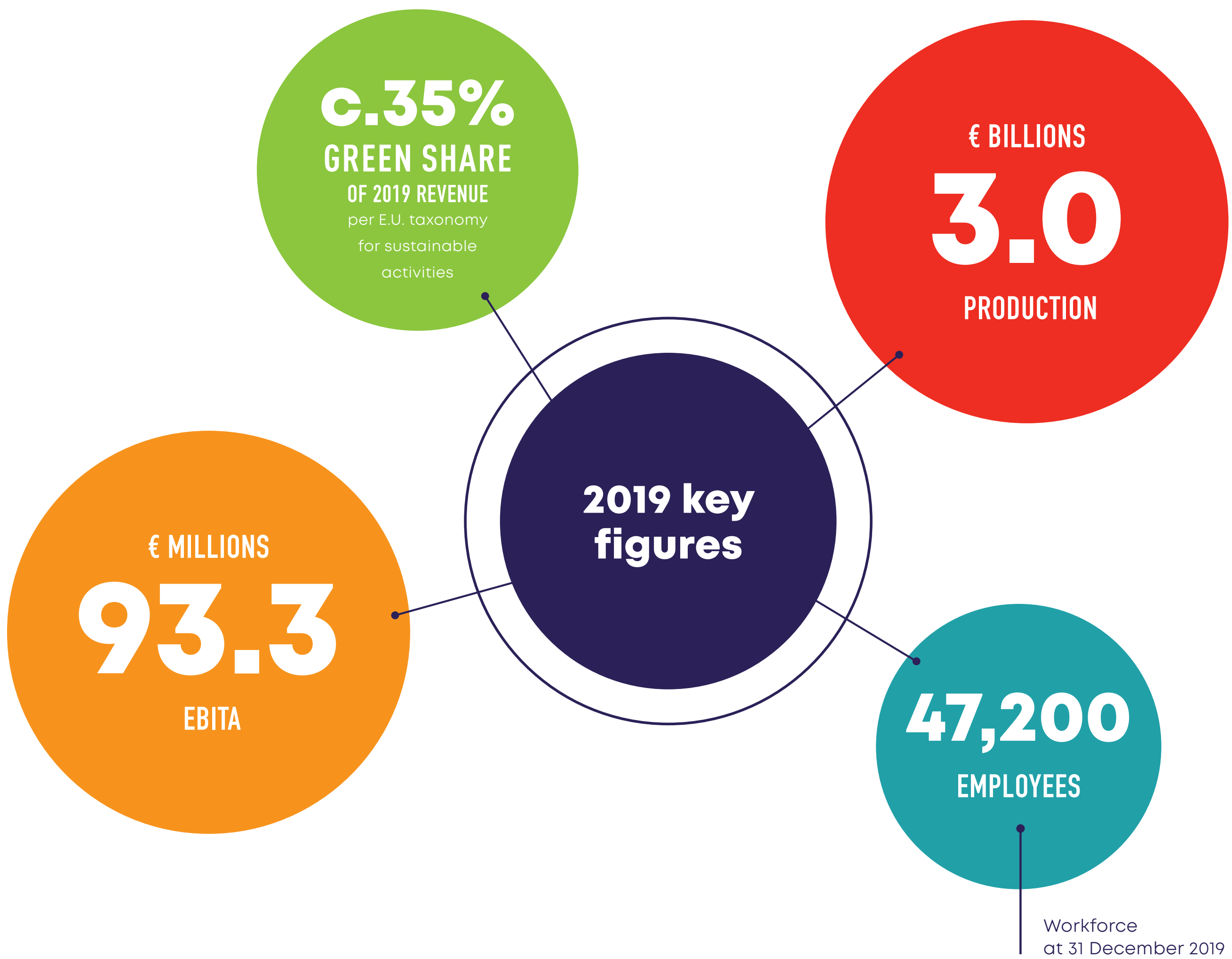
FIRST HALF FINANCIAL REPORT
2020

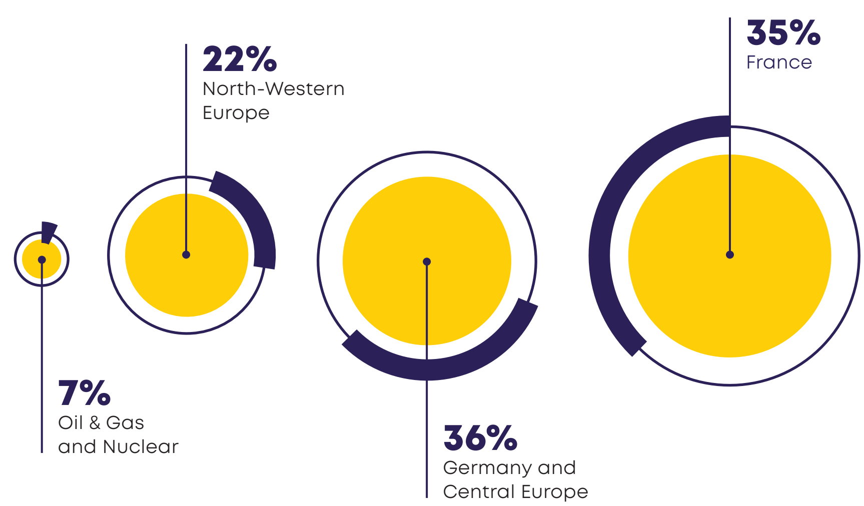
SPIE TODAY



2019 Revenue

by reporting segment

Total : € 3.0 Billions



I - Management Report

II – Interim Consolidated Financial Statements

1. Summary

Given the unprecedented abruptness of the Covid-19 crisis, SPIE's H1 2020 financial results reflect a good resilience and illustrate the mission-critical nature of the Group's services, the embedded discipline of its entire organisation, as well as the good balance of its geographical footprint.

Consolidated revenue[1] declined by -6.8% compared to H1 2019R[2], including a -9.0% organic contraction resulting from the Covid-19 crisis, a +2.7% growth from acquisitions, a -0.8% impact from the UK mobile maintenance activities disposal and a +0.2% impact from currency movements.

EBITA[1] was €93.3 million in H1 2020, down -40.3% compared to H1 2019R. EBITA margin was 3.1% compared to 4.8% in H1 2019R. In spite of a rapid implementation of labour cost mitigation measures, EBITA margin was affected in Q2 by a low absorption of remaining fixed costs and additional expenses stemming from health protection measures (equipment and lower productivity).

Taking into account the amortisation of allocated goodwill, restructuring costs, as well as non-recurring items which included, in H1 2020, a €(44.1) million net loss from the disposal of SPIE UK's mobile maintenance activities, consolidated operating income amounted to €7.9 million, down from €123.8 million in H1 2019R.

Net income attributable to owners of the parent was a net loss of €(41.7) million, compared to a €42.4 million, net profit in H1 2019.

Net cash flow from operating activities is typically negative in the first half of the year due to working capital and margin seasonality. In H1 2020, it was €(58.2) million, a significant improvement compared to H1 2019 level of €(310.9) million, primarily reflecting an excellent cash collection as well as the benefit from social charges and taxes deferral schemes, implemented by various governments across Europe in response to the Covid-19 crisis.

Net cash flow from investing activities was €(38.8) million in H1 2020 and included including capital expenditure and the impacts from disposals. No bolt-on acquisition was finalised during the period.

Net cash flow was €(142.1) million in H1 2020, compared to €(361.6) million in H1 2019.

Mindful of the responsibility imposed on us by an unprecedented health, economic and social crisis, in which significant efforts have been asked to all of the Group's stakeholders, SPIE decided not to pay dividend this year. Dividend remains however at the heart of SPIE's capital allocation policy, and the Group will resume dividend payment in 2021.

Net debt (excluding the impact of IFRS 16) decreased by €377 million over 12 months, to €(1,465.5) million or a 3.6x leverage[3] at June 30th, 2020, compared with €(1,842.3) million or a 3.9x leverage at June 30th, 2019. As a result of SPIE's usual seasonality pattern, leverage increased compared to December 31st, 2019 level (2.7x).

The Group's liquidity remained very high, at €1,124.5 million at June 30th, 2020, including €724.5 million euros in net cash and €400 million of undrawn revolving credit facility. In March 2020, SPIE drew its €600 million revolving credit facility by precaution, at the onset of the Covid-19 crisis. At June 30th, 2020, SPIE had already repaid €400 million, keeping a €200 million balance in line with historical mid-year levels (fully reimbursed in July 2020). The maturity of this revolving credit facility was extended for two years, to 2025[4].

Whilst the last months have seen a gradual lift of lockdown measures in SPIE's countries of operations, the Covid-19 epidemic is still ongoing and its evolution remains unknown. Assuming no major deterioration of the Covid-19 situation, SPIE expects trading in H2 2020 to be close to last year's levels. In an uncertain economic context, this reflects the Group's resilience as a provider of mission-critical services across a broad customer portfolio. In particular, H2 2020 Group revenue is expected close to H2 2019 level on an organic basis; H2 2020 Group EBITA margin is expected within 50 basis points from H2 2019 level of 7.0%.

SPIE expects a continued robust cash generation, leading to a limited increase in year-end leverage, expected at maximum 3.0x in 2020 (excluding IFRS 16), and then a significant decrease in 2021.

[1] Revenue and EBITA (Earnings Before Interests, Taxes and Amortisation) are non GAAP measures used by management to assess the performance of the Group. Please refer to notes 6 of the interim consolidated financial statements for reconciliation with GAAP measures

[2] H1 2019 figures have been restated to account for the contribution of SPIE UK's schools facility management activity. Previously under a divesture process, it was presented as a discontinued operation in accordance with IFRS 5. As part of SPIE UK's reorganisation, the divesture process has been stopped and this activity, with a realigned service portfolio, has been reintegrated into the continued perimeter

[3] Ratio of net debt excluding IFRS 16 at end June over pro-forma EBITDA excluding IFRS 16 on a trailing twelve-month basis

[4] The maximum capacity of the revolving credit facility is €600 million until 2023 and €410 million thereafter

2. H1 2020 highlights

2.1 Covid-19 impact on SPIE's activities

Starting mid-March 2020, SPIE has faced significant operational disruptions related to the Covid-19 epidemic. In this context, the Group has implemented all appropriate actions to protect its employees and stakeholders, and to limit the consequences on its operations and financial results, relying in particular on its strong liquidity.

The group's business levels were nonetheless strongly affected in France, in Belgium and in the UK, while impacts were limited in Germany and Central Europe, in the Netherlands and in Switzerland.

Continuity plans were put in place with, in particular, by:

- Keeping as number one priority the health and safety of our employees, subcontractors and customers. SPIE thus assessed with each of its clients what activities could continue during the containment period;
- Implementing vigorous cost saving actions;
- Using special government measures implemented across Europe, such as partial unemployment modulated according to the decline in activity observed in different geographical areas, fields and markets in which SPIE operates. These measures allowed to adjust permanent personnel costs to a lower activity level during the crisis, while protecting employment and allowing for an efficient restart when containment measures were lifted.

Since May 2020, the Group has progressively resumed the full provision of most of its services.

In order to meet the societal challenges imposed by the Covid-19 crisis and its effects on all of the Group's stakeholders, SPIE's Board of Directors decided on April 8th, 2020, to propose to the Shareholders' Meeting not to pay a final dividend for 2019. The Combined Shareholders' General Meeting held on May 29th, 2020 approved this proposal.

The impact of the Covid-19 crisis on assets and liabilities in the Group's consolidated balance sheet was examined without any change in valuation. Impairment tests subsequently carried out did not present any loss in value.

SPIE has significant financial headroom to face the current challenges. Liquidity at the end of December 2019 was in excess of €1.4 billion, including €867 million in net cash and €600 million of undrawn revolving credit facility. This revolving credit facility was pre-emptively fully drawn at the end of March 2020, and was then repaid at the end of June for €400 million.

The Group's liquidity at the end June 30th, 2020 remained very high, at €1.1 billion, including 724 million euros of net cash and 400 million euros of undrawn revolving credit facilities.

The Group is facing no debt maturity before 2023. In addition, SPIE's bank debt is subject to one covenant, measured only at year-end and pertaining to a leverage ratio less than or equal to 4.0x.

3. Activity report

3.1 Consolidated

Consolidated revenue was €3,021.6 million in H1 2020, down -6.8% year-on-year. On an organic basis, revenue declined by -9.0%. This organic contraction was entirely generated in Q2, where revenue declined organically by -17.1% with a low point in April, at -24.9%, followed by a rapid recovery resulting in an organic contraction for the month of June limited to -6.4%. Growth from 2019 bolt-on acquisitions was +2.7% in H1 2020. The disposal, in March 2020, of SPIE UK's mobile maintenance activities had a -0.8% impact at Group level. Currency movements accounted for +0.2%.

Consolidated EBITA was €93.3 million in H1 2020, down -40.3% compared to H1 2019[1]. EBITA margin was 3.1%, compared to 4.8% in H1 2019. In spite of a rapid implementation of labour cost mitigation measures, EBITA margin was affected in Q2 by a low absorption of fixed costs and additional expenses stemming from health protection measures (equipment and lower productivity).

3.2 Segment information

The **France** segment's revenue declined by -15.7% in H1 2020. Revenue contracted by -17.0% on an organic basis, while the full-year consolidation of Cimlec Industrie, acquired in July 2019, contributed for +1.3%. EBITA margin was 2.6%, compared to 5.8% in H1 2019.

Following the implementation of particularly stringent lockdown measures from mid-March to mid-May, SPIE's French business suffered a major impact in Q2, where revenue declined by -30.7% on an organic basis. Following a very low point in April (-50.2%), activity recovered well, with an organic decline limited to -8.1% in June. While labour cost mitigation measures were promptly implemented, EBITA margin has been impacted by a low absorption of remaining fixed costs during the lockdown period, as well as the cost of increased health protection measures. Cash collection was excellent across all divisions.

The **Germany & Central Europe** segment's revenue grew by +6.4% in H1 2020, including a strong +7.2% growth from 2019 acquisitions, a limited -1.1% organic contraction and a +0.3% impact from currency movements. EBITA margin was 3.4%, compared to 4.4% in H1 2019.

SPIE's German business showed a remarkable stability, with a -0.3% organic revenue change, while Osmo and Telba, acquired in 2019, contributed for +6.8%. While softer containment measures and rapid adaptation of working practices allowed business to carry on close to normal levels, there were differences across divisions: very strong growth in transmission and distribution services, reflecting unabated momentum in Germany's energy transition; softer activity in building-related services as a result of Covid-19 constraints. EBITA margin remained robust given the incremental costs generated by the health situation. Cash collection was very strong.

Performance in Central Europe was affected by project phasing in Hungary, while other countries, as well as Switzerland, proved extremely resilient through the Covid-19 crisis.

In the **North-Western Europe** segment, revenue decreased by -9.1% in H1 2020, including a -6.1% organic contraction, a -3.3% impact from the disposal of SPIE's UK mobile maintenance activities, completed in March 2020, and a +0.4% impact from currency movements. EBITA margin was 1.0%, compared to 1.6% in H1 2019R[1], affected by a low absorption of fixed costs during lockdowns in the UK and Belgium.

In the Netherlands, where no strict Covid-19 related containment measures were enforced, business could continue close to normal levels through the period and margins were maintained. Activity levels were strong in infrastructure and information and communication services, the latter being very active in the healthcare sector, while industry services were quite impacted by lower demand from petrochemical clients.

In the United Kingdom, stringent lockdown measures were implemented a bit later than in other countries and had a significant impact on Q2 revenue. Following the sale of under-performing mobile maintenance activities in March 2020, SPIE UK underwent a major

[1] Including the contribution of SPIE UK's school facility management activities, reintegrated into the continued perimeter in Q2 2020.

reorganisation with a material performance improvement expected in H2 2020.

In Belgium, business was also affected by a strict lockdown. Building and industry services were strongly impacted, while infrastructure services showed resilience.

The **Oil & Gas and Nuclear** segment's revenue contracted by -10.2% in H1 2020, including a -11.0% organic decline and a +0.8% impact from currency movements. EBITA margin was 7.1%, compared to 8.5% in H1 2019.

Following a robust Q1, Oil & Gas Services were impacted in Q2 by a harsh trading environment combining Covid-19 constraints and a disrupted oil market. However, thanks to our focus on recurring maintenance and operations, organic revenue contraction was limited to mid-single digit in H1 2020. EBITA margin was stable thanks to the first benefits of a swift reorganisation.

Nuclear services were impacted by customer-specific Covid-19 measures. Nuclear maintenance activities are currently back to normal and a large part of the 'Grand Carénage' works that were postponed will be caught up in the second half of the year.

3.3 Results

3.3.1 Consolidated revenue under IFRS

Consolidated revenue under IFRS amounted to €3,041.6 million in H1 2020, decreasing by -6.8% compared to H1 2019R.

The table below shows the reconciliation between consolidated revenue as per management accounts and consolidated revenue under IFRS. Refer to note 6.1 of the attached interim financial statements for further details.

€m	H1 2020	H1 2019R
Consolidated revenue as per management accounts	**3,021.6**	**3,242.6**
Holding activities	15.6	16.4
Sonaid	(0.3)	(0.9)
Others	4.7	4.7
Consolidated revenue under IFRS	**3,041.6**	**3,262.8**

3.3.2 Operating income

Consolidated operating income (including equity-accounted companies) amounted to €7.9 million in H1 2020, compared to €123.8 million in H1 2019R.

The table below shows the reconciliation between EBITA and consolidated operating income. Refer to note 6.1 of the attached interim financial statements for further details.

€m	H1 2020	H1 2019R
EBITA	**93.3**	**156.4**
Amortisation of intangible assets (allocated goodwill)	(27.5)	(28.9)
Restructuring costs	(9.9)	(2.0)
Financial commissions	(0.6)	(0.6)
Non-controlling interests	0.5	(0.3)
Other non-recurring items	(47.9)	(0.8)
Consolidated operating income	**7.9**	**123.8**

3.3.3 Cost of net financial debt

Cost of net financial debt amounted to €(33.5) million in H1 2020, compared with €(32.7) million in H1 2019R. In H1 2020, cost of net financial debt includes the interest charges related to the leases accounted for under the IFRS 16 standard, for €(3.8) million. Cost of net financial debt in H1 2019 included the write-off of half of the non-amortised borrowing costs from the term loan put in place last year, for €(2.0) million.

3.3.4 Pre-tax income

As a result of the above, pre-tax income decreased strongly to €(26.9) million in H1 2020, from €84.8 million H1 2019R.

3.3.5 Income tax

A €(14.1) million income tax charge was recorded in H1 2020 (vs. €(35.1) million in H1 2019). This charge reflects a 30% effective corporate income tax rate for the period, in line with 2019 and 2018 rates, excluding the French 'CVAE' levy and adjusted for non-recurring items.

3.3.6 Net income attributable to owners of the parent

Net income attributable to owners of the parent was €(41.7) million in H1 2020, compared to €42.4 million recorded in H1 2019.

3.4 Cash flow

Net cash flow from operating activities was €(58.2) million in H1 2020, compared to €(310.9) million in H1 2019. The strong seasonality of the Group's activity and working capital, as well as the payment cycle of certain personnel and social security costs, results every year in a negative change in working capital requirements in the first half of the year. The seasonal working capital outflow amounted to €(197.4) million in H1 2020, quite lower than that of H1 2019 (€(477.0) million) due to (i) an outstanding cash collection over the period and (ii) the benefit from government social charges and taxes deferral schemes implemented in various European countries in response to the Covid-19 crisis.

Net cash flow from investing activities was a €(38.8) million outflow in H1 2020 and primarily reflected the disposal of SPIE's UK mobile maintenance activities. Capital expenditure amounted to €(28.6) million, a slight increase compared to H1 2019 level (€(26.4) million).

Net cash flow from financing activities was a €(43.7) million outflow in H1 2020. This amount included a €200 million net inflow from the Group's revolving credit facility over the period (this facility is drawn upon every year to finance the seasonal change in working capital), offset by a reduction in the amount drawn from the securitization line, net interest, as well as rent payments made on lease contracts subject to IFRS 16 restatement.

Including the impact from changes in exchange rates, which remained very limited, at €(1.3) million (€0.7 million in H1 2019), **net cash flow** amounted to €(142.1) million in H1 2020, a clear improvement compared to H1 2019 level of €(361.6) million.

Cash and cash equivalents as at June 30th, 2020 amounted to €724.5 million, compared to €418.1million as at June 30th, 2019.

3.5 Balance sheet

Shareholder equity attributable to owners of the parent at June 2020 amounted to €1,427.9 million compared to €1,450.1 million at December 2019.

Net debt as per the Group's Senior Facility Agreement totalled €1,465.5 million at the end of June 2020. This figure does not include IFRS 16 restatement. Including IFRS 16, net debt as of June 30th, 2019 was €1,814.7 million (see note 19.4 of the 2020 interim financial statements), with a limited impact on the Group's leverage ratio (3.8x including IFRS 16 vs. 3.6x excluding IFRS 16).

Net debt at the end of June 2020 includes (i) a €600 million senior term loan facility with a 2023 maturity, (ii) a €600 million bond with a 2024 maturity and a fixed 3.125% annual coupon, (iii) a €600 million bond with a 2026 maturity and a fixed 2.625% annual coupon, and (iv) €200 million drawn from the Group's revolving credit facility, which maturity was extended to 2025[1]. Financial leverage[2] was 3.6x at June 30th, 2020, a clear improvement compared to its June 30th, 2019 level of 3.9x. As a result of SPIE's usual working capital seasonality, net debt and leverage increased in H1 compared to December 31st, 2019 levels (€1,250.9 net debt; 2.7x leverage).

The Group's **liquidity** remains high, at €1,124 million at June 30th, 2020, including with €724 million euros in net cash and cash equivalent and €400 million of undrawn Revolving Credit Facility.

The following margins apply to the Group's bank debt based on the ratchet table below:

Group's debt net/EBITDA ratio	Revolving Facility	Senior Term Loan Facility
> 4.0X	1.950%	2.250%
≤ 4.0X and > 3.5X	1.600%	2.000%
≤ 3.5X and > 3.0X	1.300%	1.700%
≤ 3.0X and > 2.5X	1.150%	1.550%
≤ 2.5x and > 2.0X	1.000%	1.400%
≤ 2.0X	0.850%	1.250%

4. Outlook

Whilst the last months have seen a gradual lift of lockdown measures in SPIE's countries of operations, the Covid-19 epidemic is still ongoing and its evolution remains unknown. Assuming no major deterioration of the Covid-19 situation, SPIE expects trading in H2 2020 to be close to last year's levels. In an uncertain economic context, this reflects the Group's resilience as a provider of mission-critical services across a broad customer portfolio. In particular:

- H2 2020 Group revenue is expected close to H2 2019 level on an organic basis;
- H2 2020 Group EBITA margin is expected within 50 basis points from H2 2019 level of 7.0%;
- Continued robust cash generation, leading to a limited increase in year-end leverage, expected at maximum 3.0x in 2020. Significant decrease expected in 2021.

[1] The maximum capacity of the revolving credit facility is €600 million until 2023 and €410 million thereafter

[2] Net debt / pro-forma EBITDA on a trailing twelve-month basis

5. Transactions with related parties

No material related party transactions arose during the period ending June 2020, and there were no significant changes concerning the related party transactions in the consolidated financial statements as at December 31st, 2019.

6. Risk factors

Risk factors do not differ from those identified in the 2019 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on April 17th, 2020. These risks and uncertainties include those discussed or identified under Chapter 2 'Risk factors and internal control' in SPIE's 2019 Universal Registration Document, complemented by the information included in note 20 of the interim consolidated financial statements as at June 30th, 2020.

7. Statutory Auditor's review report on the 2020 half-yearly financial information (Six-month period ended June 30th, 2020)

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your General Meetings 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 hereby report to you on:

the review of the accompanying condensed half-yearly consolidated financial statements of SPIE SA, for the six months ended June 30, 2020;

the verification of the information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

2. Specific verification

We have also verified the information presented in the half-yearly management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris-La Défense, July 29th, 2020
The Statutory Auditors

PricewaterhouseCoopers Audit
Yan Ricaud

ERNST & YOUNG et Autres
Henri-Pierre Navas

8. Statement by the person responsible for the half-year financial report as of June 30th, 2020

"I certify, to the best of my knowledge, that the condensed half-year consolidated financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and of the Group formed by the companies included in the consolidated financial statements, taken as a whole, and that the management report for the half-year period faithfully presents the important events that have occurred during the first six months of the financial year and their impact on the half-year financial statements, of the main transactions between related parties, as well as a description of the main risks and uncertainties in respect of the remaining six months of the financial year."

On July 28th, 2020

Mr Gauthier Louette
Chairman and Chief Executive Officer

2020 FIRST-HALF FINANCIAL REPORT

Galileo Security Monitoring Centre

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1. CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	First half 2019 Restated*	First half 2020
Revenue	**6**	**3,262,835**	**3,041,548**
Other income		26,319	31,273
Operating expenses		(3,162,065)	(3,009,208)
Recurring operating income		**127,089**	**63,613**
Other operating expenses		(10,290)	(60,641)
Other operating income		6,740	4,417
Total other operating income (expenses)	**7**	**(3,550)**	**(56,224)**
Operating income		**123,539**	**7,390**
Net income (loss) from companies accounted for under the equity method		203	537
Operating income including companies accounted for under the equity method		**123,742**	**7,927**
Interests charges and losses from cash equivalents*		(32,728)	(33,994)
Gains from cash equivalents		65	463
Costs of net financial debt	**8**	**(32,663)**	**(33,531)**
Other financial expenses		(11,273)	(14,657)
Other financial income		4,974	13,346
Other financial income (expenses)	**8**	**(6,299)**	**(1,311)**
Pre-Tax Income		**84,780**	**(26,916)**
Income tax expenses	9	(35,135)	(14,109)
Net income from continuing operations		**49,645**	**(41,025)**
Net income from discontinued operations	10	(7,141)	(335)
NET INCOME		**42,504**	**(41,360)**
Net income from continuing operations attributable to:			
. Owners of the parent		49,512	(41,370)
. Non-controlling interests		133	345
		49,645	**(41,025)**
Net income attributable to:			
. Owners of the parent		42,371	(41,704)
. Non-controlling interests		133	345
		42,504	**(41,360)**
Net income Share of the Group – earning per share	11	0.27	(0.26)
Net income Share of the Group – diluted earnings per share		0.27	(0.26)
Net income - diluted earnings per share		0.27	(0.26)

** Comparative data for the first half of 2019 have been restated, See Note 3*

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Notes	First Half 2019 Restated*	First Half 2020
Net income recognized in income statement		**42,504**	**(41,360)**
Actuarial losses on post-employment benefits	17.1	(95,049)	28,428
Tax effect		29,027	(8,528)
Items that will not be reclassified to income		**(66,022)**	**19,900**
Currency translation adjustments		(1,093)	(1,285)
Fair value adjustments of hedges on future cash flows			
Other			
Tax effect			
Items that may be reclassified to income		**(1,093)**	**(1,285)**
TOTAL COMPREHENSIVE INCOME		**(24,611)**	**(22,745)**
Attributable to:			
. Owners of the parent		(24,732)	(23,096)
. Non-controlling interests		121	351

** Comparative data for the first half of 2019 have been restated, See Note 3*

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	Dec 31, 2019	June 30, 2020
Non-current assets			
Intangible assets	14	999,326	984,133
Goodwill	13	3,211,854	3,202,820
Property, plant and equipment		173,235	163,670
Right of use on operating and financial lease	15	339,980	346,177
Investments in companies accounted for under the equity method	19.7	11,929	12,395
Non-consolidated shares and long-term loans	19.1	47,219	47,839
Other non-current financial assets		5,016	5,224
Deferred tax assets		315,303	329,449
Total non-current assets		**5,103,862**	**5,091,707**
Current assets			
Inventories		41,188	42,151
Trade receivables	18.3	1,916,910	1,890,173
Current tax receivables		24,539	43,851
Other current assets		306,494	389,894
Other current financial assets		7,370	8,181
Cash management financial assets	19.2	2,791	2,354
Cash and cash equivalents	19.2	869,212	726,080
Total current assets from continuing operations		**3,168,504**	**3,102,683**
Assets classified as held for sale	10	22,302	13,101
Total current assets		**3,190,806**	**3,115,784**
TOTAL ASSETS		**8,294,668**	**8,207,492**

In thousands of euros	Notes	Dec 31, 2019	June 30, 2020
Equity			
Share capital	16	74,118	74,118
Share premium		1,211,971	1,211,971
Consolidated reserves		13,444	183,468
Net income attributable to the owners of the parent		150,548	(41,704)
Equity attributable to owners of the parent		**1,450,081**	**1,427,853**
Non-controlling interests		3,539	3,891
Total equity		**1,453,620**	**1,431,744**
Non-current liabilities			
Interest-bearing loans and borrowings	19.3	1,797,048	1,796,014
Non-current debt on operating and financial leases		239,103	240,898
Non-current provisions	17	70,662	66,905
Accrued pension and other employee benefits	17	879,458	854,042
Other non-current liabilities		7,045	19,007
Deferred tax liabilities		354,091	359,328
Total non-current liabilities		**3,347,406**	**3,336,194**
Current liabilities			
Trade payables		1,141,349	747,878
Interest-bearing loans and borrowings	19.3	334,094	390,775
Current debt on operating and financial leases		101,257	108,264
Current provisions	17	124,313	123,873
Income tax payable		55,791	80,144
Other current operating liabilities	18.1	1,722,722	1,981,561
Total current liabilities from continuing operations		**3,479,526**	**3,432,495**
Liabilities associated with assets classified as held for sale	10	14,116	7,058
Total current liabilities		**3,493,642**	**3,439,553**
TOTAL EQUITY AND LIABILITIES		**8,294,668**	**8,207,492**

4. CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	First Half 2019	First Half 2020
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**779,751**	**866,522**
Operating activities			
Net income		42,504	(41,360)
Loss from companies accounted for under the equity method		(203)	(537)
Depreciation, amortization, and provisions		93,111	109,694
Proceeds on disposals of assets		(627)	43,703
Dividend income		-	-
Income tax expense		32,505	13,966
Elimination of costs of net financial debt		32,721	33,667
Other non-cash items		517	12,485
Internally generated funds from (used in) operations		**200,528**	**171,618**
Income tax paid		(34,557)	(32,573)
Changes in operating working capital requirements		(477,025)	(197,419)
Dividends received from companies accounted for under the equity method		180	200
Net cash flow from (used in) operating activities		**(310,874)**	**(58,174)**
Investing activities			
Effect of changes in the scope of consolidation		(57,948)	(15,155)
Acquisition of property, plant and equipment and intangible assets		(26,426)	(28,584)
Net investment in financial assets		(25)	(184)
Changes in loans and advances granted		1,226	3,014
Proceeds from disposals of property, plant and equipment and intangible assets		29,149	2,076
Proceeds from disposals of financial assets		-	-
Dividends received		-	-
Net cash flow from (used in) investing activities		**(54,024)**	**(38,833)**
Financing activities			
Issue of share capital		-	-
Proceeds from loans and borrowings		791,925	599,590
Repayment of loans and borrowings		(690,675)	(594,264)
Net interest paid		(34,870)	(49,050)
Dividends paid to owners of the parent		(63,774)	-
Dividends paid to non-controlling interests		-	-
Other cash flows from (used in) financing activities		-	-
Net cash flow from (used in) financing activities		**2,606**	**(43,724)**
Impact of changes in exchange rates		672	(1,324)
Net change in cash and cash equivalents		**(361,620)**	**(142,055)**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**19**	**418,131**	**724,467**

Notes to the cash flow statement

The cash flow statement presented above includes discontinued operations or operations held for sale (see Note 19.2).

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros except for the number of shares	Number of outstanding shares	Share capital	Additional paid-in capital	Consoli-dated reserves	Foreign currency translation reserves	Cash flow hedge reserves	OCI, and others	Equity attribu-table to owners of the parent	Non control-ling interests	Total equity
AT DECEMBER 31, 2018	**155,547,949**	**73,108**	**1,190,120**	**249,522**	**(5,630)**	**(10)**	**(33,551)**	**1,473,556**	**2,449**	**1,476,005**
Net income				42,371				42,371	133	42,504
Other comprehensive income (OCI)					(1,081)		(66,022)	(67,104)	(12)	(67,115)
Total comprehensive income		**-**	**-**	**42,371**	**(1,081)**	**-**	**(66,022)**	**(24,732)**	**121**	**(24,611)**
Distribution of dividends				(63,774)				(63,774)		(63,774)
Share issue								-		-
Change in the scope of consolidation and other								-		-
Other movements							(2,186)	(2,186)		(2,186)
AT JUNE 30, 2019	**155,547,949**	**73,108**	**1,190,120**	**228,119**	**(6,711)**	**(10)**	**(101,759)**	**1,382,864**	**2,570**	**1,385,434**
AT DECEMBER 31, 2019	**157,698,124**	**74,118**	**1,211,971**	**309,800**	**(4,503)**	**(10)**	**(141,295)**	**1,450,081**	**3,539**	**1,453,620**
Net income				(41,704)				(41,704)	345	(41,360)
Other comprehensive income (OCI)					(1,292)		19,900	18,608	7	18,615
Total comprehensive income		**-**	**-**	**(41,704)**	**(1,292)**	**-**	**19,900**	**(23,096)**	**351**	**(22,745)**
Distribution of dividends								-		-
Share issue								-		-
Change in the scope of consolidation and other								-		-
Other movements							869	869		869
AT JUNE 30, 2020	**157,698,124**	**74,118**	**1,211,971**	**268,096**	**(5,795)**	**(10)**	**(120,526)**	**1,427,853**	**3,890**	**1,431,744**

Notes to the consolidated statement of changes in equity

See Note 16.

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

The SPIE Group, operating under the brand name SPIE, is the independent European leader in electrical and mechanical engineering and HVAC services, energy and communication systems.

SPIE SA is a joint-stock company (*société anonyme*) incorporated in Cergy (France), listed on the Euronext Paris regulated market since June 10, 2015.

The SPIE Group interim consolidated financial statements were authorized for issue by the Board of Directors on July 28, 2020.

Accounting policies and measurement methods

NOTE 2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The Group condensed interim consolidated financial statements have been prepared in compliance with IAS 34 – Interim Financial Reporting. As these are condensed interim financial statements, they do not contain all the disclosures required under the International Financial Reporting Standards (IFRS). They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2019, which were prepared in compliance with IFRS standards as adopted by the European Union.

2.2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Group's interim consolidated financial statements are identical to those used for the year ended December 31, 2019 and described in the notes to the 2019 financial statements, with the exception of regulations specific to the preparation of interim financial statements and new standards and interpretations.

New standards and interpretations applicable from January 1, 2020

The new standards and interpretations applicable from January 1, 2020 are the following:

- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IAS 1 "classification of liabilities as 'current' and 'non-current'"
- Amendments to IAS 39, IFR S7 and IFRS 9: "reform of reference interest rate".

The Group did not identify any significant impact at the application of these other standards and amendments.

Published new standards and interpretations for which application is not mandatory as of January 1, 2020

Standards, interpretations and amendments already published by the International Accounting Standards Board (IASB) which are not yet endorsed by the European Union are as follows:

- IFRS 14 "Regulatory Deferral Accounts"
- IFRS 17 "Insurance contracts"

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The Group is currently assessing the impact and practical implications resulting from the application of the standards and interpretations published but whose application is not yet compulsory.

Impairment of assets

No indication of impairment was identified as of June 30, 2020.

Employee benefit obligations

The net provision for pensions and other employee benefits as at June 30, 2020 is calculated based on the latest available valuations as at December 31, 2019. Actuarial assumptions are reviewed to consider any potential significant changes or one-off impacts during the first half of the year. This review led to the booking of a decrease in the provision relating to actuarial differences as at June 30, 2020 for an amount of € 28 million.

Income taxes

Current and deferred income tax expense is calculated by applying the estimated income tax rate that would be applicable to year-end 2020 taxable income, i.e., by applying the average effective annual tax rate for the current year to the Group’s taxable income for the current period.

Seasonality

Working capital requirements are seasonal, although they are negative throughout the year due to the contractual structure of the activity and to a dynamic approach of the Group in terms of invoicing and cash collection. The Group’s cash flow is generally negative during the first half of the year due to the seasonality of the Group’s activity (which is less significant during the first half of the year) and due to the payment cycle of certain personnel costs and social security contributions.

By contrast, cash flow is typically positive in the second half of the year due to the increased level of activities during that period generating higher invoicing and collection.

Accounting policies and measurement methods

The recoverable value of property, plant and equipment and intangible assets is tested whenever there is an indication of impairment; this is examined at each closing date.

Regarding goodwill and intangible assets with an indefinite useful life (a category which in the case of the Group is limited to the SPIE brand), this impairment test is conducted as soon as there is any indication of impairment and at least annually.

Goodwill does not generate any cash inflows on its own and is therefore allocated to the corresponding Cash Generating Units (CGU).

The recoverable value of these units is the higher of the value in use, determined based on discounted future net cash flow projections, and the fair value less costs to sell, if this value is lower than the net carrying amount of these units. an impairment loss is recorded for the difference, which is allocated in priority to goodwill.

Contrary to potential impairment losses on depreciable property, plant and equipment and amortizable intangible assets, those allocated to goodwill are definitive and cannot be reversed in subsequent financial years.

2.3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS standards is based on management estimates and assumptions used to determine the value of assets and liabilities at the reporting date, as well as income and expenses reported during the period.

The main sources of uncertainty relating to key assumptions and estimates are related to the impairment of goodwill, employee benefits, revenue recognition and profit margin recognition on long-term service agreements, provisions for liabilities and charges and deferred tax assets recognition.

NOTE 3. ADJUSTEMENTS ON PREVIOUS PERIODS

SPIE UK’s total facility management activity, previously under a divesture process, was presented as a discontinued operation in accordance with IFRS 5 until December 31, 2019. As part of SPIE UK’s reorganization, the divesture process has been stopped and this activity, with a realigned service portfolio, has been reintegrated into the continued activity as of January 1, 2020. As a consequence, the accounts for June 2019 have been restated pursuant to IFRS 5 “non-current assets held for sale and discontinued operations”, see Note 10 (c).

The financial statements of June 30, 2019 presented in comparison to June 30, 2020 are restated in accordance to the present Note.

Significant events of the period

NOTE 4. SIGNIFICANT EVENTS

4.1. COVID-19 IMPACT ON SPIE's ACTIVITIES

On March 11, 2020, as part of the release of its 2019 Full-Year results, SPIE had issued a 2020 guidance based on the assumption of no major deterioration of SPIE's business related to the Covid-19 pandemic.

SPIE has then faced significant operational disruptions related to the Covid-19 epidemic. In this context, the Group has implemented all the necessary actions to protect its employees and stakeholders, and to limit the consequences on its operations and financial results, relying in particular on its strong liquidity.

Following these events which occurred on mid-March 2020, SPIE has suspended its 2020 guidance through a press release on March 27, 2020.

SPIE's activities were abruptly affected by this sanitary crisis during the 2nd quarter of 2020, without however, compromising the continuity of its operations. Since the beginning of containment measures, our business levels in France, in Belgium and in the UK have been strongly affected. So far, the pandemic have had a limited impact on the business in Germany and Central Europa, in the Netherlands and in Switzerland.

Continuity plans have been put in place through strong measures, in particular, by:

- Keeping as number one priority the health and safety of our employees, subcontractors and customers. SPIE thus assessed with each of its clients activities that could continue during the containment period;
- Implementing vigorous cost saving actions to secure net income and cash-flow;
- Using special government measures implemented across Europe, such as partial unemployment modulated according to the decline in activity observed in the different geographical areas, fields and markets in which SPIE operates. These measures have resulted in adjusting personnel costs to the lower activity level during the crisis, while in the meantime protecting employment and allowing a quick restart after the containment measures lifting.

In order to meet the societal challenges imposed by the Covid-19 crisis and its effects on all our stakeholders, SPIE's Board of Directors has decided on April 8, 2020, to propose to the Shareholders' Meeting not to pay a final dividend for 2019. The Combined Shareholders' General Meeting held on May 29, 2020 approved this proposal. Likewise, no interim dividend will be paid in 2020 (see Note 12 – Dividends).

The impact of the Covid-19 crisis on assets and liabilities in the Group's consolidated balance sheet was examined without any change in valuation.

In this respect, considering the decline in activity observed and the corresponding measures taken, Goodwills' impairment tests were implemented in line with the risk factors identified. Impairment tests do not present any loss in value (see Note 13.2 - Impairment tests of Goodwill as at June 30, 2020 and Covid-19 sanitary crisis impacts).

There are no significant credit losses neither. Deferred taxes assets valuation which depends on future results have been maintained at their balance sheet value.

Contracts valorisation considered as a whole at their termination date has not been affected.

SPIE has significant financial headroom to face the current challenges. Liquidity at end of December 2019 was in excess of € 1.4 billion, including € 867 million in net cash and € 600 million of undrawn revolving credit facility. This revolving credit has been pre-emptively fully drawn at end of March 2020. It has been repaid at end of June for an amount of € 400 million.

Thus, the Group's liquidity at June 30, 2020 is € 1.1 billion, comprising € 724 million of net cash and € 400 million of undrawn revolving credit facilities.

The Group is facing no debt maturity before 2023. In addition, SPIE’s bank debt is subject to one covenant, measured only at year-end and pertaining to a leverage ratio less than or equal to 4.0x (for reference, SPIE’s leverage at end December 2019 was 2.7x and is 3.6x at end of June 2020, to be compared to 3.9x as June 30, 2019).

The most important part of SPIE’ services are essentials to the integrity of customers’ assets, and can only be suspended or postponed for a limited period.

Since May 2020, the Group has gradually relaunched full implementation of most of its services.

Scope of consolidation

NOTE 5. SCOPE OF CONSOLIDATION

5.1. CHANGES IN SCOPE

Changes in scope of consolidation include:

- companies acquired during the period;
- companies acquired during previous periods, which did not have the operational resources necessary to prepare financial statements in line with Group standards within the time allocated. These companies are included in the Group's scope of consolidation once the financial information is available;
- companies temporarily held as financial assets
- newly created companies;
- companies disposed of.

5.1.1. COMPANIES ACQUIRED AND CONSOLIDATED DURING THE PERIOD

Nil.

5.1.2. COMPANIES ACQUIRED IN THE PREVIOUS PERIOD AND CONSOLIDATED DURING THE PERIOD

Nil.

5.1.3. COMPANIES ACQUIRED DURING THE PERIOD AND HELD AS FINANCIAL ASSETS

Nil.

5.1.4. NEWLY CREATED COMPANIES

The Group consolidated in 2020 the company **Spie OGS Mozambique** created in March 6, 2020 in Mozambique.

5.1.5. DISPOSED COMPANIES

SPIE UK, the British subsidiary of SPIE, sold on March 20, 2020 the company **TRIOS Group Ltd** and its subsidiaries, which carry its mobile maintenance activities (see Note 7 (a)).

These activities include facility and property related mobile services for public and private customers operating in the commercial, health, education, leisure, local authorities and retail markets. These activities had recently been placed under strategic review.

All of SPIE’s remaining facility management activities throughout the UK, focused mainly on-site maintenance and fire & security services, will remain within SPIE.

Segment information

NOTE 6. SEGMENT INFORMATION

Summarized information intended for strategic analysis by general management of the Group for decision-making purposes (the concept of chief operating decision-maker in accordance with IFRS 8) is based on revenue (as per management accounts) and EBITA indicators broken down by operating segment.

6.1. INFORMATION BY OPERATING SEGMENT

Revenue (as per management accounts) represents the operational activities conducted by the Group's companies, while consolidating on a proportionate basis subsidiaries that have minority shareholders or using the equity method.

EBITA, as per management accounts, is the Group operating result. It is calculated before amortization of allocated goodwill (brands, backlogs and customers). The margin is expressed as a percentage of revenue (as per management accounts).

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Holdings	TOTAL
January 1 to June 30, 2020						
Revenue	**1,053.3**	**1,088.3**	**653.8**	**226.2**	**-**	**3,021.6**
EBITA	27.6	36.7	6.5	16.1	6.4	**93.3**
EBITA as a % of revenue	*2.6%*	*3.4%*	*1.0%*	*7.1%*	*n/a*	*3.1%*
January 1 to June 30, 2019 Restated						
Revenue	**1,248.9**	**1,022.8**	**719.0**	**251.9**	**-**	**3,242.6**
EBITA	72.1	45.0	11.6	21.8	5.9	**156.4**
EBITA as a % of revenue	*5.8%*	*4.4%*	*1.6%*	*8.7%*	*n/a*	*4.8%*

Reconciliation between revenue (as per management accounts) and revenue from contracts with customers

In millions of euros		First Half 2019 Restated	First Half 2020
Revenue		**3,242.6**	**3,021.6**
SONAID	(a)	(0.9)	(0.3)
Holding activities	(b)	16.4	15.6
Others	(c)	4.7	4.7
Revenue from contracts with customers		**3,262.8**	**3,041.6**

(a) SONAID is consolidated under the equity method in the Group’s IFRS consolidated accounts and proportionally (55%) in the management accounts.

(b) Non-Group revenue from SPIE Operations and other non-operational entities.

(c) Re-invoicing of services provided by Group entities to non-managed joint ventures; Revenue that does not correspond to operational activity (essentially re-invoicing of expenses incurred on behalf of partners); Restatement of revenue from entities consolidated under the equity method, or not yet consolidated.

Reconciliation between EBITA and operating income

In millions of euros		First Half 2019 Restated	First Half 2020
EBITA		**156.4**	**93.3**
Amortization of intangible assets (allocated goodwill)	(a)	(28.9)	(27.5)
Restructuring costs	(b)	(2.0)	(9.9)
Financial commissions		(0.6)	(0.6)
Minority interests		(0.3)	0.5
Other non-recurring items	(c)	(0.8)	(47.9)
Consolidated Operating Income		**123.8**	**7.9**

(a) In 2020, amortization of allocated goodwills includes € 17 million pertaining to the SAG group (€ 20.6 million in 2019).

(b) In 2020, restructuring costs include essentially reorganization costs in SPIE OGS for € (3.9) million, in the United-Kingdom for € (3.9) million and in the Netherlands for € (1.6) million.

In 2019, restructuring costs related to reorganizations in the United-Kingdom for € (2.0) million.

(c) In 2020, the "other non-recurring items" mainly corresponds to the impact of the disposal of the mobile maintenance business in the United-Kingdom (€ (44.1) million), to a restatement made pursuant to IFRIC 21 (€ (2.4) million) and costs relating the employee shareholders plan "Share For You 2019", in accordance with IFRS 2 for € (1.0) million.

In 2019, "Other non-recurring items" mainly corresponded to a restatement made pursuant to IFRIC 21 (€ (2.3) million) and to the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 (€ +2.4 million).

6.2. NON-CURRENT ASSETS BY ACTIVITY

Non-current assets include intangible assets, property, plant and equipment, and goodwill allocated to Cash Generating Units.

In thousands of euros	France	Germany & CE	North-Western Europe	Oil & Gas - Nuclear	Holdings	TOTAL
June 30, 2020	**497,116**	**1,577,282**	**227,602**	**70,837**	**2,323,964**	**4,696,801**
December 31, 2019	478,351	1,593,046	253,070	74,376	2,325,553	**4,724,395**

6.3. PERFORMANCE BY GEOGRAPHIC AREA

Revenue under IFRS is broken down by geographical location of customers.

In thousands of euros	France	Germany	Rest of the world	TOTAL
January to June 2020 Revenue under IFRS	**1,171,892**	**898,288**	**971,368**	**3,041,548**
January to June 2019 Restated Revenue under IFRS	1,404,092	843,706	1,015,037	**3,262,835**

6.4. INFORMATION ABOUT MAJOR CUSTOMERS

No external customer individually represents 10% or more of the Group's consolidated revenue.

Notes to the consolidated income statement

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses break down as follows:

In thousands of euros	Notes	First Half 2019 Restated	First Half 2020
Business combination acquisition costs	(a)	-	(339)
Net book value of financial assets and security disposals		(52)	(44,081)
Net book value of assets		(5,579)	(1,516)
Other operating expenses	(b)	(4,659)	(14,705)
Total other operating expenses		**(10,290)**	**(60,641)**
Gain on security disposals		83	-
Gains on asset disposals		5,688	1,937
Other operating income		969	2,480
Total other operating income		**6,740**	**4,417**
Other operating income and expenses		**(3,550)**	**(56,224)**

(a) In 2020, the "net book value of financial assets and security disposals" relates to the disposal of the mobile maintenance business in the United-Kingdom for an amount of € 44,081 thousand.

(b) In 2020, the "Other operating expenses" mainly includes reorganization costs for an amount of € 9,882 thousand. The "other operating expenses" relate to non-recurring costs on management operations.

In 2019, they mainly included restructuring costs in SPIE UK for an amount of € 2,006 thousand. The "Other operating expenses" also included some non-recurring costs on management operations in France for an amount of € 1,488 thousand.

NOTE 8. NET FINANCIAL COST AND FINANCIAL INCOME AND EXPENSES

Cost of net debt and other financial income and expenses are broken down in the table below:

In thousands of euros	Notes	First Half 2019 Restated	First Half 2020
Interest expenses	(a)	(30,232)	(29,777)
Interest expenses on operating and financial leases		(2,449)	(3,795)
Interest expenses on cash equivalents		(47)	(423)
Interest expenses and losses on cash equivalents		**(32,728)**	**(33,994)**
Interest income on cash equivalents		65	463
Net proceeds on sale of marketable securities		-	-
Gains on cash and cash equivalents		**65**	**463**
Costs of net financial debt		**(32,663)**	**(33,531)**
Loss on exchange rates	(b)	(2,850)	(8,096)
Allowance for financial provisions for pensions		(6,741)	(3,729)
Other financial expenses		(1,682)	(2,832)
Total other financial expenses		**(11,273)**	**(14,657)**
Gain on exchange rates	(c)	4,056	10,822
Gains on financial assets excl. cash and cash equivalents		20	62
Allowance / Reversal on financial assets		-	-
Other financial income		887	2,462
Total other financial income		**4,974**	**13,346**
Other financial income and expenses		**(6,299)**	**(1,311)**

(a) The interest expenses mainly include the interest charges related to existing loans during the first half of the year.

In 2019, they also included the recognition in the income statement of non-amortized balance amount costs related to the repayment of the Group's loans for an amount of € 3,963 thousand accounted for in the 2019 financial statements.

(b) In 2020, the "Loss on exchange rates" relates to the SPIE OGS subgroup for an amount of € 3,485 thousand mainly explained by the Angolan Kwanza change, the SPIE DZE subgroup for an amount of € 2,322 thousand for the Hungarians and Polish entities and the entity SPIE SA for an amount of € 1,788 thousand, for the entities in the United Kingdom.

In 2019, they also related to SPIE OGS subgroup for € 2,596 thousand, to SPIE SA for entities in the United Kingdom, and to SPIE DZE for the Hungarians and Polish entities.

(c) In 2020, as for 2019, the "Gain on exchange rates" mainly relate to SPIE OGS subgroup for € 5,440 thousand (€ 2,486 thousand in 2019), to the entity SPIE Operations for € 3,387 thousand (€ 1,146 thousand in 2019) and to entity SPIE DZE for € 1,324 thousand (€ 259 thousand in 2019). Those gains are mainly explained, as for loss on exchange rate, by exchange rates variations of mentioned currencies.

NOTE 9. INCOME TAX

9.1. TAX RATE

The effective tax rate on income for the period ended June 30, 2020 stands at 30%, in line with the 2019 and 2018 tax rates, excluding CVAE and adjusted for non-recurring items. To the tax expense calculated based on this tax rate, the CVAE of the period must be added.

9.2. CONSOLIDATED INCOME TAXES

Income taxes are detailed as follows:

In thousands of euros	First Half 2019 Restated	First Half 2020
Income tax expense reported in the income statement		
Current income tax	(30,341)	(28,902)
Deferred income tax	(4,794)	14,793
Total income tax reported in the income statement	**(35,135)**	**(14,109)**
Income tax expense reported in the statement of comprehensive income		
Net (loss)/gain on cash flow hedge derivatives	-	-
Net (loss)/gain on post-employment benefits	29,027	(8,528)
Total income tax reported in the statement of comprehensive income	**29,027**	**(8,528)**

NOTE 10. DISCONTINUED OPERATIONS

The Group's assets held for sale and discontinued operations requiring the application of IFRS 5 are outlined below:

In thousands of euros		First Half 2019 Restated		First Half 2020	
		Revenue	Contribution to net income	Revenue	Contribution to net income
SPIE Industrie & Tertiaire –MSI business	(a)	737	(261)	32	(7)
SPIE UK – underground utilities services	(b)	114	115		(44)
SPIE UK – soft FM activity	(c)				
SPIE DZE - Gas & Offshore Services	(d)	53,387	(4,552)	1,282	(259)
SPIE Industrie & Tertiaire - housing market projects activity	(e)	(182)	(612)	15	(102)
SPIE DZE – Services Solutions business in Greece			(1)		(1)
SPIE OGS – Algeria business			(1)		
SPIE Holdings - S.G.T.E. Ingénierie			(10)		(10)
Adjustment of effective tax rate on discontinued operations			(1,819)		88
TOTAL		**54,056**	**(7,141)**	**1,329**	**(335)**

(a) The conception and assembly of specialized equipment for aeronautics activity (MSI) of SPIE Industrie & Tertiaire (formerly SPIE South-West). The disposal process has been initiated during the second half of 2017. The disposal has been concluded on September 28, 2018. The 2020 first semester movements derive from non-transferred contracts to be completed by SPIE.

(b) Underground utilities services in the United Kingdom (water and gas networks). A divesture process has been initiated during the third quarter of 2017 and the disposal has been concluded on June 26, 2018. The 2020 first semester movements derive from non-transferred contracts to be completed by SPIE.

(c) "Total facility management" activities in the United Kingdom (soft FM activity), include technical maintenance services combined to one or several non-technical services (cleaning, etc.). A divesture process has been initiated during the second quarter of 2018. The positive effects of a realigned portfolio, led the Group to stop the divesture process and to reintegrate these services into continued activity as of January 1, 2020.

(d) The Gas & Off-shore business of SAG, for which a disposal process has been initiated during the second quarter of 2017. On December 21, 2018 an agreement was signed with Royal Boskalis Westminster NV for the sale of its nearshore cabling activities, and the completion of the operation took place in April 1st, 2019. The remaining Gas & Offshore division included a construction activity and a "Gas Technology" activity for which a separate sale process was conducted. On November 4, 2019, SPIE signed an agreement with Friedrich Vorwerk KG GmbH & Co. (« Vorwerk ») for the sale of these activities, excluding some contracts which are to be completed by SPIE. The completion of the operation took place in December 10th, 2019. The 2020 first semester movements derive from non-transferred contracts to be completed by SPIE.

(e) Activities in "Housing market Projects" of the French company SPIE Industrie & Tertiaire (formerly SPIE IDF North-West). The discontinued process was initiated in the second half of the year 2016 and was still in progress as at June 30, 2020.

As a result, as at June 30, 2020, all these activities have been reclassified in a separate line on the income statement, representing the contribution to net income of these operations.

The assets and liabilities of these operations have been respectively reclassified as "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the consolidated statement of financial position as at June 30, 2020. Assets and liabilities of these activities have been valued at the lower of their accounting value and their fair value less potential costs of sale of the assets. Since December 31, 2019, unsold contracts of the Gas & Offshore activity, currently under completion by SPIE, are no longer in a disposal process ; consequently, their respective assets and liabilities have been reclassified under ongoing activity, according to the IFRS 5 standard.

NOTE 11. EARNINGS PER SHARE

11.1. NET EARNINGS

In thousands of euros	First Half 2019 Restated	First Half 2020
Continuing operations Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders) (-) Basic earnings attributable to preferential owners	49,512	(41,370)
Earnings from continuing operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**49,512**	**(41,370)**
Earnings from discontinued operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**(7,141)**	**(335)**
Total operations Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders) (-) Basic earnings attributable to preferential owners	42,371	(41,704)
Earnings attributable to shareholders of the Company, used for the calculation of the earnings per share	**42,371**	**(41,704)**

11.2. NUMBER OF SHARES

In compliance with “IAS 33- Earnings per share”, the weighted average number of ordinary shares in the first half of 2020 (and for all presently shown periods) has been adjusted to take into account events that impacted the number of outstanding shares without having a corresponding impact on the entity’s resources.

There has been no change in the number of shares during the first half of 2020.

Performance Shares

As at June 30, 2020, the existence of a performance share plan diluted the average number of shares.

2019 – 2021 Plan

On May 31st, 2019, SPIE has issued a Performance Shares plan with the following characteristics:

	At original date May 31, 2019	June 30, 2019	June 30, 2020
Number of beneficiaries	255	255	234
Acquisition date	2022-03-15	2022-03-15	2022-03-15
Number of granted shares under performance conditions	530,629	530,629	530,629
Number of granted shares cancelled	-	-	(46,400)
Number of granted shares under performance conditions	**530,629**	**530,629**	**484,229**

The vesting of performance shares is under condition of presence of the beneficiary throughout the three-year duration of the acquisition period.

Thus, the fair value valuation of the performance shares takes into consideration a turnover rate of the beneficiaries as read per country in the employers’ companies.

The impact of the Free Performance Shares plan is presented hereafter:

	June 30, 2019 Restated	June 30, 2020
Average number of shares used for the calculation of earnings per share	**155,547,949**	**157,698,124**
Effect of the diluting instruments	400,418	484,229
Average number of diluted shares used for the calculation of earnings per share	**155,948,367**	**158,182,353**

The fair value of the performance shares is valued as at June 30, 2020 to € 4,825 thousand.

The fair value of this plan is amortized over the three-year vesting period with a loss for the current 1st half year of € 864 thousand.

Applicable taxes and employers' contributions, due by employer companies in their own countries, have been accrued for an expense of € 102 thousand relating to the current half year.

11.3. EARNINGS PER SHARE

In euros	June 30, 2019 Restated	June 30, 2020
Continuing operations		
. Basic earnings per share	0.32	(0.26)
. Diluted earnings per share	0.32	(0.26)
Discontinued operations		
. Basic earnings per share	(0.05)	(0.00)
. Diluted earnings per share	(0.05)	(0.00)
Total operations		
. Basic earnings per share	**0.27**	**(0.26)**
. Diluted earnings per share	**0.27**	**(0.26)**

NOTE 12. DIVIDENDS

SPIE's Board of Directors proposed, on March 11, 2020, a dividend payment of € 0.61 per share based on 2019 year's results, representing a 5.2% increase on 2018.

As an interim dividend of € 0.17 per share had been paid in September 2019, this dividend proposal implied a final dividend of € 0.44 per share, to be paid on 2020, subject to shareholders approval at the May 29, 2020 Shareholders' General Meeting.

In order to meet the societal challenges imposed by the Covid-19 crisis and its effects on all our stakeholders, SPIE's Board of Directors has decided, on April 8, 2020, to propose to the Shareholders' Meeting not to pay a final dividend for 2019.

The General Shareholders' Meeting held on May 29, 2020 approved this proposal for a payment of a total dividend limited to € 0.17 per share, strictly corresponding to the interim dividend which was paid in September 2019.

Besides, the Group indicated in its press release issued on March 11, 2020 that the Board of Directors intended to pay an interim dividend in September 2020, amounting to 30% of the approved dividend for 2019. Due to the Group's commitment not to pay dividends in 2020, by decision of the Board of Directors on July 28, 2020, no interim dividend will be paid in 2020.

The decision to cancel the payment of dividends for 2020 is by no means the reflection of cash concerns for the Group. It is caused by the exceptional context of the sanitary crisis, and dividend will remain at the heart of SPIE's capital allocation policy going forward.

Notes to the statement of financial position

The following notes relate to the assets and liabilities of continuing operations as at June 30, 2020.

Assets and liabilities of operations held for sale are presented in a separate line "Activities held for sale" in the statement of financial position.

NOTE 13. GOODWILL

13.1. CHANGES IN GOODWILLS

The value of the Group's goodwills as at June 30, 2020 stands at € 3,203 million. This value was of € 2,136 million at IPO date, on June 10, 2015, and included an amount of € 1,805 million relating to the previous Leverage Buy Out conducted in 2011.

The following table shows the changes in carrying amount of goodwill by cash generating unit:

In thousands of euros	Dec 31, 2019	Acquisitions and adjustments of preliminary goodwill	Disposals	Change in scope of consolidation and other	Translation adjustments	June 30, 2020
CGU - SPIE Industrie & Tertiaire	620,120	2,253				622,373
CGU - SPIE Citynetworks	244,767					244,767
CGU - SPIE Facilities	177,525					177,525
CGU - SPIE ICS (France)	180,194					180,194
CGU - SPIE DZE	1,069,445	1,298			(273)	1,070,470
CGU - SPIE ICS A.G. (Switzerland)	49,781				1,988	51,768
CGU - SPIE UK	200,305		(12,702)		(1,597)	186,006
CGU - SPIE Nederland	176,896					176,896
CGU - SPIE Belgium	109,550					109,550
CGU - SPIE Nucléaire	130,045					130,045
CGU - SPIE OGS	253,226					253,226
Total goodwill	**3,211,854**	**3,551**	**(12,702)**		**118**	**3,202,820**

Acquisitions and goodwill adjustments which occurred between January and June 2020 mainly relate to the temporary allocations of goodwill and to the ongoing processes of purchase price allocation for the different acquisitions of the period, i.e.:

- in France, as part of the finalisation of the goodwill allocation process:
  - € 2,253 thousand for the Cimlec company acquired by SPIE Industrie & Tertiaire in July 2019.
- In Germany, as part of the finalisation of the goodwill allocation process:
  - € 532 thousand for the Christoph group acquired in May 2019;
  - € 23 thousand for the Telba group acquired in June 2019;
  - € 743 thousand for the Osmo group acquired on September 2019.
- In the United Kingdom, € (12,702) thousand relate to the disposal of the Trios companies (see Note 5.1.).

13.2. IMPAIRMENT TEST FOR GOODWILL

Impairment tests of Goodwill as at June 30, 2020

In the context of the Covid-19 sanitary crisis, Goodwills' impairment tests were implemented in line with the risk factors identified.

These tests were carried out in June based on the most recent budgets taking into consideration the expected impacts of the sanitary crisis, as per geographic area, based on reasonable and realistic estimates and assumptions. They were developed based on a Business Plan's forecasts taking into account cash flows over years 2020 to 2023 included, and projections for Year+4 and Year+5 (these additional years are extrapolated from forecasts) in which is added a terminal value, calculated with a growth rate reduced to 1.5% (vs 2.0 % in 2019)

As the SPIE UK CGU operates outside the Eurozone, the future cash flows are estimated in GBP and then discounted using the Group's discount rate. All other CGUs estimate their future cash flows in euros.

The construction of these forecasts is an exercise involving the various players within the CGUs and the projections are validated by the Group's Chief-executive officer. This process requires the use of critical judgment and estimates, especially in the determination of market trends, activity and profitability levels. Therefore, the actual future cash flows may differ from the estimates used in the calculation of value in use.

The discount rate after tax for all CGUs amount to 8.0 % (vs 7.4% in 2019) for all CGUs of the Group.

Impairment tests do not present any loss in value. The value of all operating segments subject to impairment testing is higher than the book value.

Sensitivity Test

The value in use is mainly driven by the terminal value which is sensitive to changes in the assumptions regarding discount rates and the cash flows generated.

The sensitivity to indicators used are the followings: a decrease by 0.2% of the long-term growth rate, a decrease by 0.5% of the margin level expected for the terminal year, and an increase by 0.5% of the discount rate (WACC).

The sensitivity tests on all CGUs would not present any loss in value except for the SPIE OGS CGU in the case of an increase of the WACC by +0.5%. Under this one and only assumption, the impairment could reach a maximum of € 6,343 thousand, representing 1% of the corresponding Goodwill. Consequently, it has been decided not to impair the related goodwill, but to keep the CGU under watch for 2020.

NOTE 14. INTANGIBLE ASSETS

14.1. INTANGIBLE ASSETS – GROSS VALUES

In thousands of euros	Concessions, patents, licenses	Brands	Backlog and customer relationship	Others	Total
Gross value					
At December 31, 2018	**9,186**	**892,775**	**391,041**	**123,272**	**1,416,275**
Business combination effect	68	7,393	15,553	590	23,604
Other acquisitions in the period	436			18,581	19,017
Disposals and divestures in the period	(178)			(930)	(1,108)
Exchange difference	11	647	896	401	1,955
Other movements	192		1,006	(395)	803
Assets held for sale				74	74
At December 31, 2019	**9,715**	**900,815**	**408,496**	**141,593**	**1,460,619**
Business combination effect		1,408	5,777		7,185
Other acquisitions in the period	169			10,834	11,003
Disposals and divestures in the period			(3,023)	(972)	(3,995)
Exchange difference	(4)	(132)	2	(157)	(291)
Other movements	103			179	282
Assets held for sale					-
At June 30, 2020	**9,984**	**902,091**	**411,251**	**151,477**	**1,474,803**

Period ended June 30, 2020

Brands mainly correspond to the value of the SPIE brand (amounting to € 731 million) which has an indefinite useful life, and the SAG brand acquired in March 2017 (amounting to € 134.6 million) which is amortized over 9 years.

The SPIE brand is tested for impairment at least once a year or whenever there is an indication of impairment.

The "Other acquisitions in the period", representing € 10,834 thousand relate to intangible assets in progress (mainly software) and to the implementation of ERP:

- for an amount of € 5,396 thousand in SPIE France;
- for an amount of € 3,089 thousand in SPIE Nederland;
- for an amount of € 1,396 thousand in SPIE DZE.

14.2. INTANGIBLE ASSETS – AMORTIZATION AND NET VALUES

In thousands of euros	Concessions patents, licenses	Brands (a)	Backlog and customer relationship (b)	Others	Total
Amortization					
At December 31, 2018	**(7,146)**	**(103,966)**	**(191,600)**	**(85,257)**	**(387,969)**
Amortization for the period	(1,007)	(17,497)	(44,581)	(9,488)	(72,573)
Reversal of impairment losses					-
Disposals and divestures in the period	178			752	930
Exchange difference	(7)	(647)	(694)	(264)	(1,613)
Other movements	(3)				(3)
Assets held for sale				(67)	(67)
At December 31, 2019	**(7,984)**	**(122,110)**	**(236,876)**	**(94,323)**	**(461,293)**
Amortization for the period	(486)	(8,788)	(18,666)	(4,222)	(32,162)
Reversal of impairment losses					-
Disposals and divestures in the period			1,639	949	2,588
Exchange difference	3	132	(25)	97	207
Other movements	4			(13)	(9)
Assets held for sale					-
At June 30, 2020	**(8,464)**	**(130,766)**	**(253,928)**	**(97,512)**	**(490,669)**
Net value					
At December 31, 2018	**2,041**	**788,809**	**199,441**	**38,017**	**1,028,308**
At December 31, 2019	**1,731**	**778,705**	**171,620**	**47,270**	**999,326**
At June 30, 2020	**1,520**	**771,325**	**157,323**	**53,965**	**984,133**

Period ended June 30, 2020

Amortization of intangible assets during the period mainly include:

(a) The amortization of the brands SAG for € 7,475 thousand (amortization over 9 years), Telba for € 500 thousand (amortization over 5 years), Osmo for € 374 thousand (amortization over 3 years), Cimlec for € 163 thousand (amortization over 3 years), Systemat for € 175 thousand (amortization over 4 years) and S-Cube for € 101 thousand (amortization over 3 years).

(b) The amortization of the customer relationship assets of the Group' acquisitions, and in particular of the SAG group for € 9,527 thousand and Comnet for € 820 thousand.

The amortization of the backlogs of the Group' acquisitions, and in particular of Telba and Osmo for respectively € 817 thousand and € 486 thousand.

NOTE 15. RIGHT OF USE ON OPERATING AND FINANCIAL LEASE

15.1. RIGHT OF USE – GROSS VALUES

In thousands of euros	Buildings	Cars & trucks	Total
Gross values			
At Dec 31, 2018	**-**	**-**	**-**
Initial application of IFRS 16	216,993	90,389	**307,382**
Other acquisitions of the period	40,859	86,310	**127,169**
Disposals and divestures of the period	(8,280)	(5,241)	**(13,521)**
Exchange differences	679	216	**896**
Resiliations and other movements			-
At Dec 31, 2019	**250,251**	**171,674**	**421,926**
Other acquisitions of the period	22,266	56,756	79,022
Disposals and divestures of the period	(861)		(861)
Exchange differences	(36)	(178)	(214)
Resiliations and other movements	(3,281)	(9,276)	(12,557)
At June 30, 2020	**268,339**	**218,977**	**487,316**

15.2. RIGHT OF USE – DEPRECIATION & NET VALUES

In thousands of euros	Buildings	Cars & trucks	Total
Depreciations			
At Dec 31, 2018	**-**	**-**	**-**
Depreciation of the period	(33,606)	(48,190)	**(81,796)**
Reversal of impairment losses			**-**
Disposals and divestures of the period	676	379	**1,055**
Exchange differences	(169)	(40)	**(209)**
Resiliations and other movements	(780)	(217)	**(996)**
At Dec 31, 2019	**(33,879)**	**(48,068)**	**(81,947)**
Depreciation of the period	(28,690)	(40,162)	(68,852)
Reversal of impairment losses			-
Disposals and divestures of the period	140		140
Exchange differences	(32)	25	(6)
Resiliations and other movements	717	8,808	9,525
At June 30, 2020	**(61,742)**	**(79,397)**	**(141,139)**
Net value			
At Dec 31, 2018	**-**	**-**	**-**
At Dec 31, 2019	**216,373**	**123,606**	**339,980**
At June 30, 2020	**206,597**	**139,580**	**346,177**

NOTE 16. EQUITY

As at June 30, 2020 the share capital of SPIE SA stands at 74,118,118.28 euros divided into 157,698,124 ordinary shares, all of the same class, with a nominal value of 0.47 euro.

No operation took place on the SPIE SA share capital since January 1, 2020.

The allocation of SPIE SA capital's ownership is as follows:

	Holding percentage
Caisse de dépôt et placement du Québec	11.9%
Société Foncière Financière et de Participation (FFP Invest)	5.4%
Managers [(1)]	3.0%
Employee shareholding [(2)]	5.3%
Public [(3)]	74.4%
Treasury shares	0.0%
Total	100.0%

(1) Managers and senior executives, current and former, of the Group (as at December 31, 2019).

(2) Stake held by the Group employees, directly or through the FCPE SPIE Actionnariat (as at December 31, 2019).

(3) Based on the information disclosed on December 31, 2019 for the shares held by managers and employees.

NOTE 17. PROVISIONS

17.1. PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits relate to retirement benefits, pension obligations and other long-term benefits mainly relate to length-of-service awards.

As at June 30, 2020, these commitments were revalued using December 31, 2019 projections.

In thousands of euros		Dec 31, 2019	June 30, 2020
Retirement benefits	(a)	847,413	820,369
Other long-term employee benefits		32,044	33,673
Employee benefits		**879,458**	**854,042**
		First Half 2019	First Half 2020
Expense recognized through income in the period			
Retirement benefits		15,586	13,638
Other long-term employee benefits		214	1,671
Total		**15,800**	**15,309**

(a) The retirement benefits decrease includes a change in actuarial differences for € 28,428 thousand in Germany deriving from the increase of discount rates by 24bps during the first half of 2020.

The obligations of the German entities account for 78% of the total commitment. The remaining 22% mainly comprises commitments in the French (16%), Swiss (6%), and Belgian subsidiaries and relates to the local obligations for employee retirement benefits.

17.2.OTHER PROVISIONS

Provisions include:

- provisions for warranty liabilities against specific risks in business combinations;
- provisions for tax risks, arising where tax audits have led to proposals from the tax authorities for adjustments in respect of prior years;
- provisions for restructuring;
- provisions for lawsuits with employees and labor cases;
- provisions for litigation still pending on the previous year’s contracts and activities.

The short-term portion of provisions is presented under "Current provisions" and beyond this time horizon, provisions are presented as "Non-current provisions".

In thousands of euros	Dec 31, 2019	Increase during the period	Decrease during the period	Translation adjustments	Assets held for sale / disconti-nued	Change in scope/ others	June 30, 2020
Provisions for vendor warranties	**1,604**						**1,604**
Tax provisions and litigations	**7,648**	1,159	(1,316)	(4)			**7,486**
Restructuring	**14,135**	2,101	(857)	8		(804)	**14,583**
Litigations	**45,233**	5,181	(7,853)	11		4,550	**47,122**
Losses at completion	**59,576**	21,072	(29,647)	(29)		68	**51,041**
Social provisions and disputes	**12,268**	3,999	(1,499)	1		623	**15,392**
Warranties and claims on completed contracts	**54,510**	1,812	(6,256)	(156)		3,640	**53,550**
Provisions for losses and contingencies	**194,975**	**35,324**	**(47,428)**	**(170)**		**8,077**	**190,778**
. Current	*124,313*	*23,587*	*(33,980)*	*(121)*		*10,073*	*123,873*
. Non-current	*70,662*	*11,737*	*(13,448)*	*(49)*		*(1,996)*	*66,905*

Provisions comprise many low-value items. Related decreases are considered as utilized. However, the incurred and assigned amounts in provisions that stand out due to their significant value are closely monitored.

During the first half of 2020, reversals of unused provisions amounted to € 3,999 thousand.

The breakdown into current and non-current by category of provisions for the current period was as follows:

In thousands of euros	Non-current	Current	June 30, 2020
Provisions for vendor warranties	1,604		1,604
Tax provisions and litigations	39	7,446	7,486
Restructuring		14,583	14,583
Litigations	8,607	38,515	47,122
Losses at completion	30,827	20,214	51,041
Social provisions and disputes	2,915	12,477	15,392
Warranties and claims on completed contracts	22,913	30,637	53,550
Provisions for losses and contingencies	**66,905**	**123,873**	**190,778**

The breakdown into current and non-current by category of provisions for 2019 was as follows:

In thousands of euros	Non-current	Current	Dec 31, 2019
Provisions for warranty liabilities	1,604		1,604
Tax provisions and litigations	289	7,358	7,648
Restructuring	27	14,108	14,135
Litigations	13,165	32,069	45,233
Losses at completion	29,073	30,503	59,576
Social provisions and disputes	4,053	8,215	12,268
Warranties and claims on completed contracts	22,451	32,059	54,510
Provisions for losses and contingencies	**70,662**	**124,313**	**194,975**

NOTE 18. WORKING CAPITAL REQUIREMENT

18.1. CHANGE IN WORKING CAPITAL

In thousands of euros	Notes	Dec 31, 2019	Change in Working capital related to activity (1)	Other changes of the period: Change in scope (2)	Other changes of the period: Currency transla-tions & fair values	Other changes of the period: Disconti-nued Activities	June 30, 2020
Inventories and receivables							
Inventories and work in progress (net)		41,188	3,655	(2,645)	(47)		42,151
Trade receivables	(a)	1,916,910	(38,506)	8,039	(4,560)	8,290	1,890,173
Of which accrued income	*(b)*	*931,573*	*33,068*	*25,648*	*(1,858)*	*3,684*	*992,115*
Current tax receivables		24,539	17,172	2,556	(416)		43,851
Other current assets	(c)	306,494	72,687	10,599	12	102	389,894
Other non-current assets	(d)	4,827	205				5,032
Liabilities							
Trade payables	(e)	(1,141,349)	380,659	12,188	2,878	(2,253)	(747,878)
Income tax payable		(55,791)	(24,214)	(584)	444		(80,144)
Other long-term employee benefits	(f)	(32,046)	(1,684)		42		(33,688)
Other current liabilities	(g)	(1,722,722)	(219,193)	(36,462)	1,628	(4,810)	(1,981,561)
Other non-current liabilities		(7,045)	(11,033)	(942)	13		(19,007)
Working capital requirement		**(664,995)**	**179,747**	**(7,253)**	**(6)**	**1,329**	**(491,178)**

(1) Includes the flows from incoming entities since their take-over date and includes outgoing entities until their date of loss of control.
(2) Balances of working capital as at take-over date of incoming entities, and balances of working capital as at date of loss of control for outgoing entities.

(a) The balance of trade receivables as at June 30, 2019 was of € 1,962,779 thousand;
(b) The balance of accrued income as at June 30, 2019 was of € 936,049 thousand.
(c) The other current assets mainly include tax receivables and deferred charges recognized on contracts accounted according to the percentage of completion method.
(d) Other non-current assets mainly correspond to exercisable vendor warranties. They represent the amount identified in business combinations that can be contractually claimed from vendors.
(e) Trade and other payables include accrued invoices.
(f) Other long-term employee benefits correspond to length-of-service awards.
(g) The detail of the other current liabilities is presented hereafter:

In thousands of euros		Dec 31, 2019	June 30, 2020
Social and tax liabilities		(725,533)	(793,437)
Deferred revenue (< 1 year)		(411,665)	(501,212)
Advance and down-payments	(a)	(344,248)	(422,034)
Others		(241,278)	(264,878)
Other current liabilities*		**(1,722,722)**	**(1,981,561)**

(*) The «other current liabilities» of the working capital do not include the dividends to be paid included in the consolidated statement of financial position.

(a) The balance of advance payments as at June 30, 2019 was of € (331,686) thousand.

18.2. CHANGE IN WORKING CAPITAL: RECONCILIATION BETWEEN BALANCE SHEET AND CASH FLOW STATEMENT

The reconciliation between the working capital accounts presented in the balance sheet and the change in working capital presented in the cash flow statement is detailed hereafter:

In thousands of euros	Dec 31, 2019	Change in W.C. related to activity	Other movements of the period: Change in scope	Other movements of the period: Currency translation & fair values	Other movements of the period: Discontinued Activities	June 30, 2020
Working Capital	**(664,995)**	**179,747**	**(7,253)**	**(6)**	**1,329**	**(491,178)**
(-) Accounts payables & receivables on purchased assets	5,582	(4,016)	344	(15)		1,895
(-) Tax receivables	(24,539)	(17,354)	(2,556)	416		(44,033)
(-) Tax payables	56,912	24,210	28	(437)	67	80,780
Working capital excl. acc. payables on purchased assets, excl. tax receivables and payables	**(627,040)**	**182,587**	**(9,436)**	**(42)**	**1,396**	**(452,536)**
Assets held for sale		11,600				
(-) Other non-cash operations which impact the working capital as per balance sheet (*)		3,232				
Changes in Working Capital as presented in C.F.S		**197 419**				

(*) The "Other non-cash operations which impact the working capital as per balance sheet" relate to the neutralization of the non-cash impacts related to the IFRIC 21 application.

18.3. TRADE AND OTHER RECEIVABLES

Current trade and other receivables break down as follows:

In thousands of euros		Dec 31, 2019	June 30, 2020: Gross	June 30, 2020: Provisions	June 30, 2020: Net
Trade receivables	(a)	983,722	944,780	(46,730)	898,050
Notes receivables		1,615	7		7
Contract assets	(b)	931,573	992,115		992,115
Trade receivables and contract assets		**1,916,910**	**1,936,903**	**(46,730)**	**1,890,173**

(a) Trade receivables past due but not impaired mainly correspond to public sector receivables.

The following table presents the detail of trade receivables, contract assets and contract liabilities relating to contracts with customers:

In thousands of euros		Dec 31, 2019	June 30, 2020
Trade receivables and notes receivables		985,337	898,057
Trade receivables included in assets held for sale		5,009	28
Contract assets	(i)	931,573	992,115
Contract liabilities	(ii)	(769,026)	(936,294)

(i) Contract assets comprise accrued income.
(ii) The detail of contract liabilities is presented below:

In thousands of euros	Dec 31, 2019	June 30, 2020
Deferred revenues (current / non-current)	(411,743)	(501,284)
Down payments received from customers	(344,248)	(422,034)
Contract guaranties provisions	(13,036)	(12,976)
Contract liabilities	**(769,026)**	**(936,294)**

As at June 30, 2019, deferred revenue stood at € 416,212 thousand and down payments received from customers stood at € 331,686 thousand.

(b) Contract assets comprise accrued income which stem mainly from contracts being recorded using the percentage of completion method.

NOTE 19. FINANCIAL ASSETS AND LIABILITIES

19.1. NON-CONSOLIDATED SHARES

As at June 30, 2019 non-consolidated shares stand as follows:

In thousands of euros	Dec 31, 2019	June 30, 2020
Equity securities	2,118	2,301
Depreciation of equity securities	(1,058)	(1,165)
Net value of securities	**1,060**	**1,136**

As at June 30, 2020, securities included the shares of SPIE Enertrans for € 676 thousand (fully depreciated), SB Nigeria for € 252 thousand, SEML Route des Lasers held by SPIE Industrie & Tertiaire for € 245 thousand and SPIE Venezuela for € 195 thousand (fully depreciated). The other non-consolidated shares include numerous securities which do not exceed €100 thousand each.

19.2. NET CASH AND CASH EQUIVALENTS

As at June 30, 2020 net cash and cash equivalents break down as follows:

In thousands of euros	Notes	Dec 31, 2019	June 30, 2020
Marketable securities – Cash equivalents		2,791	2,354
Fixed investments (current)		-	-
Cash management financial assets		**2,791**	**2,354**
Cash and cash equivalents		869,212	726,080
Total cash and cash equivalents		**872,003**	**728,434**
(-) Bank overdrafts and accrued interests		(4,683)	(3,667)
Net cash and short-term deposits as per Balance Sheet		**867,320**	**724,766**
(+) Cash and cash equivalents from discontinued operations		(950)	(389)
(-) Marketable securities – Other investments			(62)
(-) Accrued interests not yet disbursed		153	154
Cash and cash equivalents as per CFS		**866,522**	**724,469**

19.3. BREAKDOWN OF FINANCIAL ENDEBTEDNESS

Interest-bearing loans and borrowings break down as follows:

In thousands of euros	Notes	Dec 31, 2019	June 30, 2020
Loans and borrowings from banking institutions			
Bond (maturity March 22, 2024)	(a)	600,000	600,000
Bond (maturity June 18, 2026)	(b)	600,000	600,000
Facility A (maturity June 07, 2023)	(c)	600,000	600,000
Revolving (maturity June 07, 2023)	(c)	-	200,000
Others		2,071	1,395
Capitalization of loans and borrowing costs	(d)	(14,298)	(13,026)
Securitization	(e)	300,000	181,982
Total bank overdrafts (cash liabilities)			
Bank overdrafts (cash liabilities)		4,529	3,513
Interests on bank overdrafts (cash liabilities)		154	154
Other loans, borrowings and financial liabilities			
Debts on operating and financial leases		340,360	349,161
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	(f)	8,648	3,019
Accrued interest on loans		23,209	6,103
Other loans, borrowings and financial liabilities		6,661	3,583
Derivatives		168	65
Interest-bearing loans and borrowings		**2,471,502**	**2,535,950**
Of which			
. Current		435,351	499,039
. Non-current		2,036,151	2,036,911

The Group loans are detailed hereafter:

(a) On March 22, 2017, SPIE issued a € 600 million fixed-rated euro-dominated bond, with a 7-year maturity and an annual coupon of 3.125%. The bond is listed on the regulated market of Euronext Paris. This issuance allowed SPIE to acquire the SAG group in Germany.

(b) On June 18, 2019, SPIE issued a € 600 million fixed-rated euro-dominated bond, with a 7-year maturity and an annual coupon of 2.625%. The bond is listed on the regulated market of Euronext Paris. This issuance allowed SPIE to refinance half of its senior term loan “Facility A” and to extend the average maturity of its debt.

(c) As part of the refinancing of its bank debt, related to the senior term loan established by the Group following its IPO in 2015, SPIE concluded a credit agreement on June 7, 2018 for a global amount of € 1,800 million through two new financing credit lines:

- A term loan of € 1,200 million maturing on June 7, 2023, of which € 600 million have been repaid on June 18, 2019;

- A “Revolving Credit Facility (RCF)” line aiming to finance the current activities of the Group along with external growth, for an amount of € 600 million maturing on June 7, 2023 and drawn up to € 200 million as at June 30, 2020.

  On the second anniversary of the implementation of the credit agreement (on June 7,2020), the contract provides for the possibility to request an extension of the maturity date of the Revolving Credit Facility for a period of 2 years. This extension requested on April 9, 2020, is effective since June 5, 2020.

  The maximum capacity of the Revolving Credit Facility is € 600 million until June 7, 2023 and € 410.6 million thereafter, maturing on June 7, 2025.

The revolving line has the following characteristics:

Revolving Credit Facility	At maturity	Floating - 1-month Euribor +1.15%	200,000
Loans and borrowings from banking Institutions			**200,000**

The Senior term Agreement has now the following characteristics:

In thousands of euros	**Repayment**	**Fixed / floating rate**	**June 30, 2020**
Facility A	At maturity	Floating - 1-month Euribor +1.55%	600,000
Loans and borrowings from banking Institutions			**600,000**

These two loans 'Facility A" and "Revolving Credit Facility (RCF)", contracted under the "New Senior Credit Agreement" as established on June 7, 2018, bare interests at a floating rate indexed to Euribor for advances in euros, a floating rate indexed to Libor for advances denominated in a currency other than the euro, and at a floating rate indexed to any appropriate reference rate for advances denominated in Norwegian or Danish Krone or Swedish Krona, plus the applicable margin. Applicable margins are as follows:

- For the Senior Term Loan Facility ("Facility A"): between 2.25% and 1.25% per year, according to the level of the Group's leverage ratio (Net Debt / EBITDA) during the last closed year;
- For the Revolving Facility: between 1.95% and 0.85% per year, according to the level of the Group's leverage ratio (Net Debt / EBITDA) during the last closed year.

As at June 30, 2020, a quarterly financial commitment fee for 0.4025% is applied to the unwithdrawn portion of the Revolving Credit Facility line.
A quarterly financial commitment fee also applies on the withdrawn portion of the RCF under following conditions:

- Utilization between 0% et 33% = 0.10% + margin
- Utilization between 33% and 66% = 0.20% + margin
- Utilization higher than 66% = 0.40% + margin

(d) Financial liabilities are presented for their contractual amount. Transaction costs that are directly attributable to the issuance of financial debt instruments have been deducted, for their total amount, from the nominal amount of the respective debt instruments. The balance as at June 30, 2020 is of € 13.0 million and relates to the two credit lines and to the two bonds.

(e) The securitization program established in 2007 with a maturity at June 11, 2023, has been renewed under the conditions below:

- The duration of the Securitization program is a period of five years from June 11, 2015 (except in the event of early termination or termination by agreement);
- On December 19, 2019, the contract has been extended for a 3-year term, i.e. until June 11, 2023;
- A maximum funding of € 450 million;

The Securitization program represented funding of € 181.9 million as at June 30, 2020.

(f) The debt on financial leases relating to pre-existing contracts as at January 1st, 2019, are still included in the determination of the published net debt as at June 30, 2020 as disclosed in the Note 19.4.

19.4. NET DEBT

The financial reconciliation between consolidated financial indebtedness and net debt as reported is as follows:

In millions of euros	Dec 31, 2019	June 30, 2020
Loans and borrowings as per balance sheet	**2,471.5**	**2,536.0**
Debt on operating and financial leases - continued activities	(340.4)	(349.2)
Capitalized borrowing costs	14.3	13.0
Others [(1)]	(23.5)	(6.3)
Gross financial debt (a)	**2,121.9**	**2,193.5**
Cash management financial assets as per balance sheet	2.8	2.3
Cash and cash equivalents as per balance sheet	869.2	726.1
Accrued interests	-	-
Gross cash (b)	**872.0**	**728.4**
Consolidated net debt (a) - (b)	**1,249.9**	**1,465.1**
(-) Net debt in discontinued activities	1.0	0.4
Unconsolidated net debt	-	-
Published net debt*	**1,250.9**	**1,465.5**
Debt on operating and financial leases – continued activities	340.4	349.2
Net debt including IFRS 16 impact	**1,591.3**	**1,814.7**

** Excluding IFRS 16*

[(1)] The "other" line of the gross financial debt corresponds to the accrued interests on the Bond mainly for € 23.2 million in 2019 and € 6.1 million as at June 30, 2020.

19.5. RECONCILIATION WITH THE CASH FLOW STATEMENT POSITIONS

The reconciliation between the financial debt of the Group (see Note 19.3) and the cash flows presented in the cash flow statement (see Chart 4) is detailed hereafter:

		Cash flows (corresponding to the CFS)			Non-cash flows				
In thousands of euros	**Dec 31, 2019**	**Loan issue**	**Loan repay-ments**	**Changes**	**Changes in scope**	**Others (a)**	**Currency and fair values changes**	**Changes in methods**	**June 30, 2020**
Bond (maturity March 22, 2024)	595,871					457			596,328
Bond (maturity June 18, 2026)	596,676					236			596,912
Facility A (maturity June 07, 2023)	596,558					489			597,047
Revolving (maturity June 07, 2023)	(3,403)	599,589	(400,000)			501			196,687
Securitization	300,000		(118,018)						181,982
Others	2,071	1	(677)						1,394
Other loans, borrowings and financial liabilities	6,661		(2,608)				183	(653)	3,583
Current debt on operating and financial leases	340,360		(68,177)		(698)	78,881	(377)	(828)	349,161
Finance leases	8,648		(4,783)			455	(20)	(1,281)	3,019
Financial instruments	168					(103)			65
Financial indebtedness as per C.F.S	**2,443,610**	**599,591**	**(594,264)**		**(698)**	**80,917**	**(213)**	**(2,762)**	**2,526,179**
(-) Financial interests	23,209	21,509	(38,615)						6,103
(+) Bank overdrafts	4,683			(1,087)			72		3,667
Consolidated financial indebtedness	**2,471,502**	**621,100**	**(632,879)**	**(1,087)**	**(698)**	**80,917**	**(142)**	**(2,762)**	**2,535,950**

** The « Others » non-cash movements relate to the restatement of borrowing costs on one hand, and on the other hand to the new finance lease contracts.*

19.6. SCHEDULED PAYMENTS FOR FINANCIAL LIABILITIES

The scheduled payments for financial liabilities based on the capital redemption table are as follows:

In thousands of euros	Less than 1 year	From 2 to 5 years	Over 5 years	June 30, 2020
Loans and borrowings from banking institutions				
Bond (maturity March 22, 2024)		600,000		600,000
Bond (maturity June 18, 2026)			600,000	600,000
Facility A (maturity June 07, 2023)		600,000		600,000
Revolving (maturity June 07, 2023)	200,000			200,000
Others	725	670		1,395
Capitalization of loans and borrowing costs	(3,488)	(9,004)	(534)	(13,026)
Securitization	181,982			181,982
Total Bank overdrafts (cash liabilities)				
Bank overdrafts (cash liabilities)	3,514			3,513
Interests on bank overdrafts (cash liabilities)	154			154
Other loans, borrowings and financial liabilities				
Debt on operating and financial leases	108,264	240,316	582	349,161
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	1,160	1,859		3,019
Accrued interest on loans	6,103			6,103
Other loans, borrowings and financial liabilities	560	3,019	3	3,583
Derivatives	65			65
Interest-bearing loans and borrowings	**499,039**	**1,436,860**	**600,051**	**2,535,950**

19.7. FINANCIAL DISCLOSURES FROM COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

The companies of the Group accounted for under the equity method, following the IFRS 11 standard requirements, are the following:

- Gietwalsonderhoudcombinatie (GWOC) BV held at 50% by SPIE Nederland
- Cinergy SAS held at 50% by SPIE France
- « Host GmbH (Hospital Service + Technik) » held at 25.1% by SPIE DZE
- AM Allied Maintenance GmbH held at 25% by SPIE DZE
- Sonaid company held at 55% by SPIE OGS.
- Grand Poitiers Lumière held at 50% by SPIE France.

The carrying amount of the Group's equity securities is as follows:

In thousands of euros	Dec 31, 2019	June 30, 2020*
Value of shares at the beginning of the period	3,151	11,929
Capital increase	37	-
Net income attributable to the Group	9,030	537
Impact of currency translations	71	129
Dividends paid	(360)	(200)
Value of shares at the end of the period	**11,929**	**12,395**

** Based on available information as at December 31, 2018 for Host GmbH and for Allied Maintenance.*

Financial information relating to Group companies consolidated under the equity method is as follows:

In thousands of euros	Dec 31, 2019 *	June 30, 2020*
Non-current assets	5,716	5,750
Current assets	86,068	85,451
Non-current liabilities	(42,849)	(41,782)
Current liabilities	(35,253)	(35,045)
Net asset	**13,682**	**14,374**
Income statement		
Revenue	68,641	30,506
Net income	22,333	127

** Based on available information as at December 31, 2018 for Host GmbH and for Allied Maintenance.*

NOTE 20. FINANCIAL RISK MANAGEMENT

20.1. DERIVATIVE FINANCIAL INSTRUMENTS

The Group is mainly exposed to interest rate, foreign exchange and credit risks in the course of its export activities. In the context of its risk management policy, the Group uses derivative financial instruments to hedge risks arising from fluctuations in interest rates and foreign exchange rates, and in particular interest rate swaps to hedge its variable rate debts.

	Forward rate agreement in foreign currency							
	Fair value *(In thousands of euros)*	Under 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Asset derivatives qualified for designation as cash flow hedges (a)								
Forward purchases - USD	0	177						**177**
Forward sales - USD	67	8,952						**8,952**
Forward purchases - CHF	37	729						**729**
Forward sales - CHF	3	191						**191**
	107							
Liability derivatives qualified for designation as cash flow hedges (b)								
Forward purchase - USD	(28)	1,432						**1,432**
Forward sales - USD	-							
Forward sales - CHF	(37)	784						**784**
	(65)							
Total net derivative qualified for designation as cash flow hedges (a) + (b)	**42**							
Liability derivatives not qualified for designation as cash flow hedges								
Forward purchases - GBP	1,979	37,000						**37,000**
Forward sales - GBP	-							
Forward purchases – GBP	-							
	1,979							
Total fair value of qualified and not qualified derivatives	**2,021**							

Main financial instruments deal with forward purchases and sales to cover operations in US dollars to GB pounds and to Swiss francs.

These derivative instruments are accounted for at their fair value. As they are not quoted on an active market, their valuation is classified as level 2 according to IFRS 13 and is based on a generic model and data observed on active markets for similar transactions.

20.2. INTEREST RATE RISK

Financial assets or liabilities with a fixed rate are not subject to transactions intended to convert them into floating rates. Interest rate risks on underlying items with floating rates are considered on a case-by-case basis. When the decision is made to hedge these risks, they are hedged by SPIE Operations by means of an Internal Interest Rate Shortfall Guarantee according to market conditions.

According to IFRS 13 relating to the credit risk to be considered when valuing the financial assets and liabilities, the estimation made for derivatives is based on default probabilities from secondary market data (mainly required credit spread) for which a recovery rate is applied.

As at June 30, 2020, given the evolution of variable rates (negative Euribor), no swap on rates has been settled to cover the new debt. The Group examines the possibility to settle new swap contracts during the second half of 2020.

20.3. FOREIGN EXCHANGE RISK

Foreign exchange risks associated with French subsidiaries' transactions are managed centrally by the intermediate holding, SPIE Operations:

- Through an Internal Exchange Shortfall Guarantee Agreement for currency flows corresponding to 100% of SPIE Group's operations
- By intermediation for currency flows corresponding to equity operations.

In both cases SPIE Operations hedges itself through forward contracts. Foreign exchange risks on calls for tender are also hedged wherever possible by means of COFACE policies.

The Group's exposition to the exchange risk relating to the US dollar, to the Swiss Franc and to the Sterling pound is presented hereafter:

In thousands of euros	June 30, 2020		
Currencies	**USD (American Dollar)**	**CHF (Swiss Franc)**	**GBP (Sterling Pound)**
Closing rate	**1.1136**	**1.072**	**0.90088**
Risks	7,098	13,150	46,253
Hedges	(7,106)	371	(36,998)
Net positions excluding options	**(8)**	**13,521**	**9,255**
Sensitivity to the currency rate -10% vs Euro			
P&L Impact	685	1,299	1,141
Equity Impact	733	25	n/a
Sensitivity to the currency rate +10% vs Euro			
P&L Impact	(560)	(1,063)	(934)
Equity Impact	(599)	(21)	n/a
Impact on the Group reserves of the cash flow hedge	**n/a**	**n/a**	**n/a**

The estimated amount of credit risk on currency hedging as at June 30, 2020 is not significant (the risk of fluctuation during 2019 is also not significant).

20.4. COUNTERPARTY RISK

The Group is not exposed to any significant counterparty risk. Counterparty risks are primarily related to:

- Cash investments;
- Trade receivables;
- Loans granted;
- Derivative instruments.

The Group manages its cash and cash equivalents with its banks and financial institutions.

Existing derivatives in the Group (forward purchases and forward sales in USD, in GBP and in CHF) are distributed as follows at June 30, 2020:

- BNP: 9 %
- Crédit du Nord: 14 %
- CA CIB: 75 %
- Others: 2 %.

20.5. LIQUIDITY RISK

As at June 30, 2020, the unused amount of the revolving credit facility (RCF) line stands at € 400 million.

The Group introduced a securitization program on its trade receivables which has the following characteristics:

- Nine of the Group's subsidiaries act as assignors in the securitization program in which assets are transferred to a securitization mutual fund named “SPIE Titrisation”;

- SPIE Operations is involved in this securitization program as a centralizing entity on behalf of the Group in relation to the depository bank.

This receivables securitization program allows participating companies to transfer full ownership of their trade receivables to the SPIE Titrisation mutual fund allowing them to obtain funding for a total amount of € 300 million, with the possibility to extend this amount to € 450 million. The use of this program is accompanied by early repayment clauses for certain bank loans.

As at June 30, 2020 transferred receivables represented a total amount of € 354.1 million with financing obtained amounting to € 181.9 million.

20.6. CREDIT RISK

The main credit policies and procedures are defined at Group level. They are coordinated by the Group's Financial Division and monitored both by the latter and by the various Financial Divisions within each of its subsidiaries.

Credit risk management remains decentralized at Group level. Within each entity, credit risk is coordinated by the Credit Management function which is underpinned by the "Group Credit Management" policy and a shared Best Practices Manual. Payment terms are defined by the general terms of business applied within the Group.

Consequently, the Credit Management Department manages and monitors credit activity, risks and results and oversees collecting trade receivables regardless of whether they have been transferred.

Monthly management charts are used to monitor, among other things, customer financing at operational level. These provide the means to assess customer credit considering pre-tax invoicing and production data as well as customer data (overdue debts and advances) calculated in terms of the number of revenue days.

The policy to improve working capital requirements implemented by General Management plays an important role in improving cash flow, serving more particularly to reduce overdue payments. Other actions have focused primarily on improving the invoicing process and improving the information systems used to manage the trade item.

The net impairment losses on financial and contract assets are presented below:

In thousands of euros	Dec 31, 2019	June 30, 2020	Of which France	Of which Germany & Central Europe	Of which others
Impairment losses on contract assets	(20,797)	(9,093)	(6,326)	(651)	(2,116)
Write-back of impairment losses on contract assets	20,409	11,390	5,971	4,929	491
Impairment losses on financial assets					
Write-back of impairment losses on financial assets					
Net impairment losses on financial and contract assets	**(388)**	**2,298**	**(355)**	**4,277**	**(1,625)**

Other notes

NOTE 21. RELATED PARTY TRANSACTIONS

No material related party transactions arose during the period ending June 2020, and there were no significant changes concerning the related party transactions described in the consolidated financial statements as at December 31, 2019.

NOTE 22. CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

22.1. OPERATIONAL GUARANTEES

Commitments given

In the course of its operations, the Group SPIE is required to provide a certain number of commitments in terms of guarantees for the completion of work, the redemption of advances or the repayment of retention money or parent company guarantees.

In thousands of euros	Dec 31, 2019	June 30, 2020
Commitments given		
Bank guarantees	447,800	457,982
Insurance guarantees	432,518	433,705
Parent company guarantees	585,943	582,460
Total commitments given	**1,466,261**	**1,474,147**

Commitments received

There have been no major changes in the other commitments received since December 31, 2019.

22.2. PLEDGING OF SHARES

As at June 30, 2020, no shares were pledged.

NOTE 23. SUBSEQUENT EVENTS

Nil.