(58)	(54)	(13)	(67)
Change in deferred tax assets	17	(10)	7	157	(1)	156
TOTAL	**(305)**	**(242)**	**(547)**	**(280)**	**(144)**	**(424)**

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

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:

	2023	2022
NET PROFIT FOR THE PERIOD (100%)	**1,201**	**1,131**
Eliminations:		
Income tax	547	424
Net profit/(loss) from discontinued operations	None	None
Share of net (profits)/losses of joint ventures and associates	(59)	30
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS	**1,689**	**1,585**
Standard annual tax rate in France	25.83%	25.83%
Effect of non-recognition of tax loss carry-forwards and other temporary differences created/(utilised)	5.80%	3.20%
Effect of permanent differences	2.77%	(0.55)%
Flat-rate taxes, dividend taxes and tax credits	(1.84)%	0.63%
Differential tax rates applied to gains on disposals	(0.30)%	(2.04)%
Differential income tax rates, foreign taxes, impact of future enacted tax rates	0.12%	(0.32)%
EFFECTIVE TAX RATE	**32.39%**	**26.75%**

The effective tax rate for 2023 was 32%, versus 27% in 2022. The 2023 effective tax rate was mainly impacted by tax losses outside France for which no deferred tax asset was recognised, and by the effect of non-deductible expenses that constitute permanent differences.

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 2023, excluding the average number of shares bought and held as treasury shares.

Net profit from continuing operations for 2022 includes only a three-month contribution from Equans (see Note 1.2.2).

	2023	2022
Net profit from continuing operations attributable to the Group (€m)	1,040	973
Weighted average number of shares outstanding	375,746,359	381,180,055
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**2.77**	**2.55**

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). Employee share ownership plans are excluded from the calculation of diluted earnings per share from continuing operations if the quoted market price of the shares exceeds the average exercise price.

	2023	2022
Net profit from continuing operations attributable to the Group (€m)	1,040	973
Weighted average number of shares outstanding	375,746,359	381,180,055
Adjustment for potentially dilutive effect of stock options	198,898	59,975
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**2.77**	**2.55**

Note 17 Segment information

The segment information below is presented by business segment (CGU): Bouygues Construction (Construction), 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 12.3. 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 those 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 Energies & Services activities of Bouygues Construction have been included within the Equans segment since the beginning of January 2023 (see Note 1.2.1), which impacts the comparability of the Bouygues Construction contribution between 2022 and 2023. The contribution from Bouygues Energies & Services to Bouygues Construction in 2022 is shown at the end of this note.

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

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
2023 INCOME STATEMENT								
Advertising					1,607			1,607
Sales of services	843	68	512	4,695	643	5,979	229	12,969
Other sales from construction businesses	8,838	1,670	12,208	13,680				36,396
Other revenues	74		3,295	386	47	1,748		5,550
Total sales	**9,755**	**1,738**	**16,015**	**18,761**	**2,297**	**7,727**	**229**	**56,522**
Inter-segment sales	(120)		(53)	(100)	(41)	(30)	(161)	(505)
THIRD-PARTY SALES	**9,635**	**1,738**	**15,962**	**18,661**	**2,256**	**7,697**	**68**	**56,017**
CURRENT OPERATING PROFIT/ (LOSS) FROM ACTIVITIES	**281**	**28**	**542**	**545**	**287**	**798**	**(70)**	**2,411**
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(8)		(4)	(29)	(62)	(103)
CURRENT OPERATING PROFIT/(LOSS)	**281**	**28**	**534**	**545**	**283**	**769**	**(132)**	**2,308**
Other operating income	11		2	4	7	86	1	111
Other operating expenses	(92)	(13)	(12)	(85)	(37)	(64)	(3)	(306)
OPERATING PROFIT/(LOSS)	**200**	**15**	**524**	**464**	**253**	**791**	**(134)**	**2,113**
Income from net surplus cash/ (cost of net debt)	85	(1)	(58)	(12)	15	(80)	(235)	(286)
Interest expense on lease obligations	(6)	(1)	(29)	(17)	(3)	(31)		(87)
Income tax	(95)	(6)	(169)	(132)	(60)	(155)	70	(547)
Share of profits/(losses) of joint ventures and associates	12	1	59	27	(3)	(43)	6	59
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**197**	**(6)**	**317**	**307**	**193**	**457**	**(264)**	**1,201**
Net profit/(loss) from discontinued operations								
NET PROFIT/(LOSS)	**197**	**(6)**	**317**	**307**	**193**	**457**	**(264)**	**1,201**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**195**	**(7)**	**310**	**305**	**87**	**414**	**(264)**	**1,040**

Consolidated sales increased by €1,632 million relative to the 2022 proforma financial statements (section 6.3 of the 2022 Universal Registration Document), which reported sales of €54,385 million. Current operating profit and operating profit rose by €239 million and €134 million respectively relative to the 2022 proforma financial statements, compared with €2,069 million and €1,979 million respectively (section 6.3 of the 2022 Universal Registration Document).

	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**

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**281**	**28**	**534**	**545**	**283**	**769**	**(132)**	**2,308**
• Interest expense on lease obligations	(6)	(1)	(29)	(17)	(3)	(31)		(87)
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	155	10	360	171	350	1,209	73	2,328
• Charges to provisions and other impairment losses, net of reversals due to utilisation	176	9	213	(106)	(24)	35	31	334
Elimination of items included in “Other income from operations”:								
• Reversals of unutilised provisions and impairment and other items	(153)	(36)	(118)		(16)	(13)	(2)	(338)
EBITDA AFTER LEASES 2023	**453**	**10**	**960**	**593**	**590**	**1,969**	**(30)**	**4,545**

	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	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
BALANCE SHEET AT 31 DECEMBER 2023								
Property, plant and equipment	436	16	2,311	639	228	5,557	178	9,365
Right of use of leased assets	103	17	756	567	71	1,318	3	2,835
Intangible assets	13	10	214	154	300	2,047	979	3,717
Investments in joint ventures and associates	36	107	395	125	8	989 [b]	98	1,758
Non-current provisions	(726)	(124)	(692)	(464)	(30)	(327)	(33)	(2,396)
Current provisions	(650)	(29)	(489)	(757)	(30)	(1)	(46)	(2,002)
Net debt at 31 December 2023:								
Cash and cash equivalents	4,146	90	1,050	2,081	669	95	(2,583)	5,548
Non-current debt	(309)	(9)	(191)	(647)	(69)	(2,476)	(6,943)	(10,644)
Current debt	(11)	(4)	(57)	(9)	(92)	(258)	(101)	(532)
Overdrafts and short-term bank borrowings	(391)	(227)	(183)	(443)	(2)		605	(641)
Financial instruments – Hedging of debt (assets/liabilities)			4	(1)	(1)	14	2	18
NET SURPLUS CASH/(NET DEBT) [c]	**3,435**	**(150)**	**623**	**981**	**505**	**(2,625)**	**(9,020)**	**(6,251)**

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
BALANCE SHEET AT 31 DECEMBER 2022 RESTATED [a]								
Property, plant and equipment	571	17	2,359	657	232	5,222	126	9,184
Right of use of leased assets	191	19	632	431	70	1,125	4	2,472
Intangible assets	16	16	219	296	275	2,142	1,094	4,058
Investments in joint ventures and associates	119	108	397	15	12	950 [b]	85	1,686
Non-current provisions	(789)	(120)	(678)	(301)	(41)	(311)	(35)	(2,275)
Current provisions	(745)	(22)	(411)	(673)	(31)		(19)	(1,901)
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)	(811)	(1,376)
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) [c]	**3,817**	**(156)**	**(292)**	**(24)**	**326**	**(2,303)**	**(8,823)**	**(7,455)**

(a) Property, plant and equipment, intangible assets, current and non-current provisions and current debt as of 31 December 2022 have been restated following the finalisation of the Equans opening balance sheet (see Note 3.2.4).

(b) Includes SDFAST: €559m as of 31 December 2023 (versus €603m as of 31 December 2022 – first-time consolidation), and SDAIF: €270m as of 31 December 2023, versus €290m as of 31 December 2022.

(c) 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: 2023								
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	364	15	691	670	502	1,842	(229)	3,855
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(82)	(4)	(55)	(202)	(298)	(1,428)	(48)	(2,117)
Repayment of lease obligations (III)	(46)	(8)	(167)	(147)	(26)	(165)		(559)
FREE CASH FLOW (I)+(II)+(III)	**236**	**3**	**469**	**321**	**178**	**249**	**(277)**	**1,179**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**(153)**	**20**	**729**	**343**	**136**	**(110)**	**183**	**1,148**

	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)**

Free cash flow was €517 million higher than in 2022.

After stripping out frequency bands, which amounted to €133 million in 2022 (see Note 2.7.3):

- free cash flow was up €384 million year-on-year, at €1,179 million in 2023 versus €795 million in 2022; and
- free cash flow after changes in working capital requirements was up €2,138 million year-on-year, at €2,327 million in 2023 versus €189 million in 2022.

For information, the contribution from Bouygues Construction to key financial indicators for 2022 is presented below:

	Building and Civil Works	Bouygues Energies & Services	Bouygues Construction Total
2022 INCOME STATEMENT			
Total sales	**9,304**	**3,863**	**13,167**
Inter-segment sales	(59)	(47)	(106)
THIRD-PARTY SALES	**9,245**	**3,816**	**13,061**
CURRENT OPERATING PROFIT/(LOSS)	**276**	**137**	**413**
Other operating income			
Other operating expenses	(72)	(10)	(82)
OPERATING PROFIT/(LOSS)	**204**	**127**	**331**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**163**	**110**	**273**
EBITDA AFTER LEASES	**311**	**125**	**436**

	Building and Civil Works	Bouygues Energies & Services	Bouygues Construction Total
BALANCE SHEET AT 31 DECEMBER 2022			
NET SURPLUS CASH/(NET DEBT)	**3,612**	**205**	**3,817**

	Building and Civil Works	Bouygues Energies & Services	Bouygues Construction Total
Other financial indicators: 2022			
FREE CASH FLOW	**229**	**40**	**269**

Note 18 Financial instruments

The tables below show aggregate notional amounts for each type of financial instrument used as of 31 December 2023, 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 31/12/2023	Total 31/12/2022
Forward purchases	451		108	104	9	56	2	730	600
Forward sales	220		17	60	25		1	323	366
Currency swaps	6		737	239			1,200	2,182	1,906
Interest rate swaps [a]		680	240		72	830	125	1,947	6,471
Interest rate options (caps, floors)	9	775				200		984	
Commodities derivatives			42					42	7
Other			21 [b]					21	22

(a) This amount relates to fixed rates paid.

(b) Cross-currency swap.

The notional amounts corresponding to interest rate swaps and interest rate options at Bouygues Immobilier may be covered by consecutive half-year maturities.

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	684	46		730	225	258	20	33	6	14	167	7
Forward sales	313	10		323	26	44	5	122	24	53	22	27
Currency swaps	2,182			2,182	11	574	192	706	136	225	77	261
Interest rate swaps	803	1,087	57	1,947	1,781	98	31	31				6
Interest rate options (caps, floors)		984		984	984							
Commodities derivatives	20	20	2	42	2	22						18
Other		21 [a]		21								21

(a) Cross-currency swap.

18.2 Market value of hedging instruments

	Original currency										
Derivatives recognised as assets	EUR	USD	GBP	HKD	CHF	AUD	Other	Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
Forward purchases	2				1	5		8		8	
Forward sales		1		1				2		2	
Currency swaps		2	2		1		1	6	1	5	
Interest rate swaps	29	5						34		34	
Interest rate options (caps, floors)											
Commodities derivatives		1						1	1		
Other											
TOTAL ASSETS	**31**	**9**	**2**	**1**	**2**	**5**	**1**	**51**	**2**	**49**	

Derivatives recognised as liabilities	Original currency							Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	GBP	HKD	CHF	AUD	Other				
Forward purchases	(1)	(4)				(2)		(7)	(2)	(5)	
Forward sales			(2)		(2)		(1)	(5)		(5)	
Currency swaps		(8)	(2)	(1)	(1)		(2)	(14)	(9)	(5)	
Interest rate swaps	(7)		(1)					(8)	(1)	(7)	
Interest rate options (caps, floors)	(1)							(1)		(1)	
Commodities derivatives		(1)					(1)	(2)		(2)	
Other							(1)	(1)		(1)	
TOTAL LIABILITIES	**(9)**	**(13)**	**(5)**	**(1)**	**(3)**	**(2)**	**(5)**	**(38)**	**(12)**	**(26)**	
TOTAL, NET	**22**	**(4)**	**(3)**		**(1)**	**3**	**(4)**	**13** [a]	**(10)**	**23**	

(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 €40 million; in the event of a -1.00% movement, it would have a negative value of €11 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 €9 million; in the event of a -1.00% movement, it would have a positive market value of €21 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

	31/12/2023	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Falling due: Less than 1 year	Falling due: From 1 to 5 years	Falling due: More than 5 years	31/12/2022
Pledges, mortgages and collateral	138	4		65	67			2	41	61	36	150
Guarantees and endorsements given	732	21		290	361	60			323	90	319	396
TOTAL GUARANTEE COMMITMENTS GIVEN	**870**	**25**		**355**	**428**	**60**		**2**	**364**	**151**	**355**	**546**
Guarantees and endorsements received	363				361			2	31	18	314	4
TOTAL GUARANTEE COMMITMENTS RECEIVED	**363**				**361**			**2**	**31**	**18**	**314**	**4**
NET BALANCE	**507**	**25**		**355**	**67**	**60**			**333**	**133**	**41**	**542**

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.

Under the terms of the contract for the sale of Equans' district heating and cooling networks activities in the UK, a commitment of approximately £314 million (€361 million) was retained, in the form of eleven legacy parent company guarantees. It is covered by a mirror commitment received for the same amount, in the form of (i) a bank guarantee of £15 million in favour of Equans Holding UK Limited and (ii) a buyer's parent company guarantee in favour of the existing beneficiaries for the balance.

19.2 Miscellaneous contractual commitments

	31/12/2023	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Falling due: Less than 1 year	Falling due: From 1 to 5 years	Falling due: More than 5 years	31/12/2022
Image transmission	62					62			22	40		75
Network	5,821						5,821		443	1,663	3,715	4,585
Other items	313			149		142		22	147	82	84	344
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**6,196**			**149**		**204**	**5,821**	**22**	**612**	**1,785**	**3,799**	**5,004**
Image transmission	62					62			22	40		75
Network	5,821						5,821		443	1,663	3,715	4,585
Other items	313			149		142		22	147	82	84	344
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**6,196**			**149**		**204**	**5,821**	**22**	**612**	**1,785**	**3,799**	**5,004**
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 €1,192 million during the year, including a net increase of €1,236 million at Bouygues Telecom in favour of Cellnex, PFI and Nexloop in respect of commitments to provide post-delivery site services.

19.3 Other commitments

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 2023).

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 2023).

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.

Bouygues Telecom

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 technologically equivalent 900MHz, 1800MHz and 2100 MHz bands

The coverage obligations that were imposed on Bouygues Telecom by the decisions renewing the 900 MHz, 1800 MHz and 2100 MHz licences and have been met, 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); and
- 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 2023 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;
- Providing in-vehicle coverage on the strategic road network by 9 October 2025; and
- 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 3.5 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; and

(a) Mobile Virtual Network Operators.

- 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.

Bouygues Telecom is in compliance with the following obligations:

- 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;
- 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.

Corporate Power Purchase Agreement

On 27 December 2023, Bouygues Telecom signed a green power supply agreement with Statkraft, involving the installation of photovoltaic panels in France. For a ten-year period starting on 1 April 2025, Statkraft will supply Bouygues Telecom with 35 GWh a year, representing around 5% of its annual consumption. The Group reviewed the features of this Corporate Power Purchase Agreement (CPPA) and concluded that the contractual clauses meet the criteria for deconsolidation, and that the quantities of green power supplied qualify as own-use under paragraphs 2.4-2.7 of IFRS 9. The key terms of the contract are summarised below:

Contract	Term (in years)	Date of 1st supply	Annual volumes (in GWh)
Statkraft	10	01/04/2025	35

Note 20 Employee benefit obligations and employee share ownership

20.1 Average headcount

	2023	2022
Managerial staff	33,826	27,404
Clerical, technical & supervisory staff	32,772	22,273
Site workers	25,366	22,897
SUB-TOTAL - HEADCOUNT FRANCE	**91,964**	**72,573**
Expatriate staff and local employment contracts	109,441	74,870
TOTAL AVERAGE HEADCOUNT	**201,405**	**147,443**

The year-on-year increase of 53,962 in average headcount was mainly due to the fact that in 2022, Equans was only included in the scope of consolidation for the fourth quarter.

20.2 Employee benefit obligations

	31/12/2022	Movements during 2023	31/12/2023
Lump-sum retirement benefits	542	(21)	521
Long service awards and other benefits	145	17	162
Other post-employment benefits (pensions)	101	8	109
TOTAL	**788**	**4**	**792**

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

	2023	2022
Amount recognised as an expense	(3,083)	(2,338)

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Present value of obligation	540	561	2,520	2,267	3,060	2,828
Fair value of plan assets (dedicated funds)	(19)	(19)	(2,764)	(2,506)	(2,783)	(2,525)
Asset ceiling			327	280	327	280
NET LIABILITY RECOGNISED	**521**	**542**	**83**	**41**	**604**	**583**
of which: deficit recognised as a provision	521	542	109	101	630	643
of which: overfunded plans recognised as an asset			(26)	(60)	(26)	(60)
Ratio of plan assets to present value of obligation			x1.10	x1.11		

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

	2023		2022	
	Total	%	Total	%
Equity instruments	(726)	26	(679)	27
Debt instruments	(1,086)	39	(945)	37
Property	(550)	20	(484)	19
Investment funds	(59)	2	(49)	2
Cash	(84)	3	(70)	3
Other	(278)	10	(298)	12
TOTAL	**(2,783)**	**100**	**(2,525)**	**100**

	Lump-sum retirement benefits		Pensions	
	2023	2022	2023	2022
NET LIABILITY RECOGNISED AT 1 JANUARY	**542**	**519**	**41**	**145**
Current and past service cost	14	31	51	25
Interest cost	17	4		(5)
TOTAL EXPENSE RECOGNISED	**31**	**35**	**51**	**20**
Benefits paid	(43)	(25)		
Contributions paid			(77)	(46)
Translation adjustments			(1)	1
Changes in scope of consolidation		104 [a]	1	35 [a]
Actuarial (gains)/losses recognised in equity	2	(92)	69	(114)
Transfers and other movements	(11)	1	(1)	
NET LIABILITY RECOGNISED AT 31 DECEMBER	**521**	**542**	**83**	**41**

(a) For 2022, 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 2024 is estimated at €94 million.

Actuarial losses amounted to €71 million in 2023; they are recognised directly in equity (see Note 5.3.1) and break down as follows:

	Lump-sum retirement benefits		Pensions	
	2023	2022	2023	2022
Analysis of actuarial (gains)/losses recognised in equity				
Effect of changes in demographic assumptions	1		(13)	1
Effect of changes in financial assumptions	(9)	(115)	25	(415)
Effect of experience adjustments	10	23	35	49
Return on plan assets (excluding financial income)			13	271
Effect of asset ceiling			9	(20)
TOTAL	**2**	**(92)**	**69**	**(114)**

20.3.2.2 Analysis by business segment as of 31 December 2023

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Non-current provisions:								
• Lump-sum retirement benefits	113	14	156	138	23	61	16	521
• Pensions	8		15	80			6	109
Provisions recognised as liabilities	**121**	**14**	**171**	**218**	**23**	**61**	**22**	**630**
Overfunded plans recognised as an asset			(22)	(4)				(26)
TOTAL	**121**	**14**	**149**	**214**	**23**	**61**	**22**	**604**

20.3.2.3 Analysis by geographical area as of 31 December 2023

	France and overseas departments	European Union	Rest of Europe [a]	Africa	Americas	Asia-Pacific	Middle East	Total
Non-current provisions:								
• Lump-sum retirement benefits	514	1		3	1	2		521
• Pensions	7	84	14		4			109
Provisions recognised as liabilities	**521**	**85**	**14**	**3**	**5**	**2**		**630**
Overfunded plans recognised as an asset		(4)	(19)		(3)			(26)
TOTAL	**521**	**81**	**(5)**	**3**	**2**	**2**		**604**

(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

	2023	2022
Discount rate for lump-sum retirement benefits [a]	3.88% (iBoxx A10+)	3.56% (iBoxx A10+)
Discount rate for pensions [a]	1.5% to 5.50%	1.95% to 6.00%
Life table	INSEE	INSEE
Retirement age (depending on business segment):		
• Managerial staff	65 years	62/65 years
• Clerical, technical & supervisory staff, and site workers	64 years	62/65 years
Lump-sum retirement benefits and long-service awards: salary inflation rate [b]	2.17% to 4.4%	1.65% to 4.13%
Pensions: salary inflation rate [b]	1% to 4.5%	1.50% to 4.50%

(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	(35)	40
Pensions (outside France)	50 basis points	(105)	112

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 2023, the total number of stock options outstanding was 20,018,085, and the total number effectively exercisable was 7,146,875.

Quoted market price of Bouygues shares on 31 December 2023: €34.12

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Date of AGM	27/04/2023	28/04/2022	22/04/2021	25/04/2019	25/04/2019	26/04/2018	27/04/2017	21/04/2016	23/04/2015
Grant date	01/06/2023	03/06/2022	02/06/2021	08/10/2020	31/05/2019	01/06/2018	01/06/2017	30/05/2016	28/05/2015
Number of options awarded by the Board of Directors	2,830,000	2,830,000	2,755,500	2,835,000	2,898,500	2,584,700	2,570,800	2,790,000	2,739,600
Exercise price (€)	31.081	31.771	34.157	30.53	32.59	41.57	37.99	29.00	37.106
Start date of exercise period	02/06/2025	04/06/2024	03/06/2023	09/10/2022	01/06/2021	02/06/2020	02/06/2019	31/05/2018	29/05/2017
Expiration date [a]	01/06/2033	03/06/2032	02/06/2031	08/10/2030	31/05/2029	01/06/2028	01/06/2027	30/05/2026	28/05/2025
Number of options cancelled or lapsed	213,500	191,500	97,000	144,500	250,000	289,950	389,000	260,765	372,912
Number of options exercised		2,000	108,646	383,421	261,840		140	1,394,349	456,492
• of which number of options exercised in the year		2,000	108,646	382,421	126,699			321,190	
Number of options outstanding (at 31 December 2023)	2,616,500	2,636,500	2,549,854	2,307,079	2,386,660	2,294,750	2,181,660	1,134,886	1,910,196
Number of effectively exercisable options (at 31 December 2023)		1,318,250		2,307,079	2,386,660			1,134,886	

The expense recognised by Bouygues SA under IFRS 2 is presented in Note 5.4.

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

- they must be legally exercisable as of 31 December 2023, either by normal exercise (two 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 2023, in other words the exercise price must be less than the closing share price on that date (the last quoted market price of 2023), i.e. €34.12.

Performance shares

Awarded to members of the Bouygues Group Management Committee

DESCRIPTION OF PERFORMANCE SHARE PLANS

On 27 July 2023, the Bouygues Board of Directors decided to implement a share performance plan, awarding a maximum of 376,000 performance shares to 11 beneficiaries belonging to the Bouygues Group Management Committee.

In accordance with the regulations governing performance share plans, all shares awarded under all plans issued by Bouygues have the following characteristics:

- beneficiaries must meet the continuing employment condition until the end of the vesting period;
- performance conditions incorporating both financial and non-financial criteria (including gender balance and climate) must be met; and
- shares delivered to the beneficiaries at the end of the vesting period must be either in the form of issues of new shares, or of existing treasury shares held by Bouygues SA under a share buyback programme.

All performance share plans awarded to members of the Bouygues Group Management Committee since 2021 are subject to the following conditions:

- the valuation of the shares cannot exceed a cap equal to 100% of the beneficiary's annual fixed and variable remuneration;
- beneficiaries must retain in registered form for their entire term of office at least 60% of the shares vested in them, though this obligation no longer applies once the number of shares actually held by the beneficiary represents the equivalent of 1.5 times their annual fixed remuneration; and
- beneficiaries are prohibited for their entire term of office from entering into hedging transactions in respect of the vested shares.

FAIR VALUE OF PERFORMANCE SHARE PLANS

Fair values per Bouygues performance share, determined using the Black & Scholes model, are:

- 2023 Plan: €9.2596.
- 2022 Plan no.1: €9.0790.
- 2022 Plan no.2: €15.9120 for tranche 1, €11.1901 for tranche 2, €9.8732 for tranche 3, and €8.0254 for tranche 4.
- 2021 Plan: €9.5182.

MOVEMENT IN OUTSTANDING PERFORMANCE SHARE PLANS

	2023	2022
Number of shares awarded subject to performance conditions at start of period	**733,000**	**229,000**
Shares awarded subject to performance conditions	376,000	504,000
Shares vested in beneficiaries	(65,000)	
Shares cancelled		
Number of shares awarded subject to performance conditions and not yet vested at end of period [a]	**1,044,000**	**733,000**

(a) Maximum number of shares awardable.

CHARACTERISTICS OF OUTSTANDING PERFORMANCE SHARE PLANS

	2023 Plan	2022 Plan No. 2	2022 Plan No. 1	2021 Plan
Vesting date of shares	Post 2026 AGM	- Tranche 1: post 2023 AGM - Tranche 2: post 2025 AGM - Tranche 3: post 2027 AGM - Tranche 4: post 2029 AGM	Post 2025 AGM	Post 2024 AGM
Number of shares originally awarded subject to performance conditions	**376,000**	**200,000**	**304,000**	**229,000**
Shares vested in beneficiaries		(65,000)		
Shares cancelled				
Number of shares awarded subject to performance conditions and not yet vested at end of period [a]	**376,000**	**135,000**	**304,000**	**229,000**

(a) Maximum number of shares awardable.

The expense for these performance share plans is recognised within current operating profit from activities, and amounted to €3.6 million for 2023 after taking account of employer's contributions payable by Bouygues SA.

Awarded to Equans managers

DESCRIPTION OF THE EQUANS PERFORMANCE MANAGEMENT PLAN AWARDED IN 2023

On 2 May 2023, the Equans Board of Directors decided to implement a one-off Performance Management Plan (PMP) designed to incentivise selected Equans managers and to align their interests with the financial objectives set by Bouygues for Equans through to 2027.

The plan involves an award of consideration-free ordinary shares and preference shares of Equans, which will be repurchased by Bouygues SA. Delivery of the performance shares will be contingent on the beneficiaries remaining in post until the end of the vesting period, and on the attainment of financial objectives for Equans calculated each year from 2022 to 2026.

The Equans performance shares will be delivered in annual tranches from 2024 to 2027.

Vested performance shares will start to become monetisable from 2025 onwards.

The Equans ordinary shares and preference shares will be valued annually by an independent expert.

Bouygues SA has an option to buy all the Equans shares remaining in circulation in 2030, 2031 and 2032. Consequently, an employee-related liability is recognised by Bouygues SA, and remeasured at fair value through profit or loss at each accounting close until the Equans shares have been purchased by Bouygues (no later than 2032).

The expense recognised under IFRS 2 for the consideration-free award of Equans shares is recognised in shareholders' equity in the books of Equans (equity-settled plan). On that basis, an expense of €47 million for the PMP was recognised in the Equans financial statements in 2023, within "Other operating expenses" (see Note 13.2). That expense is based on the fair value of the Equans shares as of the date of grant (15 May 2023), and takes account of the employer's contribution payable by Equans. In the Bouygues group consolidated financial statements, the expense recognised under IFRS 2 is recognised as an employee-related liability (cash-settled plan), given that Bouygues SA will underwrite the liquidity of the shares.

To reflect the impact of changes in the fair value of the Equans shares since the date of grant (and hence to reflect the Bouygues SA liquidity guarantee), the expense recognised by Equans will be adjusted within "Bouygues SA and other" for segment information purposes (see Note 17), on the "Other operating expenses" line. No such adjustment was made as of 31 December 2023.

In addition to the award of performance shares, the plan also includes:

- An option for selected managers to invest in Equans shares alongside Bouygues SA up to a maximum overall amount of €15 million. Under that scheme, Bouygues SA sold those managers Equans shares for a total of €12 million in the second quarter of 2023 and €3 million in the third quarter of 2023. Because the sale of the shares was accompanied by a commitment to repurchase, an employee-related liability of the same amount has been recognised, with the opposite entry representing the cash received. That liability is remeasured at each accounting close until Bouygues SA repurchases the shares that were sold, and amounted to €17 million as of 31 December 2023. The €2 million remeasurement was recognised within "Other operating expenses".

  The impact of the sale of the shares is classified within the line item "Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders" in the consolidated cash flow statement.
- Payment of bonuses to a larger number of managers, awarded subject to the same performance conditions as the consideration-free shares. Those bonuses have been recognised by Equans from the third quarter of 2023 (when the employees were notified) within "Other operating expenses" (see Note 13.2), and are determined depending on the attainment of the Equans performance conditions and on the beneficiaries remaining in post at the date of payment. They amounted to €6 million in 2023.

FAIR VALUE OF PERFORMANCE SHARE PLANS

The fair value per Equans ordinary share is €42.50, determined using a multi-criteria approach (discounted cash flows, deal multiples and stock market multiples).

The fair value per Equans preference share is €43.70, determined using the Monte Carlo model.

MOVEMENT IN OUTSTANDING PERFORMANCE SHARE PLANS

Ordinary shares awarded under the Equans Performance Management Plan

	2023
Number of ordinary shares awarded subject to performance conditions at start of period	
Shares awarded subject to performance conditions	3,893,200
Shares vested in beneficiaries	
Shares cancelled	
Number of ordinary shares awarded subject to performance conditions and not yet vested at end of period [a]	**3,893,200**

(a) Maximum number of shares awardable.

Preference shares awarded under the Equans Performance Management Plan

	2023
Number of preference shares awarded subject to performance conditions at start of period	
Shares awarded subject to performance conditions	1,339,432
Shares vested in beneficiaries	
Shares cancelled	
Number of preference shares awarded subject to performance conditions and not yet vested at end of period	**1,339,432**

The total expense relating to this performance share plan for 2023, recognised below the current operating profit line and after taking account of employer's contributions payable by Equans, is €55 million.

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

21.1 Related party information

	Expenses		Income		Receivables		Payables	
	2023	2022	2023	2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Parties with an ownership interest	2	2						
Joint operations	51	47	388	419	292	305	255	371
Joint ventures and associates	399	116	707	777	474	404	255	159
Other related parties	143	131	363	234	229	103	150	46
TOTAL	**595**	**296**	**1,458**	**1,430**	**995**	**812**	**660**	**576**
Maturity								
• less than 1 year					925	734	660	576
• 1 to 5 years					42	31		
• more than 5 years					28	47		
of which impairment of doubtful receivables (mainly non-consolidated companies)					50	59		

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 2023

Direct remuneration (excluding social charges) in respect of the 2023 financial year for key executives (the 11 members of the Group Management Committee) amounted to €23,235,682, comprising basic remuneration of €9,813,473 and variable remuneration of €13,422,209 linked to 2023 performance.

The comparative figures for 2022 were total remuneration of €19,887,317, comprising basic remuneration of €9,249,382 and variable remuneration of €10,637,935 (for the 12 members in office on 31 December 2022).

Remuneration during the year for participating in Board meetings of Bouygues SA and its subsidiaries amounted to €245,318, compared with €275,144 in 2022.

Remuneration paid to non-executive directors in respect of directorships held at Bouygues SA and its subsidiaries amounted to €891,215, compared with €856,833 in 2022.

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 2023, the obligation in respect of members in post as of 31 December 2023 increased by €4,117,430. No payments were made under this scheme in 2023.

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 2023 was €1,015,060, versus €978,000 in 2022. This will be converted into performance shares using the quoted market price of Bouygues shares on the day following the Annual General Meeting of 25 April 2024. The resulting shares will not be available until Olivier Roussat retires.

Lump-sum retirement and termination benefits: The provision increased by a net amount of €7,241,841 during 2023 for members of the Group Management Committee, due mainly to the departure of some members and the arrival of others.

In 2022, the provision decreased by a net amount of €995,526, reflecting a stable population of beneficiaries and an increase in the discount rate leading to a reduction in the amount of the obligation.

Share-based payment: a total of 205,000 stock options were awarded to members of the Bouygues Group Management Committee on 1 June 2023, at an exercise price of €31.081. The earliest exercise date is 2 June 2025, and the expense recognised in 2023 was €105,163 (versus €92,753 for 190,000 shares in 2022).

The net expense recognised for performance shares awarded to members of the Group Management Committee in 2023 was €7,567,400, compared with €2,648,069 in 2022.

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

22.1 Cash flows from acquired or divested companies

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total 31/12/2023
Non-current assets	(2)	(2)	37	352	(8)	(16)	29	390
Current assets	16		(15)	53	(2)	(9)	8	51
Non-current liabilities	(2)		(57)	(27)	(2)	2	(2)	(88)
Current liabilities	(73)		48	(64)	3	63	(42)	(65)
Cash	57		1	(155)	3	(5)	6	(93)
PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF DISPOSALS	**(4)**	**(2)**	**14**	**159**	**(6)**	**35**	**(1)**	**195**
Cash of acquired or divested companies	(57)		(1)	155	2	5	(6)	98
Net liabilities related to consolidated activities	(4)		(7)	7		(98)	6	(96)
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**(65)**	**(2)**	**6**	**321**	**(4)**	**(58)**	**(1)**	**197**

Acquisitions and divestments in the period generated a net cash outflow of €197 million, and mainly comprised:

- Bouygues Construction: change in consolidation method for Richelmi (now accounted for using the equity method) with effect from 1 January 2023, resulting in the deconsolidation of €56 million of cash;
- Equans: sale of the district heating and cooling networks activities in the UK and the Aquifer Thermal Energy Storage activities in the Netherlands for €340 million (see Note 1.2.1).
- Bouygues Telecom: payment of BTBD contingent purchase consideration of €47 million (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.

	2023	2022
Assets		
Inventories/Programmes/Broadcasting rights	164	(165)
Advances and down-payments made on orders	15	(70)
Trade receivables	(192)	(828)
Customer contract assets	13	(196)
Other current receivables and current financial assets	170	(134)
SUB-TOTAL	**170**	**(1,393)**
Liabilities		
Trade payables	(35)	746
Customer contract liabilities	859	217
Current provisions	100	(109)
Other current liabilities and current financial liabilities	54	(67)
SUB-TOTAL	**978**	**787**
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES [a]	**1,148**	**(606)**

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

22.3 Reverse factoring and receivables securitisation programmes

At Bouygues Telecom, the Group has implemented reverse factoring programmes, in which trade payables are assigned to financial institutions (see Note 2.12.2). The amount of those programmes was €283 million as of 31 December 2023 (€260 million as of 31 December 2022), of which €69 million comprised invoices issued less than 60 days previously (€62 million as of 31 December 2022) and €214 million comprised invoices issued more than 60 days previously (€198 million as of 31 December 2022).

The liabilities covered by those programmes are recognised within "Trade payables". These programmes have no impact on the consolidated cash flow statement. The payment is presented within "Changes in working capital requirements related to operating activities" on extinguishment of the liability.

The Group also operates a trade receivables securitisation programme via its subsidiary Bouygues Telecom, the amount of which (recognised within "Other borrowings", see Note 8.1) was €623 million as of 31 December 2023 compared with €531 million as of 31 December 2022. Because this programme does not require deconsolidating, it has no impact on the net debt of the Bouygues group. The cash proceeds received are presented within "Change in current and non-current debt" in the consolidated cash flow statement.

Note 23 Claims and litigation

Bouygues group companies are involved in a variety of litigation and claims in the normal course of their business. Risks are assessed on the basis of past experience and analysis by the Group's in-house legal departments and external counsel. To its knowledge, there is at present no exceptional event, dispute or claim likely to have a significant negative impact on the business, assets and liabilities, results or financial structure of the Group as a whole. Disputes and claims are subject to regular review, especially when new facts arise. The provisions recorded in the financial statements appear to be adequate in light of these assessments. The Group uses all legal means to defend its legitimate interests. Details about which claims are or are not covered by provisions have not been disclosed, since such disclosure might affect the outcome of some ongoing claims. The Group has not recognised any contingent liabilities in respect of the claims and litigation described below. In addition to the matters described in Note 1, "Significant events" (handset dispute with Free Mobile, Ile-de-France Regional Authority dispute, Belfast biomass facility, Centennial), the principal claims and litigation involving the Group are as follows:

23.1 Bouygues Construction

23.1.1 Miami – Brickell City Centre

On 2 July 2013, Brickell City Centre LLC (the "Client") entrusted the construction of a multi-purpose property complex in Miami (Florida) to a joint venture comprising Americaribe (a Bouygues Construction subsidiary) and John Moriarty Associates of Florida. The last phase of the works to this building was accepted in February 2016.

Problems of water seepage, waterproofing and finishing appeared after acceptance. The Client seized Miami Civil Court on 22 January 2021 with an action to determine liability for the problems and the associated quantum of damage. The experts' investigations are in progress.

23.1.2 Hong Kong – Shenzhen Western Corridor

A joint venture comprising VSL Hong Kong and Gammon Management Services Ltd (the "VSL JV") was the holder of two sub-contracting contracts entrusted by the Gammon – Skanska – MBEC joint venture (the "lead JV") relating to the Shenzhen Western Corridor project, initiated by the Hong Kong Expressways Department (the "Client"').

On 15 February 2019, the Client established that an external prestressed cable had failed. A dispute ensued between the parties concerning the reason for the broken cable and the possible defects which could affect all the other cables. Several arbitrations were therefore started in May 2020 and September 2021: (i) between the Client and the lead JV, (ii) between the lead JV and the VSL JV, (iii) between the Client and the VSL JV, and (iv) between the Client and the design office. In 2023, the Client enlarged its claim to all the prestressed cables. The overall estimation is in the process of being finalised The exchange of statement of cases is now complete, and the hearings are expected during 2024.

23.1.3 France – Tax procedures

Following audits on the financial years 2018 and 2019, the Directorate of National and International Audits of France's Public Finances Directorate notified Bouygues Construction of two proposed adjustments in respect of corporation tax, the contribution on added value and withholding tax. The French tax authorities consider that the amount of royalties received by Bouygues Construction from its subsidiaries in respect of brand licences should be increased. Bouygues Construction is disputing the grounds and the quantum of this revaluation, and has referred the dispute to the National Commission for Direct Taxes and Sales Taxes. In December 2023, Bouygues Construction received a new proposed adjustment in respect of the 2020 financial year, relating to the same issue as the two proposed adjustments mentioned above. Bouygues Construction has challenged this proposed adjustment through the taxpayer representation procedure.

23.2 Colas

23.2.1 France – Urssaf reassessments

All the ongoing Urssaf controls and associated disputes and arguments concerning the reductions in social security contributions connected to the "TEPA" and "Fillon" regimes have been comprehensively valued by Colas. The total potential amount of the readjustments, including lateness penalties, is estimated at €55 million.

These disputes have been referred to the Social Security section of the Judicial Courts.

23.2.2 Canada – Tax dispute relating to technical assistance invoiced by Colas to its subsidiary Colas Canada Inc.

The Canadian Revenue Authorities are disputing the deductibility of the technical assistance costs which the Colas parent company invoiced to its subsidiary Colas Canada Inc. They claim that the amount of these costs is excessive and the supporting documentation is insufficient. The dispute for the years 2008 to 2016, where Colas Canada Inc. was challenging the rate adopted by the Canadian Revenue Authorities under the dispute resolution procedure, was settled in 2023. There are ongoing tax audits for the 2018, 2019 and 2020 financial years. The amounts involved total CAD 29 million.

23.2.3 International – Complaint filed by Colas Rail in relation to an international project

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

23.3 Equans

23.3.1 Chile - Santiago Hospital

In January 2021, Ima Industrial ("Ima"), a subsidiary of Equans in Chile, was contracted by Constructora de Infraestructura de Chile SPA ("CICH"), the main contractor for the construction of Salvador hospital, to carry out the HVAC package. On 13 December 2022, CICH notified Ima of the early termination of the contract, citing breach of contractual specifications. Arbitration proceedings have been initiated before the Arbitration and Mediation Centre of the Santiago Chamber of Commerce. On 5 June 2023, Ima filed a claim for around €13 million to indemnify the loss caused by the early termination of the contract. CICH has not quantified its claim at this stage. The case is continuing.

23.3.2 USA – Solar Farm

This dispute arose after Sterling & Wilson Solar Solutions ("S&W") terminated, in June 2022, a sub-contracting contract which had been awarded to Conti (a subsidiary of Equans) to build a solar farm in the State of Washington. Conti has brought arbitration proceedings against S&W for wrongful termination, alleging the late delivery of equipment, defective equipment, and the non-payment of requests to accelerate operations. Conti is alleging a loss of USD19 million. S&W has filed a counter-claim for USD95 million.

23.4 TF1

23.4.1 Molotov TV dispute

Molotov TV's complaint to the Competition Authority against TF1 and M6 for a cartel and abuse of a collective dominant position

Seized with this complaint on 12 July 2019, the Competition Authority rejected Molotov TV's application as well as the associated preventative measures. The Paris Court of Appeal rejected the appeal lodged by Molotov TV against the Authority's decision in a judgement dated 30 September 2021. Molotov TV has appealed to the Cour de cassation (French Supreme Court).

Molotov TV's complaint against TF1, M6 and France Télévisions to the Competition Authority for failure to respect the commitments made in the context of the authorisation for the Salto platform, and its claim for a penalty

The Competition Authority was seized with this complaint on 16 June 2020. This procedure was followed by an application to the Conseil d'État on 16 October 2020 to cancel the rejection decision which was implicit from the Authority's silence. These proceedings are ongoing.

Molotov TV's summons against TF1 before the Paris Commercial Court

Molotov TV served proceedings on 10 November 2020 on TF1 and TF1 Distribution in the Paris Commercial Court claiming damages and fines. Molotov TV's argument is that TF1 Distribution's offer of distribution allegedly subjects it to imbalanced obligations, with the aim of obtaining an unfair advantage, and is claiming damages of €100 million. The proceedings are currently pending before the Cour de Cassation.

23.5 Bouygues Telecom

23.5.1 Access to the local copper loop

In April 2021, Bouygues Telecom sued Orange in the Paris Commercial Court for damages for its loss, assessed at €84 million, resulting from Orange's breaches of its fundamental obligations concerning providing access to the local copper loop, for which Arcep had given it formal notice for in its decision n° 2018-1596-RDPI.

23.5.2 Access to FTTH infrastructure

On 30 January 2020, Bouygues Telecom seized Arcep with a claim to settle the disputes over the financing terms for access to the FTTH (Fibre to the Home) lines rolled out by SFR FTTH (now XP Fibre) in certain zones of France. Arcep (the French telecoms regulator), in a decision on 5 November 2020, compelled XP Fibre to restore the applicable co-financing rates which were in force before 1 February 2020 and to offer Bouygues Telecom a maximum rental price of €13.20 ex. VAT/month/line. After an appeal by XP Fibre, the Paris Court of Appeal, upheld Arcep's decision in a judgement dated 20 April 2023. XP Fibre then lodged an appeal with the Cour de Cassation on 17 May 2023.

On 14 October 2021, Bouygues Telecom seized Arcep with a claim concerning the disputes over the financial terms for reimbursing the activation fee for connecting end-customers within the scope of the contract of access concluded with Orange in its capacity as an FTTH infrastructure operator in the Very Dense Areas of France. On 29 March 2022, Arcep granted Bouygues Telecom's claims, directing Orange to modify the provisions in its contract concerning returning contributions for connection costs. Orange has lodged an appeal against this decision with the Paris Court of Appeal. These proceedings are ongoing.

On 24 February 2023, Bouygues Telecom and Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF), in which Bouygues Telecom is the majority shareholder, brought an action against Orange before the Paris Commercial Court seeking repayment of the connection fees due to them in respect of FTTH lines terminated in the Very Dense Area (for the period prior to that covered by the dispute referred to in the previous paragraph) and in the Less Dense Area (since 1 January 2018). Bouygues Telecom and SDAIF are claiming around €124 million.

Orange has applied for a stay of proceedings pending the decision of the Court of Appeal in the dispute referred to in the previous paragraph. Bouygues Telecom opposes this request.

23.5.3 Free Mobile roaming

On 1 March 2021, Bouygues Telecom appealed the judgement of the Paris Administrative Court dated 30 December 2020 which dismissed its claim to order the French State to pay it €2.285 billion as damages for its loss between 2011 to 2015 caused by the failure to regulate the roaming agreement between Free Mobile and Orange. Bouygues Telecom lodged an appeal with the Conseil d'Etat on 29 August 2023, after the Administrative Court of Appeal upheld the Administrative Court's judgement,.

23.5.4 Tel and Com v. Bouygues Telecom

Tel and Com, a specialised distributor whose contract was not renewed when it expired, filed a claim against Bouygues Telecom in the Paris Commercial Court on 10 November 2015 alleging the sudden break off of an established business relationship. Tel and Com claimed that Bouygues Telecom had not given a sufficient period of notice and claimed damages of €125.7 million for its loss. In a judgement dated 20 December 2019, the Paris Court of Appeal held that the periods of notice given by Bouygues Telecom had been sufficient. Following an appeal lodged by Tel and Com, the Cour de Cassation partially reversed the judgement and returned the case to the Paris Court of Appeal. The distributor is claiming an indemnity of €120 million before the Court of Appeal to which the case was transferred. In a decision dated 31 March 2023, the Court of Appeal ruled that the notice period had been insufficient and ordered an expert appraisal to assess the loss claimed by Tel and Com. In June 2023, Bouygues Telecom and Tel and Com each lodged an appeal with the Cour de Cassation against the Court of Appeal's judgement.

23.5.5 Impact of 5G frequencies

In May 2020, a collective of 500 natural persons served summonses in summary proceedings on the four mobile network operators (Orange, SFR, Bouygues Telecom and Free Mobile) before the Paris Judicial Court requesting the appointment of a judicial expert to assess the impact of 5G on health, the environment and privacy. The Paris Judicial Court and the Paris Court of Appeal held that they lacked jurisdiction to order a general investigation into 5G. Some of the initial claimants appealed to the Cour de Cassation in November 2022.

23.5.6 Patent litigation

A third party has sued Bouygues Telecom for the infringement of three patents. The claims total €60 million. The cases have now gone to appeal after judgements were handed down in Bouygues Telecom's favour at first instance.

Note 24 Auditors' fees

Bouygues SA is audited by Mazars and Ernst & Young Audit, appointed as statutory auditors by the Annual General Meetings held on 10 June 1998 and 24 April 2003, respectively. The signatory partners have been involved since the audits of the financial statements for 2022 and 2020, respectively.

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and consolidated companies, as expensed through the income statement in 2023 (in thousands of euros).

	2023				2022			
	Mazars network		EY network		Mazars network		EY network	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
A - Audit	**(13,929)**	**95**	**(10,472)**	**88**	**(10,369)**	**96**	**(7,858)**	**92**
• Bouygues SA	(289)		(289)		(444)		(371)	
• Consolidated subsidiaries	(13,640)		(10,183)		(9,925)		(7,487)	
B - Non-audit services	**(711)**	**5**	**(1,455)**	**12**	**(435)**	**4**	**(714)**	**8**
TOTAL	**(14,640)**	**100**	**(11,927)**	**100**	**(10,804)**	**100**	**(8,572)**	**100**

The increase relative to 2022 was mainly due to fees incurred on the audit of the consolidation package of Equans, covering a full year in 2023 and three months in 2022.

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 (mainly PwC for Colas and Deloitte for Equans) was €5,281 thousand in respect of the 2023 financial year and €5,801 thousand in respect of the 2022 financial year.

Note 25 List of principal consolidated companies at 31 December 2023

Company	City/Country	% interest 2023	% interest 2022	% direct and indirect control [a] 2023	% direct and indirect control [a] 2022
FRANCE					
Companies controlled by Bouygues					
Construction					
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	Lormont	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	Marcq en Baroeul	100.00	100.00		
Linkcity IDF	Saint-Quentin-en-Yvelines	100.00	100.00		
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**	**100.00**	**96.85**		
Aximum and its subsidiaries	Magny-les-Hameaux	100.00	96.85		100.00
Colas Rail and its subsidiaries	Courbevoie	100.00	96.85		100.00
Grands Travaux Océan Indien (GTOI) SA	Le Port (Reunion Island)	100.00	96.85		100.00
Spac and its subsidiaries	Nanterre	100.00	96.85		100.00
Energies & Services					
Equans SAS	**Courbevoie**	**100.00** [b]	**100.00**		
Ineo SA and its subsidiaries	Courbevoie	100.00	100.00		
Axima Concept and its subsidiaries	Courbevoie	100.00	100.00		
Pierre Guerin (Finox)	Mauzé-sur-le-Mignon	100.00	100.00		
MCI	Gennevilliers	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		
Media					
Télévision Française 1 SA	**Boulogne-Billancourt**	**45.40**	**44.51**		
E-TF1	Boulogne-Billancourt	45.40	44.51	100.00	100.00
TF1 Séries Films	Boulogne-Billancourt	45.40	44.51	100.00	100.00
La Chaîne Info	Boulogne-Billancourt	45.40	44.51	100.00	100.00
Newen and its subsidiaries	Paris	45.40	44.51	100.00	100.00
TFX	Boulogne-Billancourt	45.40	44.51	100.00	100.00
Télé Monte Carlo (TMC)	Monaco	45.40	44.51	100.00	100.00
TF1 Studios	Boulogne-Billancourt	45.40	44.51	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	45.40	44.51	100.00	100.00
Telecoms					
Bouygues Telecom SA and its subsidiaries	**Paris**	**90.53**	**90.53**		
Bouygues Telecom Business - Distribution BTBD	Boulogne-Billancourt	90.53	90.53	100.00	100.00

Company	City/Country	% interest		% direct and indirect control [a]	
		2023	2022	2023	2022
Other subsidiaries					
Bouygues Relais SNC	Paris	100.00	100.00		
GIE 32 Hoche	Paris	90.00	90.00		
Joint operations					
Construction					
Evesa	Paris	48.00 [c]	47.53		
GIE Oc'via Construction	Saint-Quentin-en-Yvelines	74.00 [d]	73.21		
Joint ventures and associates					
Construction					
Consortium Stade de France SA	Saint-Denis	33.33	33.33		
Property					
SAS NDH	Issy-les-Moulineaux	50.00	50.00		
Energies & Services					
Axione	Malakoff	51.00	51.00		
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	44.36	49.00	49.00
INTERNATIONAL					
Companies controlled by Bouygues					
Construction					
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	Nonthaburi/Thailand	49.00	49.00		
Bouygues UK Ltd	London/United Kingdom	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		
Karmar SA	Warsaw/Poland	100.00	100.00		
Losinger Marazzi AG	Bern/Switzerland	100.00	100.00		
Losinger Holding AG	Lucerne/Switzerland	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		
Property					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Transport infrastructure					
Colas Australia Group and its subsidiaries	Sydney/Australia	100.00	96.85		100.00
Colas Belgium and its subsidiaries	Brussels/Belgium	100.00	96.85		100.00
Colas Canada Inc. and its subsidiaries	Toronto/Canada	100.00	96.85		100.00
Colas CZ	Prague/Czech Republic	99.10	95.98		99.10
Colas Danmark A/S and its subsidiaries	Glostrup/Denmark	100.00	96.85		100.00
Colas Hungaria and its subsidiaries	Budapest/Hungary	100.00	96.85		100.00
Colas Inc. and its subsidiaries	Morristown/United States	100.00	96.85		100.00
Colas Ltd and its subsidiaries	Birmingham/United Kingdom	100.00	96.85		100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	100.00	96.85		100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	99.22	96.09		99.22
Colas Slovakia	Kosice/Slovakia	99.60	96.46		99.60
Destia Oy and its subsidiaries	Helsinki/Finland	99.60	96.46		99.60
Colas Polska	Sroda Wlkp/Poland	100.00	96.85		100.00
Colas Teoranta	Dublin/Irish Republic	100.00	96.85		100.00

Company	City/Country	% interest 2023	% interest 2022	% direct and indirect control [a] 2023	% direct and indirect control [a] 2022
Energies & Services					
Equans Nederland NV and its subsidiaries	Bunnik/Netherlands	100.00	100.00		
Equans Techniques SA	Plan les Ouates/Switzerland	100.00	100.00		
Equans Services AG	Zurich/Switzerland	100.00	100.00		
SPL Powerlines Germany GmbH	Forchheim/Germany	Absorbed	100.00		
SPL Powerlines UK Ltd	United Kingdom	Absorbed	100.00		
Equans SA Belgique (formerly Fabricom)	Brussels/Belgium	100.00	100.00		
Fabricom Industrie Sud	Fleurus/Belgium	Merged	100.00		
Equans Services	Brussels/Belgium	100.00	100.00		
Equans FM Consolidation	Newcastle-upon-Tyne/United Kingdom	100.00	100.00		
Equans Buildings Ltd	Newcastle-upon-Tyne/United Kingdom	100.00	100.00		
Equans Regeneration Consolidation	Newcastle-upon-Tyne/United Kingdom	100.00	100.00		
Equans Services Ltd	Newcastle-upon-Tyne/United Kingdom	100.00	100.00		
H.T. Lyons Inc.	Houston/United States	100.00	100.00		
Unity Electric Co. Inc.	Houston/United States	100.00	100.00		
Donnelly Mechanical Corporation	Houston/United States	100.00	100.00		
Conti Service LLC	Houston/United States	100.00	100.00		
Indicon LLC	United States	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		
Bouygues E&S Contracting UK	Holytown/Scotland	100.00	100.00		
Bouygues E&S UK	London/United Kingdom	100.00	100.00		
Bouygues E&S Schweiz	Zurich/Switzerland	100.00	100.00		
Plan Group Inc. and its subsidiaries	Vaughan/Canada	100.00	100.00		
Media					
iZen and its subsidiaries	Madrid/Spain	36.32	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					
Bina Fincom	Zagreb/Croatia	50.70	50.70		
Transport infrastructure					
Gamma Materials	Beau Bassin/Mauritius	50.00	48.43	50.00	50.00
Mak Mecsek zrt	Budapest/Hungary	30.00	29.05	30.00	30.00
Tipco Asphalt	Bangkok/Thailand	31.10	30.12	31.10	31.10
Energies & Services					
Vivo Defence Services Limited	Newcastle-upon-Tyne/United Kingdom	50.00	50.00		

(a) Where percentage control differs from percentage interest.
(b) O/w 0.18% held by employees.
(c) 33.00% Bouygues Construction, 15.00% Colas.
(d) 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 Frédérique Delavaud, Investor Relations Director.