



ANNUAL REPORT for the year 2023

COLAS CZ, a.s.

Company registration number: 261 77 005

Tax identification number: CZ26177005

Board of Directors:

Tomáš Krones – Chairman of the Board

Arnaud Martin – Member of the Board

Date of entry in the Commercial Register:

18 May 2000

The Company was incorporated by the Municipal Court in Prague, Section B, Insert 6556.

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1 General section

1.1 Board of Directors report on business activities and the Company development

The Company's primary business activities are construction, reconstruction and repairs of roads, railways, bridges, ground, water management and other objects, production of crushed aggregates, bituminous and modified asphalt, freight transport, rental of construction mechanisms and execution of groundworks.

The Company carried out construction contracts throughout the Czech Republic, both for the public and private sectors. The main clients include the Directorate of Roads and Motorways of the Czech Republic and individual regions. Among the most important projects, it is necessary to mention the ongoing works on the D3 Úsilné – Hodějovice, on D48 MÚK Běloutín – Rybí and I/35 Lešná - Palačov. In contracts for railway and tram lines, the Company implements, for example, the Reconstruction of the Ohrada-Palmovka tram line in Prague. Among the private sector contracts, the most significant completed construction is the BMW contract - development center of the Czech Republic near Sokolov.

The Company owns buildings and structures that are used for business activities. The Company is authorised to extract minerals. The Company does not have an ownership interest in other entities.

During 2023, there were no changes entered in the Commercial Register.

In 2023, COLAS CZ, a.s. has successfully recovered from the exceptional situation caused by the outbreak of war in Ukraine in 2022 and its consequences in the form of high inflation in the Czech Republic. Our construction and manufacturing operations achieved good results in terms of turnover, profitability and improved cash flow in each region. The Company's results were negatively affected by the BMW project (Future Mobility Development Center - FMDC) in Sokolov. The handover to the customer has been postponed from 2023 to 2024, which has an impact on the profitability of the project.

During 2023, the Company made investments in the amount of CZK 120 million. These investments were focused primarily on the renovation of technological equipment of quarries and hot asphalt mixing plants.

In the area of personnel, as in previous years, the Company continued with the preparation of training plans for employees at all levels for the following period, based on mapping of current and future needs, in order to increase efficiency and productivity. Attention has continued to be paid to talent management, succession planning, career development, and subsequently to the preparation of specific development plan for key employees to motivate them, prepare for the future role and increase competitiveness. The Company focused on recruiting new employees to ensure quality human resources for new projects. The priority was human resource planning for the Lešná – Palačov project, obtaining and selecting suitable candidates from both the COLAS Group and external sources. Given the ongoing labor market situation – still low unemployment and highly competitive environment, the Company had to look for other innovative recruitment approaches, as it did last year.

The Company has also addressed the area of remuneration, aligning the timing of salary increases and annual bonus payments across the Colas Group to better coordinate and harmonise processes across the Company.

The Colas Group conducted another employee satisfaction survey called "Dialogue" to gather employees' views, their perception of the Company and their satisfaction with the Company. The aim is, on the one hand, to evaluate the development and action plans from 2023, and on the other to prepare further action plans or corrective measures according to the expectations of employees across all countries of the COLAS Group. In the middle of the year, the Company also introduced a new "Maternity and Parental Leave, Benefits" directive to provide employees with the opportunity and flexibility to return to work after maternity leave, to motivate employees through various additional benefits and to maintain ongoing contact with employees before they return.

The Company considers the delivery of quality products and services in safe working environment with an awareness of everyday environmental responsibility as a condition for sustainable development. For this purpose, the management system is maintained and developed according to international ISO standards. Management continued to pursue a policy of quality, health and safety, environmental protection and energy efficiency. The Company has demonstrated compliance with the requirements of relevant legislation and the requirements of following ISO standards: **ČSN EN ISO 9001:2016** (quality), **ČSN EN ISO 14001:2016** (environmental protection), **ČSN EN ISO 50001:2019** (energy), **ČSN EN ISO 45001:2018** (health and safety) during the recertification audit carried out by SILMOS-Q in autumn 2023. System non-conformities were not classified during the audit, 4 operational deficiencies were corrected by the end of the year.

The Company's management has long strived for a high culture of safety and the prevention of occupational accidents. Occupational health services were provided to the required extent. **Uniform security rules** are introduced, the traditional **Security Week** (in October) and **Ecological Day** (in June) have been organised. Management has begun implementation of a corporate program **One Colas Safety** to strengthen the safety culture. It aims to increase the skills of middle management in accident prevention through 5 specific OSH routines using a coaching method. The OSH awareness has been strengthened with posts on the Company's Facebook page. Consultation and participation in case of accidents or emergencies was ensured through the unions. The result of the year in terms of injuries can be considered good - **4 occupational accident with no permanent consequences** resulted in **334 days** of incapacity for work.

External audits (TUV SÜD and SILMOS-Q) demonstrated compliance with requirements and application of the principle of continuous improvement for the following activities:

08.11	Quarrying of ornamental or building stone, limestone, gypsum, chalk and slate
09.90	Support activities for other mining and quarrying
23.99	Manufacture of other non-metallic mineral products n.e.c.
38.11	Collection of non-hazardous waste
42.11	Construction of roads and motorways
42.13	Construction of bridges and tunnels
42.21	Construction of utility networks for liquids and gases
43.11	Demolition
43.12	Construction site preparation

The Company strengthen its position on the construction market in the Czech Republic and, with the results achieved, demonstrated the efficiency of its work and competitiveness in relation to other entities in the construction industry. The results of the Dialog 2023 **employee satisfaction survey** showed that employees rate long-term security care above average. **No penalties were imposed** by state supervisory authorities for breaches of safety and/or fire protection requirements.

1.2 Expected development of the entity

After previous years marked by a substantial increase in the prices of most raw materials and energy, which the Company has largely managed, the goal for 2024 is to increase profitability while at the same time striving for the highest possible labour and production efficiency. The Company has secured a significant volume of projects for 2024 with a positive outlook for their outcome on completion. Similarly, the positive outlook relates to the expected outcome of production and sales of crushed aggregates.

1.3 Own shares

The Company has not acquired its own shares and is not subject to any other mandatory disclosure in the Annual Report.

1.4 Expenditure on research and development activities

The Company does not carry out any activities in the area of research and development.

1.5 Organisational unit abroad

The Company has no organisational unit abroad.

1.6 Activities of the Company in the field of environmental protection

Environmental protection is an integral part of the Company's strategy and policy. It is controlled by a certified Environmental Management System (EMS) according to **ČSN EN ISO 14001:2016** (the certification body is SILMOS-Q s.r.o.). Accordingly, the Company's employees were educated, informed, managed, controlled and motivated to respect and promote the principles of waste prevention and recycling within the framework of the circular economy. The Company produces **mainly inert waste** (soil, stones, recovered asphalt mixtures and concrete) in the necessary quantities after **applying the various types of recycling** available at the site of production or construction contracts.

The Company applied good practice procedures in accordance with legal regulations, customer and stakeholder requirements in accordance with the strategy of sustainable development of the parent company COLAS SA. In doing so, it drew on the international experience of the COLAS Group in the environmental field. Before the work began, employees of permanent establishments, packing plants, quarries and individual buildings were acquainted with the environmental aspects of the workplace, technology and procedure. The Company employed environmental specialists to implement, maintain and control the effectiveness of appropriate measures to reduce negative environmental impacts.

Traditionally held on 5 June, **Ecological Day** focuses on the **protection of water, aquatic environments** and organisms, as well as best practices for maintaining water quality and conserving resources.

In the past period, the Czech Environmental Inspectorate (CEI) imposed 1 environmental **sanction** on the Company: **CZK 20,000** for discharging mine water into surface waters in violation of the water permit of the Svržno quarry (failure to comply with the permit condition - measurement by calculation according to the operating hours of the pump replaced by measurement by an installed water meter). The management of the Lomy plant immediately took corrective measures and brought the situation into legal compliance.

The Company monitored pollution parameters (waste production, emissions, water management, etc.) in accordance with the granted authorisations, the results were reported to the state administration authorities in accordance with the relevant regulations. **The share of recycled recovered asphalt mixtures** and the production of new asphalt mixtures using R-material **increased**.

The TUV-SÜD certification body for the energy performance system (**ČSN EN ISO 50001:2012**) confirmed the compliance with the requirements of the standard and demonstrable improvement in the monitoring of key indicators of energy efficiency. **The energy intensity is constant with a positive trend**, which is also related to the gradual modernisation of production facilities.

The achieved results were regularly reviewed by the management and are the basis for further development of the environmental and energy management system.

1.7 Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2023.

Prague, 12 February 2024

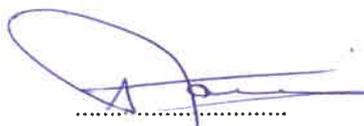
Board of Directors

Tomáš Krones



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Arnaud Martin



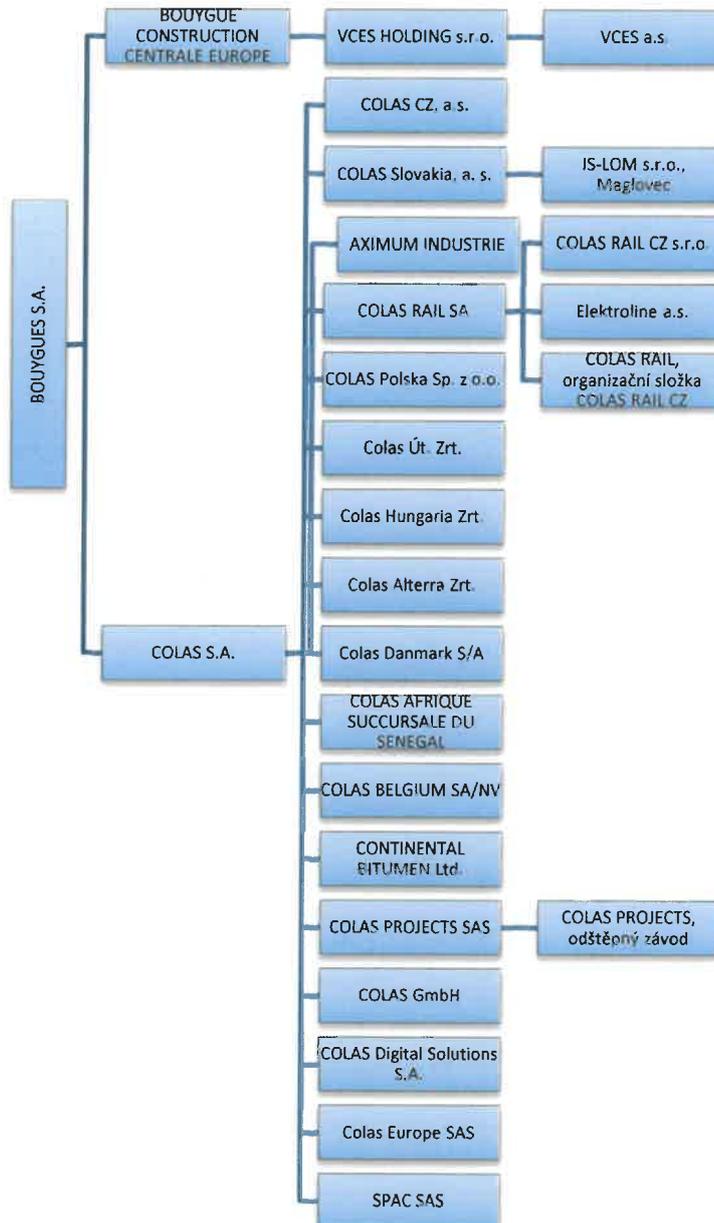
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2 Report on Relations

The Board of Directors of COLAS CZ, a.s., with its registered office at Rubeška 215/1, Prague, identification number: 261 77 005, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 6556 (in this Report also the “Company”), have prepared the following Report on Relations pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act (the “Corporations Act”), for the accounting period of the calendar year 2023 (the “Relevant period”).

2.1 Structure of relations between the controlling and controlled party and other parties controlled by the same controlling party

According to the information available to the Board of Directors of the Company acting with due managerial care, for the whole of the Relevant period, the Company formed a part of a group in which the controlling party is COLAS S.A. (the “Group”). Information on the entities forming part of the Group is stated as at 31 December 2023 according to the information available to the statutory body of the Company acting with due managerial care. The structure of relations within the Group is graphically illustrated below.



2.2 Controlling party - COLAS S.A.

COLAS S.A. (hereinafter "COLAS SA") with registered office at 75730 Paris, 1 Rue du Colonel Pierre Avia – CS 81755, the French Republic, is the sole shareholder of COLAS CZ, a.s. (hereinafter "COLAS CZ").

2.2.1 The role of the Company in the Group among related parties

The role of COLAS CZ, a.s. as a party controlled by COLAS SA in relation to the controlling person and other persons controlled by COLAS SA, is primarily the fulfilment of the Company's business.

2.2.2 Method and means of control

COLAS CZ, a.s. as a controlled party is controlled by COLAS SA through a 100% share. The actual means of control is the execution of shareholder rights in the competence of the General Meeting, which, in accordance with the Company's Articles of Association, also includes the election of members of the Board of Directors and Supervisory Board.

2.2.3 Summary of contracts between the Company and controlling party

- a) COLAS SA has entered into a "Administrative and Technical Assistance Agreement" with COLAS CZ with effect from 1 January 2017, for 5 years with automatic renewal. Based on this agreement, COLAS SA provided assistance to COLAS CZ in the accounting period in the area of:
 - sales and marketing,
 - finance,
 - administrative, legal, tax consultancy,
 - personal,
 - information technology,
 - risk, insurance and guarantee management,
 - research and technology,
 - machinery and production equipment.
- b) The Company has concluded a loan contract with controlling party.

COLAS CZ finds these contracts, their terms and conditions and the amount of agreed and paid remuneration usual under the given terms, taking into account the subject and nature of the consideration in the symmetrical position of both their contractual parties.

2.3 Overview of mutual relations with the companies in Group

COLAS EUROPE SAS

COLAS EUROPE SAS is a company controlled by COLAS SA. through a 100% business share. The following relationships existed between the two companies during 2023:

- a) COLAS EUROPE SAS entered into a "Technical Assistance Agreement" with COLAS CZ on 30 September 2013 for a period of 5 years, which was automatically renewed for a further period of five years. Based on this agreement, COLAS EUROPE SAS provided assistance to COLAS CZ in the accounting period in the area of:
 - sales and marketing,
 - finance,
 - administrative, legal, tax consultancy,
 - personal,
 - risk, insurance and guarantee management,
 - machinery and production equipment.
- b) COLAS EUROPE SAS entered into a Framework agreement on posting with COLAS CZ, based on which COLAS EUROPE SAS, as an employer, sends employees to perform work for COLAS CZ.

- c) COLAS EUROPE SAS entered into a Framework agreement on posting with COLAS CZ dated 30 June 2021, based on which COLAS CZ, as an employer, sends employees to perform work for COLAS EUROPE SAS.

COLAS CZ finds these contracts, their terms and conditions and the amount of agreed and paid remuneration customary in the given terms, taking into account the subject and nature of the consideration in the symmetrical position of both its contractual parties.

COLAS Slovakia, a. s.

COLAS Slovakia, a.s. (hereinafter "CSK") is personally linked to COLAS CZ so that two members of the CSK Supervisory Board are members of the COLAS CZ Supervisory Board.

During the period from 1 January 2023 to 31 December 2023, the following legal relationships existed between CSK and COLAS CZ:

- a) In the Relevant period, COLAS CZ sold asphalt mixtures and provided transport services to CSK in an arm's length transaction.
- b) CSK leased a working machine to COLAS CZ.
- c) COLAS CZ sold to CSK a used ERMONT RB 160 mobile asphalt plant under a purchase agreement.

IS-LOM s.r.o., Maglovec

IS-LOM s.r.o., Maglovec is a subsidiary of COLAS Slovakia, a.s. During the period from 1 January 2023 to 31 December 2023, the following legal relationships existed between IS-LOM and COLAS CZ:

- a) COLAS CZ provided advisory services to IS-LOM based on the service contract.
- b) COLAS CZ rented a Caterpillar wheel loader and a crushing line to IS-LOM.

VCES a.s.

The sole shareholder of VCES a.s. ("VCES") is VCES HOLDING s.r.o. belonging to the BOUYGUES Group. During the period from 1 January 2023 to 31 December 2023, no legal relationships existed between VCES and COLAS CZ.

COLAS GmbH

COLAS CZ, a.s. during the period from 1 January 2023 to 31 December 2023 sold products of COLAS GmbH in Austria in an arm's length transactions.

COLAS Polska Sp. z o.o.

During the period from 1 January 2023 to 31 December 2023, the following legal relationships existed between COLAS CZ, a.s. and COLAS Polska Sp. z o.o.:

- a) COLAS CZ, a.s. purchased from COLAS Polska Sp. z o.o. asphalt mixture in an arm's length transaction.
- b) COLAS Polska purchased modified asphalt from COLAS CZ in an arm's length transaction.
- c) COLAS Polska leased a CAT CW 34 roller and a HAMM GRW 280i roller to COLAS CZ.
- d) COLAS Polska sold to COLAS CZ a CAT CW 34 roller.
- e) COLAS Polska performed asphalt works for COLAS CZ on the order of BMW - Development Centre of the Czech Republic.

Colas Hungária Zrt.

During the period from 1 January 2023 to 31 December 2023, the following legal relationships existed between Colas Hungaria Zrt. and COLAS CZ:

- a) Colas Hungária Zrt. leased to COLAS CZ, a.s. a VÖGELE MT 3000-2i machine and a fixed conveyor.

Colas Út. Zrt.

COLAS CZ, a.s. during the period from 1 January 2023 to 31 December 2023 sold products to Colas Ut. Zrt in an arm's length transaction.

COLAS PROJECTS SAS

During the period from 1 January 2023 to 31 December 2023, the following legal relationships existed between COLAS CZ and COLAS PROJECTS:

- a) Based on the association agreement, COLAS CZ and COLAS PROJECTS jointly implemented the BMW contract - Development Center of the Czech Republic.
- b) COLAS PROJECTS has entered into a Framework agreement on posting with COLAS CZ, on the basis of which COLAS PROJECTS, as an employer, sends employees to perform work for COLAS CZ.
- c) Based on the framework loan agreement, COLAS CZ provides short-term loans to COLAS PROJECTS in an arm's length transaction. The contract is concluded for an indefinite period with a notice period of 1 month.

COLAS AFRIQUE SUCCURSALE DU SENEGAL

Based on the association agreement, COLAS CZ and COLAS AFRIQUE SUCCURSALE DU SENEGAL are jointly implementing the project "Reconstruction and expansion of regional airports in Senegal".

COLAS Digital Solutions S.A.

COLAS Digital Solutions S.A. is controlled by COLAS S.A. During the relevant period, COLAS Digital Solutions SA provided software and other IT services to COLAS CZ in an arm's length transactions based on a contract for the supply of IT services and equipment.

AXIMUM INDUSTRIE

Based on the Framework Contract for Works dated 15 December 2014, during the period from 1 January 2023 to 31 December 2023, COLAS CZ processed the material supplied by AXIMUM INDUSTRIE and supplied AXIMUM INDUSTRIE with the final product - traffic signs.

CONTINENTAL BITUMEN Ltd.

During the period from 1 January 2023 to 31 December 2023, the following legal relationships existed between COLAS CZ and CONTINENTAL BITUMEN:

- a) CONTINENTAL BITUMEN supplied asphalt to COLAS CZ in an arm's length transaction.

Elektroline a.s.

Elektroline a.s. is controlled by COLAS Rail S.A as the sole shareholder. In the period from 1 January 2023 to 31 December 2023, Elektroline a.s. performed construction work for COLAS CZ in an arm's length transaction.

Colas Hrvatska d.d.

During the period from 1 January 2023 to 31 December 2023, COLAS CZ, a.s. sold the products of Colas Hrvatska d.d. in an arm's length transactions.

Colas Danmark A/S

CLAS CZ purchased a used VOLVO L180G wheel loader from Colas Danmak in the prior financial year.

2.4 Other legal acts with COLAS SA

Except for the aforementioned contracts and legal relationships, COLAS CZ has not taken any other legal acts or measures that would be taken or made in the interest or on the initiative of COLAS SA or persons controlled directly or indirectly by COLAS SA. As a result of the above contracts and legal relationships did not arise any detriment nor disadvantages, no risks to COLAS CZ, a.s.

2.5 Non-contractual transactions between related parties

In 2023, there were no non-contractual transactions between related parties.

2.6 Overview of acts exceeding 10% of equity

During the Relevant period, the Company make below mentioned legal acts in the interest, or at the instigation of, the Controlling Party or other parties controlled by the Controlling Party, which would involve assets exceeding in value CZK 88,627 thousand, which represents more than 10% of the Company's equity reported in the latest Financial Statements as at 31 December 2022.

(CZK'000)	2023
Sales of products	286,097
Company management fees	106,878

2.7 Final statement of the Board of Directors of COLAS CZ, a.s.

We declare that in the Report on relations of COLAS CZ, a.s. prepared in accordance with Section 82 of the Act on Companies and Cooperatives for the accounting period from 1 January 2023 to 31 December 2023 we stated all matters, concluded or realised in this accounting period and known to us at the date of signature of this report:

- contracts between related parties,
- performance and consideration provided to related parties,
- other legal acts done in the interest of these parties,
- any measures taken or done in the interest or at the instigation of these parties.

We declare that we are not aware of any detriment occurred to the Company COLAS CZ, a.s. on the basis of the agreements described above and at the same time we declare that only advantages and no disadvantages have arisen to the Company COLAS CZ, a.s. from the relationships between COLAS CZ, a.s. and other entities controlled by COLAS SA.

Prague, 12 February 2024

Board of Directors

Tomáš Krones



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Arnaud Martin



3 Financial part

3.1 Audit Report

3.2 Financial Statements 2023



Independent Auditor's Report

To the shareholder of COLAS CZ, a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of COLAS CZ, a.s., with its registered office at Rubeška 215/1, Vysočany, Praha (the "Company") as at 31 December 2023, and of the Company's financial performance and cash flows for the year ended 31 December 2023 in accordance with Czech accounting legislation.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2023,
- the income statement for the year ended 31 December 2023,
- the statement of changes in equity for the year ended 31 December 2023,
- the statement of cash flows for the year ended 31 December 2023, and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors and supervisory board of the Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Company is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12 February 2024

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner



Tomáš Bašta
Statutory Auditor, Licence No. 1966

COLAS CZ, a.s.

Financial statements

31 December 2023

Company name: COLAS CZ, a.s.
Identification number: 261 77 005
Legal form: Joint-Stock Company
Primary business: Construction, alteration and removal
Balance sheet date: 31 December 2023
Date of preparation of the financial statements: 12 February 2024

BALANCE SHEET

(in thousand Czech crowns)

Ref.	ASSETS	Row	31.12.2023			31.12.2022
			Gross	Provision	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS	001	6,257,073	(2,429,508)	3,827,565	3,758,326
B.	Fixed assets	003	3,524,110	(2,258,513)	1,265,597	1,283,522
B. I.	Intangible fixed assets	004	269,116	(82,489)	186,627	188,708
B. I. 2.	Royalties	006	246,425	(60,427)	185,998	187,381
B. I. 2. 1.	Software	007	23,425	(21,494)	1,931	1,685
B. I. 2. 2.	Other royalties	008	223,000	(38,933)	184,067	185,696
B. I. 3.	Goodwill	009	22,062	(22,062)	-	-
B. I. 5.	Advances paid and intangible fixed assets in the course of construction	011	629	-	629	1,327
B. I. 5. 2.	Intangible fixed assets in the course of construction	013	629	-	629	1,327
B. II.	Tangible fixed assets	014	3,254,466	(2,176,024)	1,078,442	1,087,458
B. II. 1.	Land and constructions	015	841,779	(374,879)	466,900	460,585
B. II. 1. 1.	Land	016	127,336	(11,187)	116,149	113,373
B. II. 1. 2.	Constructions	017	714,443	(363,692)	350,751	347,212
B. II. 2.	Equipment	018	2,329,533	(1,848,246)	481,287	418,044
B. II. 3.	Adjustment to acquired fixed assets	019	(47,101)	47,101	-	-
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	024	130,255	-	130,255	208,829
B. II. 5. 1.	Advances paid for tangible fixed assets	025	42,453	-	42,453	49,276
B. II. 5. 2.	Tangible fixed assets in the course of construction	026	87,802	-	87,802	159,553
B. III.	Long-term investments	027	528	-	528	7,356
B. III. 5.	Other long-term investments in securities	032	528	-	528	528
B. III. 6.	Loans and borrowings - other	033	-	-	-	6,828
C.	Current assets	037	2,715,503	(170,995)	2,544,508	2,458,360
C. I.	Inventories	038	982,120	(150,348)	831,772	813,932
C. I. 1.	Raw materials	039	134,584	-	134,584	173,482
C. I. 2.	Work in progress and semi-finished products	040	662,600	(58,218)	604,382	556,108
C. I. 3.	Finished goods and goods for resale	041	184,936	(92,130)	92,806	84,342
C. I. 3. 1.	Finished goods	042	182,966	(92,130)	90,836	82,386
C. I. 3. 2.	Goods for resale	043	1,970	-	1,970	1,956
C. II.	Receivables	046	1,577,651	(20,647)	1,557,004	1,445,415
C. II. 1.	Long-term receivables	047	124,726	(3,882)	120,844	77,365
C. II. 1. 1.	Trade receivables	048	50,477	-	50,477	45,914
C. II. 1. 4.	Deferred tax asset	051	65,729	-	65,729	31,451
C. II. 1. 5.	Receivables - other	052	8,520	(3,882)	4,638	-
C. II. 1. 5. 4.	Other receivables	056	8,520	(3,882)	4,638	-
C. II. 2.	Short-term receivables	057	1,452,925	(16,765)	1,436,160	1,368,050
C. II. 2. 1.	Trade receivables	058	1,396,859	(16,329)	1,380,530	1,260,327
C. II. 2. 4.	Receivables - other	061	56,066	(436)	55,630	107,723
C. II. 2. 4. 3.	Taxes - receivables from the state	064	27,251	-	27,251	52,059
C. II. 2. 4. 4.	Short-term advances paid	065	17,409	-	17,409	37,588
C. II. 2. 4. 5.	Estimated receivables	066	3,207	-	3,207	460
C. II. 2. 4. 6.	Other receivables	067	8,199	(436)	7,763	17,616
C. IV.	Cash	075	155,732	-	155,732	199,013
C. IV. 1.	Cash in hand	076	29	-	29	33
C. IV. 2.	Cash at bank	077	155,703	-	155,703	198,980
D.	Prepayments and accrued income	078	17,460	-	17,460	16,444
D. 1.	Prepaid expenses	079	17,451	-	17,451	16,444
D. 3.	Accrued income	081	9	-	9	-

Ref.	LIABILITIES AND EQUITY	Row	31.12.2023	31.12.2022
			5	6
a	b	c		
	TOTAL LIABILITIES AND EQUITY	082	3,827,565	3,798,326
A.	Equity	083	752,514	886,268
A. I.	Share capital	084	467,666	467,666
A. I. 1.	Share capital	085	467,666	467,666
A. II.	Share premium and capital contributions	088	31,186	40,838
A. II. 1.	Share premium	089	25,050	25,050
A. II. 2.	Capital contributions	090	6,136	15,788
A. II. 2. 2.	Assets and liabilities revaluation	092	6,136	15,788
A. III.	Reserves from profit	096	16,615	16,615
A. III. 1.	Other reserve funds	097	16,615	16,615
A. IV.	Retained earnings / Accumulated losses	099	361,149	420,828
A. IV. 1.	Retained earnings or (accumulated losses)	100	361,149	420,828
A. V.	Profit / (loss) for the current period	102	(124,102)	(59,679)
B. + C.	Liabilities	104	3,069,445	2,861,929
B.	Provisions	105	552,401	363,369
B. 3.	Tax-deductible provisions	108	59,982	57,040
B. 4.	Other provisions	109	492,419	306,329
C.	Payables	110	2,517,044	2,498,560
C. I.	Long-term payables	111	431,669	237,768
C. I. 2.	Liabilities due to financial institutions	115	90,667	136,000
C. I. 3.	Long-term advances received	116	220,825	-
C. I. 4.	Trade payables	117	120,177	101,768
C. II.	Short-term payables	126	2,085,375	2,260,792
C. II. 2.	Liabilities due to financial institutions	130	110,333	245,333
C. II. 3.	Short-term advances received	131	290,886	279,462
C. II. 4.	Trade payables	132	1,414,556	1,308,309
C. II. 8.	Liabilities - other	136	269,600	427,688
C. II. 8. 1.	Liabilities to shareholders	137	175	175
C. II. 8. 3.	Liabilities to employees	139	59,738	99,435
C. II. 8. 4.	Liabilities for social security and health insurance	140	31,586	57,072
C. II. 8. 5.	Taxes and state subsidies payable	141	15,064	20,480
C. II. 8. 6.	Estimated payables	142	160,085	231,568
C. II. 8. 7.	Other liabilities	143	2,952	18,958
D.	Accruals and deferred income	147	5,606	10,129
D. 2.	Deferred income	149	5,606	10,129

Company name: COLAS CZ, as.
Identification number: 261 77 005
Legal form: Joint-Stock Company
Primary business: Construction, alteration and removal
Balance sheet date: 31 December 2023
Date of preparation of the financial statements: 12 February 2024

INCOME STATEMENT

(in thousand Czech crowns)

Ref. a	TEXT b	Row c	Accounting period	
			2023	2022
			1	2
I.	Sales of products and services	01	6,875,111	7,004,981
II.	Sales of goods	02	13,356	8,523
A.	Cost of sales	03	5,780,346	6,149,870
A. 1.	Cost of goods sold	04	10,343	7,597
A. 2.	Raw materials and consumables used	05	2,412,671	2,561,004
A. 3.	Services	06	3,357,332	3,581,269
B.	Changes in inventories of finished goods and work in progress	07	(114,696)	(132,282)
C.	Own work capitalised	08	(67,490)	(62,773)
D.	Staff costs	09	1,067,430	1,065,172
D. 1.	Wages and salaries	10	772,801	771,213
D. 2.	Social security, health insurance and other costs	11	294,629	293,959
D. 2. 1.	Social security and health insurance costs	12	258,050	257,940
D. 2. 2.	Other costs	13	36,579	36,019
E.	Value adjustments in operating activities	14	179,146	150,471
E. 1.	Value adjustments of fixed assets	15	130,298	148,546
E. 1. 1.	Depreciation, amortisation and write off of fixed assets	16	129,781	148,029
E. 1. 2.	Provision for impairment of fixed assets	17	517	517
E. 2.	Provision for impairment of inventories	18	52,326	3,591
E. 3.	Provision for impairment of receivables	19	(3,478)	(1,666)
III.	Operating income - other	20	129,185	195,822
III. 1.	Sales of fixed assets	21	8,980	145,010
III. 2.	Sales of raw materials	22	12,244	10,820
III. 3.	Other operating income	23	107,961	39,992
F.	Operating expenses - other	24	261,796	60,462
F. 1.	Net book value of fixed assets sold	25	-	836
F. 2.	Cost of raw materials sold	26	11,914	8,237
F. 3.	Taxes and charges	27	13,875	14,399
F. 4.	Operating provisions and complex prepaid expenses	28	189,034	(5,871)
F. 5.	Other operating expenses	29	46,973	42,861
*	Operating result	30	(88,880)	(21,594)
VI.	Interest and similar income	39	13,495	10,188
VI. 1.	Interest and similar income - subsidiaries or controlling party	40	-	217
VI. 2.	Other interest and similar income	41	13,495	9,971
J.	Interest and similar expenses	43	71,906	45,888
J. 2.	Other interest and similar expenses	45	71,906	45,888
VII.	Other financial income	46	9,447	4,463
K.	Other financial expenses	47	17,027	14,801
*	Financial result	48	(65,991)	(46,038)
**	Net profit / (loss) before tax	49	(154,871)	(67,632)
L.	Tax on profit or loss	50	(30,769)	(7,953)
L. 1.	Tax on profit or loss - current	51	3,509	6,849
L. 2.	Tax on profit or loss - deferred	52	(34,278)	(14,802)
**	Net profit / (loss) after tax	53	(124,102)	(59,679)
***	Net profit / (loss) for the financial period	55	(124,102)	(59,679)
*	Net turnover for the financial period	56	7,040,594	7,223,977

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STATEMENT OF CASH FLOWS

(in thousand Czech crowns)

Ref. a	TEXT b	Accounting period	
		2023 1	2022 2
	Cash flows from operating activities		
	Net profit / (loss) before tax	(154,871)	(67,632)
A. 1.	Adjustments for non-cash movements:	418,773	36,845
A. 1. 1.	Depreciation and amortisation of fixed assets	129,781	148,029
A. 1. 2.	Change in provisions and provisions for impairment	239,561	(2,710)
A. 1. 3.	(Profit)/loss from sales of fixed assets	(8,980)	(144,174)
A. 1. 5.	Net interest expense/(income)	58,411	35,700
A *	Net cash flow from operating activities before tax and changes in working capital	263,902	(30,787)
A. 2.	Non-cash working capital changes:	21,900	(211,930)
A. 2. 1.	Change in receivables and prepayments	(90,044)	(275,337)
A. 2. 2.	Change in payables and accruals	182,110	248,497
A. 2. 3.	Change in inventories	(70,166)	(185,090)
A **	Net cash flow from operating activities before tax	285,802	(242,717)
A. 3.	Interest paid	(71,906)	(45,888)
A. 4.	Interest received	13,495	10,188
A. 5.	Income tax paid	870	(53,862)
A ***	Net cash flow from operating activities	228,261	(332,279)
	Cash flows from investing activities		
B. 1.	Acquisition of fixed assets	(107,017)	(147,250)
B. 2.	Proceeds from sale of fixed assets	8,980	145,010
B. 3.	Loans and borrowings to related parties	6,828	269,573
B ***	Net cash flow from investing activities	(91,209)	267,333
	Cash flows from financing activities		
C. 1.	Change in long- and short-term liabilities from financing activities	(180,333)	138,666
C. 2.	Changes in equity:	-	(205,118)
C. 2. 6.	Dividends paid	-	(205,118)
C ***	Net cash flow from financing activities	(180,333)	(66,452)
	Net increase/(decrease) in cash and cash equivalents	(43,281)	(131,398)
	Cash and cash equivalents at the beginning of the year	199,013	330,411
	Cash and cash equivalents at the end of the year	155,732	199,013

Company name: COLAS-CZ, a.s.
 Identification number: 261 77 005
 Legal form: Joint-Stock Company
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STATEMENT OF CHANGES IN EQUITY

(in thousand Czech crowns)

	Share capital	Share premium	Assets and liabilities revaluation	Other reserve funds	Retained earnings or (accumulated losses)	Total
As at 1 January 2022	467,666	25,050	14,077	16,615	625,946	1,149,354
Fair value gains/(losses) - Financial derivatives	-	-	1,711	-	-	1,711
Dividends paid	-	-	-	-	(205,118)	(205,118)
Net profit/(loss) for the current period	-	-	-	-	(59,679)	(59,679)
As at 31 December 2022	467,666	25,050	15,788	16,615	361,149	886,268
Fair value gains/(losses) - Financial derivatives	-	-	(9,652)	-	-	(9,652)
Net profit/(loss) for the current period	-	-	-	-	(124,102)	(124,102)
As at 31 December 2023	467,666	25,050	6,136	16,615	237,047	752,514

1. General information

1.1. Introductory information about the Company

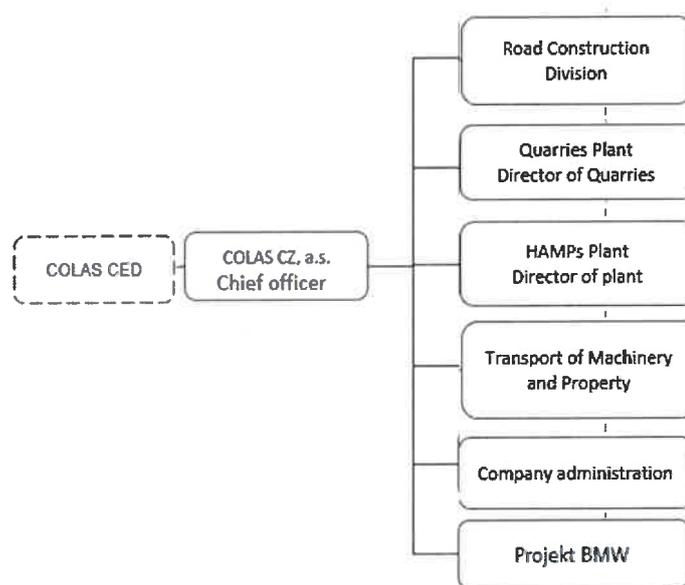
COLAS CZ, a.s. (“the Company”) was established on 18 May 2000. The Company was incorporated by the Municipal Court in Prague, Section B, Insert 6556 and has its registered office at 215/1 Rubeška, Prague 9. Identification number of the Company is 261 77 005.

The Company’s primary business activities are construction, reconstruction and repairs of motorways, bridges, land, water management and other objects. Moreover, it deals with production of crushed aggregates, asphalt and concrete compounds, motorway freight transport, rental of construction mechanisms and earthworks.

The Company is not a member with unlimited liability in any undertaking.



Organisational chart of COLAS CZ, a.s.



 Organisational unit of COLAS CZ, a.s.

 Organisational unit within group, superior to COLAS CZ, a.s.

1.2. Current economic situation

The current economic situation remains sensitive to geopolitical developments around the world. The impact on financial and commodity markets, supply chains and key macroeconomic indicators impacting business, such as inflation rates, interest rate levels, currency rates volatility and others, is still significant.

Energy prices in the Czech Republic for calendar year 2023 were subject to capping by the state, which partially slowed down their impact on the Company's costs.

The Company's management has evaluated the impact of the current economic situation on its business with the following conclusions: The Company has successfully recovered from the exceptional situation caused by the outbreak of war in Ukraine in 2022 and its consequences in the form of high inflation in the Czech Republic. Our construction and manufacturing operations achieved good results in terms of turnover, profitability and improved cash flow in each region. The Company's results were negatively affected by the BMW project (Future Mobility Development Center - FMDC) in Sokolov. The handover to the customer has been postponed from 2023 to 2024, which has an impact on the profitability of the project.

2. Accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for large companies and have been prepared under the historical cost convention. The derivative financial instruments and securities and investments (except for investments in subsidiaries and/or associates) are measured at fair value.

These financial statements are compiled as non-consolidated. The Company has not prepared consolidated financial statements as it is also a consolidated entity included in the consolidation of another consolidating entity.

2.2. Tangible and intangible fixed assets

All intangible (and tangible) assets with a useful life longer than one year and a unit cost of more than CZK 80 thousand (CZK 80 thousand) are treated as intangible (and tangible) fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related to their acquisition.

Intangible and tangible fixed assets are amortised/depreciated applying the straight-line method over their estimated useful lives, beginning with the month when they are put into use.

The following planned useful lives (in years) apply:

Assets	Method	Depreciation period
Buildings, constructions, internal roads, storage areas, networks of various services, electric wiring	Linear	20 years
Conveyors, loaders, cranes	Linear	15 years
Tanks	Linear	12 years
Construction, pumps, crushers, bridge scales	Linear	10 years
Construction machines, laboratory and workshop equipment	Linear	5 years
Trailers, semi-trailers, motor vehicles for freight and passenger transport, vans	Linear	4 years
Software, computers	Linear	3 years
Goodwill	Linear	5 years
Rights to stone extraction	Performance depending on tons of aggregate sold	--

Goodwill is determined as the difference between the purchase price of a part of the enterprise and the total of individually re-valued assets and liabilities acquired. It is amortised according to §6 par. d) of the Decree, i. e. 60 months after the acquisition of the enterprise.

The amortisation / depreciation plan is updated during the useful life of the intangible and tangible fixed assets in the case of change of expected useful life.

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred. Technical improvements of intangible and tangible fixed assets are capitalised.

2.3. Financial investments

Long-term financial assets consist of shares in controlled entities, other shares, loans, credits and securities available-for-sale and held to maturity with a maturity of over 1 year and other long-term financial assets.

2.4. Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, packing, handling and storage surcharges, customs duty, etc.). The weighted average cost method is applied for all disposals.

Inventories generated from own production, i. e. work-in-progress and finished goods, are stated at the lower of production cost and estimated net realisable amount. Production cost includes direct and indirect materials, direct and indirect wages, other direct costs (energy, repairs, machine performance, services with other direct costs) and production overheads.

Other ancillary costs of inventories, mainly transport and handling (loading, unloading), are monitored in separate analytical accounts of inventories and are expensed according to the ratio between purchased inventories and inventories released for consumption.

Provisions are created when the valuation used in accounting is temporarily higher than the selling price of inventories less costs associated with the sale.

2.5. Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers.

2.6. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of Czech National Bank exchange as follows:

- cash transactions (cash registers): throughout the year a fixed monthly exchange rate, which is the CNB exchange rate valid for the first day of the month and that is the rate from the previous day;
- cash transactions (bank accounts): throughout the year a fixed monthly exchange rate, which is the CNB exchange rate valid for the first day of the month and that is the exchange rate from the previous day;
- receivables: the fixed exchange rate of the CNB valid for the first working day of the month in which the receivable arose is used;
- liabilities: the CNB exchange rate valid on the date of the accounting transaction is used.

During the year, the Company recognises only realised foreign exchange profit and losses.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

2.7. Derivative financial instruments

Derivative financial instruments including currency forwards, forward rate agreements, currency and interest rate swaps, currency and interest rate options and other derivative financial instruments are initially recognised on the balance sheet at cost and are subsequently re-measured at their fair value. All derivatives are presented in other receivables or in other payables when their fair value is positive or negative, respectively.

The Company designates certain derivatives prospectively as either a hedge of the fair value of a recognised asset or liability (fair value hedge), or a hedge of future cash flows attributable to a recognised asset or liability or a forecasted transaction (cash-flow hedge). Hedge accounting is used for derivatives designated in this way, provided that certain criterion, including defining the hedging strategy and hedging relationship before hedge accounting is applied and ongoing documentation of the actual and expected effectiveness of the hedge, are met.

Changes in the fair value of derivatives that qualify as effective fair-value hedges are recorded in the income statement, along with the corresponding change in fair value of the hedged asset or liability that is attributable to that specific hedged risk.

Changes in the fair value of derivatives that qualify as effective cash-flow hedges are recorded as revaluation reserve from assets and liabilities in equity and are transferred to the income statement and classified as an income or expense in the period during which the hedged item affects the income statement.

2.8. Changes of accounting policies and corrections of prior period

Changes to accounting policies (inclusive of deferred tax impact) and corrections of errors arising from incorrect accounting or unrecorded expenses and income in prior periods, if material, are recorded in the financial statements on the line Restatements of retained earnings.

2.9. Provisions

The Company recognises provisions to cover its obligations or expenses, when the nature of the obligations or expenses is clearly defined and it is probable or certain as at the balance sheet date that they will be incurred, however their precise amount or timing is not known. The provision recognised as at the balance sheet date represent the best estimate of expenses that will be probably incurred, or the amount of liability that is required for their settlement.

The Company also recognises legal provisions for remediation, reclamation and mining damages. The provision is recognised on the basis of Act No. 44/1988 Coll. and Act of the Czech National Council No. 541/91 Coll., as amended, according to which the organisation is obliged to ensure the remediation of all land affected by mining. Until 1 July 2024, the amount of the provision for the year 2023 will be recognised in accordance with the provisions of the "Provisions Act" on the Company's bonded accounts established with Raiffeisenbank a.s., separately the amount of provisions for remediation and reclamation and the amount of the provision for mining damages. The provision is recognised according to production plans approved by the relevant Mining Authorities.

The Company recognises a provision for its income tax payable which is presented net of advances paid for the income tax. If advances paid are higher than the estimated income tax payable, the difference is recognised as a short-term receivable.

2.10. Revenue recognition

Sales are recognised at the date the services are rendered or at the date specified in the contract with customer for construction contracts on the basis of the signed construction work list and are recognised net of discounts and value added tax.

Sales are recognised when the products are sold to the customer on the basis of a signed delivery note and are recognised net of discounts and value added tax.

2.11. Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the Company, their subsidiaries and associates;
- parties, which have directly or indirectly significant influence on the Company;
- members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence.

Material transactions and outstanding balances with related parties are disclosed in Notes 12. All material transactions with related parties were made under standard market conditions.

2.12. Leases

The costs of assets held under leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognised in the balance sheet. Upon termination of the lease and exercise of the option to purchase, the leased asset is included in the Company's assets at the purchase price.

2.13. Interest expense

All borrowing costs are expensed. The Company does not use borrowings to finance the acquisition of intangible and tangible fixed assets. Long-term payables are discounted.

2.14. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. A deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

2.15. Cash-flow statement

The Company has prepared the Cash-flow statement using the indirect method. Cash equivalents represent short-term liquid investments, which are readily convertible for a known amount of cash.

2.16. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognised in the financial statements.

3. Intangible fixed assets

(CZK'000)	31 December 2022	Additions / Transfers	Disposals	31 December 2023
Cost				
Research & development	418	-	(418)	-
Software	21,805	1,827	(207)	23,425
Royalties	223,000	-	-	223,000
Goodwill	22,062	-	-	22,062
Intangible fixed assets in the course of construction	1,327	(698)	-	629
Total	268,612	1,129	(625)	269,116
Accumulated depreciation				
Research & development	418	-	(418)	-
Software	20,120	1,581	(207)	21,494
Royalties	37,304	1,629	-	38,933
Goodwill	22,062	-	-	22,062
Total	79,904	3,210	(625)	82,489
Net book value	188,708			186,627

(CZK'000)	31 December 2021	Impact of the merger	Additions / transfers	Disposals	31 December 2022
Cost					
Research & development	418	-	-	-	418
Software	19,223	1,075	1,507	-	21,805
Royalties	223,000	-	-	-	223,000
Goodwill	22,062	-	-	-	22,062
Intangible fixed assets in the course of construction	1,103	-	224	-	1,327
Total	265,806	1,075	1,731	-	268,612
Accumulated depreciation					
Research & development	418	-	-	-	418
Software	17,862	556	1,702	-	20,120
Royalties	35,514	-	1,790	-	37,304
Goodwill	22,062	-	-	-	22,062
Total	75,856	556	3,492	-	79,904
Net book value	189,950				188,708

In 1993, the Company has acquired the rights for stone extractions through the non-monetary investment into the Company. Those were accounted according to valuation report in the amount of CZK 223,000 thousand. The Company amortise these valuation rights according to actual extraction. The net book value of the valuation rights as at 31 December 2023 was CZK 184,067 thousand (as at 31 December 2022: CZK 185,696 thousand).

4. Tangible fixed assets

(CZK'000)	31 December 2022	Additions / transfers	Disposals	31 December 2023
Cost				
Land	124,043	3,294	(1)	127,336
Constructions	679,963	35,139	(659)	714,443
Plant, machinery and equipment	1,938,197	157,090	(94,760)	2,000,527
Means of transport	322,850	509	(12,104)	311,255
Furniture and fittings, construction site	17,136	615	-	17,751
Adjustment to acquired fixed assets	(47,101)	-	-	(47,101)
Tangible fixed assets in the course of construction	159,553	(71,751)	-	87,802
Advances paid for tangible fixed assets	49,276	(6,823)	-	42,453
Total	3,243,917	118,073	(107,524)	3,254,466
Accumulated depreciation and impairment				
Constructions	322,751	31,551	(610)	353,692
Plant, machinery and equipment	1,524,981	91,440	(94,760)	1,521,661
Means of transport	319,904	2,737	(12,104)	310,537
Furniture and fittings, construction site	15,254	794	-	16,048
Adjustment to acquired fixed assets	(47,101)	-	-	(47,101)
Impairment	20,670	517	-	21,187
Total	2,156,459	127,039	(107,474)	2,176,024
Net book value	1,087,458			1,078,442

(CZK'000)	31 December 2021	Impact of the merger	Additions / transfers	Disposals	31 December 2022
Cost					
Land	101,373	2,232	20,549	(111)	124,043
Constructions	624,020	33,502	28,447	(6,006)	679,963
Plant, machinery and equipment	1,661,785	229,910	108,791	(62,289)	1,938,197
Means of transport	324,640	-	-	(1,790)	322,850
Furniture and fittings, construction site	16,897	-	268	(29)	17,136
Adjustment to acquired fixed assets	(47,101)	-	-	-	(47,101)
Tangible fixed assets in the course of construction	108,685	4,449	46,419	-	159,553
Advances paid for tangible fixed assets	66,778	8,099	(25,601)	-	49,276
Total	2,857,077	278,192	178,873	(70,225)	3,243,917
Accumulated depreciation and impairment					
Constructions	279,869	18,494	29,669	(5,281)	322,751
Plant, machinery and equipment	1,265,079	222,217	99,891	(62,206)	1,524,981
Means of transport	307,665	-	14,029	(1,790)	319,904
Furniture and fittings, construction site	14,333	-	951	(30)	15,254
Adjustment to acquired fixed assets	(47,101)	-	-	-	(47,101)
Impairment	20,152	-	518	-	20,670
Total	1,839,997	240,711	145,058	(69,307)	2,156,459
Net book value	1,017,080	37,481			1,087,458

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Impairment as at 31 December 2023 amounted to CZK 21,187 thousand (as at 31 December 2022: CZK 20,670 thousand) relates to land in the amount of CZK 11,187 thousand (as at 31 December 2022: CZK 10,670 thousand) and to constructions in the amount of CZK 10,000 thousand (as at 31 December 2022: CZK 10,000 thousand).

The Company uses assets under finance lease contracts that are recorded as tangible fixed assets in the financial statements after the expiration of the lease and transfer of ownership. Outstanding future amounts payable on existing finance lease contracts as at 31 December 2023 were CZK 246,858 thousand (as at 31 December 2022: CZK 233,920 thousand).

During the construction season, car and machine rental is used as needed. Rental costs in 2023 amounted to CZK 179,371 thousand (2022: CZK 176,059 thousand).

In 2023, the largest investments included ongoing reconstruction of the Čenkov hot asphalt mixing plant exceeding CZK 30,000 thousand. The amount of CZK 13,000 was invested in the reconstruction of the technological line (modification of secondary sorting) at the Bory Quarry. At the Tasovice Quarry, an amount exceeding CZK 8,000 thousand was invested in the replacement of the sorter. Other significant investments of the Company included purchases of land at the Tasovice Quarry in the amount of CZK 7,515 thousand, at the Císařský Quarry in the amount of CZK 2,200 thousand and at the Bory Quarry in the amount of CZK 1,300 thousand due to the expansion of the quarry. Almost CZK 9,000 thousand was invested in the expansion of the RAP material landfill at the Sudoměřice hot asphalt mixing plant. An amount exceeding CZK 5,000 thousand was invested in the extension of the roofing of the RAP material landfill at the Sedlnice hot asphalt mixing plant.

5. Inventories

The Company created a provision for inventories as at 31 December 2023 of CZK 150,348 thousand (as at 31 December 2022: CZK 98,022 thousand).

6. Receivables

Overdue receivables as at 31 December 2023 amounted to CZK 640,331 thousand (as at 31 December 2022: CZK 514,478 thousand).

The provision for doubtful receivables as at 31 December 2023 was CZK 20,647 thousand (as at 31 December 2022: CZK 22,961 thousand).

Long-term trade receivables include mainly retention amounts from invoices for construction works as at 31 December 2023 in the amount of CZK 50,477 thousand (as at 31 December 2022: CZK 45,914 thousand), which will be released after the expiry stipulated in the agreements.

Unsettled receivables have not been covered by guarantees.

Receivables arising from the retention amounts for construction works as at 31 December 2023 in the amount of CZK 5,320 thousand (as at 31 December 2022: CZK 6,875 thousand) are due after more than 5 years.

The Company does not record any receivables and contingent receivables that are not recognised in the balance sheet.

Advances for income tax of CZK 31,543 thousand paid by the Company as at 31 December 2023 (as at 31 December 2022: CZK 26,713 thousand) and tax paid abroad of CZK 5 thousand (as at 31 December 2022: CZK 1,533 thousand) are netted off with the provision for income tax of CZK 9,209 thousand as at 31 December 2023. The resulting tax receivable in the amount of CZK 22,340 thousand (as at 31 December 2022: CZK 28,246 thousand) was recognised within State - tax receivables. As at 31 December 2022 the Company did not account for the provision for income tax due to the tax loss in 2022.

Part of the constructions are carried out by the Company in association with other construction companies. The trade receivables between the companies in association are presented within the trade receivables.

7. Equity

Authorised and issued share capital:

	31 December 2023		31 December 2022	
	No. of pieces	Carrying value (CZK'000)	No. of pieces	Carrying value (CZK'000)
Ordinary shares of CZK 100, fully paid	4,676,660	467,666	4,676,660	467,666

The Company is fully owned by the Company COLAS S.A., incorporated in French Republic, 750 15 Paris Cedex, 1 Rue du Colonel Pierre Avia.

The Company COLAS S.A. with the registered office at 750 15 Paris, 1 Rue du Colonel Pierre Avia, French Republic prepares the consolidated financial statements of the smallest group of entities of which the Company forms a part as a subsidiary. These consolidated financial statements can be obtained at the head office of the consolidating company.

The Company BOUYGUES SA with the registered office at 75008 Paris, 32 Avenue Hoche, French Republic prepares the consolidated financial statements of the largest group of entities of which the Company forms a part as a subsidiary. These consolidated financial statements can be obtained at the head office of the consolidating company.

On 11 April 2023, the general meeting of the shareholders approved the financial statements for 2022 and decided to reduce the retained earnings by the recognised loss for the year 2022 in the amount of CZK 59,679 thousand.

Up to the date of preparation of these financial statements, the Company has not proposed distribution of the profit earned in 2023.

8. Provisions

(CZK'000)	1 January 2022	Net change in 2022	31 December 2022	Net change in 2023	31 December 2023
Provision for remediation, reclamation and mining damages	55,194	1,846	57,040	2,942	59,982
Provision for guaranteed repairs	113,461	8,584	122,045	(4,429)	117,616
Provision for risks and other provisions	128,399	4,852	133,251	103,069	236,320
Provision for employment benefits	8,598	-	8,598	-	8,598
Provision for losses from construction contracts	25,900	(15,900)	10,000	8,775	18,775
Provision for unpaid bonuses	16,479	2,726	19,205	76,868	96,073
Provision for holidays, including levies	21,207	(7,978)	13,229	1,808	15,037
Provision for income tax (less advances for income tax)	18,766	(18,766)	-	-	-
Total	388,004	(24,636)	363,368	189,033	552,401

9. Payables, commitments and contingent liabilities

Short-term trade payables as at 31 December 2023 amounted to CZK 1,414,556 thousand (as at 31 December 2022: CZK 11,308,309 thousand).

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for the year ended 31 December 2023

Long-term trade payables represent retention amounts in supplier invoices as at 31 December 2023 in the amount of CZK 120,177 thousand (as at 31 December 2022: CZK 101,768 thousand), which will be released according to the concluded contracts after fulfilment of the stipulated conditions or after the end of the warranty period.

Long-term advances received include especially advances for construction work as at 31 December 2023 in the amount of CZK 220,825 thousand (as at 31 December 2022: CZK 0 thousand).

Short-term advances received include especially advances for construction work as at 31 December 2023 in the amount of CZK 290,886 thousand (as at 31 December 2022: CZK 279,462 thousand).

Estimated payables as at 31 December 2023 in the amount of CZK 160,085 thousand (as at 31 December 2022: CZK 231,568 thousand) includes mainly uncharged services of subcontractors for construction work, for hiring of foreign workers, services provided by the parent company in the economic and administrative area, as well as costs of gas, electricity, water, telecommunication services and other services not accounted for at the balance sheet date.

Part of the constructions that were in progress as at 31 December 2023, are carried out by the Company in association with other construction companies. The Company and the other participants of the association are liable jointly and severally for the association's obligations. The trade payables between the companies in association are presented within the Trade payables.

As at 31 December 2023, the Company provided its customers with bank guarantees at Raiffeisenbank a.s. in the total amount of CZK 347,525 thousand (as at 31 December 2022: CZK 356,066 thousand), at Komerční banka, a.s. in the amount of CZK 1,262,053 thousand (as at 31 December 2022: CZK 1,267,744 thousand), at Československá obchodní banka, a.s. in the amount of CZK 348,573 thousand (as at 31 December 2022: CZK 305,505 thousand), at BNP Paribas in the amount of CZK 449,945 thousand (as at 31 December 2022: CZK 380,433 thousand) and at Všeobecná úvěrová banka a.s. in the amount of CZK 113,391 thousand (as at 31 December 2022: CZK 30,000 thousand).

Trade and other payables have not been secured against any assets of the Company.

Payables arising from the retention amount for construction works as at 31 December 2023 in the amount of CZK 55,179 thousand (as at 31 December 2022: CZK 34,320 thousand), have maturity longer than 5 years.

Total non-cancellable future commitments in respect of operating leases (not recorded in the balance sheet) amounted to CZK 144,823 thousand as at 31 December 2023 (as at 31 December 2022: CZK 57,080 thousand).

The management of the Company is not aware of any contingent liabilities of the Company as at 31 December 2023.

10. Bank loans and other borrowings

(CZK'000)	Pledge	Currency	Balance as at 31 December 2023
Raiffeisenbank a.s.	none	CZK	136,000
Komerční banka, a.s.	none	CZK	65,000
Total bank loans			201,000

(CZK'000)	Pledge	Currency	Balance as at 31 December 2022
Raiffeisenbank a.s.	none	CZK	181,333
Komerční banka, a.s.	none	CZK	200,000
Total bank loans			381,333

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The loan in the total amount of CZK 136,000 thousand was drawn from Raiffeisenbank a.s. as at 31 December 2023, no part of the loan has a maturity of more than 5 years.

The loan in the total amount of CZK 65,000 thousand was drawn from Komerční banka a.s. as at 31 December 2023, no part of the loan has a maturity of more than 5 years.

11. Revenue analysis

(CZK'000)	2023	2022
Sales of asphalt mixture	799,409	743,110
Sales of quarrying products – crushed aggregates	547,046	567,651
Construction production	5,196,400	5,411,608
Rental of machinery and other services	332,256	282,612
Total sales of own products and services	6,875,111	7,004,981
Sales of goods	13,356	8,523
Sales of other material	12,244	10,820
Sales of fixed assets	8,980	145,010
Total sales of fixed assets and material	21,224	155,830
Total	6,909,691	7,169,334

Most sales are realised in the Czech Republic. Asphalt modified mixture, aggregates and guidance markings were sold abroad. Revenue share by individual country is as follows:

(CZK'000)	2023	2022
Austria	27,414	30,594
Slovakia	123,701	73,645
Germany	8,855	10,098
Hungary	165,563	49,366
France	10,503	12,552
Poland	1,853	-
Romania	-	1,241
Ireland	-	1,709
Croatia	888	-
Switzerland	-	-
Total	338,777	179,205

12. Related-party transactions

(CZK'000)	2023	2022
Revenues		
Sales of services	23,294	16,232
Sales of products	286,097	122,917
Sales of fixed assets	1,943	-
Interest income	-	217
Total	311,335	139,366
Costs		
Provided construction work in the field of road construction	18,597	46,897
Other services	76,386	85,072
Purchase of materials for own consumption	59,750	170,517
Interest expense	-	-
Royalties	51,092	50,728
Management service fees	106,878	105,783
Total	312,703	458,997

The Company uses and provides services to related parties in the ordinary course of business. All material transactions with related parties were made under standard market conditions.

COLAS CZ, a.s.

Notes to financial statements
for the year ended 31 December 2023

In 2023, the Company did not pay any dividend (see Note 7).

(CZK'000)	31 December 2023	31 December 2022
Receivables		
Trade receivables	562,415	306,443
Loans receivable	-	6,828
Total	562,415	313,271
Liabilities		
Liabilities to companies within the consolidation group	402,536	248,958
Out of which:		
Trade payables	402,536	248,958
Loans payable	-	-
Total	402,536	248,958

During 2023, the loan provided by the Company to COLAS PROJECTS, odštěpný závod in the amount of CZK 6,828 was fully paid.

The Company carries out some construction projects in association with companies in the Group, due to the nature of the business relationship, it only presents the balances from the given transactions as at 31 December 2023 (respectively as at 31 December 2022).

In 2023, members of the Board of Directors and Supervisory Board received a remuneration of CZK 10,219 thousand in connection with membership or performance of functions (2022: CZK 9,743 thousand).

As at 31 December 2023 and 2022, no loans, advances, loans, collateral or other benefits were provided to the members of the Board of Directors and the Supervisory Board.

Company cars are made available for use by the Statutory Representatives.

13. Fees paid and payable to the audit company

The information relating to the fees paid and payable for services performed by the audit company PricewaterhouseCoopers Audit, s.r.o. is included in the consolidated financial statements of the parent company COLAS S.A.

14. Employees

	2023		2022	
	number	CZK'000	number	CZK'000
Emoluments to the Board of Directors	-	10,219	-	9,743
Wages and salaries to other management	23	58,319	23	46,271
Wages and salaries to other employees	1,094	704,262	1,107	715,199
Social security costs	-	258,050	-	257,940
Other social costs	-	36,580	-	36,019
Wages and salaries total	1,117	1,067,430	1,130	1,065,172

The Company's management includes senior staff members directly reporting to the statutory body. Members of the statutory body are not included in the average recalculated number of employees because they perform their function on the basis of an agreement on performance of the function.

No other transactions with the Company's management occurred in 2023 (see Note 12).

15. Income tax

The income tax expense analysis:

(CZK'000)	2023	2022
Current tax expense (19%)	(9,209)	-
Deferred tax expense	34,278	(14,802)
Adjustment of prior year tax expense based on final CIT return	-	6,849
Adjustment of prior year tax based on additional CIT return	5,700	-
Total income tax expense	30,769	(7,953)

The current tax expense in the amount of CZK 3,509 thousand (2022: CZK 6,850 thousand) includes the calculated tax for the 2023 tax period in the amount of CZK 9,209 thousand (2022: CZK nil thousand) and tax refund from the additional tax return for the year 2021 in the amount of CZK 5,700 thousand, in which the tax loss from 2022 was carried back. The current tax expense from 2022 included a tax surcharge from the tax return for the year 2022 in the amount of CZK 6,849 thousand.

The deferred tax was calculated at 21% (the rate enacted for 2024 and subsequent years).

The deferred tax asset analysis:

(CZK'000)	31 December 2023	31 December 2022
Deferred tax (liability)/ asset arising from:		
Difference between accounting and tax net book value of fixed assets	(75,593)	(65,847)
Provisions	103,408	58,203
Impairment/allowances and other	37,914	24,098
Tax losses	-	14,997
Net deferred tax asset	65,729	31,451

16. Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2023.

12 February 2024



Tomáš Krones
Chairman of the Board of Directors



Arnaud Martin
Member of the Board of Directors