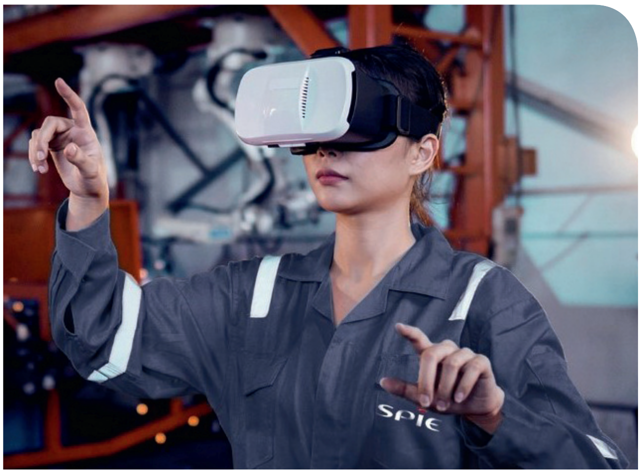
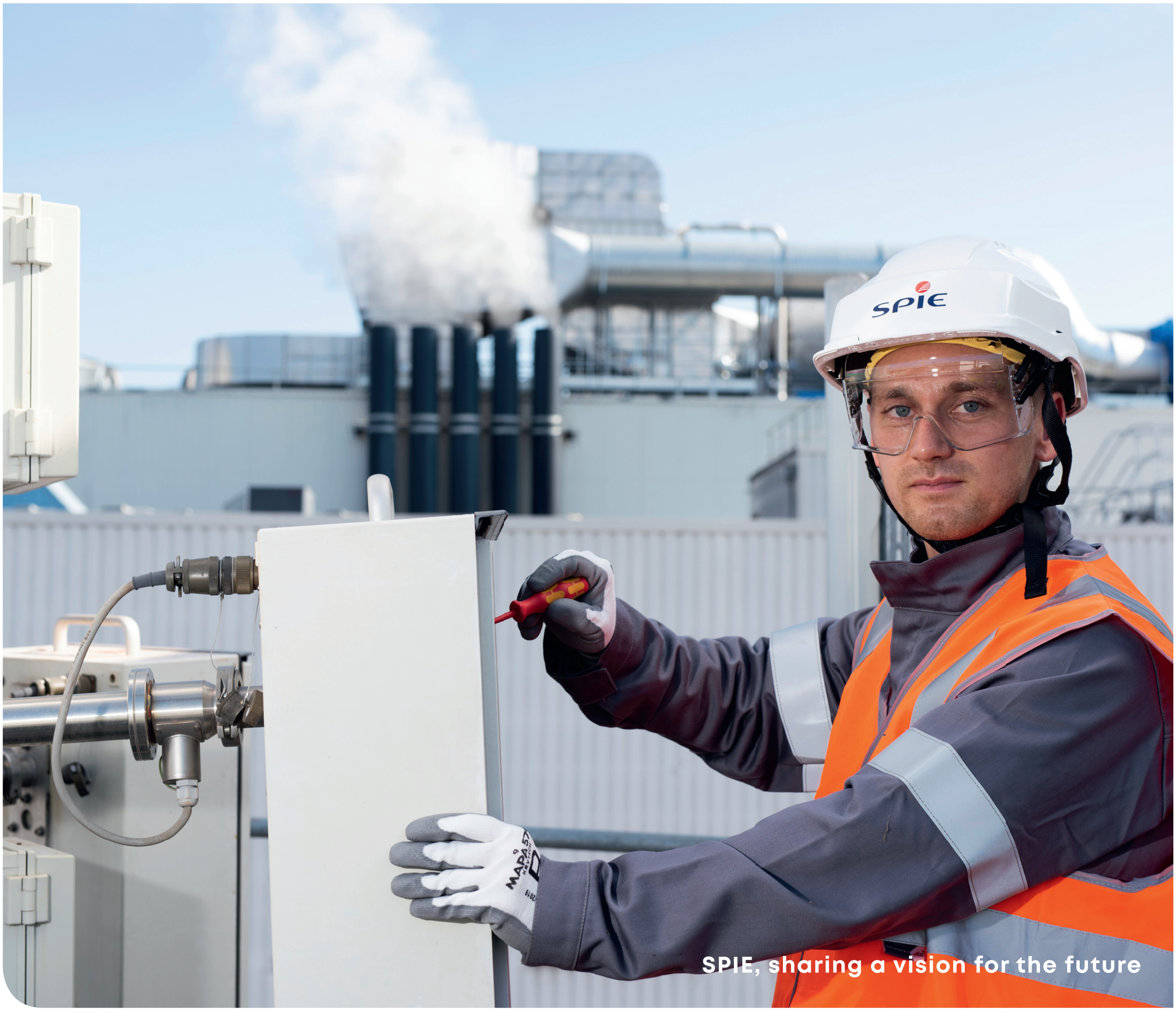
FIRST HALF FINANCIAL REPORT
2021





I - Management Report

II – Interim Consolidated Financial Statements

1. Summary

In the first half of 2021, SPIE delivered strong results, with revenue and EBITA already back above pre-crisis levels. Our French business rebounded sharply from a very low H1 2020. Revenue in Germany and Central Europe continued to grow strongly and we kept improving our margins in North-Western Europe. Bolt-on M&A was dynamic and focused on Germany & Central Europe and ICT services. On the back of an excellent working capital performance, the Group continued to deleverage (-0,6x vs H1 2020). This strong delivery of the SPIE model leads us to upgrade our outlook for the full year.

Consolidated revenue[1] grew by +9.1% compared to H1 2020, including a +9.7% organic growth with a sharp rebound in Q2 2021 (+19.1%) as Q2 2020 was strongly impacted by strict lockdowns, primarily in France. Changes in perimeter accounted for -0.1% and currency movements for -0.5%. Compared to H1 2019, H1 2021 revenue was higher by +1.7%, and equivalent on an organic basis, thus confirming a fast and sustainable return to pre-crisis activity levels.

EBITA[1] rebounded sharply, by +71.2%, to €159.7 million in H1 2021. EBITA margin was 4.8% compared to 3.1% in H1 2020 with all segments rebounding strongly. H1 2021 EBITA margin was in line with H1 2019 at Group level, with a remarkable progress in North-Western Europe offsetting narrowing gaps in France and Germany & Central Europe.

Taking into account the amortisation of allocated goodwill, restructuring costs, as well as non-recurring items, consolidated operating income amounted to €127.3 million, a marked increase compared to H1 2020 (€7.9 million).

Net income attributable to owners of the parent was €57.1 million, a sharp rebound compared to the €(41.7) million net loss recorded in H1 2020.

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 2021, it was €(211.1) million, compared to H1 2020 (€(58.2) million) which was benefitting from social charges and taxes deferral schemes implemented by various governments across Europe in response to the Covid-19 crisis. Net cash flow from operating activities improved against H1 2019 (€(310.9) million).

SPIE's structural negative working capital represented (22) days of revenue at end June 2021, a 7 days underlying improvement compared to end June 2020 ((15) days excluding the benefit from government social charges and taxes deferral schemes (30) days including those). The continued improvement in working capital delivered by SPIE is the result of the Group's very strict cash management, which primarily translates into an excellent level of cash collection across the Group.

Net cash flow from investing activities was €(61.7) million in H1 2021, including capital expenditure and the cost of bolt-on acquisitions. It compares to €(38.8) million in H1 2020 which benefitted from the absence of bolt-on acquisition during the period.

Including the payment of the 2020 dividend for €(70.5) million (€0.44 per share), net cash flow was €(498.7) million in H1 2021 compared to €(142.1) million in H1 2020. In the context of an unprecedented health, economic and social crisis, SPIE did not pay dividend in 2020.

Net debt (excluding the impact of IFRS 16) decreased by €83 million over 12 months, to €(1,382.1) million at June 30th, 2021 compared with €(1,465.5) million at June 30th, 2020. Leverage[2] at June 30th, 2021 decreased significantly to 3.0x leverage, compared to 3.6x at June 30th, 2020. As a result of SPIE's usual working capital seasonality, net debt and leverage increased in H1 compared to December 31st, 2020 levels (€(927) million net debt; 2.4x leverage). Thanks to strict working capital management, the H1 seasonal releveraging was more limited this year and back to the pre-SAG acquisition pattern. Leverage will decrease in H2 and is expected at around 2.0x at year-end.

The Group's liquidity remained very high, at €1,280 million at June 30th, 2021, including €680 million euros in net cash and €600 million of undrawn revolving credit facility.

To date, SPIE has completed 6 bolt-on acquisitions totalling annualised revenue of €192 million in France and Germany & Central Europe. These acquisitions constitute a pillar of SPIE's growth model on extremely fragmented markets and contribute to the expansion of the Group's service offering and footprint density.

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

2. H1 2021 highlights

2.1 Bolt-on acquisitions

Bolt-on M&A has been dynamic since the beginning of 2021, with 6 acquisitions totalling €192 million of full-year revenue.

On February 4th, 2021, SPIE announced the acquisition of Energotest, a Polish specialist in automation services for power and industrial plants. With more than 150 employees, the company generated revenue of approximately €12 million in 2019. This acquisition allows SPIE to expand its competences in Poland onto new segments such as photovoltaic installations, wind farms or combined heat and power plants.

On April 22nd, 2021, SPIE announced an agreement for the acquisition of Wirliebenkabel in Germany, a specialist of FttX projects with around 130 employees, presence in over ten locations and revenue of €25 million in 2020. This acquisition will strengthen SPIE's capabilities in the promising German optic fibre broadband network roll-out market.

On April 28th, 2021, SPIE announced an agreement for the acquisition of KEM Montage ('KEM') in Austria. With this acquisition, SPIE becomes the Austrian market leader in technical services to telecommunication infrastructure, and positions itself well for the considerable market potential in broadband development in Austria. Also active in transport infrastructure, KEM employs over 190 people, has branches throughout Austria, and generated revenue of approximately €30 million in 2020.

On May 17th, 2021, SPIE announced the acquisition of Valorel SAS ('Valorel') in France, a leading player in stainless boilermaking and industrial piping in the Rhône Alpes region. With 25 employees, Valorel generated revenues of around 5 million euros in 2020.

On June 18th, 2021, SPIE announced an agreement for the acquisition of Wiegel Gebäudetechnik GmbH ('Wiegel') in Germany. With this acquisition, SPIE expands its service range in plant and building technology to include mechanical expertise, particularly in the areas of heating, cooling and power engineering, ventilation technology, sanitary engineering and measurement, control and regulation technology. The company is headquartered in Kulmbach in northern Bavaria, has three other locations in Halle, Stuttgart and Munich. Wiegel employs around 250 employees and generated revenue of €50 million in 2020.

On July 23rd, SPIE announced an agreement for the acquisition of Infidis in France. This acquisition positions SPIE ICS, the digital services subsidiary of SPIE France, as one of the French leaders in the field of data center infrastructures, particularly hyper-converged ones and creates significant business synergy opportunities. The company employs 63 people and generated revenue of around €70 million in 2020.

2.2 Employee Shareholding

In December 2020, SPIE finalised its employee shareholding plan, Share For You 2020. The plan was met with strong employee support, with more than 6,000 participants. As a result, SPIE's employee fund owns 6.1% of the capital and are now the Group's largest shareholder.

The "Caisse de dépôt et placement du Québec" (CDPQ) declared to the AMF (the french stock exchange regulator) that on April 1st, its share in the capital of SPIE has fallen to 5.51%.

As at July 1st, CDPQ held 0.24% of the capital.

2.3 Credit ratings

On July 1st, 2021, Fitch Ratings published for the first time a long-term issuer default rating for SPIE, at 'BB' with a stable outlook. Among the key rating drivers were SPIE's strong and diversified business profile, its resilient performance through the Covid-19 pandemic, the strength of the Group's free cash flow generation driving continuous deleveraging, a low refinancing risk and a supportive financial policy.

On June 28th, Moody's withdrew, for its own business reasons, its Ba3 ratings on SPIE. SPIE's credit rating with Standard & Poor's remains unchanged, at BB.

3. Activity report

3.1 Consolidated

Consolidated revenue was €3,296.5 million in H1 2021, up +9.1% year-on-year, including a +9.7% organic growth, a +0.3% growth from 2020 acquisition, a -0.4% impact from SPIE UK mobile maintenance activities disposal and a -0.5% impact from currency movements. In the second quarter of 2021, Group revenue grew +19.2%, including a +19.1% organic growth.

Consolidated EBITA was €159.7 million in H1 2021, up +71.2% compared to H1 2020. EBITA margin was 4.8%, compared to 3.1% in H1 2020, and in line with H1 2019.

3.2 Segment information

The **France** segment's revenue rebounded sharply, by +21.1% (all organic), from a very low H1 2020 affected by a strict lockdown. EBITA margin recovered strongly, from 2.6% in H1 2020 to 5.5% in H1 2021.

This first half-year confirmed a sustainable return to the high activity levels recorded in 2019. Momentum was good in Technical facility management, demand for telecom networks services remained high with 5G revenue starting to ramp up, business levels were healthy in commercial installation, while the industrial services market has yet to fully recover its pre-covid level. With the acquisition of Infidis, SPIE France further develops its expertise in information and communication services and becomes the leader in data centers hyperconvergence services. EBITA margin still showed a slight negative gap compared to 2019 in H1. EBITA margin will be almost back to pre-Covid level as soon as H2 2021.

Revenue in **Germany & Central Europe** rose +6.0% in H1 2021, including a very strong 5.6% organic growth, against an H1 2020 that showed remarkable resilience (-1.1% organic). Acquisitions accounted for +0.8% and currency movements for -0.4%. EBITA margin was 4.0%, recovering from 3.4% in H1 2020, however still slightly below H1 2019 level (4.4%).

Growth was very strong in Germany, at +6.5% organic and +7.1% including acquisitions, against a remarkably resilient H1 2020 in the context of the sanitary crisis (-0.3% organic). The German market backdrop remains excellent, particularly in Transmission & distribution services as investments in the electrical grid are critical to the success of the energy transition. Technical facility management and Building technology and automation are well oriented. EBITA margin stood close to its H1 2019 level and working capital performance was excellent.

Regarding Central Europe, contract phasing accounted for revenue contraction in Hungary, while revenue grew strongly in Switzerland

Revenue in the **North-Western Europe** segment grew organically by +2.0% in H1 2021. Including a -1.7% impact from the disposal of UK mobile maintenance activities in March 2020 and currency movements (-0.4%), revenue decreased by -0.2%. EBITA margin was 3.3%, strongly expanding from past levels (1.0% in H1 2020 and 1.6% in H1 2019R) thanks to cost adaptation measures and contract selectivity.

In the Netherlands, revenue caught up in Q2 after a slow start to the year. Energy infrastructure, water infrastructure and smart city services showed particular strength, while demand from industrial customers remained low. EBITA margin expansion continued, a direct result of performance initiatives started in 2019.

In the United Kingdom, revenue bounced back from a low H1 2020 to settle slightly below that of H1 2019, in a market showing some slowness in customer decision-making process, despite not lacking opportunities. EBITA margin and working capital continued to improve.

In Belgium, revenue and margin rebounded from a low H1 2020 strongly impacted by a strict lockdown. Energy and transport infrastructure services were very active, while contract selectivity was further increased in the building sector.

The **Oil & Gas and Nuclear** segment's revenue decreased by -1.8% organically in H1 2021. The impact from currency movements was -3.2%, primarily stemming from the weakening of the US Dollar against the Euro. In total, revenue decreased by -5.0% year-on-year. EBITA margin rebounded to 8.0%, compared to 7.1% in H1 2020.

Oil & Gas Services revenue was down against a resilient H1 2020, with improved business levels in

Africa offset by contract ends in the Middle East. Growth is expected to return in H2, on the back of an improving market backdrop and an easier comparison basis. EBITA margin remained high, benefitting from the reorganisation conducted in 2020.

In Nuclear services, revenue rebounded strongly against a low H1 2020 impacted by Covid-19 restrictions, while the Flamanville EPR contract continued to fade out. EBITA margin remained at very a high level.

3.3 Results

3.3.1 Consolidated revenue under IFRS

Consolidated revenue under IFRS amounted to €3,312.1 million in H1 2021, increasing by +8.9% compared to H1 2020.

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 2021	H1 2020
Consolidated revenue as per management accounts	**3,296.5**	**3,021.6**
Holding activities	13.7	15.6
Sonaid	-	(0.3)
Other	1.9	4.7
Consolidated revenue under IFRS	**3,312.1**	**3,041.6**

3.3.2 Operating income

Consolidated operating income (including equity-accounted companies) amounted to €127.3 million in H1 2021, compared to €7.9 million in H1 2020.

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 2021	H1 2020
EBITA	**159.7**	**93.3**
Amortisation of intangible assets (allocated goodwill)	(26.2)	(27.5)
Restructuring costs	(0.1)	(9.9)
Financial commissions	(0.6)	(0.6)
Impact of equity affiliates	-	0.5
Other non-recurring items	(5.5)	(47.9)
Consolidated operating income	**127.3**	**7.9**

3.3.3 Cost of net financial debt

Cost of net financial debt amounted to €(30.9) million in H1 2021, compared with €(33.5) million in H1 2020. In H1 2021, cost of net financial debt includes the interest charges related to the leases accounted for under the IFRS 16 standard, for €(3.7) million (€(3.8) million in H1 2020.

3.3.4 Pre-tax income

As a result of the above, pre-tax income rebounded strongly to €89.6 million in H1 2021, compared with €(26.9) million in H1 2020.

3.3.5 Income tax

A €(32.2) million income tax charge was recorded in H1 2021 (vs. €(14.1) million in H1 2020). This charge reflects a 30% effective corporate income tax rate for the period, in line with 2020 and 2019 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 €57.1 million in H1 2021, a sharp rebound compared to the €(41.7) million net loss recorded in H1 2020.

3.4 Cash flow

Net cash flow from operating activities was €(211.1) million in H1 2021, compared to €(58.2) million in H1 2020. 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 €(418.8) million in H1 2021 was higher than that of H1 2020 (€(197.4) million) due to repayment of government social charges and taxes deferral schemes implemented in various European countries in response to the Covid-19 crisis in Q2 2020.

Net cash flow from investing activities was a €(61.7) million outflow in H1 2021 and primarily reflected bolt-on acquisitions paid for in the period. Capital expenditure amounted to €(21.0) million, lower than H1 2020 level (€(28.6) million).

Net cash flow from financing activities was a €(226.3) million outflow in H1 2021. This results from a reduction in the amount drawn from the securitization line, net interest, dividends, 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 €0.4 million (€(1.3) million in H1 2020), **net cash flow** amounted to €(498.7) million in H1 2021, compared to €(142.1) million in H1 2020.

As a result**, Cash and cash equivalents** amounted to €680.4 million as at June 30th, 2021, compared to €724.5 million as at June 30th, 2020.

3.5 Balance sheet

Shareholder equity attributable to owners of the parent at June 2021 amounted to €1,514.8 million compared to €1,530.4 million at December 2020.

Net debt as per the Group's Senior Facility Agreement totalled €1,382.1 million at the end of June 2021. This figure does not include IFRS 16 restatement. Including IFRS 16, net debt as of June 30th, 2021 was €1,728.1 million (see note 19.4 of the 2021 interim financial statements), with a limited impact on the Group's leverage[1] ratio (2.9x including IFRS 16 vs. 3.0x excluding IFRS 16).

Net debt at the end of June 2021 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. Financial leverage[1] was 3.0x at June 30th, 2021, a clear improvement compared to its June 30th, 2020 level of 3.6x. As a result of SPIE's usual working capital seasonality, net debt and leverage increased in H1 compared to December 31st, 2020 levels (€926.5 net debt; 2.4x leverage).

The Group's **liquidity** remains high, at €1,280 million at June 30th, 2021, including with €680 million euros in net cash and cash equivalent and €600 million of undrawn Revolving Credit Facility.

The following margins apply to the Group's bank debt based on year-end leverage:

Group's debt net/EBITDA ratio (excl. IFRS 16)	Senior Term Loan Facility	Revolving Facility
> 4.0X	2.250%	1.950%
≤ 4.0X and > 3.5X	2.000%	1.600%
≤ 3.5X and > 3.0X	1.700%	1.300%
≤ 3.0X and > 2.5X	1.550%	1.150%
≤ 2.5x and > 2.0X	1.400%	1.000%
≤ 2.0X	1.250%	0.850%

4. Outlook

Since the beginning of the year, SPIE has experienced very healthy business trends in most of its activities and geographies, and the rebound in the Group's EBITA margin has been faster than anticipated. SPIE's services are firmly and lastingly driven by the energy transition and the digital transformation.

In this context, SPIE upgrades its full-year 2021 outlook and now expects:

- Group revenue at or above 2019 level (previously: "very close to 2019 level");
- EBITA margin at 2019 level: 6.0% (previously: "very close to 2019 level");
- Full-year revenue to be acquired through bolt-on acquisitions well in excess of €200 million (previously: "in the order of €200 million"); and
- A stronger reduction in the Group's leverage[2], now expected at around 2.0x at year-end (previously: unspecified)

The proposed dividend pay-out ratio will remain at c.40% of Adjusted Net Income[3] attributable to the Group.

[1] Net debt / pro-forma EBITDA on a trailing twelve-month basis
[2] Ratio of net debt at end December to pro forma EBITDA (including full-year impact of acquisitions), excluding the impact of IFRS 16
[3] Adjusted for the amortisation of allocated goodwill and exceptional items

5. Transactions with related parties

No material related party transactions arose during the period ending June 2021, and there were no significant changes concerning the related party transactions in the consolidated financial statements as at December 31st, 2020.

6. Risk factors

Risk factors do not differ from those identified in the 2020 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on April 12th, 2021. These risks and uncertainties include those discussed or identified under Chapter 2 ‘Risk factors and internal control’ in SPIE’s 2020 Universal Registration Document, complemented by the information included in note 20 of the interim consolidated financial statements as at June 30th, 2021.

7. Statutory Auditor’s review report on the 2020 half-yearly financial information (Six-month period ended June 30th, 2021)

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, 2021;

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 28th, 2021
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, 2021

"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, 2021

Mr Gauthier Louette
Chairman and Chief Executive Officer

2021 FIRST-HALF FINANCIAL REPORT

High voltage substation "Gazelle" in Dudzelze, SPIE Belgium

TABLE OF CONTENTS

1. CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	First half 2020	First half 2021
Revenue	**6**	**3,041,548**	**3,312,118**
Other income		31,273	37,063
Operating expenses		(3,009,208)	(3,222,095)
Recurring operating income		**63,613**	**127,086**
Other operating expenses		(60,641)	(3,333)
Other operating income		4,417	3,487
Total other operating income (expenses)	**7**	**(56,224)**	**154**
Operating income		**7,390**	**127,240**
Net income (loss) from companies accounted for under the equity method		537	107
Operating income including companies accounted for under the equity method		**7,927**	**127,347**
Interests charges and losses from cash equivalents		(33,994)	(30,913)
Gains from cash equivalents		463	53
Costs of net financial debt	**8**	**(33,531)**	**(30,860)**
Other financial expenses		(14,657)	(13,801)
Other financial income		13,346	6,941
Other financial income (expenses)	**8**	**(1,311)**	**(6,860)**
Pre-Tax Income		**(26,916)**	**89,627**
Income tax expenses	9	(14,109)	(32,217)
Net income from continuing operations		**(41,025)**	**57,410**
Net income from discontinued operations	10	(335)	(48)
NET INCOME		**(41,360)**	**57,362**
Net income from continuing operations attributable to:			
. Owners of the parent		(41,370)	57,181
. Non-controlling interests		345	229
		(41,025)	**57,410**
Net income attributable to:			
. Owners of the parent		(41,704)	57,133
. Non-controlling interests		345	229
		(41,360)	**57,362**
Net income Share of the Group – earning per share	11	(0.26)	0.36
Net income Share of the Group – diluted earnings per share		(0.26)	0.35
Net income - diluted earnings per share		(0.26)	0.36

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Notes	First Half 2020	First Half 2021
Net income recognized in income statement		**(41,360)**	**57,362**
Actuarial losses on post-employment benefits	17.1	28,428	482
Tax effect		(8,528)	
Items that will not be reclassified to income		**19,900**	**482**
Currency translation adjustments		(1,285)	(4,328)
Fair value adjustments of hedges on future cash flows			
Other			
Tax effect			
Items that may be reclassified to income		**(1,285)**	**(4,328)**
TOTAL COMPREHENSIVE INCOME		**(22,745)**	**53,516**
Attributable to:			
. Owners of the parent		(23,096)	53,334
. Non-controlling interests		351	182

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	Dec 31, 2020	June 30, 2021
Non-current assets			
Intangible assets	14	969,854	949,472
Goodwill	13	3,201,028	3,216,559
Right of use on operating and financial lease	15	366,609	342,482
Property, plant and equipment		156,314	151,391
Investments in companies accounted for under the equity method	19.7	11,583	11,651
Non-consolidated shares and long-term loans	19.1	38,840	67,327
Other non-current financial assets		5,011	5,628
Deferred tax assets		282,849	277,877
Total non-current assets		**5,032,088**	**5,022,387**
Current assets			
Inventories		35,446	39,105
Trade receivables	18.3	1,617,601	1,862,773
Current tax receivables		31,521	51,092
Other current assets		347,676	420,839
Other current financial assets		5,069	5,596
Cash management financial assets	19.2	2,355	40,571
Cash and cash equivalents	19.2	1,189,695	655,142
Total current assets from continuing operations		**3,229,364**	**3,075,118**
Assets classified as held for sale	10	12,299	12,685
Total current assets		**3,241,662**	**3,087,803**
TOTAL ASSETS		**8,273,750**	**8,110,190**

In thousands of euros	Notes	Dec 31, 2020	June 30, 2021
Equity			
Share capital	16	75,266	75,266
Share premium		1,236,062	1,236,062
Consolidated reserves		165,856	146,365
Net income attributable to the owners of the parent		53,209	57,133
Equity attributable to owners of the parent		**1,530,393**	**1,514,826**
Non-controlling interests		3,493	3,675
Total equity		**1,533,886**	**1,518,501**
Non-current liabilities			
Interest-bearing loans and borrowings	19.3	1,795,829	1,796,863
Non-current debt on operating and financial leases		258,807	244,546
Non-current provisions	17	76,253	78,088
Accrued pension and other employee benefits	17	871,445	870,773
Other non-current liabilities		8,912	12,482
Deferred tax liabilities		330,838	334,435
Total non-current liabilities		**3,342,084**	**3,337,187**
Current liabilities			
Trade payables		932,537	888,870
Interest-bearing loans and borrowings	19.3	336,874	278,644
Current debt on operating and financial leases		110,710	101,491
Current provisions	17	133,466	129,013
Income tax payable		50,819	71,131
Other current operating liabilities	18.1	1,827,184	1,779,611
Total current liabilities from continuing operations		**3,391,590**	**3,248,760**
Liabilities associated with assets classified as held for sale	10	6,191	5,742
Total current liabilities		**3,397,781**	**3,254,502**
TOTAL EQUITY AND LIABILITIES		**8,273,750**	**8,110,190**

4. CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	First Half 2020	First Half 2021
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**866,522**	**1,179,042**
Operating activities			
Net income		(41,360)	57,362
Loss from companies accounted for under the equity method		(537)	(107)
Depreciation, amortization, and provisions		109,694	112,977
Proceeds on disposals of assets		43,703	(609)
Dividend income		-	-
Income tax expense		13,966	32,196
Elimination of costs of net financial debt		33,667	30,855
Other non-cash items		12,485	1,814
Internally generated funds from (used in) operations		**171,618**	**234,488**
Income tax paid		(32,573)	(26,884)
Changes in operating working capital requirements		(197,419)	(418,847)
Dividends received from companies accounted for under the equity method		200	175
Net cash flow from (used in) operating activities		**(58,174)**	**(211,068)**
Investing activities			
Effect of changes in the scope of consolidation		(15,155)	(43,250)
Acquisition of property, plant and equipment and intangible assets		(28,584)	(20,955)
Net investment in financial assets		(184)	(50)
Changes in loans and advances granted		3,014	1,200
Proceeds from disposals of property, plant and equipment and intangible assets		2,076	1,322
Proceeds from disposals of financial assets		-	23
Dividends received		-	-
Net cash flow from (used in) investing activities		**(38,833)**	**(61,710)**
Financing activities			
Issue of share capital		-	-
Proceeds from loans and borrowings		599,590	-
Repayment of loans and borrowings		(594,264)	(109,729)
Net interest paid		(49,050)	(46,083)
Dividends paid to owners of the parent		-	(70,461)
Dividends paid to non-controlling interests		-	-
Other cash flows from (used in) financing activities		-	-
Net cash flow from (used in) financing activities		**(43,724)**	**(226,273)**
Impact of changes in exchange rates		(1,324)	387
Net change in cash and cash equivalents		**(142,055)**	**(498,664)**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**19.2**	**724,467**	**680,378**

<u>Notes to the cash flow statement</u>

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, 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**

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, 2020	**160,139,776**	**75,266**	**1,236,062**	**363,009**	**(8,992)**	**(10)**	**(134,942)**	**1,530,393**	**3,493**	**1,533,886**
Net income				57,133				57,133	229	57,362
Other comprehensive income (OCI)					(4,281)		482	(3,799)	(47)	(3,846)
Total comprehensive income		**-**	**-**	**57,133**	**(4,281)**	**-**	**482**	**53,334**	**182**	**53,516**
Distribution of dividends				(70,461)				(70,461)		(70,461)
Share issue								-		-
Change in the scope of consolidation and other								-		-
Other movements							1,560	1,560		1,560
AT JUNE 30, 2021	**160,139,776**	**75,266**	**1,236,062**	**349,681**	**(13,273)**	**(10)**	**(132,900)**	**1,514,826**	**3,675**	**1,518,501**

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 Company's head office is located at 10 Avenue de l'Entreprise, 95 863 Cergy-Pontoise Cedex, France.

The SPIE Group interim consolidated financial statements were authorized for issue by the Board of Directors on July 28, 2021.

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, 2020, 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, 2020 and described in the notes to the 2020 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, 2021

The new standards and interpretations applicable from January 1, 2021 are the following:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest rate benchmark reform, Phase 2";
- Amendments to IFRS 16: "Covid-19 Rent Related Concessions".

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

- IFRIC decision "change in the method of calculation of the benefit obligations related to the pension plans with limitation period".

The Group is currently assessing the impact and practical implications from the application of this decision.

Published new standards and interpretations for which application is not mandatory as of January 1, 2021

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:

- Amendments to IAS 1: "Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date";
- Amendments to IFRS 3: "Reference to the Conceptual Framework";
- Amendments to IAS 16: "Property, Plant and Equipment: Proceeds before Intended Use";
- Amendments to IAS 37: "Onerous Contracts – Costs of Fulfilling a Contract";
- "Annual Improvements to IFRS Standards 2018-2020".

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, 2021.

Employee benefit obligations

The net provision for pensions and other employee benefits as at June 30, 2021 is calculated based on the latest available valuations as at December 31, 2020. Actuarial assumptions are reviewed to consider any potential significant changes or one-off impacts during the first half of the year. This review did not lead to the identification of significant actuarial differences as at June 30, 2021 compared to the amounts of the Group's equity and to the employee benefit obligations.

Income taxes

Current and deferred income tax expense is calculated by applying the estimated income tax rate that would be applicable to year-end 2021 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

In 2021, no adjustment on the previous period has been made. In particular, no additional operation has requested the application of IFRS standard (non-current assets held for sale and discontinued operations), see Note 10. As a consequence, financial income statements of June 30, 2020 have not been restated.

Significant events of the period

NOTE 4. SIGNIFICANT EVENTS

4.1. EMPLOYEE SHAREHOLDING – WITH MORE THAN 6,1% OF THE CAPITAL, SPIE EMPLOYEES BECOME THE GROUP FIRST LARGEST SHAREHOLDER

The capital increase of SPIE on December 15, 2020, linked to the « SHARE FOR YOU 2020 » plan, in which more than 6,000 employees participated, results in the « SPIE for you » employee shareholding fund holding 5.58% of the company's capital as at December 31, 2020.

In addition to the shares held by the « SPIE for you » employee shareholding fund, the shares subscribed directly by the Group's German employees represent 0.53% of SPIE's capital.

In total, the Group's employees hold 6.11% of the capital (see Note 16 – Equity), which places SPIE among the top 10 SBF120 companies regarding employee shareholding. By way of comparison, the share of capital held by employees in SBF120 companies is on average 2.4%.

The "Caisse de dépôt et placement du Québec" (CDPQ) - which was SPIE Group's largest shareholder - declared to the AMF (the french stock exchange regulator) that on April 1, its share capital has fallen to 5.51%. As a consequence, with 6.11% of the capital, the Group's employees are now SPIE's first largest shareholder. As at July 1st, the "Caisse de dépôt et placement du Québec" (CDPQ) held 0.24% of the capital.

As evidence of the importance given to employee participation in the company's capital, SPIE has, since 1997, always chosen to offer representation on its Board of Directors to the employee shareholding fund.

4.2. COVID-19 EPIDEMIC AND SPIE's ACTIVITIES

From the start of the sanitary crisis in March 2020, the Group has implemented and maintained all the necessary actions to protect its employees and stakeholders, and to limit the consequences on its operations and financial results.

In the exceptional context of the Covid-19 crisis, SPIE's results for the first half of 2021 clearly confirm the good momentum observed since the second half of 2020.

Revenue in H1-2021 stood, on an organic basis, at the level of H1-2019. Similarly, EBITA margin stood at pre-Covid-19 level. France and Germany, specifically delivered very good growth, highlighting yet again the vitality of SPIE's markets and the relevance of its positioning as an enabler of the energy transition and the digital transformation of its customers.

As part of its external growth, SPIE announced in the first half of 2021 the signing of agreements relating to four « bolt-on » acquisitions representing an acquired revenue of roughly €72 million per year (see Note 5).

SPIE has a significant financial headroom, and its business is sustained by dynamic markets, enabling it to face the sanitary crisis impacts.

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

The entries in the scope of consolidation corresponding to acquisitions in 2021, are as follows:

- On February 4, 2021, SPIE Central Europe acquired **Energotest sp.z.o.o.** ("Energotest") in Poland. Energotest provides automation services for power and industrial plants across the whole of Poland. Its range of services includes the design, installation and commissioning of power automation and automation systems for new and modernized plants. With more than 150 qualified employees, the company generated revenue of approximatively €12 million in 2019. The consideration paid was €4.2 million.

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

Spie Building Technology & Automation acquired on December 18, 2020 the German company **Planen Bauen GmbH**. Established in 1997 and located in the Frankfurt area, Planen & Buaen provides engineering services with a strong expertise in the field of data centers. Its range of services includes design, execution planning and works supervision for projects related to data centers and special-purpose facilities. With around 60 qualified employees, Planen & Bauen generated revenue of approximatively €9.7 million in 2020. The consideration paid was €12.1 million (of which €7.5 million paid in 2020).

This company has been consolidated in year 2021.

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

- On May 10, 2021, SPIE SAG acquired the **WirliebenKabel** Group in Germany. As a general contractor for broadband development and infrastructures, WirliebenKabel carries out FttX projects from planning and cable laying to documentation. Headquartered in Zeulenroda-Triebes in Thuringia, the company is present at ten other locations throughout Germany. It employs around 130 highly qualified employees and generated revenue of €25 million in 2020. The consideration paid was €14.7 million.

- On May 17, 2021, SPIE Industrie & Tertiaire acquired **Valorel** S.A.S ("Valorel") in France. Valorel is a leading player in stainless boilermaking and industrial piping in the Rhône Alpes region. The company operates in sectors with high technical and/or regulatory constraints, in liquid and pasty processes, especially for the pharmaceutical and cosmetic industries. It employs 25 highly qualified employees and generated revenues of around €5 million in 2020. The consideration paid was €2 million.

- On June 16, 2021, SPIE DZE acquired **K.E.M. Montage** (K.E.M.) in Austria. K.E.M. implements projects in telecommunications and transport infrastructure and is also active in the maintenance of such infrastructure. In particular, K.E.M. is one of the leading Austrian companies in the field of cable laying and installation. Founded in 1994, the company employs over 190 people and has branches throughout Austria. It generated revenue of approximatively €30 million in 2020. The consideration paid was €19.6 million.

These companies will integrate the consolidation scope as soon as financial information becomes available.

5.1.4. NEWLY CREATED COMPANIES

On February 8, 2021, the Group created the company **SPIE Energy Services Ltd**. In the United Arab Emirates.

5.1.5. DISPOSED COMPANIES

- **SPIE Oil & Gas Services Belgium** was liquidated on December 21, 2020 by SPIE OGS.

- **ASB Projects & Ressources Pte**, based in Singapore, was liquidated on April 14, 2021 by SPIE OGS.

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, 2021						
Revenue	**1,275.3**	**1,153.6**	**652.7**	**214.9**	**-**	**3,296.5**
EBITA	69.9	46.5	21.4	17.2	4.7	**159.7**
EBITA as a % of revenue	*5.5%*	*4.0%*	*3.3%*	*8.0%*	*n/a*	*4.8%*
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%*

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

In millions of euros		First Half 2020	First Half 2021
Revenue		**3,021.6**	**3,296.5**
SONAID	(a)	(0.3)	-
Holding activities	(b)	15.6	13.7
Others	(c)	4.7	1.9
Revenue from contracts with customers		**3,041.6**	**3,312.1**

(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 2020	First Half 2021
EBITA		**93.3**	**159.7**
Amortization of intangible assets (allocated goodwill)	(a)	(27.5)	(26.2)
Restructuring costs	(b)	(9.9)	(0.1)
Financial commissions		(0.6)	(0.6)
Minority interests		0.5	-
Other non-recurring items	(c)	(47.9)	(5.5)
Consolidated Operating Income		**7.9**	**127.3**

(a) In 2021, amortization of allocated goodwill includes € (17.0) million pertaining to the SAG group as for 2020.

(b) In 2020, restructuring costs related to 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.

(c) In 2021, the "other non-recurring items" mainly corresponds to a restatement made pursuant to IFRIC 21 for € (2.2) million and costs relating to long term incentive shares plan, in accordance with IFRS 2 for € (1.8) million.

In 2020, "Other non-recurring items" mainly corresponded to the disposal of the mobile maintenance business in the United-Kingdom for € (44.1) million, to a restatement made pursuant to IFRIC 21 for € (2.4) million and costs relating to long term incentive shares plan, in accordance with IFRS 2 for € (1.0) 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, 2021	**530,243**	**1,528,520**	**223,684**	**57,568**	**2,319,889**	**4,659,904**
December 31, 2020	522,152	1,555,033	231,550	63,143	2,321,927	**4,693,805**

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 2021 Revenue under IFRS	**1,406,932**	**961,981**	**943,205**	**3,312,118**
January to June 2020 Revenue under IFRS	1,171,892	898,288	971,368	**3,041,548**

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 2020	First Half 2021
Business combination acquisition costs		(339)	(31)
Net book value of financial assets and security disposals	(a)	(44,081)	(156)
Net book value of assets		(1,516)	(1,705)
Other operating expenses	(b)	(14,705)	(1,441)
Total other operating expenses		**(60,641)**	**(3,333)**
Gain on security disposals		-	49
Gains on asset disposals		1,937	2,462
Other operating income		2,480	976
Total other operating income		**4,417**	**3,487**
Other operating income and expenses		**(56,224)**	**154**

(a) In 2020, the "net book value of financial assets and security disposals related to the disposal on March 20, 2020 of the mobile maintenance business in the United-Kingdom for an amount of €44,081 thousand.

(b) In 2021, the "Other operating expenses" relate to non-recurring costs on management operations.

In 2020, they mainly included reorganization costs for an amount of € 9,882 thousand. The "other operating expenses" related to non-recurring costs on management operations.

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 2020	First Half 2021
Interest expenses	(a)	(29,777)	(27,170)
Interest expenses on operating and financial leases		(3,795)	(3,678)
Interest expenses on cash equivalents		(423)	(65)
Interest expenses and losses on cash equivalents		**(33,994)**	**(30,913)**
Interest income on cash equivalents		463	53
Net proceeds on sale of marketable securities		-	-
Gains on cash and cash equivalents		**463**	**53**
Costs of net financial debt		**(33,531)**	**(30,860)**
Loss on exchange rates	(b)	(8,096)	(8,615)
Allowance for financial provisions for pensions		(3,729)	(3,754)
Other financial expenses		(2,832)	(1,432)
Total other financial expenses		**(14,657)**	**(13,801)**
Gains on exchange rates	(c)	10,822	6,364
Gains on financial assets excl. cash and cash equivalents		62	60
Allowance / Reversal on financial assets		-	3
Other financial income		2,462	514
Total other financial income		**13,346**	**6,941**
Other financial income and expenses		**(1,311)**	**(6,860)**

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

(b) In 2021, the "Loss on exchange rates" relates to the SPIE OGS subgroup for an amount of € 6,494 thousand mainly explained by the Angolan Kwanza change, the entity SPIE SA for an amount of € 832 thousand, for the entities in the United Kingdom and the SPIE DZE subgroup for an amount of € 688 thousand for the Hungarians and Polish entities.

In 2020, they also related 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.

(c) In 2021, as for 2020, the gains on exchange rates mainly relate to SPIE OGS subgroup for € 2,707 thousand (€ 5,440 thousand in 2020), to the entity SPIE Operations for € 2,672 thousand (€ 3,387 thousand in 2020), to the SPIE ICS AG subgroup for € 527 thousand (€ 493 thousand in 2020) and to entity SPIE DZE for € 327 thousand (€ 1,324 thousand in 2020). 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, 2021 stands at 30%, in line with the 2020 and 2019 tax rates, excluding French CVAE* and adjusted for non-recurring items. To the tax expense calculated based on this tax rate, the French CVAE of the period must be added.

**(CVAE: flat tax applicable on added value in France)*

9.2. CONSOLIDATED INCOME TAXES

Income taxes are detailed as follows:

In thousands of euros	First Half 2020	First Half 2021
Income tax expense reported in the income statement		
Current income tax	(28,902)	(26,926)
Deferred income tax	14,793	(5,291)
Total income tax reported in the income statement	**(14,109)**	**(32,217)**
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	(8,528)	-
Total income tax reported in the statement of comprehensive income	**(8,528)**	**-**

NOTE 10. DISCONTINUED OPERATIONS

In prior years, some activities of the Group were discontinued and consequently were accounted for according to IFRS 5. Certain contracts related to these activities were not transferred at the end of the disposal process, and remain as contracts to be completed:

In thousands of euros		First Half 2020 Revenue	First Half 2020 Contribution to net income	First Half 2021 Revenue	First Half 2021 Contribution to net income
SPIE DZE - Gas & Offshore Services	(a)	1,282	(259)	1,050	(46)
Other discontinued activities		47	(76)	54	(2)
TOTAL		**1,329**	**(335)**	**1,104**	**(48)**

(a) 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 1, 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 2021 first semester movements derive from non-transferred contracts to be completed by SPIE.

As a result, as at June 30, 2021, 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, 2021. 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.

NOTE 11. EARNINGS PER SHARE

11.1. NET EARNINGS

In thousands of euros	First Half 2020	First Half 2021
Continuing operations Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders) (-) Basic earnings attributable to preferential owners	(41,370)	57,181
Earnings from continuing operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**(41,370)**	**57,181**
Earnings from discontinued operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**(335)**	**(48)**
Total operations Basic earnings attributable to owners of the parent (excluding minority shareholders) (-) Basic earnings attributable to preferential owners	(41,704)	57,133
Earnings attributable to shareholders of the Company, used for the calculation of the earnings per share	**(41,704)**	**57,133**

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 2021 (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 2021.

Performance Shares

As at June 30, 2021, the existence of two performance share plans diluted the average number of shares.

2019 – 2021 Plan

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

	At original date May 31, 2019	December 31, 2019	December 31, 2020	June 30, 2021
Number of beneficiaries	255	243	206	206
Acquisition date	2022-03-15	2022-03-15	2022-03-15	2022-03-15
Number of granted shares under performance conditions	530,629	530,629	530,629	530,629
Number of granted shares cancelled	-	(26,956)	(92,784)	(92,784)
Number of granted shares under performance conditions	**530,629**	**503,673**	**437,845**	**437,845**

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 fair value of the performance shares is valued as at June 30, 2021 to € 4,191 thousand and amortized over the three-year vesting period with a loss for the current 1st half year of € 750 thousand.

Applicable taxes and employers' contributions, due by employer companies in their own countries, have been accrued for an expense of € 124 thousand relating to the current half year.

2020 – 2022 Plan

On November 15, 2020, SPIE has issued a Performance Shares plan with the following characteristics:

	At original date November 15, 2020	June 30, 2021
Number of beneficiaries	241	241
Acquisition date	2023-03-15	2023-03-15
Number of granted shares under performance conditions	500,773	500,773
Number of granted shares cancelled	-	-
Number of granted shares under performance conditions	**500,773**	**500,773**

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 fair value of the performance shares is valued as at June 30, 2021 to € 3,779 thousand and amortized over the three-year vesting period with a loss for the current 1st half year of € 810 thousand.

Applicable taxes and employers' contributions, due by employer companies in their own countries, have been accrued for an expense of € 145 thousand relating to the current half year.

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

	June 30, 2020	June 30, 2021
Average number of shares used for the calculation of earnings per share	**157,698,124**	**160,139,776**
Effect of the diluting instruments	484,229	938,618
Average number of diluted shares used for the calculation of earnings per share	**158,182,353**	**161,078,394**

11.3. EARNINGS PER SHARE

In euros	June 30, 2020	June 30, 2021
Continuing operations		
. Basic earnings per share	(0.26)	0.36
. Diluted earnings per share	(0.26)	0.35
Discontinued operations		
. Basic earnings per share	(0.00)	0.00
. Diluted earnings per share	(0.00)	0.00
Total operations		
. Basic earnings per share	**(0.26)**	**0.36**
. Diluted earnings per share	**(0.26)**	**0.35**

NOTE 12. DIVIDENDS

On the proposal of the Board of Directors, the General Shareholders' Meeting held on May 12, 2021 approved a dividend payment of € 0.44 per share based on 2020 year's results, for a total amount of € 70,461 thousand paid in full on May 27, 2021.

No interim dividend was paid in 2020.

In 2021, the proposed dividend pay-out ratio will remain at circa 40% of Adjusted Net Income (Net Result adjusted for the amortisation of allocated goodwill and exceptional items), attributable to the Group.

An interim dividend relating to the 2021 year's results is planned to be paid in September 2021.

Notes to the statement of financial position

The following notes relate to the assets and liabilities of continuing operations as at June 30, 2021.

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

The value of the Group's goodwills as at June 30, 2021 stands at € 3,217 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, 2020	Acquisitions and adjustments of preliminary goodwill	Disposals	Change in scope of consolidation and other	Translation adjustments	June 30, 2021
CGU - SPIE Industrie & Tertiaire	622,373					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	1,071,301	14,557			(100)	1,085,758
CGU - SPIE ICS A.G. (Switzerland)	50,487				(874)	49,613
CGU - SPIE UK	184,664				1,948	186,612
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	**3,201,028**	**14,557**			**974**	**3,216,559**

Acquisitions and goodwill adjustments which occurred between January and June 2021 for € 14,557 thousand in Germany relate to the temporary allocation of the goodwill for the Planen & Bauen GmbH company acquired by SPIE Building Technology & Automation in December 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, 2019	**9,715**	**900,815**	**408,496**	**141,593**	**1,460,619**
Business combination effect	-	1,408	7,366	-	8,774
Other acquisitions in the period	634	-	919	26,479	28,032
Disposals and divestures in the period	(30)	-	(3,023)	(4,079)	(7,132)
Exchange difference	(16)	(646)	(556)	(462)	(1,680)
Other movements	3,342	-	-	946	4,288
Assets held for sale	-	-	-	-	-
At December 31, 2020	**13,645**	**901,577**	**413,202**	**164,477**	**1,492,901**
Business combination effect	1,761	-	4,402	586	6,749
Other acquisitions in the period	289	-	-	5,714	6,003
Disposals and divestures in the period	(14)	-	-	(112)	(126)
Exchange difference	(20)	486	228	264	958
Other movements	-	-	(73)	185	112
Assets held for sale	-	-	-	-	-
At June 30, 2021	**15,661**	**902,063**	**417,759**	**171,114**	**1,506,597**

Period ended June 30, 2021

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 € 5,714 thousand correspond in 2021 to:

- on the one hand to intangible assets under development: implementation of an ERP in France.
- and on the other hand, to other commissioned intangible assets: ERP implementation projects in Germany.

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, 2019	**(7,984)**	**(122,110)**	**(236,876)**	**(94,323)**	**(461,293)**
Amortization for the period	(1,340)	(17,610)	(37,329)	(9,628)	(65,907)
Reversal of impairment losses	-	-	-	-	-
Disposals and divestures in the period	23	-	1,639	3,688	5,350
Exchange difference	14	646	490	336	1,486
Other movements	4	-	-	(2,688)	(2,684)
Assets held for sale	-	-	-	-	-
At December 31, 2020	**(9,283)**	**(139,074)**	**(272,077)**	**(102,614)**	**(523,048)**
Amortization for the period	(1,824)	(8,719)	(17,463)	(5,213)	(33,219)
Reversal of impairment losses	-	-	-	-	-
Disposals and divestures in the period	14	-	-	22	36
Exchange difference	12	(487)	(227)	(223)	(925)
Other movements	-	-	11	20	31
Assets held for sale	-	-	-	-	-
At June 30, 2021	**(11,081)**	**(148,279)**	**(289,756)**	**(108,009)**	**(557,125)**
Net value					
At December 31, 2019	**1,731**	**778,705**	**171,620**	**47,270**	**999,326**
At December 31, 2020	**4,362**	**762,503**	**141,126**	**61,862**	**969,853**
At June 30, 2021	**4,580**	**753,784**	**128,003**	**63,105**	**949,472**

Period ended June 30, 2021

Amortization of intangible assets during the period mainly include:

(a) The amortization of the brands SAG for € 7,476 thousand (amortization over 9 years), Telba for € 532 thousand (amortization over 5 years), Osmo for € 374 thousand (amortization over 3 years), Cimlec for € 162 thousand (amortization over 3 years) and Systemat for € 175 thousand (amortization over 4 years).

(b) The amortization of the customer relationship assets of the Group' acquisitions, and in particular of the SAG group for € 9,527 thousand, SPIE GmbH for € 1,555 thousand and Comnet for € 798 thousand.

The amortization of the backlogs of the Group' acquisitions, and in particular of Telba and Osmo for respectively € 624 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, 2019	**250,251**	**171,674**	**421,925**
Other acquisitions of the period	81,136	121,276	202,412
Disposals and divestures of the period	(861)	(14)	(875)
Exchange differences	(1,259)	(575)	(1,834)
Resiliations and other movements	(28,255)	(45,469)	(73,724)
At Dec 31, 2020	**301,012**	**246,892**	**547,904**
Business combination effect	1,245	32	1,277
Other acquisitions of the period	28,629	54,136	82,765
Disposals and divestures of the period	-	-	-
Exchange differences	453	1	454
Resiliations and other movements	(39,416)	(43,811)	(83,227)
At June 30, 2021	**291,923**	**257,250**	**549,173**

15.2. RIGHT OF USE – DEPRECIATION & NET VALUES

In thousands of euros	Buildings	Cars & trucks	Total
Depreciations			
At Dec 31, 2019	**(33,879)**	**(48,068)**	**(81,947)**
Depreciation of the period	(56,905)	(78,775)	(135,680)
Reversal of impairment losses	-	-	-
Disposals and divestures of the period	141	4	145
Exchange differences	482	227	709
Resiliations and other movements	11,744	23,733	35,477
At Dec 31, 2020	**(78,417)**	**(102,879)**	**(181,296)**
Depreciation of the period	(26,883)	(38,694)	(65,577)
Reversal of impairment losses	-	-	-
Disposals and divestures of the period	-	-	-
Exchange differences	(201)	(16)	(217)
Resiliations and other movements	14,044	26,355	40,399
At June 30, 2021	**(91,457)**	**(115,234)**	**(206,691)**
Net value			
At Dec 31, 2019	**216,372**	**123,606**	**339,978**
At Dec 31, 2020	**222,595**	**144,013**	**366,608**
At June 30, 2021	**200,466**	**142,016**	**342,482**

NOTE 16. EQUITY

As at June 30, 2021 the share capital of SPIE SA stands at 75,265,694.72 euros divided into 160,139,776 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, 2021.

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

	Holding percentage
Peugeot Invest	5.3%
Managers [(1)]	2.5%
Employee shareholding [(2)]	6.1%
Public [(3)]	86.1%
Treasury shares	0.0%
Total	**100.0%**

[(1)] Managers and senior executives, current and former, of the Group (as at December 31, 2020).

[(2)] Stake held by the Group employees, directly or through the FCPE SPIE Actionnariat (as at December 31, 2020).

[(3)] Based on the information disclosed on December 31, 2020 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, 2021, these commitments were revalued using December 31, 2020 projections.

In thousands of euros	Dec 31, 2020	June 30, 2021
Retirement benefits	840,681	839,499
Other long-term employee benefits	30,764	31,274
Employee benefits	**871,445**	**870,773**

	First Half 2020	First Half 2021
Expense recognized through income in the period		
Retirement benefits	13,638	14,148
Other long-term employee benefits	1,671	530
Total	**15,309**	**14,678**

The obligations of the German entities account for 78% of the total commitment. The remaining 22% mainly comprises commitments in the French (17%) and Swiss (5%) 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, 2020	Incoming entities	Increase during the period	Decrease during the period	Translation adjustments	Assets held for sale / disconti-nued	Others	June 30, 2021
Provisions for vendor warranties	**1,604**							**1,604**
Tax provisions and litigations	**6,909**		132		(4)			**7,037**
Restructuring	**19,593**		54	(3,672)	(28)		(16)	**15,931**
Litigations	**45,727**	31	5,985	(6,297)	(2)		(44)	**45,400**
Losses at completion	**61,956**		23,872	(20,706)	20	50	(2)	**65,190**
Social provisions and disputes	**14,035**		2,794	(6,381)				**10,448**
Warranties and claims on completed contracts	**59,895**	790	7,669	(6,890)	26		1	**61,491**
Provisions for losses and contingencies	**209,719**	**821**	**40,506**	**(43,946)**	**12**	**50**	**(62)**	**207,101**
. Current	*133,466*	*296*	*25,105*	*(31,228)*	*(113)*	*50*	*1,436*	*129,013*
. Non-current	*76,253*	*525*	*15,401*	*(12,718)*	*124*		*(1,497)*	*78,088*

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 2021, reversals of unused provisions amounted to € 6,244 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, 2021
Provisions for vendor warranties	1,604		1,604
Tax provisions and litigations	6	7,031	7,037
Restructuring		15,931	15,931
Litigations	10,695	34,705	45,400
Losses at completion	39,049	26,141	65,190
Social provisions and disputes	2,974	7,474	10,448
Warranties and claims on completed contracts	23,760	37,731	61,491
Provisions for losses and contingencies	**78,088**	**129,013**	**207,101**

The breakdown into current and non-current by category of provisions for 2020 was as follows:

In thousands of euros	Non-current	Current	Dec 31, 2020
Provisions for warranty liabilities	1,604		1,604
Tax provisions and litigations	6	6,903	6,909
Restructuring		19,594	19,594
Litigations	11,109	34,618	45,727
Losses at completion	36,373	25,583	61,956
Social provisions and disputes	3,574	10,461	14,035
Warranties and claims on completed contracts	23,586	36,308	59,895
Provisions for losses and contingencies	**76,253**	**133,466**	**209,719**

NOTE 18. WORKING CAPITAL REQUIREMENT

18.1. CHANGE IN WORKING CAPITAL

In thousands of euros	Notes	Dec 31, 2020	Change in Working capital related to activity (1)	Other changes of the period: Change in scope (2)	Currency transla-tions & fair values	Disconti-nued Activities	June 30, 2021
Inventories and receivables							
Inventories and work in progress (net)		35,446	2,844	907	(92)		39,105
Trade receivables	(a)	1,617,601	236,485	7,553	1,112	22	1,862,773
Of which accrued income	*(b)*	*717,918*	*192,445*	*5,620*	*(262)*		*915,721*
Current tax receivables		31,521	20,840	(1,192)	(77)		51,092
Other current assets	(c)	347,676	69,122	3,906	134	1	420,839
Other non-current assets	(d)	4,790	721				5,511
Liabilities							
Trade payables	(e)	(932,537)	46,766	(1,343)	(1,746)	(10)	(888,870)
Income tax payable		(50,819)	(21,550)	1,123	115		(71,131)
Other long-term employee benefits	(f)	(30,766)	(528)		19		(31,275)
Other current liabilities	(g)	(1,827,184)	63,551	(13,229)	(2,481)	(268)	(1,779,611)
Other non-current liabilities		(8,912)	(3,549)	6	(27)		(12,482)
Working capital requirement		**(813,184)**	**414,703**	**(2,269)**	**(3,043)**	**(255)**	**(404,049)**

(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, 2020 was of € 1,890,173 thousand.

(b) The balance of accrued income as at June 30, 2020 was of € 992,115 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, 2020	June 30, 2021
Social and tax liabilities		(811,737)	(655,717)
Deferred revenue (< 1 year)		(464,069)	(487,554)
Advance and down-payments	(a)	(297,315)	(363,237)
Others		(254,063)	(273,103)
Other current liabilities*		**(1,827,184)**	**(1,779,611)**

(*) 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, 2020 was of € (422,034) 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, 2020	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, 2021
Working Capital	**(813,184)**	**414,703**	**(2,269)**	**(3,043)**	**(255)**	**(404,049)**
(-) Accounts payables & receivables on purchased assets	2,179	(1,259)		27		947
(-) Tax receivables	(31,522)	(20,842)	1,192	77		(51,095)
(-) Tax payables	51,822	21,450	(1,123)	(115)		72,034
Working capital excl. acc. payables on purchased assets, excl. tax receivables and payables	**(790,705)**	**414,052**	**(2,200)**	**(3,054)**	**(255)**	**(382,163)**
Assets held for sale		1,296				
(-) Other non-cash operations which impact the working capital as per balance sheet (*)		3,499				
Changes in Working Capital as presented in C.F.S		**418,847**				

(*) 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 and IFRS 2 application.

18.3. TRADE AND OTHER RECEIVABLES

Current trade and other receivables break down as follows:

In thousands of euros		Dec 31, 2020	June 30, 2021 Gross	June 30, 2021 Provisions	June 30, 2021 Net
Trade receivables	(a)	898,581	984,302	(37,501)	946,801
Notes receivables		1,102	251		251
Contract assets	(b)	717,918	915,721		915,721
Trade receivables and contract assets		**1,617,601**	**1,900,274**	**(37,501)**	**1,862,773**

(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, 2020	June 30, 2021
Trade receivables and notes receivables		899,683	947,052
Trade receivables included in assets held for sale		21	
Contract assets	(i)	717,918	915,721
Contract liabilities	(ii)	(775,639)	(865,819)

(i) Contract assets comprise accrued income.

(ii) The detail of contract liabilities is presented below:

In thousands of euros	Dec 31, 2020	June 30, 2021
Deferred revenues (current / non-current)	(464,098)	(487,577)
Down payments received from customers	(297,315)	(363,237)
Contract guaranties provisions	(14,226)	(15,005)
Contract liabilities	**(775,639)**	**(865,819)**

As at June 30, 2020, deferred revenue stood at € 501,284 thousand and down payments received from customers stood at € 422,034 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, 2021 non-consolidated shares stand as follows:

In thousands of euros	Dec 31, 2020	June 30, 2021
Equity securities	9,589	38,211
Depreciation of equity securities	(1,164)	(1,057)
Net value of securities	**8,424**	**37,154**

As at June 30, 2021, securities included the shares of K.E.M. Montage for € 19,528 thousand, WirliebenKabel for € 14,656 thousand and Valorel S.A for € 2,000 thousand – those three companies will be consolidated during the year 2021 -, Serec Cameroun for € 676 thousand (fully depreciated), SB Nigeria for € 252 thousand, SEML Route des Lasers for € 245 thousand and SPIE Venezuela for € 195 thousand (fully depreciated).

19.2. NET CASH AND CASH EQUIVALENTS

As at June 30, 2021 net cash and cash equivalents break down as follows:

In thousands of euros	Notes	Dec 31, 2020	June 30, 2021
Marketable securities – Cash equivalents		2,355	40,571
Fixed investments (current)		-	-
Cash management financial assets		**2,355**	**40,571**
Cash and cash equivalents		1,189,695	655,142
Total cash and cash equivalents		**1,192,050**	**695,713**
(-) Bank overdrafts and accrued interests		(13,508)	(15,495)
Net cash and short-term deposits as per Balance Sheet		**1,178,543**	**680,218**
(+) Cash and cash equivalents from discontinued operations		331	20
(-) Marketable securities – Other investments		-	-
(-) Accrued interests not yet disbursed		168	140
Cash and cash equivalents as per CFS		**1,179,042**	**680,378**

19.3. BREAKDOWN OF FINANCIAL ENDEBTEDNESS

Interest-bearing loans and borrowings break down as follows:

In thousands of euros	Notes	Dec 31, 2020	June 30, 2021
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)	(b)	600,000	600,000
Revolving (maturity June 07, 2023)	(b)		
Others		738	578
Capitalization of loans and borrowing costs	(c)	(11,278)	(9,536)
Securitization	(d)	300,000	257,814
Total bank overdrafts (cash liabilities)			
Bank overdrafts (cash liabilities)		13,340	15,353
Interests on bank overdrafts (cash liabilities)		168	140
Other loans, borrowings and financial liabilities			
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	(e)	3,012	2,751
Debts on operating and financial leases		369,517	346,037
Accrued interest on loans		23,472	6,189
Other loans, borrowings and financial liabilities		3,120	1,261
Derivatives		131	957
Interest-bearing loans and borrowings		**2,502,220**	**2,421,544**
Of which			
. Current		447,584	380,135
. Non-current		2,054,636	2,041,409

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) 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 not drawn as at June 30, 2021, aiming to finance the current activities of the Group along with external growth, for an amount of € 600 million maturing on June 7, 2023, then for an amount of € 410.6 million on June 7, 2025.

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.

The revolving line has the following characteristics:

In thousands of euros	*Repayment*	Fixed / floating rate	June 30, 2021
Revolving Credit Facility	At maturity	Floating - 1-month Euribor +1.00%	Un-drawn
Loans and borrowings from banking Institutions			**Un-drawn**

The Senior term Agreement has now the following characteristics:

In thousands of euros	Repayment	Fixed / floating rate	June 30, 2021
Facility A	At maturity	Floating - 1-month Euribor +1.40%	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, 2021, a quarterly financial commitment fee for 0.35% 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

(c) 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, 2021 is of € 9.5 million and relates to the two credit lines and to the two bonds.

(d) 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 € 257.8 million as at June 30, 2021.

(e) 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, 2020	June 30, 2021
Loans and borrowings as per balance sheet	**2,502.2**	**2,421.5**
Debt on operating and financial leases - continued activities	(369.5)	(346.0)
Capitalized borrowing costs	11.3	9.5
Others (1)	(23.8)	(7.2)
Gross financial debt (a)	**2,120.2**	**2,077.8**
Cash management financial assets as per balance sheet	2.3	40.6
Cash and cash equivalents as per balance sheet	1,189.7	655.1
Accrued interests	-	-
Gross cash (b)	**1,192.0**	**695.7**
Consolidated net debt (a) - (b)	**928.2**	**1,382.1**
(-) Net debt in discontinued activities	(0.3)	(0.0)
Unconsolidated net debt	(1.3)	(0.0)
Published net debt*	**926.5**	**1,382.1**
Debt on operating and financial leases – continued activities	369.5	346.0
Net debt including IFRS 16 impact	**1,296.0**	**1,728.1**

** Excluding IFRS 16*

(1) The “other” line of the gross financial debt corresponds to the accrued interests on the Bond mainly for € 23.5 million in 2020 and € 6.2 million as at June 30, 2021.

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, 2020	Loan issue	Loan repay-ments	Changes	Changes in scope	Others (*)	Currency and fair values changes	Changes in methods	June 30, 2021
Bond (maturity March 22, 2024)	596,799					470			597,269
Bond (maturity June 18, 2026)	597,154					241			597,395
Facility A (maturity June 07, 2023)	597,545					494			598,039
Revolving (maturity June 07, 2025)	(2,776)					537			(2,239)
Securitization	300,000		(42,186)						257,814
Others	738		(256)		97		(1)		578
Other loans, borrowings and financial liabilities	3,120		(1,781)		3	(47)	(34)		1,261
Current debt on operating and financial leases	369,517		(64,934)		881	40,338	235		346,037
Finance leases	3,012		(572)			311			2,751
Financial instruments	131					826			957
Financial indebtedness as per C.F.S	**2,465,240**		**(109,729)**		**981**	**43,170**	**200**		**2,399,862**
(-) Financial interests	23,472		(38,901)			21,618			6,189
(+) Bank overdrafts	13,508			2,038			(53)		15,493
Consolidated financial indebtedness	**2,502,220**		**(148,630)**	**2,038**	**981**	**64,788**	**147**		**2,421,544**

** The « Others » non-cash movements relate to the restatement of borrowing costs, to the restatement on the financial instruments, to the new finance lease contracts and to the increase of financial interests.*

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, 2021
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)				
Others	164	414		578
Capitalization of loans and borrowing costs	(3,547)	(5,989)		(9,536)
Securitization	257,814			257,814
Total Bank overdrafts (cash liabilities)				
Bank overdrafts (cash liabilities)	15,353			15,353
Interests on bank overdrafts (cash liabilities)	140			140
Other loans, borrowings and financial liabilities				
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	859	1,892		2,751
Debt on operating and financial leases	101,491	208,941	35,605	346,037
Accrued interest on loans	6,189			6,189
Other loans, borrowings and financial liabilities	745	511	5	1,261
Derivatives	927	30		957
Interest-bearing loans and borrowings	**380,135**	**2,005,799**	**35,610**	**2,421,544**

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
- TankE GmbH détenue à 20% par 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, 2020*	June 30, 2021*
Value of shares at the beginning of the period	**11,929**	**11,583**
Effect of changes in the scope of consolidation	(46)	
Capital increase	440	150
Net income attributable to the Group	(52)	107
Impact of currency translations	(344)	(14)
Dividends paid	(344)	(175)
Value of shares at the end of the period	**11,583**	**11,651**

** Based on available information as at December 31, 2019 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, 2020*	June 30, 2021*
Non-current assets	5,045	5,083
Current assets	83,015	81,989
Non-current liabilities	(41,546)	(40,443)
Current liabilities	(33,328)	(33,503)
Net asset	**13,186**	**13,126**
Income statement		
Revenue	58,089	6,290
Net income	282	289

** Based on available information as at December 31, 2019 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	47	2,954						**2,954**
Forward sales - USD	18	4,300						**4,300**
Forward purchases - CHF								
Forward sales - CHF	7	191						**191**
	72							
Liability derivatives qualified for designation as cash flow hedges (b)								
Forward purchase - USD	(8)	369	1,107					**1,475**
Forward sales - USD								
Forward sales - CHF								
	(8)							
Total net derivative qualified for designation as cash flow hedges (a) + (b)	**64**							
Liability derivatives not qualified for designation as cash flow hedges								
Forward purchases - GBP	(931)	15,000						**15,000**
Forward sales - GBP								
Forward purchases – GBP								
	(931)							
Total fair value of qualified and not qualified derivatives	**(867)**							

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, 2021, 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 2021.

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, 2021		
Currencies	**USD (American Dollar)**	**CHF (Swiss Franc)**	**GBP (Sterling Pound)**
Closing rate	**1,1884**	**1,0980**	**0,8581**
Risks	(188)	159	957
Hedges	180	107	0
Net positions excluding options	**(8)**	**266**	**957**
Sensitivity to the currency rate -10% vs Euro			
P&L Impact	(13)	46	124
Equity Impact	(12)	19	n/a
Sensitivity to the currency rate +10% vs Euro			
P&L Impact	11	(38)	(101)
Equity Impact	10	(16)	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, 2021 is not significant (the risk of fluctuation during 2021 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, 2021:

- BNP: 1 %
- Crédit du Nord: 4 %
- CA CIB: 89 %
- Others: 6 %.

20.5. LIQUIDITY RISK

As at June 30, 2021, the undrawn amount of the revolving credit facility (RCF) line stands at € 600 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, 2021 transferred receivables represented a total amount of € 479.5 million with financing obtained amounting to € 257.8 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, 2020	June 30, 2021	Of which France	Of which Germany & Central Europe	Of which others
Impairment losses on contract assets	(15,640)	(7,717)	(4,303)	(1,249)	(2,165)
Write-back of impairment losses on contract assets	24,518	10,873	6,006	3,343	1,524
Impairment losses on financial assets					
Write-back of impairment losses on financial assets					
Net impairment losses on financial and contract assets	**8,878**	**3,156**	**1,703**	**2,094**	**(641)**

Other notes

NOTE 21. RELATED PARTY TRANSACTIONS

No material related party transactions arose during the period ending June 2021, and there were no significant changes concerning the related party transactions described in the consolidated financial statements as at December 31, 2020.

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, 2020	June 30, 2021
Commitments given		
Bank guarantees	498,342	454,968
Insurance guarantees	471,136	455,082
Parent company guarantees	567,033	504,533
Total commitments given	**1,536,511**	**1,414,583**

Commitments received

There have been no major changes in the other commitments received since December 31, 2020.

22.2. PLEDGING OF SHARES

As at June 30, 2021, no shares were pledged.

NOTE 23. SUBSEQUENT EVENTS

23.1. PERFORMANCE SHARES – 2021-2023 PLAN

On July 12, 2021, SPIE has issued a new Performance Shares plan relating to the period 2021-2023 for corporate officers and employees of the Company and its subsidiaries.

The list of beneficiaries, as well as the number of performance shares granted to each of them, were decided by the board of directors, upon proposal of the Compensation Committee, at its meeting of March 11, 2021.

The vesting of performance shares is under condition of presence of the beneficiary throughout the three-year duration of the acquisition period, that is March 15, 2024.

At the date of issue, 524,833 shares have been granted and the population is 253 beneficiaries.

23.2. EXTERNAL GROWTH

- On June 18, 2021, SPIE DZE announced an agreement for the acquisition of **Wiegel Gebäudetechnik GmbH** in Germany. Wiegel has particular expertise in equipping complex plant engineering projects, such as in the field of test bench technology for electric vehicles and in special-purpose buildings such as data centers. The company is headquartered in Kulmbach in northern Bavaria and has three other locations in Halle, Stuttgart and Munich. Wiegel employs around 250 employees and generated revenue of €50 million in 2020.

  The final acquisition has been concluded on July 16, 2021.

- On July 23, 2021, SPIE ICS, the digital services subsidiary of SPIE France, announces an agreement for the acquisition of **Infidis** in France. Established in 1999 and based in Boulogne-Billancourt in France, Infidis is specialized in the design, the integration and the maintenance of data center infrastructures with a specific expertise in hyperconverged architectures. This acquisition positions SPIE ICS, as one of the French leaders in the field of data center infrastructures, particularly hyperconverged ones and creates significant business synergy opportunities. The company employs 63 people and generated revenue of around €70 million in 2020.

  The closing of the transaction is subject to approval by the antitrust authorities.