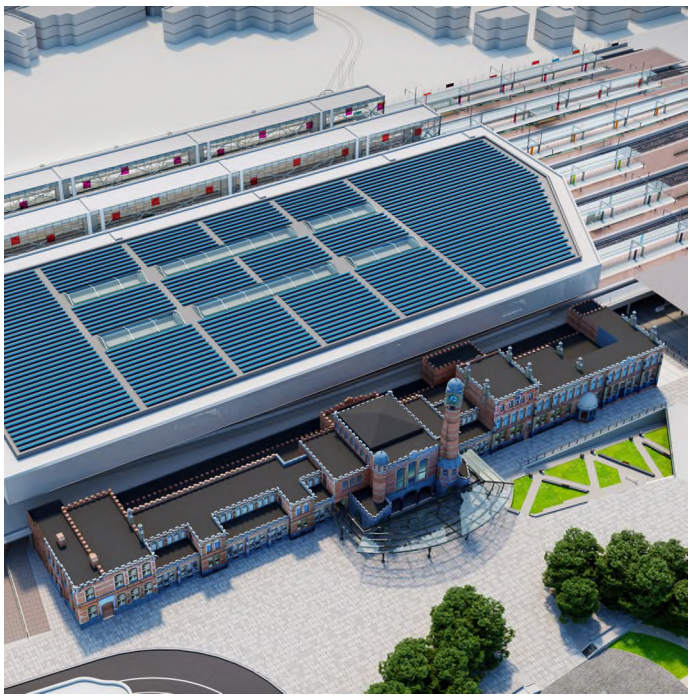
2021 Half-year Financial Report



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I. Statement by the person responsible

I hereby declare that, to the best of my knowledge, the condensed half-year consolidated financial statements for the half year under review have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all the companies within its scope of consolidation, and that the half-year management report gives a true and fair account of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main related party transactions and that it describes the main risks and uncertainties for the remaining six months of the financial year.

25 August 2021

Benoît de Ruffray

Director – Chairman and Chief Executive Officer

II. Half-year management report

Activity

The Group's consolidated revenue amounted to €8.7 billion in the first half of 2021, up 25.8% on an actual basis (+25.7% at constant consolidation scope and constant exchange rates) compared with the first half of 2020. Business growth was particularly significant in France (+29.9%), as the first half of 2020 had been heavily impacted by the first lockdown. On an actual basis, revenue increased by 1.9% compared with the first half of 2019. As a reminder, 2019 was a particularly dynamic year in all the Group's businesses.

Contracting activity grew by 27.7% to €7.4 billion (+27.6% at constant consolidation scope and constant exchange rates) compared with the first half of 2020 and by 3.8% compared with the first half of 2019. Revenue reached €5.1 billion in France, up 4.3% compared with the first half of 2019, and nearly €2.3 billion internationally, up 2.7% compared with the first half of 2019 (+2.2% in Europe excluding France and +5.1% in the rest of the world).

Given the unusual context of the first half of 2020, the change in operating performance is commented on below compared to the 2019 baseline.

In the Construction division, activity decreased by 2.4% compared with the first half of 2019 to €1.97 billion, of which +1.1% in France and -12.2% internationally (significant decline in business in Switzerland and Poland). In Property Development, reservations for new housing units numbered 2,194 as against 2,534 in the first half of 2019.

In the Infrastructure division, revenue increased by 5.6% compared with the first half of 2019 to €3.17 billion, of which +5.8% in France (-1.6% in Road Construction, +8.2% in Civil Engineering and +37.8% in Metal) and +5.2% internationally (+6.3% in Europe excluding France and +2.3% in the rest of the world). In France, the major projects of the Grand Paris Express and the Saint-Nazaire wind farm are driving activity in Civil Engineering and Metal.

In the Energy Systems division, activity was up 7.0% compared with the first half of 2019 to €2.25 billion, of which +5.4% in France and +10.6% internationally (+10.2% in Europe excluding France, with Spain and Germany recording strong growth).

In Concessions, revenue fell by 7.3% compared with the first half of 2019 to €1.31 billion. Overall, motorway traffic, although up significantly compared with the first half of 2020 (+19.4% at APRR, +18.0% on the A65 motorway, +41.7% on the Millau viaduct and +30.5% on the Avenir motorway in Senegal), has not yet returned to its 2019 level due to travel restrictions. Passenger traffic at the Lille and Toulouse airports continued to be heavily impacted by the effects of the Covid-19 pandemic and fell 41.9% year-on-year, with revenue down 19.4%.

In the second quarter, the Group's activity increased by 2.3% compared with the second quarter of 2019, of which +4.1% in Contracting and -6.9% in Concessions.

In millions of euros	Revenue for the first half of 2020	Revenue for the first half of 2021	Change	
			Actual	LFL*
Construction	1,473	1,970	+33.7%	+33.9%
of which Property Development	*321*	*466*		
Infrastructure	2,548	3,167	+24.3%	+24.5%
Energy Systems	1,764	2,250	+27.6%	+26.9%
Total Contracting	5,785	7,387	+27.7%	+27.6%
Concessions (excl. IFRIC 12)	1,133	1,313	+15.9%	+15.9%
Total Group (excl. IFRIC 12)	**6,918**	**8,700**	**+25.8%**	**+25.7%**
Of which:				
. France	4,940	6,416	+29.9%	+29.7%
. International	1,978	2,284	+15.5%	+15.8%
of which Europe outside France	*1,621*	*1,885*	*+16.3%*	*+16.2%*
of which outside Europe	*357*	*399*	*+11.8%*	*+13.6%*
Construction revenue of Concessions (IFRIC 12)	110	112	n.s.	

* Like-for-like: at constant scope and exchange rates.

Results

The Group's operating profit on ordinary activities came to €679 million for an operating margin of 7.8% compared with 9.8% for the first half of 2019 (3.8% in H1 2020).

In Construction, the operating margin returned to its 2019 level at 3.4% (-2.1% in H1 2020), supported by a good performance in works in France and Belgium.

In Infrastructure, the margin went from -1.0% in H1 2019 to -0.9% in H1 2021 (-5.3% in H1 2020), as business was particularly brisk in France and in Germany.

In the Energy Systems division, profitability was 4.0% compared with 3.6% in H1 2019 (1.1% in H1 2020). Compared with H1 2019, the operating margin increased in France, as well as internationally, in most locations.

For Contracting overall, the operating margin was 1.7% and the contribution to operating profit on ordinary activities rose from €115 million in H1 2019 to €128 million in H1 2021.

In Concessions, the operating margin came in at 42.2% compared with 51.6% in 2019 (36.2% in H1 2020), with APRR posting an Ebitda margin of 75.3% compared with 76.4% in H1 2019 (73.1% in H1 2020).

Other operating income and expense resulted in a net expense of €14 million compared with a net expense of €19 million in H1 2019 (€12 million in H1 2020).

The net cost of financial debt decreased by €5 million year-on-year to €119 million.

Net profit attributable to owners of the parent thus amounted to €260 million, compared with €290 million in H1 2019 (€8 million loss at 30 June 2020).

Financial situation

Net financial debt stood at €10.2 billion (-€0.7 billion over 12 months).

Free cash flow, which is traditionally negative in the first half of the year given the seasonal nature of the Contracting business, is close to zero this year (-€11 million compared with -€373 million in 2020 and -€135 million in 2019). The good performance of the working capital requirement, whose seasonal variation was limited to €393 million (€518 million in 2019), and the decrease in interest and taxes paid more than offset the significant

increase in investments in concessions, mainly due to the continued construction of the A79 motorway in the Allier department.

Financing

The Group has a solid financial structure, both in terms of Eiffage S.A. (and its Contracting subsidiaries), which has a short-term rating of F2, and its concession-holding entities, the largest of which is APRR (rated A- stable).

At 30 June 2021, Eiffage S.A. and its Contracting subsidiaries had liquidity of €4.9 billion, comprising €2.9 billion of cash and cash equivalents and an undrawn bank credit line of €2 billion with no financial covenants. Substantially all of this amount is due in 2026. Eiffage S.A.'s liquidity increased by €0.3 billion compared with 30 June 2020.

APRR for its own part had liquidity of €2.9 billion at 30 June 2021, consisting of €0.9 billion in cash and cash equivalents and an undrawn bank credit line of €2 billion. Almost all of this facility will mature in 2026 with a possible extension of one year. APRR's liquidity decreased by €0.2 billion compared with 30 June 2020.

Ecological transition

In April 2021, Eiffage published its second climate report in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). In the 2021 climate report, the Group measures the impacts of each of its businesses and shares their respective operational action plans to contain environmental damage, including damage to biodiversity.

The Group has reinforced the commitments made in 2020 when it published its first climate report:

- by aligning itself to the 1.5°C trajectory, in accordance with the criteria of the Science-Based Targets initiative (SBTi),
- by strengthening the consistency of its commitment by making this trajectory applicable to all of its businesses without exception.

Based on its greenhouse gas emissions for the 2019 reference year, the Group therefore plans to reduce its internal emissions by at least 40% for scopes 1 and 2 by 2030. For the 2019 reference year, emissions included in scope 3 upstream represent 85% of the greenhouse gas emissions of the Contracting divisions in France. In terms of scope 3 upstream, all businesses combined, Eiffage has confirmed an ambitious commitment to reduce emissions by at least 30% by 2030. This goal can only be achieved with the close cooperation of the Group's regular suppliers of goods and services.

In December 2020, Eiffage obtained an A- (previously B) rating in the CDP Climate Change 2020 ranking (Carbon Disclosure Project).

In July 2021, Eiffage's carbon strategy was supplemented with a commitment to be carbon neutral by 2050, which is also registered with the SBTi.

Outlook for 2021

In Contracting, the order book remains high at €16.6 billion, down slightly by 3% over one year (-1% over 3 months), due to the consumption of the order book on major projects (Grand Paris Express, the A79 motorway in France and the A3 motorway in Germany, and the HS2 high-speed rail link in the United Kingdom) while lot 1 of the Lyon-Turin rail tunnel has not yet entered the order book and represents nearly €600 million.
The order book represents 13.0 months of activity for the Contracting divisions.
Given the visibility afforded by this order book, Eiffage now expects Contracting revenue in 2021 to be slightly higher than in 2019.
In Concessions, the travel restrictions that had a strong impact in the first half of the year will not make it possible to return to the level of activity in 2019, even though summer motorway traffic proved dynamic.
Under these conditions, the Group's operating profit on ordinary activities, affected by the Concessions business, will not return to its 2019 level as of this year. It will be significantly higher than in 2020, however, as will the net profit attributable to owners of the parent.

A more detailed presentation of the accounts for the first half of 2021, in French and English, is available on the company's website, www.eiffage.com.

Main risks – related party transactions

The risk factors to which the Group is subject are set out on pages 221 and 222 of the company's 2020 universal registration document registered under no. D.21-0227. At the date of this financial report, there are no changes or uncertainties relating to these risks that are likely to have a significant impact on the business and results for the second half of 2021. An assessment of the Group's exposure to financial covenants is provided in Note 11 to the condensed half-year consolidated financial statements at 30 June 2021.

Related party transactions are disclosed in Note 16.

III. Condensed half-year consolidated financial statements at 30 June 2021

Consolidated statement of financial position

In millions of euros

Assets	Notes	30 June 2021	31 December 2020
Non-current assets			
Property, plant & equipment		1,717	1,814
Right-of-use assets		1,053	1,012
Investment property		58	59
Concession intangible assets		11 528	11 582
Goodwill		3,423	3,408
Other intangible assets		290	271
Investments in equity-accounted investees	8	166	169
Non-current financial assets in respect of service concession arrangements	11	1,567	1,576
Other non-current financial assets	11	547	575
Deferred tax	9	251	262
Total non-current assets		**20,600**	**20,728**
Current assets			
Inventories		924	803
Trade and other receivables		5,602	5,105
Current tax assets		97	84
Current financial assets in respect of service concession arrangements	11	65	64
Other current assets		1,946	1,745
Cash and cash equivalents	11-12	4,198	5,192
Total current assets		**12,832**	**12,993**
Total assets		**33,432**	**33,721**

In millions of euros

Equity and liabilities		30 June 2021	31 December 2020
Equity			
Share capital	10	401	392
Consolidated reserves		4,938	4,746
Accumulated other comprehensive income		(196)	(212)
Profit for the year		260	375
Equity attributable to owners of the parent		**5,403**	**5,301**
Non-controlling interests		1,174	1,172
Total equity		**6,577**	**6,473**
Non-current liabilities			
Borrowings	11-13	11,665	12,066
Lease liabilities	13	725	749
Deferred tax	9	910	949
Non-current provisions	14	841	831
Other non-current liabilities		145	145
Total non-current liabilities		**14,286**	**14,740**
Current liabilities			
Trade and other payables		4,166	4,086
Loans and other borrowings	11-13	2,565	3,071
Non-current borrowings due within one year	11-13	432	240
Lease liabilities due within one year	13	271	231
Current income tax liabilities		162	176
Current provisions	14	643	645
Other current liabilities		4,330	4,059
Total current liabilities		**12,569**	**12,508**
Total equity and liabilities		**33,432**	**33,721**

Consolidated income statement

In millions of euros

	Notes	30 June 2021	30 June 2020
Operating revenue (1)	5	8,932	7,136
Other operating revenue		4	1
Raw materials and consumables used		(1,507)	(1,237)
Employee benefits expense		(2,079)	(1,814)
External charges		(3,939)	(3,082)
Taxes (other than income tax)		(202)	(190)
Depreciation and amortisation		(613)	(569)
Net additions to (releases of) provisions		(31)	(20)
Change in inventories of finished goods and work in progress		68	19
Other income (expenses) on ordinary activities		46	25
Operating profit on ordinary activities		**679**	**262**
Other operating income (expenses)		(14)	(12)
Operating profit		**665**	**250**
Income from cash and cash equivalents		5	6
Finance costs		(124)	(130)
Net finance costs		**(119)**	**(124)**
Other financial income (expenses)		5	(11)
Share of profit (loss) of equity-accounted investees		5	5
Income tax		(141)	(35)
Net profit		**415**	**85**
- Attributable to owners of the parent		260	(8)
- Attributable to non-controlling interests		155	93

Earnings per share attributable to owners of the parent (in euros):

Basic earnings per share	2.67	(0.09)
Diluted earnings per share	2.64	(0.09)
(1) Of which construction revenue of Concessions (IFRIC 12):	112	110

Statement of comprehensive income

In millions of euros

	Notes	30 June 2021	30 June 2020
Net profit		**415**	**85**
Items that will not be subsequently reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans		-	-
Remeasurement of financial assets		(29)	(72)
Tax on items that will not be subsequently reclassified to profit or loss		8	25
Share of gains and losses of equity-accounted investees that will not be subsequently reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		(2)	(2)
Remeasurement of derivative financial instruments designated as hedges (1)		65	(55)
Tax on items that may be subsequently reclassified to profit or loss		(19)	18
Share of gains and losses of equity-accounted investees that may be subsequently reclassified to profit or loss		3	(6)
Other comprehensive income		**26**	**(92)**
Total comprehensive income		**441**	**(7)**
- Attributable to owners of the parent		276	(90)
- Attributable to non-controlling interests		165	83
(1) Of which amount reclassified to profit or loss for the year		(18)	(17)

Statement of changes in consolidated equity

In millions of euros

	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Remeasurement of financial assets	Employee benefits	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
Equity at 1 January 2020	**392**	**521**	**4,492**	**8**	**(164)**	**82**	**(83)**	**5,248**	**983**	**6,231**
Capital increase/reduction	6	113	-	-	-	-	-	119	-	119
Treasury shares	-	-	(52)	-	-	-	-	(52)	-	(52)
Share-based payments	-	-	14	-	-	-	-	14	(3)	11
Dividends	-	-	-	-	-	-	-	-	(210)	(210)
Acquisitions and other changes in non-controlling interests	-	-	(166) (1)	-	-	-	-	(166)	288 (2)	122
Transactions with shareholders	**6**	**113**	**(204)**	**-**	**-**	**-**	**-**	**(85)**	**75**	**(10)**
Profit for the period	-	-	(8)	-	-	-	-	(8)	93	85
Other comprehensive income	-	-	-	(1)	(35)	(47)	-	(83)	(9)	(92)
Total comprehensive income	-	**-**	**(8)**	**(1)**	**(35)**	**(47)**	-	**(91)**	**84**	**(7)**
Equity at 30 June 2020	**398**	**634**	**4,280**	**7**	**(199)**	**35**	**(83)**	**5,072**	**1,142**	**6,214**

In millions of euros

	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Remeasurement of financial assets	Employee benefits	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
Equity at 1 January 2021	**392**	**520**	**4,601**	**9**	**(198)**	**62**	**(85)**	**5,301**	**1,172**	**6,473**
Capital increase/reduction	9	181	-	-	-	-	-	190	-	190
Treasury shares		-	(73)	-	-	-	-	(73)	-	(73)
Share-based payments	-	-	12	-	-	-	-	12	(2)	10
Dividends	-	-	(299)	-	-	-	-	(299)	(161)	(460)
Acquisitions and other changes in non-controlling interests	-	-	(4)	-	-	-	-	(4)	-	(4)
Transactions with shareholders	**9**	**181**	**(364)**	**-**	**-**	**-**	**-**	**(174)**	**(163)**	**(337)**
Profit for the period	-	-	260	-	-	-	-	260	155	415
Other comprehensive income	-	-	-	(2)	39	(21)	-	16	10	26
Total comprehensive income	-	**-**	**260**	**(2)**	**39**	**(21)**	-	**276**	**165**	**441**
Equity at 30 June 2021	**401**	**701**	**4,497**	**7**	**(159)**	**41**	**(85)**	**5,403**	**1,174**	**6,577**

(1) Impact of the indirect 2% increase in the Group's ownership interest in APRR and Adelac.

(2) Corresponds mainly to the remeasurement of the share of non-controlling interests in Aéroport Toulouse-Blagnac.

Statement of consolidated cash flows

In millions of euros

	Notes	June 2021	June 2020
Opening cash & cash equivalents	11	**5,067**	**4,293**
Effect of movements in exchange rates		-	(2)
Restated opening cash and cash equivalents		**5,067**	**4,291**
Net profit		416	85
Profit/(loss) of equity-accounted investees		(5)	(5)
Dividends received from equity-accounted investees		7	3
Depreciation and amortisation		613	615
Net additions to provisions		6	30
Other non-cash items		13	18
Net gains/(losses) on disposals		(22)	(4)
Cash flow from operating activities before interest and taxes		**1,028**	**742**
Net interest expense		118	119
Interest paid		(163)	(199)
Income tax expense		141	35
Income tax paid		(206)	(287)
Change in working capital requirement		(393)	(306)
Net cash from operating activities (I)		**525**	**104**
Purchases of fixed assets		(183)	(227)
Purchases of intangible concession assets		(297)	(174)
Purchases of non-current financial assets		(33)	(22)
Disposals and reductions of fixed assets		154	66
Net operating investments		**(359)**	**(357)**
Purchases of equity interests		(12)	(22)
Disposal of equity interests and of assets corresponding to disposal of businesses		-	-
Cash and cash equivalents of entities bought or sold		3	(8)
Net financial investments		**(9)**	**(30)**
Net cash from/(used in) investing activities (II)		**(368)**	**(387)**
Dividends paid to shareholders		(460)	(210)
Capital increase		190	119
Purchases/disposals of non-controlling interests (1)		(1)	(232)
Buy-backs and re-sales of treasury shares		(73)	(52)
Repayment of lease liabilities		(177)	(120)
Repayment of borrowings (2)		(730)	(2,726)
New borrowings (2)		69	3,040
Net cash from/(used in) investing activities (III)		**(1,182)**	**(181)**
Change in other financial assets (IV)		**-**	157
Net increase (decrease) in cash and cash equivalents (I + II + III + IV)		**(1,025)**	**(307)**
Closing cash & cash equivalents	**11**	**4,042**	**3,984**

(1) At 30 June 2020, the impact corresponds to the indirect 2% increase in the Group's ownership interest in APRR and Adelac.

(2) In relation to the Financière Eiffage group, the "Repayment of borrowings" and "New borrowings" items respectively include an outflow of €2,317 million and an inflow of €2,070 million in 2020.

Notes to the condensed half-year consolidated financial statements at 30 June 2021

(In millions of euros unless otherwise stated)

1. General information

Eiffage has its registered office at 3-7, place de l'Europe, Vélizy-Villacoublay (78140), France.

The shares of Eiffage SA are listed in Compartment A of the Euronext market in Paris.

The interim consolidated financial statements for the six months ended 30 June 2021 were approved by the Board of Directors on 25 August 2021.

The Group's consolidated financial statements for the year ended 31 December 2020 are available on the website www.eiffage.com or on request from the registered office.

Significant events in the first half of 2021

Share capital

In the first half of 2021, Eiffage S.A. carried out a capital increase reserved for the Group's employees in France and around the world, which resulted in the issue of 2,364,781 new shares at a unit subscription price of €80.43. Following this transaction, the company's share capital was increased from €392,000,000 to €401,459,124 and is now divided into 100,364,781 shares with a nominal value of €4 each.

Financing

No bond issues were carried out and no new credit facilities were put in place throughout the Group during the half year.

Main acquisitions

There were no significant acquisitions during the half year.

Assessment of financial performance

The Group's activity and results recovered significantly compared with the first half of 2020. Airport and motorway concessions are still affected by the consequences of the Covid-19 pandemic.

2. Seasonality of the activity

Independently of the impacts of the health crisis and in general, the Group's businesses are affected by the seasonal nature of their activity, in particular in the roadworks sector due to less favourable weather conditions in the first half of the year and in motorway concessions due to higher traffic levels observed during the summer period at the beginning of the second half of the year. The revenue and results for the first half of the year cannot be extrapolated to the full year.
The seasonal nature of the business is also reflected in the consumption of operating cash flow during the first half of the year.
The impact of this seasonality has not been adjusted in the interim financial statements.

3. Accounting principles and methods applied to the condensed interim financial statements and standards used

The condensed interim financial statements at 30 June 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2020.

The Group has applied the same accounting methods as those used for the 2020 financial year, with the exception of the amendments applicable on 1 January 2021, which have no material impact on the financial statements; this concerns the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in connection with the reform of interbank reference rates (benchmark rate).

4. Significant accounting estimates and judgements

When preparing the consolidated financial statements in accordance with IFRS, the Group's management relies on estimates and assumptions that affect the amounts of assets and liabilities reported in the statement of financial position, contingent liabilities reported in the notes, and income and expenses reported in the income statement. These estimates and assumptions are based on past experience and on various other factors, taking into account the current economic and financial climate, which makes it difficult to assess the business outlook. Actual amounts may later be found to be different from those reached using the assumptions and estimates that were made in preparing the financial statements.

They mainly concern:

- the stage of completion of construction contracts and the measurement of profit on completion (clients on the assets side, other liabilities and provisions on the liabilities side, income in the income statement).
  Estimates and assumptions are reviewed regularly on a contract-by-contract basis, with reference to the information that is available, taking into account technical and contractual constraints specific to each contract.
  Past costs, future costs and any guarantee costs are analysed, their measurement being based on the best estimate of costs that will be incurred to fulfil the Group's contractual obligations;
- provisions, especially provisions for maintaining the condition of concession assets, for which calculations are based on the application of discount rates and indexation clauses contained in works contracts;
- the valuation of share-based payments, which relies on actuarial assumptions (volatility, interest rates, dividend growth);
- employee benefit calculations (discount rate, inflation, rate of increase in wages and salaries);
- impairment tests: key assumptions used to determine recoverable amounts (model and discount);
- the recoverability of deferred tax assets.

5. Segment reporting

In accordance with IFRS 8, segment reporting is based on the Group's internal organisation for reporting to senior management. Accordingly, the operating segments are divided as follows:

- Construction: urban development, building design and construction, property development, maintenance and facilities management
- Infrastructure: civil engineering, road and rail design and construction, drainage, earthworks and metallic construction;
- Energy Systems: design, construction, integration, operation and maintenance of energy and telecommunication systems and installations;
- Concessions: construction and operation of infrastructure under concession and public-private partnership (PPP) contracts;
- Holding company: management of equity interests and services provided to Group companies.

5.1 First half of 2021

Information by operating segment

	Construction	Infrastructure	Energy Systems	Concessions	Holding company	Eliminations	Total
Income statement							
Gross operating revenue	2,035	3,237	2,211	1,426	23	-	8,932
Inter-segment sales	9	52	54	2	111	(228)	-
Operating revenue	**2,044**	**3,289**	**2,265**	**1,428**	**134**	**(228)**	**8,932**
Operating profit on ordinary activities	67	(28)	89	554	(3)	-	679
Operating profit	60	(36)	82	562	(3)	-	665

Information by geographical area

	France	Rest of Europe	Rest of the world
Operating revenue	6,821	1,786	325

5.2 First half of 2020

Information by operating segment

	Construction	Infrastructure	Energy Systems	Concessions	Holding company	Eliminations	Total
Income statement							
Gross operating revenue	1,524	2,622	1,726	1,246	18	-	7,136
Inter-segment sales	9	40	42	1	99	(191)	-
Operating revenue	**1,533**	**2,662**	**1,768**	**1,247**	**117**	**(191)**	**7,136**
Operating profit on ordinary activities	(31)	(134)	19	410	(2)	-	262
Operating profit	(36)	(140)	14	353	59	-	250

Information by geographical area

	France	Rest of Europe	Rest of the world
Operating revenue	5,171	1,736	229

6. Changes in the scope of consolidation

The main acquisition in the first half of 2021 was a dam in France (Bessières).
The impact of changes in the scope of consolidation on the statement of financial position and income statement are not material.
The total cost of acquisitions for the period was €11 million.

7. Valuation of goodwill and concession intangible assets

Indications of impairment loss and impairment testing

In accordance with IAS 36 "Impairment of Assets", at each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If so, impairment testing is performed.

No indication of impairment loss was recorded insofar as the contracting activities have returned to growth and, at the level of the concessions, the assumptions made at the time of the 2020 annual closing are not called into question.

8. Changes in investments in equity-accounted investees

At 1 January 2021	169
Profit for the period	5
Dividends distributed	(7)
Capital increase	-
Change in fair value of financial instruments	3
Other	(4)
At 30 June 2021	**166**

9. Deferred tax

	30 June 2021	31 December 2020
Assets	251	262
Liabilities	910	949
Net liability	**659**	**687**

10. Share capital

The share capital consists of 100,364,781 fully paid-up shares, all of the same class, with a nominal value of €4 each.

	Total number of shares	Of which treasury shares	Number of shares outstanding
At 1 January 2021	**98,000,000**	**(1,156,553)**	**96,843,447**
Cancellation of treasury shares	-	-	-
Capital increase reserved for employees	2 364 781	-	2 364 781
Purchases, sales and share awards	-	28,514	28,514
At 30 June 2021	**100,364,781**	**(1,128,039)**	**99,236,742**

In the first half of 2021, as part of plans granting options and bonus share awards, the Group purchased 983,479 Eiffage shares and awarded 1,030,853 Eiffage shares.

Under the liquidity agreement, Eiffage purchased 832,539 of its own shares and sold 813,679 shares.

	Total number of shares	Of which treasury shares	Number of shares outstanding
At 1 January 2020	**98,000,000**	**(218,020)**	**97,781,980**
Cancellation of treasury shares	-	-	-
Capital increase reserved for employees	1,601,884	-	1,601,884
Purchases, sales and share awards	-	(196,717)	(196,717)
At 30 June 2020	**99,601,884**	**(414,737)**	**99,187,147**

In the first half of 2020, as part of plans granting options and bonus share awards, the Group purchased 641,279 Eiffage shares and awarded 484,934 Eiffage shares.

Under the liquidity agreement, Eiffage purchased 610,772 of its own shares and sold 570,400 shares.

11. Financial assets and liabilities

30 June 2021

		Accounting category (1)				Method of determining fair value		
						Level 1	Level 2	Level 3
Financial assets	**Carrying amount**	**Financial assets at amortised cost**	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through OCI**	**Fair value**	**Quoted price on an active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current financial assets	2,114	1,683	64	367	2,114	367	1,747	
Current financial assets	65	65	-	-	65		65	
Cash and cash equivalents	4,198	-	4,198	-	4,198	1,048	3,150	
Total	**6,377**	**1,748**	**4,262**	**367**	**6,377**	**1,415**	**4,962**	

(1) There was no reclassification between financial asset categories in the first half of 2021.

		Accounting category				Method for determining fair value		
						Level 1	Level 2	Level 3
Financial liabilities	**Carrying amount**	**Financial liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Hedging financial instruments**	**Fair value**	**Quoted price on an active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current loans	11,665 (1)	11 435	-	230	(2)	12,223	12,223	
Current loans and other debts	2,997 (1)	2,997	-	-		2,997	2,997	
Total	**14,662**	**14,432**	**-**	**230**		**15,220**	**15,220**	

(1) Of which 8,885 representing 100% of the debt of the Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments. No material impact was observed after taking into account the credit risk and own risk of the entity in the fair valuation of derivative instruments as required by IFRS 13. At 30 June 2021, hedging financial instruments were valued at a total notional amount of €1.3 billion, corresponding to interest rate swaps in respect of concessions and public-private partnerships (mainly A'liénor, the Bretagne-Pays de la Loire high-speed rail line, the Pierre-Mauroy Stadium and the Grande Arche de la Défense) with maturities ranging from 2025 to 2043.

31 December 2020

		Accounting category (1)				Method of determining fair value		
						Level 1	Level 2	Level 3
Financial assets	**Carrying amount**	**Financial assets at amortised cost**	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through OCI**	**Fair value**	**Quoted price on an active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current financial assets	2,151	1,686	69	396	2,151	396	1,755	
Current financial assets	64	64	-	-	64		64	
Cash and cash equivalents	5,192	-	5,192	-	5,192	1,489	3,703	
Total	**7,407**	**1,750**	**5,261**	**396**	**7,407**	**1,885**	**5,522**	

(1) There was no reclassification between financial asset categories in 2020.

		Accounting category				Method of determining fair value		
						Level 1	Level 2	Level 3
Financial liabilities	**Carrying amount**	**Financial liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Hedging financial instruments**	**Fair value**	**Quoted price on an active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current loans	12,066 (1)	11 771	-	295 (2)	12,742		12,742	
Current loans and other debts	3,311 (1)	3,311	-	-	3,311		3,311	
Total	**15,377**	**15,082**	**-**	**295**	**16,053**		**16,053**	

(1) Of which 9,203 representing 100% of the debt of the Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments. No material impact was observed after taking into account the credit risk and own risk of the entity in the fair valuation of derivative instruments as required by IFRS 13. In 2020, hedging financial instruments were valued at a total notional amount of nearly €1.3 billion, corresponding to interest rate swaps in respect of concessions and public-private partnerships (mainly the Bretagne-Pays de la Loire high-speed rail line, A'liénor, the Pierre-Mauroy Stadium and the Grande Arche de la Défense) with maturities ranging from 2025 to 2043.

Financial covenants.

Company	Covenants	Calculation of ratios at 30 June 2021
Eiffarie and APRR	. Net debt/Ebitda < 7	4.1
	. Ebitda/Net finance costs > 2.2	16.6
VP2	. Annual debt service coverage ratio calculated for the year preceding the calculation and for each of the next five years ≥ 1.05	1.17 to 1.30
	. Loan life coverage ratio ≥ 1.15	1.53
	. Debt coverage ratio calculated over the term of the concession ≥ 1.25	2.17
A'liénor	. Annual debt service coverage ratio ≥ 1.05	1.61
	. Projected annual debt service coverage ratio ≥ 1.05	1.90
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.10	2.64
Eiffinov	. Annual debt service coverage ratio ≥ 1.10	1.47
	. Projected annual debt service coverage ratio ≥ 1.10	1.35
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.15	1.34
Eiffage Rail Express	. Annual debt service coverage ratio ≥ 1.05	1.53
	. Projected annual debt service coverage ratio ≥ 1.05	1.61
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.10	1.68
Armanéo	. Annual debt service coverage ratio ≥ 1.05	1.95
	. Projected annual debt service coverage ratio ≥ 1.05	1.67
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.10	1.80
Cologen	. Annual debt service coverage ratio ≥ 1.20	1.21
	. Projected annual debt service coverage ratio ≥ 1.20	1.21
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.20	1.41
Melaudix	. Annual debt service coverage ratio ≥ 1.05	1.46
	. Projected annual debt service coverage ratio ≥ 1.05	2.06
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.05	1.30
Melotech	. Annual debt service coverage ratio ≥ 1.10	1.42
	. Projected annual debt service coverage ratio ≥ 1.10	1.30
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.15	1.47
NPBS	. Annual debt service coverage ratio ≥ 1.10	1.54
	. Projected annual debt service coverage ratio ≥ 1.10	1.28
	. Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) ≥ 1.15	1.97
Aéroport Toulouse Blagnac	. Broad net debt/Ebitda ≥ 5.50 Special dispensation granted by the lenders from the application of the covenant at 30 June 2021.	16.43

12. Cash and cash equivalents

		30 June 2021	31 December 2020
Assets			
Cash		3,150	3,703
Cash equivalents		1,048	1,489
	(I)	**4,198**	**5,192**
Liabilities			
Bank overdrafts	(II)	156	125
Cash and cash equivalents at 30 June 2021	**(I - II)**	**4,042**	**5,067**

13. Change in loans and other borrowings

	At 1 January	Changes in the scope of consolidation	Other movements	Change in financial instruments at fair value	Increase	Decrease	At 30 June
Non-current loans and non-current borrowings due within one year (I)	**13,286**	**21**	**148**	**(65)**	**65**	**(362)**	**13,093**
Bank overdrafts	125	-	31	-	-	-	156
Other loans and borrowings	2,946	1	3	-	4	(545)	2,409
Loans and other borrowings (II)	**3,071**	**1**	**34**	**-**	**4**	**(545)**	**2,565**
Total (I + II)					**69**	**(907)**	
Reconciliation with the statement of cash flows							
Repayment of lease liabilities (III)					-	(177)	
New borrowings and repayment of borrowings (IV)					69	(730)	
Total (III + IV)					**69**	**(907)**	

14. Provisions

	At 1 January	Changes in the scope of consolidation and currency translation differences	Provisions taken	Provisions used	Provisions not used	Other movements	At 30 June
Provisions for maintaining the condition of concession assets	402	-	34	(29)	-	2	409
Provisions for retirement benefit obligations	392	-	13	(10)	-	-	395
Provisions for long-service awards	34	-	-	-	-	-	34
Other non-current provisions	3	-	-	-	-	-	3
Non-current provisions	**831**	**-**	**47**	**(39)**	**-**	**2**	**841**
Provisions for maintaining the condition of concession assets	42	-	-	-	-	(1)	41
Provisions for losses on completion	42	-	16	(22)	(1)	-	35
Provisions for restructuring	15	-	2	(3)	(1)	-	13
Provisions for property risks	-	-	-	-	-	-	-
Provisions for guarantees given	114	-	5	(7)	(2)	-	110
Provisions for disputes and penalties	78	-	5	(7)	(2)	-	74
Provisions for retirement benefit obligations	13	-	-	-	-	-	13
Provisions for long-service awards	4	-	-	-	-	-	4
Provisions for other liabilities	337	-	29	(12)	(2)	1	353
Current provisions	**645**	**-**	**57**	**(51)**	**(8)**	**-**	**643**

Each of the current provisions above represents the aggregate of various disputes relating mainly to construction contracts which, taken individually, do not represent a material amount. The maturity of these provisions, linked to the operating cycle, is generally less than one year.

15. Hedging instruments

The Group uses interest rate hedging instruments with the aim of reducing the exposure of borrowings contracted at variable rates to a change in interest rates.
These instruments are documented to justify the hedging relationship and its effectiveness.
The Group operates almost exclusively in the eurozone. As a result, changes in the exchange rates of currencies other than the euro have little impact on the financial statements.

16. Related party transactions

The nature of transactions with related parties has not changed compared with those described in Note 11 to the consolidated financial statements of the 2020 annual report.

17. Income tax

Income tax expense is recognised based on the best estimate of the average rate expected for the financial year. This expected average rate takes into account the geographic diversity of the Group. For the French subsidiaries, the rate used is the one in force at 30 June, i.e. 28.41%.

18. Disputes, arbitration and other commitments

In the ordinary course of its business, the Group is party to various legal proceedings. The matters referred to below have, when appropriate, given rise to provisions considered as adequate in light of current circumstances.

Given the nature of its road construction and maintenance operations, the Group uses products sourced from the oil and gas industry for the production of materials.
For this reason, and also because activities may be carried on at old industrial sites, legal action relating to environmental pollution could be brought against the Group.

In connection with the Group's construction operations, there is a risk that any defects may be reported up to ten years after project completion, and such defects can result in significant repair costs. The Group has therefore taken out ten-year contractors' guarantee insurance policies covering claims exceeding defined deductibles. The necessary provisions have been constituted and the Group does not expect this risk exposure to have material consequences.

Concerning the three disputes described in note 9.2 of the 2020 URD (with Métropole Européenne de Lille concerning the Pierre-Mauroy Stadium, with SNCF concerning the EOLE project, and with the Ile-de-France region concerning the programme to refurbish secondary schools) there are no new developments to report for the first half of 2021.

There are no other government, legal or arbitration proceedings in progress, nor is the Company aware of any proceedings in abeyance or that could be initiated, that could have or that have had a material impact on the Group's financial situation or profitability.

19. Events after the reporting period

The Group is not aware of any specific events between 30 June 2021 and 25 August 2021, the date on which the financial statements were approved by the Board of Directors, that would require additional information.

IV. Statutory Auditors' report

To the Shareholders,

Pursuant to the assignment entrusted to us by your General Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we have:

- conducted a limited review of Eiffage's condensed half-year consolidated financial statements for the period 1 January to 30 June 2021, as attached to this report;

- verified the information provided in the half-year management report.

The global crisis caused by the Covid-19 pandemic created unusual conditions for the preparation and auditing of the condensed half-year consolidated financial statements. The crisis and the exceptional measures taken in response to this public health emergency had multiple consequences for companies, impacting their business activities and their financing in particular and increasing uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote working, also affected the internal organisation of companies and how audits are conducted.
These condensed half-year consolidated financial statements were prepared under the responsibility of your Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I - Conclusion

We conducted our limited review in accordance with professional standards applicable in France.
A limited review consists mainly of talking to members of the management team responsible for accounting and financial matters and applying analytical procedures. This work is less extensive than that required for an audit conducted in accordance with professional standards applicable in France. Accordingly, the assurance obtained in a limited review that the financial statements, taken as a whole, are free from material misstatement is a moderate assurance, lower than that obtained in the context of an audit.
Based on our limited review, we have not identified any material misstatements likely to call into question the compliance of the condensed half-year consolidated financial statements with IAS 34, the IFRS standard as adopted by the European Union relating to interim financial information.

II - Specific verification

We also verified the information provided in the half-year management report on the condensed half-year consolidated financial statements covered by our limited review.
We have no matters to report as to its fair presentation and its consistency with the condensed half-year consolidated financial statements.

Paris La Défense, 25 August 2021

KPMG Audit IS	Mazars
Philippe Bourhis Partner	Olivier Thireau Partner