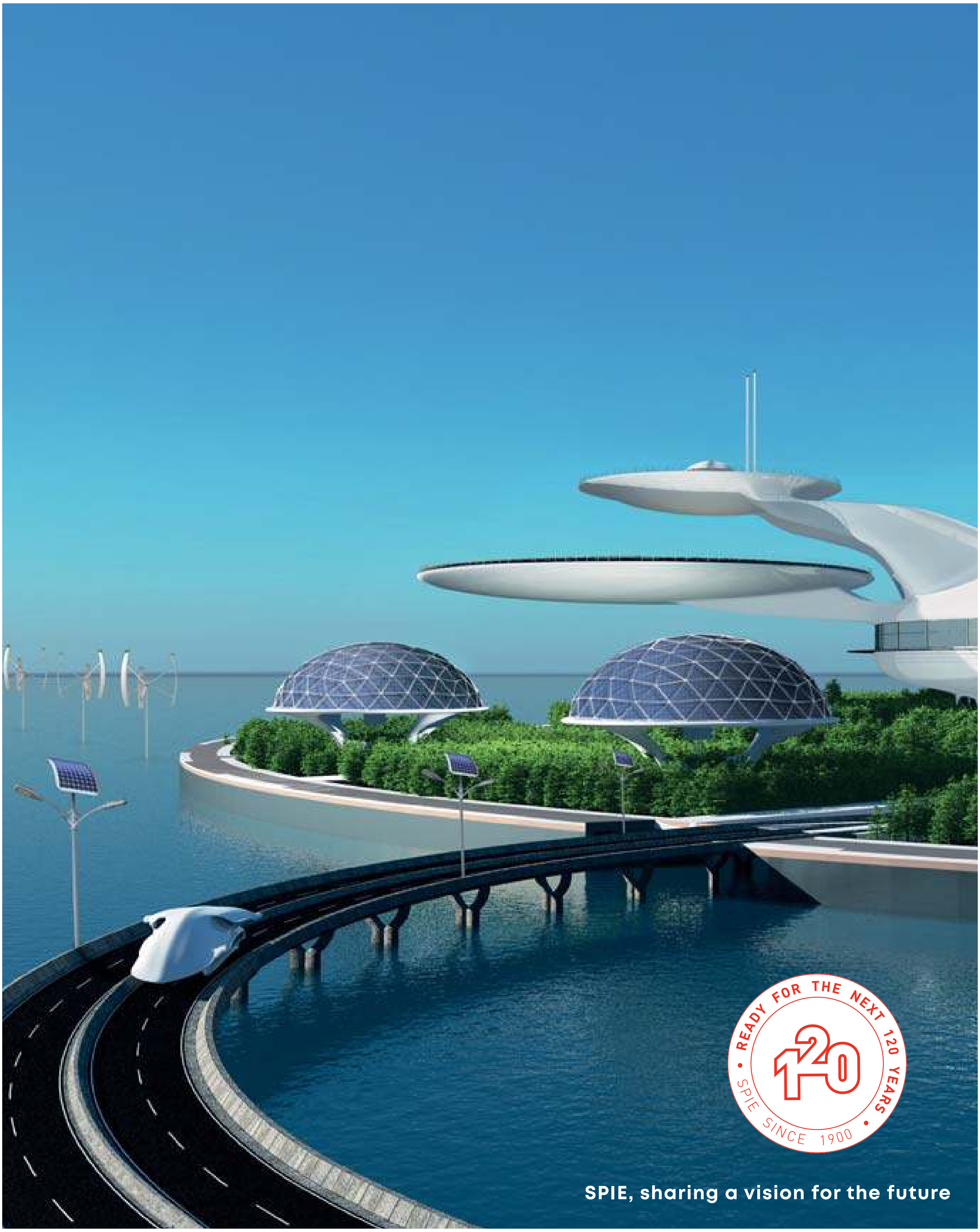
UNIVERSAL REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT
2019



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UNIVERSAL REGISTRATION DOCUMENT 2019

Including the annual financial report

As the **independent European leader** in multi-technical services in the areas of **energy and communications**, SPIE supports its customers to design, build, operate and maintain energy-efficient and environmentally-friendly facilities.

SPIE SA, a "société anonyme" (joint stock company) incorporated under French law with a share capital of €74,118,118.28, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France under company no. 532 712 825 (Pontoise Trade and Company Registry), is referred to as the "**Company**" in this Universal Registration Document. Unless otherwise stated, the "**Group**" and the "**SPIE group**" refer to the Company and its subsidiaries and holdings.

This Universal Registration Document contains forward-looking statements regarding the growth, prospects and strategies of the Group. These forward-looking statements are sometimes identified by the use of the future and conditional tenses and by terms such as "consider", "envisage", "think", "aim", "expect", "intend", "should", "anticipate", "estimate", "believe", "wish" and "might" or, if applicable, their negative forms and other similar words, terminology and phrases. Such information has no historically factual basis and should not be interpreted as a guarantee of future performance. It is based on data, assumptions and estimates from which the Group deems it reasonable to draw inferences. Such information may change or be modified due to uncertainties in the economic, financial, competitive or regulatory environments. In addition, the occurrence of one or more of the risks described in Chapter 2 "Risk factors" of this Universal Registration Document may affect the Group's businesses, position and financial results as well as its ability to reach its objectives.

Investors should carefully consider the risk factors described in Chapter 2 "Risk factors" of this Universal Registration Document. The occurrence of all or any of these risks could have a negative effect on the Group's businesses, position or financial results. Moreover, other risks as yet unidentified or deemed insignificant by the Group could have the same negative effect.

This Universal Registration Document contains information about the Group's markets and competitive positions, including information about the size of such markets. The facts on which the Group bases its statements mostly come from estimates made by the Group, studies and statistics from independent third parties and professional organisations, and figures published by the Group's competitors, suppliers and customers (in particular, the Group's rankings in relation to its main competitors are based on revenues disclosed by them during the year ended 31 December 2019). Certain information contained in this Universal Registration Document is publicly available information which the Company considers reliable but which has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to collect, analyse or calculate data on business segments would obtain the same results. The Company makes no undertaking and provides no warranty as to the accuracy of this information. It is possible that such information proves to be incorrect or out of date. The Group makes no undertaking to publish updates to such information, except in connection with any applicable legal or regulatory obligations.

Certain figures (including figures expressed in thousands or millions) and percentages in this Universal Registration Document have been rounded. The totals presented in this Universal Registration Document may differ slightly from those obtained by adding together the exact (decimal) values of those figures.

SPIE SA
Joint stock company (*société anonyme*) with a share capital of €74,118,118.28
Registered office: 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France
Registered with the Pontoise Trade and Companies Registry under company number 532 172 825

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Universal Registration Document has been filed on 17/04/2020 with the **AMF**, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of this Universal Registration Document are available free of charge from SPIE, 10, France, and on the websites of SPIE (www.spie.com) and the AMF (www.amf-france.org).

Through its activity, SPIE is on the side of the solution

Gauthier Louette, Chairman & CEO of SPIE

Why did you choose to publish this first integrated annual report in addition to this document?

Put simply, this is a way for us to connect with our stakeholders – our customers, our employees, our investors, and society as a whole. It's an opportunity to explain our impact, and what our work actually means in each particular context. As a society, we're facing major environmental and social challenges. And I believe that SPIE's role as a service business specialising in energy and communication systems makes it part of the solution to those challenges.

What specific solutions can you provide?

SPIE is the independent European leader providing services dedicated to the energy and digital transitions.

We help our customers reduce their consumption and we facilitate access to low-carbon energies. For our oil company customers, we provide technologies for a more eco-responsible production of the fossil fuels that are still needed for economic activity. Our solutions and services draw increasingly upon digital technologies, conductive to innovation. Digital enhancement across our offerings and organisations boosts performance and helps our customers become more competitive. Our experience in core communication network functions makes us a leading partner in the digital transition.
Europe has been hit very hard by the coronavirus outbreak, and one can currently assess how vital our services are for the functioning of essential infrastructure for society and the economy in such areas as communication networks, energy and transport, healthcare facilities, pharmaceutical and agri-food industries and public authorities.

How would you describe SPIE's contribution?

Our local presence ensure proximity to our customers. We share our innovations, providing each customer with the best there is in leading-edge technology.
This requires continuous training for our teams at all locations, so they can keep abreast of technological progress. And we're very proud of our ongoing efforts in terms of social and internal mobility, giving everyone a chance to move up within our businesses. Our technological innovation capabilities and our expertise place us at the vanguard of the energy and digital transitions. We're having a real impact – and getting better at measuring the results. With this in mind, in 2019 we began collating and analysing our non-financial performance data with a view to establishing collective standards for a more sustainable and more inclusive economy.

"Our solutions and services draw increasingly upon digital technologies, conductive to innovation."

Would you say you have achieved your ambition to make SPIE a "European group"?

SPIE today is recognised as a leading European company, with front-line positions in six key regions. So, yes, we have accomplished that transformation. And we're not stopping there! We haven't yet completed the full-scale deployment of all our competencies across these regions, and there is a lot of market share to claim. In Germany, for example, we're number two but with a fairly low profile in the industrial sector, despite this market being three times larger than France's. So, there are some excellent growth opportunities out there for us to seize, by pushing ahead with our targeted external growth strategy and developing models adjusted to different country and market situations.

Do these growth opportunities show through in the 2019 results?

Our 2019 results are in line with announcements. We met our growth forecast, with revenue up by 3.8% at €6.9 billion. EBITA climbed to €416 million, for a margin of 6% and a cash-conversion ratio of 101%, yielding free cash-flow of €285 million. Leverage reduced further, to 2.7x, as targeted. The European market proved buoyant, especially in France, Germany and the Netherlands.

You mentioned the coronavirus epidemic. How is SPIE addressing this crisis and what impact will it have on your business in 2020?

This is an unprecedented global epidemic, which has thrown our business environment into disarray. Our priority is to protect the health and safety of our employees, subcontractors and customers, as well as to maintain essential services for civil society.
We have taken steps to limit our operations to only those strictly necessary, to ensure that our teams are protected, and to shift to remote working wherever possible. This will surely affect our results, and this impact is currently hard to gauge while the crisis continues.
With that said, I have complete faith in our ability to overcome these difficult times, as the Group has the necessary financial leeway to do so. We have also adopted a number of robust cost-saving measures in this regard.
SPIE will be celebrating its 120th anniversary in 2020. We have played a part in many transport, energy and communication revolutions since the company was founded in 1900 to bring electrical power to the Paris metro. We will overcome this unprecedented crisis, and we will get back on our growth path in fundamentally buoyant markets. SPIE is ready for another 120 years of success!

SPIE, committed to the energy and digital transition

PROFILE

As the independent European leader in multi-technical services in the areas of energy and communications, SPIE supports its customers to design, build, operate and maintain energy-efficient and environmentally friendly facilities.

In 2020, SPIE celebrates its 120th anniversary. We are 47,200 employees committed to the energy and digital transition and we have been preparing for the future for 120 years!

SPIE, sharing a vision for the future

SPIE, READY FOR THE NEXT 120 YEARS!

1900 / Creation of the Parisian Society for the Railway and Electric Tramway Industry

1946 / The Parisian Company for the Railway and Electric Tramway Industry is renamed the Parisian Company for the Electric Industry (SPIE)

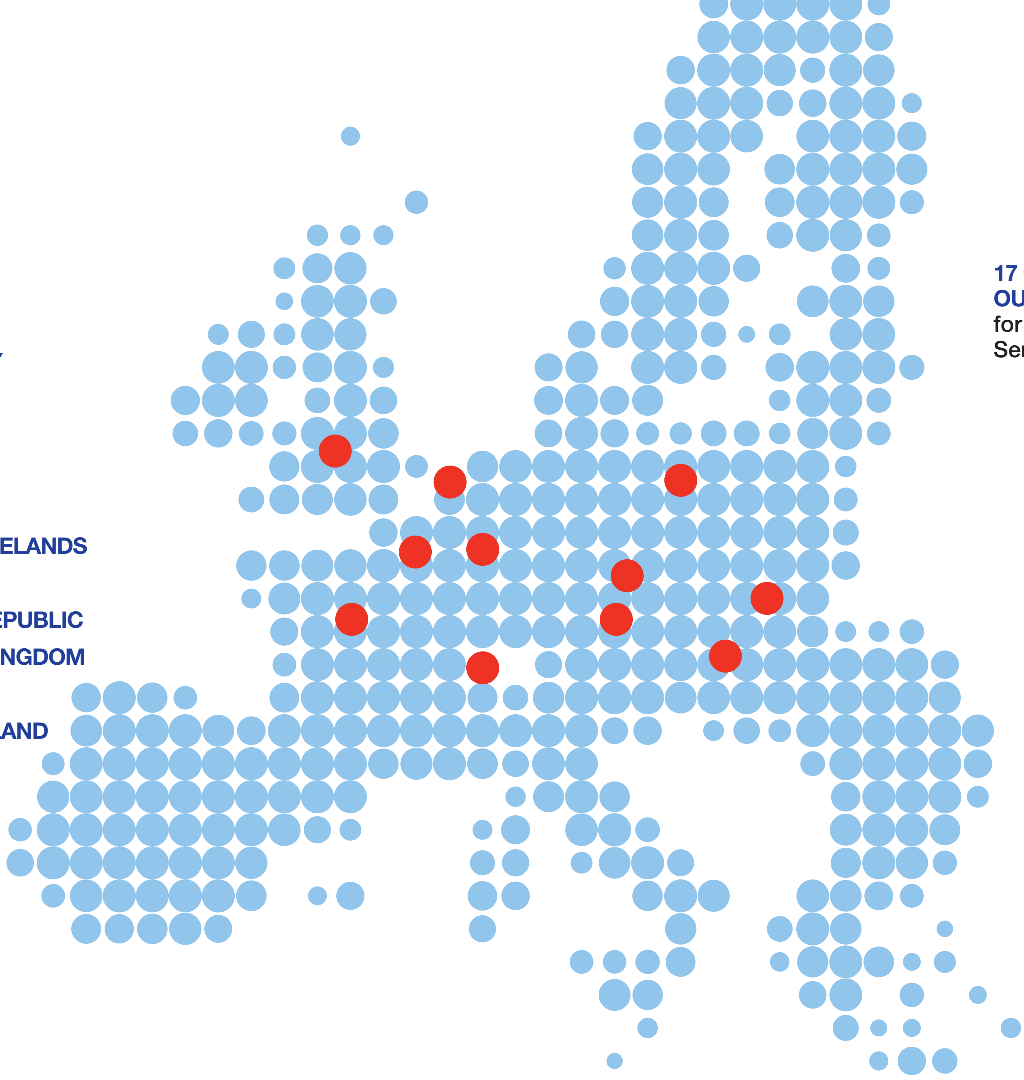
1968 / SPIE merges with the Batignolles Construction Company to form Spie Batignolles

1982 / Acquisition of Trindel and creation of the Electricity and Nuclear Division

1997 / Purchase of SPIE Batignolles, renamed SPIE, by its staff associated with the AMEC minority group

EUROPE

GERMANY
AUSTRIA
BELGIUM
FRANCE
HUNGARY
THE NETHELANDS
POLAND
CZECH REPUBLIC
UNITED KINGDOM
SLOVAKIA
SWITZERLAND



17 COUNTRIES OUTSIDE EUROPE
for the Oil & Gas Services activities

2019 GEOGRAPHIC FOOTPRINT

2003 / AMEC takes control of SPIE, which becomes AMEC SPIE

2003 / Sale of its construction subsidiary, Spie Batignolles, to its executives

2006 / AMEC sells SPIE to the PAI investment fund, with the company changing its name to SPIE

2007 / SPIE acquires AMEC's electrical engineering division, renamed SPIE Matthew Hall

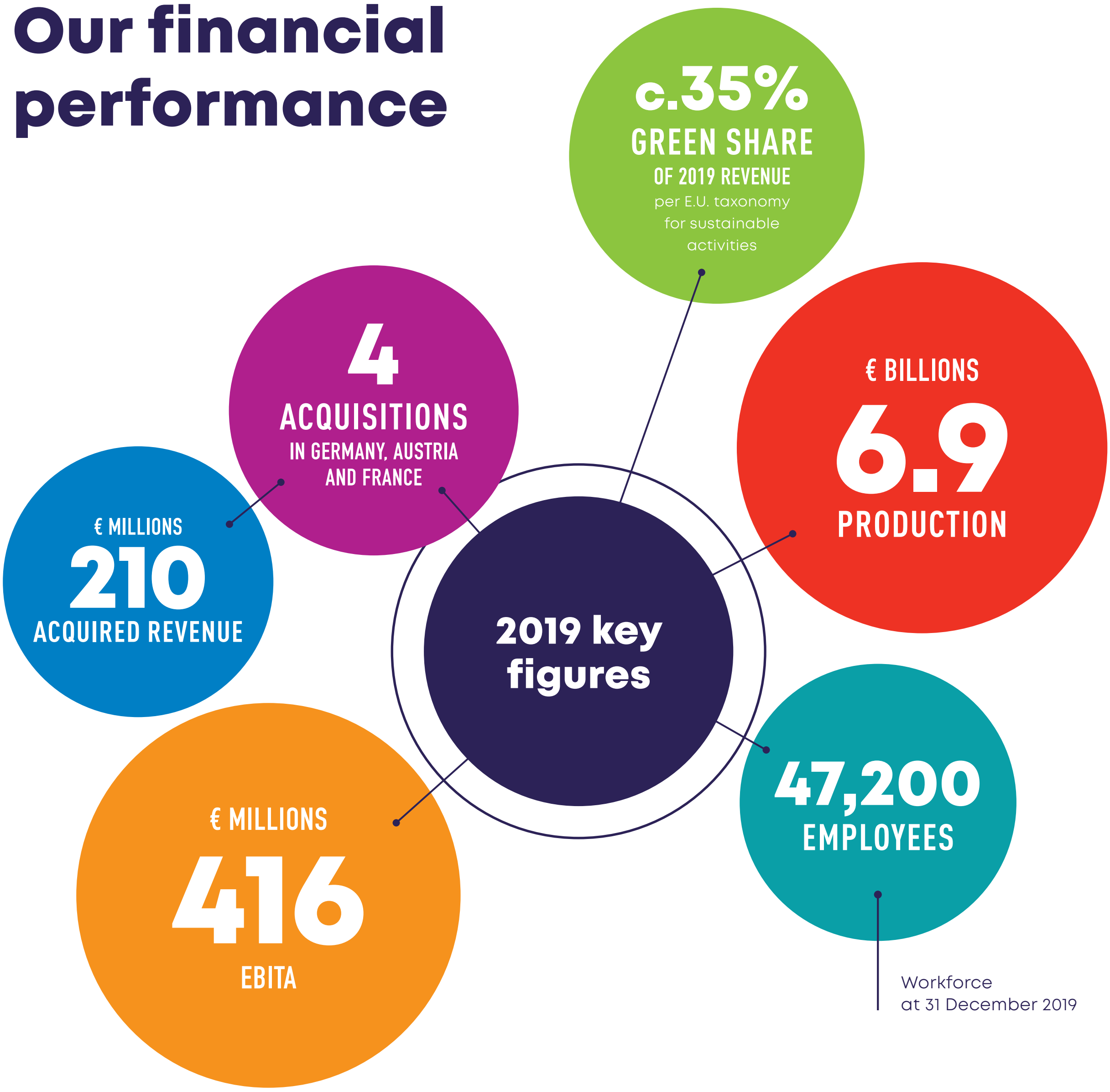
2011 / Takeover of AMEC SPIE by a consortium composed of Clayton, Dubilier & Rice, LLC, AXA Private Equity and Caisse de Dépôt et Placement du Québec

2015 / SPIE's initial public offering

2017 / SPIE acquires the SAG Group, Germany's leading provider of services and systems for electricity, gas, water and telecommunications networks

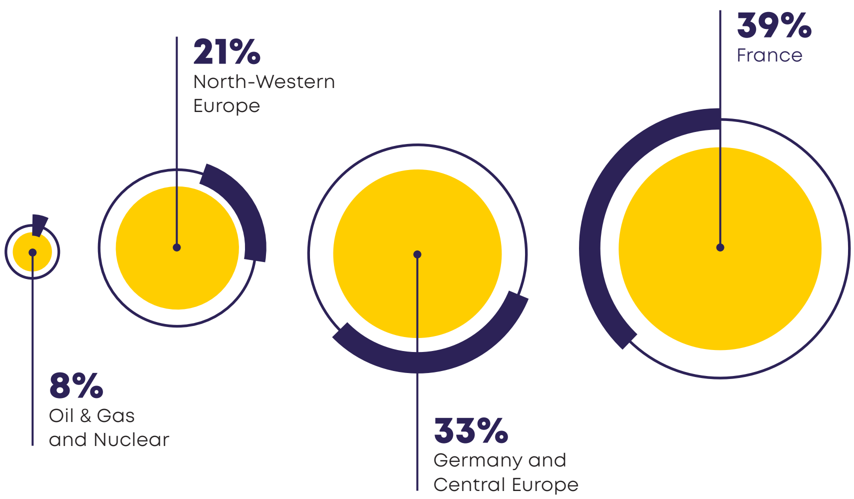
2020 / SPIE, ready for the next 120 years!

Our financial performance



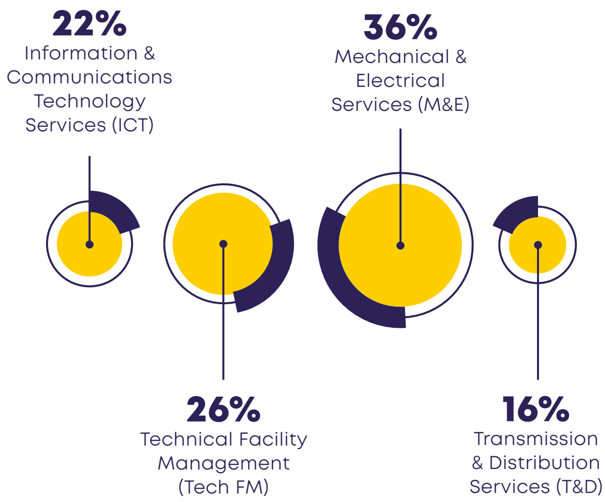
2019 Revenue
by reporting segment

Total: €6.9 Billions



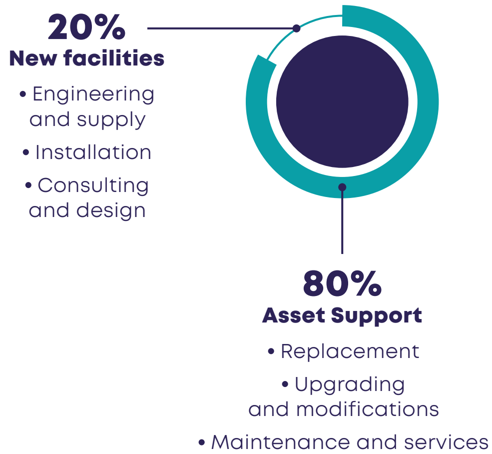
4 fields of excellence

Total: €6.9 Billions



Supporting our customers' assets throughout their lifecycle

Total: €6.9 Billions



4 markets

Total: €6.9 Billions

SMART CITY

Contribute to a sustainable model of urban and regional development.

ENERGIES

Facilitate the energy transition.

INDUSTRY SERVICES

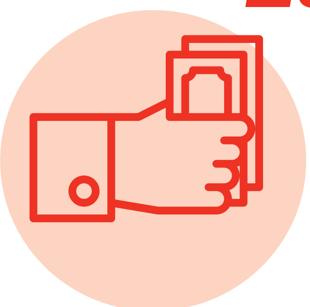
Support the development of each industrial sector.

E-FFICIENT BUILDINGS

Optimise long-term building performance.

Our non-financial performance

Economy



RESPONSIBLE PURCHASING

Top 1%

SPIE once again in the top 1% of the most responsible companies when it comes to CSR according to Ecovadis 2019 ratings.

FOCUS / **34% of of the Group's purchases assessed according to CSR criteria.** This purchasing is made with suppliers whose environmental and social performance has been assessed by EcoVadis.

EMPLOYEE SHARE OWNERSHIP

33%

of SPIE employees own shares in the Company, well above the minimum required by the FAS IAS index (15%).

FOCUS / **SHARE FOR YOU 2019 generated strong employee support as in 2018.** SPIE employees were among the first ones to benefit from the new provisions of the PACTE Act(1), raising the potential discount for collective employee shareholding plans from 20% to 30%.

Environment

GREEN SHARE

c.35%

of SPIE's 2019 revenue is derived from activities substantially contributing to climate change mitigation according to the E.U. taxonomy for sustainable activities.

FOCUS / **SPIE pioneer in applying the E.U. taxonomy for sustainable activities.** As a solution enabler, SPIE contributes substantially to climate change mitigation providing services like building technical renovation, connection and transmission of renewable energies or infrastructure for electromobility.

CARBON FOOTPRINT

5%

is the reduction of the carbon intensity of SPIE services between 2018 and 2019 (scopes 1 & 2).

FOCUS / **SPIE reduces its environmental and energy footprint throughout a set of actions and commitments.** In 2019, the energy consumed by SPIE's buildings have been reduced by 12%. The energy consumed by buildings is below 90 kWh/m²/year.

(1) Act No 2019-486 of 22 May 2019 relating to growth and transformation of businesses.

Social

RECRUITMENT

5,266

employees, excluding the workforce from newly acquired companies, were hired in 2019: the Group has 47,200 employees overall.

FOCUS / More than 85% of new employees work in technical fields. Due to labour market tensions, SPIE continued to develop "incubators" by taking on about 2,000 apprentices and employee referrals by welcoming 918 new hires.

SECURITY

6.3

is the lost time injury rate at SPIE, one of the lowest in the industry.

FOCUS / The number of severe accidents decrease by 20% compared to 2018. This result resonates with the 2019 Safety Day, which brought together 27,000 employees around the motto "Everyone has a role to play". This figure demonstrates how the Groupe, year after year, contribute to building a lasting safety culture.

Society

GENDER EQUALITY

14%

of the managers at SPIE are women, as part of the Group-wide gender equality policy.

FOCUS / SPIE encourages gender equality at work through the "So'SPIE Ladies" network, set up in 2015 throughout its subsidiaries. The network, which is open to both men and women, is involved in a number of initiatives in favour of gender diversity. In 2019, more than 800 women joined the Group.

GENERATIONS

10%

of SPIE's workforce is under 26 years old. This growth is the result of a policy of "incubators" developed in each country and aiming at pre-recruiting thanks to apprenticeships, work-study programs and internships.

FOCUS / Employee ambassadors participated in more than 60 events in schools and universities. In France, 1,000 students, all women, were involved in the "Elles bougent pour l'énergie" day in October 2019 to raise awareness and encourage women to pursue careers in energy engineering.

Corporate governance

The Board of Directors is composed of 10 members:

Gauthier Louette
Chairman of the Board of Directors

Sir Peter Mason
Senior Independant Director
Chairman of the Audit Committee
Member of the CSR and Governance Committee

Regine Stachelhaus
Independant Director
President of the CSR and Governance Committee

Michel Bleitrach
Independant Director
President of the Appointments and Compensation Committee

Elisabeth Van Damme
Director
Member of the Audit Committee
Member of the CSR and Governance Committee

FFP Invest
Represented by Bertrand Finet
Independant Director
Member of the Audit Committee
Member of the Appointments and Compensation Committee

Tanja Rueckert
Independant Director
Member of the CSR and Governance Committee

Sophie Stabile
Independant Director
Member of the Audit Committee
Member of the Appointments and Compensation Committee

Daniel Boscari
Director representing employees
Member of the Appointments and Compensation Committee

Gabrielle Van Klaveren-Hessel
Director representing shareholder employees
Member of the Audit Committee

A target external growth

In 2019, SPIE completed 4 acquisitions totalling approximately €210 million of full-year revenue. The Group continued to expand its service offering, particularly in information and communication technology (Germany and Central Europe), as well as in automation and robotics for the industrial sector (France).

Acquisitions

TELBA AG – €67m
Germany

TELBA Group is one of the leading German companies for technical services in the fields of information, communication and security technology. This acquisition allows SPIE to strengthen its presence in the German Information & Communication Services market.

OSMO-Anlagenbau GmbH & Co. – €65m
Germany

Located in Georgsmarienhütte, Lower Saxony, OSMO provides a range of technical services to industrial customers and public authorities, including traffic engineering, electrical systems, automation technology, switchgear and power supply assembly, energy supply systems and communication and security technology.

Cimlec Industrie – €42m
France

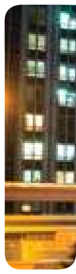
Cimlec is a recognized provider of electrical, automation and robotic solutions.
This acquisition enables SPIE to strengthen its service offering for the industrial sector in France.

Christof Electrics GmbH & Co KG – €36m
Austria

Christof Electrics offers complete solutions to the Austrian market in the fields of electrical engineering, measurement, control and regulation technology as well as automation.

A SELECTION OF PROJECTS

Information & Communications Technology Services (ICT)



An integrated ICT solution for Energie Wasser Bern (EWB) – Switzerland
SPIE Switzerland implemented a new unified communications solution and contact centre infrastructure for EWB.

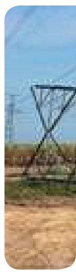
Technical Facility Management (Tech FM)

Amsterdam Council improves its premises' sustainability – The Netherlands
SPIE will be maintaining for the next two years several buildings of the Amsterdam Council. The objective is to make their installations more energy-efficient with regards to the climate agreement.

Mechanical & Electrical Services (M&E)

Installation of a combined heat and power plant (CHP) – Germany
Supplying the Klinikum am Bruderwald Hospital with cold, heat, electricity and steam, the new facility provides approximately 50% of electricity and 54% of heat consumption, generating a CO_2 emissions decrease of 7,000 tonnes a year.

Transmission & Distribution (T&D)



Carrying offshore wind energy onto land – Belgium
SPIE Belgium installed two 380 kV high-voltage substations for Elia, "Van Maerlant" at Damme and "Gezelle" at Dudzele, which is aimed notably at piping energy produced by offshore wind farms inland.

An optimised technical support services for Gustave Roussy institute – France
SPIE ICS set up an external service centre, local callout services and a monitoring tool for this cancer centre.

A new Unified Communications & Collaboration infrastructure for St. Claraspital hospital in Basel – Switzerland
SPIE Switzerland will be putting in place a series of switching systems, a call centre and a telephone helpline offering remote or on-site maintenance.

Digital transformation for the law firm CMS Francis Lefebvre Avocats – France
SPIE has rolled out of a hyper-converged infrastructure to guarantee performance and speed.

Predictive maintenance in the industry market – France
SPIE has developed a pilot project for the Daher plant in Tarbes (France) to extensively test predictive maintenance.

A five-year contract for Kuwait National Petroleum Company (KNPC)
SPIE Oil & Gas Services provides commissioning management services, training and procedures development.

Implementation of Smart FM 360° at Siemens – Germany
Smart FM 360°, the unified digital platform, makes it easy to monitor the Siemens Real Estate's buildings energy efficiency and heating systems.

Energy-efficient public lighting implemented in Tain l'Hermitage city – France
SPIE CityNetworks replaced 1,226 light points with LEDs and generated a 72% energy savings from the first year.

Life extension of the Tricastin nuclear plant – France
To extend the site operation, SPIE Nucléaire has overhauled all of general electrical installations and hard-core control and command systems. More than 85% of this maintenance work was carried out during operation.

A key contract in the security & defence segment – France
The Galileo Security Monitoring Centre (GSMC) will be designed and completed by SPIE Industrie & tertiaire. This project requires a combination of comfort and security. SPIE Facilities will be to carry out the site's maintenance activities for 5 years.

Retrofitting a strategic overhead electric line – Hungary
SPIE installed 18 new masts, weighting 188 tons, and the new electric line for a total length of 8.8 km to improve and secure the connection to the Paks nuclear plant.

SPIE renews 110-kV switching station on behalf of Stromnetz Berlin – Germany
This switching station is being replaced and renewed during ongoing operations. Through this renewal, long-term security of supply can be ensured for all households and companies connected to the network.

Amprion GmbH / Günther Bayerl

SPIE is realizing two sections of a new 380-kV power line for Amprion – Germany
On these sections running between Osterath and Gohrpunkt, SPIE manage all stages of the project, including the installation of temporary connections to ensure a constant supply security.

-1-

OVERVIEW OF THE GROUP AND ITS ACTIVITIES

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1.1 HISTORY

Société Parisienne pour l'Industrie des Chemins de Fer et des Tramways was founded in 1900 and renamed Société Parisienne pour l'Industrie Électrique (SPIE) in 1946. In 1968, Société de Construction des Batignolles (founded in 1846) and SPIE merged under the name SPIE Batignolles. The main Shareholder of SPIE Batignolles at that time was the Empain group which subsequently became the Empain-Schneider group.

In 1997, Empain-Schneider sold SPIE Batignolles to its employees and the British company AMEC which specialised in engineering, project management and consulting. In 1998, SPIE Batignolles was renamed SPIE; it was at that point active in three business sectors: (i) SPIE Batignolles, its construction subsidiary; (ii) SPIE Enertrans, rail transport/traffic and energy market subsidiary and (iii) SPIE Trindel, electrical engineering and local services subsidiary.

In 2003, AMEC purchased the shares of the minority Shareholders and SPIE thus became the Continental Europe division of AMEC under the name AMEC SPIE. In that same year, AMEC SPIE continued to expand its oil activity with the acquisition of Ipedex and sold SPIE Batignolles, its construction subsidiary, to its executives. In 2006, AMEC SPIE was sold to the PAI Partners fund. Since that date, the Group has conducted business under the SPIE name. In August 2011, a Consortium comprising an investment fund managed by Clayton, Dubilier & Rice, LLC, an investment fund managed by Ardian (formerly AXA Private Equity), and Caisse de Dépôt et Placement du Québec acquired control of the Company for around €2.1 billion.

Starting in 2002, the Group refocused its strategy to become a leader in the multi-technical services market. The Group therefore moved out of the construction business and large-scale projects to focus on multi-technical services in the energy and communications sectors, thereby becoming a leading stakeholder in the digital and energy transition process. During this same period, SPIE focused its European expansion on Germany, Central Europe, the Netherlands, the United Kingdom, Belgium and Switzerland, countries in which the market structure and growth dynamics match the Group's business model and allow it to achieve leading positions.

This expansion was achieved *via* external growth with, firstly, three major acquisitions including two in Germany (the *Service Solutions* business of Hochtief in 2013, followed by the SAG group, a leading German provider of services and systems for electric, gas, water and telecommunications networks in 2017), Germany thereby becoming the Group's largest market outside of France. In addition, across highly fragmented markets, the Group continued its strategy of targeted or "*bolt-on*" acquisitions aimed at strengthening its offer of services. Since 2006, SPIE has completed 126 bolt-on acquisitions representing total acquired production of over €2.3 billion for aggregate total investment of approximately €836 million.

In June 2015, as part of a share capital increase for a total amount of around €700 million, SPIE listed its shares on the Euronext Paris stock exchange under compartment A.

1.2 COMPETITIVE STRENGTHS AND ADVANTAGES AFR

The Group is the independent European leader in multi-technical services (electrical, mechanical and climate engineering and communication systems) [1]. It is also a major player in specialised technical services dedicated to the Oil & Gas and Nuclear industries.

1.2.1 A EUROPEAN LEADER IN MULTI-TECHNICAL SERVICES, KEY PLAYER IN THE ENERGY TRANSITION AND DIGITAL TRANSFORMATION PROCESSES

THE INDEPENDENT EUROPEAN LEADER IN MULTI-TECHNICAL SERVICES [1]

The Group provides multi-technical services for electrical, mechanical and climate engineering and communication systems and specialised energy-related services. The Group differs from the other main multi-technical services players in that it operates independently from a group involved in energy, civil engineering, construction and concession activities. The homogeneity of its business portfolio, its consistency and its focus on multi-technical services have allowed it to successfully develop its activities and strengthen their profitability with its employees being an integral part of the success of this strategy. Moreover, its independence from a more diversified Group gives it wide operational flexibility and allows it to allocate its cash flow to *promote* consistent growth in its businesses.

A KEY PLAYER IN THE ENERGY TRANSITION AND DIGITAL TRANSFORMATION PROCESSES

The nature of the services it provides gives SPIE a leading role in (i) improving the energy efficiency of buildings and infrastructures, (ii) developing the energy production and distribution mix with a move toward low-carbon energy, (iii) developing clean mobility and (iv) developing automation and smart buildings, alongside the technological convergence of communication systems (in particular *via* cloud computing and external hosting).

As concerns over climate change grow, local and national authorities, corporations and consumers in general are becoming increasingly preoccupied with environmentally responsible energy consumption. The Group considers that many of its technical services, not to mention the innovative services it is developing, in particular with regard to renewable energy production, installing and renovating infrastructure, smart energy systems and optimising communication systems and nuclear energy, maximise energy efficiency and savings. The Group also has recognised expertise in the technical services needed to improve environmental efficiency. It considers itself in a good position to take advantage of the strong growth potential in the "green economy" with customers for whom energy efficiency and sustainable development are a key concern.

A POSITION IN EUROPE'S MOST ATTRACTIVE MARKETS

The Group is the independent European leader in multi-technical services [1], with a strategic focus on regions in which the market structure and growth dynamics match the Group's business model and allow it to take leading positions. At the date of this Universal Registration Document, the Group is the largest independent player in France and in Germany, in markets characterised by the coexistence of major national players and a large number of local players [1]. The Group also enjoys a strong presence in the Netherlands, Belgium, the United Kingdom, Poland and Switzerland, markets where it considers itself to be among the major players.

The Group's strong foothold in European markets and its range of leading multi-technical services enable the Group to (i) differentiate itself from local players and thus position itself to acquire smaller rivals, and (ii) increase its market shares, particularly among international customers seeking service providers for all their European facilities by addressing their growing needs for multi-technical expertise. The Group is able to provide its services and assist its customers at the local, regional and international level. By virtue of its size, the Group has greater negotiating power with respect to its suppliers, allowing it to achieve economies of scale as part of its procurement policy.

A RANGE OF MULTI-TECHNICAL SERVICES FOCUSED ON HIGHLY TECHNICAL ACTIVITIES

Thanks to its teams' expertise, the Group offers its customers mission-critical technical services and focuses on highly technical activities such as the maintenance and management of data centres in the banking industry or the maintenance and operational support of offshore platforms in the oil and gas sector. The Group's services cover the entire life cycle of its customers' facilities (from design and installation to maintenance and operational support) in electrical, mechanical and HVAC engineering and communications systems, as well as in specialised energy sectors.

A RANGE OF MULTI-TECHNICAL SERVICES BASED ON A DENSE LOCAL NETWORK

The Group's services are based on a dense local network of approximately 800 sites, most of which are located in seven main countries (France, Germany, the Netherlands, the United Kingdom, Belgium, Poland and Switzerland). The Group considers that multi-technical services must be adapted to the specific needs of each customer and that proximity is essential to understand and anticipate customer needs and thus deliver quality services in quick time. Furthermore, the Group considers that its extensive

(1) Company's estimates based on its 2019 production and the revenue published by the Group's main competitors for the financial year ended December 31, 2019.

presence in certain countries and its comprehensive customer approach allow it to address the growing trend among big firms to outsource their technically complex non- core operations to service providers capable of servicing their entire facilities and to meet these customers' expectations with regard to quality and services offered. A strong local presence is also a key driver of performance and efficiency and gives the Group the ability to optimise and leverage resources.

A STRONG BRAND AND A REPUTATION FOR TECHNICAL EXPERTISE SUPPORTED BY HIGHLY QUALIFIED, MOTIVATED TEAMS WHO HAVE A STAKE IN THE COMPANY'S PERFORMANCE

With over 100 years of experience, the Group enjoys a strong brand and a reputation for high service quality among its customers. Its range of services is supported by qualified and motivated teams.

The Group has set up several training centres to spread technical expertise throughout its various subsidiaries and leverage it across its industries and the countries in which it is active. It also gives its employees a share of profits through a strong employee stock ownership plan (over 15,000 Group employees, or approximately 33% of the total number, hold shares in the Company) and a policy of awarding bonuses closely affiliated with financial performance (EBIT and cash flow of the operating unit in question) as well as the Group's safety record.

1.2.2 A BUSINESS MODEL BASED ON RECURRING REVENUE

The Group has developed a wide range of integrated technical services to meet the needs of very different customers operating in various markets by establishing a growth-driving business model focused on generating stable levels of revenue over the long term.

Recognised for the quality and reliability of its services, the Group has fostered trust among its customers and as a result enjoys a multitude of long-term business relationships and a high customer retention rate. Moreover, maintenance services, which are generally combined with integration services, afford the Group long-term revenue growth with contracts generally running for periods of three years or for one year with automatic renewal. Maintenance services accounted for approximately 80% of the Group's consolidated production for the year ended 3 December 31, 2019. Growth in maintenance contracts is thus a critical factor in the Group's business model.

Moreover, the Group's business model favours smaller projects, which are sometimes part of larger multiyear framework contracts, and avoids major one-off contracts with their higher levels of risk.

Lastly, the Group's business model, as well as the diversification of its client portfolio and the markets in which it operates, have historically provided protection during economic downturns that affects one of its business segments or regions. For the year ended December 31, 2019, the Group's top ten customers therefore accounted for only 16% of its consolidated production. Furthermore, the Group's business with its ten biggest customers is spread out across various contracts, operating segments and regions, thus reducing its commercial dependence.

The Group considers that its large customer portfolio of over 25,000 clients, its limited concentration in specific markets, its longstanding customer relationships, the importance of its maintenance contracts, and the limited size of its average orders allow it to benefit from a diversified business model and to be well placed to earn stable revenue and, as it has demonstrated in recent years, to deal effectively with periods of economic slowdown.

1.2.3 THE IMPLEMENTATION OF STRICT PROCEDURES AND CONTROLS TO ENSURE THE STRONG PERFORMANCE OF LOCAL MANAGEMENT TEAMS

With approximately 800 premises, mainly concentrated in six countries, the Group offers its services through a dense local network and applies common procedures to ensure the coherence and strong performance of its local management teams. The Group's management closely monitors the applications of these procedures; in particular when consolidating new entities, the Group ensures its best practices are applied in the newly acquired firms, not least the proactive management of risk *via* common financial procedures, local management oversight and advanced *reporting systems*.

The Group has developed standardised best practices, specifically with regard to managing its working capital requirement and invoicing methods, in all the countries in which it operates. Through a rigorous contracting structure as well as strict invoicing procedures, the Group ensures the effective collection of its receivables, thus contributing to the generation of high cash flows.

The Group's strategy emphasises flexibility, local decision-making and responsibility on the part of operating managers so as to adapt to market conditions and take advantage of growth opportunities while leveraging the best practices and expertise shared throughout the Group. Under the oversight of the Group's General Management, local *management* teams are empowered and incentivised to focus on their local markets and look for potential acquisitions (within strict criteria and limits set at Group level) and are directly responsible for the successful consolidation of new acquisitions.

The competence and experience of its *local* management teams have enabled the Group to develop a corporate culture based on strong performance and strict risk management which rewards teamwork and individual merit and initiative through clear incentives. The Group believes that this strong local management culture, which motivates employees at all levels of the organisation, is essential to implementing its strategy and reaching its goals (see Section 1.3 of this Universal Registration Document).

1.2.4 LONG-TERM STRUCTURAL GROWTH FACTORS TO CAPITALISE ON

The Group considers that its position as an independent European leader [(1)] enables it to seize growth opportunities by making the most of long-term growth drivers in the various markets in which it operates.

ENERGY EFFICIENCY IN BUILDINGS AND INFRASTRUCTURE

As concerns over climate change grow and environmental standards are therefore tightened, public and private entities are becoming increasingly preoccupied with environmentally responsible energy consumption. This is in particular taking the form of the implementation of energy expenditure optimisation systems.

The Group considers that many of its technical services, not to mention the innovative services it is developing, in particular with regard to installing and renovating infrastructure, smart energy systems, renewal energy production, nuclear energy and IT and communication systems enabling co-working while reducing travel all maximise energy efficiency and savings. The Group also has recognised expertise in the technical services needed to improve environmental efficiency. It therefore considers itself to be a strong position to benefit from the strong growth potential linked to the "green economy".

As the use of renewable energies spreads, the Group is continuing to develop a line of services in hydroelectricity, solar and wind power, and in techniques such as methanation and waste combustion.

CHANGES IN THE ENERGY PRODUCTION AND DISTRIBUTION MIX

Changes in the energy production and distribution mix are leading to the increasing use of low-carbon energy. According to forecasts from the International Energy Agency, the share held by electricity (the energy which is at the very heart of the Group's business) in the energy mix in Europe should grow to 32% [(2)] in 2050 (compared with 19% in 2015), thereby placing the issue of electricity production and distribution at the heart of the changes being led by local and national authorities.

The Group offers a wide range of resources, skills and services aimed at improving the methods for using, producing and transporting electricity under optimal safety and quality conditions. This measure is focused on energy efficiency and environmental performance. The Group is active both in the deployment of external networks (high- and low-voltage networks, dry, heat and telecommunications networks) and in the construction and maintenance of electrical transformer stations. The Group has therefore strengthened its presence in energy transmission and distribution services, in particular in Germany in 2017 with the acquisition of SAG (see Section 1.2.5 below).

THE DEPLOYMENT OF NEW TECHNOLOGIES AND INNOVATIVE SERVICES

Technical building and infrastructure systems are experience constant technological change. This is being reflected in the increasing use of technology in buildings, particular with respect to the development of automation as well as the technical convergence of communication systems (in particular, with cloud computing and external hosting) and user comfort and safety measures. This development is currently characterised by the increasing use of smart technology in building equipment and infrastructure and, more specifically, in the increasing demand for "*smart solutions*" which combine IT and communication technologies, and electrical and mechanical equipment, with for example the development of intelligent systems enabling the optimisation of energy use.

SPIE, a leading player in multi-technical services in the energy and communication sectors, has the skills which lie at the very heart of these changes. Combining (i) expertise in the most state-of-the-art technologies with (ii) detailed knowledge of customer assets and strengthened by its role as integrator, the Group is in a position to provide optimal support to its customers in the deployment of new technologies and innovative services.

INFRASTRUCTURE RENEWAL AND IMPROVEMENT

The services offered by the Group cover the entire life cycle of its customers' facilities, from design and installation to operational support, maintenance and the redevelopment of existing infrastructure.

SPIE is capitalising on the demand created by the need for ever larger and higher performance energy, telecommunications and transport infrastructure, compliant with increasingly stringent safety requirements.

As an example, in the nuclear sector, in 2016, at the end of a tender process lasting four years, the Group won a contract for the renovation of radiation protection systems in nuclear power plants in France under the "Grand Carénage" plan, an investment programme covering the period 2015-2035 being implemented by EDF, a long-standing customer of the Group. The Group plays a critical role in implementing the plan, which aims to improve the safety and availability of nuclear power plants and to extend their lifetime beyond 40 years.

(1) Company's estimates based on its 2019 production and the revenue published by the Group's main competitors for the financial year ended December 31, 2019.

(2) Source: International Energy Agency, energy mix in the European Union, ETP 2DS scenario, 2017.

1.2.5 A HISTORY OF SUCCESSFULLY INTEGRATED ACQUISITIONS, WHICH DEMONSTRATE THE GROUP'S ABILITY TO PARTICIPATE IN THE CONSOLIDATION OF THE SECTOR

The technical services industry in which SPIE operates remains structurally fragmented, offering substantial opportunities for consolidation and external growth thanks to the potential acquisition of local players, in particular in Germany and Central Europe. In recent years, the Group has implemented its pan-European strategy by playing an active role in this consolidation, on the two levels described below.

THREE "PLATFORM" ACQUISITIONS HAVING ENABLED SPIE TO ENTER NEW MARKETS

In September 2007, the Group acquired the British company Matthew Hall, subsidiary of the engineering group Amec Plc specialised in multi-technical engineering services ranging from initial studies to long-term maintenance (Facility Management) and including electrical and mechanical installation work. This acquisition allowed SPIE to obtain a presence in the United Kingdom.

In September 2013, the Group purchased the Services Solutions of Hochtief in Germany, thereby obtaining a presence in the German market and *de facto* becoming one of the lead players in the German integrated multi-technical maintenance market, offering solutions dedicated to improving the energy efficiency of customers' installations.

In April 2017, the Group reached a new stage in its development in Germany and Central Europe with the acquisition of the SAG group, a leading German provider of services and systems for electricity transmission and distribution networks (see Section 4.1.3 of this Universal Registration Document).

A STRATEGY INVOLVING ACQUISITIONS OF SMALL AND MEDIUM SIZED COMPANIES, FOUNDATION OF THE GROUP'S GROWTH MODEL

At the same time, for over 10 years now, SPIE has been pursuing a strategy based on bolt-on acquisitions, i.e. the acquisition of a significant number of small or medium-sized companies enabling it to (i) develop the local density of its presence, (ii) reinforce the range of services on offer and (iii) extend geographical cover. Due to the considerable fragmentation of the markets in which the Group is present as well as the significant and recurrent generation of available cash resources, one part of which is re-invested each year in external growth, this strategy forms the foundation for SPIE's growth model.

Since 2006, SPIE has completed 126 bolt-on acquisitions representing total acquired production of over €2.3 billion for aggregate total investment of approximately €836 million, thanks to a highly selective approach to the various investment opportunities and the application of strict financial criteria reflected in particular by an average acquisition EBITA multiple of 5.8x.

The following table details the targeted bolt-*on* acquisitions made by the Group since 2006:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of bolt-on acquisitions	2	10	18	11	10	14	11	6	6	8	10	11	5	4
Acquired production *(in € million)*	14	113	217	99	79	125	167	221	212	184	263	321	95	210
Acquisition costs *(in € million)*	7	51	89	33	34	52	45	77	74	51	79	112	32	100
Growth resulting from the targeted bolt-on acquisitions *(in %)*	1.9	5.0	3.2	4.3	1.2	2.9	3.2	5.4	4.4	3.4	3.6	7.1	3.6	2.2

The Group's external growth policy is led by a dedicated and experienced team, with strong support from local teams in the identification and integration of the entities acquired. The execution and success of this policy are enhanced by an in-depth knowledge of the markets and their various players which has in particular enabled SPIE to complete most of its acquisitions by mutual agreement, rather than in a bidding war, and to maintain a shortlist of clearly identified and constantly updated targets. Moreover, the Group's high level of available cash flow has enabled it to self-finance all of the bolt-on acquisitions completed in recent years.

SPIE has also demonstrated its ability to rapidly and efficiently consolidate acquisitions and to improve post acquisition operating efficiency with a proven ability to systematically apply its standardised best practices with regard to *financial* and reporting procedures and improve financial performance, particularly with regard to generating operating *cash* flow. With its ability to successfully consolidate acquisitions and accurately identify potential acquisition opportunities, the Group considers itself to be in a good position to seize acquisition opportunities and play an even more active part in consolidating the industry.

1.2.6 ATTRACTIVE AND HIGH-VISIBILITY FINANCIAL PERFORMANCE

The Group reckons it has successfully delivered EBITA and production growth year after year, and also maintained a cash conversion ratio [1] of *close* to 100%.

The Group's production increased from €2.7 billion in 2006 to €6.9 billion in 2019, with EBITA rising from €97 million to €416 million and the EBITA margin going from 3.7% to 6.0% over the same period.

Performance indicator	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Production *(in millions of euros)*	2,652	3,116	3,625	3,664	3,661	3,984	4,115	4,563	5,220	5,264	4,941	6,127	6,671	6,927
EBITA *(in millions of euros)*	97	129	166	197	220	243	262	298	334	353	342	388	400	416
Cash conversion ratio *(in %)*	N/A	176	156	96	124	106	100	110	102	105	122	102	116	101

The Group has been able to achieve this performance by (i) actively managing its business portfolio, which has allowed it to focus on the most attractive and profitable market segments, (ii) continually optimising its structure by simplifying its hierarchy, (iii) strengthening its network density, which has allowed it to broaden its range of products and services and be more responsive to local demand as well as more productive, (iv) strictly benchmarking its *performance* across all its subsidiaries, (v) structuring its purchases more efficiently, (vi) adapting its cost base, and (vii) pursuing a deliberate and effective acquisitions policy, which has enabled it to gain a foothold in new markets and regions and enhance its range of products and services.

In addition, the multi-technical services sector in which the Group operates is characterised by limited capital expenditures. Through its traditional financing policy rooted in profitability and maintaining a negative working capital requirement, the Group considers that it generates high cash flow, allowing it to rapidly reduce its indebtedness ratio while pursuing its value-creating acquisitions strategy.

1.2.7 A STRONG CORPORATE CULTURE REFLECTED BY A HIGH PERCENTAGE OF EMPLOYEE SHAREHOLDERS

The Group is led by a team comprised of the Chairman and Chief Executive Officer and a 11-member Executive Committee with solid experience in the multi-technical services industry. Under this team, the Group has developed a strong corporate culture based on solid fundamentals, including:

- a large pool of qualified line and staff managers supported by a highly-skilled workforce with recognised technical expertise at all levels;
- an emphasis on professional development and workplace safety. In-house training, talent recognition and the adoption of best health and safety practices foster a favourable work environment and high levels of employee retention compared with competitors; and
- an alignment of interests with employees (approximately one third of whom are Shareholders of the Company), who are members of a comprehensive profit-sharing policy for all employees and participate in the construction of a common vision of the Group's strategy and objectives.

A critical factor in the Group's success is its employees' commitment to it and the prevalence of common values. The Group has therefore sought to associate its employees close with its performance by implementing successive employee shareholding schemes in 2006, 2011, 2015, 2018 and 2019. Via the most recent operation to date, "*SHARE FOR YOU 2019*", completed in December 2019, SPIE employees were among the first to benefit from the new provisions of the French law of May 22, 2019 on Company growth and transformation (known as the "**PACTE law**"), taking the potential discount on collective employee shareholding operations to 30%.

SPIE intends to pursue the policy of actively promoting employee share ownership, which it considers to be a key strategic area for supporting the profitable development of the Group.

(1) Ratio showing cash flow generated by business for the period compared with EBITA over the same period.

1.3 STRATEGY AFR

As the independent European leader in multi-technical services in the areas of energy and communications, SPIE is quite naturally a major player in energy transition and digital transformation in Europe. This position finds its origins in the Group's historical roots and, for many years now, has been based on its missions and know-how. In markets which are characterised by constant and rapid technological change, the Group's strategy is aimed at anchoring and further strengthening this position *via* the four strategies described below.

(I) ROLLING OUT A RANGE OF MULTI-TECHNICAL SERVICES WITH HIGH ADDED VALUE BASED ON FOUR BUSINESS LINES

SPIE's strategy consists of the deployment, in all countries in which the Group has a presence, of a full offer of multi-technical services with high added value which are essential for the successful implementation of its customers' projects. This offer is based on four business lines which, between them, have significant potential in terms of operation and commercial synergies, for which the Group is seeking balanced development:

- *Technical Facility Management,* which covers the maintenance and technical management of facilities as well as the services necessary for their running (26% of the Group's consolidated production in 2019);
- *Mechanical and Electrical Services*, which covers the installation and improvement of mechanical, electrical and heating, ventilation and air-conditioning systems (36% of the Group's consolidated production in 2019);
- *Information & Communications Technology Services*, which covers the installation, improvement, operational support and maintenance of voice, data and image communication systems (22% of the Group's consolidated production in 2019);
- *Transmission & Distribution Services*, which covers services for energy transmission and distribution infrastructure (16% of the Group's consolidated production in 2019).

(II) FOCUSING ON FOUR STRATEGIC MARKETS OFFERING LONG-TERM STRUCTURAL GROWTH FACTORS

The Group concentrates its development and offering on four strategic areas:

- *Smart city*, which covers the development of smart cities, in particular in terms of communication infrastructure, mobility, collective equipment and safety (38% of the Group's consolidated production in 2019);
- *E-fficient buildings*, which covers a range of energy performance services ranging from design to the operation and maintenance of low energy consumption buildings (18% of the Group's consolidated production in 2019);
- *Energies*, which covers the services offered by the Group in the energy sector, in particular, electricity transmission and distribution and also nuclear energy, renewable energy and oil & gas (27% of the Group's consolidated production in 2019); and
- *Industry services, which covers the various services provided to industry* (17% of *the Group's consolidated production in 2019).*

This positioning enables SPIE to capitalise on the attractive opportunities for growth offered by these four strategic markets, in particular, those described in Section 1.2.4 of this Universal Registration Document.

(III) PURSUING A RIGOROUS MANAGEMENT POLICY CHARACTERISED BY OPERATIONAL AND FINANCIAL EXCELLENCE, THEREBY GUARANTEEING THE SOLIDITY AND SUSTAINABILITY OF ITS RESULTS AND CASH FLOW

The Group endeavours to maintain and further improve the effectiveness of its operational management and the quality of its services to increase the value of its products and services.

To that end, the Group applies a rigorous selection policy in relation to the projects on which it works, and also on contract management. It focuses on small-scale contracts, mostly implemented in the context of asset support, across an extensive customer base which is both diverse and high quality. It also intends to make constant improvements to its procurement procedures and conditions to better manage its cost structure. More generally, it manages carefully all costs and the risks associated with the performance of its contracts and the management of projects as a whole. Finally, it pays particularly close attention to the management of its working capital requirement, structurally negative, so as to reinforce its cash flows and thereby ensure (i) the self-financing of is external growth projects, (ii) a continuous fall in its borrowing ratio and (iii) a significant return on investment for its Shareholders.

The Group ensures that its employees have a strong commitment to this policy of rigorous management, focused on operational and financial performance. It continues to implement its variable incentive compensation policy for employees, based in particular on the Group's financial performance and safety record.

(IV) ACQUIRING AND STRENGTHENING ITS POSITION AS LEADER BY TAKING PART IN THE CONSOLIDATION OF THE SECTOR

Although the technical services market in Europe has experienced some consolidation in recent years, it extremely remains fragmented, with numerous small or mid-sized firms, and offers the Group significant acquisition opportunities all over the world and particularly in Germany and overall across all of its markets.

With its strong cash flow, SPIE seeks to continue to expand its market presence and widen its range of products and services, essentially through relatively small acquisitions in regions where it can densify its network or broaden its range.

The Group benefits from the experience of its acquisitions team working in tandem with regional teams responsible for identifying and analysing potential local targets and ensuring the successful consolidation of acquired entities.

Having compiled a shortlist of clearly identified potential targets, the Group will continue to look at opportunities for acquisitions through a rigorous selection, audit and monitoring process, allowing it to ensure that acquired entities are successfully consolidated and their operating efficiency enhanced, thus making external growth an essential source of value creation.

1.4 MARKETS AND COMPETITIVE POSITION AFR

SPIE has developed a strategic focus on regions in which the market structure and growth dynamics match the its business model and allow it to take leading positions.

At the date of this Universal Registration Document, the Group is one of the four largest independent players in France in a relatively consolidated market in which major national players occupy a prominent place but where there is still a significant number of local players. The Group is also one of the two leading players in Germany, a country which has experienced strong development since 2013, and has a presence in the Netherlands, Belgium, the United Kingdom, Switzerland, Poland, Austria, Hungary, Slovakia and the Czech Republic.

SPIE considers that cyclical changes have relatively little impact on its markets and that it also enjoys a high level of recurring business by continuing to provide asset support and maintenance services, thereby offering predictable revenue growth and some protection against economic ups and downs.

In each of these countries, the multi-technical services market is composed of the following main customer segments:

- tertiary sector: comprising mainly office buildings, retail and healthcare;
- industry sector, including in particular pharmaceuticals, petrochemicals, automotive and aerospace;
- infrastructure: including energy, transport and telecommunications infrastructure operated mainly by large national companies;
- local authorities: including all public buildings (excluding hospitals) and infrastructures owned by regional and municipal authorities (schools, research centres, libraries, city halls, public lighting, etc.); and
- residential buildings: where the Group has a limited presence, mostly addressed by small local players.

1.4.1 FRANCE

The French multi-technical services market is structured around four types of actors:

- large subsidiaries of leading French construction groups (Vinci Énergies, Eiffage Énergie, Bouygues E&S);
- subsidiaries of energy groups (Engie, EDF);
- large national independent players (SPIE, SNEF); and
- a large number of small and medium-sized regional and local players, basing their strategy on proximity and customer relationships or niche expert appraisals.

Major players now offer all types of services and cover all end-customer markets. In 2019, in a French market that is still fragmented, although more consolidated than other European markets, the Group believes it is one of the fourth largest players [(1)].

1.4.2 GERMANY AND CENTRAL EUROPE

The strong development of the Group in Germany since 2013 has considerably reinforced its position on this market. Today, the Group considers itself the second-largest player in the German multi-technical services market. This market is highly fragmented and structured around three categories of player:

- the major international players (Vinci Energies, SPIE, Apleona, Strabag, Engie) which represent less than 10% of the market;
- the multinational or national players of medium size:
  - technical maintenance/energy efficiency: Gegenbauer/RGM, Wisag, Getec, regional energy suppliers,
  - *mechanical & Electrical Services*: Caverion, R+S Group, Elevion,
  - transmission and Distribution: CTeam, EQOS, Freitag-Gruppe, LTB and original equipment manufacturers (ABB, GE, Siemens), and
  - *information & Communication Services*: Computacenter, Euromicron, Telcat;
- numerous small and medium-sized regional and local players often specialized in a specific market segment.

1.4.3 NORTH-WESTERN EUROPE

(I) THE NETHERLANDS

The Group considers itself to be one of the leading players in the Dutch multi-technical services market which is relatively fragmented [(1)]. In particular, the Group believes to be the market leader in the Energies and Bridges and Locks market.

(II) UNITED KINGDOM

The British multi-technical services market is structured around four types of actors:

- integrated construction groups (Balfour Beatty, Skanska, Laing O'Rourke);
- groups specialising in the multi-technical services sector (NG Bailey, SPIE, Forth Electrical, Imtech, T. Clarke, Lorne Stewart);
- operators core in other services with M&E offering (SSE, InterServe); and
- a large number of small and medium-sized regional and local players.

(III) BELGIUM

The Group considers itself to be one of the largest players in the Belgian multi-technical services market which is mainly covered by international groups.

(1) Company's estimates based on its 2019 production and the revenue published by the Group's main competitors for the financial year ended December 31, 2019.

1.4.4 OIL & GAS AND NUCLEAR

1.4.4.1 OIL & GAS

In 2019, the Group considers itself to be one of the main players in the commissioning of facilities services (before and after) and operations and maintenance markets. The rest of the technical assistance is market remains highly fragmented, with a very large number of small local and regional players, as well as temporary technical staff providers.

1.4.4.2 NUCLEAR

The market is quite consolidated, with few players having the expertise and qualifications needed to work in the specific environment of conventional nuclear plant islands. In 2019, the Group considers itself to be among the main players in the multi-technical services market for the nuclear industry in France [(1)].

(1) Company's estimates based on its 2019 production and the revenue published by the Group's main competitors for the financial year ended December 31, 2019.

1.5 THE GROUP'S BUSINESS AFR

The Group provides multi-technical services for electrical, air conditioning and mechanical engineering in three geographical areas: France, Germany & Central Europe, and North-Western Europe. The Group also offers, services and support in those geographic regions dedicated to information and communication systems infrastructure, telecoms services and security and safety of buildings.

As part of its Oil & Gas and Nuclear activities, the Group also offers multi-technical services in specialised sectors of the Oil & Gas and Nuclear industries. The Group operates its Oil & Gas activities in nearly 17 countries, while nuclear activities are conducted mainly in France.

1.5.1 OVERVIEW

The Group provides multi-technical services for electrical, air conditioning and mechanical engineering in three geographical areas: France, Germany & Central Europe, and North-Western Europe. The Group also offers, services and support in those geographic regions dedicated to information and communication systems infrastructure, telecoms services and security and safety of buildings.

As part of its Oil & Gas and Nuclear activities, the Group also offers multi-technical services in specialised sectors of the Oil & Gas and Nuclear industries. The Group operates its Oil & Gas activities in nearly 17 countries, while nuclear activities are conducted mainly in France.

The large range of services offered by the Group breaks down into six areas of business: *Building Technical Facility Management, City Networks, Information and Communication Services, Building Technical Installation, Industry*.

BUILDING TECHNICAL FACILITY MANAGEMENT

In buildings, the users' experience is of foremost importance. For the Group, this means integrating new, innovative services and different services to make interconnected buildings and improving the uses of the occupants and operators, while meeting more and more stringent environmental energy efficiency standards.

Across all of its business lines in electrical, HVAC and mechanical engineering, the Group's services include (in addition to installation) support for operations and process industrialisation (servicing, preventive and corrective maintenance, repair, small renovation), allowing it to support its clients throughout the entire life-span of their equipment. The Group offers a wide range of audit, diagnostic and mono- or multi-technical maintenance services required for the operation of its customers' facilities, combining electrical, air conditioning and mechanical engineering. Its expertise in technical facilities allows the Group to commit to availability rates and performance levels for facilities. In energy performance contracts, the Group also commits to the energy performance levels of the facilities for which it is responsible

CITY NETWORKS

Energy transition, upgraded urban mobility, interoperable infrastructures, smart public lighting, increased comfort and security, new mobile services in the areas of safety and transportation, etc. The city is changing each day. The Group contributes to the modernisation of the urban territories and the development of a sustainable model of the city, alongside the public operators, placing the user at the heart of the new systems deployed. It is important to consider the transformations that the European energy sector is undergoing, in particular linked to the exponential development of renewable energies. In this environment, it is imperative to modernise the transmission networks; the objective would be to best link the cities to the decentralised areas where energy is produced.

The transmission and distribution of energy concerns first of all electrical (high-voltage powerlines, substations, distribution networks) energy. Those services include planning, design, engineering, installation, commissioning as well as operation and maintenance support services.

These are services that correspond to telecommunications infrastructure such as the installation of mobile telephone hot spots, the roll-out of very high-speed infrastructure, and connecting customers to fibre optic (particularly as *part of Ftth* "Fibre to the Home" programs) or systems for supervision and control stations for railroad or road traffic. The Group also provides maintenance services for major telecommunications operators such as Orange.

The Group would like to position itself both as a European leader in the Transmission & Distribution market and as a partner of reference for public operators for Smart City concepts and solutions.

INFORMATION AND COMMUNICATION SERVICES

Digital technology makes major changes in the behaviours and expectations of final customers in all sectors of activity. To make their digital experience the simplest, most streamlined and pleasant possible, one must be able to manage the complexity of infrastructures, data and services provided.

The Group offers a wide range of solutions and services for information and communication systems, from design to managed services, as well as a range of operated and cloud computing services, in France, Switzerland, the Netherlands, Germany and Belgium. A large part of IT infrastructure and communication networks services account for more than a half of the Group's activities within the field of Information & Communications Technology Services.

The Group offers its customers unified services and solutions for voice, data, image communications, as well as services and solutions for technical infrastructures for information systems. The Group also offers integrated, consistent and secure solutions for communications and information systems. Finally, the Group integrates "connected objects" in its services, particularly in the health sector, with remote diagnostics and patient monitoring applications.

The Group also relies on solid service control measures, such as auditing and advising on the architecture and security of IP computer networks, integration and maintenance of IP networks and security equipment, user support, management and support for the operation of networks and systems.

The Group offers infrastructure-related services for data centres, such *as* design, installation, maintenance and support for the operation of such centres. For a complete range of offerings in this activity, services involving the installation of access control and monitoring systems for computer sites form an integral part of the Group's expertise. The Group also pursues its development in the area of managed services and maintenance of operating conditions. These services are offered as part of multi-year contracts that include a commitment to results with regard to services offered (service level agreement).

BUILDING TECHNICAL INSTALLATION

The Group's ambition is to sustainably optimise the technical, economic and environmental performance of buildings to best meet the societal challenges of the energy and digital transformation, while putting the new uses of the occupants at the centre of its concerns. The Group offers its expertise in the service of office buildings, shopping centres, or public buildings.

The Group's offering covers, among others, energy efficiency, smart lighting, dynamic maintenance of client assets throughout their life cycle, the use of BIM (Building Intelligence Modelling), as well as space optimisation.

INDUSTRY

European industry is in full transformation to gain in productivity while improving its technical and environmental performance. SPIE operates beside industrial companies to accelerate this transformation and help them become more competitive. Present throughout the industrial value chain overall, the Group offers innovative services to improve and automate manufacturing processes, streamline the supply chain, reduce energy consumption, integrate the Internet of Things (IoT) and new digital uses in the factory of the future.

1.5.2 FRANCE

For the year ended December 31, 2019, the *France* segment generated €2,674 million, or 39% of the Group's consolidated production, and EBITA of €170 million, representing 41% of the Group's consolidated EBITA.

The Group offers its services with the help of its subsidiary SPIE France and through a dense network of local offices in France. The Group offers services to all players and all sectors in the economy, in particular in aeronautics, agro-food, mass distribution, banking and insurance, health and local authorities and State services.

Amongst the main Key Accounts clients to which the Group provides electrical engineering services are notably included EDF, Total, SFR, Orange, Free, Airbus, SNCF or BNP Paribas. In the areas of HVAC engineering and mechanical engineering services, the Group's clients are, respectively, entities in the tertiary sector, and companies in the manufacturing and infrastructure sector, including, for example, Airbus Group, Société Générale, Renault, Michelin, Peugeot, Naval group, GSK, Boehringer Ingelheim or Sanofi.

In France, the Group offers all services related to information and communication systems, in particular services helping to co-build and integrate the digital work environment and then to manage and optimise it, such as support in the Cloud transition, cybersecurity, valorisation and data management.

In order to enhance its range of services offering, the Group is regularly considering acquisition opportunities. In 2019, the Group therefore completed the acquisition of Cimlec Industrie in France, a well-reputed specialist in the design, assembly, installation and maintenance of solutions for the electricity, automation and industrial robotics sectors.

1.5.3 GERMANY AND CENTRAL EUROPE

For the year ended December 31, 2019, the *Germany & Central Europe* market generated a €2,286 million production, i.e. 33% of the Group's consolidated production, and a €139 million EBITA, i.e. 34% of the Group's consolidated EBITA.

Relying on its SPIE Deutschland & Zentraleuropa subsidiary ("SPIE DZE") The Group mainly operates in Germany, Poland, Czech Republic, Slovakia and Hungary. SPIE DZE service range encompasses technical facility management, energy-efficiency solutions, technical services for the transmission and distribution of energy and for industrial clients as well as in the areas of electrical and security technology, HVAC technology and information and communications technology.

The Group is present in all major German metropolitan industrial regions (Lower Saxony, Hamburg, North Rhine-Westphalia, Rhine-Neckar, Saxony, Stuttgart, Munich, Nuremberg, Berlin, etc.).

The Group's clients in Germany represent a broad range of sectors: finance, healthcare, real estate, transportation, semi-conductors, automotive, transmission network and electrical networks operators and include private and public players such as 50Hertz, Amprion, Commerzbank, Daimler, Deutsche Bahn, E.ON, ENBW, EWE, Innogy, Lufthansa, MunichRE, Siemens, Tennet and several public authorities.

In line with its strategic priorities, in 2019 SPIE continued implementing its external growth policy in Germany and Central Europe. The Group thus acquired Christof Electrics GmbH & Co KG, a company offering full solutions in the areas of electrical engineering, measurement, control and regulation technology as well as automation. This acquisition will allow the Group to offer an important part of its service portfolio to the Austrian market. In Germany, SPIE also acquired the company TELBA Group, a German leader in technical services linked to information technologies, communication, and security and the company Osmo, offering a full offering of technical equipment for control of tunnels and road centres (for example: electrical facilities and systems for fire detection, systems for video monitoring systems and radio communication in tunnels, systems for ventilation, lighting, drainage and water supply, automated process control technologies).

In 2019, SPIE finalised the sale of the former Gas & Offshore Division of SAG through two separate transactions, thus concluding a process initiated immediately after the acquisition of SAG in 2017.

Outside of SPIE DZE, the Group has operations in Switzerland, offering a full range of multi-technical services.

1.5.4 NORTH-WESTERN EUROPE

The *North-Western* Europe segment includes the Group's business in the Netherlands, the United Kingdom and Belgium.

For the year ended December 31, 2019, the *North-Western Europe* segment generated production of €1,445 million, or 21% of the Group's consolidated production, and EBITA of €41 million, representing 10% of the Group's consolidated EBITA.

(I) THE NETHERLANDS

Through its subsidiary SPIE Nederland, the Group has been active in the Netherlands since 1997 in several phases of design, installation and maintenance in various environments: network systems (FttX), high voltage overhead lines, energy facilities, renewable energies, transport infrastructures (bridges, locks, tunnels), public lighting, manufacturing and building sites, notably with expertise in fire protection and security and information communication services. It also offers maintenance consulting services and develops inspection and maintenance software for manufacturing facilities and networks.

The Group is active in the Netherlands for both private and public sector clients, such as KPN, Rijkswaterstaat, provinces, TenneT, Shell, BP, Vopak, Dow, Exxon, DSM, Ahold, Schiphol, Erasmus Medical Center, and Sitech.

(II) UNITED KINGDOM

The Group operates in the United Kingdom *via* its subsidiary SPIE UK, offering a range of technical and assistance services covering mechanical and electric design, installation, testing and commissioning, as well as maintenance and long-term *facilities management.*

The Group's clients in the United Kingdom are both public sector and private sector entities; including Unite, NGD, Co Op, Royal Mail Group, Pirbright Institute, Gatwick, Heathrow as well as the Tate.

In March 2020, SPIE UK disposed of its mobile maintenance activities, previously placed under strategic review, whereas all other activities in facilities management of SPIE UK, focused mainly on on-site maintenance, security services and fire protection, will remain within the Group.

(III) BELGIUM

The Group operates in Belgium and Luxembourg through its subsidiary SPIE Belgium, offering a comprehensive range of multi-technical services and ICS.

Belgium is one of the Group's oldest markets, as it has been active there since 1946. The services provided by the Group focus on high-voltage, low-voltage and low-current electricity, instrumentation and piping for the industrial and infrastructure sectors and multi-technical services for the commercial sector and since May 2018, in information and communication systems services.

In the manufacturing sector, the Group is active with major industrial players such as Total, J&J, Solvay, BASF, Exxon, GSK, AKZO, Nouryon and financial players, such as ING for maintenance work and engineering projects. The Group is also active through a number of SMEs. In the area of infrastructure, the regions (Brussels, Flanders and Wallonia) and public transport operators (the STIB in Brussels, De Lijn in Flanders and the SNCB nationwide) are the Group's major clients, both for engineering projects and for recurring work.

The services offered by the Group specifically relate to the maintenance of technical facilities in buildings and transportation infrastructure (particularly tunnels and traffic information systems), the installation and maintenance of elevators and the assembly and replacement of electricity and gas meters. In addition, the Group is a major player in the area of HVAC engineering services, and holds a solid engineering position in the hospital and banking sectors and in office building renovations.

1.5.5 OIL & GAS AND NUCLEAR

For *the year ended* December 31, 2019, the Oil & Gas and Nuclear segment generated €523 million, or 8% of the Group's consolidated production, and EBITA of €53 million, representing 13% of the Group's consolidated EBITA.

(I) OIL & GAS

The Group offers a wide range of services in the Oil & *Gas sector to* assist its clientele, consisting of major players in the oil sector, national oil companies, independent oil companies, manufacturers and engineering companies, particularly in the refining, chemical and petrochemical industries.

The market for Oil & Gas industry covered by the Group is composed of the following activity segments:

- production and maintenance, which include the exploitation and maintenance of production facilities for oil companies (workforce and equipment) as well as related training services;
- repair projects, which include engineering, procurement and construction relating to bringing on-shore and off-shore production facilities up *to the* industry's *standard,* as well as related training services;
- services related to the launch of new units or new facilities (pre-commissioning, commissioning and launch) including the expertise of our specialists and the deployment of dedicated methodologies;
- support services for exploration and drilling activities (workshop, equipment, etc.);
- new construction projects which include engineering, procurement and construction of new *on-shore and off-shore* production facilities and the related training services.

The Group's range of services also includes engineering services and delivery of solutions *for* onshore *and* offshore facilities during all phases of a project. This specifically includes consulting and auditing, installation and technical support for telecommunications and control systems, and security for production facilities and pipelines.

The Group also offers a wide range of services to support the operation and maintenance of onshore and *offshore* petroleum *facilities*. It is active in the commissioning of operating sites, by providing personnel and software to accelerate the development of project documentation and improve management, performance and safety during project execution. The Group also offers maintenance services. The Group's contributions to maintenance may also be combined with support for production operations (commissioning, quality control, etc.). Finally, the Group provides dedicated maintenance and repair services for revolving machinery, and treatment solutions for contaminated soil and the cleaning of oil tanks.

During the period ending December 31, 2019, the Group provided its services in nearly 28 countries, *via* subsidiaries and branches located across four regions worldwide: Europe (France and Belgium), Africa (in particular, Algeria, Angola, Congo, Gabon and Nigeria) where the Group carries out most of its Oil & Gas production business, Asia-Pacific (in particular, in Australia, Indonesia, Malaysia, Bangladesh, Myanmar and Thailand) and the Middle East (in particular, the United Arab Emirates, Iraq, Qatar and Saudi Arabia and Kuwait).

The Group provides its services to the major actors in the oil and gas industry such as Total, Chevron, ENI, ExxonMobil and Shell. Its clients also include independent oil companies, such as Maurel & Prom or Perenco, national oil companies, such as Sonatrach (Algeria), Qatargaz (Qatar) KNPC (Kuwait) and Sonangol (Angola).

(II) NUCLEAR

The Group is a long-time player in the French nuclear sector, having participated in the construction of the 58 French nuclear reactors. Through its subsidiary SPIE Nucléaire, the Group has been assisting nuclear fuel cycle operators for over thirty years in France.

Through the services it offers, the Group contributes to virtually the entire nuclear fuel cycle: from manufacturing to reprocessing-recycling of nuclear fuel, from electricity production, from waste processing and storage, to the decommissioning of nuclear facilities.

The Group offers engineering solutions for the entire life-span of facilities, as well as electrical engineering, mechanical engineering, HVAC engineering services and nuclear engineering. Its offerings cover the following areas of activity: new construction, operating facilities (nuclear plants, plants in the fuel cycle), maintenance, and decommissioning.

In new construction, since 2007 the Group has worked with EDF, in the construction of the EPR at the Flamanville site in France, a third-generation nuclear reactor, where it is responsible for general electrical facilities, including studies, procurements, assembly (cable conduits, cable suspension and connection).

The Group is also active in work involving the improvement or reinvestment of operating sites. In this area, following a 4-year tender process, the Group was granted a contract covering the renovation of the radiation protection systems of all the nuclear power plants in France in 2016, as part of the Grand Carénage renovation project, the major investment programme deployed by EDF to improve the safety and availability of its nuclear plants with a view to obtaining authorisations to extend the facilities' lifetime beyond 40 years. This programme specifically includes replacing steam generators, monitoring risk of fire, modernising the control centre, and addressing the obsolescence of materials. In this business, the Group obtained several contracts and shall in particular replace more than 200 refrigeration units over the next ten years, over the entire French electro nuclear plants.

The Group also contributes to the upgrades required by the French Nuclear Safety Authority (the "ASN") following the Fukushima accident, which concern all nuclear operators, and more specifically EDF, operator of the French electronuclear plants. The major civil works related to renovations of the facilities are aimed at ensuring supplies of electrical power to the facilities under extreme conditions, maintaining cooling functions (with the implementation of water reserves), ensuring the integrity of protection barriers (verification of resistance to seismic events) and strengthening facility escape capacity and emergency interventions (construction of local crisis centres and implementation of the nuclear rapid response force).

The Group offers maintenance services for all its clients in all areas of electricity, instrumentation, control centre and mechanics. The Group is also engaged in activities and issues related to facilities decommissioning.

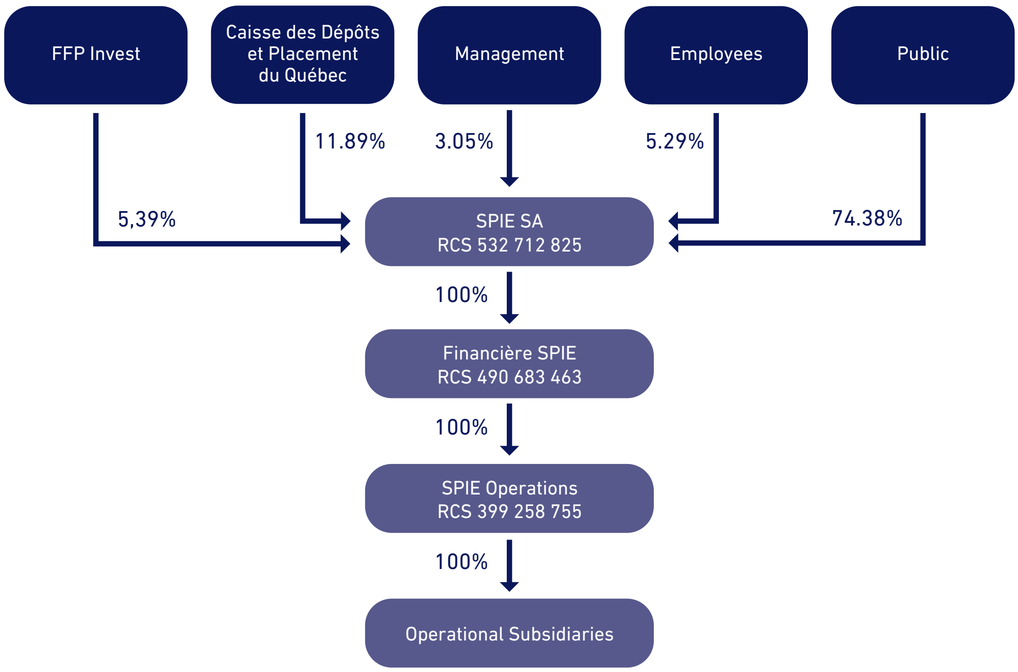
During the year ended December 31, 2019, the Group mobilised its dedicated subsidiary SPIE Nucléaire, to meet the needs of its customers, the main ones being EDF, ORANO and the French Atomic Energy and Alternative Energies Commission.

1.6 STRUCTURE AFR

1.6.1 LEGAL STRUCTURE OF THE GROUP

SIMPLIFIED GROUP STRUCTURE CHART AS AT DECEMBER 31, 2019

The percentages shown in the chart below represent the holding structure of the share capital of the Company as at December 31, 2019:



1.6.2 SUBSIDIARIES AND EQUITY INTERESTS

(I) MAIN SUBSIDIARIES AS AT DECEMBER 31, 2019

The main direct or indirect subsidiaries of the Company are as follows:

- SPIE France is a French SAS with a capital of €87,506,181.92, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise under company no. 823 461 611 in the Pontoise Trade and Companies Registry. It is the Group's holding company for its French business;
- SPIE Nucléaire is a French SAS with a capital of €1,458,976, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise under company no. 662 049 287 in the Pontoise Trade and Companies Registry. It is the Group's holding company for its nuclear industry business;
- SPIE ICS is a French SAS with a capital of €16,240,000, registered at 148 avenue Pierre Brossolette, 92247 Malakoff under company no. 319 060 075 with the Nanterre Trade and Companies Registry. It is the Group's holding company for its communications business;
- SPIE Industrie & Tertiaire is a simplified joint-stock company incorporated under French law with share capital of €81,070,272 whose registered office is located at 4 avenue Jean Jaurès, PO Box 19, 69320 Feyzin, France, registration number 440 055 861 in the Trade and Companies Register of Lyon. It is the Group's holding company for its multi-technical services in France in the area of industry and tertiary services;
- SPIE Facilities is a simplified joint-stock company incorporated under French law with share capital of €35,277,460.44 whose registered office is located at 1/3 place de la Berline, 93287 Saint-Denis, France, registration number 538 700 022 in the Trade and Companies Register of Bobigny. It is the Group's holding company for buildings maintenance and facility management business;
- Spie CityNetworks is a simplified joint-stock company incorporated under French law with share capital of €35,704,166.12 whose registered office is located at 1/3 place de la Berline, 93287 Saint-Denis, France, registration number 434 085 395 in the Trade and Companies Register of Bobigny. It is the Group's holding company for outside networks and telecommunications business;
- SPIE Oil and Gas Services is a French SAS with a capital of €14,426,000, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise under company no. 709 900 245 in the Pontoise Trade and Companies Registry. It is the Group's holding company for its oil and gas business;

- SPIE Belgium is a Belgian *société anonyme* (joint stock company) with a capital of €15,100,000, registered at Rue des Deux Gares 150, 1070 Brussels, Belgium under company no. 1139014-73. It is the Group's holding company for multi-technical services activities in Belgium;
- SPIE Nederland BV is a Dutch *Besloten Vennootschap* (joint stock company) with a capital of €57,450,000, registered at Huifakkerstraat 15, 4815 PN Breda, Netherlands under company no. NL 804695234B16. It is the Group's holding company for multi-technical services activities in the Netherlands;
- SPIE UK Limited is a British *limited company* with a capital of £170,000,002, registered at 33 Gracechurch Street, London EC3V 0BT, United Kingdom, under company number 07201157. It is the Group's holding company for multi-technical services activities and nuclear industry-related activities in the United Kingdom;
- SPIE Deutschland & Zentraleuropa is a German *Gesellschaft mit beschränkter Haftung* (limited company) with a capital of €10,000,000 registered at Balcke-Dürr-Allee 7, 40882 Ratingen, Germany under company no. HRB 80683. It is the Group's holding company for multi-technical services activities in Germany;
- SPIE Schweiz AG is a *Swiss Aktiengesellschaft* (joint stock company) with a capital of CHF 1,100,000 registered at Industriestrasse 50a, 8304 Wallisellen, Switzerland under company no. CHE-443.369.585. It is the Group's holding company for multi-technical services activities in Switzerland.

Note 28 to the consolidated financial statements for the year ended December 31, 2019, as included in Section 4.4.1 of this Universal Registration Document, lists all of the companies included in the Group's scope of consolidation.

(II) RECENT ACQUISITIONS AND DISPOSALS

The Group's recent acquisitions and disposals are described in Section 4.1.3 of this Universal Registration Document.

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2.1 RISK FACTORS

Investors should examine all of the risk factors described in this Universal Registration Document, including those risk factors described below. At the date of this Universal Registration Document, these risks are those whose occurrence the Company deems likely to have a material adverse effect on the Group and its business, financial position, results or prospects. Investors should note that the risks described in Section 2.1 of this Universal Registration Document are not exhaustive and that other risks, whether unknown or whose occurrence, at the date of this Universal Registration Document, was not deemed likely to have a material adverse effect on the Group and its business, financial position, results or prospects, can or could exist or occur.

This chapter presents the main risks which, as of the date of this Universal Registration Document, could potentially impact the Group's business, financial position, reputation, results or prospects, as in particular identified in the context of the mapping of the Group's major risks. This risk mapping was updated in 2019 and assesses the critical nature of the risks, i.e. their degree of severity in terms of operational, financial, legal/regulatory and reputation impact as well as the corresponding probability, after taking the action plans put in place into account. Within each of the risk categories mentioned above, the risk factors considered by the Company as of the date of this Universal Registration Document to be the most significant are ranked first and marked with an asterisk.

2.1.1 RISKS RELATING TO THE GROUP'S BUSINESS SECTORS

2.1.1.1 RISKS RELATING TO ECONOMIC CONDITIONS AND CHANGES THERETO*

Changes in demand for services are generally related to changes in macroeconomic conditions, including fluctuations in GDP in the countries where the Group operates and the level of private and public spending on new and existing facilities and equipment. During the year ended December 31, 2019, the Group generated 96% of its production in Europe, of which 39% was in France. The growth prospects for 2020 in the European Union, notably in France, as published in late 2019, were prudent; the current public health crisis in Europe related to the Covid 19 pandemic should moreover have a strong negative impact on these prospects.

Generally speaking, during economic recessions or periods of high uncertainty (such as the situation connected to the impact of the current public health crisis), clients significantly reduce expenditure on equipment, which impacts the Group's capacity to sell the services associated with construction or extension projects involving new equipment or infrastructure. In particular, certain sectors such as construction and heavy industry have significantly reduced their level of activity in recent years. Moreover, the Group has seen a drop-in demand for installation services, in particular from steel producers, car manufacturers and their supply chains. Moreover, with regard to the measures restricting circulation connected with the current public health crisis, employees of the Group may no longer have access to client sites in order to carry out their work. Finally, some of the Group's customers may experience financial difficulties that can lead to payment delays or even default. If current economic conditions were to worsen, notably due to the Covid 19 pandemic, this could have a material adverse effect on the Group and its business, financial position, results and prospects.

Moreover, although oil prices rose progressively during the years ending December 31, 2018 and 2019, they fell sharply in the first quarter of 2020. This situation is liable to have a very negative impact, through reductions in operating expenditure and low levels of investment, particularly in drilling and geosciences, the Group's business in the *Oil & Gas and, in particular,* operations maintenance and technical assistance. The price of oil could, if it were to remain at this level or fall even further, continue to have an adverse impact on the business carried out by clients of the Group in the *Oil & Gas* sector and, therefore, have a material adverse effect on the Group's business, financial position, results and prospects.

Finally, following the United Kingdom's decision to leave the European Union, (Brexit), the Group was negatively impacted in 2018 and 2019 by the decline of the United Kingdom's activity in a context of political and economic uncertainty.

For the year ended December 31, 2019, the Group's production in the United Kingdom represented approximately 5% of its consolidated production.

The Group cannot exclude the fact that this decision, in the context of the transition period agreed by the European Union and the United Kingdom for 2020, may have other negative impacts on its activity and results, in particular if economic conditions in the United Kingdom degrade further.

2.1.1.2 RISKS CONNECTED TO TECHNOLOGICAL DEVELOPMENTS AND INNOVATION*

The Group's business requires a high level of technological expertise for a wide variety of technical services. As a result, the Group must continually adapt its expertise in order to identify and integrate technological and digital innovations, new products and new customer expectations. New digital technologies or changes in standards, as well as changes in the demand for services, could render the Group's services obsolete or non-viable. In order to remain at the forefront of the industry by anticipating customers' expectations, the Group must continually innovate, improve its know-how as well as the efficiency and profitability of its products and services which may lead to higher operating expenses or significant capital expenditures with no assurance that this will be profitable in the manner expected.

If the Group were unable to anticipate and integrate innovations and technological and digital changes in time, this could affect its customer relationship and competitive position which could generate a material adverse effect on its business, financial position, results and prospects.

2.1.1.3 RISKS LINKED TO THE COMPETITIVE ENVIRONMENT*

The Group faces intense competition from various players and operates in sectors in which calls for tenders are frequent. The Group's competitors include large multinational corporations with greater resources whose other businesses provide them with an accessible customer base for their technical services. Furthermore, certain services requiring less technical skill may encounter strong local competition by smaller firms with strong local ties and an established local presence. Moreover, the technical services industry is highly fragmented, especially outside France, and the Group's ability to rely upon and retain a dense local network is essential to its development. Any moves towards some form of consolidation among the Group's competitors, be they multinational, national, regional or local, could increase competition in the Group's industries, change the competitive landscape of the technical services industry, and, especially if the Group were unable to take part in such consolidation, lead to a loss of market share, a decrease in the Group's revenue and/or a decline in its profitability.

Such strong competition requires the Group to make continuous efforts to remain competitive and convince its customers of the quality and value added of its services. The Group must also regularly develop new services in order to maintain or improve its competitive position. If despite these efforts the Group's customers do not find quality and value added in its products and services, particularly in relation to its competitors, or if the Group's products and services do not meet customer expectations, it could have a material effect on its business and financial results.

Lastly, customers increasingly focus on limiting the overall cost of their facilities. As a result, proposed pricing is an important factor in renewing contracts, in particular multiyear contracts, and in winning calls for tenders for new contracts. The Group can thus be subject to pressure on the prices it charges for its services.

This competitive pressure could lead to reduced demand for the Group's services and force it to lower its prices or incur significant investment costs to maintain the level of service quality that its customers expect which in turn could have a material adverse effect on its business, financial position, results and prospects.

2.1.1.4 RISKS RELATING TO THE DEVELOPMENT OF THE "GREEN ECONOMY"*

The Group intends to assist the development of the green economy by offering energy-efficient technical solutions and services dedicated to renewable energy. The development of the green economy depends in large part on national and international policies supporting energy savings and renewable energy (*e.g.* regulations on the energy efficiency of buildings and quotas and tax incentives for renewable energy sources) as well as corporate awareness of environmental issues. Although recent years have seen a growing sensitivity to these problems on the part of stakeholders, the Group cannot guarantee, in light of the cost-reduction policies of public and private actors, that this support will not slow down or even, to a certain extent, come to an end, or that it will be able to position itself as a player in the energy transition process. Such events could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.1.5 RISK RELATING TO PUBLIC EXPENDITURE AND PUBLIC SECTOR CONTRACTS

The public sector accounts for a significant share of the Group's customers, in particular in France. Public procurement is affected by political and administrative policies and decisions with respect to levels of public spending. In recent years, the economic situation has significantly affected the resources of governments and other public bodies and has led to strict public spending reduction policies. These policies could threaten the continuation of certain investments in which the Group is involved and prevent the implementation of significant new investment projects by public authorities. In a context of economic crisis and high levels of debt, some of these authorities might be unable to make payments in a timely fashion or, more generally, honour their commitments. If the difficulties facing certain public authorities were to intensify and the trend of significant public spending cuts were to continue, it could have a material adverse effect on the Group and its business, financial position, results and prospects.

In addition, due to public procurement rules, such as EU rules on calls for tenders, and to the nature of contracts entered into with public sector entities, certain public contact clauses, notably those concerning pricing, duration and subcontractors' ability to assign/transfer receivables under contract, provide less flexibility than private sector contracts. Some of these contracts also contain ouster clauses which in certain cases and subject to certain limits (in particular on condition of compensation) allow the counterparty to unilaterally modify or even terminate the contracts in question. Lastly, for a limited number of contracts, due to the principle of continuity of public services, the Group may be unable to unilaterally terminate a contract it deems unprofitable.

2.1.1.6 RISKS RELATED TO OUTSOURCING TRENDS

Besides economic conditions, higher demand for technical services is influenced by certain general market trends such as the growth of outsourcing, particularly in some of the Group's markets in which the outsourcing rate is low compared with more mature markets such as the United States, the United Kingdom and Germany.

The increased outsourcing of technical services is, however, vulnerable to political decisions such as new regulations which could affect public and private demand in this area and thus slow down its development or even affect existing contracts. Moreover, the Group cannot guarantee that the outsourcing trend will continue; in particular, certain stakeholders, whether public or private, could return to using in-house technical services in order to take control of them. If the trend towards more outsourcing slows or stops, this could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.2 RISKS RELATING TO THE GROUP'S BUSINESS

2.1.2.1 RISKS RELATING TO ACQUISITIONS AND THEIR INTEGRATION*

In addition to its organic growth, the Group has grown in recent years through the acquisition of numerous regional service companies such as, in 2019, the Telba Group in Germany, a leading Germany specialist in technical services connected to information, communication and security technology, and through numerous small acquisitions, which have consolidated its range of services and presence in its geographic markets. In certain cases, with regard to their strategic interest, the Group may complete larger acquisitions; in 2017 in particular, the Group proceeded with the acquisition of the SAG Group, a leading German provider of services and systems for electricity, gas and telecommunications networks. The Group again intends to continue developing and expanding its business by acquiring primarily small and medium-sized companies that meet its strategic and financial criteria. Under its growth strategy, the Group may encounter the following difficulties:

- identifying appropriate targets in line with its external growth strategy could prove difficult;
- integrating new entities could lead to substantial costs as well as delays or other financial and operating difficulties;
- achieving expected financial and operating synergies could take longer than expected or fail to occur in whole or in part;
- increased attention from Group executives could come at the expense of other activities;
- acquisitions may trigger change of control clauses in the contracts to which the target Company is a party;
- assumptions made in the business plans of the acquired entities could turn out to be incorrect, especially regarding synergies and performance;
- acquisitions could lead the Group to bear higher liabilities than those calculated during the due diligence phase of *the* acquisition;
- the Group could be forced to sell or limit the external growth of certain entities so as to obtain regulatory approval for acquisitions, notably with respect to competition law;
- acquiring a new company could lead to the loss of certain key employees and contracts; and
- acquiring new entities could create unexpected legal constraints.

In general, the expected profits from future or completed acquisitions could fail to materialise within the time periods and to the levels expected, which could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.2.2 RISKS RELATED TO ACTIVITIES IN THE OIL AND GAS SECTOR*

The Oil & Gas business is mainly conducted in emerging markets, specifically in Africa, the Middle East and SE Asia. In recent years, a number of countries in these regions have experienced varying degrees of economic and political instability, civil wars, violent conflicts and social unrest. Political instability includes significant changes in tax laws or regulations, monetary restrictions, and the renegotiation or termination of ongoing contracts, permits, leases and other authorisations. The Oil and Gas business is also at risk of nationalisation or expropriation in some of the countries in which the Group operates.

In addition, the Group's facilities and employees face numerous safety risks in these regions such as acts of violence and terrorism, damage to property, and violations of bodily integrity. Although the Group has put in place the measures it deems necessary to prevent this type of event, it cannot ensure that these measures will be fully effective.

In the context of its Oil and Gas business, the Group is exposed to fluctuations in the price of oil. During the first quarter of 2020, there was an exceptional drop in the price of oil which reached historically low levels. When the oil price is low, players in the sector tend to reduce their investments significantly, which may negatively impact certain projects in which the Group is involved and, more generally, the Group's business.

The occurrence of such events could have a material adverse effect on the Group's business, financial situation, operations and future profitability.

2.1.2.3 RISKS RELATING TO INFORMATION SYSTEMS AND CYBER-ATTACKS IN PARTICULAR*

The Group relies on information systems to conduct its businesses (in particular to monitor and invoice for its services, communicate with its customers, manage its staff, and transmit the necessary information to the various operational managers for decision-making). The Group is thus increasingly dependent on information systems to manage its business. Despite the Group's policy of continuously strengthening the resilience and security of its information systems and IT infrastructure, any breakdown or significant interruption resulting from an incident, a computer virus, a computer attack or any other cause could have a negative effect on the Group's ability to conduct its business. The Group's Belgian subsidiary was for example the victim of a cyberattack recently which obliged it to momentarily interrupt access to its services ICS.

Furthermore, the Group outsources some of its information systems in order to better manage its resources and improve the efficiency of its IT infrastructure. It therefore relies on the quality of the work performed by its service providers and is thus, despite the care it takes in selecting its partners, exposed to the risk that they may fail to fulfil their obligations. The occurrence of such events could have a material adverse effect on the Group's business.

2.1.2.4 RISKS RELATING TO NATURAL DISASTERS

In the general context of climate change, the Group's facilities are exposed to risks related to the occurrence of natural disasters such as fire, flood, hurricanes and earthquakes (or other climate-related phenomena).

These climate-related events may require the Group to implement additional protection measures on those sites located within at-risk areas, and thereby generate additional costs. Moreover, climate-related events of this kind may not be covered by the insurance policies taken out by the Group. The occurrence of a natural disaster could moreover lead to the destruction of all or part of the Group's facilities, cause bodily harm to or lead to the death of employees and nearly residents and cause an interruption of service for an unspecified period of time. The inability to re-launch operations rapidly following a natural disaster on a given site and the various constraints and costs linked to compensation or the associated interim palliative measures could have a material adverse effect on the Group's business, financial position, results and prospects. Moreover, events of this kind could lead to lawsuits being filed against the Group by potential victims seeking compensation for the damages caused and/or lead to the application of penalties, liable to have a material adverse effect on its business, financial position, results and prospects.

2.1.2.5 RISKS RELATING TO PROJECT MANAGEMENT

The Group offers a wide range of technical services relating to its projects. In order to ensure that its projects are conducted efficiently, the Group relies on significant project-management and site-management expertise, particularly with respect to cost-assessment and optimising performance during the term of the contract. What determines the performance and profitability of a project is the Group's ability to accurately predict its costs, correctly assess the various resources (especially human resources) needed to carry it out, effectively manage the services provided by subcontractors, and control technical events that could affect and delay its progress. In practice, poor project management can generate significant additional performance costs and delays, leading to delays in payment or damaging the Group's reputation. Moreover, in order to carry out certain projects, in particular large-scale ones, the Group sometimes participates in groups or consortia whose smooth functioning requires coordination among the different members. Differences may arise among the members of such groups, and breaches by certain members may occur, which may make it difficult to manage or even complete the project. Such events could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.2.6 RISKS RELATING TO WORKPLACE HEALTH AND SAFETY

Because the Group's business is based on human resources, labour law and workplace health and safety regulations have a particular impact on its business. Although the Group makes significant efforts to ensure compliance with such regulations, it cannot guarantee that there will be no breaches. Failure by the Group, its employees or its subcontractors to comply with these obligations could lead to significant fines and claims against the Group and the employer entity linked to the violation of these provisions or to the loss of authorisations or qualifications. Moreover, such regulations are regularly updated with a view to being reinforced; the Group's efforts to adapt to and comply with revised rules may generate significant additional costs.

The Group is exposed to the risk of accident befalling its employees at their work sites or on their commutes. Group employees working in the Oil & Gas and Nuclear sectors are particularly exposed to risks relating to their work sites and conditions which are dangerous by nature. Some Group employees work in or near nuclear, oil or gas facilities and are therefore potentially subject to risks relating to incidents or accidents affecting such facilities. Despite the attention paid to safety and working conditions, the Group cannot exclude the possibility of an increase in the frequency and number or workplace accidents and occupational illness.

Moreover, new technologies as well as the implementation of new procedures, services, tools and machines could have unanticipated effects on the working conditions of Group employees. Moreover, Group employees may be exposed to materials that are not currently considered harmful but could in the future prove to be dangerous to human health, as was the case with asbestos in the past. Dangerous working conditions can also lead to *heavy staff* turnover, increase customers' project costs and significantly increase the Group's operating expenses.

Finally, in the context of the current public health crisis linked to the Covid 19 pandemic, one or several cases of contamination involving Group employees could oblige the Group to limit or event totally suspend activity on those sites at which the employees in question normally work, which could have an adverse effect on the Group's business.

The occurrence of such events could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.2.7 RISKS RELATING TO DEPENDENCE ON CERTAIN CUSTOMERS

A significant share of the Group's Oil & Gas and Nuclear business, which represented 8% of Group consolidated production over the financial year ended December 31, 2019, the Group generates a significant part of its activities from a limited number of customers. In the Oil & Gas sector, the Group's first three customers accounted for approximately 42% of its consolidated production on this subject for the year ended December 31, 2019 while in the Nuclear sector, three customers accounted for nearly all of the Group's consolidated production.

More generally, the Group's ten main customers represent approximately 16% of consolidated production for the period ending December 31, 2019. Although the Group generally enjoys long-term commercial relations with its main customers (as with its other customers and business partners), it cannot guarantee that these relations will be renewed and, more generally, that they will not be broken off.

The loss of one or more of the Group's main customers or contracts (*e.g.* nonrenewal or early termination), especially in the sectors mentioned above, or a significant reduction in its services to these customers, or a substantial change in the terms governing commercial relations with its customers, or bankruptcy on the part of one of its customers could have a material adverse effect on the Group's business, financial position, results and prospects.

Moreover, a significant portion of the Group's maintenance and services businesses comprises fixed-term contracts that include an early termination clause at the customer's discretion. The Group cannot guarantee that its customers will not exercise their right to early termination or that they will renew their contracts. Early termination or nonrenewal of the Group's major contracts could negatively affect its reputation which could have a material adverse effect on its business, financial position, results and prospects.

2.1.2.8 SUBCONTRACTING RISK

The Group provides certain services to its customers through subcontractors acting in its name and on its behalf and retains responsibility for the work performed by them. As a result, it is exposed to risks relating to managing subcontractors and the risk that they may fail to perform their work satisfactorily or on time. Such a situation could cast doubt on the Group's ability to keep its commitments, comply with applicable regulations or meet customers' expectations. In extreme cases, shoddy work on the part of subcontractors could result in a customer terminating their contract with the Group. Such a situation could damage the Group's reputation, impair its ability to obtain new contracts and call its responsibility into question. Moreover, should subcontractors fail to fulfil their obligations, the Group might have to carry out unplanned work or provide additional services to ensure the performance and delivery of the contracted services.

The Group is also exposed to its subcontractors' operational control risk with respect to the qualifications of their workers and their compliance with labour law and immigration law. Lastly, some subcontractors may turn out to be uninsured or lack sufficient resources to cover customer claims resulting from damages and losses relating to their services.

The failure of the Group's subcontractors to meet their contractual or legal obligations could thus harm its reputation and have a material adverse effect on its business, financial position, results and prospects.

2.1.2.9 RISKS RELATING TO THE RECRUITMENT AND RETENTION OF KEY AND TECHNICAL PERSONNEL

Success in technical services depends on the ability to spot, attract, train, retain and motivate highly skilled technical personnel. As a result, the Group faces strong competition in its industries. The Group may be unable to successfully attract, integrate or retain a sufficient number of qualified employees, which could impair its business and growth.

Moreover, the Group's business development requires the acquisition, maintenance and renewal of a very diverse range of skills in order to respond to changes and market expectations. The Group may be unable to find qualified candidates, train its staff in new technologies, or recruit and train the necessary managers in the regions or industries in which it operates. Moreover, during periods of rapid economic growth, the Group could encounter difficulties in recruiting and retaining qualified employees with the resulting risk of increased salary costs and lowered service quality.

Were the Group unable to meet its requirements in terms of human resources – which are crucial to its development – it could have a material adverse effect on its business, financial position, results and prospects.

2.1.2.10 RISKS RELATING TO ACTIVITIES IN THE NUCLEAR INDUSTRY

As part of its activity in the nuclear sector, the Group provides services to operators in the nuclear industry, most of which are located in France. Like its customers in the nuclear industry, the Group is subject to many restrictive standards imposed by France, the EU and other national and international authorities regarding the operation and safety of nuclear facilities. Moreover, in general, and increasingly since the accident at Fukushima in Japan, regulations imposed on the nuclear industry are becoming stricter and harder to implement, which increases the financial resources set aside to comply with them. More stringent regulations could negatively impact the long-term growth of the nuclear industry, which in turn would have negative consequences for the development of the Group's business in this sector. Moreover, any prolonged suspension of its customers' activities for regulatory reasons, such as the temporary closing of facilities for periodic safety inspections, could lead to significant delays in the Group's work whose costs may not be passed on to the customer under the terms of the contract.

Lastly, the use of subcontractors being strictly limited in the nuclear industry, the Group mostly relies on its own staff to provide its services because of its customers' requirement that workers with access to their facilities have suitable qualifications, which requires the Group to maintain highly qualified employees in this activity.

2.1.2.11 RISKS RELATING TO CORRUPTION AND ETHICS

In the course of its business, the Group may encounter corruption-related risks, in particular through its Oil & Gas business in which the Group is present in some countries that have high levels of corruption. The Group has implemented employee policies, procedures and training with respect to ethics and anticorruption regulations. However, it cannot guarantee that its employees, suppliers, subcontractors or other business partners will comply with its code of conduct, its ethics or applicable regulations and legal requirements. Were the Group unable to enforce compliance with its anticorruption policies and procedures, it could face civil actions and penalties, in particular large fines, or even exclusion from certain markets. The occurrence of such events could have a material adverse effect on the Group's reputation, business, financial position, results and prospects.

2.1.2.12 RISKS RELATING TO THE GROUP'S REPUTATION

The Group's reputation is essential in presenting its services, creating customer loyalty and winning new customers. This is all the more true as the Group operates in sectors that are subject to heavy media exposure (*e.g.* Oil & Gas and Nuclear).

The Group's success in recent years is largely due to its reputation for reliability and *market leadership* across a wide range of services, in particular those requiring a high level of expertise. This reputation has consolidated the position of the Group and strongly contributed to its development. Although the Group tightly controls the quality of its services, it cannot guarantee that it will not encounter difficulties relating to the quality or reliability of its services, or more generally its ability to provide the level of service promised to its customers, in certain industries and/or regions. The occurrence of such events, in particular in the event of significant media coverage, could strongly affect the Group's reputation, in particular with its customers, and could thus have a material adverse effect on its business, financial position, results and prospects.

2.1.3 RISKS RELATING TO THE COMPANY

2.1.3.1 RISKS RELATING TO MANAGEMENT TEAMS*

The Group's success depends to a large extent on the continuity and skills of its current management team, especially Gauthier Louette, Chairman and Chief Executive Officer of the Company who has now been with the Group for more than 30 years. Should one or more of these executives or other key staff have an accident or leave, the Group may be unable to replace them easily, which could affect its operational performance. Competition in executive recruitment is fierce and the number of qualified candidates is limited. The Group may be unable to retain its executives or key staff or attract and retain experienced executives and key staff in the future. Moreover, should its executives or other key staff join a competitor or start a competing business, the Group could lose customers, part of its know-how and key employees who might follow them. These circumstances could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.3.2 RISKS RELATING TO INDEBTEDNESS AND RESTRICTIVE FINANCING COVENANTS

At December 31, 2019, the Group's total net indebtedness amounted to €1,250.9 million (see Notes 21.3 and 21.4 to the appendix to the consolidated financial statements for the year ended December 31, 2019 included in Section 4.4.1 of this Universal Registration Document).

The Group's debt can have negative consequences such as:

- requiring the Group to allocate a substantial portion of its cash flow from operating activities to debt repayment and financing, thus reducing its ability to use free cash flow to finance organic growth, make investments and meet other general needs;
- increasing the Group's vulnerability to a slowdown in economic activity or conditions;
- placing the Group in a less favourable position in relation to competitors that have a lower debt to cash flow ratio;
- limiting the Group's flexibility to plan or respond to changes in its businesses and industries;
- limiting the Group's ability to invest in its growth;
- limiting the Group's ability to act on its acquisition policy; and
- limiting the ability of the Group and its subsidiaries to borrow additional funds or raise capital in the future, and increasing the cost of such additional financing.

In this respect, the Senior Credit Facilities Agreement requires the Group to comply with financial and other *covenants* and specific ratios (see Section 4.1.2 "*Cash-flow* and financial structure" of this Universal Registration Document).

Moreover, the Group's ability to honour its obligations, pay the interest on its borrowings, or even refinance or repay its borrowings under the conditions stipulated will depend on its future operational performance and may be affected by a number of factors (*e.g.* economic context, conditions in the debt market, regulatory changes), some of which are independent of the Group.

Should the Group have insufficient liquid assets to service its debt, it could be forced to reduce or defer acquisitions or investments, sell assets, refinance its debt or seek additional financing, which could have a material adverse effect on its financial position or business. The Group might be unable to refinance its debt or obtain additional financing under satisfactory terms and conditions.

The Group is also exposed to the risks of interest rate fluctuations in that the remuneration of a large part of its debt is at a variable rate equal to Euribor plus a margin.

2.1.3.3 RISKS RELATING TO GOODWILL ASSETS, OTHER INTANGIBLE FIXED ASSETS AND OTHER ASSETS

At December 31, 2019, *goodwill* amounted to €3,211.9 million, of which €105.1 million came from acquisitions completed during the period ending December 31, 2019 (see Note 14 to the consolidated financial statements for the period ended December 31, 2019 included in Section 4.4.1 of this Universal Registration Document). The Group cannot exclude the possibility that future events may lead to the impairment of some intangible assets and/or *goodwills*. Due to the high value of intangible assets and goodwills *on the* Group's balance sheet, any significant impairment could have a material adverse effect on its financial position and results for the year in which such charges are recorded.

At December 31, 2019, the deferred tax assets on the Group's consolidated statement of financial position amounted to €315.3 million. Deferred tax assets are recorded on the Group's balance sheet for an amount the Group reckons it can recover within a reasonable period of time (estimated at five years) and in any event before the expiry of differences for the share of deferred tax assets relating to tax loss carryforwards. Nevertheless, the Group could prove unable to recover the expected amount of deferred tax if its future taxable income and related taxes are lower than initially expected. The Group also bases its projected use of deferred tax on its understanding of how tax regulations are applied which could be called into question by changes in tax and accounting regulations or by tax audits or litigation that could affect the amount of its deferred tax. Were the Group to reckon it was unable to recover its deferred tax in the coming years, it would have to remove these assets from its balance sheet, which could have a material adverse effect on its financial position and results.

2.1.4 MARKET RISKS

A presentation of the main market risks faced by the Group is set out in Note 21 of the notes to the consolidated financial statements for the year ended December 31, 2019 and presented in Section 4.4.1 of this Universal Registration Document.

2.1.5 LEGAL RISKS

2.1.5.1 RISKS RELATING TO REGULATION AND CHANGES THERETO*

The Group's business is subject to various regulations in France and abroad, in particular with respect to industrial, safety, health, hygiene and environmental standards. In particular, the Group's Oil & Gas and Nuclear businesses are subject to strict regulations whose proper application is closely monitored. These standards are complex and subject to change. Although the Group devotes particular attention to complying with regulations in force, it cannot exclude the risk of non-compliance. The Group could be led to incur significant costs in efforts to comply with regulatory changes and cannot guarantee that it will always be able to adapt its business and structure to these changes within the necessary time frame. Furthermore, the authorities and/or the courts may change how they apply and/or interpret existing standards at any time.

Were the Group unable to comply with and adapt its business to new regulations, recommendations or national, European or international standards, it could have a material adverse effect on its business, financial position, results and prospects.

2.1.5.2 RISKS RELATING TO ON-GOING INVESTIGATIONS AND DISPUTES*

In the normal course of their business, the Group's entities may be involved in a certain number of legal, administrative, criminal or arbitration proceedings relating in particular to civil liability claims (filed by customers, suppliers or sub-contractors), competition, intellectual, tax or industrial property, taxation, environmental matters and discrimination. The largest disputes underway or about which the Group has received notification are detailed hereunder. In some of these proceedings, significant monetary claims have been or could be made against one or more of the Group's entities. The corresponding provisions that the Group may be required to set aside could prove insufficient. Moreover, the possibility cannot be excluded that in the future, new proceedings, whether or not related to current proceedings, relating to the risks identified by the Group or to new risks, could be brought against one of the Group's entities. Lastly, although the Group considers many of these ongoing proceedings to be covered by existing liability guarantees, it cannot assure that they will not be contested or that any resulting compensation made thereunder, either in their timing or amount, will be sufficient to avoid a negative impact on the Group.

At December 31, 2019, the Group's total provisions for litigation amounted to €45.2 million.

If the outcome of the proceedings described above is unfavourable, these could have a material adverse effect on the Group's business, results, financial position and prospects.

Due to the complex nature of the services provided by the Group and the multiplicity of its customers, it may be involved in legal, arbitration, administrative or regulatory proceedings in the normal course of its business. The Group records a provision as soon as there is sufficient probability that such disputes result in costs to be paid by the Company or by one of its subsidiaries, and the amount of such costs can be reasonably estimated.

At the date of this Universal Registration Document, the Group had no knowledge of any governmental, legal or arbitration proceedings (including any proceedings of which the Group was aware, either pending or threatened) other than those described below that, during the last twelve months, could have or have had significant impacts on the financial position or profitability of the Company or the Group.

Recourse of the Île-de-France region – Lycées d'Île-de-France

In a decision of May 2007, the French Competition Council, now the ADLC, sentenced several firms, including certain Group entities, on the grounds that between 1991 and 1996 they had engaged in uncompetitive practices in connection with the award of contracts to renovate secondary school buildings in the Île-de-France region. In February 2010, on the basis of this ruling, the Île-de-France Region filed a claim before the Paris Civil Court of First Instance (*tribunal de grande instance*) to obtain a ruling that the firms and individuals involved be ordered to pay *the region in* solidum the sum of €358.8 million, an amount subsequently reduced to €232.1 million, together with interest at the statutory rate since July 1997, in respect of the losses it claimed to have suffered as a result of these illegal agreements. In December 2013, the Paris Civil Court of First Instance ruled that the action of the Île-de-France region was time-barred and that its claims were inadmissible. In January 2014, the Île-de-France Region appealed the ruling before the Paris Court of Appeal.

In October 2014, the Prefect of Paris and the Île-de-France Region submitted to the public prosecutor at the Paris Court of Appeal a denial of jurisdiction asking to transmit it to the President of the Paris Court of Appeal and to invite the parties to file an appeal before the administrative court. By a decision dated June 2015, the Paris Court of Appeal rejected the denial of jurisdiction. By an order dated July 2015, the Prefect of the Île-de-France Region then escalated the conflict. By a decision dated November 2015, the Conflict Court confirmed the conflict order taken by the Prefect of the Île-de-France Region and declared null and void the procedure launched before the Paris Court of Appeal and the decision issued by this Court of Appeal in June 2015.

The Conflict Court having ruled on the administrative nature of this case, the case has been referred to the Administrative Court.

Between March and June 2017, the Île-de-France Region submitted 88 applications (received between May and August) to the French Administrative Court of Paris (*tribunal administratif de Paris*) including a compensation claim and a request for an expert appraisal for each market.

In late July 2019, the Administrative Court rejected the claims filed by the Île-de-France Region. The latter then appealed in this ruling.

Claims made by the Île-de-France Region totalled €293,361,362 (excluding interest and Article L. 761-1 of the French Administrative Justice Code).

The Group believes that it has strong arguments to challenge the existence and the amount of the damages allegedly caused to the Region by the Group. In addition, the Group believes that these proceedings are covered by the AMEC Indemnity Undertaking.

Recourse by SNCF – EOLE

In a decision in March 2006, the French Competition Council, which became the ADLC, convicted several companies, including SPIE Operations, on the grounds that they had engaged in anti-competitive practices in connection with the award of tenders related to the public works sector in the Île-de-France region. On the basis of this ruling, which was confirmed by a decision of the French Supreme Court (*Cour de cassation*) in October 2009, SNCF, the French national railway operator, filed a claim in March 2011 with the French Administrative Court of Paris (*tribunal administratif de Paris*) asking that the companies convicted in 2006 be jointly ordered to pay it the sum of €59.6 million, for indemnification for the loss it had allegedly suffered as a result of the anti-competitive practices relating to contracts entered into for the construction of the EOLE line. In July 2014, the Clerk's office of the Administrative Court of Paris (*Greffe du tribunal administratif de Paris*) sent to the relevant companies, which include subsidiaries of the Group, a new supplementary and recapitulative brief from SNCF. SNCF requested the cancellation of the procurement contract relating to the public works necessary for construction of the underground railway station Magenta in connection with project EOLE (Lot 34B) and therefore requested a joint order against the relevant companies, including SPIE Operations, to pay an amount of approximately €197.7 million, together with interest at the legal rate, capitalised, since March 2011, which corresponds to the amounts paid by SNCF to these companies pursuant to this Lot. SNCF has also instituted proceedings to cancel the procurement contract relating to the public works necessary for construction of the underground railway station Saint-Lazare Condorcet in connection with the EOLE project (Lot 37B) and therefore requested a joint order against the relevant companies including SPIE Operations to pay an amount of approximately €281.4 million, together with interest at the legal rate, capitalised, since March 2011, which corresponds to the amounts paid by SNCF to these companies pursuant to this Lot. SNCF also requested from the Administrative Court of Paris a joint order against these companies to guarantee the payment of the abovementioned amounts requested, up to the amount of the cost overruns, namely €33.9 million for the Lot 34B and €37.2 million for the Lot 37B, for indemnification for the loss it had allegedly suffered as a result of the anti-competitive practices of the other companies which participated in the tender but were not granted the Lot.

In February 2016, a settlement agreement was reached between all the companies (including SPIE Operations), except for a few, and SNCF, by which the parties withdrew their claims. In a decision in May 2016, the French Administrative Court of Paris (*tribunal administratif de Paris*) accepted the withdrawal of the claims and proceedings of the parties under the settlement agreement and rejected SNCF's claim for indemnification for the loss it had allegedly suffered as a result of the anti-competitive practices.

In July 2016, SNCF filed a petition with the Paris Administrative Court of Appeals (*Cour administrative d'appel de Paris*) to overturn the decision of the French Administrative Court of Paris (*tribunal administratif de Paris*) which rejected its claims for indemnification against the companies not involved in the settlement agreement and requested that such companies be forced to compensate SNCF for the loss it allegedly suffered as a result of the above mentioned anti-competitive practices. These companies also filed a petition with the Paris Administrative Court of Appeals (*cour administrative d'appel de Paris*) for the cancellation of the decision of the French Administrative Court of Paris (*tribunal administratif de Paris*) which acknowledges the withdrawals of the parties to the settlement agreement and SNCF and the confirmation of the dismissal of SNCF's claim for indemnification.

In its decisions of December 29, 2017, the Paris Administrative Court of Appeal (*Cour administrative d'appel de Paris*) confirmed the ruling of the Administrative Court of Paris which pronounced the withdrawal of the SNCF and the companies party to the settlement agreements, and the rejection of the compensation claim by SNCF based on which the legal action was instituted. SNCF filed an appeal to set aside against the decisions issued by the Paris Administrative Court of Appeal. In a decision dated November 22, 2019, Council of State (*Conseil d'Etat*) overturned these decisions and returned the case to the Paris Administrative Court of Appeal.

The Group believes that these proceedings are covered by the AMEC Indemnity Undertaking.

2.1.5.3 RISKS RELATING TO COMPETITION LAW REGULATIONS

The Group is subject to national and international competition law. In markets where the Group has a strong presence, such regulations can reduce its operational flexibility and limit its ability to make significant new acquisitions and implement its growth strategy.

The Group is involved in several competition law proceedings. Although the Group has put strict internal guidelines, an ethics policy and a compliance programme in place to ensure regulatory compliance, it cannot exclude the possibility that agreements or transactions may not follow the instructions given and infringe applicable regulations, either inadvertently or deliberately. Such practices could damage the Group's reputation and, if found liable, expose it to fines or other stiff penalties (*e.g.* exclusion from certain markets). The occurrence of such events could have a material adverse effect on the Group's business, financial position and results.

2.1.5.4 RISKS RELATING TO TAXATION AND CHANGES THERETO

The Group is subject to complex and changing tax laws in the countries where it operates. Changes in tax laws could have material adverse consequences on the Group's tax position, its effective tax rate or the amount of taxes it must pay. Moreover, tax regulations in the various countries where the Group is present can be interpreted in very different ways. The Group is therefore unable to guarantee that the relevant tax authorities will agree with its interpretation of applicable regulations. Should the Group's tax position be disputed by the relevant authorities, it may have to pay additional taxes, incur potentially large tax adjustments and fines, or raise the prices of its products or services in order to collect these taxes, which could have a material adverse effect on the Group's business, financial position, results and prospects.

2.2 RISK INSURANCE AND COVERAGE

The Group's insurance cover is coordinated by its Legal and Insurance Department.

Each of the Group's entities is responsible for providing the necessary information to the Legal and Insurance Department to identify and classify insured or insurable risks at the Group level and implement the necessary means to ensure continuity of the Group's business in the event of an incident. On the basis of such information, the Legal and Insurance Department negotiates with major insurers to obtain the cover most suited to these risks.

Local entities also take out local insurance policies to cover local risks (*e.g.* car insurance).

Insurance policies are put in place on the basis of the calculated level of cover required to deal with the likelihood of reasonably estimated liability risks, damages or other events. This assessment takes into account the valuations performed by insurers as the risk underwriters. Risks for which there is no cover available on the insurance market, or for which the cost of available cover is disproportionate to the potential value of the insurance, or for which the Group deems cover unnecessary, are uninsured.

The Group's insurance programmes are in the form of master policies supplemented by local policies, where necessary, in certain countries where the master policies alone are not authorised. The master insurance policies apply to the Group's business as a whole and offer supplementary liability cover beyond the initial level of cover taken out by subsidiaries, and liability cover for corporate officers and an environmental liability cover. Local policies are also entered into to take local specifics or constraints in the relevant country or countries into account. The Group has taken out the following main policies with international insurance firms:

- civil liability covering injury, damage and consequential loss caused to third parties, including customers or contracting authorities, for which Group entities may be liable; and
- damage to property and operating losses; and
- liability of executive Directors.

To cope with new threats that have developed, in early 2019, the Group purchased a special insurance policy that covers so-called cyber-attacks.

2.3 INTERNAL CONTROL AND RISK MANAGEMENT

The internal control system implemented within the Group is presented in this section of this Universal Registration Document. In addition, detailed information is available in the Board of Directors' report on Corporate Governance required by Article L. 225-37 of the French Commercial Code, which is included in Chapter 5 to this Universal Registration Document.

In the performance of its activities, the Group is exposed to multiple risks in the various countries in which it operates (see Sections 2.1.1 to 2.1.5 of this Universal Registration Document). In this light, the Group actively identifies, manages and controls all kinds of risk so as to ensure the growth and protection of its assets and reputation and to protect the interests of its Shareholders, employees, customers, partners and suppliers, the environment and other stakeholders.

This globally coordinated policy of identifying, managing and controlling risk applies to the Group's fully consolidated subsidiaries.

The policy aims to provide reasonable assurance – although not an absolute guarantee – of reaching the following main objectives:

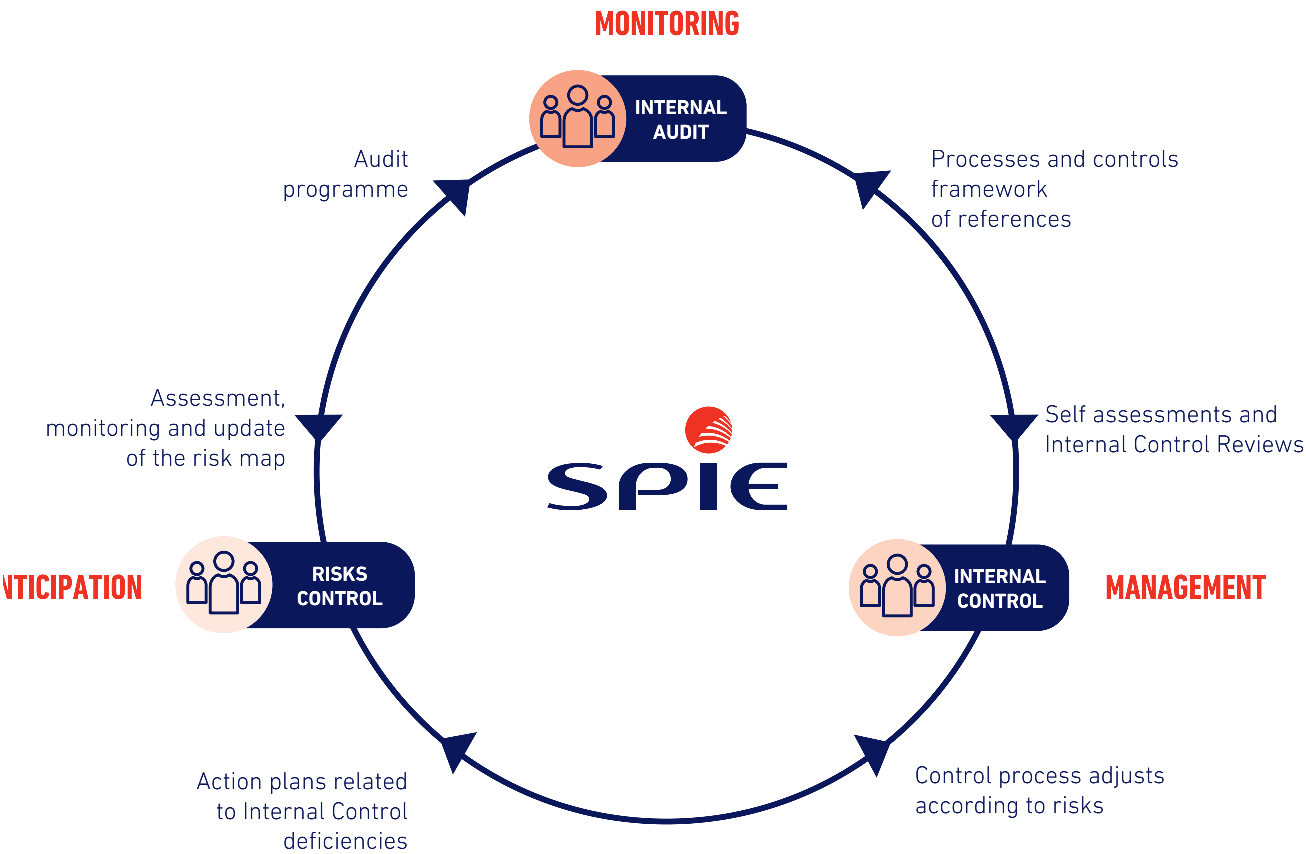
- reliable financial information;
- compliance with the laws, regulations and internal policies in force; and
- effective and efficient internal processes at Group level.

The Group builds sustainable trust with its customers by providing them proximity services and based among other things on its ability to manage the risks said customers transfer to it.

In creating a coordinated risk identification, management and control system, the Group recognises the fundamental importance to its growth of getting to grips with risk in a context of ever-greater, more complex, more varied and more serious threats than in the past. To deal with the risks inherent in carrying out its business, the Group has set up a decentralised organisation and established procedures enabling it to protect its business and limit the negative impact of these risks, where appropriate.

2.3.1 OVERVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

STRUCTURE OF INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT MECHANISMS



The internal control and risk management mechanisms contribute, together with the internal audit, to controlling activities, optimising their technical and operational performance and, finally, achieving the Group's strategic objectives:

The risk management mechanism aims to anticipate risks in order to preserve SPIE's value, assets and reputation. At Group level, it makes it possible to identify, analyse and rank events likely to significantly impact on the Group's objectives. It favours the definition and monitoring of action plans corresponding to these risks.

The internal control mechanism comprises all the permanent mechanisms, applied at all levels within SPIE, that are involved in handling risk (*e.g.* internal control standards, control points). It also contributes towards ensuring compliance with laws and regulations and with the Group's internal standards. It thus participates in the control of the Group's business, the effectiveness of its operations and the efficient use of its resources.

Internal audit provides General Management with independent and objective oversight of their operations and advice on how to improve them based on an annual schedule of work. The internal audit is also responsible for periodically assessing the relevance, effectiveness and efficiency of the Group's internal control and risk management systems.

INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

The Group's internal control and risk management mechanism is adapted to its strategic guidelines and to its international development. The Group has chosen to apply the main recommendations proposed by the AMF Reference Framework and Application Guide (updated in July 2010), the recommendations of the Audit Committee Working Group report (also published in July 2010) and the guide to periodic information about publicly traded companies published on October 26, 2016 by the AMF (DOC-2016-05). This reference framework is itself consistent with the American COSO I & II (Committee of Sponsoring Organizations of the Treadway Commission) systems.

SPIE's internal control and risk management mechanism is constantly developing, so as to adapt, in keeping with the AMF's recommendations, to developments in SPIE's economic and regulatory environment, or also those of its organisation or its activities. It incorporates the provisions of decree no. 2017-1162 of July 12, 2017, and is also based on the AMF recommendations published in November 2017 in its report on Corporate Governance, executive compensation, internal control matters and risk management.

SCOPE OF APPLICATION OF INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

SPIE's internal control and risk management mechanism is designed to cover the entire Group, i.e. the parent company and all its fully consolidated subsidiaries, taking into account any local specific features and particular regulations in force.

With regard to recently acquired entities, the Group's internal control and risk management mechanism must be applied within 18 months of their consolidation.

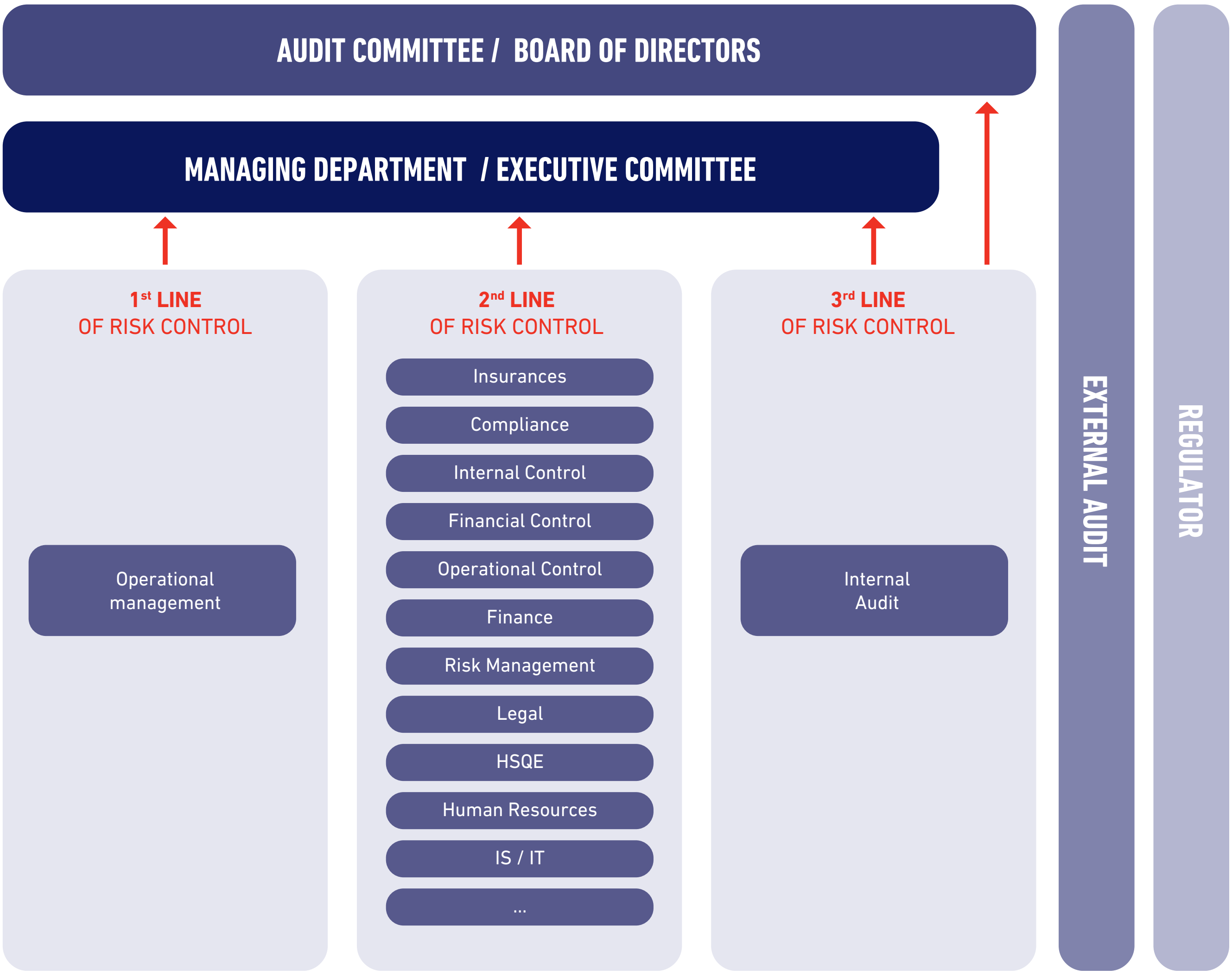
LIMITS OF INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

Within SPIE, internal control and risk management are everyone's business. These mechanisms are thus implemented permanently by SPIE's General Management, the managerial staff, local management and, finally, its operating teams. These mechanisms cannot provide an absolute guarantee that the Company's objectives will be achieved, however. The main limits relate to external uncertainties and developments; an error of judgement or instances of human failure in taking and/or implementing decisions.

In addition, in order to take into account the economic reality of the Group's companies, and to ensure business secrecy and the protection of its know-how, the Company has taken into account the legitimate interests of the Group's subsidiaries with regard to the possible consequences of the disclosure of certain information. However, wherever it occurs in this Universal Registration Document, the voluntary omission of certain information is always made in accordance with the correct information of the Shareholders, the market and investors.

2.3.2 KEY INDIVIDUALS INVOLVED IN INTERNAL CONTROL AND RISK MANAGEMENT AND THEIR STEERING

THREE LINES OF CONTROL FOR EFFECTIVE RISK MANAGEMENT AND CONTROL



The Group's structure rests on the General Management, the corporate management departments and the subsidiary management teams within the scopes defined by business line or region.

As a result, SPIE's internal control and risk management system is implemented at the most appropriate level in the Group's organisational structure under the supervision of the Group's governance bodies and, more specifically, the Audit Committee of the Board of Directors, whose mission includes monitoring the effectiveness of the internal control and risk management systems (see Section 5.2.2 of this Universal Registration Document and the Board of Directors' management report on Corporate Governance in Chapter 5 of this Universal Registration Document). By way of illustration, SPIE makes the safety of Company employees the focus of its concerns; mechanisms for the prevention of risk of accidents are therefore systematically adopted at operating and construction sites, but also in the subsidiaries' head offices, within any entity entering the Group and, as far as possible, among the Group's subcontractors and suppliers. SPIE has thus implemented a global, coordinated internal control and risk management mechanism that is ultimately based on the definition of individual objectives shared between the management and every Group employee, to achieve the objectives set by the Board of Directors and General Management.

THE EXECUTIVE COMMITTEE

The Chairman and Chief Executive Officer of SPIE is supported by an Executive Committee in which all of the Group's subsidiaries are represented. As of the date of this Universal Registration Document, the Executive Committee is composed of twelve members. The Executive Committee responds to the desire to improve synergies and operations in an integrated and listed group while respecting the management autonomy of the subsidiaries. This Executive Committee is a forum for reflection, consultation and decision-making about the Group's major strategic and operational issues. In principle, the Executive Committee meets once a month; once a year, it also examines the assessment of the Group's level of internal control. It also meets twice a year as the Risk Committee to review the Group's risk management system (mapping of major risks and monitoring of corrective action plans).

THE ADMINISTRATIVE AND FINANCIAL DEPARTMENT

The Administrative and Financial Department is responsible for the finance division within the Group, directly through centralised functions (financial communication, accounting and taxation, financial control, management control, treasury and financing) and through functional links with the financial Directors of the Group's various subsidiaries reporting to it.

The Chief Financial Officer reports to the Chairman and Chief Executive Officer; he is a member of the Executive Committee of SPIE. The main managers of the corporate financial divisions and subsidiaries form the Group's Financial Management Committee, which meets monthly.

THE RISK CONTROL AND INTERNAL AUDIT DEPARTMENT

The Risk Control and Internal Audit Department was created in 2015 to strengthen the Group's ability to anticipate, identify, analyse and weigh the risks to which it is exposed, whatever their nature, in its daily business and strategic choices. It is attached to SPIE's Chairman and Chief Executive Officer and reports to the Audit Committee of the Board of Directors. It coordinates risk and crisis management, internal control and internal audit.

The work performed by internal audit falls within the scope of an annual plan ratified by SPIE's Chairman and Chief Executive Officer, implemented based on multi-criteria analysis (production, EBITA, risks, etc.) and taking into account the Statutory Auditors' observations and the results of internal control self-assessment reviews carried out by the subsidiaries. This audit plan revolves around three main types of mission: missions aimed at securing growth (consolidation and post-acquisition); missions relating to internal control; and cross-functional missions within the Group (controlling major risks and optimising efficiency); where appropriate, the plan may be adapted over the course of the year to incorporate missions relating to insurance or consulting at the discretion of General Management, the Board of Director's Audit Committee or the Group's Ethics Committee. Internal audit missions are carried out in all the Group's subsidiaries in accordance with the Code of ethics and international professional standards (*Institut français de l'audit interne* – IFACI and The Institute of Internal Auditors – IIA).

The purpose of internal control is first to prepare and develop the Group's internal control standards, in keeping with the AMF's recommendations, in collaboration with the corporate management departments and the internal control structures of each subsidiary. Its work also consists in promoting the network of approximately 150 leaders of SPIE's 18 internal control processes, which are distributed among subsidiaries and within the Group's head office.

Finally, the task of risk control is to identify, analyse, prevent and control the main risks (threats and opportunities), whatever their nature, to which the Group may be exposed in its daily operations and in the choice of its overall strategic guidelines.

The Risk Control and Internal Audit Department is responsible for the overall coherence of the risk management process within the Group. It suggests solutions to reduce the potential effect on the Group of any occurrence of the risks identified. It ensures that risk management work is aligned with the Group's strategic objectives. By mapping the Group's major risks based on potential impact, possible frequency and level of control of the risks identified by the Group's executive officers, it is able to provide a consolidated overview of the risk portfolio so that an informed decision can be taken on the level of risk accepted and the allocation of the resources required for the assumption of a risk can be planned (risks/business case). It ensures the monitoring of the major risks presented to the Risk Committee each year, in close collaboration with the subsidiaries and operating organisations to which it provides its expertise and its technical support.

OTHER INTERNAL CONTROL AND RISK MANAGEMENT DECISION- MAKERS

In their respective fields, the subsidiaries' operational line managers are also major participants in everyday internal control and risk management, with the support of the central divisions concerned (finance, human resources, purchases, sustainable development, legal affairs, safety, information systems and technologies, etc.).

The Go/No Go Committee which has the power to authorise undertakings in respect of significant projects presented by the subsidiaries, the Group's Ethics Committee and the Group's Compliance Committee, replicated in each subsidiary, also play an active part in guiding internal control and monitoring it on a permanent basis.

2.3.3 EFFECTIVENESS OF THE INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

Besides the guidance provided by the decision-makers described above, the effectiveness of the internal control and risk management mechanisms within SPIE is reliant on four key components:

- the control environment, which essentially corresponds to the values promoted within the Group;
- risk assessment;
- control measures, defined as the rules and procedures implemented to deal with risks; and
- dissemination of information.

CONTROL ENVIRONMENT

SPIE's control environment mainly relies on the following elements, which are widely reported and disseminated in all the subsidiaries and are accessible on the Group's Intranet:

- the securities trading code of conduct and its implementing recommendations;
- the affirmation of SPIE's values: namely, proximity, performance and responsibility. Each of these values forms part of an operating perspective that covers economic and managerial aspects as well as cultural, environmental and social aspects;

- the ten guiding principles on which SPIE relies to successfully carry out its business project are principles that structure its processes: ethical behaviour, environmental protection, health and safety, respect for employees, training and investment, upholding a diversity, local commitment, listening to customers, sense of responsibility, risk management;
- since 2003, SPIE has been part of the United Nations Global Compact and ensures that its principles on Human Rights and rules on employment, the environment and combating corruption are applied. Its performances in this field are regularly evaluated by an independent agency that measures social responsibility;
- ethical business conduct constitutes a fundamental element of SPIE's approach, which is a belief that a firm's economic performance cannot be separated from its ethical responsibility. With this in mind, the Group has created its eight principles on ethical business conduct to regulate its activities. A guide on the application of ethical principles has also been prepared which seeks to guide SPIE's employees on the right conduct they should adopt in relation to certain situations that may constitute significant risks both for the employees and for SPIE;
- the Human Resources management policy and the Corporate Human Resources Evaluation and Development Committee (CEDRE). This is a collective approach, defined annually at each corporate level, i.e. services, agencies and departments all the way up to General Management, based on a joint process that seeks to ensure collectively that the performance of operating units and their human resources match, on an individual level, the personal and professional development of each employee.

RISK ASSESSMENT

Since 2010, the Group has periodically conducted risk mapping, which gives the Group's Executive Committee and the Audit Committee of the Board of Directors a snapshot in time of the major risks to which the Group may be exposed that could compromise the achievement of its objectives, disrupt its activities or cause long-term degradation to its image or the key operating process of the Group.

In 2019, the Risk Control and Internal Audit Department carried out further mapping of the Group's major risks using a methodology that fully complies with the recommendations of the AMF's working group on adapting reference frameworks to the issues of risk management and internal control. This was done according to a uniform working method adopted by all of the Group's twelve executive officers, who were interviewed based on a methodological guide that was established and circulated before interview. The risks were identified by families (strategy, operations, compliance and finance) and sub-families (18) through the Group's risk register. For each identified risk, its causes and possible consequences were described. Current and expected impact, frequency and levels of control were also assessed.

The risks mentioned were finally consolidated by grouping risks presenting similar problems and based on the "one person, one vote" principle, so that the criticality and the level of control of each of the major risks could be calculated. Finally, each of them was described in a detailed individual file that provides a specific action plan attributed to a "risk owner" who is a member of the Group's Executive Committee, with a timetable for completion. Each major risk is also linked to internal control point(s) and with risk indicator(s), where possible. In 2019, for the first time, this major Group risk mapping process was digitised *via* a dedicated IT solution, licensed for use by a leading publisher of IT solutions in this market in Europe. This application, scaled to the SPIE group, is known as "GYRO" ("Govern Your Risks and Opportunities").

In 2019, the Group's Executive Committee met two (2) times as the Risk Committee (two 4-hour sessions) and examined proposals for action plans concerning the risks deemed to be major. Proposals that were approved have been or are being deployed within the Group.

CONTROL MEASURES

In general, apart from the general tasks described above, each organisation within SPIE is associated with the Group's control activities in a way that ensures that SPIE's rules, instructions and procedures are disseminated, understood and applied.

Since 2013, the Group has deployed an internal control framework that was initially called "SPIE standards". At the end of the first enhancement in 2014, this framework became "the Group's internal control standards" and resulted in the first self-assessment campaign in the subsidiaries of their level of internal control. A self-assessment campaign for the level of internal control is now conducted each year in the subsidiaries. This self-assessment included 190 key controls and 133 standard controls divided into 18 management processes. Each control was assessed and rated as "compliant", "partially compliant", "non-compliant" or on an exceptional basis "not applicable". In 2019, internal control standards were completely overhauled to be brought into line with the risks identified.

DISSEMINATION OF INFORMATION

Internal control information is systematically made available to all SPIE employees on the Group's Intranet. It is also made available to persons requiring it through the functional departments *via* their network of correspondents in the subsidiaries. Certain procedures or rules may moreover form the subject of *ad hoc* communication campaigns. As a reflection of the Group's decentralised organisation, information is always disseminated by the managerial or functional organisation for best effect. From 2020, onward, this will also be digitised *via* the GYRO application referred to above.

2.3.4 INTERNAL CONTROL PROCESSES AND RISK MANAGEMENT PUT IN PLACE BY THE COMPANY IN RELATION TO THE PRODUCTION AND HANDLING OF FINANCIAL AND ACCOUNTING INFORMATION

Financial information is the result of a rigorous and exhaustive financial planning process. This process includes the following, in particular:

- a medium-term strategic plan;
- an annual budget;
- two complete re-estimates of the financial indicators projected to year-end;
- monthly statements;
- monthly updates on three-month projections for certain financial indicators;
- monthly meetings of each subsidiary's Management Committee, during which indicators are reviewed and commented on.

The Group's accounting rules and methods are accessible on the SPIE Intranet.

The Accounting Department, attached to the Group's Administrative and Financial Department, is responsible for the integrity and reliability of SPIE's financial information (parent company and consolidated financial statements) circulated within and outside the Group.

For production of the parent company and consolidated financial statements, it takes responsibility for:

- the preparation, approval and examination of the Group's statutory and consolidated, half-yearly and annual financial statements, as well as the projected figures;
- the identification, consolidation and monitoring of the off-balance sheet commitments of the Group's subsidiaries;
- the preparation, dissemination and monitoring of accounting procedures within the Group, ensuring their compliance with the accounting standards in force and the correct accounting translation of material transactions;
- guidance on the Group's financial information system;
- setting the reporting schedule and issuing instructions for the preparation of the half-yearly and annual financial statements.

After collecting letters of confirmation from the management departments of the subsidiaries and the head office, the Statutory Auditors present their observations on the half-yearly and annual accounts to the members of the Audit Committee and then to the Board of Directors.

Finally, since the Initial Public Offering (IPO) completed in 2015, the Group has been subject to control by the AMF.

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3.1 NON-FINANCIAL STATEMENT

3.1.1 VALUE-CREATION MODEL

RESOURCES

ECONOMIC CAPITAL

SPIE has economic resources to finance and develop its business.

- €1,454m in equity
- €1,251m in debt (Excl. IFRS 16)

MANUFACTURING CAPITAL

To successfully carry out its business, SPIE needs facilities and transport. The Group also purchases and consumes materials.

- € 4bn in goods and services purchased from suppliers and subcontractors
- ~800 local sites
- 25,600 SPIE vehicles in use

HUMAN CAPITAL

As a service company, SPIE calls on the expertise and know-how of its employees.

- 47,176 employees
- 5,266 new hires on permanent contracts

SOCIETAL AND RELATIONAL CAPITAL

To deliver its services, SPIE draws on a network of partners, as well as on the trust-based relationships with its customers.

- 24,000 customers in +15 industries
- 55,000 suppliers and subcontractors
- ~450 partnerships with schools and universities

INTELLECTUAL CAPITAL

SPIE's added value is built on certified operating processes and expertise.

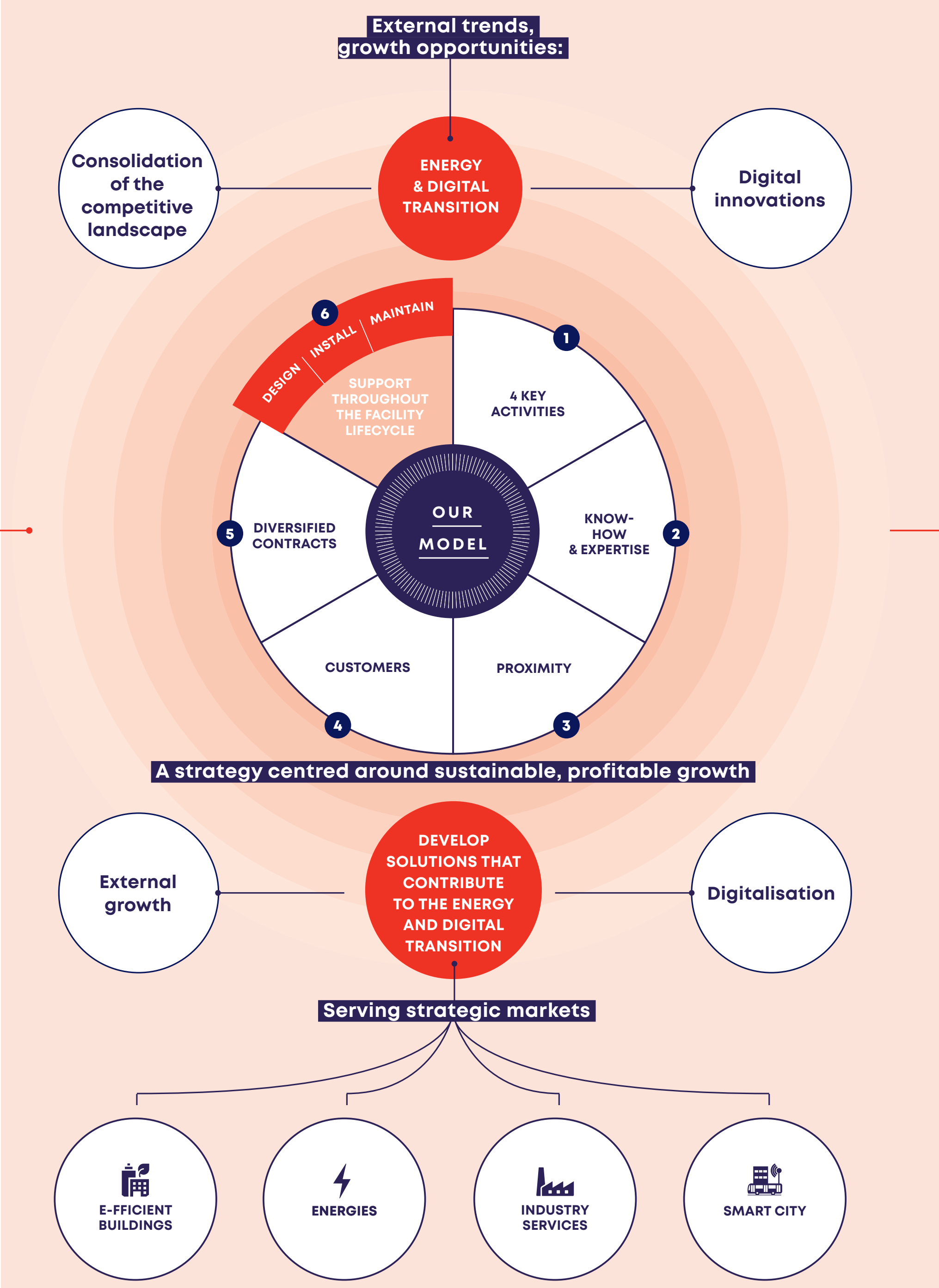
- ~50% of employees trained every year
- 25 new SPIE Talents trained in internal audit every year

ENVIRONMENTAL CAPITAL

SPIE mainly uses energy to carry out its operations, particularly vehicle fleet fuel.

- 45.5 million litres of fuel consumed
- 87.6 million kWh of electricity and natural gas consumed

BUSINESS MODEL



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RESULTS

-

ECONOMIC CAPITAL

SPIE's business generates economic resources that are redistributed to the Group's stakeholders.

- 6% EBITA margin
- €2,501m paid in wages
- €90,3m paid in dividends

MANUFACTURING CAPITAL

SPIE continues to create and improve facilities for private and public use.

- €1,332m in revenue generated by new facilities
- €1,206m in revenue generated by the "e-fficient buildings" business
- €312m in revenue generated by the roll-out of fibre optics

HUMAN CAPITAL

By paying careful attention to its employees' safety and well-being, SPIE develops not only its teams' commitment and its reputation as a great place to work, but also operational excellence and top quality service.

- 33% of employees are Group shareholders
- 20% fewer severe accidents compared to 2018
- 918 hires via employee referrals, up 49% on 2018

SOCIETAL AND RELATIONAL CAPITAL

SPIE's long-standing relationships with its customers ensure that its business is sustainable. The Group also develops trust from wider society by acting as a responsible company.

- €3,520m in revenue generated by recurring service contracts
- ~70% regular customers
- Top 1% in EcoVadis' most responsible companies rating with an overall score of 76/100

INTELLECTUAL CAPITAL

SPIE develops and provides innovative solutions that help the Group and its customers gain in efficiency.

- 11% increase in contracts using BIM in 2019
- 233% increase in logins to the SIOUX innovation platform created by SPIE

ENVIRONMENTAL CAPITAL

SPIE's initiatives and commitments help it reduce its environmental and energy footprint.

- ~12% reduction in energy consumed by SPIE buildings compared with 2018
- 608 low-carbon vehicles within SPIE's fleet

IMPACT

-

ECONOMIC CAPITAL

SPIE is able to maintain its economic activity over the long term and contribute to economic growth in its host regions.

- €210m in acquired revenue
- €65.6m in tax paid in host countries

MANUFACTURING CAPITAL

Through its business, SPIE simplifies access to infrastructure that is essential to business and human development.

- €232m in revenue generated in the transport sector
- €164m in revenue generated in the health sector
- €79m in revenue generated in the education sector

HUMAN CAPITAL

SPIE is a key player in inclusion in countries where it has a presence. It is also committed to fighting discrimination and to promoting gender equality in the workplace.

- In 2019, SPIE hired 402 new work-study trainees in France and 279 in Germany, bringing the total number of trainees currently at SPIE to nearly 2,000.
- The Board of Directors is composed of 10 directors with an equal number of men and women
- Score of 84/100 on the equal pay index in France
- ~5% of employees with disabilities in France

SOCIETAL AND RELATIONAL CAPITAL

SPIE takes part in collaborative global initiatives that promote a more ethical and responsible economy. On a local level, the Group is also committed to supporting communities.

- 17^{th} year as a signatory to the United Nations Global Compact
- 34% of the Group spend assessed on CSR performance by EcoVadis
- €1.8M spend with protected worker sector in France
- 1,000 students, all women, involved in the "*Elles bougent pour l'énergie*" day to raise awareness and encourage women to pursue careers in energy engineering

INTELLECTUAL CAPITAL

As a local services provider, SPIE promotes innovation, helping economic players of any size to access practical, inventive solutions.

- 398 contracts using the unified digital platform Smart FM 360°, a 173% increase on 2018
- 113 pilot projects led with customers

ENVIRONMENTAL CAPITAL

SPIE's business makes it a key player in the energy transition.

- ~35%: Green share of SPIE's activity according to E.U. taxonomy
- 5% decrease in the carbon intensity of SPIE services between 2018 and 2019, 14% between 2017 and 2019 (scopes 1 & 2)

3.1.1.1 A SOLID, SUSTAINABLE BUSINESS MODEL

The strength and sustainability of SPIE's model stem from the four activities that deliver our services:

- **Mechanical & Electrical Services:** we support our customers in designing, building, extending and renovating their facilities, through its expertise in our electrical, mechanical and HVAC engineering services.
- **Technical Facility Management:** we provide support for operations and process industrialisation throughout the entire life-span of our clients assets. Our services include audit, diagnostic and mono or multi-technical maintenance services, combining electrical, climate (HVAC) and mechanical engineering.
- **Information & Communications Technology Services:** we offer a wide range of solutions and services for information and communication systems, from design to managed services, as well as operated and cloud computing services.
- **Transmission & Distribution Services:** we deliver a comprehensive range of transmission infrastructure and energy distribution services, primarily in the electricity segment.

These activities leverage our teams' expertise and our Company values – proximity, performance and responsibility – to serve an extensive and diversified portfolio of customers in a wide variety of industries. We build long-term, trust-based relationships with our customers, supporting them throughout the lifecycle of their facilities (design, build, operation and maintenance).

3.1.1.2 THREE STRATEGIC AVENUES

SPIE operates in an environment that is being shaped by three major trends. The energy and digital transition is driving changes in customer expectations and creating new areas of opportunity. At the same time, the consolidation of markets in which SPIE is present is transforming the competitive landscape. And last but not least, digital innovation is changing the way we work.

SPIE is adapting to these changes and enhancing its business model *via* three strategic avenues:

- the development of transition solutions. Thanks to our expertise in energy and communications, SPIE is particularly well placed to develop solutions aligned with the transformations affecting our customers, which include new forms of mobility, the energy transition, 5G and the emergence of intelligent infrastructure;
- regular external growth transactions. Supported by an effective cash-flow generation policy, this strategy enables us to rapidly seize opportunities in growth markets and increase our market share in six key regions in Europe;
- digital and technological innovation. All of our activities are impacted, with three major benefits: the development of high value-added solutions for our customers, the capacity to accompany them in adopting new practices, and an improvement in our projects' performance indicators, particularly in terms of energy efficiency.

Structural growth factors such as the European demand for greater energy efficiency in the buildings on which the Group relies for its long-term growth are described in more detail in Chapter 1, point 2.4 of this report.

3.1.2 CSR STRATEGY

3.1.2.1 CSR GOVERNANCE

SPIE aspires to be a responsible company through both its internal and external practices, by providing innovative solutions and taking into account the expectations of its various stakeholders.

SPIE's values are Proximity with its teams, clients, and partners; "Performance" at all levels; and "Responsibility" (including social and environmental). Through these three concepts, SPIE incorporates its CSR approach into its strategy.

A Group CSR Committee meets regularly and steers SPIE's CSR strategy. It is composed of members of the Management Committees of the subsidiaries as well as the Group Director of Human Resources, the Group Director of Operational Support and both members of the Group's Executive Committee. Several committees round out the Group's CSR governance system: local CSR committees, a Group Ethics Committee and local ethics committees, a Responsible Purchasing Committee, a Disability Committee, as well as inter-subsidiary working groups on specific safety subjects.

SPIE moreover counts on a solid network of expert employees responsible for managing issues related to quality, health, safety, environment (QHSE) led by the Health & Safety Prevention Department. This network, supporting the subsidiary departments, ensures the implementation of local initiatives.

3.1.2.2 CSR POLICY

Already acting for more than a decade now on corporate social responsibility (CSR) actions, particularly in the areas of diversity, skills development, health and safety, green economy, and responsible purchasing, SPIE has formalised its CSR policy around four key domains environment, employee relations, economy, society.

Each of these domains is divided into three themes with the goal of allowing all stakeholders to have a clear overall view of the Group's CSR commitments.

- **Environment**: SPIE's business lines and expertise enable it to reduce the carbon footprint of its customers. SPIE is moreover committed to reducing its own footprint;
- **Social**: Given that service is at the heart of the Group's business lines, its employees are its major asset. The Group is attentive to guaranteeing the safety of its employees in the workplace, offering them opportunities for professional training and career progression, and fostering constructive employee relationships;
- **Economy**: SPIE aims for economic performance while respecting high ethical requirements and favouring mutual trust and long term relationships with all its stakeholders;
- **Society**: SPIE promotes diversity and encourages its employees to dedicate time for a sustainable world, thus illustrating its proximity and responsibility values.

3.1.3 MAIN NON-FINANCIAL RISKS

3.1.3.1 METHODOLOGY FOR ANALYSING NON-FINANCIAL RISKS

In 2018, a first non-financial risk mapping was conducted by applying the methodology of the Risk Control and Internal Audit Department. The identification and ranking of the main non-financial risks were the result of consultation of several functional and operational managers of the Group. CSR risks were thus assessed according to five criteria: applicability, impact, frequency, level of control, and deadline. The various discussions also provided an opportunity to identify proposals for action to address each risk.

This non-financial risk mapping of the Group's risks, and the list of the six principal risks have been approved by the Group Director of Human Resources, the Group Director of operational Support, both members of the Group's Executive Committee in 2018. It was agreed that these risks were relevant in the 2019 financial year.

The principal CSR risks identified are the following:

- risk linked to recruitment and employee loyalty;
- occupational health and safety conditions;
- quality/client satisfaction risk;
- subcontracting risk;
- corruption risk;
- risk linked to climate change.

3.1.3.2 RECRUITMENT RISK AND EMPLOYEE LOYALTY

As an independent European leader in multi-technical services in energy and communications, the ability to identify and then train, retain, and motivate highly qualified employees is essential and synonymous with success. This is especially important given that SPIE operates in a highly competitive market where technical profiles are in high demand, for example in Germany and the Netherlands, but also in France.

3.1.3.3 OCCUPATIONAL HEALTH AND SAFETY CONDITIONS

The variety of professional sectors and contexts in which SPIE operates requires constant vigilance. Certain business activities of the Group are high-risk and could lead to a high level of accidents with potentially severe occupational accidents. The impacts in the case of occupational accidents could be substantial (fatality, production loss, financial loss, reputational loss, social risk, legal claims).

3.1.3.4 QUALITY/CLIENT SATISFACTION RISK

Quality of the provided service and client satisfaction are fundamental and synonymous of performance for SPIE.

Monitoring them is a real opportunity for client loyalty and business development.

3.1.3.5 SUBCONTRACTING RISK

SPIE works with more than 155,000 suppliers and subcontractors. Out of the €4 billion of Group purchasing, €1.2 billion are subcontracting purchases. The great majority of the Group's subcontractors are small and medium-sized companies. Growing client demand is also driving SPIE to undertake an ongoing search for new subcontractors in a context of supply shortages.

Accordingly, identifying and contracting subcontractors in order to be able to respond to all our needs, in accordance with our standards, is a true challenge. Not being able to seize all business opportunities is a primary risk. In addition, subcontractors' lack of rigour in the application of international and national laws as well as SPIE standards, particularly in terms of health and safety, poses another risk. Controlling effectively subcontractors, particularly small companies, is therefore a challenge.

3.1.3.6 CORRUPTION RISK

SPIE maintains high ethical requirements in carrying out its business affairs. The Group however may face corruption risks as part of its activities that may cause financial and/or criminal sanctions, exclusion from certain markets or a risk to SPIE's reputation.

3.1.3.7 RISK LINKED TO CLIMATE CHANGE

SPIE fights against climate change by reducing the carbon footprint of its customers and partners through energy-efficient technical solutions and services dedicated to renewable energy. The Group also strives to restrict its own footprint by acting in particular on its buildings and vehicle fleet.

Changes in regulations and customer expectations concerning the reduction of greenhouse gas emissions creates opportunities and risks for the Group. Failure to be recognised as expert for advice and assistance in the energy transition could have both financial and reputational consequences.

3.1.4 POLICIES AND RESULTS RELATING TO SPIE'S NON-FINANCIAL RISKS

3.1.4.1 RECRUITMENT

SPIE had 47,176 employees as of December 31, 2019, compared with 46,398 as of December 31, 2018 (all types of contracts: fixed-term, permanent, apprentices), an increase of 1.68% (+778 people).

For more information, see Section 3.2.1. "Number and breakdown of employees" in this Universal Registration Document to which this report is attached.

3.1.4.1.1 SPIE's primary asset: its employees

The Group's ambition is to attract, develop, and retain talent to remain Europe's independent leader in multi-technical services in energy and communications.

In 2018, SPIE defined its Human Resources policy, supported by the Executive Committee, with a three-year strategic plan, based on three pillars:

- making SPIE an employer of choice;
- supporting the transformation (digital, tools and processes, innovation);
- supporting the Group's growth.

Recruitment is part of the first pillar of this HR policy. It is supported by the other pillars and in particular by policies for well-being at work, digitalization and growth.

To be a preferred employer, SPIE concentrates on three priorities:

- retaining employees, promoting a strong employer brand to attract employees, and developing technical expertise and talent to meet the Company's needs and prepare the leaders of tomorrow;
- encouraging strong employee engagement through inspiring leadership based on SPIE's values and principles, especially the "One SPIE" attitude;
- promoting equality and diversity.

3.1.4.1.2 Intensification and professionalisation of the candidate search (sourcing)

The increasing scarcity of expertise and technical profiles is a real challenge for SPIE. That is why employee loyalty and development of the employer brand are high priorities, as well the efficiency of recruitment. To address these needs, SPIE is investing in the intensification and professionalization of its search for candidates.

The organisation of teams, resources, and tools as well as communication have been reviewed and adapted, in continuity with 2018.

In 2019, SPIE continued the structuring of its organization that was started in 2018.

Moreover, different actions are continuing and/or were enhanced in 2019, such as:

- the continuation of the development of a "seedling" policy in each country through pre-recruitment in the form of apprenticeships, alternating work/study programmes, international corporate volunteer programmes, and internships. In 2019, SPIE recruited 402 new work/study programme participants in France and 279 in Germany, bringing the total number of participants currently at SPIE France to 1078 and at SPIE Deutschland & Zentraleuropa to 833;
- co-optation programmes have experienced strong growth in the subsidiaries. This system permits very precise targeting of profiles and also demonstrates employees' satisfaction and commitment to the Company. In 2019, at Group level, 998 recruitments took place *via* co-optation, compared with 615 in 2018;
- the continuity of the partnerships with universities and relations with schools;
- maintaining a dynamic network of business line ambassadors who accompany the HR employees in the various forums in which SPIE participates;
- taking actions dedicated to women to raise their awareness of SPIE's technical business lines, which are often perceived as being reserved for men, in particular through the partnership with the "Elles bougent" (Women move) association in France.

Lastly, the Group has strengthened its institutional communication to publicise the SPIE brand, to make its corporate culture, and its values more widely known, notably by:

- developing a social network media plan with targeted objectives and themes such as gender balance, diversity, digital technology, and well-being at work;
- targeted communications internally and on social networks: weekly broadcast of an interview with an SPIE employee about their job and posting of videos to highlight a special job and talent. In 2019, moreover, SPIE published a number of articles on recruitment, apprenticeships and diversity. These initiatives convey strong messages: those of the European identity of SPIE, a Group that recruits and develop its employees' skills, and the desire to promote women within the Company;
- the words "SPIE recrute" (SPIE recruits) on service vehicles in France and also Germany since 2019;
- increased presence and communication at student forums, job fairs, and schools.

These actions contribute to promoting the employer brand and therefore enhancing SPIE's attractiveness and reputation.

Thus, in 2019, the Group recruited 5,266 new employees on permanent contracts compared with 5,386 in 2018 and 3,918 in 2017.

3.1.4.1.3 HR development, a way to retain and attract talent

Proximity and Human Resource development remain high priorities in 2019, and contributed to strengthening the notoriety and attractiveness of SPIE.

Managing the skills of SPIE employees and developing their potential and employability are one way to address the issue of recruitment by limiting departures, developing internal expertise, and thus reducing recruitment needs.

Each subsidiary organises its leadership and development training. In addition to these country-specific programmes, international training programmes are managed at the Group level. These include "Ambition Manager", "SPIE Talents", and "Business Unit Manager": international leadership development programmes to prepare the Group's future leaders.

In 2019, SPIE continued its commitment to Human Resources development and skills management through three key actions:

- the creation of "Leadership Principles – BE SPIE": with the definition of thirteen operating principles for SPIE leadership to explain what is expected of a leader. Excellence in leadership is a fundamental factor of success for the overall performance of the Group and contributes moreover to retaining employees. Under the responsibility of the Management Committees in the Group's countries, the deployment of this 2019 flagship action is in progress, notably in awareness workshops. Training for all managers is planned from now to the end of 2020;
- the completion of employee satisfaction surveys initiated during the second half of 2019 among the SPIE workforce in the Netherlands, Belgium, Switzerland and within the OGS subsidiary. These surveys measure employee satisfaction and commitment in order to establish action plans where needed;
- in France, a dynamic skills management booklet has been created, the result of an operational working group and human resource employees involving about 80 people. *Via* this booklet, the main intention is to improve the clarity and visibility of SPIE's business lines and the potential for personal development within the Group. Sixty-two business lines were thus defined: functions, skills and père-requirements, progression within the profession, transversal development to other functions as well as training paths.

Once again this year the training and development policy is supported by two main tools:

- SPIE Talents Appraisal Recruitment Solution (STARS), deployed in a majority of the subsidiaries, provides access to job offers for all Group employees.

  Lastly, it supports the annual implementation of a talent review (CEDRE) to assess and manage employee skills, enabling managers and employees to formalise and track their objectives, performance and desires for development and change;
- SPIE My Intensive Learning Experience (SMILE), an e-learning platform deployed in all the subsidiaries, enables a new form of learning that is more flexible, in addition to face-to-face learning, and offers various courses. Changes were made to this platform in 2019 to simplify its use and add richer content.

  Again this year, SPIE is committed to ensuring the development of its teams' digital knowledge thanks to a digital reverse mentoring programme launched in 2017 in which young employees train executives on digital tools. In 2019, the programme was extended to the Group's managers. There are thirty-six pairs of mentors (young executives under 35 years of age) and mentees (members of the Executive and Management Committees) who meet during monthly sessions for individual, personalised coaching. There are multiple goals: fostering intergenerational interactions, highlighting the importance of younger staff, developing the digital culture of teams, raising awareness of the digital transformation, and promoting feedback from the field.

For more information, see Section 3.2.3 "Training" of this Universal Registration Document to which this report is attached.

3.1.4.1.4 Diversity and equality of treatment, major strengths of SPIE

For SPIE, acting on diversity and especially gender balance also means acting on the employer brand and therefore on the Group's attractiveness. In 2019, SPIES's governance was even more committed to implementing its actions.

SPIE pursues its commitments in this area through the "So'SPIE Ladies" network, which has been in place since 2015 in all the subsidiaries. The goals of this network, made up of both women and men, are to expand professional equality, increase the diversity of teams, promote better development of women's careers, and raise employee awareness of diversity. The Group's Director of Human Resources and the Chief Executive Officer of SPIE France, mandated by the Group's Executive Committee are the sponsors of this network. This commitment at the highest level federates all of the Group's subsidiaries in the approach. Meetings for the presentation of actions and action plans by country were organised by key players in each country, to highlight the work conducted by, and the commitments of, each one.

In addition, in 2019, the Group renewed its actions initiated in previous years, such as organising "Mixité" (gender balance) breakfasts in engineering schools, technical courses, and management schools to attract more female profiles, participating in recruitment forums dedicated to female engineers, and setting up events in the various entities during International Women's Day on March 8.

In 2019, SPIE took part in the footrace "La Parisienne" as it has done since 2012. Approximately 250 women employees of all countries of the Group, including some members of General Management, took part in the event.

In addition, "So'SPIE Ladies" carry out actions on social networks with online recruitment forums dedicated to female engineers and recruitment campaigns targeted at "women engineer" or "women technician" profiles in particular.

In 2019, as part of its partnership with the "Elles bougent" (Women move) association, SPIE carried out many actions to promote its business lines in French middle schools and high schools, with a high point on October 10, 2019 in the "Elles bougent pour l'énergie" day event.

In 2019, Germany renewed its Top4women certification rewarding actions carried out for women's careers.

Lastly, this year the Group extended its programme for mentoring women by members of the Management Committees to all countries.

3.1.3.1.5 Retention through employee shareholding

SPIE has been retaining its teams and developing its attractiveness through employee shareholding for four years.

With "Share For You 2019", SPIE completed its third employee Shareholder transaction since the IPO in June 2015, thereby confirming the strong desire of its managers to involve employees in the long-term performance of the Company. Since 2019, most of the Group's employees have been able to take advantage of new provisions of the PACTE law that include the possibility of discounting the collective employee Shareholder transactions by 20% to 30%.

SPIE is among the European companies whose proportion of employee Shareholders is above the European average. In 2017, it joined the Euronext FAS IAS index of companies with strong employee shareholding structures. At end-2019, 33% of employees are Shareholders of the Group (34% at end-2018 and 33% at end-2017) [(1)].

On 11 December 2019, SPIE's commitment to employee shareholding was recognised with the "Grand Prix Euronext-FAS IAS Index" award at the 15th FAS Grand Prix ceremony in Paris. On this occasion, the jury stressed SPIE's long-term ability to develop its employee shareholding and to give it an international dimension.

3.1.4.2 OCCUPATIONAL HEALTH AND SAFETY

3.1.4.2.1 An occupational health & safety policy that makes "zero accidents" a concrete goal

The first responsibility of SPIE is to guarantee the health and safety of its employees and other involved stakeholders. This challenge is paramount to the Group.

SPIE implements reliable, high-performance safety management systems, certified under recognised standards such as OHSAS 18001, VCA, and MASE. OHSAS 18001 certifications concerned 91% of the scope at December 31, 2019 (*versus* 92% in 2018 and 84% in 2017).

Given the nature of SPIE's principal activities, the major identified risks are electrical risks, road risks, risks related to working at height, and risks related to lifting activities. The health and safety code describes operational measures to respond to these risks and to implement the preparation and implementation phases. Created in 2016 and available on the Intranet, this code is made available in five languages across all subsidiaries and distributed to all newcomers.

The safety policy, managed at Group level, is rolled out in action plans defining health & safety prevention guidelines. These action plans are built in close connection with the subsidiaries prior to being implemented. Operational staff are responsible for carrying out the various actions in the plan, relying on the expertise and support of a structured QHSE function duly identified within each subsidiary and at the headquarters level:

- a QHSE Director coordinates this Health & Safety priority in each of the subsidiaries;
- QHSE managers, assisting the QHSE Director, are in charge of implementing this policy in their various operational units;
- QHSE coordinators are working in close collaboration with the on-site operational staff to provide the proper understanding and acquisition of safety improvement measures by the technicians.

The action plans dedicated to the prevention of the severe accidents involves the deployment of concrete objectives in response to the reality of operational staff. SPIE thus gives great importance to co-constructing action plans with the subsidiaries, common to the Group as a whole. SPIE is committed to attaining zero accidents, for its employees, its temporary workers and subcontractors. Each subsidiary has the reduction of frequency rates as an objective.

The assessment of severe accidents and potentially serious incidents is tracked monthly by the SPIE Executive Committee. When actions are put in place following the occurrence of severe accidents or potentially severe incidents, they are shared with all of the subsidiaries. The goal of providing information on these incidents is to ensure that the actions taken for compliance are carried out on the various sites to prevent the occurrence of similar incidents.

To enhance the prevention of severe accidents linked to major risks, SPIE developed six "life-saving" rules in 2019. These rules, included in the Health&Safety Code and developed in collaboration with the whole QHSE network, underscore the importance of total compliance to avoid severe or fatal accidents. Having tested the relevance and the simplicity of applying these rules among a representative group

(1) As at 12/31/19, 8.3% of the share capital is held by employees (4.9% via employee shareholding plans, 3.4% by managers), which is well above the 2.72% average calculated by the 2019 European share ownership survey.

of operational staff, they were approved by the Executive Committee in 2019. This flagship project will be deployed in 2020.

Several other actions have simultaneously been conducted by SPIE in 2019:

- in June 2019, the 9th Safety Day under the banner "we all have a role to play". All of SPIE subsidiaries were involved in thinking about the role of each person in ensuring safety for all. This event to raise awareness about safety issues for all employees takes place in all the subsidiaries every year. Supervised by country and by operational staff in accordance with an operating mode defined by the Group, and sponsored by two Managing Directors, the 2019 Safety Day led the operational staff to think about real accidents demonstrating that we all have a role to play in ensuring safety. The large participation in this event day demonstrates the commitment of employees to safety performance;
- created in 2018 and launched in 2019 in France, the goal of the *Écoles Mobiles de Sécurité* (mobile safety schools) is to raise awareness and provide training to teams working in the field through discussions and sharing on subjects related to health and safety. With a program based on the Prevention-Safety Code, alternating theory and practice, and supported by local management, there are seven such schools in France, with approximately 50 trainers. 5 384 people received training in 2019, with more than 930 sessions organised on more than 160 work sites. This initiative could be extended to other subsidiaries of the Group and Germany has already adopted the concept;
- SPIE places road risk at the heart of its concerns. As an example, Mobile Safety Schools trained employees with driving simulators during the world Road Safety week and it took part in the Road Prevention Day in particular with the use of driving simulators in its Mobile Safety Schools;
- with a permanent concern to bring efficient and reliable solutions to the operational staff, the Group' QHSE network has inventoried good practices existing within the Group in order to share them with all of the subsidiaries through a collaborative tool.

A good practice was identified in Germany with the implementation of desksurfer platforms allowing safe work in tertiary environments without using ladders. Another example of good practice identified within the Group is the use of ergonomic tools that facilitate loading and unloading heavy equipment from vehicles.

The sharing of good practices will be continued in 2020 to facilitate their deployment.

In its continual improvement approach, SPIE is pursuing actions already launched in previous years exemplifying its commitment to a preventative approach:

- the performance of preventive safety observation visits on the sites by supervisors;
- the intensification of training with respect to manager's approach to safety.

  Initiatives identified in the subsidiaries could be deployed by others such as, for example the "Safety Champion" programme in England. This programme is based on ambassadors working together on site to improve safety. This role is undertaken by operational employees among peers, not by the QHSE community. This helps develop a positive culture, leading each to adopt safety principles;
- moreover, some subsidiaries have developed a standard training programme to strengthen the integration of new employees. Germany has thus put in place an onboarding QHSE package.

Finally, a major effort was made by the subsidiaries to digitise the QHSE tools in order to facilitate their adoption by operational staff, such as toolbox meetings or Management Safety Visits, reducing the actions for treatment and monitoring on site. For example, PASS Software was developed in Switzerland to streamline the actions of observation, treatment and monitoring carried out during visits and therefore to allow better efficiency.

In the 2020 action plan, in continuity with that of 2019, special attention will be paid to preventing severe accidents by strengthening a proactive QHSE culture.

3

3.1.4.2.2 Occupational accidents and illnesses

	2017	2018	2019
Total Recordable Cases Frequency Rate (TRCFR) per million hours worked	11.2	11.4	10.2
Lost Time Injury Frequency Rate (LTIFR) per million hours worked	6.2	6.3	6.3
Occupational accident severity rate	0.22	0.17	0.13

The rates are calculated for SPIE employees, with the acquisitions included *prorata temporis*. Safety performance indicators including temporary workers are published in the summary table of CSR indicators in the Universal Registration Document and the annual report.

Thanks to its good safety practices applied to its acquisitions, particularly the SAG acquisition in 2017, SPIE is able to maintain frequency rates that are among the lowest in its sector of activities.

In 2019, efforts undertaken to prevent severe accidents resulted in a 20% reduction compared with 2018.

SPIE deeply regrets two fatal accidents in 2019 (compared with two in 2018 and one in 2017.) In September 2019, a mobile crane stationed near our employees, unrelated to our business, tipped over and unfortunately hit one of our employees. In November 2019, an temporary worker suffered of a heart attack at the workplace. Occupational illnesses are mainly related to musculoskeletal disorders. These are reduced thanks to a prevention approach aimed at reducing exposure to risk, particularly through the acquisition of better equipment.

3.1.4.2.3 External recognition of the Group's health-safety performance

In 2019, the SERCE (energy and digital transition companies) and the OPPBTP (the French occupational safety administration for the building and public works sector) awarded seven prizes to SPIE including the 1st place jury prize to SPIE France for safety training with the *Mobile Safety Schools* and a 1st place prize to SPIE Nucléaire in the procedures and operational modes category for the development of a two-step electrical Lock-Out/Tag-Out procedure. These seven prizes recognise the broad range and effectiveness of SPIE's health & safety commitment.

3.1.4.3 QUALITY AND CUSTOMER SATISFACTION

3.1.4.3.1 A more and more structured approach

For two years SPIE has been working on its quality and customer satisfaction approach for efficient and proactive management of its customer relations.

The process begun in 2018 continued in 2019 with the European dedicated working group, joining representatives of different subsidiaries in charge of building the approach and the policy from local good practices or new initiatives.

The continuity of customer relationship is based on its quality. SPIE would like to be the preferred partner and expert of its customers, by getting involved very upstream of the relationship, to implement the best possible solution for our customers and increase their satisfaction in a very competitive environment.

In order to strengthen the process of managing customer relations, a toolbox was developed in Germany and is currently being deployed in France. Created for the commercial development of existing customers, this tool was designed to help establish a close and sustainable relationship with its customers, with a concern for proximity and responsiveness. Establishing a closer relationship between the customer and SPIE at different levels, securing and extending existing contracts, obtaining orders and developing the commercial relationship (for example, new sites, new countries, additional services) through a trusting customer relationship are the objectives sought, in a spirit of co-design for the best solution and the best model of cooperation, through regular customer communications.

Transferring the good practices from one subsidiary to another and capitalising on the existing potentials within the Group are strengths on which we build; this concept of a toolbox is a good example of this. SPIE promotes the deployment of concepts from one country to another, making local adaptations.

When common actions exist within the Group, each country is responsible for managing the customer relationship and the related governance. General Management in each subsidiary is in charge of implementing the program that includes the customer quality and satisfaction approach and the related actions, with the support of each subsidiary's commercial development director.

3.1.4.3.2 Various illustrations of managing customer relations in the subsidiaries

Customer satisfaction

Understanding the level of customer satisfaction in order to act on it and show still more responsiveness occurs through different actions implemented within the Group.

Satisfaction surveys

First, satisfaction surveys carried out by the subsidiaries are used to measure customer satisfaction but also to provide qualitative feedback contributing to ongoing improvement of customer relations, and enable improved relevancy with respect to customers. In 2019, inspired by the working methods existing at SPIE Nederland, the principles for implementation of surveys were defined by the European working group. The Group coordinated the standardisation of evaluation grids of the surveys in order to compare the results between different countries. A special focus was given to the simplicity of content in order to increase the response rate among customers. For example, the response rate to the satisfaction survey carried out by SPIE Deutschland & Zentraleuropa was 44% in 2019, corresponding to feedback from 218 customers. SPIE Nederland records response rates from 20.7% to 100% depending on the activities, i.e feedback from 360 customers out of more than 1,200 customers questioned.

The frequency of sending surveys and the selection of customers solicited, are decisions made by each subsidiary and can change from one year to the next. Several types of results from these surveys are studied locally and by the Group such as net loyalty score or the customers' effort score. SPIE can create benchmarks and customer analyses from the consolidated data. These surveys allow SPIE to react quickly when customer dissatisfaction is identified. In the Dutch subsidiary, and in SPIE Deutschland & Zentraleuropa, the management charts created from customer satisfaction surveys are generated in real time and always available for each SPIE employee who is in contact with customers. In addition, the results of satisfaction surveys will be used to improve the Company strategy.

Customer activity review

Some subsidiaries also set up customer activity reviews, in accordance with procedures specific to each country, in order to refine their knowledge of the customer and serve them as well as possible. Thus, SPIE Nederland conducts periodic reviews with customers during the execution of a project or a maintenance contract or yet uses the results of evaluations published by customers in the context of governmental projects. At SPIE Deutschland & Zentraleuropa, key customers are subject to dedicated reviews that are more or less standardised, annually, quarterly, monthly or even weekly; annual reports on all customers are considered as too generic and not adequately reflecting the reality of each customer. For some customers, the subsidiary is required to conduct weekly reports on the progress of the project and customer satisfaction. At SPIE France, customer guidelines are adapted to operating governance in order to manage short-term improvement or tactical or strategic review to share a long-term vision of the customer's challenges or to co-develop a long-term contribution to their transformations.

Analysis of reports from customers

When customers produce their own reports following the completion of a project, SPIE studies them very carefully. In this case, SPIE takes advantage of this opportunity to enrich its knowledge of its customers in order to improve services as well as customer relations. SPIE Nederland, in particular for the non-profit sector, uses the satisfaction statements issued by the customers, analyses them and takes into account the results when conducting future tasks for other customers, for example.

Based on customer comments, SPIE Deutschland & Zentraleuropa carry out complete analyses that are used to launch measures for specific optimisation for customers as well as measures focused on processes for the subsidiary as a whole. For example, when several customers gave feedback expressing the desire for more information on the full range of SPIE's services, the subsidiary put in place informational meetings with the customers called "ONE SPIE-Meetings".

In addition, as part of ongoing collaboration, as well as for maintenance or IT services, SPIE France built an approach called "Operational Excellence", adapted to our activities from Lean Management methods. This includes a visual management report located in a practical place on the customer's website to facilitate transparent communication in real time with all stakeholders (SPIE, subcontractor, customer, etc.) in order to have the best possible anticipation and responsiveness.

Attentive monitoring of market trends

Beyond the daily customer relationship and information feedback *via* customer surveys, SPIE closely follows the trends of its markets and the expectations of its customers.

In France, this includes conducting market surveys on the six French markets and also by precise knowledge of its customers. SPIE France also put in place a "Fresh eye review" for the Industry Services market. In 2019, individual meetings were organised with customers and prospects in order to understand the market trends and the impact of Industry 4.0 [(1)] on investment plans. These discussions and the constant questioning of the approach have led SPIE France to enrich, for example, its portfolio of solutions, imagine new economic models, secure investments or strategic acquisitions, with a concern for better legibility for its customers. In a constantly changing market, the French SPIE ICS teams building partnerships with university departmental chairs, start-up incubators, and technological leaders, to nurture the workshops with practical cases for customers. All these initiatives are part of the strategic 4-year plan that allows French managers to share a common vision and a clear ambition to lead the Group's growth.

SPIE Nederland strives to be always more proactive, according to its 2018-2020 strategic plan. To do this, in order to be perceived by its customers as a dynamic and entrepreneurial company, the subsidiary will put in place a robust, 4-step process: i) analysis of market trends for the next 5 to 10 years, ii) development of innovations linked to the relevant trends visible within 3 to 5 years, iii) the creation of a commercial project and iv) the commercialisation of the project, if it is crowned with success several times.

The intended goal of this process is to be the partner of choice upstream of developments for the customers thereby enabled to influence their technical choices. SPIE Nederland would like to position itself as a partner, from design and engineering to modification and demolition, always contributing added value. In addition, the Industrial Services Department of the subsidiary takes part in an initiative that brings together representatives from Dutch companies and government, "Techniek Nederland" that published, in 2019, a prospective study on the major technological trends up to 2040.

In addition, SPIE Deutschland & Zentraleuropa, in January 2019, organised the 5th yearly event of the ONE SPIE exhibition. This event brings together more than 600 participants, including customers, commercial partners, students and representatives of universities, SPIE employees and representatives of other Group subsidiaries. This is the time for a dialogue with customers and commercial partners, with a concern for proximity, a value dear to the Group, but also to demonstrate the range of services of the subsidiary and future developments (e-mobility, data centre, digital technology). With the same objectives, SPIE Deutschland & Zentraleuropa organise regional events, "ONE SPIE Trade Fair" and "ONE SPIE Roadshows" and invite their customers in order to learn their expectations on services and innovation. In addition, to best anticipate the trends in innovation, SPIE Deutschland & Zentraleuropa is pursuing projects on specific subjects such as e-mobility. In fact, e-mobility is one of the market trends that offers SPIE major business opportunities in Germany and Poland. In 2019, the subsidiary therefore created a joint-venture called TankE GmbH, with Rheinenergie in order to develop electric mobility in Germany. The objective of this enterprise was to offer a package of services, throughout the value chain, in the domain of e-mobility, on a national level, with a 24/7 service approach. This includes planning and advising services, installation, management and services to operators or future operators of infrastructure or charging stations. Network partners such as TankE GmbH also allow local authorities and public services to distribute all TankE portfolios of products and services under their own name.

Measuring the performance of customer relations

Based on the results of surveys and the analysis of various key performance indicators, the subsidiaries are launching actions to improve the measured indicators and improve customer relations. The effectiveness and relevance of these measures is verified.

In addition to the customer satisfaction monitoring indicators, and in order to account for the results of actions conducted within the Group, a key performance indicator for retention was put in place. It measures the efforts of the Group in managing customer relations. The percentage of recurring customers (i.e. having been a customer for at least three of the last four years – order and/or invoice and/or revenue – and having been active during the financial year in progress) is monitored. For 2019, this rate stood at approximately 70% for the Group.

External recognition of the quality of customer relations

As evidence of the permanent commitment of SPIE, prizes are intended to reward efforts made by the Group in 2019 in the matter of customer relations management, innovation or even safety.

- in France, SPIE Nucléaire received the "Safety" award from EDF for its good safety behaviour when replacing the motor of a bridge crane. This same customer also highlighted the subsidiary's safety performance, noting a significant increase in safety-related indicators. Moreover, SPIE ICS obtained the 2019 Smart City trophy, alongside its customer Bordeaux Métropole, at the time of the 4th yearly *Trophées de la Transformation Numérique* (trophies of the digital transformation) event;
- the Bell study in Germany evaluates the service quality of German Facility Management service providers from the point of view of real estate managers and investors. In 2019, nearly 100 real estate managers and service providers in Facility Management were graded on the basis of direct feedback from customers. SPIE took

(1) The Industry 4.0 or industry of the future concept corresponds to a new way of organising the means of production. This new industry model is confirmed as the convergence of the virtual world, digital design, management with the products and objects of the real world.

2nd place in the category of large Facilities Management suppliers. Since 2014, SPIE was ranked number 1 or number 2 in this study;

- SPIE Deutschland & Zentraleuropa received 2nd place in the 2019 Digital Leader Award in the "Strategy" category and SPIE Polska was chosen "Enterprise Facilities Management" of the year for the 6th time since 2013. SPIE Hungaria was recognised by EON as partner of the year in 2019;
- for the second time in a row, SPIE Deutschland & Zentraleuropa was awarded in the area of Integrated connectivity solutions by its partner Atos/Unify, that bestowed on it the title of world partner of the year in 2019 for its contact centres;
- in the Netherlands, the subsidiary received prizes in the name of SPIE Nederland but also some on an individual basis. For example, an employee of the subsidiary received an award from a customer for identifying a technical failure on a construction site, thus avoiding a potential loss of production.

In France, this monitoring includes conducting market surveys in the six French markets as well as precise knowledge of customers. SPIE France also put in place a "Fresh eye review" campaign for the Industry Services market. In 2019, individual meetings were organised with customers and prospects to properly understand market trends and the impact of Industry 4.0 on investment plans. These discussions and a constant reassessment of the approach used have led SPIE France to enhance, for example, its solutions portfolio, to imagine new business models and to secure investments and strategic acquisitions, in order to provide more clarity to its customers. In a constantly changing market, the French SPIE ICS teams are building partnerships with university departmental chairs, start-up incubators, and technological leaders to provide practical examples for workshops with customers. All these initiatives are part of the four-year strategic plan that allows French managers to share a common vision and a clear ambition to lead the Group's growth.

3.1.4.4 SUBCONTRACTING

3.1.4.4.1 Procurement governance

The procurement function is decentralized. Each subsidiary is responsible for the final selection of its suppliers, its annual procurement performance plan, and its compliance with the regulations in force.

The Group Procurement Committee consists of the procurement directors of the subsidiaries and is responsible for developing, deploying, and updating the strategic procurement plan, developing and deploying the joint annual procurement action plan (which serves as the basis for the annual subsidiary procurement action plans), and guiding inter-subsidiary actions. Managing subcontracting risk was one of the recurring topics reviewed by the Group Procurement Committee.

3.1.4.4.2 Strategic Procurement Plan and Annual Procurement Action Plan

The 2017-2020 Strategic Procurement Plan, drafted in 2017 by the Group Procurement Committee, together with operational and functional departments including Health & Safety and CSR Departments, and approved by the Group Executive Committee, has six priorities.

- reducing the total cost of ownership (TCO);
- managing the supplier relationship, in particular managing supplier risk and benefiting from supplier innovations;
- sustainable procurement and ethics;
- developing the teams;
- more efficient organisation and processes;
- computerisation and digitalisation.

Each priority has been broken down into concrete levers and quantified strategic objectives.

Each year, these action areas are moreover broken down into an annual Group procurement action plan, which itself is broken down into annual procurement action plans within the subsidiaries.

Management of subcontracting risk has been integrated into the subsidiaries' annual action plans in recent years. Since 2018, the Group Executive Committee has tasked the Group Procurement Department to strengthen the management of this risk.

3.1.4.4.3 Management of subcontracting risk

At the end of 2017, the SPIE Risk Management Commitee (the Executive Commitee) identified subcontracting as one of the Group's major risks. The SPIE group Director of Operational Support, a member of the Executive Committee was appointed sponsor of this risk.

In early 2018, under the authority of this sponsor, the Group Procurement Director worked with the Group Procurement Committee and the stakeholders of the Group and its subsidiaries a multi-subsidiary, multifunctional – procurement, health & safety, CSR and operational team – whose mission is to better describe the risks, identify the levers for reducing these risks and, then to help deploy these in the subsidiaries.

In 2018, the country risks were more precisely described, several internal and external good practices were identified, a first evaluation of the application of these good practices was carried out in each subsidiary and the existing action plans for managing subcontracting in the subsidiaries started to be improved, in particular by transferring the good practices.

In 2019, the team in charge of subcontracting refined and confirmed five objectives for managing major risks. They further defined six actions for which they received an approval.

The five major objectives thus confirmed are the following:

- strengthen the application of our standards, in particular on Health & Safety and CSR;
- anticipate and manage possible shortages of certain activities;
- strengthen application of laws ensure, in particular labour law;
- make the quality delivered to our customers ensure, and;
- adopt processes and practices adapted to small companies.

The six concrete actions are the following:

- the development of a clear eight-step process for selecting and managing subcontractors, including, for example, expression of needs, selection of subcontractors, contracting, management of orders and payments, information between subcontractors and SPIE and evaluation of the services;
- the identification of 12 best practices to deploy throughout the process of selecting and managing subcontractors;
- the formal identification of 12 subcontracting activities, that risk shortages, such as civil engineering or cable pulling;
- the implementation of an inter-country panel of subcontractors in these 12 activities. This panel is available to all of the subsidiaries.

Thus, for example, SPIE Switzerland can, in the case of a shortage or disruption, call upon a French subcontractor approved by SPIE France;

- design of procedure and criteria specific to the health & safety and CSR plan throughout the process of selection and management of subcontractors;
- the establishment a performance indicator: the percentage of deployment of the 12 best practices in the operational units.

This action plan was approved by the Group Procurement Committee and presented to the Group's Executive Committee, that launched its deployment starting 2020. The Sustainable Development Commission of theEuropean Works Council also issued a favourable opinion.

In parallel with this specific action on subcontracting risk, the supplier risk mapping, launched at the end of 2018, was also completed in 2019. This risk mapping of suppliers was completed on large procurement categories (for example: subcontracting, electrical materials, IT and telecommunications), using the Group's methodology, assisted by a service provider with expertise in supplier risk management and according to register of typical risks including 28 typical CSR risks and 10 operational and financial risks, established by the Group Procurement Committee.

Each subsidiary now has a risk mapping of its major supplier risks, for all categories, as well as a more detailed analysis per large category, an action plan and an internal benchmark. In addition, on the basis of the consolidation of the subsidiaries' results, three risks have been identified for which the Group will be involved. The Executive Committee approved this mapping in November 2019. The deployment of action plans is set for 2020.

For subcontracting, this mapping has helped refine, by subsidiary and for the Group, the assessment of risks and the development of action plans.

Finally, the Executive Committee gave its approval for the implementation of a Group procurement tool in all subsidiaries. This tool includes five modules including two used to contribute directly to the enhancement of selection and assessment of suppliers and subcontractors with respect to CSR and health and safety performance. Configuring the tool started in 2019 and this deployment is expected in 2020 and 2021, according to country.

3.1.4.4.4 Other sustainable procurement actions

Beyond the question of risk linked to subcontracting, many sustainable procurement actions were enhanced in the 2017–2020 strategic procurement plan.

Governance and mobilisation

The Sustainable Procurement Committee, in which a member of the Group Executive Committee participates, sets annual targets and ensures the implementation of decisions together with the Group CSR Committee.

The Procurement Director of SPIE Facilities in France coordinates this sustainable procurement priority at the Group level and across the Group. This person leads the Sustainable Procurement Committee joining forces with the subsidiary Procurement Directors and the network of subsidiary sustainable purchasing contacts (appointed by each subsidiary Procurement Director) to promote the sustainable procurement policy and monitor the roll-out of the annual plan.

The objective, reaffirmed in 2019, is to have, for each subsidiary, plans that are more structured, more visible and more ambitious, in line with the Group priorities particularly concerning the following:

- the internal evaluation of suppliers and subcontractors by the service company Eco-Vadis;
- the roll-out of the suppliers and subcontractors charter in 100% of contracts;
- the roll-out of the action plan for mitigating subcontracting risks;
- the roll-out of the action plan for mitigating supplier risks;
- the green economy with a focus on the vehicle fleet.

Assessment of suppliers/subcontractors

As part of their procurement process, subsidiaries define CSR and health & safety criteria for the selection and assessment of their suppliers and subcontractors.

Some subsidiaries have a tool to assess subcontractors and suppliers. For the subcontractors, this evaluation is carried out at the end of the work. "Business Reviews" organised with strategic suppliers at the Group or subsidiary level include the topic of sustainable procurement performance.

In addition, EcoVadis, as an independent third party, is responsible for assessing the sustainable performance of suppliers and subcontractors. In 2019, 34% of expenses (pro-forma excluding acquisitions at less than 24 months) were evaluated, compared to 32% in 2018 and 27% in 2017.

The strategic procurement plan aims to reinforce and generalise all the existing actions.

SPIE's suppliers and subcontractors charter

A suppliers and subcontractors charter, developed in 2015, is an integral part of any new contract with a supplier or subcontractor throughout the Group. The charter sets out the rules expected of suppliers and subcontractors with regard to sustainable development.

The themes of this charter are ethics, safety rules, compliance with labour law (prevention of forced labour and illegal work, prevention of discrimination, prevention of child labour, working time, taxes, wages, subcontracting arrangements), and the environment.

Ethics

Since 2017, SPIE has reinforced its business ethics training for the procurement network. The legal departments of each subsidiary ensure that the training is updated according to changes in laws.

Purchasing from the protected worker sector

SPIE has set up a procurement plan with institutions in the protected worker sector in all countries. In France, purchases with the protected worker sector amounted to €1.8 million in 2019.

Contribution to reduce client energy consumption

In each subsidiary, buyers and in particular Category Managers are tasked with identifying supplier innovations that will enable SPIE to offer its clients more ecological products and solutions, especially in terms of energy consumption. For that, they evaluate the life cycle of products and services: manufacturing, transport, use, maintenance and end-of-life.

Supplier innovation days are also an opportunity to bring together suppliers on the theme of green innovations.

Reducing SPIE's carbon footprint

Also, internally, SPIE strives to manage its own carbon footprint. The procurement departments, both at the Group level and in the subsidiaries, are working daily, in connection with the stakeholders, including the CSR Department, to reduce the carbon footprint of SPIE through the procurement policy. For example, each country's fleet policy incorporate the CO_2 emissions criterion and offer hybrid and electric vehicles.

3.1.4.5 ANTI-CORRUPTION

3.1.4.5.1 Anti-corruption policy and Ethics Committee

Ethics policy

The ethics policy is defined in the "Principles of Ethical Business Conduct" Code. The primary focus of this code is as follows: compliance with laws, accuracy of the accounts and payments, confidentiality, the anti-trust, the fight against corruption, the fight against conflicts of interest, respect for labour standards and property. SPIE's Executive Committee is responsible for this commitment and the Group's objective is to have zero tolerance for corruption.

A guide to applying this code is available in several languages and is accessible *via* the Group's intranet. This guide breaks down the charter's principles into practical recommendations. It has been distributed to all employees for easier understanding of the principles and the adoption of good behaviour.

In 2019, the ethics principles were updated, as well as the application guide and the whistleblowing procedure. For example, some topics such as human rights and personal data protection are addressed in more detail.

Once the new texts have been distributed during 2020, ethics training will be relaunched.

In addition, in September 2019, a service provider was selected to put in place in whistleblowing platform in 2020.

Ethics Committee

The Group's main subsidiaries have an Ethics Committee, chaired by the subsidiary's managing director and consisting of three to five members. The Committee's role is to adapt and direct the business ethics programme within its subsidiary. Depending on the country, the Group's general instructions may be tightened or specified.

A network of Compliance officers, present in the main subsidiaries, ensures the deployment of the defined procedures in consultation with the Ethics Committee.

In 2019, some subsidiaries level 2 adopted an Ethics Committee, in compliance with the principle by which the head subsidiaries in each country, in which the Group has an activity deemed significant, must adopt such a committee. This is the case of Poland, Hungary and Slovakia.

3.1.4.5.2 Concrete actions and controls

Anti-corruption

SPIE is committed to fighting all forms of corruption. Procedures are in place to prevent the risk of corruption, in particular in application of the policy on the use of intermediaries, with regard to sponsorship and donations, business gifts, and invitations of the Group.

The framework for outside invitations and invitations received by employees was strengthened in 2018. A *memorandum* circulated by the Group Compliance officer specifies the new measures: establishment of a validation process and definition of thresholds for amounts and types of invitations, especially specifying the case of anyone holding a public office.

The application guide of the Ethics Code will include the policies on the use of intermediaries, concerning sponsorships and donations, business gifts, and invitations of the Group, for better distribution of these procedures among the Group's employees. The subsidiaries can put in place a specific procedure, with rules specific to their country, only if these are more restrictive than the Group's procedure.

In addition, in the Group, there are approximately 1,400 delegations of authority, delegations of power, instruction letters or equivalent that make reference to the ethical principles.

Internal control

For several years, internal audits dedicated to the prevention and detection of actions and behaviours that may not comply with SPIE's ethical principles have been regularly conducted throughout the Group. Several subsidiaries are audited on these basis each year. In 2019, audits were carried out in United Kingdom and in Switzerland.

3.1.4.6 CLIMATE CHANGE MITIGATION

3.1.4.6.1 Governance

SPIE's commitment to environmental matters is upheld at all levels of the Company: at the Group level by the Group CSR Committee, supported by the Group CSR Department and at the level of the subsidiaries by the subsidiaries' CSR Committees. The Group's Sustainable Procurement Committee also supports this approach.

The Group objective in the fight against climate change focuses on two types of actions. First, to provide customers with high-performance solutions, reducing the customer's carbon footprint. In addition, SPIE strives to reduce its own impact from greenhouse gas emissions.

Echoing the CSR policy of the Group and the CSR action plans for the year, the subsidiaries develop their own CSR initiatives adapted to local conditions.

3.1.4.6.2 An environmental policy focused on the transition to a low carbon economy

The above-mentioned environmental impacts caused by SPIE activities are rather limited when compared to the opportunity to reduce the carbon footprint at customer end. The environmental focus of SPIE's CSR policy includes the transition to a low carbon economy, projects for customers' energy efficiency as well as reduction of the Group's carbon footprint.

Environmental management systems

The environmental commitment is backed by environmental management systems deployed in the subsidiaries, aligned on ISO 14001 and certified for 77% of SPIE's scope. A well-organised QHSE function assists the operational staff in the subsidiaries in managing environmental risks, including that of climate change. An Environment Code was created with the help of all subsidiaries. It emphasises efficient energy management on our work sites, among other themes.

Support for associations promoting the fight against climate change

SPIE is among the founding members of The Shift Project think-tank on climate change. Since 2010, the mission of The Shift Project has been to contribute to the public interest by placing scientific objectivity in the centre of discussions. The projects, studies and communications of this think-tank, similar to the work on digital sobriety and 2019, inform and influence the debates on the energy transition in Europe. The members of The Shift Project bring together industry leaders to whom the energy transition is a strategic priority.

3.1.4.6.3 Activities reducing the carbon footprint of SPIE's customers

SPIE designs and implements long-term solutions in response to the energy and climate challenges. The company provides advice and assistance to customers in their energy transition approach, thereby contributing to their reduction of greenhouse gas (GHG) emissions.

SPIE's green share according to the European taxonomy reference framework

In 2019 SPIE calculated for the first time the share of its activities that significantly contributes to mitigating climate change according to the first European taxonomy guidelines published in June 2019. For sustainable activities, the European taxonomy describes precise and ambitious criteria and thresholds whose objective is to promote green finance by orienting toward more sustainable activities with respect to the European environmental strategy. Reaching these performance thresholds allows to identify the economic activities that can substantially mitigate climate change.

The EU taxonomy reference framework is going to be further developed over the next years. Indeed, this taxonomy currently covers only two out of the six EU environmental objectives – climate change mitigation and adaptation.

Activities eligible by the taxonomy are of three kinds: low carbon activities, transition activities and enabling activities. The activities of SPIE are enabling and contribute to mitigating climate change.

SPIE has tasked the expert consultancy ICare&Consult with the design of a methodology allowing to calculate the green share of its activities according to the European taxonomy. Such calculation was based on the revenue data analysed by an internal business intelligence tool. To obtain the granularity necessary to assess the eligibility of an activity or project, Business Development managers and/or operations' staff also answered a specific questionnaire specifying the required performance criteria.

This exercise shows that approximately 35% of the revenue of SPIE in 2019 substantially contributed to mitigating climate change.

This "green share" covers mainly the activities linked to strengthening the electrical grid in the countries decarbonising their energy mix, the construction of electricity substations needed to connect renewable energies, energy renovations of buildings enabling them to reach 30% energy savings, the contribution to the construction in the Near-Zero Energy Buildings, electrical vehicle charging infrastructure installation, public transport services or public lighting renovation.

Projects contributing to reducing customers' carbon footprint

The contribution to the fight against climate change with reduced CO_2 emissions of SPIE's customers are often calculated at the project level, as illustrated in the examples below:

- the Industry Division of SPIE Industrie & Tertiaire in France has implemented a system for managing electric arc furnaces to produce steel from scrap iron. Real-time management of the random and extremely rapid phenomenon of the electric arc enables reducing the energy demand from 15 kW per tonne of liquid steel for a 100-tonne furnace;
- SPIE Nederland, in 2019, installed two ZYTEC contact-free magnetic couplings at EMMTEC services in Emmen, in the Netherlands. These innovative couplings, added in two of the four pumps that currently supply water to two steam boilers of EMMTEC services, enable a reduction of 30 to 50% in energy consumption and cut maintenance costs by half;
- SPIE Nederland and SPIE Energy Solutions GmbH constructed a new centre to fully satisfy the energy needs (steam and air) of the Albemarle lithium derivatives production site. The development of the "Steam as a Service" process, based on recycling waste heat, enables the complete substitution of fossil fuels and thereby the substantial reduction of CO_2 emissions.

SPIE moreover contributes to the development of new renewable energy capacities in Europe:

- in 2019, SPIE UK installed, for Ørsted, the electrical and mechanical equipment for 20 turbines at the Hornsea Project One offshore wind park. With 1.2 GW in service, it is the largest offshore wind park in the world;
- SPIE Hungaria, with a partner, was awarded a contract to work on the largest solar power plant in Hungary, a 20 MW solar farm in Bükkábrány. This power plant is an important step in the production of renewable energy in Hungary.

The various areas of expertise of SPIE are also employed in projects promoting electromobility:

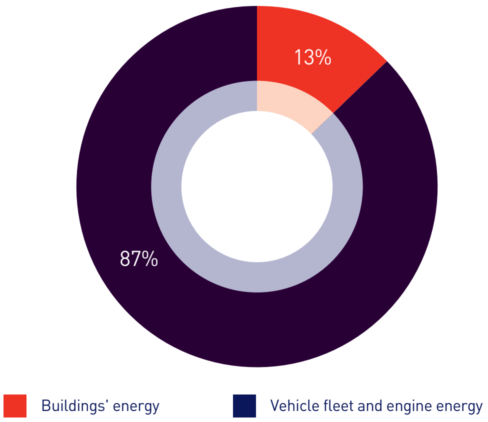
- SPIE DZE teamed up with Rheinenergie to create the joint-venture Tank-E, offering services for the planning, installation, management and ongoing service to operators of electric vehicle charging infrastructures;
- SPIE signed a partnership agreement with Heliox, a leader rapid charging infrastructure for electric vehicles, in order to develop its expertise at the service of public transportation.

3.1.4.6.4 Reducing the carbon footprint of SPIE

SPIE has been measuring its own carbon footprint since 2009 in order to identify and quantify the significant sources of greenhouse gas (GHG) emissions linked to its activities and commit to actions to reduce emissions. The carbon footprint report measures direct emissions linked to the energy consumption of the vehicle fleet and SPIE sites, as well as indirect consumption (such as emissions linked to waste processing, the energy necessary to the manufacturing or delivery of products acquired by SPIE or employee travel).

Scopes 1 and 2 CO_2 equivalent greenhouse gas emission totalled approximately 133,000 tonnes in 2019, compared with 134,000 tonnes in 2018 and 155,000 tonnes in 2017. The vehicle fleet contributes 87% of these direct Group emissions (Scopes 1 & 2).

SCOPE 1 AND 2 EMISSIONS



CO_2 equivalent greenhouse gas emission for scope 3 totalled around 1,145,000 tonnes. Purchases constitute the main item, representing three quarters of the Group's entire carbon footprint (Scopes 1, 2 and 3)

At the Group level, the action plan rolled out in 2019 to reduce SPIE's carbon footprint relates mainly to the following themes:

- optimising the vehicle fleet and its fuel consumption;
- optimising real estate holdings;
- raising awareness on responsible behavious among employees.

It should be noted that SPIE Nederland is certified at the highest level (level 5) on the "the CO_2 performance scale". This system of emissions management, certified by a third-party, helps companies reduce their CO_2 emissions internally and externally through projects implemented for their customers. The main action lever of SPIE Nederland consists in reducing the energy consumption from SPIE services used at customer site (see the example in part 3.1.4.6.3). With this in mind, the subsidiary set CO_2 targets, that include a 32% reduction of emissions linked to electricity consumption between 2015 and 2020.

Optimising the vehicle fleet and fuel consumption

Each subsidiary has its own car policy, which requires the inclusion of a CO_2 emissions cap to limit emissions in each vehicle category in order to limit the related emissions.

To optimise the fuel consumption of the vehicle fleet, SPIE seeks foremost to gradually change the composition of its fleet. The Company is also raising awareness on environmentally responsible behaviour through e-learning modules or simulator work in trainings provided by the Mobile Safety School.

The car policies of SPIE France and SPIE Opérations were changed in 2019 to increase the proportion of electric, hybrid and natural-gas fuelled vehicles. This is an objective for the Group as a whole

Fuel consumption in 2019 totalled 45.5 million litres compared with 43.8 million litres in 2018 and 47.5 million litres in 2017.

Limiting business travel and offsetting carbon

In addition to optimising its vehicle fleet, SPIE is also seeking to reduce the impact of the business travel of its employees.

The SPIE France travel policy stipulates that one should preferably choose to travel by train for trips not exceeding three hours. SPIE France moreover offsets the CO_2 emissions linked to business travel: 28,000 trees were planted in 2019. Over their lifetime these trees will absorb the equivalent CO_2 emissions of the business travel of the French subsidiaries within a year.

Many collaborative tools exist in the Group's subsidiaries overall to avoid travel: video conferencing tools, secure collaborative platform facilitating work in groups, etc. A working from home charter was prepared at Group level and working from home agreements put in place in most subsidiaries.

Optimising real estate holdings and their energy supply

SPIE has put in place various actions to improve the energy effeciency in its buildings. Heating, air-conditioning, ventilation, lighting and office equipment are subject to detailed energy monitoring.

In 2019, electricity consumption reached approximately 42 million kWh (compared with 48 million kWh in 2018 and 54 million kWh in 2017) and gas consumption reached approximately 46 million kWh (compared with 51 million kWh in 2018 and 81 million kWh in 2017), equal to a per m^2 consumption of 86 kWh/m^2.

Since 2017, the per m^2 electricity consumption of real estate holdings has declined by 4%.

The real estate department will try to choose the most economic buildings in terms of energy when relocating. Lease renewals often present the opportunity to bring together several sites, for example at Satigny, Toulouse and Saint-Laurent-Blangy, or to promote open space work, for example, at Malakoff, in order to reduce the total surface area of the building. As an example, SPIE Switzerland grouped several of its sites in 2019.

Other corrective actions are contributing to energy savings such as renovation plans following well-being surveys, measures taken following buildings' energy audits of SPIE France, or measures resulting from the analysis enabled by the general increase in the use of energy sensors in the buildings of SPIE Belgium and SPIE Nederland.

In addition, several subsidiaries of the Group are purchasing electricity from renewable sources with Guarantees of Origin. The percentage of renewable energies in the Group amounted to 22 % in 2019 compared with 18% in 2018.

Lowering the carbon intensity

SPIE's carbon intensity, calculated on Scopes 1 and 2, amounts to 19 grams of CO_2 per euro of revenue. There has been continuous improvement in the footprint of SPIE's services since 2017 (20 grams of CO_2 per euro of revenue in 2018 and 25 in 2017).

The same trend can be observed when taking into account Scope 3 greenhouse gas emissions. In fact, carbon intensity for SPIE's services, calculated on Scopes 1, 2 and 3, dropped by 18% between 2017 and 2019.

3.1.5 FIGHT AGAINST TAX AVOIDANCE

Given its geographical presence and the nature of its activities, which are tangible and highly local, the risk of tax avoidance is limited for SPIE.

SPIE has also set up a specific organisation and targeted initiatives in compliance with applicable regulations to reduce this risk:

- SPIE has a transfer pricing policy;
- each year, the SPIE Tax Department produces "Country-by-Country Reporting" in accordance with the measure of the OECD's BEPS (Base Erosion and Profit Shifting) project;
- tax specialists in each of the Group's geographical regions supervise the operations.

Lastly, an outside organisation conducts an annual tax review of the countries at SPIE's request. The results of this voluntary initiative of the Group are in line with the goal of securing operations and validate the internal control processes. No major alerts have been identified to date. During this review, the proper application of the transfer pricing policy and country-by-country reporting in particular are verified with a view to continuous improvement. Action plans have been put in place to mitigate any identified risks.

3.1.6 RESPECT FOR HUMAN RIGHTS

SPIE has been an active member of the United Nations Global Compact since 2003.

As such, SPIE has adopted, supports and applies the fundamental rights and principles to work of the International Labour Organisation (ILO).

Because SPIE is overwhelmingly based in Europe, more than 95% of SPIE's employees are working in a country that ratified the eight fundamental conventions of the International Labour Organization relating to freedom of association, forced labour, discrimination and child labour, and has transposed these in its national laws.

The respect for and promotion of human rights are founded internally on the "Principles of Ethical Business Behaviour" Code, the structured health & safety approach, the implementation of a non-discrimination policy and the communication of a suppliers charter.

In addition, suppliers are evaluated on their their own Corporate Social Responsibility system, including human rights aspects (see the Section on subcontracting in this report).

3.1.7 SUMMARY OF NON-FINANCIAL INDICATORS

Workforce	2017	2018	2019	Scope
TOTAL [(1)]	46,650	46,398	47,176	World
Europe	43,295	43,562	44,170	
Asia	773	700	653	
Middle East	1,020	1,285	1,453	
Africa	1,562	851	900	
WORKFORCE BY SOCIO-PROFESSIONAL CATEGORY				World
Other employees	19,719	19,273	18,112	
Lower and middle management	20,190	20,607	21,368	
Managers	6,741	6,518	7,696	
EMPLOYMENT				
Hires [(2)]	3,183	5,386	5,266	World
% of employees on permanent contracts	89%	88%	87%	World
Average length of service	11	11	13.6	World
Turnover of permanent staff	12.45	13.86	13.6	Europe
DIVERSITY				
% of women*	13%	13%	13%	World
% of women managers	14%	15%	14%	World
Average age in years	43	43	43	World
Employees over 57 years old	11%	12%	13%	World
Employees less than 26 years old	8%	9%	10%	World
Number of nationalities represented in the Group	132	134	127	World
% of workers with disabilities	5%	5%	5%	France
TRAINING				Europe
Investment in training as a % of payroll	2.40%	2.40%	2.40%	
% of employees in a work/study programme	4%	4%	5%	
CAREER AND ATTRACTIVENESS				World
Number of partnerships with target schools	228	353	450	
% OF EMPLOYEE SHAREHOLDERS				World
Number of collective agreements signed during the year	128	112	119	
DIRECTOR'S COMPENSATION				World
% of employee shareholders	33%	35%	33%	

** Figures checked by our Statutory Auditors pursuant to French regulations – Article 225 of the French Commercial Code.*
(1) Workforce registered at December 31 with acquisitions.
(2) All hires with permanent contracts over 2019.

Occupational Health and Safety	2017	2018	2019	Scope
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT				World
Scope certified OHSAS 18001 or equivalent [(1)] *(as % of workforce)*	84%	92%	91%	
OCCUPATIONAL ACCIDENTS [(2)] SPIE PERSONNEL*				World
Fatalities	1	2	2	World
Total Recordable Cases Frequency Rate (TRCFR) (incl. 2019 acquisitions)	11.2	11.4	10.2	
Lost Time Injury Frequency Rate (LTIFR) (incl. 2019 acquisitions)	6.2	6.3	6.3	
Severity rate (incl. 2019 acquisitions)	0.22	0.17	0.13	
OCCUPATIONAL ACCIDENTS SPIE PERSONNEL AND TEMPORARY WORKERS				
Total Recordable Cases Frequency Rate (TRCFR) (incl. 2019 acquisitions)	11.8	12.4	10.9	World
Lost Time Injury Frequency Rate (LTIFR) (incl. 2019 acquisitions)	6.6	6.9	6.9	
Severity rate (incl. 2019 acquisitions)	0.22	0.16	0.15	

(1) VCA, MASE.
(2) Frequency rate in number of cases per million hours worked.
(3) "Total Recordable" Frequency Rate: frequency rate of accidents per million hours worked, with and without lost-time.
** Figures verified by our Statutory Auditors pursuant to French regulations – Article 225 of the Grenelle 2 Law.*

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Environment	2017	2018	2019	Scope
ENERGY TRANSITION				World
Green share of revenue [(1)] of SPIE as a %			approx. 35	
ENVIRONMENTAL MANAGEMENT SYSTEM				World
Scope ISO 14001 certified as a % of the workforce	75%	77%	77%	
ENERGY CONSUMPTION OF PERMANENT SITES*				World
Electricity consumption *(in kWh millions)*	54	48	42	
Gas consumption *(in kWh millions)*	81	51	46	
VEHICLE FLEET MANAGEMENT				Europe
Fuel consumption, in millions of litres*	47.5	43.8	45.5	
Average rate of CO_2 emissions of the long-term rental (LLD) fleet in grams of CO_2/km	146	153	155	
Average rate of CO_2 emissions of the renewed fleet during the year (LLD) in grams of CO_2/km	120	122	129	
Number of electric and hybrid vehicles*	536	593	608	
CARBON FOOTPRINT				World
Direct emissions of greenhouse gas in tonnes of carbon equivalents (Scopes 1 & 2)*	155,000	134,000	133,000	
Carbon intensity (grams of CO_2/euro revenue) Scopes 1 & 2	25	20	19	
Indirect emissions in tonnes of carbon equivalents (Scope 3)	1,235,000	-	1,279,000	
Carbon intensity (grams of CO_2/euro revenue) Scopes 1, 2 & 3	227	-	185	

(1) According to the first guidelines of the European taxonomy published in June 2019.
** Figures checked by our Statutory Auditors pursuant to French regulations – Article 225 of the Grenelle 2 Law.*

Economy	2017	2018	2019	Scope
CUSTOMER SATISFACTION*				
% of recurring customers [(1)]	-	approx. 80	approx. 70	World
BUSINESS ETHICS*				
Number of delegations of power [(3)] referring to business ethics	-	-	1,374	World
SUSTAINABLE PROCUREMENT				
• CSR supplier assessment *				
• % spend with suppliers assessed on their CSR performance [(2)]	28%	32%	34%	World
• Solidarity procurement				
• Spend purchased from the protected worker sector in € million	1.9	1.9	1.8	France

** Indicators verified by our Statutory Auditors pursuant to French regulations – Article 225 of the Grenelle 2 Law.*
(1) A customer present at least three of the last four years (order and/or invoice and/or revenue) and with mandatory activity over the financial year in progress.
(2) Pro forma (excluding acquisitions less than 24 months ago).
(3) Delegations of power, letters of instruction or equivalent.

3.1.8 METHODOLOGICAL NOTE

3.1.8.1 REPORTING SCOPE

3.1.8.1.1 Subsidiary scope

The data presented cover all SPIE Group subsidiaries in France and abroad, to the exception of:

- Fuel consumption. Consumption by the vehicle fleet in Poland, which accounts for around 2% of the Group's fuel consumption, is excluded as it could not be fully qualified;
- Delegations of authority do not cover SPIE Switzerland and SPIE Nucléaire.

3.1.8.1.2 Indicator scope

Period covered

The collected data cover the period from January 1 to December 31 of the year of reference, with the exception of acquisitions and disposals of subsidiaries during the year, incorporated since the date of entry into or exit from the scope.

Exception to this rule the indicator measuring the percentage of spend with suppliers assessed on CSR excluding acquisitions of less than 24 months.

Geographical scope

All indicators cover 100% of SPIE's business worldwide unless stated otherwise. Thus, the indicators of the number of electric or hybrid vehicles and fuel consumption do not take into account the very insignificant consumption outside of Europe.

In 2019, the lack of fuel consumption data from Poland described in 3.1.8.1.1 also affected performance in terms of reducing the Group's carbon footprint presented in part 3.6.3.4. Nevertheless this is considered insignificant.

Specific case of the environmental footprint generated by SPIE at the customers'

Some of the energy consumed by SPIE at customer site is included (when there is a lease or a tenancy at will). The waste brought back to SPIE sites is also included.

Methodological details on the green share indicator

The green share indicator presented in Section 3.6.2.1 was calculated based on the first document Taxonomy, technical report of the expert technical group of the European Union on sustainable finance published in June 2019.

This indicator shows a margin of uncertainty related to two sets of assumptions that had to be made to establish this initial calculation.

This calculation is based on revenue data analysed by an internal economic intelligence tool not originally designed to show criteria of environmental performance. By way of example, the tool cannot be used to establish, as it stands, whether or not the energy renovation work carried out on buildings has led to obtaining energy efficiency gains exceeding 30%. So as to be able to assess the eligibility of a renovation activity on the basis of such a criterion, the persons responsible for business development and/or operations had to make estimates and assumptions that were documented in an *ad hoc* questionnaire.

When the European taxonomy had not developed performance criteria for an activity emblematic of SPIE, the expert consultancy that supported SPIE in this initial calculation exercise established and documented an internal criterion. This is the case, for example, of the criterion related to the energy performance of the data centres, for which a Power Usage Effectiveness threshold of 1.2 was set.

The methodological approach, all the criteria and assumptions were documented in an internal methodological guide. SPIE intends to fine-tune and complete its approach, particularly to keep aligning it with expected changes from the European taxonomy framework.

Exclusions from reporting

This declaration of non-financial performance summarises the societal commitments in favour of the sustainable development of SPIE.

The societal commitments in favour of circular economy, the fight against food waste, the fight against food insecurity, the respect of animal welfare and responsible, fair and sustainable food are not among the principal risks chosen by SPIE in the analysis of the Group's extra-financial risks. These themes are therefore not addressed in the 2019 non-financial statement.

It should be noted that diversity and the measures taken in favour of the disabled, collective agreements on the Company's economic performance as well as the working conditions of employees are discussed in more detail in Section 3.2.3 of this document. Moreover, the percentage of disabled employees in France as well as the number of collective agreements signed in the Group during the year are included in the summary table of CSR indicators in section 3.1.7.

3.1.8.2 DATA COLLECTION

The procedures for collecting, calculating, and consolidating the indicators in this report were formalised in two guides made available to all those involved in the *reporting process*. The objective is to ensure a consistent methodology within all subsidiaries as well as reliability of data.

The reporting *guide* specifies the process to collect, validate and consolidate indicators and to use the online reporting tool.

The indicator definition guide specifies the calculation methods and estimation rules and defines the reporting scopes *as* well as the principles for consideration of variations of scope (disposals, acquisitions).

3.1.8.3 METHODOLOGICAL COMPLEMENT

3.1.8.3.1 Missing data

In the absence of data, the estimation methods used are as follows:

- for the "Gas consumption in millions of kWh" and "Electricity consumption in millions of kWh" indicators, the data are extrapolated from the average consumption of other sites and surface areas for which data are missing;
- for all the indicators, except for the energy consumption of buildings, extrapolation is done on a *pro rata* basis from the existing data. For energy consumption, if the data are lacking for a portion of the year, the N-1 data may be used with a limit of three months of data.

3.1.8.3.2 Carbon footprint

According to the GHG Protocol, the standard for calculating and reporting greenhouse gas emissions, GHG emission information is reported according to three scopes: Scope 1, Scope 2, and Scope *3*.

In 2019, the Group continued to follow the GHG Protocol standard and used the databases of The French Environment and Energy Management Agency (www.ademe.fr/) for conversion factors. The conversion factors were updated according to the ADEME database for the 2018 carbon footprint assessment.

- *Scope 1:* This corresponds to the direct emissions resulting from fossil fuels' combustion for the energy consumption of our buildings and our fleet.

  Furthermore, other types of fuel (LPG, CNG) used by the fleet excluding diesel, unleaded petrol and heavy fuel oil are not taken into account in the carbon footprint calculation. They represent a total of 120,000 litres in 2019 for the entire fleet.
- *Scope 2:* This concerns indirect emissions associated with the electricity consumption from buildings and the fleet. Scope 2 emissions were calculated using the GHG Protocol location-based method. The electricity consumption emissions factors for Africa and the "Middle East and Asia" zone are calculated by taking an average of the emissions factors of the countries where SPIE operates.

  The emission factor used to calculate emissions for the heating system in the Netherlands is identical to the one for France.
- *Scope 3:* This corresponds to other indirect emissions related to the purchase of products and services, freight, employee business travel and commuting, waste, and fixed assets. It does not include downstream emissions associated with the use of SPIE services.

3.1.8.4 2019 LIMITS

SPIE Deutschland & Zentraleuropa's electricity consumption:

The German law on commercial leases allows a five-year period for owners to provide energy bills to their tenants. The SPIE Deutschland & Zentraleuropa subsidiary therefore had little access to actual consumption data for 2019. SPIE has therefore developed an estimation method based on external studies, scientific documents, and official governmental data relating to energy consumption and prices in Germany.

3.1.8.5 CONTROLS AND VERIFICATION

The data are collected and consolidated using the Group's common online reporting tool, Enablon, which has several options for data validation at the subsidiary level (consistency tests, etc.). The Group's CSR Department manages the reporting campaign and conducts checks to verify the consistency of the data, compliance with the calculation methods and the scopes.

This declaration of non-financial performance was verified by one of SPIE SA's Statutory Auditors, PricewaterhouseCoopers Audit, designated as an independent third party (ITP).

3.1.9 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT INCLUDED IN THE MANAGEMENT REPORT

For the year ended, 31 December 2019

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the SPIE SA annual general meeting,

In our capacity as Statutory Auditor of SPIE SA, appointed as an independent third party and accredited by COFRAC under number 3-1060 rév. 2 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended 31 December 2019 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal nonfinancial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the and which are available on request from the entity's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- The compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, the impact of these activities on compliance with human rights and anticorruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anticorruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;

- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the absence of policies concerning one or more of the risks;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes (cf. Appendix) that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, SPIE UK, SPIE FACILITIES, SPIE ICS and SPIE OGS, and covers between 18 and 28% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important (cf. Appendix);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our work was carried out by a team of 9 people between September 2019 and April 2020 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about 15 interviews with the people responsible for preparing the Statement, representing compliance, human resources, health and safety, environmental and purchasing departments.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Comments

Without qualifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- Concerning the risk in relation to quality and clients' satisfaction, no policy have been defined as explained in the paragraph "Quality and clients' satisfaction / An increasingly structured approach";
- The outputs presented concerning business ethics and suppliers do not identify key performance indicators for the relevant policies;
- SPIE presents for the first time a « Green share » indicator, defined with the advice of an external firm. In any new indicator, the method of development may be more precise, particularly as regards the approach adopted for distributing turnover, however our work has not revealed any major inconsistencies on this indicator.

Neuilly-sur-Seine, April 3, 2020

One of the Statutory Auditors

PricewaterhouseCoopers Audit

French original signed	*French original signed*
Yan Ricaud	Sylvain Lambert
Partner	Sustainable Development Partner

APPENDIX

LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:
OSHAS certification (% of workforce);
Absolute frequency rate;
Frequency rate;
Severity rate;
Number of fatal accident;
Number of trained employees via SME;
Carbon intensity per turn over;
Electricity and gas consumptions;
Green share;
Total workforce;
Number of new hired employee (permanent contract);
% of employee shareholder;
Coverage rate of purchasing spent evaluated by Ecovadis;
Purchasing spent with disability-friendly sector;
Number of delegations of authority, which contain requirements for Ethic-Compliance;
% of recurring clients.

Qualitative information (actions and results):
Decrease of carbon footprint of SPIE;
Hiring;
“Top employeur” Label;
Diffusion of Leadership Principles;
Relaunch of “Share For You” initiative;
SERCE/ OPPBTP prices and Total price;
Health and safety policy for “zero accident” a real objective.

3.2 EMPLOYEES/OVERVIEW

3.2.1 NUMBER AND BREAKDOWN OF EMPLOYEES

(I) STAFF OVERVIEW

At December 31, 2019, the Group employed a total of 47,176 people (all types of contracts combined) compared to 46,398 as at December 31, 2018, representing an increase of 778 employees. At constant scope, the workforce at December 31, 2019 increased by 0.7% compared with December 31, 2018.

(II) BREAKDOWN OF EMPLOYEES

The table below sets out the breakdown of Group employees by country at December 31, 2019 and 2018:

Country	2018	2019
France	18,979	19,536
Belgium (incl. Oil & Gas Services staff)	1,825	1,788
Germany	13,100	13,127
United Kingdom (incl. Oil & Gas Services staff)	3,073	2,822
Netherlands	4,261	4,303
Switzerland	513	562
Poland	1,014	1,071
Hungary	377	352
Slovakia	420	391
Austria	0	215
Others (Oil & Gas Services) [1]	0	3
Total Europe	**43,562**	**44,170**
Africa	851	900
Middle East	1,285	1,453
Asia	700	653
TOTAL	**46,398**	**47,176**

(1) Croatia, Norway, Turkey.

3

The table below sets out the breakdown of Group employees by main subsidiary (employees > 1,000) at December 31, 2019 and 2018:

Subsidiaries	2018	2019
SPIE Nucléaire	2,020	2,093
SPIE ICS	3,071	3,210
Spie CityNetworks	3,590	4,100
SPIE Facilities	2,495	2,531
SPIE Industrie & Tertiaire industry division	3,474	3,646
SPIE Industrie & Tertiaire tertiary division	3,785	3,468
Total France	**18,435**	**19,048**
SPIE Oil & Gas Services	3,168	3,255
SPIE Belgium	1,816	1,788
SPIE Nederland	4,261	4,303
SPIE UK	3,073	2,821
SPIE DZE (formerly SPIE Holding GmbH) (including Lück) (1)	7,234	7,876
SPIE SAG (2)	7,677	7,280
TOTAL (3)	**45,664**	**46,371**

(1) Germany, Poland, Hungary, Austria included.
(2) SAG: Germany, Poland, Hungary, Czech Republic/Slovakia.
(3) SPIE Operations, SPIE France and SPIE ICS AG excluded.

The following table shows the percentage of women in the Group's workforce at December 31, 2019 and 2018:

Percentage of women	2018 (World)	2018 (Europe)	2019 (World)	2019 (Europe)
Percentage of female employees	13.2%	13.6%	13.2%	13.8%
Percentage of female managers	15.0%	14.6%	13.5%	13.7%
Percentage of female clerical, technical and supervisory staff	21.3%	22.5%	20.8%	22.9%
Percentage of women labourers	4.0%	4.1%	4.1%	4.3%

The following table sets out the breakdown of Group employees by type of employment at December 31, 2019 and 2018:

By type of employment	2018 (World)	2018 (Europe)	2019 (World)	2019 (Europe)
Permanent employees	81%	84%	81%	85%
Other (1)	19%	16%	19%	15%
Of which temporary workers	42%	55%	36%	48%

(1) Fixed-term, apprentices and temporary workers.

The table below shows the age pyramid of permanent Group employees at December 31, 2019 and 2018:

Age pyramid	2018 (World)	2018 (Europe)	2019 (World)	2019 (Europe)
Under 25 years	7%	7%	8%	9%
25-40 years	36%	35%	35%	34%
41-55 years	40%	40%	39%	39%
56-60 years	11%	12%	12%	12%
>60 years	6%	6%	6%	6%

3.2.2 EMPLOYMENT AND WORKING CONDITIONS

The table below shows turnover within the Group for the last two years in Europe:

Employment	2018	2019
Turnover among permanent employees (1)	13.86%	13.60%
Permanent employees having left voluntarily	8.01%	7.95%
Rate of new permanent employees	10.09%	11.84%
Percentage of disabled persons/workforce (2)	5%	4.8%

(1) Excluding internal transfers.
(2) France.

The following table shows the change in absenteeism and overtime over the last two years in France:

Work conditions	2018	2019
Absenteeism rate (1)	5.62%	5.40%
Overtime	466,737	496,591

(1) Number of days absent out of the total number of theoretical working days.

3

The table below shows changes in workplace safety for the last two years (Group employees having suffered a workplace accidents):

Work place safety	2018*	2019*
Number of fatal workplace accidents	2	2
Frequency rate with lost time*	6.29	6.34
Severity rate	0.17	0.13

* *The frequency rate with lost time is the number of workplace accidents per million hours worked.*

DIVERSITY, FACTOR OF DEVELOPMENT AND PROGRESS

As diversity is an integral part of the Group's guidelines and management values, SPIE's slogan is "SPIE, sharing a vision for the future". It is a full part of the Group's corporate social responsibility and contributes to improving the climate of trust and working conditions.

SPIE signed its Diversity Charter in 2008 and is creating a Group Diversity Committee with the objective of strengthening its commitment to preventing discrimination and ensuring equal opportunity.

The Group promotes diversity as a development factor through concrete measures based on four priorities:

- achieving a better gender balance;
- employing more workers with disabilities;
- nurturing a healthy generational mix; and
- promoting diverse backgrounds.

ACHIEVING A BETTER GENDER BALANCE

The Group is committed to monitoring the career development of its female employees and is putting measures in place to promote the integration of women, particularly in technical and management positions. Special attention is also given to career development *via* the career committee process.

Externally, the Group continues to hold events in targeted schools to raise awareness of the Group's professions among young women engineers.

3.2.3 TRAINING

During the year ended December 31, 2019, 2.4% of payroll was devoted to training Group employees (Europe scope).

Training	2018	2019
Total training expenses (in euros)	39,830,105	37,551,488
Employees having received training (1)	22,208	20,688

(1) Excluding Switzerland.

Training: combining skills and performance

The Group's training plan is driven by operating indicators related to the strategic plans and budgets, the need for resources estimated by the Group's Skills Planning process as well as the individual development needs identified during annual performance reviews and the talent review. Each country provides annual training programs aiming to develop employees' expertise at the technical, management and personal development level. In addition to these programs, international leadership development programs are managed at group level: "Ambition Manager", "SPIE Talents" and "Business Unit Manager".

3.2.4 COMPENSATION POLICY

Managers in Group entities are eligible for variable annual compensation.

The variable annual compensation for managers is as follows:

- 10% to 30% of the annual base salary for managers; and
- 30% to 40% for managers who are members of subsidiary Management Committees.

The objectives are both quantitative and qualitative, collective and individual, as follows:

- operating criteria: EBITA and cash *flow of* the entity in question; and
- individual development criteria.

The results of the operating criteria are weighted by a safety coefficient directly tied to the Group's safety record.

3.2.5 LABOUR RELATIONS

Group employees are represented at various levels, Group, Company, establishments as entities in each country by the union representatives or by elected representatives of personnel.

The European Works Council is composed of representatives from the different member States in which the Group is present; it functions in accordance with applicable European regulations (Directive 2009/38/EC governing the institution of a European Works Council dated May 6, 2009).

As of December 31, 2019, the Group employed 47,176 people, some of whom are members of trade unions. The Group considers that overall it has satisfactory working relations with its employees and their representatives. Throughout the Group, 114 collective agreements were signed in 2019 with the representatives of the representative trade unions. At the European level, the rules for forming and operating the European Works Council were unanimously approved.

The composition of the European Works Council was reviewed at the end of 2018 in order to take the evolution of the Group into account, which was unanimously approved.

3.3 PROFIT-SHARING AND INCENTIVE AGREEMENTS

3.3.1 PROFIT-SHARING AGREEMENTS

In France, employees of Group entities with 50 or more workers share in profits under a collective agreement signed on June 6, 2005. Under the agreement, which was signed by all representative unions, profit-sharing, which varies in accordance with the performance of the Group entities included within the scope of the agreement, is pooled with all the special positive profit-sharing reserves of each entity within the scope (global special profit-sharing reserve). 30% of the total special profit-sharing reserve is uniformly distributed to all employees included within the scope of the agreement, prorated on the time employed over the reference year, and the remaining 70% is distributed in proportion to the salary received over the reference year.

The total gross profit-sharing reserve for 2019 amounted to €14,111,235.

3.3.2 INCENTIVE AGREEMENTS

In France, employees of Group entities with 50 or more employees are eligible for the incentive plans of their companies.

An EBIT/revenue ratio calculated by the Company is the first condition for qualifying for an incentive. When due, incentives are paid in relation to increases in EBIT/revenue (normal payment) or decreases in EBIT/revenue (payment with penalties) compared with the previous year over the reference scope.

Incentives are divided evenly among employees on the sole basis of the effective time spent at work during the year in question.

The total gross amount distributed in respect of the employee incentive plans for 2019 was €13,975,297.

3.3.3 COMPANY SAVINGS PLANS

The Group has a Group Savings Plan (PEG) and an International Group Savings Plan (PEGI) which, since their creation, have been used to support access by the Group's employees to the share capital of the Company on the occasion of various subsequent transactions (in particular the buy-out by the *employees* in 1997, the leveraged buy-outs of 2006 and 2011, the initial public offering of 2015, and the employee shareholding operations that occurred in 2018 and 2019).

The PEG, which was unilaterally established on December 8, 1997, has allowed Group employees since November 24, 2009 to invest in units invested in participating firms in accordance with Article L. 3332-17 par. 1 of the French Labour Code.

Since December 26, 2012, the PEG has accepted funds coming from the Group profit-sharing agreement of June 6, 2005 in accordance with Law 2010-1330 of November 9, 2010.

The PEGI was unilaterally established on October 24, 2006.

3.3.4 POST-EMPLOYMENT BENEFITS

The amounts due by the Group with regard to post-employment benefits increased from approximately €689 million for the year ended December 31, 2018 to approximately €847 million for the year ended December 31, 2019. This increase is mainly due to the decline of discounting rates.

The statement of non-financial performance described in Article L. 225-102-1 of the French Commercial Code, which presents additional employee-related information, is included in Chapter 3 of this Universal Registration Document.

3.3.5 ENVIRONMENTAL FACTORS LIKELY TO INFLUENCE THE USE OF THE GROUP'S PROPERTY, PLANT AND EQUIPMENT

The majority of the Group's premises are offices and warehouses for materials and equipment. Certain premises however have workshops for maintaining mechanical equipment and preparing equipment before installing it on customer premises. Most of the activities on the Group's premises are therefore unlikely to have a significant environmental impact (pollution).

Among these sites in France, as of December 31, 2019, 4 include facilities classified for the protection of the environment according to French regulations (ICPE). Depending on the type and magnitude of the activities at these classified facilities, the operating Company must either lodge a statement, register or apply for a permit with the local authorities (particularly the prefecture). 3 Group sites in France with classified facilities required only a simple declaration; only the subsidiary ATMN operates classified facilities that require authorisation.

Many Group entities have put environmental management systems and workplace health and safety management systems in place. At December 31, 2019, 77% of the Group's workforce is employed by subsidiaries certified according to the international environmental standard ISO 14001 and 91% according to an international standard for workplace health and safety OHSAS 18001 or equivalent (ISO 45001, VCA, MASE). The Group has set up a wide QHSE (Quality, Health, Safety, Environment) network of employees assigned to manage quality, health, safety and environmental matters covering the entire Group and led by a team dedicated to sustainable development located at its registered office in Cergy-Pontoise. To date, no certification of management systems for the environment or workplace health and safety has been lost or refused by the auditors of the corresponding certification bodies.

Due to the nature of the Group's business, environmental regulatory compliance concerns, in particular, waste management and the storage of hazardous products (solvents, chemicals) (see Section 7.2 of this Universal Registration Document).

The statement of non-financial performance described in Article L. 225-102-1 of the French Commercial Code, which presents additional environmental information, is included in Chapter 3 of this Universal Registration Document.

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4.1 ANALYSIS OF CONSOLIDATED NET INCOME

4.1.1 ACTIVITY AND INCOME STATEMENT

INTRODUCTION

The Group *is* the European leader in multi-technical services for electrical, mechanical and climate engineering and communication systems and specialised energy-related services [1]. It helps its customers design, build, operate and maintain facilities that are energy-efficient and environmentally friendly.

The Group reports its operations according to the following *segments*:

- *France*, which includes the Group's French activities in multi-technical services and communications and accounted for 38.6% of consolidated production and 41.0% of consolidated EBITA for the year ended December 31, 2019;
- *Germany and Central Europe*, which includes the Group's business in Germany as well as Poland, Hungary and Switzerland in multi-technical services and accounted for 33.0% of consolidated production and 33.5% of consolidated EBITA for the year ended December 31, 2019;
- *North-Western Europe*, which includes the Group's United Kingdom, Belgium and Netherlands business in multi-technical services and accounted for 20.9% of consolidated production and 9.8% of consolidated EBITA for the year ended December 31, 2019; and
- *Oil & Gas and Nuclear*, which includes the Group's business in the Oil & Gas sectors around the world and in the nuclear sector in France and accounted for 7.5% of consolidated production and 12.7% of consolidated EBITA for the year ended December 31, 2019.

For the year ended December 31, 2019, the Group had consolidated production of €6,927.3 million and consolidated EBITA of €415.7 million.

ANALYSIS OF NET INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

Consolidated income statement
In thousands of euros

	2018	2019
Revenue from ordinary activities	6,693,693	6,953,356
Other income	56,029	49,482
Operating expenses	(6,428,810)	(6,654,306)
Recurring operating income [a]	**320,913**	**348,532**
Total other operating income (expenses)	(41,821)	(11,766)
Consolidated operating income	**279,092**	**336,766**
Net income (loss) from companies accounted for under the equity method	489	9,030
Operating income including companies accounted for under the equity method	**279,581**	**345,796**
Cost of net financial debt	(66,265)	(65,898)
Other financial income (expenses) [b]	(25,838)	(13,408)
Income before tax	**187,478**	**266,491**
Income tax expenses	(25,485)	(105,819)
Net income from continuing operations	**161,993**	**160,672**
Net income from discontinued operations	(70,583)	(8,622)
NET INCOME	**91,410**	**152,049**
Net income from continuing operations attributable to:		
Owners of the parent	162,024	159,171
Non-controlling interests	(32)	1,501
	161,993	**160,672**
Net income attributable to:		
Owners of the parent	91,442	150,548
Non-controlling interests	(32)	1,501
	91,410	**152,049**

(a) Given the initial application of IFRS 16 in accordance with the simplified retrospective approach (see Note 2.2 of the notes to the consolidated financial statements for the year ending December 31, 2019 included in Section 4.4.1 of this Universal Registration Document), the comparative information has not been restated and is not directly comparable.
(b) For a breakdown of "Other financial income (expenses)", see Note 9 of the notes to the consolidated financial statements for the year ended December 31, 2019 included in Section 4.4.1 of this Universal Registration Document.

(1) Company's estimates based on its 2019 production and the revenue published by the Group's main competitors for the financial year ended December 31, 2019.

4.1.1.1 REVENUE FROM ORDINARY ACTIVITIES

Consolidated revenue increased by 3.9%, or €259.7 million, going from €6,693.7 million for the year ended December 31, 2018 to €6,953.4 million for the year ended December 31, 2019. This change is due to the organic growth as well as the contribution from acquisitions.

4.1.1.2 PRODUCTION

Production increased by 3.8%, going from €6,671.3 million for the year ended December 31, 2018 to €6,927.3 million for the year ended December 31, 2019 mainly due to the contribution from external growth transactions (+2.2%).

Organic growth increased by 1.6%, with strong growth in France in particular.

The table below details the breakdown of production by operating segments for the financial years ended December 31, 2019 and 2018:

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Total
Production 2019	2,674.0	2,285.6	1,444.8	522.8	6,927.3
Production 2018	2,523.1	2,163.6	1,498.0	486.6	6,671.3

France

Production in the *France* segment rose by 6.0%, including 1.4% due to acquisitions, or €150.9 million, going from €2,523.1 million for the year ended December 31, 2018 to €2,674.0 million for the year ended December 31, 2019.

With organic growth of 4.6% over the whole year, production in France reaped the benefits of the operational transformation completed in 2018, having been particularly effective in capturing the opportunities offered by the market, notably in services connected to information and communication technologies, industry, and telecoms infrastructure, the latter business sector having grown strongly on the back of the deployment of the fibre optic network. In commercial installation, while maintaining contract selectivity, production started to recover slightly.

Germany and Central Europe

Production in the *Germany and Central Europe* segment experienced a rise of 5.6%, or €122.0 million, going from €2,163.6 million for the year ended December 31, 2018 to €2,285.6 million for the year ended December 31, 2019, due mainly to the contribution from acquisitions.

Organic growth for the segment was 1.0% at constant currency, of which 0.3% was in Germany where SPIE enjoys first rank positioning in Technical Facility Management services and Transmission and Distribution network services, and in services connected to information and communication technologies.

In Central Europe and Switzerland, against the background of a dynamic market, production increased strongly, driven by Poland and services to the transmission and distribution networks in Hungary.

North-Western Europe

Production in the *North-Western Europe* segment experienced a fall of -3.5%, or -€53.2 million, going from €1,498.0 million for the year ended December 31, 2018 to €1,444.8 million for the year ended December 31, 2019, due mainly to the sharp downturn in business in the United Kingdom.

Organic growth in the segment fell by -3.5% at constant currency, impacted mainly by the reduction in business in the United Kingdom.

Oil & Gas and Nuclear

Production in the *Oil & Gas and Nuclear* segment increased by 7.4%, or €36.2 million, increasing from €486.6 million for the year ended December 31, 2018 to €522.8 million for the year ended December 31, 2019, mainly due to the strong recovery in the Oil & Gas business.

Organic growth for the entire segment increased by 5.3% at constant currency in 2019.

In nuclear services, SPIE benefitted from its solid position as a key partner in the sector in France. The activity linked to the Flamanville EPR was down, although by less than anticipated. This was largely generally offset by the strong activity recorded in general power plants and in the context of the Grand Carénage plan.

In Oil & Gas Services, organic growth stood at nearly 10%. In West Africa, SPIE strengthened its positions and won new maintenance contracts, while downstream business in the Middle East remained robust.

4.1.1.3 OPERATING EXPENSES

The Group's operating expenses increased by €225.5 million, or 3.5%, from €6,428.8 million for the year ended December 31, 2018 to €6,654.3 million for the year ended December 31, 2019, mainly due to their link to the increase of ordinary activities product. This change is due to the organic growth as well as the contribution from acquisitions.

The table below sets forth the distribution of operating expenses for the financial years ended December 31, 2018 and December 31, 2019:

In thousands of euros	**2018**	**2019**
Purchases consumed	(974,766)	(969,082)
External expenses*	(3,031,814)	(2,976,926)
Personnel expenses	(2,370,150)	(2,501,470)
Income and other taxes	(47,957)	(44,848)
Net amortisation, depreciation and provisions	(60,573)	(182,230)
Other operating income and expenses	56,449	20,251
TOTAL OPERATING EXPENSES	**(6,428,810)**	**(6,654,306)**

* *Given the initial application of IFRS 16 in accordance with the simplified retrospective approach (see Note 2.2 of the notes to the consolidated financial statements for the year ending December 31, 2019 included in Section 4.4.1 of this Universal Registration Document), the comparative information has not been restated and is not directly comparable. The Group has therefore recorded the amortisations and interest charges in place of the charges on operating leases. These amortisations total €(81,796) thousand at December 31, 2019.*

Purchases consumed

Purchases consumed [(1)] by the Group decreased by €5.7 million, or 0.6%, from €974.8 million for the year ended December 31, 2018 to €969.1 million for the year ended December 31, 2019.

External expenses

The Group's external expenses decreased by €54.9 million, or 1.8%, going from €3,031.8 million for the year ended December 31, 2018 to €2,976.9 million for the year ended December 31, 2019.

The 1.5% reduction in purchases consumed and external expenses between the year ended December 31, 2018 and the year ended December 31, 2019, results mainly from the initial application of "IFRS 16 – Lease Contracts", which led the Group to record amortisations and interest charges in place of the charges on operating leases. Excluding the impact of IFRS 16, changes in purchases consumed and external expenses remain correlated to the increase in the amount generated by ordinary activities.

Personnel expenses

Personnel expenses increased by €131.3 million, or 5.5%, going from €2,370.2 million for the year ended December 31, 2018 to €2,501.5 million for the year ended December 31, 2019. This increase is mainly due to organic growth as well as contribution from acquisitions.

Net amortisation, depreciation and provisions

Net amortisation, depreciation and provisions increased by €121.7 million from €60.6 million for the year ended December 31, 2018 to €182.2 million for the year ended December 31, 2019.

This increase results mainly from the initial application of "IFRS 16 – Lease Contracts" which led the Group to record amortisations totalling €81.8 million in place of operating leases. Depreciation and amortisation mainly includes the amortisation of allocated goodwill for €62.1 million for the year ended December 31, 2019. This amortisation of allocated goodwill amounted to €60.2 million for the year ended December 31, 2018.

4.1.1.4 GROUP CONSOLIDATED OPERATING INCOME AFTER SHARE OF NET INCOME OF EQUITY AFFILIATES

Group consolidated operating income increased by €66.2 million, or 23.7%, going from €279.6 million for the year ended December 31, 2018 to €345.8 million for the year ended December 31, 2019. This increase can be explained by the following major changes:

- operating income from ordinary activities increased by €27.6 million, or 8.6%, going from €320.9 million for the year ended December 31, 2018 to €348.5 million for the year ended December 31, 2019;
- other operating income and expenses which amount to €(11.8) million for the year ended December 31, 2019 and which mainly include restructuring costs of €(7.0) million, mainly related to reorganizations carried out in the United Kingdom and the Netherlands.

4.1.1.5 EBITA AND EBITA MARGIN

Group consolidated EBITA increased by 3.9%, going from €400.0 million for the year ended December 31, 2018 to €415.7 million for the year ended December 31, 2019 due in particular to production growth.

The EBITA margin remained stable at 6.0% of production.

(1) Purchases consumed include purchase of raw materials, supplies and other consumable supply, as well as purchases of equipment and supplies incorporated in the production.

The following table shows the EBITA and EBITA margin (as a percentage of production) by operating segment for the periods indicated:

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Holdings	Total
2019						
EBITA	**170.3**	**139.4**	**40.5**	**52.7**	**12.7**	**415.7**
EBITA (as a % of production)	*6.4%*	*6.1%*	*2.8%*	*10.1%*		*6.0%*
2018						
EBITA	**158.2**	**133.5**	**53.3**	**46.1**	**9.0**	**400.0**
EBITA (as a % of production)	*6.3%*	*6.2%*	*3.6%*	*9.5%*		*6.0%*

France

EBITA for the *France* segment rose by €12.1 million, or 7.7%, going from €158.2 million for the year ended December 31, 2018 to €170.3 million for the year ended December 31, 2019.

The EBITA margin reached 6.4%, up slightly by 10 basis points, compared to the 2018 level (6.3%).

Germany and Central Europe

EBITA for the *Germany and Central Europe* segment rose by €5.9 million, or 4.5%, going from €133.5 million for the year ended December 31, 2018 to €139.4 million for the year ended December 31, 2019.

The EBITA margin for the segment decreased by 7 basis points, from 6.2% in 2018 to 6.1% in 2019.

North-Western Europe

EBITA in the *North-Western Europe* segment fell by €12.8 million, or -24.0%, going from €53.3 million for the year ended December 31, 2018 to €40.5 million for the year ended December 31, 2019, due mainly to the significant fall in production in the United Kingdom which turned the EBITA margin negative.

The EBITA margin for the segment decreased by 75 basis points, from 3.6% in 2018 to 2.8% in 2019.

Oil & Gas and Nuclear

EBITA for the *Oil & Gas and Nuclear* segment increased by €6.6 million, or 14.4%, going from €46.1 million for the year ended December 31, 2018 to €52.7 million for the year ended December 31, 2019.

The EBITA margin for the segment increased by 62 basis points, from 9.5% in 2018 to 10.1% in 2019.

4.1.1.6 COST OF NET FINANCIAL DEBT

The cost of net financial debt fell by €0.4 million, a reduction of 0.6%, from €(66.3) million for the year ended December 31, 2018 to €(65.9) million for the year ended December 31, 2019. This reduction is due mainly to the recognition in the income statement in 2018 of the outstanding charges related to the old loans following the refinancing of the Group in June 2018. This reduction in the cost of financial debt in 2019 is almost entirely offset by the interest charges recorded under operational and finance leases recorded under the initial application of IFRS 16 (see Note 21.3 of the notes to the Company's consolidated financial statements for the year ending December 31, 2019 included in Section 4.4.1 of this Universal Registration Document).

The following table details the changes in the cost of net financial debt for the financial years ended December 31, 2019 and December 31, 2018:

In thousands of euros	2018	2019
Interests expenses and losses on cash equivalents*	(66,825)	(66,012)
Interest income on cash equivalents	560	114
Net proceeds on sale of marketable securities	-	-
Cost of net financial debt	(66,265)	(65,898)

* *Given the initial application of IFRS 16 in accordance with the simplified retrospective approach (see Note 2.2 of the notes to the consolidated financial statements for the year ending December 31, 2019 included in Section 4.4.1 of this Universal Registration Document), the comparative information has not been restated and is not directly comparable. Therefore, cost of net financial debt includes in 2019 the interest charges related to the operational and finance leases accounted for under IFRS 16, for an amount of €(4,830) thousand. In 2018, they only included the interest charges on finance lease contracts.*

4.1.1.7 INCOME BEFORE TAX

Income before tax excluding the impact of disposals of companies and other assets increased by €79.0 million, going from €187.5 million for the year ended December 31, 2018 to €266.5 million for the year ended December 31, 2019. This increase is mainly explained by growth in operating income after share of net income from the equity method and by the reduction in other financial expenses.

4.1.1.8 INCOME TAX EXPENSES

Income tax expenses increased by €80.3 million, going from €25.5 million for the year ended December 31, 2018 to €105.8 million for the year ended December 31, 2019.

This change is explained by an increase in current tax expenses of €24.9 million and an increase in deferred tax expenses of €55.4 million.

The increase in the current tax expense is mainly due to the tax rises seen in France as well as the tax losses carried forward within the tax consolidated Group which were entirely absorbed during 2019. In addition, the comparable current tax charge in 2018 benefited from reversals of tax provisions relating to tax audits followed by tax reliefs received for €17.6 million.

The increase in the deferred tax burden results mainly from the tax losses carried forward, used in particular in the context of tax consolidation in France and Germany, as well as changes in temporary differences in Germany. In addition, the comparable deferred tax charge in 2018 benefited from the activation of previously non-activated deficits for €21.1 million, mainly related to the entry into the scope in Germany.

Income taxes are detailed as follows:

In thousands of euros	2018	2019
INCOME TAX EXPENSE RECORDED IN THE INCOME STATEMENT		
Current income tax	(52,272)	(77,240)
Deferred income tax	26,787	(28,579)
Total income tax reported in the income statement	**(25,485)**	**(105,819)**
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME		
Net (loss)/gain on cash flow hedge derivatives	130	-
Net (loss)/gain on post-employment benefits	86	46,805
Total income tax reported in the statement of comprehensive income	**216**	**46,805**

4.1.1.9 NET INCOME

Net income increased by €60.6 million. It amounted to €152.0 million for the year ended December 31, 2019, compared to €91.4 million for the year ended December 31, 2018. This change is mainly due to the increase in operating income of €66.2 million, the decrease in the cost of debt and other financial income and expenses of €12.7 million, an increase in tax expenses of €80.3 million and an increase of €62.0 million in income from operations that were discontinued or sold.

4.1.1.10 MAIN FACTORS HAVING AN IMPACT ON RESULTS

Certain key factors and past events and operations have had, or may continue to have, an impact on the Group's business and operating results. The main factors having an impact on the Group's results are (i) general economic conditions in the Group's markets, (ii) acquisitions, disposals and changes in the scope of consolidation (iii) the Group's cost structure, (iv) purchases of furniture and equipment, (v) the management of the contract portfolio, (vi) the seasonality of working capital and cash requirements, and (vii) exchange rate fluctuations. A more detailed description of each of these factors is provided below.

4.1.1.10.1 General economic conditions in the markets where the Group is present

Demand for services depends on economic conditions such as GDP growth in the countries in which the Group operates. In periods of strong GDP growth, the Group's business is driven by industrial investments and construction projects in the public and tertiary sectors. In periods of very slow growth or recession, the design and construction business loses revenue because of lower capital expenditure by the Group's customers due primarily to falling demand from public entities and firms in the industrial and energy sectors. As a result, over the last three years, mostly with respect to multi-technical services, the Group has faced falling demand for installation services from steel producers and carmakers in particular as well as their supply chains. In addition, heavier competition among suppliers during these periods affects the Group's results (*e.g.* pressure to renegotiate pricing terms when contracts are up for renewal, or heavy pressure to lower prices when bidding for contracts). Although customers reduce their capital expenditure in times of recession, demand for maintenance services is not affected and maintains a predictable revenue stream.

4.1.1.10.2 Acquisitions, disposals and changes in the scope of consolidation

Acquisitions

Over the past few years, external growth has significantly contributed to the overall activity of the Group; the Group intends to pursue its acquisition strategy to increase its market share, expand its service offering and increase its response capacity.

In line with its strategy, when opportunities arise, the Group makes medium-sized acquisitions so as to establish a foothold in countries where it is not already present or has a limited presence. In addition, it may make more structuring acquisitions in order to strengthen its international presence or expand its service offering.

In the last two years, the Group has made numerous acquisitions.

In 2019, the Group agreed or completed 4 acquisitions, representing a total acquired production of approximately €210 million. In 2019, the Group thus acquired (i) the company Christof Electrics in Austria (turnover of around €36 million in 2018), (ii) the companies Telba Group and Osmo in Germany (turnover of around €67 million and €65 million in 2018 respectively), and (iii) the company Cimlec Industrie in France (turnover of around €42 euros in 2018) (for more details on these acquisitions, see paragraphs 4.1.3 of this universal registration document).

In 2018, the Group agreed or completed 5 acquisitions representing a total acquired production of approximately €95 million. For instance, the Group acquired Systemat in Belgium.

Disposals in the period

In recent years, the Group has sold various subsidiaries, either because they were not related to the Group's core business or because their prospective performance was no longer in line with Group targets.

On this basis, in 2019, the Group sold its gas construction and technology business in Germany to Friedrich Vorwerk KG GmbH & Co. ("Vorwerk"), including mainly the construction of underground pipelines and power lines, which constitutes the remainder of the Gas & Offshore division acquired with SAG in 2017. Further to the disposal of the undersea cabling business in April 2019 to Royal Boskalis Westminster N.V. ("Boskalis"), this transaction marks the Group's final exit from SAG's Gas & Offshore division.

Changes in the scope of consolidation

More generally, the Group's results may be impacted by changes in the scope of consolidation, such as a significant acquisition (for example, the entry of the SAG group into the scope of consolidation in April 2017) or a change in consolidation methods of a particular company.

4.1.1.10.3 The Group's cost structure

The Group continuously works to reduce the percentage of its fixed costs by putting initiatives in place to improve its cost structure, particularly by outsourcing certain services to subcontractors, using fixed-term contracts and temporary work, and permanently adjusting its staff. These initiatives have allowed the Group to maintain its margins during periods of recession. Variable costs form the majority of the Group's operating expenses (particularly the cost of supplies and equipment used in projects and as part of subcontracting). For the year ended December 31, 2019, personnel costs accounted for 38% of the Group's cost structure, costs related to purchases 22%, costs related to outsourcing 23% and temporary work 4%. In total, variable costs represented approximately 58% and fixed costs approximately 42% of the Group's cost structure.

4.1.1.10.4 Purchases of supplies and equipment

The Group purchases supplies and other specific equipment in order to provide services to its customers. The cost of these purchases, which are booked as operating expenses, fluctuates as a function of changes in the Group's business. During periods of strong economic growth, these expenses represent a larger percentage of total costs because installation services, which require the purchase of more supplies and equipment, represent a larger share of the Group's total sales. In periods of economic slowdown, while maintenance services generate more revenue than installation services, these expenses are lower as maintenance services require more limited use of supplies and equipment. Purchases consumed (supplies and equipment) represented 14.6% of total operating expenses on the income statement for the year ended December 31, 2019 and 15.2% of total operating expenses on the income statement for the year ended December 31, 2018.

4.1.1.10.5 Management of the contract portfolio

The Group's business model is based on stable revenue flows from a large number of small projects over several markets. As a result, the Group's production in general is not subject to strong fluctuations from one period to another. However, changes in the markets in which the Group's main customers operate may have an impact on the demand for services and, as a result, on the Group's earnings.

4.1.1.10.6 Seasonality of working capital and cash requirements

The Group's working capital requirement is seasonal yet negative as a result of the structure of its customer contracts and the Group's dynamic policy for invoicing and collecting receivables. Generally, the Group's cash flow is negative in the first half of the year because of the seasonality of the Group's business (which is generally lower in the first half) and because of the payment cycle for certain personnel expenses and social security contributions.

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

4.1.1.10.7 Exchange rate fluctuations

The Group's consolidated financial statements are presented in euros. However, in each of the countries in which it operates, the Group generally makes sales and incurs expenses in local currency. These transactions must be translated into euros during the preparation of the financial statements. In the income statement, this translation is made using the average of the exchange rates applicable at the end of the month for each period in question. On the statement of financial position, this translation is made using the exchange rates applicable at the closing date of the statements. As a result, even if the Group has relatively little exposure to transactions in local currencies, changes in foreign exchange rates may have an impact on the value in euros of the Group's production, expenses and results.

The vast majority of the Group's sales and expenses in currencies other than the euro are in pound sterling, Swiss francs or US dollars. For the year ended December 31, 2019, 13.0% of the Group's production was recorded in currencies other than the euro, of which 4.6% in pounds sterling and 2.2% in Swiss francs.

4.1.1.10.8 Changes in oil price

In its Oil & Gas business, the Group is exposed to fluctuations in the oil price which affect the amount of business it conducts with its customers, notably as regards the supply of pipelines required for oil drilling and facilities, so-called OCTG (*Oil Country Tubular Goods*) activities, operated in Angola through SONAID. In 2019, the contribution of Oil Country Tubular Goods activities to the Group's production stood at €1.5 million (compared to €1.8 million in 2018), a sharp decline from the previous year due to the persistently low price of oil. This drop mainly affected the OCTG business and, to a lesser extent, the technical assistance activities through cuts in operating expenditure and lower investment, particularly in the drilling and geosciences sector. Its impact was much more limited on maintenance activities for operations.

4.1.1.11 MAIN ITEMS IN THE INCOME STATEMENT

The main items in the income statement, part of the Group's consolidated financial statements used by the Group's management to analyse its consolidated financial results, are described below:

- **revenue from ordinary activities represents** the amount of work performed during the period in question. It is recognised as soon as it can be reliably estimated. The income from a transaction can be reliably estimated when the amount of revenue from ordinary activities can be reliably valued, when it is probable that the related economic benefits will go to the Company, when the progress of the transaction at the reporting date can be valued reliably, and when the costs incurred to carry out and complete the transaction can be reliably valued (see Note 3.4 to the consolidated financial statements for the year ended December 31, 2019 in Section 4.4.1 of this Universal Registration Document);
- **operating expenses** consist of purchases consumed, external expenses, personnel expenses, income and other taxes, net amortisation, depreciation and provisions, and other operating income and expenses;
- **consolidated operating income** consists of operating revenue minus operating expenses incurred for the Company's business. It also includes other revenue and expenses, including the cost of external growth;
- the **cost of net financial debt consists of** interest income and expenses, cash equivalents and the net expenses and net income from sales of marketable securities;
- **income before tax is** equal to operating income plus the share of profit or loss of entities accounted for using the equity method plus financial income and minus financial expenses;
- **income tax is** the tax liability for the year consisting of corporate tax payable or deferred, value-added tax for French companies, provisions and provisions renewal for taxes;
- the Group records **deferred tax** on the timing differences between the book value and tax base of assets and liabilities and on tax losses when collection is probable. Deferred taxes are not discounted;
- **net income** is income before tax minus income tax and plus or minus net income from discontinued operations or operations being sold.

4.1.1.12 KEY PERFORMANCE INDICATORS

The Group uses production, EBITA and the cash conversion ratio as its key performance *indicators*.

Production, as presented in internal reporting, *represents* the operating activity of the Group's companies, including notably proportionally the share of subsidiaries with minority Shareholders or consolidated using the equity method.

EBITA represents adjusted operating income before amortisation of allocated goodwill, excluding the impact of IFRS 16, before tax and financial income. EBITA is not a standard accounting measure with a single generally accepted definition. It is not a substitute for operating income, net income, cash flow from operating activities or even a measure of liquidity. Other issuers may calculate EBITA in a different manner from the Group.

The cash conversion ratio for a financial year is the ratio of cash flow from operating activities in the year to EBITA in the same year. Cash *flow* from operations in a financial year is the sum of EBITA, amortisation expenses, change in working capital requirement, and provisions related to income and expenses included in EBITA, minus investment flows (excluding acquisitions) for the year.

Performance indicators	**2018**	**2019**
Production *(in millions of euros)*	6,671.3	6,927.3
EBITA *(in millions of euros)*	400.0	415.7
Cash conversion *ratio*	116%	101%

RECONCILIATION BETWEEN PRODUCTION AND REVENUE FROM ORDINARY ACTIVITIES

In millions of euros	2018	2019
Production	**6,671.3**	**6,927.3**
SONAID [(1)]	(1.8)	(1.5)
Holding activities [(2)]	22.6	22.9
Others [(3)]	1.6	4.7
Revenue	**6,693.7**	**6,953.4**

(1) The company SONAID is recognised according to the equity method in the consolidated financial statements and on a proportionate basis (55%) in production.
(2) Non-Group revenue from the SPIE Operations Group and non-operational entities.
(3) Re-invoicing of services provided by Group entities to non-managed joint ventures; non-Group revenue that does not correspond to operational activity (mainly re-invoicing of expenses incurred on behalf of partners); restatement of production from entities consolidated under the equity method, or not yet consolidated.

RECONCILIATION BETWEEN EBITA AND GROUP CONSOLIDATED OPERATING INCOME AFTER SHARE OF NET INCOME OF EQUITY AFFILIATES

In millions of euros	2018	2019
EBITA	**400.0**	**415.7**
Amortisation of *allocated* goodwill [(1)]	(60.2)	(62.1)
Restructuring [(2)]	(32.3)	(7.0)
Financial commissions	(1.7)	(1.5)
Impact of equity affiliates	(4.3)	5.1
Others [(3)]	(21.9)	(4.4)
GROUP CONSOLIDATED OPERATING INCOME AFTER SHARE OF NET INCOME OF EQUITY AFFILIATES	**279.6**	**345.8**

(1) For the year ended December 31, 2018, the amount relating to the allocated goodwill includes an amount of €(41.1) million for SAG group.
(2) Costs related to “restructuring” include the following items:
- *For the financial year ended December 31, 2018:*
  a. restructuring costs in France of €(9.9) million;
  b. restructuring costs related to the integration of SAG for €(17.6) million.
- *For the financial year ended December 31, 2019:*
  a. restructuring costs in the United Kingdom for €(3.7) million;
  b. restructuring costs in the Netherlands for €(2.0) million.

(3) “Other non-recurring items” correspond mostly to:
- *For the financial year ended December 31, 2018:*
  a. costs linked to external growth transactions for €(2.8) million;
  b. costs relating to the granting of a group performance share plan in application of IFRS 2 (€2.9 million);
  c. costs related to the sale of the “distribution network services” activity (for the electrical grid/power grid part) (€14.1 million).
- *For the financial year ended December 31, 2019:*
  a. costs linked to external growth transactions for €(1.5) million;
  b. costs relating to the employee shareholding plan in application of IFRS 2 (€4.7 million);
  c. to the impact of the application of IFRS 16 for €2.9 million.

RECONCILIATION BETWEEN ADJUSTED NET INCOME, ATTRIBUTABLE TO THE OWNERS OF THE PARENT, NET INCOME ATTRIBUTABLE TO THE OWNERS OF THE PARENT AND EBITA

In order to set the level of dividends it intends to distribute for a given financial year, the Group calculates an adjusted net income attributable to the owners of the parent, in order to neutralise the non-recurring items. As regards the financial year ended December 31, 2019, the net income attributable the owners of the parent has therefore been adjusted by the following items:

The adjusted net income for 2019 excludes the following items:

- the amortisation of *allocated* goodwill, as it is an expense without any cash impact;
- exceptional items;
- the impact of the application of IFRS 16; and
- the impact on the effective tax rate of the exceptional deferred tax changes related to the capitalisation of tax loss carry forwards in Germany and in the Netherlands as well as the reversal of tax provisions.

In millions of euros	2019
EBITA	**415.7**
Cost of net financial debt	(61.1)
Other financial income (expenses)	(15.4)
Normative tax	(108.5)
Non-controlling interests	(1.5)
Adjusted net income attributable to the owners of the parent	**229.2**
Amortisation of *allocated* goodwill (1)	(62.1)
Restructuring (2)	(7.0)
Others (3)	(3.7)
Normative tax	2.7
Income from activities being sold	(8.6)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**150.5**

(1) For the year ended December 31, 2019, the amount relating to the allocated goodwill includes an amount of €(41.1) million for SAG.
(2) Costs related to "restructuring" include the following items:
a. restructuring costs in the United Kingdom for €(3.7) million;
b. restructuring costs in the Netherlands for €(2.0) million.
(3) "Other non-recurring items" correspond mostly to:
a. costs linked to external growth transactions for €(1.5) million;
b. costs relating to the employee shareholding plan in application of IFRS 2 (€4.7 million);
c. to the impact of companies accounted for under the equity method for €5.1 million.

RECONCILIATION BETWEEN CASH-FLOW AND NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (IFRS)

In millions of euros	2019
Operating cash-flow	**419.1**
Income tax paid	(65.6)
Purchase of property, plant and equipment and intangible assets, net of disposals	27.8
IFRS 16 impacts	88.9
Cash impact of EBITA/operating income reconciliation (1)	(38.0)
NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES (IFRS)	**432.2**

(1) The cash impact of EBITA/operating income reconciliation includes the following items:
- *restructuring costs totalling €(15.7) million, mainly connected to the restructurings carried out in Germany, the United Kingdom and the Netherlands;*
- *the cash impact of discontinued operations for €(8.2) million;*
- *financial commissions for €(1.5) million, acquisition costs for €(2.3) million; and*
- *other items for the remainder.*

RECONCILIATION BETWEEN OPERATING CASH FLOW AND FREE CASH FLOW

In millions of euros	2019
Operating cash-flow	**419.1**
Income tax paid	(64.0)
Net interest paid	(44.6)
Others [(1)]	(25.6)
Free cash-flow	**285.3**

(1) Includes the cash impact of restructuring costs and discontinued operations.

4.1.1.13 ORGANIC GROWTH

In this Section of this Universal Registration Document, the Group in particular presents changes in its production in terms of organic growth.

Organic growth represents the production completed during the twelve months of year N by all the companies consolidated by the Group for the financial year ended December 31 of year N-1 (excluding any contribution from any companies acquired during year N) compared with the production performed during the twelve months of year N-1 by the same companies, independently of the date on which they were first consolidated within the Group.

4.1.2 CASH FLOW AND FINANCIAL STRUCTURE

INTRODUCTION

The Group's principal financing requirements include its working capital requirement, capital expenditure (particularly acquisitions), interest payments and repayment of borrowings.

The Group's principal source of liquidity on an ongoing basis consists of its operating cash flows. The Group's ability to generate cash in the future through its operating activities will depend upon its future operating performance which is in turn dependent, to some extent, on economic, financial, competitive, market, regulatory and other factors, most of which are beyond the Group's control (specifically the risk factors in Chapter 2.1 "Risk factors" of this Universal Registration Document). The Group uses its cash and cash equivalents to fund the ongoing requirements of its business. The Group holds cash only in euros.

The Group is also financed through debt, essentially under the Senior Credit Facilities Agreement concluded in 2018 during the refinancing of the credit facility set up at the time of its Initial Public Offering (IPO) and through bond issues. In March 2017, as part of the acquisition of SAG (see Section 4.1.3 of this Universal Registration Document), the Company therefore conducted a bond issue in the amount of €600,000,000, mainly to finance the said acquisition. Such bonds, with a 7-year maturity and a 3.125% interest rate, have been listed on Euronext Paris (ISIN Code FR0013245263). Moreover, in June 2019, the Company conducted a bond issue in the amount of €600,000,000 to re-finance one half of the Senior Credit Facilities Agreement and to thereby extent the average maturity of its borrowing. Such bonds, with a 7-year maturity and a 2.625% interest rate, have been listed on Euronext Paris (ISIN Code FR0013426376).

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated June 14, 2017, the information relating to the Group's liquidity and share capital for the year ended December 31, 2018 as presented in Chapter 4.1.2 "Cash flow and financial structure" of the 2018 Universal Registration Document are included by reference in this Universal Registration Document.

4.1.2.1 FINANCIAL RESOURCES AND FINANCIAL LIABILITIES

4.1.2.1.1 Summary

In the past, the Group has principally relied on the following sources of financing:

- **net cash flow from operating activities**, which totalled €365.6 million and €432.2 million respectively for the years ended December 31, 2018 and 2019;
- **available cash** with total cash and cash equivalents including assets held for sale at December 31, 2018 and 2019 totalled €779.8 million and €866.5 million respectively (see Note 4 of the notes to the consolidated financial statements for the year ended December 31, 2019 included in Section 4.4.1 of this Universal Registration Document);
- **debt**, which includes the Senior Credit Facilities Agreement, the bonds issued under the SAG acquisition, the bond issuance completed in June 2019, direct borrowings from banks and other lenders, the Securitisation Facility (see Section 4.1.2.1.2.1 of this Universal Registration Document), interest accrued on the Senior Credit Facilities Agreement and bonds, together with short-term bank credit facilities.

4.1.2.1.2 Financial liabilities

The Group's financial liabilities totalled €2,128.9 million and €2,471.5 million as at December 31, 2018 and 2019 respectively. The following table breaks down the Group's total debt as at the indicated dates:

In millions of euros	At December 31, 2018	At December 31, 2019
BORROWINGS FROM CREDIT INSTITUTIONS		
Bond (maturity June 18, 2026)	-	**600.0**
Bond – SAG acquisition (maturity March 22, 2024)	600.0	**600.0**
A Facility of the Senior Credit Facilities Agreement	1,200.0	**600.0**
***Revolving* (maturity June 7, 2023)**	-	-
Other	11.4	**2.1**
Capitalised borrowing costs	(18.2)	**(14.3)**
Securitisation	298.7	**300.0**
BANK OVERDRAFTS (CASH LIABILITIES)		
Bank overdrafts (cash liabilities)	3.0	4.5
Interests on bank overdrafts	0.2	0.2
OTHER LOANS, BORROWINGS AND FINANCIAL LIABILITIES		
Liabilities on financial leases (pre-existing contracts as at January 1, 2019)	17.7	**8.6**
Debt on operating and financial leases	-	**340.3**
Accrued interest on loans	14.7	**23.2**
Other loans, borrowings and financial liabilities	1.4	**6.7**
Derivatives	0.1	**0.2**
INTEREST-BEARING LOANS AND BORROWINGS	**2,128.9**	**2,471.5**

As at December 31, 2019 and 2018, the Group's net debt/EBITDA ratio was 2.7x and 3.0x, respectively (excl. IFRS 16).

At December 31, 2019, the Group met all of its covenants under the financing agreements described in this Section.

The above-mentioned ratios are based on adjusted EBITDA. Adjusted EBITDA is income generated by the Group's permanent operations over 12 months before tax and financial income, including the impacts over 12 months of acquisitions. It is calculated before depreciation and amortisation of fixed assets and allocated goodwill.

The table below presents the reconciliation of EBITA and adjusted EBITDA for the year ended December 31, 2019:

In millions of euros	At December 31, 2018	At December 31, 2019
Group EBITA	**400.0**	**415.7**
Depreciation and amortisation of property, plant and equipment and intangible assets (excluding *allocated* goodwill)	52.6	56.0
EBITDA	**452.6**	**471.7**
Adjustment (12-month effect of acquisitions)	1.1	(1.2)
Adjusted EBITDA	**453.7**	**470.5**

The table below breaks down financial liabilities at December 31, 2019:

In thousands of euros	Reduction	Increase	Total at December 31, 2018	Total at December 31, 2019
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS				
Bonds	-	**600,000**	600,000	**1,200,000**
A Facility of the Senior Credit Facilities Agreement (term June 7, 2023)	**600,000**	-	1,200,000	**600,000**
Other	**9,280**	-	11,351	**2,071**
Capitalised borrowing costs	-	**3,941**	(18,239)	**(14,298)**
Securitisation	-	**1,342**	298,658	**300,000**
BANK OVERDRAFTS				
Bank overdrafts	-	**1,510**	3,019	**4,529**
Interests on bank overdrafts	-	**12**	166	**154**
OTHER LOANS, BORROWINGS AND FINANCIAL LIABILITIES				
Liabilities on financial leases (pre-existing contracts as at January 1, 2019)	**9,027**		17,675	**8,648**
Debt on operating and financial leases		**340,360**		**340,360**
Accrued interest on loans	-	**8,476**	14,733	**23,209**
Other loans, borrowings and financial liabilities	-	**5,229**	1,432	**6,661**
Derivatives	-	**92**	76	**168**
INTEREST-BEARING LOANS AND BORROWINGS	**618,319**	**960,950**	**2,128,871**	**2,471,502**

The main factors comprising the Group's financial liabilities are detailed below.

4.1.2.1.2.1 Senior Credit Facilities Agreement

In the context of the refinancing of the Company's indebtedness, pursuant to the Senior Credit Facilities Agreement executed by the Company at the time of its Initial Public Offering (IPO) in 2015, SPIE SA concluded on June 7, 2018, as borrower, a **Senior Credit** Facilities Agreement with a syndicate of international banks (the "**Lenders**") including BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC France, ING Bank NV (acting through its French subsidiary), Natixis and Société Générale Corporate and Investment Bank as Global Coordinators.

CREDIT FACILITIES

The Senior Credit Facilities Agreement provides for two lines of credit totalling €1,800 million and consisting of:

- a €1,200 million first ranking term loan ("A Facility"), drawn down in full, with five-year maturity from June 7, 2018; and
- a €600 million revolving credit line (the "Revolving Credit Line"), with five-year maturity from June 7, 2018, undrawn for the year ended December 31, 2019;
- on June 18, 2019, SPIE SA issued a bond for an amount of €600 million. Such bonds, with a 7-year maturity and a 2.625% interest rate, have been listed on Euronext Paris (ISIN Code FR0013426376). On the same date, the Group repaid in advance half of its financing line (A Facility of the Senior Credit Facilities Agreement), for an amount of €600 million, initially due on June 7, 2023.

INTEREST AND FEES

Interest is payable on loans under the Senior Credit Facilities Agreement at a floating rate indexed to Euribor in relation to any loan drawn in euros, to LIBOR in relation to any loan drawn in a currency other than euros, and to any appropriate reference rate for loans drawn in Norwegian, Swedish, Danish krone, or Swiss Francs plus in each case the applicable margin. Applicable margins are as follows:

- for A Facility: between 2.25% and 1.25% a year, depending on the indebtedness ratio level of the Group during the last year; and
- for the Revolving Credit *Facility*: between 1.95% and 0.85% a year, depending on the indebtedness ratio level of the Group during the last year.

The table below shows the rate spread of each of the credit facilities based on the Group's leverage ratio. As at December 31, 2019, the Group's net debt/EBITDA ratio was 2.7x (excl. IFRS 16):

Leverage ratio (net debt/EBITDA)	Revolving Credit Line	A Facility
>4.0x	1.95%	2.25%
≤4.0x et >3.5x	1.60%	2.00%
≤3.5x et >3.0x	1.30%	1.70%
≤3.0x et >2.50x	1.15%	1.55%
≤2.5x et >2.00x	1.00%	1.40%
≤2.0x	0.85%	1.25%

SECURITY INTERESTS

The Senior Credit Facilities Agreement does not contain any obligation for the Group to create security interests.

GUARANTEES

The Senior Credit Facilities Agreement does not contain any guarantee.

OBLIGATIONS AND COVENANTS

The Senior Credit Facilities Agreement contains certain negative covenants under which the Group may not:

- change the nature of its business;
- take on additional debt;
- provide illegal financial aid;
- carry out mergers (except for those not involving the Company itself);
- dispose of assets.

The Senior Credit Facilities Agreement also contains positive covenants such as maintaining insurance policies, paying applicable taxes and duties, complying with applicable laws, maintaining the credit's ranking.

Finally, the Senior Credit Facilities Agreement requires compliance with financial covenants, including maintaining certain financial ratios, which will significantly limit the amount of debt Group entities can take on. In particular, the Group must maintain a leverage ratio (defined as the ratio of total net debt to EBITDA) of 4.50:1 to December 31, 2018 (inclusive), of 4.00:1 to December 31, 2019 (inclusive) and thereafter, calculated every year in accordance with the total amount of its net debt at that date and the EBITDA prevailing over a 12-month rolling period.

MANDATORY EARLY REPAYMENT

Debt incurred under the Senior Credit Facilities Agreement is automatically repayable (subject to certain exceptions) in whole or part upon the occurrence of certain customary events, including a change of control, a sale of all or a substantial part of the business or assets of the Group, or non-observance of the legislation in force.

Debt under the Senior Credit Facilities Agreement may also be voluntarily prepaid by the borrowers in whole or in part, subject to minimum amounts and observance of a period of notice.

ACCELERATED MATURITY

The Senior Credit Facilities Agreement allows for a certain number of accelerated maturity events that are relatively customary for this type of financing, namely, payment defaults, cessation of business, failure to comply with the financial covenants or with any other obligations or declarations, cross-defaults, certain early amortisation events in relation to the Securitisation Facility, an insolvency proceeding, material litigation, or qualifications by the Statutory Auditors of the Group as a going concern.

4.1.2.1.2.2 Bond issue with maturity in 2024

On March 22, 2017, as part of the acquisition of SAG (see Section 4.1.3 of this Universal Registration Document), the Company conducted a bond issue in the amount of €600,000,000, mainly to finance the acquisition. The bonds have a maturity of 7 years (term on March 22, 2024) and carry an annual interest rate of 3.125%. Said bonds have been admitted on Euronext Paris' regulated market under the Code ISIN FR0013245263 and are rated BB by Standard & Poor's Ratings Services and B1 by Moody's Investors Service. Moreover, the conditions of the bond include a change of control clause which allows each bond holder to ask for the early repayment or, at the Company's choice, the redemption of the bonds in case of a change of control of the Company (control of the Company by an entity or a Group of entities acting together).

4.1.2.1.2.3 Bond issue with maturity in 2026

On June 18, 2019, the Company conducted a bond issue in the amount of €600,000,000 to re-finance one half of the Senior Credit Facilities Agreement and to thereby extent the average maturity of its borrowing. The bonds have a maturity of 7 years (term on March 18, 2026) and carry an annual interest rate of 2.625%. Said bonds have been admitted on Euronext Paris' regulated market under the Code ISIN FR0013426376 and are rated BB by Standard & Poor's Global Ratings. Moreover, the conditions of the bond include a change of control clause which allows each bond holder to ask for the early repayment or, at the Company's choice, the redemption of the bonds in case of a change of control of the Company (control of the Company by an entity or a Group of entities acting together).

4.1.2.1.2.4 Debt Securitisation Facility

On 17 April 2007, in the course of their business, SPIE SA and some of its French and Belgian subsidiaries (together the "**Sellers**"), with SPIE Operations acting as the centralising agent, set up a securitisation facility using a special purpose entity (the "**FCC**"). The FCC was set up by Paris Titrisation as the fund manager with Société Générale acting as the custodian (the "**Securitisation Facility**").

The Securitisation Facility was renewed in 2015 under the following conditions:

- it will run for a period of 5 years from June 11, 2015 (except in the event of early termination or termination by agreement);
- on December 19, 2019, this programme was extended by 3 years, i.e. until June 11, 2023;
- it has a maximum funding of €300 million potentially extendable to €450 million.

The main features of the Securitisation Facility at December 31, 2019 are summarised in the following table:

Sellers	Currencies	Maturity	Interest rate	Commitment at December 31, 2019	Gross amount of securitised receivables assigned at December 31, 2019	Outstanding securitised receivables at December 31, 2019
Certain SPIE group entities in Belgium and France	Euro	June 2023	Commercial paper funding costs/Euribor/ EONIA + Margin + commission fees	300.0 million	576.8 million	300.0 million

In June 2014, parties to the Securitisation Facility agreed to subject the FCC to rules governing securitisation funds ("**FCT**") under French law. An FCT is a securitisation fund governed by Articles L. 214-167 to L. 214-186 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code.

The FCT acts as a special purpose vehicle and is not part of the Group. Prior to an event of default, the FCT purchases receivables from the Sellers (subject to certain eligibility criteria) for a payment of an amount equal to the face amount of the receivables. Prior to an event of default, receivables continue to be paid by customers into special assignment accounts owned by the Seller and are regularly transferred to the FCT's bank account (subject to compensation with the purchase price owed for newly sold receivables, except in the case of an event of default). The Sellers, as collectors of the receivables sold to the FCT, remain responsible for their payment and for managing defaults and arrears relating to the receivables.

The FCT obtains funding (i) by issuing securities subscribed by the entities that then issue commercial paper (and that enjoy liquidity facilities granted by financial institutions), and (ii) from SPIE Operations for the portion not funded by said financial institutions.

The Securitisation Facility (aimed at funding the purchase of newly originated receivables) will end on June 11, 2020, subject to the renewal on an annual basis of the liquidity facility provided by the financial institution to its asset-backed commercial paper conduit. The Securitisation Facility is subject to the non-occurrence of certain events whose occurrence would prevent the future financing of newly sold receivables and the early repayment of the existing principal debt amount resulting from the Securitisation Facility. These trigger events include events relating to returns on the receivables, breach of the financial covenants set out in the Senior Credit Facilities Agreement, a limited volume of assigned receivables, and an accelerated maturity condition in view of the Senior Credit Facilities Agreement or following termination of the Senior Credit Facilities Agreement or debt levels exceeding €250 million.

Direct recourse against the Sellers is limited to repurchase of the relevant receivables which are sold to the FCT in terms of the guarantee and payment of compensation for devalued receivables (including a fall in the value of the receivables caused by repayment, credit or compensation). The conduit and/or financial institution providing the liquidity facility also benefits from cash reserves provided by SPIE Operations by means of a credit enhancement.

4.1.2.2 OVERVIEW AND ANALYSIS OF THE MAIN CATEGORIES OF GROUP CASH USE

4.1.2.2.1 Capital expenditure

The Group's capital expenditure falls under the following categories:

- purchasing new entities under the Group's acquisitions policy;
- renewing property, plant and equipment and intangible assets, particularly equipment; and
- investment, net from the sale revenue, in financial assets, the loans variations and advances granted and dividends paid.

The Group's capital expenditures for the years ended December 31, 2018 and 2019 totalled €14.0 million and €120.6 million respectively. This increase is due to increased external growth. For more information on the Group's historical, current and future capital expenditure, see Section 4.1.3 of this Universal Registration Document.

4.1.2.2.2 Payment of interest and repayment of loans and borrowing

A significant part of the Group's cash flow is allocated to the servicing and repayment of its indebtedness. The Group paid interest of €59.0 million and €49.7 million, respectively, during the years ended December 31, 2018 and 2019. In addition, it paid €1,497.9 million and €929.5 million, respectively, during the years ended December 31, 2018 and 2019.

4.1.2.2.3 Financing of working capital requirements

Working capital requirement primarily correspond to the value of inventory plus trade and other receivables minus trade and other payables.

The Group's working capital requirement was negative for the years ended December 31, 2018 and 2019, contributing significantly to financing of operations, specifically through its low inventory, the structure of the agreements entered into with its customers, and its dynamic policy in terms of billing and collecting receivables.

The working capital requirement amounted to €(587.6) million at December 31, 2018, and €(665.0) million at December 31, 2019.

4.1.2.3 CONSOLIDATED CASH FLOW

4.1.2.3.1 Group cash flow for the financing years ended December 31, 2018 and 2019

The following table summarises the Group's cash flow for the years ended December 31, 2018 and 2019:

	Year ended December 31	
In millions of euros	**2018**	**2019**
Net cash flow from (used in) operating activities	365.6	432.2
Net cash from investing activities	(14.0)	(124.2)
Net cash from financing activities	(93.7)	(222.6)
Impact of changes in exchange rates and accounting method	1.8	1.4
NET CHANGE IN CASH AND CASH EQUIVALENTS	**259.6**	**86.8**

4.1.2.3.2 Net cash flow from (used in) operating activities

The following table shows items of the Group's cash flow from operating activities for the years ended December 31, 2018 and 2019:

	Year ended December 31	
In millions of euros	**2018**	**2019**
Self-financing capacity	283.3	486.0
Income tax paid	(61.5)	(65.6)
Impact of changes in working capital requirement	143.3	11.4
Dividends received from companies accounted for under the equity method	0.4	0.4
NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**365.6**	**432.2**

Net cash flow from operating activities totalled €365.6 million for the year ended December 31, 2018 and €432.2 million for the year ended December 31, 2019. This increase of €66.6 million comes mostly from the change in working capital requirement which went from €143.3 million in 2018 to €11.4 million in 2019, essentially offset by an increase in self-financing capacity which rose from €283.3 million in 2018 to €486.0 million in 2019.

Self-financing capacity

Self-financing capacity amounted to €283.3 million and €486.0 million in the years ended December 31, 2018 and December 31, 2019 respectively. This change is mainly due to the evolution of the consolidated net income in 2019 after elimination of calculated income and expenses (amortisation and provisions).

Income tax paid

Income tax paid includes corporate tax paid in all the regions in which the Group operates as well as the CVAE in France, a tax based on business value added.

The amount of taxes paid for the year ended December 31, 2019 was €65.6 million, €4.1 million more than in the year ended December 31, 2018. This change is mainly explained by an increase of €3.9 million in corporate tax paid in 2019 and a €0.2 million French CVAE increase paid in 2019 on the basis of 2018.

Changes in working capital requirement

The change in working capital requirement related to activity represented a cash increase of €11.4 million for the year ended December 31, 2019 compared to a cash increase of €143.3 million for the year ended December 31, 2018, a difference of €(131.9) million between the two financial years (see Note 20 of the notes to the consolidated financial statements for the year ended December 31, 2019 included in Section 4.4.1 of this Universal Registration Document).

4.1.2.3.3 Net cash from investing activities

The following table presents cash flow from investing activities for the years ended December 31, 2018 and 2019.

	Year ended December 31	
In millions of euros	**2018**	**2019**
Effect of changes in the scope of consolidation	32.0	(90.7)
Acquisition of property, plant and equipment and intangible assets	(53.1)	(69.9)
Net investment in financial assets	-	(0.1)
Changes in loans and advances granted	1.5	(2.0)
Proceeds from disposals of property, plant and equipment and intangible assets	5.6	38.5
Proceeds from disposals of financial assets	-	-
Dividends received	-	-
NET CASH FROM INVESTING ACTIVITIES	**(14.0)**	**(124.2)**

Net cash from investing activities represents a cash outflow of €124.2 million in the year ended December 31, 2019 and a cash outflow of €14.0 million in the year ended December 31, 2018. This change of €110.2 million is explained mainly by a decrease in the impact of changes in scope of consolidation of €122.7 million, an increase in acquisitions of tangible and intangible fixed assets of €16.8 million and an increase of disposals of property, plant and equipment and intangible assets of €32.9 million.

Effect of changes in the scope of consolidation

The impact of changes in the scope of consolidation resulted in a cash inflow of €32.0 million and cash outflow of €90.7 million over the years ended December 31, 2018 and December 31, 2019 respectively.

The net cash inflow for 2018 is mainly explained by the proceeds from the disposal of the Moroccan activities and the acquisition of the companies Systemat in Belgium, Fluigetec and Buchet in France, as well the payment of earn outs related to previous acquisitions.

The net cash outflow for 2019 is mainly explained by the acquisition of Christof Electrics in Austria, of Telba and Osmo in Germany, of Cimlec in France, as well as by the payment of earn outs related to previous acquisitions.

Acquisition of property, plant and equipment and intangible assets

The acquisition of property, plant and equipment and intangible assets resulted in a cash outflow of €69.9 million for the financial year ended December 31, 2019, compared to an outflow of €53.1 million for the financial year ended December 31, 2018.

In 2019, acquisitions of property, plant and equipment amounted to €51.1 million compared to €44.7 million in 2018.

In 2019, acquisitions of intangible assets represented an amount of €18.8 million compared to €8.3 million in 2018.

These investments primarily represent implementation costs of software to optimise the management and control process.

Changes in loans and advances granted

The change in loans and advances granted represented a cash outflow of €2.0 million for the year ended December 31, 2019, compared to a cash inflow of €1.5 million for the year ended December 31, 2018.

These changes mainly result from changes in financial receivables relating to Public-Private Partnership contracts.

Proceeds from disposals of property, plant and equipment and intangible assets

Cash generated by the disposal of property, plant and equipment and intangible assets increased by €32.9 million, rising from €5.6 million for the year ended December 31, 2018 to €38.5 million for the year ended December 31, 2019.

The €38.5 million change recorded in 2019 is due to disposals of property, plant and equipment of which €23.5 million relate to fixed assets sold in the context of the sale of the submarine cabling activity in Germany which constituted the major part of the Gas & Offshore division acquired with SAG in March 2017.

4.1.2.3.4 Net cash flow from (used in) financing activities

The following table shows consolidated cash flow from financing activities for the years ended December 31, 2018 and 2019.

	Year ended December 31	
In millions of euros	**2018**	**2019**
Issue of share capital	20.4	22.9
Loan issue	1,531.9	824.4
Repayment of loans and borrowings	(1,498.0)	(929.5)
Net interest paid	(59.0)	(49.7)
Dividends paid to owners of the parent	(88.1)	(90.3)
Dividends paid to non-controlling interests	(1.0)	(0.5)
NET CASH FROM FINANCING ACTIVITIES	**(93.7)**	**(222.6)**

Net cash from financing activities represents net disbursements of €222.6 million in the year ended December 31, 2019 compared with net disbursements of €93.7 million over the year ended December 31, 2018.

The change in 2019 is mainly due to the initial application of IFRS 16 from January 1, 2019: flows linked to the repayment of leasehold liabilities total €83.1 million and flows linked to the interest of the leasehold liabilities totalling €5.0 million. The main changes during 2019 are also due to the refinancing of the Group's indebtedness on June 18, 2019: a new bond issue totalling €600 million was completed on June 18, 2019 (maturity June 18, 2026) and "A Facility" (maturity June 7, 2023) was repaid early on €600 million. A share capital increase of €22.9 million was completed on December 12, 2019 in the context of the employee shareholding plan.

Issue of share capital

A €20.4 million share capital increase was completed during the year ended December 31, 2018 and a €22.9 million share capital increase was completed during the year ended December 31, 2019, as a result, respectively, of the implementation of the SHARE FOR YOU 2018 and SHARE FOR YOU 2019 employee shareholding plans.

Proceeds from loans and borrowings

Consolidated cash generated by debt issues amounted to €1,531.9 million and €824.4 million in the years ended December 31, 2018 and December 31, 2019 respectively.

In 2018, the cash generated by the issuance of loans mainly corresponded to the refinancing of the Group's indebtedness. On June 7, 2018, SPIE SA executed a new Senior Credit Facilities Agreement with an "A Facility" (term of June 7, 2023) for a total amount of €1,200 million, as well as a Revolving Credit Facility of €600 million drawn and repaid up to €340 million during FY 2018.

In 2019, the cash flow generated by bond issues corresponds to the bond issue totalling €600 million issued on June 18, 2019, to refinance one half of the Senior Credit Facilities Agreement and thereby extend the average maturity of the debt, and also a Revolving Credit Facility totalling €220 million drawn down and repaid in total during 2019.

Repayment of loans and borrowings

Repayments of borrowings resulted in net cash outflows of €1,498.0 million and €929.5 million in the years ended December 31, 2018 and December 31, 2019, respectively.

In 2018, the cash disbursed for repayments of borrowings of €1,498.0 million is explained mainly by the early repayment of the "A Facility" term loan (term of June 11, 2020) of €1,125 million in the context of the Group's refinancing, by drawing €340 million on the Revolving Credit Facility which were wholly repaid in December 31, 2018, the repayment of loans for an amount of €8.1 million in the balance sheet of Systemat in Belgium at the date of the change of control, the payment of financial leases for an amount of €21.9 million and the repayment of bank loans related to current operating activities for an amount of €3.0 million.

In 2019, the cash disbursed for repayments of borrowings of €929.5 million is explained mainly by the early repayment of the "A Facility" term loan (term of June 7, 2023) of €600 million in the context of the Group's refinancing, by drawing €220 million on the Revolving Credit Facility which were wholly repaid on December 31, 2019, by the repayment of €83.1 million in debt on the financial leases now recorded as a Liability in the Consolidated Statement of Financial Position in the context of the initial application of IFRS 16 on January 1, 2019, by the payment of financial leases for €10.0 million relating to contracts in place as at December 31, 2018 identified in accordance with IAS 17, by the repayment of loans in an amount of €3.7 million held on the balance sheet of Cimlec in France as of the date of its takeover and repayments of bank lending connected to operating income from ordinary activities totalling €12.7 million.

Net interest paid

Net financial interest paid resulted in net cash outflows of €59.0 million and €49.7 million in the years ended December 31, 2018 and December 31, 2019, respectively.

In 2018, interest paid on A Facility of the Senior Credit Facilities Agreement dated May 15, 2015 amounted to €12.5 million. Interest paid on A Facility of the Senior Credit Facilities Agreement executed on June 7, 2018 amounted to €11.7 million. Interest paid on the Revolving Credit Facility executed on May 15, 2015 amounted to €1.4 million. Interest paid on the Revolving Credit Facility executed on June 7, 2018 amounted to €1.8 million. Other interest paid is related to the securitisation facility for an amount of €2.5 million, as well as interest paid on bank overdrafts and financial leases. Interest paid on the bond amounted to €18.8 million.

In 2019, interest paid on A Facility of the Senior Credit Facilities Agreement dated June 7, 2018 amounted to €14.1 million. Interest paid on the Revolving Credit Facility executed on June 7, 2018 amounted to €1.3 million. Other interest paid is related to the securitisation facility for an amount of €2.6 million, as well as interest paid on bank overdrafts and financial leases. Concerning the second remark, the amount of interest paid for bonds is indeed €18.8 million; the expense of €8.6 million generated by the second bond was not paid in 2019.

Dividends paid to non-controlling interests

The Group paid dividends to non-controlling interests of €1.0 million and €0.5 million for the years ended December 31, 2018 and December 31, 2019 respectively.

In 2018, dividends paid to non-controlling interests covered the French subsidiary Buchet for an amount of €0.5 million, two German subsidiaries for an amount of €0.4 million and foreign subsidiaries of SPIE Oil & Gas Services for an amount of €0.1 million.

In 2019, dividends paid to non-controlling interests cover two German subsidiaries for an amount of €0.4 million, one foreign subsidiary of SPIE Oil & Gas Services and Cimlec in France for the balance of €0.1 million.

4.1.2.4 GOODWILL

At December 31, 2019, goodwill totalled €3,211.9 million.

4.1.2.5 CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET COMMITMENTS

The Group's contractual obligations and off-balance sheet commitments are presented in Note 25 of the notes to the consolidated financial statements of the Company for the year ended December 31, 2019 included in Section 4.4.1 of this Universal Registration Document.

4.1.3 INVESTMENTS

INVESTMENTS MADE IN 2018 AND 2019

In 2018, the Group continued its bolt-on acquisition policy with 5 acquisitions signed or completed by the Group, representing total acquired production of approximately €95 million. For example, the Group completed the acquisition of Systemat in Belgium, a specialist in the management of ICT equipment, software and infrastructure that generates revenue of around €70 million, and Buchet, a company specialising in electrical installation mainly active in the Provence-Alpes-Côte d'Azur region (France), which generated revenue of approximately €13 million in 2017. In addition, the Group acquired Fluigetec in France, a specialist in the installation, control and maintenance of industrial gas distribution networks, whose production amounted to around €2 million in 2017, Siétar & Vti SAS in France, a company specialising in piping and industrial boiler making for liquid processes, which generated revenue of approximately €6 million in 2017, and FLM Freileitungsmontagen GmbH in Austria, a specialist in the provision of industrial climbers for the construction of overhead power lines, which generates production of about €4 million. Finally, during the financial year ended December 31, 2018, the Group also acquired several entities of a smaller size which generated revenue comprised between €1 and €6 million in 2017.

In 2019, the Group continued its bolt-on acquisition policy with 4 acquisitions completed, representing total acquired production of approximately €210 million. In May 2019, the Group completed the acquisition of Christof Electrics, an automation and electrical engineering services company in Austria with approximately 154 employees, with revenue in the order of €36 million in 2018. This acquisition allows the Group to make a significant increase in its offers to the Austrian market. In June 2019, the Group finalised the acquisition in Germany of the Telba Group, one of the leading German companies for technical services in the fields of information, communication and security technology, with around 400 qualified employees and revenue of €67 million in 2018. In July 2019, the Group completed the acquisition of Cimlec Industrie and its subsidiaries, specialised in the design, assembly, installation and maintenance of solutions for the electricity, automation and industrial robotics sectors. Cimlec Industrie and its subsidiaries have around 310 employees and generated revenue of approximately €42 million in 2018. Finally, the Group completed the acquisition of Osmo in Germany which provides a full offer in terms of technical equipment for the monitoring of tunnels and road centres. With over 270 employees, Osmo generated production of approximately €65 million in 2018. This acquisition allows the Group to enter the traffic engineering market in Germany.

In addition to Company acquisitions, each year the Group purchases or renews its property, plant and equipment and intangible assets.

The table below details the Group's total purchases for the last two years:

In millions of euros	For the year ended December 31, 2018	For the year ended, December 31, 2019
Effect of changes in the scope of consolidation	31.9	(90.7)
Purchase of property, plant and equipment and intangible assets	(53.0)	(69.9)
Purchase of financial assets	0	(0.1)
TOTAL	**(21.1)**	**(160.7)**

The terms of financing for these investments are detailed in Section 4.1.2 of this Universal Registration Document.

MAIN INVESTMENTS MADE AFTER THE END OF THE FINANCIAL YEAR (DECEMBER 31, 2019)

No investments were made after the end of the financial year ended December 31, 2019.

MAIN FUTURE INVESTMENT

The Group intends to continue with its dynamic acquisitions policy in order to strengthen its market coverage and expand its range of products and services, either through small and medium acquisitions in regions where it believes its network is not dense enough or where the range of its products needs to be supplemented, or through large acquisitions to expand its international coverage or diversify its products and services.

4.2 EVENTS AFTER THE REPORTING PERIOD

The following events took place after the reporting period:

- On March 23, 2020, the Company announced the sale to Rcapital Partners LLP of the mobile maintenance business of SPIE UK, which includes mobile maintenance services related to the sites of public and private customers operating in the tertiary, health, education and recreation sectors, of local authorities and of the distribution.
- On March 27, 2020, the Company issued the following press release relating to the impact of the Covid-19 crisis on the Group's business:

  "After a very solid 2019, leading to a record backlog, and an excellent start to the year, SPIE is now facing significant operational disruptions related to the Covid-19 epidemic. The Group is implementing all appropriate actions to protect its employees and stakeholders, and to limit the consequences on its operations and financial results, relying in particular on its strong liquidity. SPIE is suspending its 2020 guidance and will provide an updated one when the situation firms up.

  In the first two months of 2020, SPIE delivered organic revenue growth despite a particularly high comparison basis, with robust activity levels and dynamic order intake in its main geographies. Such trends carried on until mid-March. SPIE's activity was then abruptly affected by the containment measures successively taken in several European countries, starting with France on March 17th 2020.

  A major part of SPIE's services are vital to communication networks, energy and transportation infrastructure, health facilities, pharmaceutical and food industries, or public authorities. More generally, our services are essential to the integrity of customers' assets. An important share of these services need to be performed even in a confinement situation, and continuity plans have been put in place with our customers accordingly. However, and depending on how severly our clients are themselves impacted by the sanitary constraints, a significant part of our services can, for a limited period of time, be suspended or postponed.

  Since the beginning of containment measures, our business levels in France and Belgium have been strongly affected; we expect the containment measures decided more recently in the UK and in Switzerland to generate similar impacts. So far, business has remained close to normal in Germany and in the Netherlands. However disruptions are anticipated there too, if and when similar measures are taken.

  Keeping as number one priority the health and safety of our employees, subcontractors and customers, SPIE is currently assessing with each of its clients what activities can continue during the containment period.

  SPIE is making immediate use of the high flexibility of its cost base and implementing vigorous cost saving actions. The Group will also make use of special government measures implemented across Europe. Taking various shapes, these measures are designed to adjust permanent personnel costs to a lower activity level during the crisis, while protecting employment and allowing for a quick restart when containment measures are lifted.

  SPIE has significant financial headroom and is fully confident in its ability to face the current challenges. Liquidity at end December 2019 was in excess of €1.4 billion, including €867 million in net cash and €600 million of undrawn revolving credit facility. This revolving credit facility has now been preemptively fully drawn. The Group is facing no debt maturity before 2023. In addition, SPIE's bank debt is subject to one covenant, measured only at year-end and pertaining to a leverage ratio less than or equal to 4.0x (for reference, SPIE's leverage at end December 2019 was 2.7x).

  On March 11th 2020, upon publication of its 2019 annual results, the Group set out its guidance for 2020 assuming no major deterioration of the Covid-19 situation. In light of recent developments, this guidance is no longer valid. At this point in time, SPIE is not in a position to give an estimate of the impact of the Covid-19 crisis on its 2020 results.

  As most of SPIE's services remain mission-critical to its customers' operations and can only be postponed to a certain extent, the Group expects to resume full performance of its services once the situation comes back to normal. SPIE has a 120 year-long existence and has successfully gone through several crisis of different natures. Based on the resilience of its business model, the rigor of its cash management, as well as its strong corporate culture and very experienced management team, SPIE is convinced that it will navigate this crisis and come out of it with its fundamentals intact.

  A further update on the situation will be provided when SPIE publishes its first quarter financial information, on April 29th, 2020."

- On April 8, 2020, the Company issued the following press release relating to the payment of the 2020 dividend and the General Meeting of the Shareholders in the context of the Covid-19 crisis

  "In order to meet the societal challenges imposed by the Covid-19 crisis and its effects on all our stakeholders, SPIE's Board of Directors has decided today to propose to the Shareholders' Meeting not to pay a final dividend for 2019. The May 29th, 2020 Combined Shareholders' General Meeting will exceptionally be held without shareholders physical presence.

  Upon a very strong set of 2019 results, combining solid revenue growth, industry-leading EBITA margin, a sharp rebound in net income and a continued high free cash flow generation, SPIE's Board of Directors proposed, on March 11th, 2020, a dividend of 0.61 euro per share, representing a 5.2% increase on 2018. As every year, this dividend proposal reflected a c. 40% pay-out ratio on the Group's adjusted net income (1) and was in line with SPIE's balanced capital allocation between external growth, deleveraging and shareholder return.

  As an interim dividend of 0.17 euro per share had been paid in September 2019, this dividend proposal implied a final dividend of 0.44 euro per share, to be paid on June 5th, 2020, subject to shareholders approval at the May 29th, 2020 Shareholders' General Meeting.

  SPIE is mindful of the responsibility imposed on us by this unprecedented health, economic and social crisis, in which significant efforts are being asked on all of the Group's stakeholders, notably its employees. In order to meet the current societal challenges, the Board of directors has proposed not to pay the final dividend for 2019. It has therefore decided to submit to the vote of the next Shareholders' General Meeting the payment of a total dividend limited to 0.17 euro per share, strictly corresponding to the interim dividend which was paid in September 2019 (to be compared to the previous proposal of a total dividend of 0.61 euro per share).

  On March 27th, 2020, SPIE announced that its activities were strongly affected by the containment measures successively taken in several European countries in response to the Covid-19 pandemic. The Group promptly reacted by implementing vigorous cost saving actions, and has started to make use of special government measures designed to adjust permanent personnel costs to a lower activity level during the crisis, while protecting employment and allowing for an efficient restart when containment measures are lifted.

  With €1.4 billion liquidity at the beginning of 2020, and no debt maturity before 2023, SPIE has sufficient financial headroom to face the situation and to meet all of its financial commitments, including the initially planned payment of the final dividend. The decision to cancel the final dividend payment is by no means the reflection of cash concerns from SPIE's management and Board of directors. It is caused by the exceptional context, and dividend will remain at the heart of SPIE's capital allocation policy going forward.

  In solidarity with SPIE employees who will be affected by partial unemployement, SPIE's Chairman and Chief Executive Officer has decided to cut his remuneration by 25% during the containment period. All Board directors and senior executives have also decided to substantially cut their remuneration during this period.

  In order to protect the health and safety of shareholders and employees, SPIE's Board of directors has also decided to modify the organisation of the Group's Combined Shareholders' Meeting on May 29th, 2020. This meeting will exceptionnaly be held behind closed doors, without the physical presence of shareholders. The procedure for participation to the Shareholders' Meeting will be detailed in the convening notice to be published shortly, and will be available on the Group's website at https://www.spie.com/en/finance/annual-general-meeting. We strongly encourage our shareholders to use remote voting in this particular context.

  SPIE has a 120 year-long existence and has successfully gone through several crisis of different natures. Based on the resilience and the highly cash-generative nature of its business model, as well as its strong corporate culture and very experienced management team, SPIE is convinced that it will navigate the current Covid-19 crisis and come out of it with its fundamentals intact.

  A further update on the situation will be provided when SPIE publishes its first quarter financial information, on April 29th, 2020."

4.3 TRENDS AND OBJECTIVES

GROUP OBJECTIVES FOR THE YEAR ENDED DECEMBER 31, 2020

On March 11, 2020, at the time of the publication of its 2019 annual results, the Group had communicated financial objectives for the 2020 financial year based in particular on the assumption that there was no major deterioration in business conditions related to the Covid-19.

Since then, the Group has faced major operational disruptions related to the Covid-19 epidemic. In this context, the Group is taking all the essential actions to protect its employees and all of its stakeholders, and to limit the consequences on its operations and financial results, based in particular on its available liquidity (see section 4.2 "Events after the reporting period" of this Universal Registration Document).

In light of these recent developments, the Group announced on March 27, 2020 that the previously announced 2020 targets are no longer valid.

A further update on the situation will be made when the Group's first quarter financial information is published on April 29, 2020.

(1) Adjusted for the amortisation of allocated goodwill and exceptional items.

4.4 CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following financial statements are included in this Registration Document by way of reference:

- the consolidated financial statements for the year ended December 31, 2018 and the corresponding Statutory Auditors' report set out in Chapter 4 "Analysis of activity and financial statements" of the Company's Registration Document filed with the AMF on April 17, 2019 under number D. 19-0354; and
- the consolidated financial statements for the year ended December 31, 2017, and the corresponding Statutory Auditors' report set out in Chapter 20 "Financial information on the issuer's assets, financial position and results" from the Company's 2017 Registration Document recorded by the AMF on April 26, 2018 under number R. 18-023.

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4.4.1 GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

4.4.1.1 CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	2018	2019
Revenue from ordinary activities	7	**6,693,693**	**6,953,356**
Other income		56,029	49,482
Operating expenses	8.1	(6,428,810)	(6,654,306)
Recurring operating income*		**320,913**	**348,532**
Other operating expenses		(52,825)	(42,116)
Other operating income		11,004	30,349
Other operating income and expenses	8	**(41,821)**	**(11,766)**
Operating Income		**279,092**	**336,766**
Net income (loss) from companies accounted for under the equity method	21.8	489	9,030
Operating income after share of net income of companies accounted for under the equity method		**279,581**	**345,796**
Interest expenses and losses on cash equivalents*		(66,825)	(66,012)
Gains from cash equivalents		560	114
Costs of net financial debt	9	**(66,265)**	**(65,898)**
Total other financial expenses		(47,793)	(27,807)
Total other financial income		21,954	14,400
Other financial income (expenses)	9	**(25,838)**	**(13,408)**
Pre-tax income		**187,478**	**266,491**
Income tax expenses	10	(25,485)	(105,819)
Net income from continuing operations		**161,993**	**160,672**
Net income from discontinued or operations being sold	11	(70,583)	(8,622)
NET INCOME		**91,410**	**152,049**
Net income from continuing operations attributable to:			
• The Shareholders of the Company		162,024	159,171
• Non-controlling interests		(32)	1,501
		161,993	**160,672**
Net income attributable to:			
• The Shareholders of the Company		91,442	150,548
• Non-controlling interests		(32)	1,501
		91,410	**152,049**
Net income Share of the Group – earning per share	12	0.59	0.97
Net income Share of the Group – earning per share		0.59	0.96
Dividend per share (proposal for 2019)		**0.58**	**0.61**

* *Given the first-time application of IFRS 16 using the simplified retrospective approach (see Note 2.2), the comparative information has not been restated and is not directly comparable.*

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4.4.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	2018	2019
Net income	**91,410**	**152,049**
Actuarial losses on post-employment benefits	4,333	(157,897)
Tax effect	86	46,805
Items that will not be reclassified to net income	**4,419**	**(111,091)**
Change in translation adjustments	3,171	1,113
Change in fair value of financial instruments	(406)	
Tax effect	130	
Items that may be reclassified to net income	**2,895**	**1,113**
TOTAL COMPREHENSIVE INCOME	**98,724**	**42,070**
Attributable to:		
• The Shareholders of the Company	98,783	40,586
• Non-controlling interests	(59)	1,484

4.4.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	Dec. 31, 2018	Dec. 31, 2019
NON-CURRENT ASSETS			
Intangible assets	15	1,028,308	999,326
Goodwill	14	3,102,689	3,211,854
Right of use on operating and financial lease*	17		339,980
Property, plant and equipment	16	174,087	173,235
Investments in companies accounted for under the equity method	21.8	3,151	11,929
Non-consolidated shares and long-term loans	21.7	45,377	47,219
Other non-current financial assets	21.9	5,908	5,016
Deferred tax assets	10	299,645	315,303
Total non-current assets		**4,659,165**	**5,103,862**
CURRENT ASSETS			
Inventories	20	43,149	41,188
Trade receivables	20	1,877,875	1,916,910
Current tax receivables	20	29,408	24,539
Other current assets	20	271,960	306,494
Other current financial assets	21.7	6,961	7,370
Cash management financial assets	21	4,051	2,791
Cash and cash equivalents	21	780,446	869,212
Total current assets from continuing operations		**3,013,850**	**3,168,504**
Assets classified as held for sale	11	117,352	22,302
Total current assets		**3,131,202**	**3,190,806**
TOTAL ASSETS		**7,790,367**	**8,294,668**

* *Given the first-time application of IFRS 16 using the simplified retrospective approach (see Note 2.2), the comparative information has not been restated and is not directly comparable.*

In thousands of euros	Notes	Dec. 31, 2018	Dec. 31, 2019
EQUITY			
Share capital	18	73,108	74,118
Additional paid-in capital		1,190,120	1,211,971
Other reserves		118,886	13,444
Net income – Group share		91,442	150,548
Equity attributable to owners of the parent		**1,473,556**	**1,450,081**
Non-controlling interests		2,449	3,539
Total equity		**1,476,005**	**1,453,620**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	21.3	1,796,406	1,797,048
Non-current debt on operating and financial leases*	2.2	-	239,103
Non-current provisions	19	53,173	70,662
Accrued pension and other employee benefits	19	714,975	879,458
Other long-term liabilities	20	6,520	7,045
Deferred tax liabilities	10	348,790	354,091
Non-current liabilities		**2,919,864**	**3,347,406**
CURRENT LIABILITIES			
Trade payables	20	1,101,956	1,141,349
Interest-bearing loans and borrowings (current portion)	21.3	332,466	334,094
Current debt on operating and financial leases*	2.2	-	101,257
Current provisions	19	143,061	124,313
Tax payables	20	34,052	55,791
Other current liabilities	20	1,647,164	1,722,722
Total current liabilities from continuing operations		**3,258,700**	**3,479,526**
Liabilities associated with assets classified as held for sale	11	135,798	14,116
Total current liabilities		**3,394,498**	**3,493,642**
TOTAL EQUITY AND LIABILITIES		**7,790,367**	**8,294,668**

* *Given the first-time application of IFRS 16 using the simplified retrospective approach (see Note 2.2), the comparative information has not been restated and is not directly comparable.*

4.4.1.4 CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	2018	2019
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**520,113**	**779,751**
OPERATING ACTIVITIES			
Net income*		91,410	152,049
Elimination of income from companies accounted for under the equity method		(489)	(9,030)
Elimination of depreciation, amortisation and provisions*		80,918	178,941
Elimination of income from disposals and of dilution gains and losses		1,418	(9,021)
Elimination of dividend income		-	-
Elimination of tax expense (income)		29,799	111,439
Elimination of cost of net financial debt*		69,706	65,931
Other non-cash items		10,563	(4,351)
Self-financing capacity		**283,326**	**485,958**
Tax paid		(61,484)	(65,590)
Impact of changes in WCR		143,340	11,442
Dividends received from companies accounted for under the equity method		400	360
Net cash flow from (used in) operating activities		**365,582**	**432,170**
INVESTING ACTIVITIES			
Effect of changes in the scope of consolidation	23.2	31,974	(90,696)
Acquisition of property, plant and equipment and intangible assets		(53,057)	(69,931)
Net investment in financial assets		-	(69)
Changes in loans and advances granted		1,536	(1,992)
Proceeds from disposals of property, plant and equipment and intangible assets		5,550	32,900
Proceeds from disposals of financial assets		-	15
Dividends received		-	-
Net cash flow from (used in) investing activities		**(13,997)**	**(124,223)**
FINANCING ACTIVITIES			
Issue of share capital		20,428	22,926
Loan issue		1,531,858	824,425
Loan repayments (i)		(1,497,914)	(929,523)
Net interest paid (ii)		(59,045)	(49,668)
Dividends paid to owners of the parent		(88,074)	(90,271)
Dividends paid to non-controlling interests		(993)	(469)
Net cash flow from (used in) financing activities		**(93,740)**	**(222,580)**
Impact of changes in exchange rates		1,795	1,403
Impact of change in accounting principles		-	-
Net change in cash and cash equivalents		**259,638**	**86,771**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	23	**779,751**	**866,522**

* *Given the first-time application of IFRS 16 using the simplified retrospective approach (see Note 2.2), the comparative information has not been restated and is not directly comparable.*
(i) *Financial flows related to the repayment of the principal leasehold liability in accordance with IFRS 16 amounted to €83,085 thousand for 2019.*
(ii) *Financial flows linked to the interest on the leasehold liabilities amounted to €5,034 thousand for 2019.*

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement presented above includes discontinued operations or operations held for sale whose impact is described in Note 23.

4.4.1.5 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	Retained earnings	Foreign currency translation reserves	Cash flow hedge reserves	Other and OCI	Equity attributable to owners of the parent	Non-controlling interests	Equity
AT DECEMBER 31, 2017	**154,076, 156**	**72,416**	**1,170,496**	**246,153**	**(8,835)**	**266**	**(41,095)**	**1,439,399**	**2,949**	**1,442,348**
Net income				91,442				91,442	(32)	91,410
Other comprehensive income (OCI)					3,199	(276)	4,419	7,342	(28)	7,314
Total comprehensive income				**91,442**	**3,199**	**(276)**	**4,419**	**98,784**	(59)	**98,724**
Dividends				(88,073)				(88,073)	(483)	(88,556)
Share issue	1,471,793	692	19,693					20,385		20,385
Change in the scope of consolidation and other					7			7	43	50
Other movements			(69)				3,124	3,055	(1)	3,055
AT DECEMBER 31, 2018	**155,547, 949**	**73,108**	**1,190,120**	**249,522**	**(5,630)**	**(10)**	**(33,551)**	**1,473,556**	**2,449**	**1,476,005**
Net income				150,548				150,548	1,501	152,049
Other comprehensive income (OCI)					1,129		(111,091)	(109,962)	(17)	(109,979)
Total comprehensive income				**150,548**	1,129		**(111,091)**	**40,586**	1,484	**42,070**
Dividends				(90,270)				(90,270)	(464)	(90,734)
Share issue	2,150,175	865	22,097					22,962		22,962
Change in the scope of consolidation and other									70	70
Other movements		145	(246)				3,348	3,247		3,247
AT DECEMBER 31, 2019	**157,698, 124**	**74,118**	**1,211,971**	**309,800**	**(4,500)**	**(10)**	**(141,295)**	**1,450,081**	**3,539**	**1,453,620**

NOTES TO THE STATEMENT OF CONSOLIDATED OF CHANGES IN EQUITY

See Note 18.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

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

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

The SPIE group consolidated financial statements were authorised for issue by the Board of Directors on March 10, 2020.

NOTE 2 ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

In accordance with European regulation 1606/2002 dated July 19, 2002 on international accounting standards, the consolidated financial statements of SPIE group were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at December 31, 2019.

The accounting principles used to prepare the consolidated financial statements result from the application of:

- all the standards and interpretations published by the IASB and adopted by the European Union, the application of which is mandatory at December 31, 2019;
- standards that the Group has early-adopted;
- accounting positions adopted in the absence of specific guidance in IFRS.

International Financial Reporting Standards include International Accounting Standards (IAS) and interpretations issued by the Standards Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS-IC).

2.2 ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Group's consolidated financial statements are set out in Note 3.

New standards and interpretations applicable from January 1, 2019

The IFRS 16 standard has come to force in financial statements since January 1, 2019. This standard, which supersedes the IAS 17 standard and its interpretations, has led to account for in the balance sheet of the lessee most of the leasing contracts, following a unique model, in the form of right-of-use of the asset, and of a finance lease obligation (cessation for the lessees of the classification of contracts into operating lease or finance lease).

The contracts mainly relate to property, plant and equipment and to vehicles. The "simplified" retrospective approach has been chosen.

The lease term is defined contract by contract and corresponds is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, including any periods covered by a lessor's termination option. In December 2019, the IFRIC published its final decision on the determination of the enforceable term of a lease and the depreciation period for non-removable fixtures and fittings. For its approach, the Group has decided to consider only the terms of the contract between the lessor and the lessee to determine the period during which the contract is enforceable. This decision could result in a review of the terms of some leases.

Accordingly with the approach proposed by the standard,

- an incremental Group borrowing rate of 2% has been used to discount lease payments at the date of initial application. The latter represents the Group's marginal borrowing rate, based on the zero-coupon loan rate, adjusted with foreign currency risk and country risk premiums, the term of contracts and the credit risk of the subsidiary;
- the assessment of existing contract identified as per IAS 17 standard has not been changed.

Besides, in application of the two exemptions proposed by the standard, the Group has chosen not to recognise:

- contracts with a term below or equal to 12 months (and for the transition, all contracts which termination stands within the following 12 months after the date of first application of the standard);
- lease contracts for items which individual cost stands below $5,000.

The Group has applied IFRS 16 using the simplified retrospective approach, the comparative information has not been restated and is presented in accordance with IAS 17.

The implementation of this standard as at January 1, 2019 generated an increase in the financial debts and rights-of-use in the statement of financial position for an amount of €307 million, and an improvement in operating income for 2019 of €2.9 million as well as an increase of the financial expenses of around €4.5 million in the income statement (of which €5.0 million is for financial expenses and €0.5 million for currency gains). Cash flows related to the repayment of the principal leasehold liability amounted to €83,085 thousand for 2019, and cash flows related to the interest expense on the rental liability amounted to €5,034 thousand for 2019.

The reconciliation between operational lease commitments presented as at December 31, 2018 in application of IAS 17 and the debt on lease as per IFRS 16 as at January 1, 2019 is as follows:

In thousands of euros

Commitments relating to operating lease as at December 31, 2018	**422,606**
Not recognised contracts in application of the exemptions of IFRS 16	(131,900)
Effect relating to optional period not included in commitments	31,400
Effect of scope change	1,902
Non-discounted lease debt	**324,008**
Effect of discounting	(16,626)
Discounted lease debt as at [1] January 2019	**307,382**

As at December 31, 2019, the discounted lease debt stood at €340.4 million (see Note 21.3) and the right of use stood at €340.0 million (see Note 17.2).

The other new standards and interpretations applicable from January 1, 2019 are the following:

- amendments to IAS 19 – "Employee Benefits";
- amendments to IAS 28 – "Investments in Associates and Joint Ventures";
- amendments to IFRS 9 – "Financial Instruments";
- IFRIC 23 – "Uncertainty over income tax treatments";
- amendments to IFRS 9 and IFRS 7 – "Interest Rate Benchmark Reform".

The Group did not identify any significant impact at the application of these other standards and amendments, with the exception of IFRIC 23, whose impacts on reclassifications on the balance sheet are detailed in Note 19.2.

Published new standards and interpretations for which application is not mandatory as of 1 January 2019

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

- IFRS 17 "Insurance contracts";
- amendments to IFRS 3 "Definition of a Business";
- amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture";
- amendments to IAS 1 and IAS 8 "Definition of Material".

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.

2.3 CRITICAL JUDGMENT AND ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS is based on management's estimates and assumptions used to estimate the value of assets and liabilities at the date of the statement of financial position as well as income and expenses for the period.

Actual results could be different from those estimates. The main sources of uncertainty relating to critical judgment and estimates concern the impairment of goodwill, employee benefits, the recognition of revenue and profit margin on long-term service agreements, provisions for contingencies and expenses and the recognition of deferred tax assets.

Management continually reviews its estimates and assumptions on the basis of its past experience and various factors deemed reasonable, which form a basis for its evaluation of the carrying amount of assets and liabilities. These estimates and assumptions may be amended in subsequent periods and require adjustments that may affect future revenue and provisions.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 CONSOLIDATION

The Group's consolidated financial statements include all subsidiaries and equity interests of SPIE SA.

The scope of consolidation comprises 184 companies; the percentages of interest are presented in the table in Note 28 of the present document.

The main amendments to the scope of consolidation that took place during the year are presented in Note 6.

Consolidation methods

According to IFRS 10 "Consolidated Financial Statements", entities controlled directly or indirectly by the Group are consolidated under the full consolidation method. Control is established if the Group has all the following conditions:

- SPIE has substantive rights enabling it to direct the relevant activities of the entity, SPIE is exposed to the entity's variable returns; and
- the ability to use its power over the investee to affect the amount of the variable returns.

For each company held directly or indirectly, it was assessed whether or not the Group controls the investee in light of all relevant facts and circumstances.

4

IFRS 11 "Joint Arrangements", sets out the accounting treatment to be applied when two or more parties have joint control of an investee. Joint control is established if decisions relating to relevant activities require the Shareholders' unanimous agreement. A joint arrangement falls into one of two categories, generally dependent on the legal form of investee:

- joint ventures: parties that have joint control of the arrangement have rights to its net assets, and are consolidated using the equity method; or
- joint operations: parties that have joint control of the arrangement have direct rights to the assets and direct obligations for the liabilities of the arrangement, the joint operator recognising its share of the assets, liabilities, revenue and expenses.

Most of the joint arrangements relating to public works are through joint-venture companies (Société En Participation – SEP) that, given their characteristics, fall into the category of joint operations.

As required by IAS 28 (revised), entities over which SPIE exercises significant influence are consolidated using the equity method. The results of companies acquired or sold during the year are included in the consolidated financial statements, as from the date of acquisition in the first case or until the date of disposal in the second.

Translation of the financial statements of foreign entities

The Group's consolidated financial statements are presented in euros.

In most cases, the functional currency of foreign subsidiaries corresponds to the local currency. The subsidiaries' financial statements are translated at closing rates for statement of financial position items and at average annual rates for income statement items. Exchange gains or losses resulting from the translation of financial statements are recognised in equity as translation adjustments.

The currency translation rates used by the Group for its main currencies are as follows:

	2018		2019	
	Closing Rate	**Average Rate**	**Closing Rate**	**Average rate**
Euros – EUR	1	1	1	1
US Dollar – USD	1.1371	1.1830	1.1137	1.1226
Swiss Franc – CHF	1.1287	1.1584	1.0939	1.1156
Great-Britain Pound – GBP	0.8985	0.8837	0.8456	0.8802
CFA Franc – CFA	655.9570	655.9570	655.9570	655.9570

3.2 SEGMENT INFORMATION

Operating segments are reported consistently with the internal reporting provided to the Group's Management.

The Group's Chairman and Chief Executive Officer regularly examine segments' operating income to assess their performance and to make resources allocation decisions. He has therefore been identified as the chief operating decision maker of the Group.

The Group's activity is divided into four Operating Segments for analysis and decision-making purposes. The segments are characterised by a standardised economic model, especially in terms of products and offered services, operational organisation, customer typology, key success factors and performance evaluation criteria. The Operating Segments are the following:

- France;
- Germany and Central Europe;
- North-Western Europe;
- Oil & Gas and Nuclear.

Quantitative information is presented in Note 7.

3.3 BUSINESS COMBINATIONS AND GOODWILL

The Group applies the "acquisition method" to account for business combinations, as defined in IFRS 3R. The acquisition price, also called "consideration transferred", for the acquisition of a subsidiary is the sum of fair values of the assets transferred and the liabilities incurred by the acquirer at the acquisition date and the equity interests issued by the acquirer. The consideration transferred includes contingent consideration, measured and recognised at fair value, at the acquisition date.

In addition:

- non-controlling interests in the acquired company may be valued at either the share in the acquired company's net identifiable assets or at fair value. This option is applied on a case-by-case basis for each acquisition;
- acquisition-related costs are recognised as expenses of the period. These expenses are recognised as "Other operating income and expenses" of the income statement.

Goodwill

Goodwill represents the difference between:

(i) the acquisition price of the shares of the acquired company plus any contingent price adjustments and;

(ii) the Group's share in the fair value of their identifiable net assets on the date of the control being taken.

Corrections or adjustments may be made to the provisional fair value of the assets and liabilities acquired within twelve months of the acquisition (the "measurement period") to reflect new information obtained about facts and circumstances that existed at the acquisition date and that, if known, would have affected the measurement of the amounts recognised at that date. This may result in adjustments to the goodwill determined on a provisional basis. Price adjustments are measured at fair value at acquisition date, with a counterpart through equity, at each closing date. After the end of the one-year allocation period, any further change in this fair value is recognised in income.

Post-acquisition

Further acquisitions or transfers of non-controlling interests, without any change in control, are considered as transactions with the Group's Shareholders. According to this approach, the difference between the price paid to increase the percentage of interest in entities already controlled and the additional proportionate equity interest thus acquired is accounted for in the Group's equity.

Similarly, a reduction in the Group's percentage of interest in an entity that remains controlled by the Group is accounted for as an equity transaction with no impact in income.

For share transfers with a further loss of control, the change in fair value, calculated based on the entire interest at the transaction date, is recognised in gains or losses on disposal of consolidated investments. The remaining equity interest retained, where applicable, is then accounted for at fair value at the date of the loss of control.

For business combination achieved in stages, non-controlling interest previously held in the acquiree is remeasured at fair value at its acquisition-date. Any resulting profit and loss is recognised in income.

Treatment of outstanding representations and warranties

In the context of its business combinations, the Group usually obtains representations and warranties from the sellers.

Guarantees of liabilities that can be individually valued give rise to the recognition of an indemnification asset in the acquirer's financial statements. Subsequent changes to these representations and warranties are recorded symmetrically with the liability recorded for the indemnified items. Representations and warranties that are not separately identifiable (general guarantees) are recognised when they become exercisable, through the income statement.

The outstanding representations and warranties are recorded in "Other non-current assets".

Impairment test of goodwill

Goodwill is tested for impairment at least once a year and whenever there is an indication of impairment loss. For this test, goodwill is allocated to Cash Generating Units (CGU) corresponding to homogeneous groups which together generate identifiable cash flows. The conditions of the impairment tests conducted on the Cash Generating Units are detailed in Note 3.10.

3.4 RECOGNITION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

ORDINARY REVENUE AS DEFINED BY IFRS 15

Since January 1, 2018, the Group applies the principles determined by the IFRS 15 standard for the recognition of ordinary revenue from contracts with customers ("ordinary revenue").

The Group recognises services contract income and expenses using the percentage of completion method at the end of each monthly reporting period. The stage of completion is measured with reference to the progress in terms of costs incurred. In the case of maintenance contracts, the progress is measured in terms of invoicing performed.

When the transfer of control of a good or service is gradual, the Group assesses at each balance sheet date the degree of completion of each obligation to provide a service fulfilled progressively. The recognition of revenue from contracts with customers stands when a performance obligation is satisfied and if it fulfils these three criteria:

- customer receive benefits as performed/another would not need to re-perform;
- the performance creates/enhances an asset customer controls;
- the performance does not create an asset with an alternative use and right to payment for work to date.

No profit margin is recorded if the level of completion is insufficient to provide a reliable outcome at the end of the contract.

If the expected outcome at completion of the project is a loss, a provision for loss on completion is recorded irrespective of the stage of completion of the project. This provision is based on the best estimate of the outcome at completion of the project, measured in a reasonable manner. Provisions for losses on completion are presented as a liability in the statement of financial position.

Revenue relating to Public-Private Partnership (PPP) contracts

Following the IFRIC 12 standard recommendations, the annual revenue under PPP contracts is determined based on the fair value of the services rendered in the financial year measured by applying the estimated margin rates of construction, servicing and maintenance respectively to building costs (initial and renewal) and servicing and maintenance costs.

3.5 OTHER OPERATING INCOME AND EXPENSES

To ensure better understanding of business performance, the Group presents separately "recurring operating income" within operating income which excludes items that have little predictive value because of their nature, their frequency and/or their relative importance. These items, recorded in "other operating income" and "other operating expenses", notably include:

- gains and losses on disposals of assets or operations;
- expenses resulting from restructuring plans or business divestment plans approved by the Group management;
- expenses relating to non-recurring impairment of assets;
- expenses of acquiring and integrating companies acquired by the Group;
- any other separately identifiable income/expense, which is of an unusual and material nature.

3.6 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered primarily through a sale transaction rather than through continued use.

These assets (or groups held for sale) must be available for immediate sale in their present condition and their sale must be highly probable.

When initially classified as held for sale, non-current assets and disposal groups are recorded at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component that has been disposed of by the entity or which is classified as held for sale, and:

- represents a significant and distinct business line or region of operations, or forms part of a single and coordinated plan to dispose of a significant and distinct business line or region operations;
- which is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are shown in a separate line in the consolidated financial statements at the reporting date.

Details on discontinued operations or operations held for sale are set out in Note 11.

3.7 LEASE CONTRACTS

In accordance with IFRS 16, an agreement contains a lease if it gives the right to control the use of an identified asset over a specified period of time in return for the payment of a consideration. To determine that right, the Group assesses whether, throughout the period of use, it holds the right to obtain substantially all of the economic benefits arising from the use of the asset identified and decide on the use of the asset identified, and whether the contract infers an asset identified on the basis of explicitly specified terms and conditions. If the supplier has the substantive right or practical ability to replace the asset throughout its useful life and derives an economic benefit from exercising that right, then the asset is not identified.

The cost of the asset recognised for the right of use includes:

- the amount of the initial valuation of the leasehold liability;
- the amount of rent paid on or before the effective date, net of lease inducements received;
- the initial direct costs incurred by the lessee;
- an estimate of the costs to be incurred by the lessee in the decommissioning of the underlying asset.

At the beginning of each contract containing a lease component, the Group recognises a right-of-use asset and a leasehold liability. If the contract contains several lease components, the Group allocates the share relating to each component on the basis of their separate prices and accounts for each lease component of the contract as a separate lease, separately from the non-lease components of the contract.

The asset recognised for the right of use is amortised on a straight-line basis over its useful life for the Group using the effective interest rate method and the debt is amortised over the term of the contract. The terms of these contracts take into account changes in the lease related to lease and discount rate revisions.

Payments received under the lease contract are broken down between the financial expense and the amortisation of debt so as to obtain a constant periodic interest rate over the remaining balance of the liability. The financial expenses are recognised directly in the income statement. Cash flows relating to the principal of leasehold liabilities and the interest expense are presented in financing activities; cash flows relating to rent payable under short-term leases, and cash flows with low underlying asset values and variable rent payable that have not been taken into account in the measurement of leasehold liabilities are presented in operating activities.

3.8 INTANGIBLE FIXED ASSETS

Intangible assets (mainly brands, customer relations and order books) acquired separately or in the context of business combinations are initially measured at their fair value in the statement of financial position. The value of intangible assets is subject to regular monitoring in order to ensure that no impairment loss should be accounted for.

Brands and customer related assets

The value of customer relationships is measured taking into account a renewal rate of contracts and amortised over the renewal period.

The amortisation period of the backlog is defined on a case-by-case basis for each acquisition, after a detailed review.

Brands acquired are amortised over the estimated duration of use of the brand, depending on the Group's brand integration strategy. By exception, SPIE brand has an indefinite useful life and therefore is not amortised.

Internally generated intangible assets

Research costs are recognised in the income statement as expenses of the period.

Development costs are recognised as intangible fixed assets when the following criteria are fulfilled:

- the Group's intention and financial and technical capacity to complete the development project;
- the probability that the Group will enjoy future economic benefits attributable to development expenses;
- the reliable measure of the cost of this asset.

Capitalised expenses include personnel costs and the cost of materials and services used that are directly allocated to the given projects. They are amortised over the estimated useful life of the relevant processes, once they have been put into use.

Other intangible fixed assets

Other intangible fixed assets are recognised at cost, net of accumulated amortisation and impairment losses, if any. They relate mainly to software and are amortised over a period of three years on a straight-line basis.

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost, net of accumulated depreciation and impairment losses, if any.

Depreciation is calculated for each significant part of an item of property, plant and equipment using either the straight-line method or any other method that best represents the economic use of the components over their estimated useful life. The estimated residual values at the end of the depreciation period are zero.

The main average useful lives applied are as follows:

Buildings	20 to 30 years;
Site machinery and equipment	4 to 15 years;
Fixed machinery and equipment	8 to 15 years;
Transport vehicles	4 to 10 years;
Office equipment – IT	3 to 10 years.

Land is not depreciated.

The depreciation periods are reviewed annually and may be modified if the expectations are different from the previous estimations.

3.10 IMPAIRMENT OF GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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.

With regard to 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 must be conducted as soon as there is any indication of impairment loss 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) (see Note 14).

The recoverable value of these units is the higher of the value in use, determined on the basis of 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 amortisable intangible assets, those allocated to goodwill are definitive and cannot be reversed in subsequent financial years.

The Cash Generating Units' (CGU) future cash flows used in the calculation of value in use (Note 14.2 "Impairment test for goodwill") are derived from annual budget and multiannual forecasts prepared by the Group. The construction of these forecasts is an exercise involving the various players within the CGUs and the projections are validated by the Group's Chief-Executive Officer. This process requires the use of critical judgment and estimates, especially in the determination of market trends, material costs and pricing policies. Therefore, the actual future cash flows may differ from the estimates used in the calculation of value in use.

Quantitative information is detailed in Note 14.

3.11 FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: assets measured at fair value through other comprehensive income, assets measured at fair value through income statement, and assets measured at amortised cost.

The breakdown of financial assets into current and non-current assets is determined at the closing date based on their maturity date being under or over one year.

All regular way purchases/sales of financial assets are recorded at the transaction date.

Assets measured at fair value through other comprehensive income

These assets represent the Group's interests in the capital of non-consolidated entities. They are recorded in the statement of financial position at their fair value. In subsequent periods, changes in the fair value of the instrument are recognised in other comprehensive income. Changes in fair value thus accumulated in equity will not be reclassified as a profit or loss in subsequent years. Only dividends are recognised in the income statement if the conditions are met.

Assets at fair value through income statement

This valuation method is applied to financial assets held by the Group for the purpose of generating a short-term disposal gain. These assets are measured at their fair value and any changes in fair value are recognised in the income statement.

Assets measured at amortised cost

These include receivables related to equity interests, construction-assistance loans, and other loans and receivables. These loans and receivables are initially recorded at their fair value plus directly attributable transaction costs. On subsequent closing dates, they are accounted for at the amortised cost calculated using the effective interest rate. The value on the face of the statement of financial position includes the outstanding capital and the unamortised share of transaction costs directly attributable to the acquisition. An expected credit loss is recognised for financial assets measured at amortised cost. Any impairment loss is recognised in the income statement.

The recoverable value of loans and receivables is equal to the value of estimated future cash flows, discounted at the financial assets' original effective interest rate (in other words, at the effective interest rate calculated at the date of initial recognition).

Receivables with a short maturity date are not discounted.

Receivables relating to Public-Private Partnership (PPP) contracts

The Group, as a private operator, has signed Public-Private Partnership contracts. This type of contract is one of a number of public-private contract schemes being used in France.

The "PPP" Contracts are accounted for in accordance with IFRIC 12 "Concessions", when they meet the three following conditions:

- first, the public authority determines the nature of the services that the private operator is required to provide, by means of the infrastructure as well as who is likely to benefit from these services;
- second, the contract stipulates that at the end of the contract, the infrastructure retains a significant residual value which is returned back to the public authority;
- finally, the contract provides for the construction of the infrastructure to be made by the private operator.

In exchange for the construction services provided, the Group is granted rights to receive a financial asset and therefore a receivable is recognised.

Receivables are measured, for each signed contract, using the amortised cost method at an effective interest rate corresponding to the project's internal rate of return.

In subsequent periods, the financial asset is amortised and interest income is recognised using the effective interest rate.

Receivables securitisation programme

In the course of its operations, some entities of the Group have developed a disposal programme for its contract assets which will end in June 11, 2020. On December 19, 2019, this contract was extended by three years, i.e. until June 11, 2023.

This receivables securitisation programme allows participating companies to transfer full ownership of their trade receivables to the SPIE Titrisation securitisation 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 financed amount of the transaction is defined as equal to the amount of transferred receivables eligible for the securitisation program less, by way of security, the subordinate deposit amount and the additional senior deposit amount applied by the "SPIE Titrisation" Mutual Fund.

The Group retains the risks associated with such receivables. Consequently, in the consolidated financial statements, the securitised receivables were kept as assets in the statement of financial position, the security deposits paid into the funds were cancelled and in return the value of financing obtained was recorded in borrowings.

In addition, in December 2013, SPIE DZE signed a contract for the disposal of trade receivables under which virtually all of the risks and benefits attached to the receivables sold (credit risks and late payment risks, with the risk of dilution having been properly circumscribed and excluded from the analysis) were transferred to the factor. This programme was extended to all German entities acquired together with the SAG group in March 2017. Disposals of receivables amounted to €83,464 thousand as of December 31, 2019 and are no longer recognised as balance sheet assets in the consolidated financial statements.

"Building Loans"

In France, employers standing in an industrial or commercial activity and hiring at least 20 employees must invest in housing construction for their employees at least 0.45% of the total payroll. This investment can be made either directly or by a contribution to the "Comité Interprofessionnel du Logement" (Inter-Professional Housing Committee) or to a Chamber of Commerce and Industry.

The contribution can be booked as granted loan in the assets of the statement of financial position, or as a grant recognised as an expense in the income statement.

"Building loans" do not bear interest and are granted for a period of 20 years.

"Building loans" are loans granted to employee at low interest rate. In accordance with IFRS 9, these loans are discounted at their initial recognition date and the difference between the nominal value of the loan and its discounted value is recorded as an expense which is granted representing an economic benefit granted to employees.

Subsequently, the loans are accounted for using the amortised cost method which consists in reconstituting the redemption value of the loan, at the end of the 20-year period, by recognising interest income over the period.

3.12 FINANCIAL LIABILITIES

The breakdown of financial liabilities into current and non-current liabilities is determined at the closing date by their maturity date. Thus, financial liabilities maturing less than one year are recognised in current liabilities.

Financial liabilities consist of accounts payable, medium- and long-term loans and derivative financial instruments.

At the date of their initial recognition, medium and long-term loans are measured at their fair value less directly attributable transaction costs. They are subsequently accounted for at amortised cost using the effective interest rate method. The amortised cost is calculated taking into account all the issuing costs and any discount or redemption premiums directly linked to the financial liability. The difference between the amortised cost and the redemption value is reversed through the income statement using the effective interest rate method over the term of the loans.

When accounts payable have maturity dates of less than one year, their nominal value may be considered to be close to their amortised cost.

3.13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (interest rate swaps and foreign exchange forward contracts) to hedge its exposure to interest rate and foreign exchange risks.

Derivative instruments are recorded in the statement of financial position as current or non-current financial assets and liabilities depending on their maturity dates and accounting designation. They are measured initially at their fair value on the transaction date and re-measured accordingly at each reporting date.

In the case of cash flow hedging, the hedging instrument is recorded in the statement of financial position at its fair value. The effective portion of the unrealised gain or loss on the derivative financial instrument is immediately recognised in equity and the ineffective portion of the gain or loss is immediately recognised in the income statement. The amounts recorded in other items of comprehensive income are reversed in the income statement in accordance with the accounting policy applied to hedged items. If the Group no longer expects the hedged transaction to occur, the accumulated unrealised gain or loss, which was recorded in equity (for the effective portion), is immediately recognised in the income statement.

In the case of fair value hedging, the hedging instrument is recorded in the statement of financial position at its fair value. Changes in the fair value of the hedging instrument are recorded in the income statement alongside the changes in the fair value of the hedged item attributable to the identified risk.

3.14 INVENTORIES

Inventories, which are essentially made up on-site supplies, are measured at the lower of the cost or net realisable value according to the "first in – first out" method.

The inventories are impaired, where applicable, in order to reflect their probable net realisable value.

3.15 CASH AND CASH EQUIVALENTS

In the balance sheet, cash and cash equivalents includes liquid assets in current bank accounts, shares in money market funds and negotiable debt securities which can be mobilised or transferred in the very short term with a known cash value and do not have a significant risk in terms of changes in value. All components are measured at their fair value.

In the consolidated cash flow statement, cash and cash equivalents of the operations held for sale are added to and bank overdrafts are deducted from cash and cash equivalents presented in the statement of financial position.

3.16 INCOME TAXES

The Group calculates income taxes in accordance with prevailing tax legislation in the countries where income is taxable.

Current taxes

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income.

Deferred taxes

Deferred taxes are recorded on temporary differences between the carrying amount of assets and liabilities and their tax bases as well as on tax losses according to the liability method. Deferred tax assets are recognised only when it is probable that they will be recovered. In particular, deferred tax assets are recognised on tax loss carry-forwards of the Group, to the extent that it is probable that they can be utilised against future tax profits in the foreseeable future. Deferred taxes are not discounted.

Management's judgment is required to determine the extent to which deferred tax assets can be recognised. Future sources of taxable income and the effects of the Group's global tax strategies are taken into account in making this determination. This assessment is conducted through a detailed review of deferred taxes by jurisdiction and takes into account past, current and future operating performance deriving from the existing contracts in the order book, the budget and multiannual forecasts, and the length of carry-backs, carry-forwards and expiration dates of net operating loss carry-forwards, over a five-year horizon.

The expected reversal of tax losses is based on the forecast of future results previsions validated by local management and reviewed by the Group's Accounting and Tax Department.

Distributable earnings

The timeline for receiving of undistributed earnings from foreign subsidiaries is controlled by the Group and the Group does not foresee taxes on the distribution of earnings in the near future.

With regard to the Group's French subsidiaries, the distribution of earnings is subject to a taxation in basis of 1% for the subsidiaries in which the Company owns 95% or more stake (i.e. the majority of those).

No deferred tax liability is to be recognised for undistributed earnings from French and foreign subsidiaries.

3.17 PROVISIONS

The Group identifies and analyses on a regular basis legal claims, faults and warranties, onerous contracts and other commitments. A provision is recorded when, at the closing date, the Group has an obligation towards a third party arising from a past event, the settlement of which is likely to require an outflow of resources embodying economic benefits. Provisions are recognised on the basis of the best estimate of the expenses required to settle the obligation at the reporting date. These estimates take into account information available and different possible outcomes.

In the case of restructuring, an obligation is recorded once the restructuring process has been announced and a detailed plan prepared or once the entity has started to implement the plan, prior to the reporting date.

Provisions are discounted when the effect is material.

Provisions

Depending on the nature of the risk, estimates of probable expenses are made with operational staff in charge of the contracts, internal and external lawyers and independent experts whenever necessary.

Quantitative information is detailed in Note 19.2.

Contingent liabilities

Contingent liabilities are potential obligations stemming from past events which existence will only be confirmed by the occurrence of uncertain future events which are not within the control of the entity, or current obligations for which an outflow of resources is unlikely. Apart from those resulting from a business combination, they are not recorded in the accounts but are disclosed, when appropriate, in the notes to the financial statements.

3.18 EMPLOYEE BENEFITS

Employee benefits deal with retirement indemnities (including defined contribution plans and defined benefit plans), pension liabilities and other long-term benefits, mainly length-of-service awards.

Defined contribution plans refer to post-employment benefits under which the Group pays defined contributions to various employee funds. Contributions are paid in exchange for the services rendered by employees during the financial year. They are recognised as expenses when they are incurred, as the Group has no legal or implicit obligation to pay additional contributions in the event of insufficient assets.

Defined benefit plans refer to post-employment benefit plans other than defined contribution plans. These plans constitute a future obligation for the Group for which a commitment is calculated. A provision is calculated by estimating the value of benefits accumulated by employees in exchange for services rendered during the financial year and in previous financial years.

Within the Group, post-employment benefits and other long-term benefits mainly correspond to defined benefit plans.

Post-employment benefits

Post-employment benefits mainly correspond to retirement indemnities applicable in France and to internally held pension plans in force in other European countries. Other long-term benefits primarily include length-of-service awards.

The Group's plans are defined contribution plans and defined benefit plans which generally require, in addition to the part financed by the Company, a contribution from each employee defined as a percentage of his or her compensation.

The valuation of these benefits is carried out annually by independent actuaries. The actuarial method used is the Projected Unit Credit Method.

Assumptions mainly include the discount rate, the long-term salary increase rate and the expected rate of the retirement age. Statistical information is mainly related to demographic assumptions such as fatality, employee turnover and disability.

The Group applies the dispositions of IAS 19 amended "Employee Benefits", which introduces several modifications on the accounting of post-employment benefits, including:

- the recognition in the consolidated statement of financial position of all post-employment benefits granted to employees of the Group. The "corridor" option and the possibility to amortise through the income statement the cost of past services over the average vesting period have been cancelled;

- interest income on pension plan assets is now calculated using the same rate as the discount rate for the obligation in respect of the defined benefit plans;
- the recognition in the income statement of the impact of plan amendments;
- the recognition of the impact of re-measurements in other comprehensive income (or "OCI"): actuarial gains and losses on the commitment, outperformance (underperformance) of plan assets, i.e. the difference between the actual return on plan assets and their compensation calculated on the basis of the discount rate of the actuarial liability, and change in the effect of the asset ceiling. These impacts are presented in the consolidated statement of comprehensive income.

These plans are characterised as follows:

- in France, these are end-of-career benefits, which are contractual benefits due exclusively in the context of retirement (calculated on the basis of a percentage of the most recent salary, based on seniority and the applicable collective agreements); The rights of the Group's French employees with regard to end-of-career benefits are defined by collective bargaining agreements. End-of-career benefits correspond to end-of-career benefit costs for lower and middle management (ETAM). Retirement benefits for labourers are covered by insurance (Caisse BTP/CNPRO plans);
- in Germany, employee benefits correspond to internally held pension plans, settled in the entities of the SPIE DZE sub-group;
- in Switzerland, employee benefits correspond to internally held pension plans settled in the Swiss companies;
- in the United Kingdom, pension plans are financed through independent pension funds and as such, do not lead to any post-employment obligation recognition.

The value recorded in the statement of financial position for employee benefits and other long-term benefits corresponds to the difference between the discounted value of future obligations and the fair value of plan assets intended to cover them. The obligation corresponding to the net commitment thus established is recorded as a liability.

The net financial cost of retirement indemnities, including the financial cost and the expected return on plan assets, is recognised under "Cost of net financial debt". The operating expense is recorded in personnel expenses and includes the cost of services provided during the year as well as the impacts of any plan changes, reductions or liquidations.

Actuarial assumptions (economic and demographic) were determined locally according to each concerned country.

Quantitative information is detailed in Note 19.1.

Other long-term benefits

Other long-term benefits essentially include length-of-service bonuses in the form of "length-of-service awards". The Group recognises a liability in respect of awards acquired by employees. This provision is calculated according to methods, assumptions and frequency that are identical to those used for provisions for retirement indemnities described above.

Actuarial gains and losses arising from the valuation of length-of-service awards are recognised immediately in the income statement of the financial year of their occurrence.

Optional profit-sharing agreement

Sub-group optional profit-sharing agreements were signed in 2013 within French entities and define the calculation formula and terms for the profit-sharing among beneficiaries. A liability is accrued for in personnel expenses in respect of the amount of profit to be shared at year-end, payable the year after.

Legal profit-sharing agreement

SPIE Operations and all subsidiaries whose registered office is in France, directly or indirectly owned by more than 50% and irrespective of the number of employees, have entered into a group legal profit-sharing agreement dated 6 June 2005 in accordance with Articles L. 442-1 and seq. of the French Labour Code.

Performance shares

The Shareholders' General Meeting of SPIE on May 25, 2016, in its 20th extraordinary resolution, authorised, under certain conditions, the grant of existing or future shares, in favour of corporate officers or employees of the Company or of companies related to the Company in the conditions set forth under Article L. 225-197-2 of the French Commercial Code.

Two performance share plans have been issued since 2016.

The list of beneficiaries of these plans, as well as the number of Performance Shares granted to each of them, was approved by the Board of Directors, on the proposal of the Compensation Committee, on July 28, 2016 for the first 2016-2018 Plan and on March 11, 2019 for the second 2019-2021 Plan.

- The 2016-2018 performance share plan was terminated on July 29, 2019.
- The current 2019-2021 performance share plan was initiated on May 31, 2019.

The valuation and accounting principles applicable are defined in accordance with IFRS 2 "Share-based payments". Performance shares represent employee benefits granted to their beneficiaries and, as such, constitute additional remuneration paid by SPIE (see Note 8.2).

As they are operations that do not give rise to monetary transactions, the benefits thus granted are recognised over the vesting period with a corresponding increase in equity. They are valued by an external actuary on the basis of the fair value of the performance shares, at the grant date (see Note 18.3).

The performance shares' fair value is not only linked to the performance of the operating segments. Consequently, SPIE considered not necessary to include the corresponding charge in EBITA, which is the measure of the performance of the operating segments, as issued into internal reporting. This charge is read on a separate line of the reconciliation statement between EBITA and consolidated operating income (see Note 7).

NOTE 4 ADJUSTMENTS ON PREVIOUS PERIODS

IFRS 16 – Leases has been applied as of January 1, 2019 using the simplified retrospective approach, and the comparative information was not restated in accordance with IAS 17 (see Note 2.2.). Accordingly, the prior period is not directly comparable to the current period.

NOTE 5 SIGNIFICANT EVENTS

5.1 ISSUANCE OF BOND FOR AN AMOUNT OF €600 MILLION AND FINANCIAL DEBT REFINANCING AS AT JUNE 18, 2019

On June 18, 2019, SPIE SA issued a bond for an amount of €600 million. The bonds, with a 7-year maturity and a 2.625% annual interest rate, were admitted for trading on Euronext Paris regulated market.

On the same date, the Group repaid in advance half of its senior "Facility A" financing line, for an amount of €600 million, initially due on June 7, 2023.

This bond issuance has enabled SPIE SA to extend the average maturity of its financial debt and reduce its variable rate portion. (See Note 21.3).

5.2 EMPLOYEE SHAREHOLDERS PLAN "SHARE FOR YOU 2019" – DECEMBER 12, 2019 CAPITAL INCREASE

On July 25, 2019, the Board of Directors decided in principle to increase the share capital of SPIE SA as part of an employee share ownership plan called "Share For You 2019".

Subscription to this plan was reserved for eligible employees, former employees and corporate officers of the Company and its French and foreign subsidiaries, held directly or indirectly, who were members of an SPIE group company savings plan ("*plan d'épargne d'entreprise*").

The "Share For You 2019" transaction, the third since SPIE's initial public offering in 2015, won strong support from employees: 6,000 employees subscribed to the offer on preferential terms.

For this new version of "Share For You", which was open for subscription from October 10 to November 6, 2019, SPIE employees were among the first to benefit from the new provisions of the PACTE law [(1)], which increased the potential discount for collective employee share ownership transactions from 20% to 30%.

Divided between 12 countries, subscriptions have reached the amount of €23.5 million (before 30% discount).

Following this transaction, on December 12, 2019, 1,840,261 new ordinary shares were issued by SPIE SA. (See Note 18.2).

On December 11, 2019, SPIE's commitment to employee share ownership was recognised with a "Grand Prix Euronext-FAS IAS Index" award at the 15th FAS Grand Prix ceremony in Paris. On that occasion, the jury stressed SPIE's ability to develop its employee shareholding on a long-term basis and to give it an international dimension. Since October 2017, SPIE has been included in the FAS IAS index, which includes all companies in the CAC All-Tradable index that meet both of the following conditions: 3% or more of the share capital is held by employees, and 15% of employees worldwide are Shareholders; 25% of French employees are Shareholders.

5.3 SALE OF GAS & OFFSHORE ACTIVITIES IN GERMANY

In 2019, SPIE completed the sale of the German Gas & Offshore activities acquired jointly with SAG in March 2017, for which a divestment process was initiated in the second quarter of 2017.

To that end, on December 21, 2018, SPIE announced the signature of an agreement with Royal Boskalis Westminter N.V. ("Boskalis") for the sale of its submarine cable activity in Germany, which constituted the bulk of the Gas & Offshore division. The transaction was finalised on April 1, 2019.

The rest of the Gas & Offshore division mainly included a construction activity and a "Gas technology" activity for which the signature of a sale agreement with Friedrich Vorwerk KG GmbH & Co. ("Vorwerk") was announced by SPIE on November 4, 2019. The transaction was finalised on December 10, 2019 (see Note 11).

These two transactions marked SPIE's exit from SAG's Gas & Offshore division, in line with SPIE's strategy of focusing on its core business, which is characterised by recurring, small-scale, low-risk multi-technical service contracts.

(1) French Law No 2019-486 of May 22, 2019 relating to the growth and transformation of companies.

NOTE 6 ACQUISITIONS AND DISPOSALS

Changes in scope of consolidation include:

- companies acquired during previous periods, which do 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 acquired during the period;
- newly created companies;
- companies leaving the scope of consolidation.

6.1 CHANGES IN SCOPE

6.1.1 Companies acquired in the previous period and consolidated during the period

- On August 1, 2018, SPIE acquired **Siétar** & **VTI** in France, a company specialising in pipework and boiler making for liquid processes in the agri-food industry. Siétar & VTI employs 44 people and generates average annual revenue of €6 million in 2018. The transferred counterpart stood at €2 million.
- On November 6, 2018, SPIE DZE acquired the company **FLM Freileitungsmontagen** GmbH ("FLM"). FLM, founded in 2007 and headquartered in Lienz, Austria, is mainly active in Germany in the fields of overhead power line installation and switchgear engineering services. With this acquisition, SPIE strengthens its expertise in overhead power line installations in demanding terrain. The 34 highly qualified industrial climbers (out of 44 employees) of FLM are specially trained to operate in challenging areas of the alpine and pre-alpine landscape. FLM generates annual revenue of approximately €4 million. The transferred counterpart stood at €1.6 million (of which €0.4 million paid in 2018).

These companies have been consolidated since the beginning of 2019 period.

6.1.2 Acquisitions of the period

	Country	Type of inclusion	Date of inclusion	Consolidation method*	% of interest	% of control
NEW ENTITIES/ACTIVITIES OF THE GROUP						
Christof Sub-Group						
SPIE CEA GmbH & Co. KG	Austria	Acquisition	21/05/2019	F.C.	100	100
SPIE CMA GmbH	Austria	Acquisition	21/05/2019	F.C.	100	100
SPIE Verwaltungs GmbH	Austria	Acquisition	21/05/2019	F.C.	100	100
Telba Sub-Group						
TELBA AG	Germany	Acquisition	14/06/2019	F.C.	100	100
TELBA Rhein-Rhur GmbH	Germany	Acquisition	14/06/2019	F.C.	100	100
TELBA Munsterland GmbH	Germany	Acquisition	14/06/2019	F.C.	100	100
TELBA GmbH	Germany	Acquisition	14/06/2019	F.C.	100	100
LEWRON GmbH	Germany	Acquisition	14/06/2019	F.C.	100	100
LEWRON IT-Verkabelung GmbH	Germany	Acquisition	14/06/2019	F.C.	51	51
Cimlec Sub-Group						
CIMLEC Industrie	France	Acquisition	08/07/2019	F.C.	100	100
Commercy Robotique	France	Acquisition	08/07/2019	F.C.	100	100
Tenwhil	France	Acquisition	08/07/2019	F.C.	100	100
CIMLEC Industrial	Romania	Acquisition	08/07/2019	F.C.	100	100
Commercy Robotica	Spain	Acquisition	08/07/2019	F.C.	90	90
Osmo Sub-Group						
OSMO GmBH	Germany	Acquisition	09/09/2019	F.C.	100	100
OSMO GmbH Verwaltung	Germany	Acquisition	09/09/2019	F.C.	100	100

* *F.C.: Full Consolidation, N.C.: Not Consolidated.*

Entries into the scope of consolidation corresponding to acquisitions in 2019 are as follows:

- on May 21, 2019, SPIE DZE acquired the **Christof Electrics** group in Austria. Christof Electrics offers complete solutions in the fields of electrical engineering, measurement, control and regulation technology as well as automation. The company enjoys an excellent reputation in the market and has a diverse and loyal customer base. It has long-standing business relationships with customers in the energy, industrial and public sectors. The company employs 154 people and generated revenue of approximately €36 million in 2018. The transferred counterpart stood at €20 million;
- on June 14, 2019, SPIE DZE acquired the **TELBA** group located in Germany. TELBA is one of Germany's leading providers of technical services for information, communication and security technologies. The company, which has a diversified and loyal customer base, has about 400 qualified employees and generated revenue of approximately €67 million in 2018. The transferred counterpart stood at €35.8 million;
- on July 8, 2019, SPIE Industrie & Tertiaire, a subsidiary of SPIE France, finalised the acquisition of the **Cimlec** group in France. Cimlec is specialised in design, manufacturing, installation and maintenance of robotic, electrical and automation solutions. With 310 employees, Cimlec generated a revenue of around €42 million in 2018. The transferred counterpart stood at €25.4 million;
- on September 9, 2019, SPIE acquired the **OSMO-Anlagenbau GmbH & Co KG ("OSMO")** group in Germany. Founded in 1970 and located in Georgsmarienhütte, Lower Saxony, OSMO provides a range of technical services to industrial customers and public authorities, including traffic engineering, electrical systems, automation technology, switchgear and power supply assembly, energy supply systems and communication and security technology. OSMO generated total production of approximately €65 million in 2018 and employs more than 270 highly qualified employees. The transferred counterpart stood at €49.3 million;
- in addition, on 1 January 2019, SPIE Comnet acquired a telecommunications contracts activity from Atos in Germany. The transferred counterpart stood at €3.8 million.

6.1.3 Companies acquired during the period and held as financial assets

Nil.

6.1.4 Created companies

- The Group consolidated in 2019 the company **SPIE Oil And Gas Services Tchad SARL** created in December 18, 2018.

6.1.5 Companies liquidated or divested in 2019

During the year, in 2019, the Group sold or liquidated several entities which were of no strategic interest for SPIE. The operations are the following:

- the companies **Foraid** and **Foraid Algérie**, which carry the activity of SPIE Oil & Gas Services in Algeria, were sold on January 8, 2019. The consequences of this disposal were recognised in full in the SPIE group's consolidated income statement for the previous year, with no material impact;
- on April 30, 2019, the Group disposed of **Shopmat**, located in Belgium. The disposal had no significant impact in the Group's financial statements;
- on November 4, 2019, SPIE announced the signature of an agreement with Friedrich Vorwerk KG GmbH & Co. ("Vorwerk") for the sale of its construction and gas technology activities in Germany through its subsidiaries **Bohlen & Doyen Bau GmbH** and **Bohlen & Doyen Service und Anlagentechnik GmbH**. The transaction was finalised on December 10, 2019 (see Notes 5.3 and 11).
- on November 8, 2019, the Group liquidated the French company **Parc Saint-Christophe**. On November 30, 2019, the Group liquidated **G.I.E. SPIE Telecom Services**. These two companies had no significant activity, and their liquidation had no significant impact on the Group's financial statements;
- in December 2019, SPIE OGS liquidated **IPEDEX Gabon**. As the company had not been operational since 2017, its liquidation had no impact on the Group's financial statements.

6.1.6 Changes in consolidation method

Nil.

6.2 IMPACT OF NEWLY CONSOLIDATED COMPANIES

The impact of the new consolidated companies in the Group's financial statement is presented hereafter:

in thousands of euros	Christof	Telba	Cimlec	Osmo	Other [a]	Total acquisitions 2019	PPA IFRS 3R adjustments [b]	Total after adjustments
Intangible assets	2,180	7,561	2,640	6,657	3,864	22,902	702	23,604
Property, plant and equipment	336	1,911	792	1,380	-	4,419	1,262	5,681
Financial assets	16	46	279	16	-	357	131	488
Deferred taxes	647	-	905	369	-	1,921	1,717	3,638
Other non-current assets	-	-	-	-	-	-	-	-
Current assets	19,079	39,021	19,691	23,241	-	101,032	3,805	104,837
Cash and cash equivalents	3,869	9,966	1,322	30,833	-	45,990	(2,923)	43,066
Total assets acquired at fair value	**26,127**	**58,505**	**25,628**	**62,496**	**3,864**	**176,621**	**4,693**	**181,314**
Equity attributable to non-controlling interests	-	-	(4,313)	-	-	(4,313)	4,385	72
Non-controlling interest reserves	-	(84)	21	-	-	(63)	-	(63)
Long-term borrowings	-	(776)	(1)	-	-	(777)	(201)	(978)
Other non-current liabilities	(4,781)	(392)	(2,025)	(15,425)	-	(22,623)	(722)	(23,345)
Deferred taxes	(532)	(2,300)	(698)	-	-	(3,530)	(212)	(3,742)
Short-term borrowings	(741)	-	(3,156)	-	-	(3,897)	(769)	(4,666)
Other current liabilities	(17,312)	(40,482)	(15,397)	(35,182)	-	(108,373)	(9,479)	(117,852)
Total liabilities assumed at fair value	**(23,366)**	**(44,034)**	**(25,569)**	**(50,607)**	**-**	**(143,576)**	**(6,998)**	**(150,574)**
Transferred counterpart*	**20,000**	**35,763**	**25,395**	**49,257**	**3,864**	**134,279**	**1,606**	**135,885**
***RECOGNISED* GOODWILL**	**17,239**	**21,292**	**25,336**	**37,368**	**-**	**101,235**	**3,910**	**105,145**

* *(See Note 6.1.2.)*

(a) *The "other" column includes the telecommunications activity acquired by SPIE Comnet in Germany, which is fully recognised as backlog.*

(b) *The "PPA adjustments (IFRS 3R)" column includes, in particular, adjustments to goodwill relating to the purchase price allocation of companies acquired during previous period (see Note 14.1). In addition, the transfer counterpart includes the payment of an earn-out for S-Cube, which was acquired in 2017, of €1,500 thousand.*

NOTE 7 SEGMENT INFORMATION

The summary information intended for strategic analysis by the Group's General Management for decision-making purposes (the concept of chief operating decision-maker within the meaning of IFRS 8) is based on production and EBITA indicators broken down by operating segment.

7.1 INFORMATION BY OPERATING SEGMENT

Production, as presented in internal reporting, represents the operating activity of the Group's companies, including notably proportionally the share of subsidiaries with minority Shareholders or consolidated using the equity method.

EBITA, as presented in internal reporting, represents the income generated by the Group's perennial operations before tax and financial income. It is calculated before amortisation of allocated goodwill (brands, backlogs and customers) and excluding the impacts of IFRS 16. The margin is expressed as a percentage of production.

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Holdings	Total
2019						
Production	**2,674.0**	**2,285.7**	**1,444.8**	**522.8**	**-**	**6,927.3**
EBITA	**170.3**	**139.4**	**40.5**	**52.7**	**12.8**	**415.7**
EBITA as a % of production	*6.4%*	*6.1%*	*2.8%*	*10.1%*	*n/a*	*6.0%*
2018						
Production	2,523.1	2,163.6	1,498.0	486.6	-	6,671.3
EBITA	158.1	133.5	53.3	46.1	9.0	400.0
EBITA as a % of production	*6.3%*	*6.2%*	*3.6%*	*9.5%*	*n/a*	*6.0%*

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

In millions of euros	Notes	2018	2019
Production		**6,671.3**	**6,927.3**
SONAID (a)	(a)	(1.8)	(1.5)
Holding activities (b)	(b)	22.6	22.9
Other (c)	(c)	1.6	4.7
Revenue from ordinary activities		**6,693.7**	**6,953.4**

(a) SONAID is consolidated using the equity method in the consolidated financial statements and on a proportionate basis (55%) in production;

(b) Non-Group revenue from the SPIE Operations Group and 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 production from entities consolidated under the equity method, or not yet consolidated.

Reconciliation between EBITA and operating income

In millions of euros	Notes	2018	2019
EBITA		**400.0**	**415.7**
Amortisation of *allocated* goodwill	(a)	(60.2)	(62.1)
Restructuring	(b)	(32.3)	(7.0)
Financial commissions		(1.7)	(1.5)
Impact of equity affiliates		(4.3)	5.1
Other non-recurring items	(c)	(21.9)	(4.4)
Operating income after share of net income of companies accounted for under the equity method		**279.6**	**345.8**

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(a) In 2019 and 2018, the amounts relating to the allocated goodwill of the Group include an amount of €(41.1) million for SAG group.

(b) In 2019, restructuring corresponded mainly to costs related to reorganisations in the United Kingdom for €(3.7) million and in the Netherlands for €(2.0) million.

In 2018, restructuring costs relate to reorganisations in France for €(9.9) million and to the integration of SAG for an amount of €(17.6) million.

(c) In 2019, "other non-recurring items" mainly corresponded to the expense recognised for the employee shareholding plan (Share For You 2019) in accordance with IFRS 2 for €(4.7) million, costs related to external growth projects for €(1.5) million, and the impact of the application of IFRS 16 for €2.9 million.

In 2018, "other non-recurring items" mainly corresponded to costs related to external growth project for €(2.8) million, the recognition of a cost related to the employee shareholding plan in accordance with IFRS 2 for €(2.9) million, and the costs related to the disposal of the distribution services activities (overhead lines portion) in the United Kingdom for €(14.1) million.

7.2 PRO-FORMA INDICATORS

Pro-forma indicators are intended to provide a more comprehensive economic vision which incorporates the income statement over 12 months of companies acquired during the financial year irrespective of the initial consolidation date.

In millions of euros	**2018**	**2019**
Group production	6,671.3	6,927.3
Pro-forma adjustments (12-month effect of acquisitions)	24.6	95.3
Group pro-forma production	**6,695.9**	**7,022.6**
EBITA	400.0	415.7
Pro-forma adjustments (12-month effect of acquisitions)	0.9	(2.2)
EBITA pro-forma	**400.9**	**413.5**
As a % of pro-forma production	*6.0%*	*5.9%*

7.3 NON-CURRENT ASSETS BY OPERATING SEGMENT

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

In thousands of euros	**France**	**Germany and Central Europe**	**North-Western Europe**	**Oil & Gas – Nuclear**	**Holdings**	**Total**
December 31, 2019*	**478,351**	**1,593,046**	**253,070**	**74,376**	**2,325,552**	**4,724,395**
December 31, 2018	309,239	1,448,848	191,053	44,477	2,311,467	4,305,084

* *Given the first-time application of IFRS 16 using the simplified retrospective approach (see Note 2.2), the comparative information has not been restated and is not directly comparable.*

In accordance with IFRS 16, assets related to rights of use are included in the respective

operating segments as at 31 December 2019 for an amount of €340 million.

7.4 PERFORMANCE BY GEOGRAPHIC AREA

Revenue from contracts with customers is broken down by geographical location of customers:

In thousands of euros	**France**	**Germany**	**Rest of World**	**Total**
2019				
Revenue from ordinary activities	**2,977,363**	**1,873,482**	**2,102,511**	**6,953,356**
2018				
Revenue from ordinary activities	2,826,105	1,797,974	2,069,614	6,693,693

Unfulfilled or partially fulfilled service obligations (backlog) amount to €4,944 million as of December 31, 2019. The Group expects to recognise €2,989 million during the 2020 financial year, the remainder, €1,955 million, will be recognised beyond one year.

7.5 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 8 OPERATING EXPENSES AND OTHER INCOME

8.1 OPERATING EXPENSES

In thousands of euros	Note	2018	2019
Purchases consumed		(974,766)	(969,082)
External expenses*		(3,031,814)	(2,976,926)
Personnel expenses	8.2	(2,370,150)	(2,501,470)
Taxes and duties		(47,957)	(44,848)
Net amortisation, depreciation and provisions*		(60,573)	(182,230)
Other operating income and expenses		56,449	20,251
Operating expenses		**(6,428,810)**	**(6,654,306)**

* *Given the first-time application of IFRS 16 using the simplified retrospective approach (see Note 2.2), the comparative information has not been restated and is not directly comparable. The Group has therefore recorded the amortisation and interest expenses in place of the expenses on operating leases. These amortisations total €(81,796) thousand at December 31, 2019.*

Leasehold expenses related to short-term, low-value contracts amounted to €(223,418) thousand in 2019.

Moreover, the line "net amortisation, depreciation and provisions" includes the net impairment losses on financial and contract assets, as detailed in the Note 22.6.

8.2 PERSONNEL EXPENSES

Breakdown of personnel expenses

In thousands of euros	Note	2018	2019
Salaries and wages	(a)	(1,693,961)	(1,805,494)
Social Security expenses		(658,401)	(671,080)
Employee benefits	(b)	(10,568)	(10,288)
Employee profit-sharing		(7,219)	(14,609)
Personnel expenses		**(2,370,150)**	**(2,501,470)**

(a) The CICE (French State's credit for competitiveness and employment) total benefit accounted for in the income statement, recognised as a deduction from personnel expenses, amounted to €27,288 thousand in 2018. The CICE was abolished as of January 1, 2019.

(b) Employee benefits include the "operating" portion of the provision for post-employment and other long-term benefits.

Performance shares

2016-2018 PLAN

On September 19, 2016, SPIE issued a first performance share plan with the following characteristics:

	Original Sept. 19, 2016	Dec. 31, 2018	July 29, 2019
Number of beneficiaries	420	332	317
Acquisition date	07/28/2019	07/28/2019	07/28/2019
Number of shares granted subject to performance conditions	1,098,155	1,098,155	1,098,155
Number of shares cancelled	-	(250,895)	(788,241)
Number of shares granted subject to performance conditions	**1,098,155**	**847,260**	**309,914**

The 2016-2018 performance share plan was terminated on July 29, 2019 through the creation of 309,914 new ordinary shares.

The final total fair value for the three-year term of the Plan as at July 29, 2019 was as follows:

- for equity instruments (shares) vested at July 29, 2019, €5,722 thousand, including an impact of €(2,284) thousand in expenses for the 2019 financial year;
- for Social Security expenses and/or employer contributions due for the shares granted, €913 thousand, including an impact in expenses of €(229) thousand for the 2019 financial year.

2019-2021 PLAN

On May 31, 2019, SPIE issued a second performance share plan with the following characteristics:

	Original May 31, 2019	Dec. 31, 2019
Number of beneficiaries	255	243
Acquisition date	03/15/2022	03/15/2022
Number of shares granted subject to performance conditions	530,629	530,629
Number of shares cancelled	-	(26,956)
Number of shares granted subject to performance conditions	**530,629**	**503,673**

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 employer companies.

The fair value of the performance shares, valued at €4,825 thousand as at December 31, 2019, is amortised over the three-year vesting period. Thus, an expense of €1,008 thousand was recognised in 2019.

The fair value of Social Security expenses and/or contributions payable by the employer companies for the performance share plans amounts to €865 thousand for the period 2019-2021, of which €181 thousand were recognised for the 2019 financial year.

Breakdown of average number of Group employees

	2018	2019
Engineers and managers	6,572	6,665
ETAM [clerical, technical and supervisory staff]	20,437	21,329
Labourers	19,324	19,452
Average number of Group employees	**46,333**	**47,446**

Headcount does not include any temporary staff.

8.3 OTHER OPERATING INCOME (LOSS)

Other operating income and expenses break down as follows:

In thousands of euros	Notes	2018	2019
Business combination acquisition costs	(a)	(2,794)	(1,451)
Net carrying amount of equity interest disposals		(506)	(205)
Net carrying amount of fixed assets		(3,742)	(12,721)
Other operating expenses	(b)	(45,783)	(16,490)
Total other operating expenses		**(52,825)**	**(30,867)**
Gains on equity interest disposals		-	148
Gains on asset disposals		5,067	14,609
Other operating income	(c)	5,937	4,344
Total other operating income		**11,004**	**19,101**
OTHER OPERATING INCOME AND EXPENSES		**(41,821)**	**(11,766)**

(a) In 2019, costs relating to business combinations mainly concern the acquisitions of the Telba and Osmo groups for SPIE DZE and of the Cimlec group for SPIE Industrie et Tertiaire.

In 2018 "business combination acquisition costs" mainly relate to the acquisitions of Systemat by SPIE Belgium, S-Cube by SPIE ICS and SAG by SPIE DZE.

(b) In 2019, "other operating expenses" correspond mainly to restructuring costs related to the reorganisations in the United Kingdom and the Netherlands, as well as various market penalties.

In 2018, the "other operating expenses" mainly correspond to restructuring costs deriving from the reorganisations performed in France, in Germany following the SAG Group acquisition, and to the costs related to the disposal of the distribution services activities (overhead lines part) in the United Kingdom.

(c) In 2019, as in 2018, "other operating income" mainly corresponds to penalties received and consumption of provisions.

NOTE 9 NET FINANCIAL COST AND FINANCIAL INCOME AND EXPENSES

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

In thousands of euros	Notes	2018	2019
Interest expenses	(a)	(66,248)	(60,780)
Interest expenses on financial leases	(b)	(420)	(5,064)
Losses on cash equivalents		(157)	(168)
Interest expenses and losses on cash equivalents		**(66,825)**	**(66,012)**
Interest income on cash equivalents		560	114
Net proceeds on sale of marketable securities		-	-
Gains from cash equivalents		**560**	**114**
Costs of net financial debt		**(66,265)**	**(65,898)**
Loss on exchange rates	(c)	(31,340)	(10,788)
Allowance for financial provisions for pensions		(12,712)	(13,301)
Total other financial expenses		(3,740)	(3,718)
Total other financial expenses		**(47,793)**	**(27,807)**
Gain on exchange rates	(c)	18,688	12,191
Gains on financial assets excl. cash equivalents		277	226
Reversal/impairment of financial assets		190	136
Total other financial income		2,799	1,847
Total other financial income		**21,954**	**14,400**
OTHER FINANCIAL INCOME AND EXPENSES		**(25,838)**	**(13,408)**

(a) Interest expenses mainly include interest expenses related to existing loans during 2019. In addition, the balance of the unamortised costs of setting up the repaid loans (see Note 21.3), for an amount of €3,963 thousand, was recognised in the income statement.

(b) Other financial expenses include in 2019 interest expenses related to the leases accounted for under the IFRS 16 standard, for an amount of €(4,830) thousand. In 2018, they only included the interest expenses on finance lease contracts.

(c) In 2019, the gains and losses on exchange rates relate mainly to the companies of the SPIE OGS sub-group, and in particular they concern the impact of the change in the exchange rate between the Angolan Kwanza and the euro for an amount of around €(7,338) thousand (€(24,689) thousand in 2018), which was offset by a gain on exchange rates of approximately €7,058 thousand (€14,738 thousand in 2018) for that currency.

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NOTE 10 INCOME TAX

10.1 TAX RATE

Tax rate

The Group applies a reference tax rate of 34.43%. Furthermore, the tax rates in force in the main European countries where the Group conducts its business are the followings:

Tax rate used by the Group	2018	2019
France	34.43%	**34.43%**
Germany	30.70%	**30.70%**
United Kingdom	19.00%	**19.00%**
Belgium	29.58%	**29.58%**
Netherlands	25.00%	**25.00%**
Switzerland	21.00%	**21.00%**

10.2 CONSOLIDATED INCOME TAX EXPENSE

The tax expense breaks down as follows:

In thousands of euros	Notes	2018	2019
TAX EXPENSE REPORTED IN THE INCOME STATEMENT			
Current tax		(52,272)	(77,240)
Deferred tax		26,787	(28,579)
TAX INCOME/(EXPENSE) REPORTED IN THE INCOME STATEMENT	**10.5**	**(25,485)**	**(105,819)**
TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME			
Net (loss)/gain on cash flow hedge derivatives		130	-
Net (loss)/gain on post-employment benefits		86	46,805
TAX INCOME/(EXPENSE) REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME		**216**	**46,805**

10.3 DEFERRED TAX ASSETS AND LIABILITIES

Before offsetting deferred tax assets and liabilities by fiscal entity, the components of deferred tax in 2019 are as follows:

In thousands of euros	Assets	Liabilities	Dec. 31, 2019
Financial instruments	150		150
Employee benefits	172,149		172,149
Provisions for contingencies and expenses which are non-deductible for tax purposes	51,497		51,497
Tax loss carry-forwards	25,272		25,272
Revaluation of long-term assets	19,166	(297,883)	(278,717)
Deferred tax liabilities on finance leases	312	(178)	134
Other temporary differences	46,756	(56,029)	(9,273)
DEFERRED TAX – NET	**315,303**	**(354,091)**	**(38,788)**

Deferred tax assets and liabilities by type for 2018 are shown below:

In thousands of euros	**Assets**	**Liabilities**	**31 Dec. 2018**
Financial instruments		13	13
Employee benefits	127,214		127,214
Provisions for contingencies and expenses which are non-deductible for tax purposes	45,011		45,011
Tax loss carry-forwards	47,147		47,147
Revaluation of long-term assets	21,306	(304,338)	(283,033)
Deferred tax liabilities on finance leases		(416)	(416)
Other temporary differences	58,968	(44,049)	14,918
DEFERRED TAX – NET	**299,645**	**(348,790)**	**(49,145)**

The breakdown of deferred tax changes for the period according to their impact on the income statement or on the statement of financial position is the following:

		Changes 2019					
In thousands of euros	**Dec. 31, 2018**	**Income Statement**	**Equity & OCI**	**Translation differences**	**Reclassifications**	**Other / changes in scope** (1)	**Dec. 31, 2019**
Derivatives	13,	137	-	-	-	-	150
Employee benefits	127,214	(2,916)	46,805	S284	-	762	172,149
Provisions for contingencies and expenses which are non-deductible for tax purposes	45,011	4,191	-	14	(1,390)	3,671	51,497
Tax loss carry-forwards (2)	47,147	(16,975)	-	498	-	(5,399)	25,272
Revaluation of long-term assets	(283,033)	8,605	-	(1,852)	1,244	(3,680)	(278,717)
Deferred tax liabilities on finance leases	(416)	526	-	1	-	23	134
Other temporary differences (3)	14,918	(22,147)	-	41	(4,231)	2,146	(9,273)
DEFERRED TAX – NET	**(49,146)**	**(28,579)**	**46,805**	**(1,014)**	**(4,377)**	**(2,477)**	**(38,788)**

(1) The "other/changes in scope" line mainly corresponds to the deferred taxes linked to entities entering the Group's scope of consolidation in 2019, and to the ongoing PPA process;
(2) The tax loss carry-forwards impacting the income statement mainly relate to:
(i) the tax loss carry-forwards used at the SPIE group level, in particular for the holding company SPIE SA, the head of the tax integration group, and for the German scope consolidation (see Note 10.4);
(ii) the impact of the increase in inventories of capitalised losses in the United Kingdom in the amount of €3,363 thousand.
(3) "Other temporary differences" include restatements for the transition from the percentage-of-completion method to the percentage-of-progress method, restatements of borrowing costs, deferred taxes on the acquisition cost of securities and non-deductible provisions. The change for the period mainly concerns Germany for an amount of €(11,429) thousand related to the temporary differences between the percentage-of-progress method and the percentage-of-completion method, and an amount of €(7,452) thousand for non-deductible provisions on current assets, which impacted income.

10.4 TAX LOSS CARRIED FORWARD

Tax losses carried forward within the tax group in France were fully used in the 2019 financial year. These losses carried forward amounted to €64,102 thousand at the start of the period and €16,050 thousand in deferred tax assets.

Unrecognised tax losses in France amounted to €94,369 thousand at December 31, 2019. They relate to pre-integration deficits within the Group's French subsidiaries.

All tax losses carried forward in the United Kingdom, which timeline for the relief of carry-forward tax losses was estimated at less than 5 years, amount to £37,879 (i.e. €44,795 thousand). The amount of deferred tax assets recognised is therefore £7,197 thousand (or €8,511 thousand).

The deferred taxes corresponding to the tax losses carried forward in Germany were fully capitalised in the amount of €11,157 thousand, based on losses carried forward that can be recovered over a five-year period.

The tax losses carried forward in the Netherlands amounted as at December 31, 2019 to €11,652 thousand. The corresponding amount of deferred tax assets finally recognised is of €2,465 thousand.

At December 31, 2019, tax losses carried forward in Switzerland amounted to CHF 12,911 thousand (€11,803 thousand). They were subject to the recognition of deferred tax assets fully recognised for an amount of CHF 2,711 thousand (i.e. €2,478 thousand).

10.5 RECONCILIATION BETWEEN PROVISION FOR INCOME TAXES AND PRE-TAX INCOME

In thousands of euros	Notes	2018	2019
Consolidated net income		91,410	152,049
(-) Net income from discontinued operations		70,583	8,622
Provision for income taxes		25,485	105,819
Pre-tax income		**187,478**	**266,491**
(-) Consolidated income (loss) from companies accounted for under the equity method		(489)	(9,030)
Pre-tax income excl. companies accounted for under the equity method		**186,989**	**257,461**
Theoretical tax rate applicable in France		34.43%	34.43%
Theoretical tax expense		**(64,380)**	**(88,644)**
Permanent differences and other differences	(a)	20,615	(16,359)
French CVAE	(b)	(13,155)	(13,755)
Impact of tax loss carry-forwards	(c)	9,521	3,057
Difference between French and foreign income tax rates		2,835	6,576
Tax rate difference per Finance Act (France)	10.2	(7,328)	832
Tax provisions	(d)	26,406	2,474
Net provision for income taxes, including discontinued activities		**(25,485)**	**(105,819)**
Effective tax rate		**13.59%**	**41.10%**
EFFECTIVE TAX RATE EXCLUDING FRENCH CVAE	**(e)**	**2.89%**	**32.95%**

(a) Permanent differences and other differences mainly consisted of taxes on previous years for €(11,643) thousand, holdbacks for €(2,421) thousand, share on sale of securities for €(2,285) thousand, permanent differences in dividends for €(2,103) thousand and a 30% discount related to Share for You for an amount of €1,120 thousand.

(b) In France, the Company value-added contribution ("Cotisation sur la Valeur Ajoutée des Entreprises" – CVAE) is due based on added value stemming from individual financial statements. The Group opted for the option of booking CVAE in income tax in order to ensure consistency with the accounting treatment of similar taxes in other countries. Accordingly, CVAE is presented as a component of the tax expense. As CVAE is tax deductible, its amount was restated net of tax for reconciliation purposes.

(c) The impact of tax loss carry-forwards includes non-activated losses in 2019 for €(6,471) thousand, the allocation of profits to non-activated deficits of €3,347 thousand in the United Kingdom and the activation of previously non-activated deficits for €6,815 thousand in the United Kingdom.

(d) Tax provisions correspond to reversals of current tax liabilities in Germany and on the SPIE Oil and Gas scope.

(e) In 2019, if the impact following the adoption of the amended 2018 Finance Act in France (see Note 10.2), reversals of tax provisions and the impact of tax losses carried forward had not been taken into account, the Group's effective tax rate in 2019 would have been 35.42% excluding French CVAE, and 43.57% including CVAE.

In 2018, if the impact following the adoption of the amended 2017 Finance Act in France, reversals of tax provisions and deferred taxes on capitalised prior losses had not been taken into account, the Group's effective tax rate 19.50% excluding French CVAE and 30.20% including CVAE.

NOTE 11 DISCONTINUED OPERATIONS

In thousands of euros	Notes	2018 Revenue	2018 Contribution to net income	2019 Revenue	2019 Contribution to net income
SPIE Industrie & Tertiaire – operations of SPIE in Morocco	(a)	2,141	(4,629)	-	-
SPIE Industrie & Tertiaire – MSI business	(b)	4,223	(2,094)	883	(732)
SPIE UK – underground utilities services	(c)	26,959	(18,109)	114	1,263
SPIE UK – soft FM activity	(d)	37,283	(328)	40,016	(199)
SPIE SAG – Gas & Offshore Services	(e)	126,765	(40,615)	130,380	(8,698)
SPIE Industrie & Tertiaire – "housing market projects" activity	(f)	1,870	(3,837)	(105)	(220)
SPIE DZE – Services Solutions business in Greece		-	(12)	-	(4)
SPIE OGS – Algeria business		2,442	(922)	-	(1)
SPIE Holdings – S.G.T.E. Ingénierie		-	(36)	-	(32)
TOTAL		**201,683**	**(70,583)**	**171,288**	**(8,622)**

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

(a) SPIE's Moroccan operations. On December 20, 2017, SPIE signed an agreement in order to sell its activities of SPIE Morocco to ENGIE. The final sales agreement was concluded on March 2, 2018.

(b) The conception and assembly of specialised equipment for the aeronautics activity (MSI) of SPIE Industrie et Tertiaire. The disposal process was initiated during the second half of 2017. The final sale was signed on September 28, 2018; the changes in 2019 were the result of unsold contracts in the process of completion.

(c) Underground utilities services in the United Kingdom (water and gas networks). A divestment process was initiated in the third quarter of 2017. The final sale was signed on June 26, 2018; the changes in 2019 were the result of unsold contracts in the process of completion.

(d) "Total facility management" activities in the United Kingdom (soft FM activity), including technical maintenance services combined to one or several non-technical services (cleaning, etc.). A divestment process was initiated during the second quarter of 2017 and was still under way as at December 31, 2019;

(e) The Gas & Off-shore business of SAG, for which a disposal process was 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 offshore cabling activities. The transaction was finalised on April 1, 2019. The remaining Gas & Offshore activities includes a construction activity and a "Gas Technology" activity for which a separate sale process was initiated. On November 4, 2019, SPIE signed an agreement with Friedrich Vorwerk KG GmbH & Co. ("Vorwerk") for the sale of these activities, excluding certain contracts in the process of completion. The transaction was finalised on December 10, 2019 (see Note 5.3);

(f) Activities in "Housing market Projects" of the French company SPIE Industrie & Tertiaire. The divestment process was initiated in the second half of 2016 and was still under way as at December 31, 2019.

As a result, as at December 31, 2019, all of these activities were 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 were 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 December 31, 2019. Assets and liabilities of these activities were valued at the lower of their carrying amount and their fair value less potential costs of sale of the assets. As Gas and Offshore contracts that were not sold and are in the process of being completed are no longer subject to a disposal process, their assets and liabilities were reclassified in continuing operations in the balance sheet, in accordance with IFRS 5.

NOTE 12 EARNINGS PER SHARE

12.1 DISTRIBUTABLE EARNINGS

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
CONTINUING OPERATIONS		
Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders)	162,024	159,171
(-) Basic earnings attributable to preferential owners		
Earnings from continuing operations distributable to Shareholders of the Company, used for the calculation of the earnings per share	**162,024**	**159,171**
Net income from discontinued or held-for-sale operations distributable to Shareholders of the Company	(70,583)	(8,622)
Total operations		
Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders)	91,442	150,548
(-) Basic earnings attributable to preferential owners		
EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY, USED FOR THE CALCULATION OF THE EARNINGS PER SHARE	**91,442**	**150,548**

12.2 NUMBER OF SHARES

	Dec. 31, 2018	Dec. 31, 2019
Average number of shares used for the calculation of earnings per share	**154,812,053**	**155,781,242**
Effect of the diluting instruments	309,914	474,142
Average number of diluted shares used for the calculation of earnings per share	**155,121,967**	**156,255,383**

In compliance with "IAS 33 – Earnings per share", the weighted average number of ordinary shares in the first half of 2019 (and for all presently shown periods) was adjusted to take into account events that impacted the number of outstanding shares without having a corresponding impact on the entity's resources.

The changes in the number of shares during 2019 were as follows:

On May 31, 2019, SPIE issued a new performance share plan that had the effect of diluting the average number of shares (see Note 8.2).

On July 29, 2019, the performance share plan issued by SPIE in 2016 was terminated and resulted in the creation of 309,914 new ordinary shares (see Note 8.2).

On December 12, 2019, SPIE's share capital was increased through the issuance of a total of 1,840,261 new ordinary shares as part of the "Share For You 2019" employee share ownership plan (see Note 18.2).

12.3 EARNINGS PER SHARE

In euros	Dec. 31, 2018	Dec. 31, 2019
CONTINUING OPERATIONS		
Basic earnings per share	1.05	1.02
Diluted earnings per share	1.04	1.02
Discontinued or held-for-sale operations		
Basic earnings per share	(0.46)	(0.06)
Diluted earnings per share	(0.45)	(0.06)
TOTAL OPERATIONS		
Basic earnings per share	**0.59**	**0.97**
Diluted earnings per share	**0.59**	**0.96**

NOTE 13 DIVIDENDS

The dividends entitled for the 2018 period, representing a total amount of €90,218 thousand, which corresponds to a dividend of €0.58 per share, were subject to an interim payment on September 2018 for an amount of €26,443 thousand. Consequently, a final dividend payment occurs in May 2019 for an amount of €63,775 thousand.

Furthermore, an interim dividend on the 2019 dividend was paid in September 2019, for an amount of €26,496 thousand.

Based on the FY 2019 results, the Board of Directors will propose to the Shareholders' General Meeting to pay a €0.61 dividend per shares in 2020. Taking into account the interim dividend of €0.17 per share paid in September 2019, this decision would lead to the payment of a balance of €0.44 per share in June 2020.

The following notes relate to the assets and liabilities of continuing operations as at December 31, 2019.

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 14 GOODWILL

14.1 CHANGE IN GOODWILL

The value of the Group's goodwill as at December 31, 2019 stands at €3,212 million. This value was of €2,136 million at IPO date, on 10 June 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, 2018	Acquisitions and adjustments of preliminary goodwill	Disposals	Changes in consolidation method	Changes in scope of consolidation and other	Translation adjustments	Dec. 31, 2019
SPIE Industrie & Tertiaire	593,580	27,401			(861)		620,120
SPIE Citynetworks	244,767						244,767
SPIE Facilities	176,664				861		177,525
SPIE ICS (France)	180,194						180,194
SPIE DZE	992,617	76,834				(7)	1,069,445
SPIE ICS (Switzerland)	48,246					1,535	49,781
SPIE UK	197,814					2,492	200,305
SPIE Nederland	176,896						176,896
SPIE Belgium	108,640	910					109,550
SPIE Nucléaire	130,045						130,045
SPIE OGS	253,226						253,226
TOTAL GOODWILL	**3,102,689**	**105,145**				**4,020**	**3,211,854**

Acquisitions and goodwill adjustments which occurred between January 1 and December 31, 2019 mainly relate to the temporary allocations of goodwill and to the ongoing processes of provisional purchase price allocation for the different acquisitions of the period:

in France:

- €25,336 thousand for Cimlec, which was acquired by SPIE Industrie & Tertiaire in July 2019,
- €1,356 thousand for Siétar & VTI, which was acquired by SPIE Industrie & Tertiaire in August 2018 and whose goodwill allocation process has been finalised;
- €709 thousand for Buchet, acquired by SPIE Industrie & Tertiaire in July 2018, and for the finalisation of the goodwill allocation process.

in Germany:

- €933 thousand for the FLM entity acquired in November 2018 as part of the finalisation of the goodwill allocation process;
- €17,239 thousand for the Christof Group acquired in May 2019;
- €21,292 thousand for the Telba Group acquired in June 2019
- €37,368 thousand for the Osmo Group acquired in September 2019.

- in Belgium:
  - €910 thousand for the Systemat Group acquired in February for the finalisation of the goodwill allocation process.

In France, changes in the scope of consolidation relate to the transfer of goodwill of the Petrotech activity held by SPIE Industrie & Tertiaire to SPIE Facilities.

For comparative purpose, the carrying amounts of the Group goodwill as of December 31, 2018 were the following:

In thousands of euros	Dec. 31, 2017	Acquisitions and adjustments of preliminary goodwill	Disposals	Changes in consolidation method	Changes in scope of consolidation	Translation adjustments	Dec. 31, 2018
SPIE IDF North-West	139,757				(139,757)		-
SPIE East	68,592				(68,592)		-
SPIE South-East	130,651				(130,651)		-
SPIE South-West	129,645				(129,645)		-
SPIE West-Centre	118,971				(118,971)		-
SPIE Industrie & Tertiaire		1,635			591,945		593,580
SPIE Citynetworks	246,503				(1,736)		244,767
SPIE Facilities	179,257				(2,593)		176,664
SPIE ICS (France)	162,350	17,844					180,194
SPIE DZE	967,734	24,969				(85)	992,617
SPIE ICS (Switzerland)	46,599					1,647	48,246
SPIE UK	198,575					(761)	197,814
SPIE Nederland	161,783	15,113					176,896
SPIE Belgium	83,217	25,423					108,640
SPIE Nucléaire	129,095	950					130,045
SPIE OGS	253,226						253,226
TOTAL GOODWILL	**3,015,955**	**85,934**	**-**	**-**	**-**	**801**	**3,102,689**

The amounts shown under "changes in scope of consolidation and other" relate to transfers of assets from the five French regional multi-technical companies to SPIE Industrie & Tertiaire during the Galileo project (see Note 5.1 of the notes to the Group's consolidated financial statements for the year ended 12/31/2018).

14.2 IMPAIRMENT TEST FOR GOODWILL

To carry out annual impairment tests, goodwill was allocated to the relevant Cash Generating Units (CGU); see Note 3.10 "Impairment of goodwill, property, plant and equipment and intangible assets".

These tests are carried out in October of each year on the basis of the most recent budgets available. In 2019, they were developed based on the Business Plan's forecasts taking into account cash flows comprising a N+1 budget, forecasts for year N+2, a revised business plan for N+3 and projections for N+4 and N+5 (these additional years are extrapolated from forecasts) in which is added a terminal value, calculated with a growth rate of 2.00% (in 2018: 1.80%.)

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

The discount rate after tax for all CGUs amounts to 7.40% (2018: 7.20%) for all Group CGUs.

Sensitivity Test

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

The sensitivity to indicators used are the followings: a decrease by 0.1% of the long term growth rate, a decrease by 0.5% of the margin level expected for the terminal year, and an increase by 0.5% of the discount rate (WACC).

Sensitivity tests performed in this way do not reveal any indication of impairment losses. The value of all operating segments subject to impairment testing is higher than the net carrying amount.

NOTE 15 INTANGIBLE FIXED ASSETS

15.1 INTANGIBLE ASSETS – GROSS VALUES

In thousands of euros	Concessions, patents, licenses	Brands	Backlog and customer relations	Other	Total
GROSS VALUES					
At December 31, 2017	**8,255**	**890,707**	**381,758**	**114,586**	**1,395,306**
Business combination effect	20	2,064	9,125	(588)	10,621
Other acquisitions of the period	401	-	-	11,105	11,507
Disposals of the period	(211)	-	-	(977)	(1,188)
Translation adjustments	5	4	157	(72)	94
Other movements	717	-	-	(779)	(62)
Assets held for sale	-	-	-	(3)	(3)
At December 31, 2018	**9,186**	**892,775**	**391,041**	**123,272**	**1,416,275**
Business combination effect	68	7,393	15,553	590	23,604
Other acquisitions of the period	436	-	-	18,581	19,017
Disposals of the period	(178)	-	-	(930)	(1,108)
Translation adjustments	11	647	896	401	1,955
Other movements	192	-	1,006	(395)	803
Assets held for sale	-	-	-	74	74
AT DECEMBER 31, 2019	**9,715**	**900,815**	**408,496**	**141,593**	**1,460,619**

Period from January 1 to December 31, 2019

Brands mainly correspond to the value of the SPIE brand for €731 million, which has an indefinite useful life and is tested for impairment at least once a year or whenever there is an indication of impairment loss.

The SPIE brand is allocated to each of the Cash Generating Units and is valued on the basis of an implied average royalty rate, as a percentage of each CGU's contribution to Group revenue.

The line "Business combination effect", which concerns the brands, and backlog and customer relations, corresponded in 2019 to the impacts of the purchase price allocation processes for the company acquired in 2019, and in particular to Osmo and Telba, for the following amounts:

- €3,900 thousand for Telba and €2,247 thousand for Osmo as a brand;
- €1,444 thousand for Telba and €3,888 thousand for Osmo as backlog;
- €1,704 thousand for Telba and €510 thousand for Osmo as customer relations.

In addition, the line item "business combination effect" also includes the acquisition in Germany of a backlog by SPIE Comnet in the amount of €3,864 thousand.

The "other acquisitions in the period", representing €18,581 thousand, correspond to:

- on the one hand to other intangible fixed assets under development (mainly software);
- and on the other hand to other commissioned intangible fixed assets, mainly ERP implementation projects in Germany.

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15.2 INTANGIBLE ASSETS – AMORTISATION AND NET VALUES

In thousands of euros	Concessions, patents, licenses	Brands [(a)]	Backlog and customer relations [(b)]	Other	Total
AMORTISATION					
At December 31, 2017	**(6,294)**	**(87,272)**	**(147,946)**	**(78,204)**	**(319,716)**
Amortisation of the period	(899)	(16,690)	(43,534)	(8,023)	(69,145)
Reversal of provisions	-	-	-	306	306
Disposals of the period	202	-	-	392	594
Translation adjustments	(4)	(4)	(120)	1	(126)
Other movements	(151)	-	-	258	107
Assets held for sale	-	-	-	14	14
At December 31, 2018	**(7,146)**	**(103,966)**	**(191,600)**	**(85,257)**	**(387,969)**
Amortisation of the period	(1,007)	(17,497)	(44,581)	(9,488)	(72,573)
Reversal of provisions	-	-	-	-	-
Disposals of the period	178	-	-	752	930
Translation adjustments	(7)	(647)	(694)	(264)	(1,613)
Other movements	(3)	-	-	-	(3)
Assets held for sale	-	-	-	(67)	(67)
AT DECEMBER 31, 2019	**(7,984)**	**(122,110)**	**(236,876)**	**(94,323)**	**(461,293)**
NET VALUE					
At December 31, 2017	**1,961**	**803,435**	**233,813**	**36,382**	**1,075,590**
At December 31, 2018	**2,041**	**788,809**	**199,441**	**38,017**	**1,028,308**
AT DECEMBER 31, 2019	**1,731**	**778,705**	**171,620**	**47,270**	**999,326**

Period from January 1 to December 31, 2019

Amortisation and impairment of intangible fixed assets during the period include:

(a) the amortisation of SAG brand for €14,952 thousand (amortisation over 9 years), Telba for €650 thousand (amortisation over 3 years) GfT for €641 thousand (amortisation over 3 years), Systemat for €350 thousand (amortisation over 5 years), Christof for €270 thousand (amortisation over 1 year), Osmo for €250 thousand (amortisation over 3 years), S-Cube for €222 thousand (amortisation over 4 years) and Cimlec for €163 thousand (amortisation over 3 years);

(b) the amortisation of the customer relationship assets and backlogs of the Group' acquisitions, and in particular of the SAG group for respectively €19,054 thousand and €7,128 thousand.

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

16.1 PROPERTY, PLANT AND EQUIPMENT – GROSS VALUES

In thousands of euros	**Land**	**Buildings**	**Plant and machinery**	**Other**	**Total**
GROSS VALUES					
At December 31, 2017	**23,947**	**54,994**	**159,762**	**187,349**	**426,053**
Business combination effect	-	-	(92)	429	337
Other acquisitions of the period	97	2,471	14,533	23,857	40,957
Disposals of the period	(88)	(2,741)	(3,828)	(11,531)	(18,189)
Translation adjustments	(25)	(141)	65	74	(28)
Other movements	(70)	398	2,808	(3,796)	(661)
Assets held for sale	-	(12)	(34)	39	(7)
At December 31, 2018	**23,862**	**54,968**	**173,213**	**196,419**	**448,464**
Business combination effect	184	1,131	1,624	2,743	5,682
Other acquisitions of the period	44	3,700	12,409	35,072	51,226
Disposals of the period	(68)	(4,199)	(11,520)	(33,801)	(49,587)
Translation adjustments	3	331	158	324	817
Other movements	-	629	(324)	(1,378)	(1,073)
Assets held for sale	501	290	12	698	1,501
AT DECEMBER 31, 2019	**24,526**	**56,851**	**175,573**	**200,078**	**457,029**

Other property, plant and equipment mainly correspond to office and computer equipment and transport equipment.

16.2 PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION & NET VALUES

In thousands of euros	**Land**	**Buildings**	**Plant and machinery**	**Other**	**Total**
DEPRECIATIONS					
At December 31, 2017	**(130)**	**(24,226)**	**(99,822)**	**(121,430)**	**(245,607)**
Depreciation of the period	(248)	(4,597)	(16,411)	(23,658)	(44,914)
Reversal of impairement losses	9	155	37	-	201
Disposals of the period	-	2,307	3,265	9,459	15,031
Exchange differences	-	32	(91)	(80)	(138)
Other movements	1	12	76	405	493
Assets held for sale	-	11	298	247	557
At December 31, 2018	**(368)**	**(26,306)**	**(112,647)**	**(135,056)**	**(274,377)**
Depreciation of the period	(19)	(4,586)	(16,193)	(24,571)	(45,370)
Reversal of impairement losses	8	161	-	-	169
Disposals of the period	-	4,061	6,772	25,900	36,732
Exchange differences	-	(177)	(130)	(188)	(495)
Other movements	(93)	92	264	(18)	244
Assets held for sale	(82)	(46)	(6)	(564)	(697)
AT DECEMBER 31, 2019	**(554)**	**(26,801)**	**(121,940)**	**(134,498)**	**(283,784)**
NET VALUE					
At December 31, 2017	**23,817**	**30,768**	**59,940**	**65,919**	**180,446**
At December 31, 2018	**23,494**	**28,662**	**60,566**	**61,364**	**174,087**
AT DECEMBER 31, 2019	**23,972**	**30,050**	**53,633**	**65,579**	**173,235**

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NOTE 17 RIGHTS OF USE

17.1 RIGHTS OF USE – GROSS VALUES

In thousands of euros	Buildings	Vehicles	Total
GROSS VALUES			
At December 31, 2018	**-**	**-**	**-**
Initial application of IFRS 16	216,993	90,389	307,382
Other acquisitions of the period	40,859	86,310	127,169
Disposals of the period	(8,280)	(5,241)	(13,521)
Exchange differences	679	216	896
Other movements	-	-	-
AT DECEMBER 31, 2019	**250,251**	**171,674**	**421,926**

17.2 RIGHTS OF USE – AMORTISATION & NET VALUES

In thousands of euros	Buildings	Vehicles	Total
AMORTISATION			
At December 31, 2018	**-**	**-**	**-**
Amortisation of the period	(33,606)	(48,190)	(81,796)
Reversal of impairment losses	-	-	-
Disposals of the period	676	379	1,055
Exchange differences	(169)	(40)	(209)
Other movements	(780)	(217)	(996)
AT DECEMBER 31, 2019	**(33,879)**	**(48,068)**	**(81,947)**
NET VALUE			
At December 31, 2018	-	-	-
AT DECEMBER 31, 2019	**216,373**	**123,606**	**339,980**

NOTE 18 EQUITY

18.1 SHARE CAPITAL

As of December 31, 2019, the share capital of SPIE SA amounted to €74,118,118.28 divided into 157,698,124 ordinary shares, all of the same category, of a par value of €0.47.

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

	Holding percentage
Caisse de Dépôt et Placement du Québec	11.9%
Société Foncière Financière et de Participation (FFP Invest)	5.4%
Managers (1)	3.0%
Employee shareholding (2)	5.3%
Public (3)	74.4%
Treasury shares	0.0%
TOTAL	**100.0%**

(1) Managers and senior executives, current and former (as at December 31, 2019).
(2) Stake held by Group employees, directly or through the FCPE SPIE Actionnariat (as at December 31, 2019).
(3) Based on the information known on December 31, 2019 for the shares held by managers and employees.

18.2 EMPLOYEE SHAREHOLDERS PLAN "SHARE FOR YOU 2019" – 12 DECEMBER 2019 CAPITAL INCREASE

On July 25, 2019, the Board of Directors made use of the delegation granted to it by the Combined Shareholders' General Meeting of May 24, 2019 and decided in principle to increase the share capital of SPIE SA. This increase is reserved for eligible employees, former employees and corporate officers of the Company and its French and foreign subsidiaries, held directly or indirectly, who are members of a company savings plan of the SPIE group, up to a maximum number of 3,191,489 shares of the Company, and has delegated to the Chairman and Chief Executive Officer the necessary powers to carry out this transaction. Acting within said delegation of authority, the Chairman and Chief Executive Officer determined the final terms and conditions of the offering in a decision dated October 7, 2019 and determined in particular (i) the dates of the subscription period, which was open from October 10 to November 6, 2019 (inclusive), and (ii) the subscription price of one SPIE share at €12.75 after a 30% discount for the Group's employees over a reference price per share of €18.21.

In a decision dated December 12, 2019, the Chairman and Chief Executive Officer noted the final completion of this capital increase through the issuance of a total of 1,840,261 new ordinary shares at a unit price of €12.75, for an increase in the total nominal amount of the share capital of SPIE SA by €864,922.67 and the recognition of an issue premium in the parent company financial statements of €21,995,919.01 net of the amounts deducted under (i) the amount necessary to increase the statutory reserve in the amount of €101,058.23 and (ii) the costs of the capital increase.

The discount rate on the subscription date of the shares constitutes an immediate charge to be recognised in full in the consolidated income statement of the issuing company. For that reason, an expense of €4,693 thousand was recognised as operating income for 2019, in respect of the 30% discount.

Divided between 12 countries, subscriptions have reached the amount of €23.5 million (after discount). Over 6,000 employees have subscribed to the plan.

18.3 PERFORMANCE SHARES

The current performance share plan grants, under certain conditions, performance shares to corporate officers or salaried employees of the Group (refer Note 3.18 and Note 8.2).

As they are operations that do not give rise to monetary transactions, the benefits thus granted are recognised over the vesting period with a corresponding increase in equity, which amounted to €1,010 thousand in respect of 2019.

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NOTE 19 PROVISIONS

19.1 PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

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

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Retirement benefits	688,951	847,413
Other long-term employee benefits	26,024	32,044
Employee benefits	**714,975**	**879,458**
	2018	**2019**
EXPENSE RECOGNISED THROUGH INCOME IN THE PERIOD		
Retirement benefits	22,862	18,835
Other long-term employee benefits	1,130	5,279
Employee benefits	**23,992**	**24,114**

The obligations relate to the German (79.4%), French (15.4%), Swiss (5.1%) and Belgian subsidiaries and comprise the local obligations for pensions.

Actuarial assumptions

The actuarial assumptions used to estimate the retirement benefits of the French entities are as follows:

France assumptions	Dec. 31, 2018	Dec. 31, 2019
Discount rate	1.50%	0.75%
Type of retirement	Voluntary departure	Voluntary departure
Age of retirement	Upon acquiring the necessary entitlements to retire on full benefits (in accordance with the 2013 law reform) + later retirement scheme	Upon acquiring the necessary entitlements to retire on full benefits (in accordance with the 2013 law reform) + later retirement scheme
Future salary increase	3.00% for managers	2.75% for managers
	2.25% for non-managers	2% for non-managers
Generated average rate of turnover	Tables 2017	Tables 2019
	Managers: 4.5%	Managers: 4.5%
	Non-managers: 3.3%	Non-managers: 3,2%
Rate of employer's social charges	50%	50% Managers 44% Non-Managers
Mortality table	TGH/TGF 00-05	TGH/TGF 05
Age at start *of* career (in years)	Executive staff: 23 years old	Executive staff: 23 years old
	Non-executive staff: 20 years old	Non-executive staff: 20 years old

Assumptions Germany	Dec. 31, 2018	Dec. 31, 2019
Discount rate	2.32%	0.95%
Type of retirement	Voluntary departure	Voluntary departure
Age of retirement	62 years (63 under exception)	64 years (63 under exception)
Future salary increase	2.75% for all	2.75% for all
	staff	staff
Generated average rate of turnover	Average rate: 5%	Average rate: 5%
	for all	for all
	staff	staff
Mortality table	RT Heubeck 2018 G	RT Heubeck 2018 G

Switzerland assumptions	Dec. 31, 2018	Dec. 31, 2019
Discount rate	0.95%	0.15%
Type of retirement	Voluntary departure	Voluntary departure
Age of retirement	Males: 65 years old/Females: 64 years old	Males: 65 years old/Females: 64 years old
Future salary increase	1.50% for all staff	1.50% for all staff
Generated average rate *of* turnover	Official charts BVG 2015	Official charts BVG 2015
Choice of lump-sum payments at departure date Mortality table	Males: 25% Females: 25% BVG 2015 GEN	Males: 25% Females: 25% BVG 2015
Age at start of career (in years)	25 years olds for all staff	25 years olds for all staff

Belgium assumptions	Dec. 31, 2018	Dec. 31, 2019
Discount rate	0.80%	0.70%
Type of retirement	Group insurance	Group insurance
Age of retirement	65 years	65 years
Future salary increase	3.2% for all staff	3.1% for all staff
Generated average rate *of* turnover	15% per year up to the age of 44 6% per year up to the age of 49 3% per year up to the age of 59 0% per year up to the age of 64	15% per year up to the age of 44 6% per year up to the age of 49 3% per year up to the age of 59 0% per year up to the age of 64
Mortality table	MR/FR-5 years	MR/FR-5 years
Age at start of career (in years)	25 years olds for all staff	25 years olds for all staff

Post-employment benefits

Changes in the provision are as follows:

In thousands of euros	2018	2019	Of which France	Of which Germany	Of which Switzerland	Of which Other
Benefit liability as of January 1	693,928	688,951	130,265	526,542	31,506	638
Effect of changes in the scope of consolidation	568	5,697	2,379	3,318		
Operations discontinued or held for sale						
Expense of the period	22,862	18,835	6,054	16,282	(4,306)	805
Actuarial gain or loss to be recognised in OCI	(4,388)	157,921	(2,674)	141,018	18,965	612
Benefits paid to beneficiaries	(19,857)	(19,882)	(5,927)	(13,936)		(19)
Contributions paid to funds	(5,291)	(5,186)			(4,203)	(983)
Currency translation differences	1,136	1,210			1,210	
Other changes	(7)	(131)		(134)		3
BENEFIT OBLIGATION AS THE END OF THE PERIOD	**688,951**	**847,413**	**130,096**	**673,090**	**43,171**	**1,056**

The expense for the financial year breaks down as follows:

In thousands of euros	2018	2019	Of which France	Of which Germany	Of which Switzerland	Of which Other
SERVICE COST DURING THE YEAR						
Current service cost	20,227	18,750	8,490	5,118	4,337	805
Past service costs (plan, changes and reductions)	(4,724)	(8,917)	2		(8,920)	
Plan curtailments/settlements	(5,352)	(4,311)	(4,311)			
NET INTEREST EXPENSE						
Interest expenses	14,541	15,297	1,872	12,496	929	
Expected return on assets	(1,830)	(1,983)		(1,332)	(651)	
EXPENSE IN THE PERIOD	**22,862**	**18,835**	**6,054**	**16,282**	**(4,306)**	**805**
Of which:						
• Personnel costs	10,151	5,521	4,182	5,118	(4,583)	805
• Financial costs	12,711	13,314	1,872	11,164	278	

The reconciliation with the financial statements is presented below:

In thousands of euros	2018	2019	Of which France	Of which Germany	Of which Switzerland	Of which Other
Projected Benefit Obligation liability	840,088	1,019,264	139,767	737,144	121,506	20,847
Plan assets	151,137	171,850	9,671	64,054	78,335	19,791
BENEFIT OBLIGATION	**688,951**	**847,413**	**130,096**	**673,090**	**43,171**	**1,056**

Sensitivity to changes in discount rates

The table below shows the sensitivity of the obligation with discount rates of +/-0.25% and +/-0.50% for all entities:

Discount rate *In thousands of euros*	-0.50%	-0.25%	0.00%	0.25%	0.50%
Present benefit obligation – 12/31/2019	**1,112,248**	**1,064,759**	**1,019,264**	**978,298**	**937,743**
Difference	92,984	45,496		-40,966	-81,520
Difference (in %)	*9.12%*	*4.46%*		*-4.02%*	*-8.00%*

Other long-term employee benefits

Changes in the provision are as follows:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Benefit liability as of January 1	27,220	26,024
Change in the scope of consolidation and other	10	727
Discontinued or held-for-sale operations	13	
Expense of the period	1,130	5,279
Benefits paid to beneficiaries	(2,259)	(6,955)
Contributions paid to funds	(9)	
Other changes	(81)	6,967
BENEFIT OBLIGATION AT THE END OF THE PERIOD	**26,024**	**32,044**

There are no plan assets for other long-term employee benefits.

The expense for the year for length of service awards breaks down as follows:

In thousands of euros	2018	2019
Current service cost	717	6,057
Amortisation of actuarial gains and losses	(133)	(1,025)
Interest expenses	713	512
Plan curtailments/settlements	(267)	(283)
Amortisation of past service costs	100	17
EXPENSE OF THE PERIOD	**1,130**	**5,279**
Of which:		
Personnel expenses	417	4,767
Financial costs	713	512

19.2 OTHER PROVISIONS

Provisions include:

- provisions for contingent liabilities against specific risks in business combinations;
- provisions for restructuring;
- provisions for employment obligations and labour disputes;
- provisions for litigation still pending on 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, 2018	Incoming entities	Increases during the period	Decreases during the period	Translation adjustments	Assets held for sale/ discontinued	Other	Dec. 31, 2019
Provisions for warranty liabilities	1,904			(300)				1,604
Provisions for taxes and tax-related disputes **(a)**	30,320	261	1,518	(4,003)	34		(20,482)	7,648
Restructuring **(b)**	9,694		3,121	(8,430)		11,262	(1,512)	14,135
Litigation	49,382	2,243	12,617	(18,475)	27	78	(639)	45,233
Losses at completion **(c)**	44,397	13,682	35,531	(34,086)	47	5		59,576
Social provisions and disputes	10,123	34	6,934	(4,953)			130	12,268
Warranties and claims on completed contracts	50,414	5,368	17,482	(20,452)	282	459	958	54,510
PROVISIONS FOR LIABILITIES AND CHARGES	**196,235**	**21,588**	**77,203**	**(90,700)**	**389**	**11,804**	**(21,545)**	**194,975**
Current	*143,061*	*5,001*	*53,444*	*(70,197)*	*315*	*11,576*	*(18,888)*	*124,313*
Non-current	*53,173*	*16,587*	*23,759*	*(20,503)*	*74*	*228*	*(2,657)*	*70,662*

(a) The €(20,482) thousand in "other" for provisions for taxes and tax-related disputes concern reclassifications related to the application of IFRIC 23, which now requires tax provisions to be reclassified as current tax liabilities.

(b) The €11,262 thousand in provisions for restructuring are related to the unsold assets held for sale of SAG's Gas & Offshore Division activities. These provisions were reclassified as continuing operations (see Note 11).

(c) The €13,682 thousand for "entries into the scope of consolidation" on provisions for losses at completion come mainly from the entry into the Group of the OSMO group, for €13,424 thousand.

Provisions comprise a large number of items each with low values. Related reversals are considered as used. However, the incurred and assigned amounts in provisions that stand out due to their significant value are closely monitored.

Reversals of unused provisions amounted to €8,596 thousand in 2019.

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

In thousands of euros	**Dec. 31, 2019**	**Non-current**	**Current**
Provisions for warranty liabilities	1,604	1,604	
Provisions for taxes and tax-related disputes	7,648	289	7,358
Restructuring	14,135	27	14,108
Litigation	45,233	13,165	32,069
Losses at completion	59,576	29,073	30,503
Provisions for employment obligations and labour disputes	12,268	4,053	8,215
Other provisions for contingencies and expenses	54,510	22,451	32,059
Provisions for liabilities and charges	**194,975**	**70,662**	**124,313**

For purposes of comparison, provisions accounted for as at December 31, 2018 were as follows:

In thousands of euros	**Dec. 31, 2017**	**Same amendments as page above**	**Allocations for the year**	**Reversals for the year**	**Currency translation differences**	**Assets held for sale/ discontinued**	**Other**	**Dec. 31, 2018**
Provisions for warranty liabilities	1,904							1,904
Provisions for taxes and tax-related disputes	49,054		2,903	(22,002)	177	(1,413)	1,602	30,320
Restructuring	7,613	2,021	1,992	(2,890)		(394)	1,352	9,694
Litigation	47,746	10,490	16,036	(24,722)	77		(246)	49,382
Losses at completion	44,454	20,691	28,049	(48,625)	(36)	(27)	(108)	44,397
Provisions for employment obligations and labour disputes	15,435	106	5,253	(10,723)		221	(169)	10,123
Other provisions for contingencies and expenses	43,129	10,067	14,623	(27,385)	41	7,399	2,541	50,414
Provisions for liabilities and charges	**209,335**	**43,375**	**68,856**	**(136,348)**	**258**	**5,786**	**4,972**	**196,235**
Current	*139,502*	*35,484*	*48,723*	*(96,370)*	*277*	*(2,319)*	*17,764*	*143,061*
Non-current	*69,833*	*7,891*	*20,133*	*(39,978)*	*(19)*	*8,105*	*(12,792)*	*53,173*

The breakdown into current and non-current by category of provisions for 2018 was as follows:

In thousands of euros	**Non-current**	**Current**	**Dec. 31, 2018**
Provisions for warranty liabilities	1,904		1,904
Provisions for taxes and tax-related disputes	657	29,663	30,320
Restructuring	114	9,580	9,694
Litigation	11,832	37,550	49,382
Losses at completion	17,491	26,906	44,397
Provisions for employment obligations and labour disputes	3,037	7,086	10,123
Other provisions for contingencies and expenses	18,138	32,276	50,414
Provisions for liabilities and charges	**53,173**	**143,061**	**196,235**

NOTE 20 WORKING CAPITAL REQUIREMENT

In thousands of euros	Notes	Dec. 31, 2018	Change in WCR related to activity [(1)]	Other changes of the period: Change in scope [(2)]	Other changes of the period: Currency translation & fair values	Other changes of the period: Discontinued operations	Dec. 31, 2019
Inventories and receivables							
Inventories		43,149	(7,359)	5,128	211	59	41,188
Trade receivables	(a)	1,877,875	(65,127)	81,075	7,104	15,983	1,916,910
Current tax receivables		29,408	(9,767)	4,526	373		24,539
Other current assets	(b)	271,960	20,374	12,128	1,665	368	306,494
Other non-current assets	(c)	5,708	(881)				4,827
Liabilities							
Trade payables	(d)	(1,101,956)	(4,027)	(17,493)	(4,921)	(12,951)	(1,141,349)
Tax payables		(34,052)	1,579	(22,837)	(480)		(55,791)
Other long-term employee benefits	(e)	(26,024)	1,749	(7,737)	(4)	(31)	(32,046)
Other current liabilities	(f)	(1,647,164)	28,769	(83,898)	(5,492)	(14,937)	(1,722,722)
Other non-current liabilities		(6,520)	278	(692)	(31)	(79)	(7,045)
Working capital requirement (balance sheet position)		**(587,615)**	**(34,414)**	**(29,801)**	**(1,576)**	**(11,587)**	**(664,995)**

(1) Includes the flows of companies entering scope as at control date.
(2) Working Capital Requirement presented at date of control for companies entering scope and Working Capital Requirement presented at date of loss of control for companies leaving scope.

(a) Trade receivables include invoices to be issued.

(b) The other current assets mainly include tax receivables and accrued expenses recognised on contracts accounted according to the percentage of completion method.

(c) 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.

(d) Trade payables include invoices that have not been received.

(e) Other long-term employee benefits correspond to length-of-service awards.

(f) "Other current liabilities" are presented below:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Tax and Social Security debts	(684,008)	(725,533)
Prepaid income	(384,734)	(411,665)
Advance and down-payments	(305,788)	(344,248)
Other	(272,634)	(241,278)
Other current liabilities*	**(1,647,164)**	**(1,722,722)**

* *The "other current liabilities" of the WCR do not include the dividends to be paid included in the consolidated statement of financial position.*

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20.1 CHANGE IN WORKING CAPITAL REQUIREMENT: RECONCILIATION BETWEEN BALANCE SHEET AND CASH FLOW STATEMENT

The reconciliation between the working capital requirement items in the balance sheet (which does not include operations held for sale) and the change in working capital requirements presented in the cash flow statement (which includes operations held for sale) is shown below:

In thousands of euros	Dec. 31, 2018	Change in WCR related to activity	Other changes of the period: Change in scope	Other changes of the period: Currency translation & fair values	Other changes of the period: Discontinued operations	Dec. 31, 2019
WORKING CAPITAL REQUIREMENT (BALANCE SHEET POSITION)	**(587,615)**	**(34,414)**	**(29,801)**	**(1,576)**	**(11,587)**	**(664,995)**
(-) Accounts payable and receivable on purchased assets	5,527	(6,213)	6,245	23		5,582
(-) Tax receivables **(a)**	(30,145)	10,504	(4,526)	(373)		(24,539)
(-) Tax payables **(b)**	34,652	(1,931)	23,704	487		56,912
Working capital requirement excl. tax payables and receivables, and excl. debts on acquired assets	**(577,581)**	**(32,054)**	**(4,378)**	**(1,439)**	**(11,587)**	**(627,040)**
(-) Held for sale		19,541				
(-) Other non-cash transactions which impact the balance sheet WCR **(c)**		1,071				
CHANGES IN WCR AS PRESENTED IN C.F.S		**(11,442)**				

(a) Of which current tax receivables for an amount of €24,539 thousand as at December 31, 2019.

(b) Of which current tax payables for an amount of €35,024 thousand as at December 31, 2019.

(c) "Other non-cash transactions which impact the balance sheet WCR" mainly related to changes linked to the research tax credit (see Note 8.2 and Note 20.2).

20.2 TRADE AND OTHER RECEIVABLES

Current trade and other receivables break down as follows:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019: Gross	Dec. 31, 2019: Provisions	Dec. 31, 2019: Net
Trade receivables	1,067,974	1,034,212	(50,491)	983,722
Notes receivables	2,179	1,615		1,615
Contract assets **(a)**	807,722	931,573		931,573
Trade receivables and contract assets	**1,877,875**	**1,967,401**	**(50,491)**	**1,916,910**

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

As at December 31, the ageing analysis of net trade receivables is as follows:

In thousands of euros	past due per maturity: < 6 months	past due per maturity: 6 to 12 months	past due per maturity: > 12 months	not past due	Dec. 31
2019	**179,669**	**23,086**	**13,918**	**767,047**	**983,722**
2018	219,143	17,599	9,389	821,845	1,067,974

(b) 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, 2018**	**Dec. 31, 2019**
Trade receivables	1,070,153	985,337
Trade receivables included in assets held for sale	11,819	5,009
Contract assets [(i)]	807,722	931,573
Contract liabilities [(ii)]	(701,308)	(769,026)

(i) Contract assets correspond to invoices to be issued.

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

In thousands of euros	**Dec. 31, 2018**	**Dec. 31, 2019**
Prepaid income	(384,777)	(411,743)
Down payments received from customers	(305,788)	(344,248)
Contract guaranties provisions	(10,744)	(13,036)
CONTRACT LIABILITIES	**(701,308)**	**(769,026)**

20.3 ACCOUNTS PAYABLES

Trade payables break down as follows:

In thousands of euros	**Dec. 31, 2018**	**Dec. 31, 2019**
Supplier debts	(625,676)	(695,344)
Notes payables	(49,533)	(3,274)
Accrued invoices	(426,748)	(442,731)
TRADE PAYABLES	**(1,101,956)**	**(1,141,349)**

NOTE 21 FINANCIAL ASSETS AND LIABILITIES

21.1 NON-CONSOLIDATED SHARES

As at 31 December, 2018 non-consolidated shares stand as follows:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Equity securities	4,507	2,118
Depreciation of securities	(1,058)	(1,058)
NET VALUE OF SECURITIES	**3,449**	**1,060**

Non-consolidated investments at December 31, 2019 include the shares of Enertrans for €676 thousand (fully impaired), SB Nigeria for €252 thousand and SPIE Venezuela for €195 thousand (also fully impaired). The Group's other non-consolidated investments consist of numerous equity interests generally not exceeding €100 thousand.

As at December 31, 2018, non-consolidated securities include the shares of the Siétar & VTI companies acquired on August 1, 2018 by SPIE Industrie & Tertiaire for an amount of €2,039 thousand, and the shares of FLM GmbH acquired on November 6, 2018 by SPIE DZE for an amount of €400 thousand. These companies were consolidated in 2019.

21.2 NET CASH AND CASH EQUIVALENTS

As at December 31, net cash and cash equivalents in the balance sheet break down as follows:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Marketable securities – Cash equivalents	4,051	2,791
Fixed investments (current)	-	-
Cash management financial assets	**4,051**	**2,791**
Cash and cash equivalents	780,446	869,212
Cash and cash equivalents	**784,497**	**872,003**
(-) Bank overdrafts and accrued interests	(3,185)	(4,683)
Net cash and cash equivalents in the balance sheet	**781,312**	**867,320**
(+) Cash and cash equivalents from discontinued and held-for-sale operations	(1,706)	(950)
(-) Accrued interests not yet disbursed	145	153
CASH AND CASH EQUIVALENTS AS PER CFS	**779,751**	**866,522**

21.3 BREAKDOWN OF NET DEBT

The Group loans are detailed hereafter:

In thousands of euros	Notes	Dec. 31, 2018	Dec. 31, 2019
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS			
Bond (maturity March 22, 2024)	(a)	600,000	600,000
Bond (maturity June 18, 2026)	(b)	-	600,000
Facility A (maturity June 7, 2023)	(b)	1,200,000	600,000
Revolving (maturity June 7, 2023)	(b)	-	-
Other		11,351	2,071
Capitalised borrowing costs	(c)	(18,239)	(14,298)
Securitisation	(d)	298,658	300,000
Bank overdrafts			
Bank overdrafts		3,019	4,529
Interests on bank overdrafts (cash liabilities)		166	154
Other loans, borrowings and financial liabilities			
Debt on financial leases (pre-existing contracts as at Janua[ry] 1, 2019)		17,675	8,648
Debt on operating and financial leases	(e)	-	340,360
Accrued interest on loans		14,733	23,209
Other loans, borrowings and financial liabilities		1,432	6,661
Derivative financial instruments		76	168
Interest-bearing loans and borrowings		**2,128,871**	**2,471,502**
Of which:			
Current		332,466	435,351
Non-current		1,796,406	2,036,151

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 were repaid on June 18, 2019;
- a Revolving Credit Facility ("RCF") line aiming to finance the current activities of the Group along with external growth, for an amount of €600 million maturing on June 7, 2023, which was not yet drawn as at December 31, 2019.

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.

This RCF line has the following characteristics:

In thousands of euros	Repayment	Fixed/floating rate		December 31, 2019
Revolving Credit Facility	At maturity	Floating	1 month Euribor +1.15%	Not drawn
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS				**NOT DRAWN**

The senior term loan line has now the following characteristics:

In thousands of euros	Repayment	Fixed/floating rate		December 31, 2019
Facility A	At maturity	Floating	1 month Euribor +1.55%	600,000
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS				**600,000**

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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 December 31, 2019, a quarterly financial commitment fee for 0.4025% is applied to the unwithdrawn portion of the RCF.

A quarterly financial commitment fee also applied to the withdrawn portion of the RCF under following conditions:

- use between 0% et 33% = 0.10% + margin;
- use between 33% and 66% = 0.20% + margin;
- use 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 are deducted, for their total amount, from the nominal amount of the respective debt instruments. The balance as at December 31, 2019 is €14.3 million and relates to the two credit lines and to the two bonds.

(d) The securitisation program established in 2007 with a maturity at June 11, 2023 was renewed under the conditions below:

- it will run for a period of 5 years from June 11, 2015 (except in the event of early termination or termination by agreement);
- on December 19, 2019, this contract was extended by three years, i.e. until June 11, 2023;
- maximum funding of €450 million.

The Securitisation program represented funding of €300 million as at December 31, 2019.

(e) The debt on financial leases relating to pre-existing contracts as at January 1, 2019, are still included in the determination of the published net debt as at December 31, 2019, presented in the Note 21.4.

21.4 NET DEBT

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

In millions of euros	Dec. 31, 2018	Dec. 31, 2019
Loans and borrowings as per balance sheet	**2,128.9**	**2,471.5**
Debt on operating and financial leases – continued activities	-	(340.4)
Capitalised borrowing costs	18.2	14.3
Other (1)	(14.9)	(23.5)
Gross financial debt (a)	**2,132.2**	**2,121.9**
Investment securities	4.1	2.8
Cash and cash equivalents	780.4	869.2
Accrued interests	-	-
Gross cash and cash equivalents (b)	**784.5**	**872.0**
Consolidated net debt (a) – (b)	**1,347.7**	**1,249.9**
(-) Net debt from discontinued or held-for-sale operations	1.7	1.0
Unconsolidated net cash	(0.3)	-
Published net debt (2)	**1,349.1**	**1,250.9**
Debt on operating and financial leases – continued activities	-	340.4
NET DEBT INCLUDING IFRS 16 IMPACT	**1,349.1**	**1,591.3**

(1) The "other" line of the gross financial debt corresponds in 2018 and 2019 to the accrued interest on bonds mainly for €14.6 million in 2018 and €23.2 million in 2019.
(2) Excluding IFRS 16.

21.5 RECONCILIATION WITH THE CASH FLOW STATEMENT POSITIONS

The reconciliation between the financial debt of the Group (see Note 20.3) and the cash flows presented in the cash flow statement (see Table 4) is detailed hereafter:

		Cash flows (corresponding to the CFS)			Non-cash flows				
In thousands of euros	**Dec. 31 2018**	**Loan issue**	**Loan repayments**	**Changes**	**Changes in scope**	**Other (1)**	**Currency and fair values changes**	**Changes in methods**	**Dec. 31, 2019**
Bond (maturity June 18, 2026)	594,976					895			595,871
Bond (maturity March 22, 2024)		596,426				250			596,676
Facility A (maturity June 7, 2023)	1,191,179		(600,000)			5,379			596,558
Revolving (maturity June 7, 2023)	(4,394)	220,000	(220,000)			991			(3,403)
Securitisation	298,658	1,342							300,000
Other	11,351		(11,164)		1,884				2,071
Other loans, borrowings and financial liabilities	1,432	6,657	(1,543)				115		6,661
Debt on financial leases (pre-existing contracts as at January 1, 2019)	17,675		(9,985)		14	943	2		8,648
Debt on operating and financial leases			(86,754)			119,779	344	306,991	340,360
Financial instruments	76					92			168
FINANCIAL INDEBTEDNESS AS PER CFS	**2,110,952**	**824,425**	**(929,446)**		**1,898**	**128,328**	**461**	**306,991**	**2,443,610**
(-) Financial interests	14,733	27,370	(18,894)						23,209
(+) Bank overdrafts	3,185			1,447			50		4,683
CONSOLIDATED FINANCIAL INDEBTEDNESS	**2,128,871**	**851,795**	**(948,340)**	**1,447**	**1,898**	**128,328**	**511**	**306,991**	**2,471,502**

(1) The "Other" non-cash movements relate to the restatement of borrowing costs, to the new finance lease contracts and to changes on the assets held for sale and discontinued operations.

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21.6 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	Dec. 31, 2019
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS				
Bond (maturity June 18, 2026)			600,000	600,000
Bond (maturity March 22, 2024)		600,000		600,000
Facility A (maturity June 7, 2023)		600,000		600,000
Revolving (maturity June 7, 2023)				-
Other	1,126	945		2,071
Capitalised borrowing costs	(3,383)	(10,112)	(803)	(14,298)
Securitisation	300,000			300,000
BANK OVERDRAFTS				
Bank overdrafts	4,529			4,529
Interests on bank overdrafts (cash liabilities)	154			154
OTHER LOANS, BORROWINGS AND FINANCIAL LIABILITIES				
Debt on financial leases (pre-existing contracts as at Janua[ry] 1, 2019)	5,265	3,383		8,648
Debt on operating and financial leases	101,257	193,020	46,082	340,360
Accrued interest on loans	23,209			23,209
Other loans, borrowings and financial liabilities	3,026	3,612	23	6,661
Derivative financial instruments	168			168
Interest-bearing loans and borrowings	**435,351**	**1,390,847**	**645,302**	**2,471,502**
Of which:				
Fixed rate	*134,794*	*788,541*	*645,303*	*1,568,638*
Variable rate	*300,559*	*602,305*	*-*	*902,864*

21.7 OTHER FINANCIAL ASSETS

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Non-consolidated shares and associated receivables*	3,479	2,322
Long-term borrowings	35,127	38,152
Derivatives	34	57
Long-term receivables relating to Public-Private Partnership (PPP) contracts	9,205	9,028
Long-term deposits and guarantees	4,475	4,969
Other	17	60
OTHER FINANCIAL ASSETS	**52,338**	**54,589**
Of which:		
Courant	*6,961*	*7,370*
Non-current	*45,377*	*47,219*

* *See Note 21.1.*

21.8 FINANCIAL DISCLOSURES FROM COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

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

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

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

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019*
Value of shares at the beginning of the period	**3,062**	**3,151**
Share capital increase		37
Net income attributable to the Group	489	9,030
Impact of translation adjustments		71
Dividends paid	(401)	(360)
VALUE OF SHARES AT THE END OF THE PERIOD	**3,151**	**11,929**

** Based on available 2018 information for Host GmbH and Allied Maintenance GmbH.*

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

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019*
Non-current assets	6,122	5,716
Current assets	96,757	86,068
Non-current liabilities	(43,525)	(42,849)
Current liabilities	(72,971)	(35,253)
NET ASSET	**(13,618)**	**13,682**
INCOME STATEMENT		
Production	76,244	68,641
Net income	(8,732)	22,333

** Based on available 2018 information for Host GmbH and Allied Maintenance GmbH.*

21.9 CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS BY ACCOUNTING CATEGORY

Reconciliation between accounting categories and IFRS 9 categories

In thousands of euros	FV P/L	FV E	Receivables and loans at amortised cost	Financial liabilities at amortised cost	Dec. 31, 2019
ASSETS					
Non-consolidated shares and long-term borrowings	1,120		46,098		47,219
Other non-current financial assets			5,016		5,016
Other current financial assets (excl. derivatives)			7,313		7,313
Derivative financial instruments	57				57
Trade receivables			1,916,910		1,916,910
Other current assets			306,494		306,494
Cash and short-term deposits	2,791		869,212		872,003
TOTAL – FINANCIAL ASSETS	**3,968**		**3,151,043**		**3,155,012**
LIABILITIES					
Borrowings and loans (excl. derivatives)				1,797,048	1,797,048
IFRS 16 non-current liabilities				239,103	239,103
Derivative financial instruments	168				168
Other long-term liabilities				7,045	7,045
Interest-bearing loans and borrowings (current portion)				333,926	333,926
Debt on operating and financial leases				101,257	101,257
Trade payables				1,141,349	1,141,349
Other current liabilities				1,722,722	1,722,722
TOTAL – FINANCIAL LIABILITIES	**168**			**5,342,450**	**5,342,618**

FV P/L: fair value through Profit and Loss, FV E: fair value through Equity.

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Carrying amount and fair value of financial instruments

In thousands of euros	Carrying amount Dec. 31, 2018	Carrying amount Dec. 31, 2019	Fair value Dec. 31, 2018	Fair value Dec. 31, 2019
ASSETS				
Non-consolidated shares and long-term borrowings	45,377	47,219	50,953	49,890
Other non-current financial assets	5,908	5,016	5,908	5,016
Other current financial assets (excl. derivatives)	6,927	7,313	6,927	7,313
Derivative financial instruments	34	57	34	57
Trade receivables	1,877,875	1,916,910	1,877,875	1,916,910
Other current assets	271,960	306,494	272,039	307,113
Cash and cash equivalents	784,497	872,003	784,497	872,003
TOTAL – FINANCIAL ASSETS	**2,992,578**	**3,155,012**	**2,998,233**	**3,158,302**
LIABILITIES				
Borrowings and loans (excl. derivatives)	1,796,330	1,797,048	1,796,330	1,797,048
IFRS 16 non-current liabilities		239,103		239,103
Derivative financial instruments	76	168	76	168
Other long-term liabilities	6,520	7,045	6,520	7,045
Interest-bearing loans and borrowings (current portion)	332,466	333,926	332,466	333,926
Debt on operating and financial leases		101,257		101,257
Supplier debts	1,101,956	1,141,349	1,101,956	1,141,349
Other current liabilities	1,647,164	1,722,722	1,647,164	1,722,722
TOTAL – FINANCIAL LIABILITIES	**4,884,512**	**5,342,618**	**4,884,512**	**5,342,618**

Classification by asset or liability level at fair value:

In thousands of euros	Level 1	Level 2	Level 3	Dec. 31, 2019 Fair value
ASSETS				
Cash and short-term deposits	2,791			2,791
Derivatives		57		57
TOTAL – FINANCIAL ASSETS	**2,791**	**57**		**2,848**
LIABILITIES				
Derivatives		168		168
TOTAL – FINANCIAL LIABILITIES		**168**		**168**

- Level 1 corresponding to listed prices.
- Level 2 corresponding to internal model based on external observable factors.
- Level 3 corresponding to internal model not based external on observable factors.

NOTE 22 FINANCIAL RISK MANAGEMENT

22.1 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 related to fluctuations in interest rates and foreign exchange rates.

	Fair value *(in thousands of euros)*	Forward rate agreement in foreign currency						
		Less than 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 purchase – USD	5	174						174
Forward sales – GBP	26	729						729
	31							
Liability derivatives qualified for designation as cash flow hedges (b)								
Forward purchase – USD	(34)	4,271						4,271
Forward purchases – CHF	(7)	784						784
	(41)							
Total net derivative qualified for designation as cash flow hedges (a) + (b)	**(10)**							
Liability derivatives not qualified for designation as cash flow hedges								
Forward purchases – GBP	(55)	23,000						23,000
Total fair value of qualified and not qualified derivatives	**(65)**							

Main derivatives deal with forward purchases and sales to cover operations in US Dollars, Sterling pounds and Swiss francs.

These derivative hedging instruments are accounted for at their fair value. Their valuation stands at level 2 according to IFRS 13, as they are not listed on a regulated market, but based on a generic model and on observable market data for similar transactions.

22.2 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 taken into account 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 31 December 2019, given the evolution of variable rates (negative Euribor), no interest rate swap was set up for the hedging of the new loans.

22.3 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.

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	December 31, 2019		
Currencies	**USD (US Dollar)**	**CHF (Swiss Franc)**	**GBP (Pound Sterling)**
Closing rate	**1.1234**	**1.0854**	**0.8508**
Risks	(4,593)	7,220	20,729
Hedges	4,605	300	(23,000)
Net positions excluding options	**12**	**7,520**	**(2,271)**
SENSITIVITY TO THE CURRENCY RATE -10% VS EURO			
P&L Impact	(428)	703	(297)
Equity Impact	(400)	6	n/a
SENSITIVITY TO THE CURRENCY RATE +10% VS EURO			
P&L Impact	350	(575)	243
Equity Impact	327	(5)	n/a

The estimated amount of credit risk on currency hedging as at December 31, 2019 is not significant (the risk of fluctuation during 2019 is also not significant).

22.4 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 makes most of its cash investments in money market funds invested in European government securities with banks and financial institutions.

Existing derivatives in the Group (see Note 22.3) relating to:

- forward purchases for USD 4,445 thousand;
- forward purchases for CHF 784 thousand;
- forward sales for CHF 729 thousand;
- forward sales for GBP 23,000 thousand.

are distributed as follows:

- BNP: 21%;
- CA CIB: 38%;
- CDN: 39%;
- Natixis: 2%.

22.5 LIQUIDITY RISK

As at December 31, 2019, the unused amount of the revolving credit facility (RCF) line stands at €600 million.

The Group introduced a securitisation program on its contract assets which has the following characteristics:

- nine of the Group's subsidiaries Act as assignors in the securitisation program in which assets are transferred to a securitisation mutual fund named "SPIE Titrisation";
- SPIE Operations is involved in this securitisation program as a centralising entity on behalf of the Group in relation to the depository bank.

This receivables securitisation programme 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 programme is accompanied by early repayment clauses for certain bank loans.

As at December 31, 2019 transferred receivables represented a total amount of €576.8 million with financing obtained amounting to €300 million.

22.6 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 decentralised 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 is in charge of collecting trade receivables regardless of whether or not 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 taking into account pre-tax invoicing and production data as well as customer data (overdue debts and advances) calculated in terms of the number of billing days.

The policy to improve WCR implemented by General Management plays an important role in improving cash flow, serving in particular to reduce overdue payments. Other actions have focused primarily on improving the invoicing process, introducing the securitisation programme and improving the information systems used to manage the trade item.

The net impairment losses on financial and contract assets recognised in the income statement are presented below:

In thousands of euros	Dec. 31, 2018	Of which France	Of which Germany & Central Europe	Of which other	Dec. 31, 2019
Impairment losses on contract assets	(10,467)	(9,144)	(6,753)	(4,900)	(20,797)
Reversal of impairment losses on contract assets	15,758	10,131	6,067	4,212	20,409
Impairment losses on financial assets					
Reversal of impairment losses on financial assets					
Net impairment losses on financial and contract assets	**5,292**	**987**	**(686)**	**(689)**	**(388)**

NOTE 23 NOTES TO THE CASH FLOW STATEMENT

23.1 RECONCILIATION WITH CASH ITEMS OF THE STATEMENT OF FINANCIAL POSITION

The following table reconciles the cash position from the cash flow statement (a) and the cash position from the statement of financial position (b) of the Group:

In thousands of euros	Notes	Dec. 31, 2018	Dec. 31, 2019
Investment securities		4,051	2,791
Cash assets		778,720	868,260
Bank overdrafts		(3,021)	(4,529)
CASH AND CASH EQUIVALENTS AT YEAR-END INCLUDING ASSETS HELD FOR SALE	**(a)**	**779,750**	**866,522**
(-) Cash and cash equivalents of assets held for sale	(c)	1,706	950
(-) Accrued interests not yet due		(145)	(153)
(+) Trading securities (short-term)		-	-
CASH AND CASH EQUIVALENTS AT YEAR-END EXCLUDING ASSETS HELD FOR SALE	**(b)**	**781,311**	**867,320**

(c) See Note 21.2.

23.2 IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the scope of consolidation can be summarised as follows:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Acquisition price paid	(20,173)	(138,364)
Cash and cash equivalents provided	11,259	46,930
Cash and cash equivalents transferred	3,788	(4,653)
Transfer price of consolidated investments	37,100	5,390
EFFECT OF CHANGE IN SCOPE OF CONSOLIDATION ON CASH & CASH EQUIVALENTS	**31,974**	**(90,696)**

23.3 IMPACT OF OPERATIONS HELD FOR SALE

The impact on the cash flow statement of operations classified as discontinued is summarised as follows:

In thousands of euros	**Dec. 31, 2018**	**Dec. 31, 2019**
Cash from operating activities	(39,851)	(19,801)
Cash flow from (used in) investing activities	32,717	23,559
Cash flow from financing activities	4,581	(2,910)
Effect of change in exchange rates	98	(42)
Effect of change in accounting principles		(50)
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,455)**	**756**
RECONCILIATION		
Cash and cash equivalents at beginning of the period	750	(1,706)
Cash and cash equivalents at end of the period	(1,706)	(950)

OTHER NOTES

NOTE 24 TRANSACTIONS WITH RELATED PARTIES

24.1 DEFINITIONS

Are considered as transactions with related parties the three following categories:

- the transactions between a fully consolidated company and its influential minority Shareholders;
- the outstanding transactions non eliminated in the consolidated financial statement with companies accounted for under equity method;
- the transactions with key management personnel and with companies held by these key persons and companies on which they exercise any control.

There was no significant modification to the related-party transactions described in the notes to the consolidated financial statements for the year ended December 31, 2018.

24.2 COMPENSATION OF EXECUTIVE OFFICERS

In thousands of euros	**Dec. 31, 2018**	**Dec. 31, 2019**
Salaries, social charges and short-term benefits	2,124	1,971
Other benefits – performance share plan	296	(79)
Retirement benefits	607	641
EXECUTIVE COMPENSATIONS	**3,026**	**2,533**

24.3 ATTENDANCE FEES

In 2019, the Board of Directors was composed of six independent directors, according to the "Afep-Medef" Code. One of them was appointed as a Senior Independent Director on 8 December 2015. The six independent directors are members of at least one of the committees set up by the Board of Directors, namely: the Audit Committee, Compensation and Appointments Committee and the CSR and Governance Committee.

In accordance with their mandates and their functions within the Group, the independent directors receive attendance fees.

In thousands of euros	**Dec. 31, 2018**	**Dec. 31, 2019**
Attendance fees	323	387
Other remunerations and fringe benefits		
DIRECTOR COMPENSATION	**323**	**387**

The amount of attendance fees corresponds to a gross amount before tax deduction withheld at source by the company.

24.4 INVESTMENTS IN JOINT VENTURES

The Group has investments in proportionally-recognised joint ventures. The table below sets out the Group's proportionate interest in the assets, liabilities and net income of these entities:

In thousands of euros	Dec. 31, 2018	Dec. 31, 2019
Non-current assets	-	-
Current assets	52,270	45,057
Non-current liabilities	(1)	(1)
Current liabilities	(48,745)	(36,452)
NET ASSET	**3,524**	**8,605**
INCOME STATEMENT		
Income	66,133	55,622
Expenses	(62,609)	(47,017)

24.5 TAX GROUP AGREEMENTS

SPIE SA set up a tax consolidation group on July 1, 2011, including, in addition to itself, the French companies (directly or indirectly) held at 95% or more.

According to the terms of the agreements signed between SPIE SA and each of the companies included in the tax consolidation group, SPIE SA can use the carry-forward deficits of the various individual companies. If one of the subsidiaries leaves the tax consolidation group, the parties to the agreement concerned reserve their negotiation rights to decide whether the former subsidiary should receive compensation.

The Group also has a tax group in Germany, consisting of SPIE DZE and its German subsidiaries, in the United Kingdom consisting of SPIE UK Ltd and its UK subsidiaries, and in the Netherlands consisting of SPIE Nederland BV and its Dutch subsidiaries.

NOTE 25 CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

25.1 OPERATIONAL GUARANTEES

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, 2018	Dec. 31, 2019
COMMITMENTS GIVEN		
Bank guarantees	414,246	447,800
Insurance guarantees	426,560	432,518
Parent company guarantees *	546,523	585,943
TOTAL COMMITMENTS GIVEN	**1,387,329**	**1,466,261**
COMMITMENTS RECEIVED		
Endorsement, guarantees and warranties received	23,074	10,071
TOTAL COMMITMENTS RECEIVED	**23,074**	**10,071**

* *The "parent company guarantees" exclude a share of bank and insurance guarantees given by the parent company. These commitments respectively represented for 2019 and 2018, €525,110 thousand and €360,328 thousand.*

25.2 OTHER COMMITMENTS GIVEN AND RECEIVED

Individual Employee Training Rights for the Group's French Companies

Act No. 2004-391 of May 4, 2004 relating to life-long professional training and social dialogue amending Articles L. 933-1 to L. 933-6 of the French Labour Code entitles employees in France with open-ended employment contracts under private law to a right to individual training (French acronym: DIF) for a minimum of 20 hours per year, which can be accumulated over a period of six years (capped at 120 hours).

As of January 1, 2015, the Personnel Training Account (French acronym: CPF) replaces the DIF and allows each employee throughout his career have an individual right to training which will aggregate to its maximum, 120 to 150 hours of training over 9 years (20 hours per year the first 6 years and 10 hours per year for the following three years).

Employees' DIF rights are kept and continue to exist alongside the CPF: the DIF rights can be used until exhausted, and by 2020 at the latest.

Since January 1, 2019, the hours shown for the CPF have been converted into euros at a rate of €15 per hour. The CPF now increases each year by €500 per beneficiary, up to a cumulative limit of €5,000.

The monitoring of the aggregate volume of training hours corresponding to the rights acquired under the DIF and the CPF, and monitoring of the volume of hours of training not having given rise to a request, are now decentralised and can be viewed through an internet portal only accessible to holders of a CPF account.

Consequently, no measurement can be performed regarding this commitment due to the difficulty in obtaining a reliable estimate.

Pledging of shares

As at December 31, 2019, no shares were pledged.

NOTE 26 STATUTORY AUDITORS' FEES

In accordance with the ANC 2017-09 and ANC 2017-10 regulations, the fees relating to SPIE SA's Statutory Auditors recognised in the consolidated income statement are the followings:

In thousands of euros	EY	PwC
Statutory audit at SPIE SA level	324	326
Statutory audit fee for fully consolidated subsidiaries	1,252	551
Fees for other services*	41	88
TOTAL	**1,617**	**965**

* *These fees relate to work performed in connection with a bond issue and an assignment as an independent third-party organisation.*

NOTE 27 EVENTS AFTER THE REPORTING PERIOD

Nil.

NOTE 28 SCOPE OF CONSOLIDATION

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
SPIE SA SUB-GROUP (REGISTERED OFFICE)						
SPIE SA	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	PARENT	100.00	PARENT	100.00
FINANCIERE SPIE	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
SPIE OPERATIONS	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
PARC SAINT CHRISTOPHE SNC	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	Liquidation	-
SPIE INTERNATIONAL	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
S.G.T.E. INGENIERIE	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
SBTP	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
SPIE TELECOM SERVICES	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	Liquidation	-
SPIE BATIGNOLLES TP HOCH UND TIEFBAU GMBH	Unter den Linden 21 10117 BERLIN – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE INFRASTRUKTUR GMBH (EX S GMBH)	Rudolfstrasse 9 10245 BERLIN – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE RAIL (DE) GMBH	Unter den Linden 21 10117 BERLIN – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE SPEZIALTIEFBAU GMBH	Unter den Linden 21 10117 BERLIN – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE ENERTRANS	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
SPIE FRANCE SUB-GROUP						
SPIE FRANCE	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
SPIE INDUSTRIE & TERTIAIRE						
SPIE INDUSTRIE & TERTIAIRE	4, avenue Jean-Jaurès – B.P. 19 69320 FEYZIN	EUR	F.C.	100.00	F.C.	100.00
BUCHET SAS	40 Rue Auguste Gal 06300 NICE	EUR	F.C.	100.00	F.C.	100.00
SIPECT	229, Rue du Docteur Guichard – BP 91004 49010 ANGERS Cedex 1	EUR	F.C.	100.00	F.C.	100.00
J.M. ELECTRICITE	248 chemin de la Banastiere- La Garriguede Chalancon 84270 VEDENE	EUR	F.C.	100.00	F.C.	100.00
THERMI AUTOMATION	115, rue Olof Palm – ZAC de Tournezy 34000 MONTPELLIER	EUR	F.C.	100.00	Merger	-
ANQUETIL CLIMATICIENS	2, route de Lingolsheim BP 70330 – GEISPOLSHEIM	EUR	F.C.	100.00	F.C.	100.00
ENELAT SUD-OUEST	70 Chemin de Payssat – Zone Industrielle de Montaudran 31400 TOULOUSE	EUR	F.C.	100.00	F.C.	100.00
CIMLEC INDUSTRIAL	Sat Argeselu Comuna Maracineni Hala 1 Platforma Europa 4 115300 JUDET ARGES – Romania	RON	-	-	F.C.	100.00

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
COMMERCY ROBOTICA	Poligono Industrial Multiva Baja calle B numéro 45 31192 MULTIVA-VALLE DE ARANGUREN – Spain	EUR	-	-	F.C.	90.00
CIMLEC INDUSTRIE	1-3, rue Chappe ZI des Garennes 78130 LES MUREAUX	EUR	-	-	F.C.	100.00
COMMERCY ROBOTIQUE	10, route de Boncourt 55200 COMMERCY	EUR	-	-	F.C.	100.00
TENWHIL	1-3, rue Chappe ZI des Garennes 78130 LES MUREAUX	EUR	-	-	F.C.	100.00
SOCIETE BOISSON	Zone Artisanale 34130 MUDAISON	EUR	F.C.	100,00	F.C.	100.00
ENELAT OUEST	ZAC de la Lorie, Immeuble Berlioz, 31 rue Bonny Sands 44800 SAINT HERBLAIN	EUR	F.C.	100.00	F.C.	100.00
LIONS	Chemin du Badaffier – ZAC Ste Anne Est 84700 SORGUES	EUR	F.C.	100.00	F.C.	100.00
PROJELEC	25, Allée Evariste Gallois 18000 BOURGES	EUR	F.C.	100.00	F.C.	100.00
SPIE POSTES HTB	Parc Scientifique de la Haute Borne 10, avenue de l'Harmonie CS 20292 59665 VILLENEUVE-D'ASCQ CEDEX	EUR	F.C.	100.00	F.C.	100.00
THERMAT	2, rue de l'Euro 74960 MEYTHET	EUR	F.C.	100.00	F.C.	100.00
VILLANOVA	ZAC de Chazaleix – Rue Emmanuel Chabrier 63730 LES MARTRES DE VEYRE	EUR	F.C.	100.00	F.C.	100.00
PROBIA INGENIERIE	21, Rue Marcelin Berthelot – Zone de Kerivin – 29600 SAINT-MARTIN-DES-CHAMPS	EUR	F.C.	100.00	F.C.	100.00
SIETAR & VTI	Zone Artisanale de Kerfontaine 56400 PLUNERET	EUR	F.C.	100.00	F.C.	100.00
VAPEUR THERMIQUE INDUSTRIE	Zone Artisanale de Kerfontaine 56400 PLUNERET	EUR			Merger	-
SOCIETE NOUVELLE HENRI CONRAUX	2, route de Lingolsheim BP 70330 – GEISPOLSHEIM	EUR	F.C.	100.00	F.C.	100.00
SPIE CITYNETWORKS						
SPIE CITYNETWORKS	1/3 place de la Berline 93287 SAINT DENIS Cedex	EUR	F.C.	100.00	F.C.	100.00
GRAND POITIERS LUMIERE	1 rue des Entreprises 86440 MIGNE AUXANCES	EUR	E.M.	50.00	E.M.	50.00
VAL DE LUM	Parc d'activités de la Fringale – Voie de l'institut 27100 VAL DE REUIL	EUR	F.C.	85.00	F.C.	85.00
ENTREPRISE TRENTO	Route de Camaret 84100 ORANGE	EUR	F.C.	100.00	F.C.	100.00
CINERGY SAS	27 Avenue du Gros Chêne 95614 ERAGNY SUR OISE	EUR	E.M.	50.00	E.M.	50.00
SAG VIGILEC S.A.S.	Les Paltrats 03500 Saint Pourcain sur Sioule – France	EUR	F.C.	100.00	F.C.	100.00
SAG FRANCE S.A.S.	45, Route de Metz 57130 Jouy-aux-Arches – France	EUR	F.C.	100.00	F.C.	100.00

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
SOGETRALEC SAS	Domaine de Poussan le Haut, Route de Lespignan 34500 Béziers – France	EUR	F.C.	100.00	F.C.	100.00
ELCARE	Avenue du Maine 72190 SAINT PAVACE	EUR	F.C.	100.00	F.C.	100.00
SPIE FACILITIES						
SPIE FACILITIES	1/3 place de la Berline 93287 SAINT DENIS Cedex	EUR	F.C.	100.00	F.C.	100.00
SPIE NUCLEAIRE						
SPIE NUCLEAIRE	10, Av de l'entreprise 95863 CERGY PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
MAINTENANCE MESURE CONTRÔLE – MMC	2, avenue Gabriel Lippmann 57970 YUTZ	EUR	F.C.	100.00	F.C.	100.00
FLUIGETEC	1 allée Vasco de Gama Zone Industrielle Daudel 26700 PIERRELATTE	EUR	F.C.	100.00	F.C.	100.00
ATMN INDUSTRIE	Le Marais – Route Industrielle EST 76430 SAINT VIGOR D'YMONVILLE	EUR	F.C.	100.00	F.C.	100.00
SAG ENERGY SYSTEMS IBERICA S.L.U.	Paseo Sarasate 38, 1° planta 31001 Pamplona-Espagne	EUR	F.C.	100.00	F.C.	100.00
SPIE THEPAULT	45, Route de Metz 57130 Jouy-aux-Arches – France	EUR	F.C.	100.00	F.C.	100.00
SPIE ICS						
SPIE ICS	53, Boulevard de Stalingrad 92247 MALAKOFF cedex	EUR	F.C.	100.00	F.C.	100.00
S-CUBE	12, rue Paul Dautier 78140 VELIZY-VILLACOUBLAY	EUR	F.C.	100.00	F.C.	100.00
SPIE CLOUD SERVICES	53, Boulevard de Stalingrad 92247 MALAKOFF cedex	EUR	F.C.	100.00	F.C.	100.00
SPIE INFOSERVICES	53, Boulevard de Stalingrad 92247 MALAKOFF cedex	EUR	F.C.	100.00	F.C.	100.00
SPIE BELGIUM SUB-GROUP						
SPIE BELGIUM	Rue des deux gares 150 1070 BRUSSELS – Belgium	EUR	F.C.	100.00	F.C.	100.00
SYSTEMAT LUXEMBOURG PSF SA	Parc d'Activités Capellen 77-79 8308 Capellen – Luxembourg	EUR	F.C.	100.00	F.C.	100.00
SYSTEMAT EIS SA	Parc d'Activités Capellen 77-79 8308 Capellen – Luxembourg	EUR	F.C.	100.00	F.C.	100.00
INCA DIGITAL SA	Kleine Mechelsebaan 52 3200 Aarschot – Belgium	EUR	F.C.	100.00	F.C.	100.00
SYSTEMAT BELUX SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
EVERUN IT S.P.R.L	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
SHOPMAT S.P.R.L	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	Disposal	
SYSTEMAT RENTING MANAGEMENT SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
SYSTEMAT EXPERT SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
MIMEOS LOGISTICS S.P.R.L	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
MIMEOS SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
SYSTEMAT NUMERIC SUPPORT SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
SYSTEMAT DIGITAL HUB SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
SYSTEMAT SOURCING CENTER SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
BIZZ4PARTNERS SA	Chaussée de Louvain 431C 1380 Lasne – Belgium	EUR	F.C.	100.00	F.C.	100.00
TEVEAN	Industriepark Rosteyne 6 9060 Zelzate – Belgium	EUR	F.C.	100.00	Merger	-
ELEREP	Lammerdries3 2440 GEEL – Belgium	EUR	F.C.	100.00	F.C.	100.00
SPIE NEDERLAND SUB-GROUP						
SPIE NEDERLAND B.V.	HUIFAKKERSTRAAT, 15 4800 CG BREDA – NETHERLANDS	EUR	F.C.	100.00	F.C.	100.00
ZIUT ADVIES B.V.	NIEUWE PLEIN 1B 6811 KN ARNHEM – NETHERLANDS	EUR	F.C.	100.00	Merger	-
SPIE INFRATECHNIEK BV	NIEUWE PLEIN 1B 6811 KN ARNHEM – NETHERLANDS	EUR	F.C.	100.00	F.C.	100.00
JANSEN VENNEBOER ADVIES B.V.	Industrieweg 4 NL 8131VZ WIJHE	EUR	F.C.	100.00	F.C.	100.00
ZIUT INSTALLATIETECHNIEK B.V.	Nieuwe Plein 1B 6811 Kn Arnhem – Netherlands	EUR	F.C.	100.00	F.C.	100.00
MER ICT B.V.	Burgemeester Drijbersingel 25 NL 8021 DA Zwolle, Netherlands	EUR	F.C.	100.00	F.C.	100.00
INMECO B.V.	Scheijdelveweg 8 E, 3214Vn Zuidland – Netherlands	EUR	F.C.	100.00	F.C.	100.00
SPIE KABEL-EN LEIDINGTECHNIEK B.V.	Pieter Mastebroekweg 8, 7942JZ Meppel – Netherlands	EUR	F.C.	100.00	F.C.	100.00
GIETWALSONDER-HOUDCOMBINATIE	Staalstraat, 150 1951 JP Velsen-Nord 4815 PN BREDA – Netherlands	EUR	E.M.	50.00	E.M.	50.00
GEBR. VAN DER DONK CIVIEL B.V.	Menhirweg 6 NL 5342LS Oss – Netherlands	EUR	F.C.	100.00	Merger	-
INFRASTRUCTURE SERVICES & PROJECTS B.V.	Kromme Schaft 3 NL 3991 AR HOUTEN – Netherlands	EUR	F.C.	100.00	F.C.	100.00
SPIE UK SUB-GROUP						
SPIE LIMITED (EX SPIE MATTHEW HALL LIMITED)	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE UK LTD	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE WHS LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
GARSIDE AND LAYCOCK LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
GARSIDE AND LAYCOCK (GROUP) LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE FS NORTHERN (UK) LTD	Centre Park – WA1 1RL WARRINGTON Cheshire – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE SCOTSHIELD LTD	MCCAFFERTY HOUSE 99 Firhill road G20 7BE GLASGOW – United Kingdom	GBP	F.C.	100.00	F.C.	100.00

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
SPIE LEVEN ENERGY SERVICES LIMITED	CNA House Sanfold Lane – Levenchulme M19 3BJ MANCHESTER – UNITED KINGDOM	GBP	F.C.	100.00	F.C.	100.00
ENVIRONMENTAL ENGINEERING LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE ENVIRONMENTAL ENGINEERING (UK) LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE MSS CLEAN TECHNOLOGY LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
TRIOS COMPLIANCE LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
TRIOS GROUP LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE FACILITIES LIMITED (EX TRIOS PROPERTY LIMITED)	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
TRIOS SECURE LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
TRIOS SKILZ LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
TRIOS FACILITIES LIMITED	33 Gracechurch Street 2nd Floor – EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE DZE SUB-GROUP						
SPIE DEUTSCHLAND & ZENTRALEUROPA GMBH	Balcke-Durr-Allee 7 40882 RATINGEN – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE PERSONALMANAGEMENT GMBH (Ex Lück Personalmanagement Gmbh)	Leihgesterner Weg 37 D-35392 Giessen – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE LÜCK GMBH (Ex Lück Gebäudetechnik Gmbh)	Blumenstrasse 28 D-35423 Lich – GERMANY	EUR	F.C.	100.00	F.C.	100.00
LS PLAN GMBH	An den Weiden 7 D-57078 Siegen – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE BUCHMANN GMBH (Ex Elektro Buchmann Gmbh)	Niederlosheimer Strasse 85 D-66679 Losheim am See – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE LÜCK BERATUNG GMBH (Ex Lück Beratung Gmbh)	Leihgesterner Weg 37 D-35392 Giessen – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE PULTE VERWALTUNGS GMBH (Ex Pulte Elektrotechnik Verwaltungs Gmbh)	Obere Illbach 2-4 D-56412 Heiligenroth – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE PULTE GMBH & CO. KG (Ex Pulte Elektrotechnik Gmbh & Co. Kg)	Obere Illbach 2-4 D-56412 Heiligenroth – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE NUHN GMBH (Ex Nuhn Gebäudetechnik Gmbh)	Speyerer Schlag 8 D-67547 Worms – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE LÜCK HOLDING GMBH (Ex Lück Verwaltungs Gmbh)	Leihgesterner Weg 37 D-35392 Giessen – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE VERTEILNETZE GMBH	Pittlerstraße 44 63225 Langen (Essen) – Germany	EUR	F.C.	100.00	F.C.	100.00

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Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
SPIE INFOGRAPH GISMOBIL GMBH	Am Stutzenwald 25 66877 Ramstein-Miesenbach – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE SAG GMBH	Pittlerstraße 44 63225 Langen (Essen) – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE IMMOBILIEN GmbH (Ex Sag Immobilien Gmbh)	Pittlerstraße 44 63225 Langen (Essen) – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE EPH GMBH	Großmoorbogen 21 21079 Hamburg – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE VERSORGUNGSTECHNIK GMBH	Pittlerstraße 44 63225 Langen (Essen) – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE SAG GROUP GMBH	Pittlerstraße 44 63225 Langen (Essen) – Germany	EUR	F.C.	100.00	F.C.	100.00
BOHLEN & DOYEN GMBH	Hauptstraße 248 26639 Wiesmoor – Germany	EUR	F.C.	100.00	F.C.	100.00
BOHLEN & DOYEN SERVICE UND ANLAGENTECHNIK GMBH	Hauptstraße 248 26639 Wiesmoor – Germany	EUR	F.C.	100.00	Disposal	-
BOHLEN & DOYEN BAU GMBH	Hauptstraße 248 26639 Wiesmoor – Germany	EUR	-	-	Disposal	
SEG LIPRO ENERGIETECHNIK GMBH	Bayrische Straße 12 06679 Zorbau – Germany	EUR	F.C.	100.00	F.C.	100.00
ELEKTROVOD, A.S., BRÜNN/ TSCHECHIEN	Trat'ová 574/1 619 00 Brno – Czech Republic	CZK	F.C.	100.00	F.C.	100.00
SPIE ELBUD GDAŃSK SA, DANZIG/POLEN	ul. Marynarke Polskej 87 80-557 Gdansk-Poland	PLN	F.C.	100.00	F.C.	100.00
SPIE HUNGARIA KFT., BUDAPEST/UNGARN	Mezökövesd út 5-7 01116 Budapest-Hungary	HUF	F.C.	100.00	F.C.	100.00
SPIE ELEKTROVOD, A.S., BRATISLAVA/SLOVAKEI	Prievozská 4C 821 09 Bratislava-Slovakia	EUR	F.C.	100.00	F.C.	100.00
SPIE ELBUD KRAKOW SP. Z.O.O., KRAKOW/POLAND	ul. Płk. St. Dąbka 8 30-732 Krakòw-Poland	PLN	F.C.	100.00	F.C.	100.00
FLM SPIE GMBH	Leisach 138 9909 Leisach – Austria	EUR	-	-	F.C.	100.00
DATA PROTECTION GMBH	Lyoner Strasse 9 60528 Franckfurt am Main	EUR	-	-	F.C.	100.00
SPIE CEA GMBH & CO. KG	Lastenstrasse 19 1230 Wien	EUR	-	-	F.C.	100.00
SPIE CMA GMBH	Mulhenstrasse 3 4470 Enns	EUR	-	-	F.C.	100.00
SPIE VERWALTUNGS GMBH	Mulhenstrasse 3 4470 Enns	EUR	-	-	F.C.	100.00
SPIE IMMOBILIEN VERWALTUNGSGESELLSCHAFT MBH	Balcke-Duerr-Allee 7 40882 Ratingen – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE SAG IMMOBILIEN GMBH & CO. KG	Balcke-Duerr-Allee 7 40882 Ratingen – Germany	EUR	F.C.	100.00	F.C.	100.00
TELBA RHEIN-RHUR GMBH	Essener str. 2-24 46047 Oberhausen Germany	EUR	-	-	F.C.	100.00
TELBA AG	In der Steel 23 40599 Dusseldorf Germany	EUR	-	-	F.C.	100.00
TELBA MUNSTERLAND GMBH	In der Steel 23 40599 Dusseldorf Germany	EUR	-	-	F.C.	100.00
TELBA GMBH	Alte Straße 5 4626 Löbichau Deutschland	EUR	-	-	F.C.	100.00

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
LEWRON GMBH	Teltowkanalstrasse 2 12247 Berlin Germany	EUR	-	-	F.C.	100.00
LEWRON IT-VERKABELUNG GMBH	Gewerbeparkstrasse 13a 03099 Kolkwitz Germany	EUR	-	-	F.C.	51.00
OSMO GMBH	Bielefelder Straße 10, 49124 Georgsmarienhütte	EUR	-	-	F.C.	100.00
OSMO VERWALTUNG	Bielefelder Straße 10, 49124 Georgsmarienhütte – Germany	EUR	-	-	F.C.	100.00
SPIE GASTECHNISCHER SERVICE GMBH	Hauptstraße 248 26639 Wiesmoor – Germany	EUR	F.C.	100.00	F.C.	100.00
BODO SHARED SERVICES GMBH	Hauptstraße 248 26639 Wiesmoor – Germany	EUR	F.C.	100.00	F.C.	100.00
SPIE AGIS FIRE & SECURITY KFT., BUDAPEST/UNGARN	Montevideo u. 3a 1037 Budapest – HUNGARY	HUF	F.C.	100.00	F.C.	100.00
SPIE BUILDING SOLUTIONS SP. Z.O.O, WARSAW/POLAND (Ex Agis fire & security sp. z.o.o.)	Ul. Palisadowa 20/22 01-940 Warsaw – POLAND	PLN	F.C.	100.00	F.C.	100.00
SPIE GFT GMBH (Ex Gft – Gesellschaft Fur Elektro)	Am Lichtbogen 40 45141 ESSEN – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE COMNET GMBH (Ex SPIE ICS GmbH)	Alfredstrasse 236 45133 ESSEN – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE GMBH	Balcke-Durr-Allee 7 40882 RATINGEN – GERMANY	EUR	F.C.	100.00	F.C.	100.00
ADVAGO SA, ATHEN/ GRIECHENLAND	4 Zalogou Str & Mesogeion Ave AGIA PARASKEVI – GREECE	EUR	F.C.	51.00	F.C.	51.00
CAR.E FACILITY MANAGEMENT KFT., GYÖR, UNGARN	VACI UT 76 1133 BUDAPEST – HUNGARY	HUF	F.C.	100.00	F.C.	100.00
FMGO! GMBH	Gedonstrasse 8 80802 MUNICH – GERMANY	EUR	F.C.	74.90	F.C.	74.90
HOST GMBH HOSPITAL SERVICE + TECHNIK	Theodor – Stern – Kai 7 60596 FRANCFORT SUR LE MAIN – GERMANY	EUR	E.M.	25.10	E.M.	25.10
SPIE ENERGY SOLUTIONS GMBH	Alfredstrasse 236 45133 ESSEN – GERMANY	EUR	F.C.	100.00	F.C.	100.00
SPIE ENERGY SOLUTIONS HARBURG GMBH	Fuhlsbüttler Strasse 399 22309 HAMBOURG – GERMANY	EUR	F.C.	65.00	F.C.	65.00
SPIE FLEISCHHAUER GMBH	Oldenburger Allee 36 30659 HANNOVER – GERMANY	EUR	F.C.	100.00	F.C.	100.00
AM ALLIED MAINTENANCE GMBH	König-Georg-Stieg 8-10 21107 HAMBURG – GERMANY	EUR	E.M.	25.00	E.M.	25.00
SPIE HARTMANN GMBH	König-Georg-Stieg 8-10 21107 HAMBURG – GERMANY	EUR	F.C.	100.00	Merger	-
SPIE ICS AG SUB-GROUP						
SPIE SCHWEIZ AG	Industriestrasse 50a 8304 Wallisellen – SWITZERLAND	CHF	F.C.	100.00	F.C.	100.00
SPIE ICS AG (EX CONNECTIS)	Sonnenplatz 6 6020 EMMENBRÜCKE – SWITZERLAND	CHF	F.C.	100.00	F.C.	100.00

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Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
ELECTROTECH	Chemin des Léchères 3 1217 MEYRIN – SWITZERLAND	CHF	F.C.	100.00	Merger	-
HAMARD SA	Chemin des Léchères 3 1217 MEYRIN – SWITZERLAND	CHF	F.C.	100.00	Merger	-
SPIE MTS SA (EX SPIE SWITZERLAND SA)	Chemin des Léchères 3 1217 MEYRIN – SWITZERLAND	CHF	F.C.	100.00	F.C.	100.00
FANAC & ROBAS	107, Rue de Lyon 1203 GENEVE – SWITZERLAND	CHF	F.C.	100.00	Merger	-
VISTA CONCEPT SA	En reutet B 1868 COLLOMBEY MURAZ – SWITZERLAND	CHF	F.C.	100.00	F.C.	100.00
SPIE MTS SMART BUILDING SA	Avenue des Alpes 29 MONTREUX – SWITZERLAND	CHF	F.C.	100.00	Merger	-
SPIE OIL GAS & SERVICES SUB-GROUP						
SPIE OIL & GAS SERVICES	10, Av de l'entreprise 95863 CERGY PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
SPIE OIL & GAS SERVICES SENEGAL	29, Avenue Pasteur Dakar, Sénégal	XOF	F.C.	100.00	F.C.	100.00
SPIE TURBOMACHINERY (EX GEMCO INTERNATIONAL)	5, Avenue des frères Wright ZI du Pont Long – 64140 LONS	EUR	F.C.	100.00	F.C.	100.00
FORAID	10, Av de l'entreprise 95863 CERGY PONTOISE CEDEX	EUR	F.C.	100.00	Disposal	-
SPIE OGS DOHA LLC	Doha State of Qatar with PO Box 14670 – QATAR	QAR	F.C.	100.00	F.C.	100.00
ALMAZ SPIE OGS	P.O. Box 18123 SANA' A REPUBLIC OF YEMEN	USD	F.C.	80.00	F.C.	80.00
FORAID ALGERIE EURL	Route Nationale n° 49 OUARGLA – ALGERIA	DZD	F.C.	100.00	Disposal	-
SPIE OGS CONGO	Section H – Parcelle 47 bis ZI de la Pointe noire POINTE NOIRE – CONGO	CFA	F.C.	100.00	F.C.	100.00
SPIE OGS GABON	B.P. 579 PORT GENTIL – GABON	CFA	F.C.	99.00	F.C.	99.00
IPEDEX GABON	B.P. 1564 PORT GENTIL – GABON	EUR	F.C.	90.00	Liquidation	-
IPEDEX INDONESIA	Veteran Building 9th Floor unit no. 05-06 Plaza Semanggi 10220 JAKARTA – INDONESIA	USD	F.C.	90.00	F.C.	90.00
SPIE OGS (MALAYSIA) SDN BHD	Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1 47301 PETALING JAYA, SELANGOR DARUL EHSAN – MALAYSIA	MYR	F.C.	49.00	F.C.	49.00
SPIE OGS KISH LLC (IRAN)	P.O. Box 79415 – 1316 KISH ISLAND I.R. – IRAN	USD	F.C.	100.00	F.C.	100.00
SPIE OGS MIDDLE EAST LLC (ABU DHABI)	P.O. Box 4899 ABU DHABI – UNITED ARAB EMIRATES	AED	F.C.	100.00	F.C.	100.00
SPIE OGS ASP SDN BHD (MALAYSIA)	Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1 47301 PETALING JAYA, SELANGOR DARUL EHSAN – MALAYSIA	MYR	F.C.	100.00	F.C.	100.00
SPIE OGS THAILAND LTD	1010, Shinawatra tower III 18th Floor, Unit 1801 Viphavadi Rangsit Road, Chatuchak 10900 BANGKOK – THAILAND	THB	F.C.	100.00	F.C.	100.00
SONAID	Rua Amilcar Cabral n°211 Edificio IRCA – 9° et 10° Andar LUANDA ANGOLA	USD	E.M.	55.00	E.M.	55.00

Company	Address	Currency of consolidation	Conso method 2018*	% Interest 12/31/2018	Conso method 2019*	% Interest 12/31/2019
SPIE NIGERIA LTD	55 Trans Amadi Industrial Layout PORT HARCOURT – NIGERIA	NGN	F.C.	100.00	F.C.	100.00
ENERFOR	10, Av de l'entreprise 95863 CERGY PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
YCOMAZ	10, Av de l'entreprise 95863 CERGY PONTOISE CEDEX	EUR	F.C.	100.00	F.C.	100.00
GTMH NIGERIA	Plot 107 trans Amadi indus. Layout PORT – HARCOURT – NIGERIA	NGN	F.C.	100.00	F.C.	100.00
ASB PROJECTS & RESOURCES PTE	160 Robinson Road #17-01, SBF Center, Singapore 068914	USD	F.C.	100.00	F.C.	100.00
SPIE OIL AND GAS SERVICES GHANA LIMITED	P.O. Box LG 1204 Legon, Accra C374/26 Gilford Tetteh Ave. East Legon, Accra	GHS	F.C.	80.00	F.C.	80.00
SPIE OIL & GAS SERVICES SAUDI	Al Mafleh Building, 2nd Floor Labor City, King Abdulaziz Road – Cross 7, Building 7263 – Unit 1 PO Box 4695 – 34442 AL Khobar SAUDI ARABIA	SAR	F.C.	100.00	F.C.	100.00
SPIE LYBIA	Building n°470 – Souk Algabib Street ELSAIHYA GUERGUERCH TRIPOLI Libya	LYD	F.C.	65.00	F.C.	65.00
SPIE OIL AND GAS SERVICES TCHAD SARL	Quartiers Chagoua, Av Mobutu, Immeuble SAWA N'Djaména – TCHAD	XAF	-	-	F.C.	100.00
SPIE OGS BELGIUM	Rue des deux gares 150 1070 BRUSSELS – Belgium	EUR	F.C.	100.00	F.C.	100.00
SPIE TECNICOS DE ANGOLA LIMITADA	Avenida Commante Kima Kyenda n°309 no bairro da Boa Vista LUANDA – ANGOLA	USD	F.C.	75.00	F.C.	75.00
SPIE OGS VIETNAM LTD	5th Floor, 97-101 Nguyen Cong Tru Nguyen Thai Binh Ward, District 1 HO CHI MINH CITY – VIETNAM	VND	F.C.	100.00	F.C.	100.00
SPIE OGS JBL LIMITED	P.O. Box 74980 Emaar Square Building Level 7 Unit 702 702 Downtown DUBAI – UNITED ARAB EMIRATES	AED	F.C.	100.00	F.C.	100.00
SPIE PLEXAL (THAILAND) LTD	Rasa Tower 1, Units 1401-1404, 14th Floor, 555 Paholyothin Road, Chatuchak District – Bangkok – THAILAND	THB	F.C.	100.00	F.C.	100.00
SPIE OIL AND GAS SERVICES PTY LTD	18th Floor, 140 St George's Terrace PERTH WA 6000 – AUSTRALIA	AUD	F.C.	100.00	F.C.	100.00
SERVICES PETROLEUM & INDUSTRIAL EMPLOYEMENT (SPIEM)	PO BOX 15 ABU DHABI – UNITED ARAB EMIRATES	AED	F.C.	100.00	F.C.	100.00
SPIE OGS LIMITED (UK)	2nd Floor 33 Gracechurch Street EC3V OBT LONDON – United Kingdom	GBP	F.C.	100.00	F.C.	100.00
SPIE SERVICES NIGERIA LIMITED	55 Trans Amadi Industrial Layout Port harcourt – Nigeria	NGN	F.C.	100.00	F.C.	100.00

* *Consolidation methods: F.C.: Full Consolidation, E.M.: Equity Method*

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4.4.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of SPIE SA,

OPINION

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of SPIE SA for the year ended December 31, 2019. These consolidated financial statements were approved by the Board of Directors on March 10, 2020, on the basis of the elements available at that date, in the evolving context of the health crises related to Covid-19.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

EMPHASIS OF MATTER

We draw attention to the following matter described in notes 2.2 "Accounting policies" and 19.2 "Other provisions" of the consolidated financial statements appendix which respectively set out the effects of the application from the 1st January 2019 of IFRS 16 "Leases" and IFRIC 23 interpretation "Uncertainty over income tax treatments". Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statement as whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of result on long-term services contracts

Risk identified

The Group generates significant revenue on long-term service contracts.

As indicated in Note 3.4 to the consolidated financial statements, result from these contracts is recognized using the percentage of completion method in compliance with IFRS 15 standard, which consists, for a given contract, in estimating the profit or loss on completion and recognizing it in line with the progress made in terms of costs.

The profit or loss recognized therefore depends on the estimated data on completion of each contract. The data is reviewed periodically by management to take into account the best estimate of the future benefits and obligations expected for the contracts.

Where the projections show that the contract will result in a loss, a provision for loss on completion is recognized.

Given the materiality of these estimates and the degree of judgment required by management to determine profit or loss on completion, we consider the recognition of result relating to long term services contracts to be a key audit matter.

Our response

As a first step, we assessed and tested the internal control systems we consider essential to the recognition of these contracts, with a focus on those concerning budget control and expenditures.

We also analyzed a selection of contracts based on quantitative criteria (revenue and profit or loss on completion) and carried out the following procedures:

- Interviews with operational and finance managers, with a view to understanding the judgments they made when determining the profit or loss on completion;
- Reconciling the estimated profit on completion with contractual documentation (including order forms, contracts and amendments);
- Analyzing the documentation relating to the follow up and management of projects compiled by the project managers and management controllers with a view to evaluating expenses on completion;
- Reconciling the accounting data with the management data used to calculate the revenue and the result accounted for;
- Testing, on a sample basis, the costs incurred;
- Comparing actual with past performance as a means of assessing the reliability of estimates;
- Assessing the accuracy of the calculations of rate of completion, revenue and margin recorded in the financial statements.

For the more sensitive estimates, particularly in terms of disputes, we obtained additional information (claim files, expert reports, legal decisions, etc.) and assessed them against the outcome of similar situations in the past.

Impairment of Goodwill

Risk identified

As of December 31, 2019, the value of the Group's goodwill amounts to €3,211.9 million, against a total balance sheet of €8,294.7 million.

Goodwill is tested for impairment using the methods and assumptions described in Notes 3.10 and 14.2 to the consolidated financial statements. Accordingly, an impairment loss may be recognized when the recoverable amount of the goodwill is below the carrying amount, which is the highest of the fair value after deducting acquisition costs and the value in use.

Given the materiality of goodwill in the Group's financial statements and the fact that determining the recoverable value, usually on the basis of discounted future cash flows, requires the use of assumptions, estimates and assessments, as described in Notes 3.10 and 14.2 to the consolidated financial statements, we deemed the impairment of goodwill to be a key audit matter.

Our response

We assessed the methods used by the Group for carrying out impairment tests, with a particular focus on those Cash Generating Units for which the carrying amount of goodwill is the most sensitive to changes in the assumptions used.

We assessed the consistency of the main estimates used, in particular the projected cash flows, long-term growth rates and discount rates applied. We also analyzed the consistency of forecasts with past performance and the market outlook, and conducted sensitivity analyses on the impairment tests. In addition, where the recoverable value is determined in reference to similar recent transactions, we corroborated the analysis provided with available market data. All of this analysis was carried out with the involvement of our evaluation experts.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information in the management report of the Board of Directors, as approved on 08 avril 2020. Regarding the events that occurred, and the elements known after the date of approval of the management report of the Board of Directors relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to a general meeting Directors called to decide on these financial statements.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's information given in the management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein: this information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as statutory auditors of SPIE SA by the annual general meeting held on November 15, 2011 for PricewaterhouseCoopers Audit and by the articles of incorporation of May 27, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2019, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 9th year of total uninterrupted engagement, which are the 5th year since securities of the Company were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

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

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly sur Seine and Paris-La Défense, April 14, 2020

The Statutory Auditors

French original signed by

Pricewaterhousecoopers Audit

Yan Ricaud

ERNST & YOUNG et Autres

Henri-Pierre Navas

4.5 PARENT COMPANY FINANCIAL STATEMENTS

4.5.1 ANNUAL PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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BALANCE SHEET ASSETS

	31 Dec., 2018	31 Dec., 2019		
Balance sheet – assets	Net	Gross	Amortisation and depreciation	Net
Uncalled share capital (I)				
Start-up costs				
Development costs				
Concessions, patents and similar rights				
Goodwill	148,164,574	148,164,574		148,164,574
Other intangible fixed assets				
Advances on intangible fixed assets				
Total intangible fixed assets	**148,164,574**	**148,164,574**		**148,164,574**
Land				
Buildings				
Plant and machinery				
Other property, plant and equipment				
Fixed assets in progress				
Advances and deposits				
Total property, plant and equipment				
Equity interests accounted for under the equity method				
Other equity interests	1,440,669,595	1,440,669,595		1,440,669,595
Receivables attached to equity interest	1,198,993,268	1,198,515,011		1,198,515,011
Other capitalised securities				
Loans				
Other financial fixed assets				
Total financial assets	**2,639,662,863**	**2,639,184,607**		**2,639,184,607**
Total Fixed Assets (II)	**2,787,827,437**	**2,787,349,180**		**2,787,349,180**
Raw materials, consumables				
Production of goods in progress				
Production of services in progress				
Interim and finished products				
Goods				
Total Inventories				
Advances and deposits paid on orders				
Trade and related receivables	10,975,885	20,522		20,522
Other receivables	510,937,911	551,168,778		551,168,778
Unpaid called-up share capital				
Total Receivables	**521,913,796**	**551,189,300**		**551,189,300**
Investment securities	7,020	7,020		7,020
(of which treasury shares)				
Cash assets	26,964	27,421		27,421
Total Cash assets	**33,984**	**34,441**		**34,441**
Prepaid expenses	2,288,847	1,390,312		1,390,312
Total Current assets (III)	**524,236,627**	**552,614,054**		**552,614,054**
Loan issue costs to be spread (IV)				
Bond redemption premiums (V)				
Translation adjustments – assets (V)				
GRAND TOTAL (I TO VI)	**3,312,064,064**	**3,339,963,234**		**3,339,963,234**

BALANCE SHEET LIABILITIES

Balance sheet – liabilities	31 Dec., 2018	31 Dec., 2019
Share or individual capital (of which paid: 73,107,536)	73,107,536	74,118,118
Issue, merger and contribution premiums, etc.	1,190,120,440	1,211,971,279
Revaluation surplus (of which equity method difference:)		
Legal reserve	7,310,754	7,411,812
Statutory or contractual reserves		
Regulated reserves (of which reserve for prov. price fluctuation:)		
Other reserves (of which reserve for purchase of original artists' works:)		
Total reserves	**7,310,754**	**7,411,812**
Carry-forwards	5,354,169	9,231,133
INCOME FOR THE FINANCIAL YEAR (PROFIT OR LOSS)	**94,147,234**	**101,827,863**
Investment subsidies		
Regulated provisions	39,030,858	39,030,858
TOTAL EQUITY (I)	1,409,070,989	1,443,591,062
Income from issue of non-voting shares		
Conditional advances		
TOTAL OTHER EQUITY (II)		
Provisions for liabilities		
Provisions for charges	7,366,334	7,870,958
TOTAL PROVISIONS FOR CONTINGENCIES AND EXPENSES (III)	**7,366,334**	**7,870,958**
	1,468,188,684	
Convertible bond loans		
Other bond loans	600,000,000	1,200,000,000
Loans and debts with financial institutions	1,214,589,041	623,207,791
Miscellaneous financial loans and debts (of which equity loans:)		
Total financial liabilities	**1,814,589,041**	**1,823,207,791**
Advances and deposits received on orders in progress		
Supplier debts and related debts	945,944	649,592
Tax and Social Security debts	3,507,680	3,120,487
Debts on fixed assets and related debts		
Other debts	76,584,075	61,523,344
Total Operating debts	**81,037,699**	**65,293,423**
Prepaid income		
TOTAL DEBTS (IV)	**1,895,626,741**	**1,888,501,214**
Translation adjustments – liabilities (V)		
GENERAL TOTAL – LIABILITIES (I TO V)	**3,312,064,064**	**3,339,963,234**

INCOME STATEMENT

		31 Dec., 2019		
Income Statement	**31 Dec., 2018**	**France**	**Export**	**Total**
Sales of goods				
Production sold goods				
Production sold services	14,194,822	3,233,339		3,233,339
Net revenue	**14,194,822**	**3,233,339**		**3,233,339**
Production in inventory				
Capitalised production				
Operating subsidies				
Reversals on amortisations and provisions, transfers of expenses	161,671			28,575
Other income	87,823			23
Total operating income (I)	**14,444,316**			**3,261,937**
Purchases of goods (including customs duties)				
Inventory change (goods)				
Purchases of raw materials and other consumables (including customs duties)				
Inventory change (raw materials and consumables)				
Other purchases and external expenses	18,894,810			7,916,061
Taxes, duties and similar payments	483,937			441,659
Salaries and wages	4,218,011			5,112,065
Social Security expenses	2,092,956			2,345,063
Operating allocations				
• on fixed assets				
Amortisation and depreciation				
Provisions				
• On current assets: provisions				
• For contingencies and expenses: provisions	311,326			368,167
Other expenses	405,608			436,768
Total operating expenses (II)	**26,406,648**			**16,619,782**
OPERATING INCOME	**-11,962,332**			**-13,357,845**
Profit attributed or loss transferred (III)				
Loss borne or profit transferred (IV)				
Financial income from equity interests	89,564,346			94,313,970
Income from other securities and capitalised asset receivables	23,806,741			29,840,152
Other interest and similar income				
Reversals on provisions and transfers of expenses				
Exchange rate gains				
Net income from disposals of investment securities				
Total financial income (V)	**113,371,087**			**124,154,122**
Financial allocations to amortisation, depreciation and provisions	127,208			136,457
Interest and similar expenses	37,713,441			43,711,952
Exchange rate losses				
Net expenses on disposals of investment securities				
Total financial expenses (VI)	**37,840,649**			**43,848,409**
FINANCIAL INCOME (V – VI)	**75,530,437**			**80,305,713**
PRE-TAX CURRENT INCOME (I-II+III-IV+V-VI)	**63,568,105**			**66,947,868**

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INCOME STATEMENT (CONTINUED)

Income statement (continued)	31 Dec., 2018	31 Dec., 2019
Exceptional income on management transactions	43,967	
Exceptional income on capital transactions		23,804
Reversals on provisions and transfers of expenses		
Total exceptional income (VII)	**43,967**	**23,804**
Exceptional expenses on management transactions	13,446	1,048
Exceptional expenses on capital transactions		588
Exceptional allocations to amortisation, depreciation and provisions		
Total exceptional expenses (VIII)	**13,446**	**1,636**
EXCEPTIONAL INCOME (VII - VIII)	**30,521**	**22,169**
Employee profit-sharing (IX)		
Income taxes (X)	-30,548,608	-34,857,826
TOTAL INCOME (I + III + V + VII)	**127,859,370**	**127,439,863**
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	**33,712,136**	**25,612,001**
PROFIT OR LOSS (TOTAL INCOME – TOTAL EXPENSES)	**94,147,234**	**101,827,863**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Company: SPIE SA

The balance sheet total for the financial year ended December 31, 2019 was €3,339,963,234.04. The Company generated income of €101,827,862.54 for the financial year.

The financial year has a duration of 12 months, covering the period from January 1, 2019 to December 31, 2019.

1 Significant events

1.1 Performance shares

The Shareholders' General Meeting of SPIE on May 25, 2016, in its 20th extraordinary resolution, authorised, under certain conditions, the grant of existing or future shares, in favour of corporate officers or employees of the Company or of companies related to the Company in the conditions set forth under Article L. 225-197-2 of the French Commercial Code.

Two performance share plans have been issued since 2016.

The list of beneficiaries of these plans, as well as the number of Performance Shares granted to each of them, was approved by the Board of Directors, on the proposal of the Compensation Committee, on July 28, 2016 for the first 2016-2018 Plan and on March 11, 2019 for the second 2019-2021 Plan.

The 2016-2018 performance share plan was terminated on July 29, 2019.

The current 2019-2021 performance share plan, in force, was initiated on May 31, 2019.

The valuation and accounting principles applicable are defined in accordance with IFRS 2 "Share-based payments". Performance shares represent employee benefits granted to their beneficiaries and, as such, constitute additional compensation paid by SPIE.

As they are operations that do not give rise to monetary transactions, the benefits thus granted are recognised over the vesting period with a corresponding increase in equity. They are valued by an external actuary on the basis of the fair value of the performance shares, at the grant date.

The 2016-2018 performance share plan was terminated 29 July, 2019 through the creation of 309,914 new ordinary shares.

The SPIE SA capital increase amounted to €145,659.58 and broke down as follows:

- 309,914 performance shares created x €0.47 (par value of one share) = €145,659.58;
- the number of shares comprising SPIE SA's share capital as at 29 July 2019 therefore amounted to 155,857,863 shares (compared with 155,547,949 shares previously).

1.2 Bond issue of €600,000 million and refinancing of financial debt on June 18, 2019

On June 18, 2019, SPIE SA issued a bond for an amount of €600 million. The bonds, with a 7-year maturity and a 2.625% annual interest rate, were admitted for trading on Euronext Paris regulated market.

On the same date, the Group repaid half of its "Facility A" financing line, for an amount of €600 million, initially due on June 7, 2023.

This bond issuance has enabled SPIE SA to extend the average maturity of its financial debt and reduce its variable rate portion.

1.3 "Share for You 2019" employee shareholding plan – December 12, 2019 share capital increase

On July 25, 2019, the Board of Directors made use of the delegation granted to it by the Combined Shareholders' General Meeting of May 24, 2019 and decided in principle to increase the share capital of SPIE SA as part of an employee shareholding plan entitled "Share For You 2019".

This subscription is reserved for eligible employees, former employees and corporate officers of the Company and its French and foreign subsidiaries, held directly or indirectly, who are members of a company savings plan of the SPIE group, up to a maximum number of 3,191,489 shares of the Company, and has delegated to the Chairman and Chief Executive Officer the necessary powers to carry out this transaction.

Acting within said delegation of authority, the Chairman and Chief Executive Officer determined the final terms and conditions of the offering in a decision dated October 7, 2019 and determined in particular the dates of the subscription period, which was open from October 10, to November 6, 2019 (inclusive), and the subscription price of one SPIE share at €12.75 after a 30% discount for the Group's employees over a reference price per share of €18.21.

In a decision dated December 12, 2019, the Chairman and Chief Executive Officer noted the final completion of this capital increase through the issuance of a total of 1,840,261 new ordinary shares at a unit price of €12.75, for an increase in the total nominal amount of the share capital of SPIE SA by €864,922.67 and the recognition of an issue premium in the parent company financial statements of €21,995,919.01 net of the amounts deducted under the amount necessary to increase the statutory reserve in the amount of €101,058.23 and the costs of the capital increase.

Rolled out in 12 countries, subscriptions have reached the amount of €33.5 million (before discount). Over 6,000 employees subscribed to shares through "SHARE FOR YOU 2019".

On December 11, 2019, SPIE's commitment to employee share ownership was recognised with a "Grand Prix Euronext-FAS IAS Index" award at the 15th FAS Grand Prix ceremony in Paris. On that occasion, the jury stressed SPIE's ability to develop its employee shareholding on a long-term basis and to give it an international dimension. Since October 2017, SPIE has been included in the FAS IAS index, which includes all companies in the CAC All-Tradable index that meet both of the following conditions: 3% or more of the share capital is held by employees, and 15% of employees worldwide are Shareholders; 25% of French employees are Shareholders.

1.4 Loan to the Financière SPIE entity

A loan of €716,960,066 was granted to Financière SPIE on June 7, 2018.

Following the issue of the bond on June 18, 2019 and the early repayment of half of the term loan on the same date, the funding used by SPIE SA to maintain the loan to Financière SPIE has changed.

An amendment changed the terms of the loan effective June 18, 2019, and now includes the following two facilities:

- A variable-rate facility, equal to the interest rate applicable to the term loan (senior "Facility A") for a principal amount of €358,480,033.24.
- a fixed-rate facility, of 2.625% *per annum*, with a principal amount of €358,480,033.24.

2 Accounting rules and methods

The annual financial statement for the 2019 financial year are presented in compliance with the general rules applicable in the matter and in accordance with the prescription of the General Chart of Accounts and the Professional Chart of Accounts for Building and Public Works Industries, and with respect for the principles of prudence and continuity, in compliance with the following basic assumptions:

- continuity of operation;
- permanence of methods;
- independence of financial years.

The basic method used to evaluate the elements recorded in the financial statements is the historic costs method.

2.1 Breakdown of revenue

SPIE SA has provided services which are re-invoiced to SPIE Operations in compliance with a service provision agreement signed on July 1, 2015.

2.2 Affiliated companies

The amounts that are indicated in the different tables concerning the affiliated companies relate to operations undertaken with SPIE Operations and its subsidiaries and Financière SPIE.

2.3 Intangible fixed assets

The intangible fixed assets mainly include goodwill and merger deficits.

In particular, the intangible fixed assets integrate a technical merger deficit which results from the merger in 2015 of Clayax Acquisition 3 and Clayax Acquisition 4.

In accordance with the new accounting rules of the General Chart of Accounts applicable since January 1, 2016, the technical loss is allocated in full to the goodwill (account 207).

The goodwill is not amortised. It is the subject of a systematic impairment test at the end of the reporting period, as soon as there is an indication of an impairment loss, which leads to recording of an impairment when its current value is less than its net carrying amount.

The technical merger or combination deficit resulting from merger transactions or universal transfers of assets are recorded on the assets and are not amortised. They are the subject of an impairment test, as soon as there is an indication of an impairment loss.

2.4 Property, plant and equipment

Nil.

2.5 Capitalised securities

Securities are presented on the balance sheet at their purchase cost.

Equity securities are the subject of a systematic impairment test at the end of the reporting period which leads to recording of an impairment when the current value of the securities owned falls below its net carrying amount.

Purchase cost of equity securities:

Owing to the change in tax legislation introduced by the 2007 Finance Act, relating to the treatment of purchase costs of equity securities, the Emergency Committee of the CNC gave the possibility to companies having opted in 2005 for their immediate deductibility to modify the accounting treatment option selected in 2005, only for equity securities as defined in Article 39-1-5 of the French General Tax Code.

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Consequently the purchase costs incurred by the Company during the financial years having ended since December 31, 2006 and linked to the acquisition of equity securities during these same financial years, are now integrated into the cost price of the securities and are tax deductible by means of amortisation over a period of five years, in compliance with the terms defined by the French General Tax Code Art. 209-VII.

2.6 Inventories and work in progress

Nil.

2.7 Receivables and debts

Receivables and debts were recorded at their nominal value.

Where necessary, receivables and debts denominated in foreign currency were revalued and recorded at the exchange rate on December 12, 2019 with a view to accelerating the reporting process. The exchange rate differences between December 12, 2019 and December 31, 2019 do not have a significant impact on the valuations of the receivables and debts denominated in foreign currency.

Bad debts, where applicable, give rise to the recognition of provisions for impairment, determined, on a customer-by-customer basis, according to the assessment of the risk of non-recovery. Receivables overdue by more than 6 months are also the subject of a provision.

The Group cash current accounts are governed by cash agreements between the parent company and its subsidiaries for a duration of one year, renewable tacitly unless terminated by one of the parties.

The compensation rates are calculated in accordance with the following criteria:

- at the EONIA rate reduced by 1/16th per cent *per annum* for interest relating to the surplus cash invested;
- at the EONIA rate increased by 1/4 per cent for interest relating to the cash requirements financed.

2.8 Treasury shares

After the IPO on June 10, 2015, the company SPIE SA holds 390 treasury shares corresponding to the balance of the unassigned fractional shares consecutive to:

- the stock split of the ordinary shares' nominal value reduced from 1 euro (€1) to 0.47 euro;
- the merger between SPIE SA, as the absorbing company, and each of the four Management companies, as absorbed companies.

The carrying amount of the 390 treasury shares amounts to €7,020.00. It is registered in the account "502000 – Treasury shares" as of December 31, 2019.

2.9 Cash assets & bank facilities in foreign currencies

Where applicable, cash assets and bank facilities denominated in foreign currency are discounted and recorded at the closing price of the financial year.

2.10 Subsequent monitoring of the value of assets

Pursuant to CRC Regulation 2002-10, a check for indication of impairment loss is undertaken on all assets. Where applicable, the recoverable value of these assets is assessed and a provision for impairment is recorded if the carrying amount is greater than the recoverable value.

2.11 Provisions for contingencies and expenses

A provision is constituted when the Company has a legal, regulatory or contractual obligation resulting from prior events, when it is probable that an outflow of resources will be necessary to extinguish the obligation, and when the amount of the obligation can be reliably valued.

The provisions constituted result from disputes over business, commercial or labour tribunal litigation, or other risks.

Generally, each of the known disputes is the subject of examination on the date of drawing up the financial statement, and, after any opinions of external advisors, the provisions deemed necessary are constituted to cover the estimated liabilities.

The provisions for risks also include the estimated losses on completion on business outstanding which is provisioned for the part not yet executed.

2.12 Personnel commitments

2.12.1 PENSION LIABILITIES AND SIMILAR BENEFITS

The Company applies the ANC 2013-02 recommendation of November 7, 2013 on the rules of accounting and valuation of pension liabilities and similar benefits.

The liabilities of the Company resulting from defined benefit plans, and their cost, are valued by an independent actuary in accordance with the projected credit units method. This method consists of valuing the liabilities according to the projected final salary, and the determined benefits in accordance with the provisions of the collective agreement, Company agreements or legal rights in force.

These plans are either partially financed, with their assets being then managed separately and independently from those of the Company, or unfinanced. The unfinanced part is the subject of a provision for pensions on the balance sheet.

For the defined post-employment benefits, actuarial differences representing more than 10% of the amount of the liabilities or the market value of the investments are amortised over the residual average duration of presence of the employees within the Company. Actuarial differences representing less than 10% are not recorded. The cost of past services is amortised, in accordance with a linear method, over the average duration remaining until the corresponding rights are acquired to the personnel.

The pension provision is calculated to the benefit of active personnel, Management and employees, technicians, supervisors (ETAM). Labourers' lump sum payments on retirement are covered by an inter-company defined contribution plans (Caisse BTP/CNPRO plans). Not having information making it possible to allocate the share of the obligations and assets, this plan is recorded as a defined contribution plan.

The annual expenses recorded over the financial year for the defined benefits plans represents the rights acquired over the period by each employee corresponding to the cost of services delivered, the financial cost linked to the discounting of liabilities, the income expected from investments, the amortisation of actuarial differences, and the costs of past services resulting from any plan changes, plus the consequences of any reductions and liquidations of plans.

With regard to the valuation of the pension liabilities, the assumptions used by the Company on the terms of departure of its employees (voluntary retirement, retirement age at full rate) correspond to the full rate in accordance with the Fillon law from a default career start age and taking account of the 2013 reform (progressive increase of one quarter every three years of the duration of contribution required to benefit from a full rate pension; this duration will be raised to 43 annual payments from the 1973 generation). These terms also take account of the progressive increase of the legal minimum retirement age from 60 to 62 years (2010 reform), and the Decree of July 2012 which extended the early retirement system for long careers to insured parties giving evidence of starting work before the age of 20.

2.12.2 OTHER LONG-TERM BENEFITS

For the other long term benefits, the liabilities are valued in the same way by an independent actuary, particularly the liabilities relating to length of service awards. The actuarial differences generated and the cost of past services are immediately recorded in income or expenses for the financial year of their recording.

2.12.3 INDIVIDUAL EMPLOYEE TRAINING RIGHTS (DIF) AND PERSONAL TRAINING ACCOUNT (CPF)

Law 2004-391 of May 4, 2004 on professional training throughout life and social dialogue, modifying Articles L. 933-1 to L. 933-6 of the French Labour Code, gives employees benefiting from a private indefinite-term employment contract an individual right to training of a duration of a minimum of 20 hours per year, which could be accumulated over a period of six years (limited to 120 hours).

From January 1, 2015, the Personal Training Account (CPF) replaced the DIF and enables every employee, throughout their career, to benefit from an individual employee training right whereby the aggregate will rise, for its maximum, from 120 to 150 hours of training over 9 years (20 hours per year for the first 6 years, then 10 hours per year for the next 3 years).

Employees' DIF rights are kept and continue to exist alongside the CPF: the DIF rights can be used until exhausted, and by 2020 at the latest.

The monitoring of the aggregate volume of training hours corresponding to the rights acquired under the DIF and the CPF, and monitoring of the volume of hours of training not having given rise to a request, are now decentralised and can be viewed through an internet portal only accessible to holders of a CPF account.

2.13 Income statement

The exceptional income and expenses are constituted from the significant elements which, owing to their type, their unusual nature and their non-recurrence, cannot be considered as inherent to the operational activity of the Company.

2.14 Events after the reporting period

Nil.

ADDITIONAL INFORMATION RELATING TO THE BALANCE SHEET

1. FIXED ASSETS

Box A FIXED ASSETS	Gross value at the start of the financial year	Increases	
		Revaluation	Acq. and contributions
Start-up and development costs Total (I)			
Other intangible fixed asset items Total (II)	148,164,573.78		
Land			
Buildings			
On own land			
On others' land			
Gen. inst, fixtures and fittings of buildings Plant, equipment and industrial tools			
Plant and machinery			
Other property, plant and equipment			
General installations, miscellaneous fixtures and fittings			
Transport equipment			
Office equipment and computer furniture			
Recoverable packaging and miscellaneous			
Property, plant and equipment in progress			
Advances and deposits			
TOTAL (III)			
Equity-accounted equity interests			
Other equity interests	2,639,662,862.90		249,840,151.79
Other capitalised securities			
Loans and other financial assets			
TOTAL (IV)	**2,639,662,862.90**		**249,840,151.79**
GENERAL TOTAL (I + II + III + IV)	**2,787,827,436.68**		**249,840,151.79**

Box B FIXED ASSETS	Reductions Transfer	 Disposal	Gross value at the end of the financial year	Revaluation Original value
Start-up and development costs (I)				
Other intangible fixed asset items (II)			148,164,573.78	
Land				
Buildings				
On own land				
On others' land				
General installations, fixtures and fittings of buildings Plant, equipment and industrial tools				
Plant and machinery				
Other property, plant and equipment				
General installations, miscellaneous fixtures and fittings				
Transport equipment				
Office equipment and computer furniture				
Recoverable packaging and miscellaneous				
Property, plant and equipment in progress				
Advances and deposits				
TOTAL (III)				
Equity-accounted equity interests				
Other equity interests		250,318,408.07	2,639,184,606.62	
Other capitalised securities				
Loans and other financial assets				
TOTAL (IV)		**250,318,408.07**	**2,639,184,606.62**	
GENERAL TOTAL (I + II + III + IV)		**250,318,408.07**	**2,787,349,180.40**	

Comments on the main acquisitions, disposals and contributions

Intangible assets

a) the main acquisitions comprise: Nil;

b) the main disposals comprise: Nil;

c) the contributions comprise: Nil.

Property, plant and equipment

a) the main acquisitions comprise: Nil;

b) the main disposals comprise: Nil;

c) the contributions comprise: Nil.

Financial assets

a) the principal acquisitions comprise:

- drawing of €220,000,000 on the Revolving Credit Facility by SPIE Operations;
- interests on loans:
  - €390,166 for SAG France,
  - €14,578,540 for SPIE Deutschland und Zentraleuropa,
  - €13,603,570 for Financière SPIE,
  - €1,267,875 for SPIE Operations;

b) the main disposals comprise:

- Repayment of the €220,000,000 drawing by SPIE Operations, the Revolving Credit Facility is unused as of December 31, 2019;
- Repayment of accrued interests:
  - €390,166 by SAG France,
  - €20,206,213 by SPIE Deutschland & Zentraleuropa,
  - €8,454,154 by Financière SPIE,
  - €1,267,875 by SPIE Operations;

c) the contributions comprise: Nil.

2. AMORTISATION

Nil

3. INVENTORIES AND WORK IN PROGRESS

Nil

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4. PROVISIONS

Nature of the provisions	Start of the financial year	Allocations	Reversals	End of the financial year
Provisions mining and oil deposits				
Provisions investments				
Provisions for price rise				
Exceptional amortisation	39,030,858			39,030,858
• Of which exceptional increases of 30%				
Provisions foreign establishment before 1/1/1992				
Provisions foreign establishment after 1/1/1992				
Provisions for establishment loans				
Other regulated provisions				
TOTAL (I)	**39,030,858**			**39,030,858**
Provisions for dispute				
Provisions for guarantee				
Provisions for losses on forward markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions	7,366,334	504,624		7,870,958
Provisions for taxes				
Provisions for renewal of fixed assets				
Provisions for major maintenance				
Provisions for soc. sec. and tax charges on paid leave				
Other provisions for contingencies and expenses				
TOTAL (II)	**7,366,334**	**504,624**		**7,870,958**
Provisions on intangible fixed assets				
Provisions on property, plant and equipment				
Provisions on equity-accounted securities				
Provisions on equity securities				
Provisions on other financial assets				
Provisions on inventories				
Provisions on customer accounts				
Other provisions for impairment				
TOTAL (III)				
GRAND TOTAL (I + II + III)	**46,397,192**	**504,624**		**46,901,816**
Of which operating allocations and reversals		368,167		
Of which financial allocations and reversals		136,457		
Of which exceptional allocations and reversals				
impairment of equity-accounted securities				

Comments on the principal significant provisions by category

- Regulated provisions

They concern amortisation allowances on acquisition costs of Financière SPIE's shares for an amount of €39,030,858 amortised in full since August 31, 2016.

- Provisions for contingencies and expenses

The allocation of provisions for lump sum payment on retirement include the valuation of services for an amount of €368,167 and the financial part linked to the costs of discounting the provision for an amount of €136,457.

5. RECEIVABLES AND DEBTS

Box A Statement of receivables	Gross amount	Up to one year	Over one year
Receivables attached to equity interest	1,198,515,011	9,117,965	1,189,397,047
Loans			
Other financial fixed assets			
TOTAL RECEIVABLES LINKED TO THE CAPITALISED ASSETS	**1,198,515,011**	**9,117,965**	**1,189,397,047**
Bad or litigious customers			
Other trade receivables			
Receivables representative of securities lent	20,522	20,522	
Prov. for prior imp. constituted.			
Employees and related accounts	1,903	1,903	
Social Security and other social services	12,572	12,572	
State and other public entities			
Income taxes	3,176,618	3,176,618	
VAT	131,668	131,668	
Other taxes			
State – miscellaneous	177,480	177,480	
Groups and associates	547,659,801	547,659,801	
Miscellaneous debtors	8,735	8,735	
TOTAL RECEIVABLES LINKED TO CURRENT ASSETS	**551,189,299**	**551,189,299**	
Prepaid expenses	1,390,312	1,390,312	
TOTAL RECEIVABLES	**1,751,094,623**	**561,697,576**	**1,189,397,047**
Loans granted during the financial year			
Repayments obtained during the financial year			
Loans and advances granted to associates			

Box B

Statement of debts	Gross amount	Up to one year	One to five years	Over five years
Convertible bond loans				
Other bond loans	1,200,000,000		600,000,000	600,000,000
Borrowings from credit institutions originally under 1 year				
Borrowings from credit institutions originally over 1 year	623,207,791	23,207,791	600,000,000	
Miscellaneous financial loans and debts				
Trade accounts payable and related payables	649,592	649,592		
Employees and related accounts	2,479,698	2,479,698		
Social Security and other social services	369,371	369,371		
State and other public entities				
Income taxes				
VAT				
Guaranteed bonds				
Other taxes	271,418	271,418		
Debts on fixed assets and related debts				
Groups and associates	61,315,524	61,315,524		
Other debts	207,818	207,818		
Debt representative of securities borrowed				
Prepaid income				
TOTAL DEBTS	**1,888,501,213**	**88,501,213**	**1,200,000,000**	**600,000,000**
Loans taken out during the year	600,000,000	Borrowing from private individuals		
Loans repaid out during the year	600,000,000			

Receivables on equity interests are firstly linked to loans made to subsidiaries and accrued interest attached to said loans.

Loans are linked to a bond issue in March 2017 for €600 million, the Senior Credit Facility of €600 million, the Revolving Credit Facility of €600 million not used at December 31, 2018 and the June 2019 bond for €600 million.

The fraction of debts represented by provisions on invoices not received amounts, as at December 31, 2019, to €505,160. It is mainly composed of Statutory Auditors' fees and miscellaneous fees.

The main transactions with affiliated companies represent:

- €1,440,669,595 on the equity securities of Financière SPIE;
- €1,198,515,011 on loans to subsidiaries and the corresponding interests;
- €20,522 for a SPIE LIMITED invoice;
- €65,640 for a SPIE Operations invoice that has not been received;
- €547,659,802 on other receivables, which mainly concern cash advances and tax consolidation current accounts;
- €61,315,524 for other debts, which concern the tax consolidation current accounts.

6. AFFILIATED COMPANIES: ELEMENTS PERTAINING TO SEVERAL BALANCE SHEET ITEMS

	Amount concerning companies		12/31/2019
	affiliated	**through an equity interest**	**Debts/receivables repres. by commercial papers**
Advances and deposits paid on fixed assets			
Intangible			
Tangible			
Financial assets			
Equity interests	1,440,669,595		
Receivables attached to equity interest	1,198,515,011		
Loans			
Other capitalised securities			
Other financial fixed assets			
	2,639,184,606		
Receivables			
Suppliers: advances and deposits paid			
Trade receivables and related accounts	20,522		
Other receivables			
Unpaid called-up share capital			
	20,522		
Cash assets			
Financial current accounts	547,659,802		
	547,659,802		
Miscellaneous financial liabilities			
Debts concerning equity interests			
Miscellaneous financial loans and debts			
Financial current accounts			
Clients: advances and deposits received			
Supplier debts	65,640		
Debts on fixed assets			
Other debts	61,315,524		
	61,381,164		

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7. EQUITY INCREASE/DECREASE

Equity	Start of reporting period	Increase	Reduction	Distrib. dividends	Appropriation of earnings N-1	Contributions and mergers	End of reporting period
Share or individual capital	73,107,536	1,010,582					74,118,118
Issue, merger and contribution premiums, etc.	1,190,120,440	21,850,840					1,211,971,280
Revaluation surplus							
Legal reserve	7,310,754	101,058					7,411,812
Statutory or contractual reserves							
Regulated reserves							
Other reserves							
Carry-forwards	5,354,169			90,270,270	94,147,234		9,231,133
Income for the financial year	94,147,234	101,827,863			94,147,234		101,827,863
Investment subsidies							
Regulated provisions	39,030,858						39,030,858
TOTAL EQUITY	**1,409,070,989**	**124,790,343**		**90,270,270**			**1,443,591,062**

SHARE CAPITAL

- The 2016-2018 performance share plan was terminated on July 29, 2019 through the creation of 309,914 new ordinary shares.

  The SPIE SA capital increase, by deduction from the share premium, amounted to €145,659.58 and breaks down as follows:
  - 309,914 performance shares created x €0.47 (par value of one share) = €145,659.58,
  - the number of shares comprising SPIE SA's share capital as at July 29, 2019 therefore amounted to 155,857,863 shares (compared with 155,547,949 shares previously);
- In the context of the Group's Savings Plan, an employee offering to subscribe to SPIE SA's share capital was launched from October 10 to November 6, 2019.

The subscription price offered to employees was set at €12.75 after a 30% discount on a reference price of €18.71.

Capital increase through an issue of a total of 1,840,261 new ordinary shares at a unit price of €12.75, an increase in the total nominal amount of the SPIE SA share capital of €864,922.67 and the recognition of a premium issue of €21,850,840 net of the amounts taken out as an additional legal reserve amounting to €101,058.23 and the costs of the capital increase for an amount of €501,435.21.

As at December 31, 2019, the share capital of SPIE SA amounted to €74,118,118.28 divided into 157,698,124 ordinary shares, all of the same category, of a par value of €0.47.

DIVIDENDS

The FY 2018 dividend, which amounted to €90,217,584.22 and €0.58 per share, was the object of a payment of an interim dividend in September 2018 of €26,443,085.03. The Group paid the balance in May 2019 for an amount of €63,774,499.19.

Moreover, an interim dividend for 2019 of €26,495,770.41 was paid in September 2019.

Based on the FY 2019 results, the Board of Directors will propose to the Shareholders' General Meeting to pay a €0.61 dividend in 2020. Taking into account the interim dividend of €0.17 per share paid in September 2019, this decision would lead to the payment of a balance of €0.44 per share in June 2020.

8. NUMBER AND PAR VALUE OF THE COMPONENTS OF THE SHARE CAPITAL

	Number at start of the financial year	Created during the financial year	Redeemed during the financial year	Par value	Number as of 12/31/2019
Ordinary shares	155,547,949	2,150,175		0.47	157,698,124
Amortised shares					
Priority dividend shares (without voting right)					
Preferred shares					
Company shares					
Investment certificates					
TOTAL	**155,547,949**	**2,150,175**			**157,698,124**

9. INFORMATION RELATING TO MERGER AND SIMILAR OPERATIONS

No merger operation occurred during the financial year.

10. EXPENSES PAYABLE

Expenses payable	Amount
Convertible bond loans	
Other bond loans	
Loans and debts with financial institutions	23,207,791
Miscellaneous financial loans and debts	
Advances and deposits received on orders in progress	
Supplier debts and related debts	570,801
Tax and Social Security debts	2,704,822
Debts on fixed assets and related debts	
Other debts	
TOTAL	**26,483,414**

11. INCOME RECEIVABLE

	Amount
Receivables attached to equity interest	9,117,965
Other financial fixed assets	
Trade receivables and related accounts	
Employees and related accounts	
Social Security and other social services	
State and other public entities	177,480
Other receivables	
Cash assets	
TOTAL	**9,295,445**

12. PREPAID INCOME & EXPENSES

The nature and amounts of the prepaid income are as follows:

- prepaid income linked to the “advancement” method: Nil;
- other prepaid income: Nil.

The nature and amounts of the prepaid expenses are as follows:

- prepaid expenses linked to the “advancement” method: Nil;
- other prepaid expenses amounting to €1,390,312.28 mainly linked to the financing of the CICE and CIR.

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ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT

1. BREAKDOWN OF REVENUE

Breakdown of revenue	12/31/2018	Change	12/31/2019
DISTRIBUTION BY ACTIVITY SECTOR			
Sales of goods		%	
Production sold goods		%	
Production sold services	14,194,822	-77%	3,233,339
DISTRIBUTION BY GEOGRAPHICAL MARKET			
Net revenue-France	14,194,822	-77%	3,233,339
Net revenue-Export		%	
NET REVENUE	**14,194,822**	**-77%**	**3,233,339**

This mainly concerns the re-invoicing in 2019 of the services of executive managers.

2. FINANCIAL INCOME

Financial income amounted to €80,305,712.98 as at December 31, 2019.

Financial revenues amounted to €124,154,121.83 and mainly comprise:

- dividends: €94,313,970.03 received from Financière SPIE;
- revenues from non-current receivables: €29,840,151.80 (interests from loans to subsidiaries).

Financial expenses amounted to €43,848,408.85 and mainly comprise:

- interest on bank debts: €42,786,625.02;
- interest on CIR and CICE receivables: 925,277.83;
- financial allocation linked to the costs of discounting the provisions for lump-sum payments on retirement: €136,457

3. EXCEPTIONAL INCOME

Exceptional income amounted to €22,168.90 at December 31, 2019:

- tax Audit penalties: €1,048.00;
- value of LTIP 2016 shares sold: €587.50;
- sales of shares following the LTIP 2016 settlement: €23,804.40

4. TRANSFERS OF EXPENSES

Transfers of expenses	Operating
Transfers of operating expenses	28,575
Transfers of financial expenses	
Transfers of exceptional expenses	
TOTAL	**28,575**

Relate to illness-related payments

5. WORKFORCE

	Average salaried workforce	
	2019	2018
Workforce		
Managers	10	10
Clerical, technical and supervisory staff (ETAM)		
Labourers		
TOTAL	**10**	**10**

6. COMPENSATION OF EXECUTIVE AND CORPORATE OFFICERS

Pursuant to Article 24–18 of Decree 83-1020 of November 29, 1983, no information will be communicated as this would make it possible to identify the situation of a given member of the management bodies.

7. INCOME TAXES

	Current income	Exceptional income	Profit-sharing	Tax credits	Holdbacks
Pre-tax income	66,947,868	22,168,90			
Taxes:					
• at a rate of ... %	-34,857,826				
• on long-term capital gains					
INCOME AFTER TAX	**101,805,694**	**22,169**			

Method used

The tax corrections were reclassified according to their nature in current income, exceptional income and equity interest.

Tax consolidation

The Company has been placed under the tax consolidation scope of the SPIE SA group since January 1, 2012.

At the time of the exit from the tax group of a subsidiary which signed the consolidation agreement, and whatever may cause such exit, the subsidiary will thereafter be placed under the ordinary tax system.

As a result of its integration, it will lose certain tax prerogatives, such as the option to carry forward its deficits and long-term losses generated during the consolidation in accordance with Articles 209 1-3 and 220 quinquies of the French General Tax Code.

As such, the parties to the consolidation agreement reserve the right to negotiate, at the time of the subsidiary's exit, the principle and amount of the exiting subsidiary's compensation.

In view off the tax group's profit in 2019, SPIE SA recognised a corporate tax expense of €22,791,111 and tax consolidation income of €58,471,389.

In the absence of tax consolidation, the Company would also not have paid any corporate tax owing to its tax deficit in 2019.

FINANCIAL LIABILITIES AND OTHER INFORMATION

1. COMMITMENTS GIVEN

- bank bonds: Nil;
- endorsements, bonds and guarantees: Nil;
- deposit linked to securitisation: Nil;
- personal training account: on January 1, 2015, the hours linked to the Individual Employee Training rights (DIF) were transferred to the Personal Training Account (CPF) and are no longer monitored by the Company.

2. COMMITMENTS RECEIVED

- securitised claims: Nil;
- supplier deposits: Nil;
- discounted effects not due: Nil;
- balancing subsidies: Nil;
- Director shares: Nil.

3. MANAGEMENT OF INTEREST RATE RISK

To optimise its costs and sources of finance, the Company may take out rate guarantee contracts with its parent company.

Amount subscribed as at 12/31/2019: €0

4. DEFERRED TAXATION

Description	12/31/2018	12/31/2019
BASES FOR INCREASING THE FUTURE TAX DEBT		
Regulated provisions	39,030,858	39,030,858
Investment subsidies		
UCITS securities valuation loss		
Unrealised exchange loss		
Other expenses deducted in advance		
Long-term capital gains with deferred taxation		
Total bases for increasing the future tax debt	**39,030,858**	**39,030,858**
Total future tax liabilities	**13,439,625**	**13,439,625**
BASES FOR REDUCING THE FUTURE TAX DEBT		
Amortisation of software		
Potential losses on long-term contract		
Provisions for pensions and similar obligations	7,366,334	7,870,958
Other contingencies and expenses provisioned		
Expenses payable	4,425	4,969
UCITS securities valuation gain		
Unrealised exchange gain		
Other income taxed in advance		
Deficits carried forward for tax purposes	64,101,748	
Total bases for reducing the future tax debt	**71,472,507**	**7,875,927**
Total future tax assets	**24,607,984**	**2,711,682**
NET POSITION	**-11,168,359**	**10,727,943**
(1) Tax rate:	*34.43*	*34.43*
Of which normal corporate tax rate:	*33.33*	*33.33*
Social contribution on tax:	*3.30*	*3.30*

5. IDENTITY OF CONSOLIDATING COMPANIES

The SPIE SA company is the head company of consolidation for all companies of the SPIE group.

6. OTHER OPERATIONS NOT RECORDED ON THE BALANCE SHEET

The Company has no operation with the affiliated parties to mention.

7. LIST OF SUBSIDIARIES AND EQUITY INTERESTS

	Share capital	Reserves and carry-forwards before appropriation of earnings	Share of capital held (%)	Book values of securities held		Loans and advances granted not yet repaid	Amount of bonds and endorsements given by the Company	Revenue excluding tax from the past financial year	Income for the last financial year	Dividends received by the Company during financial year
				Gross	Net					
A. DETAILED INFORMATION [1] [2]										
Subsidiaries (+50% of share capital held by the Company)				1,440,669, 595	1,440,669,595	315,079, 816				
Financière SPIE	678,518	385,172,635	100%	1,440,669,595	1,440,669,595	716,960,066		0	87,033,371	94,313,970
Equity interests (10 to 50% of the share capital) – to be detailed										
B. OVERALL INFORMATION CONCERNING THE OTHER SUBSIDIARIES AND EQUITY INTERESTS NOT COVERED IN A.										
French subsidiaries (all)										
Foreign subsidiaries (all) [3]										
Equity interests in French companies										
Equity interests in foreign companies										
TOTAL				**1,440,669,595**	**1,440,669,595**					

(1) The book value of which exceeds a certain percentage (determined by the legislation) of the share capital of the Company legally bound to publication. When the Company has annexed a consolidated financial statement to its balance sheet, in compliance with the legislation, that Company only gives information comprehensively (Section B), by distinguishing (a) French subsidiaries (all) and (b) foreign subsidiaries (all).
(2) For each subsidiary and entity with which a company has an equity connection, indicate the name and registered office.
(3) Foreign subsidiaries and equity interests which, for exceptional reasons, are not recorded in Section A, are recorded in these categories.

8. PERSONNEL BENEFITS:

Note 1:

PENSION LIABILITIES – PROVISIONS FOR RETIREMENT BENEFITS.

VALUATION OF LIABILITIES

Total current value of the liabilities as of January 1, 2019	**18,233,326**
Transfers as of January 1	-
Normal expense for the financial year	571,323
Interest expenses	259,273
Contributions paid by employees	-
Plan amendments	-
Business acquisitions	-
Business disposals	-
Transfer of personnel	-
Liquidations/Plan reductions/Redundancies	(421,905)
Actuarial losses (and gains)	790,083
Benefits paid to beneficiaries	(567,227)
Other	-
Total current value of liabilities as of December 31	**18,864,874**
HEDGING OF LIABILITIES	
Market value of fund invested as of December 31, n-1	**8,187,928**
Transfers on January 1	-
Actual return of funds	326,236
Employer's contributions	-
Employee contributions	-
Plan amendments	-
Business acquisitions	-
Business disposals	-
Transfer of personnel	-
Plan reductions	-
Plan liquidations	-
Benefits paid to beneficiaries	(567,227)
Other	-
Market value of fund invested as of December 31, 2019	**7,946,937**
EXPENSE N	
The pension costs covered can be broken down as follows:	
Normal expense for the financial year	571,323
Interest expenses	259,273
Return expected from funds	(122,819)
Amortisation of plan amendments	-
Amortisation of actuarial losses (and gains)	218,751
Effect of reductions/liquidations/redundancies	(421,905)
Net cost over the period	**504,624**
Financial hedging	**10,917,936**
Actuarial (losses) and gains not recognised	(3,046,979)
Costs of past services not recognised	-
AMOUNT PROVISIONED – EMPLOYEE BENEFITS	**7,870,958**

The discount rate is 0.75% and the method of retirement is valued on the voluntary departure.

4.5.2 STATUTORY AUDITORS' REPORT ON THE COMPANY'S ANNUAL PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of SPIE SA,

OPINION

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying financial statements of SPIE SA for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles. These financial statements were approved by the Board of Directors, on March 10,2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity interests

Risk identified

Equity interests held by your company correspond exclusively to the shares of Financière Spie, a Group's sub-holding company, which represent more than 40% of its total assets.

Equity interests are systematically tested for impairment at the end of the reporting period; an impairment loss is recorded when the current value of the shares held falls below their carrying amount, as described in Note 2.5 to the financial statements.

Given the materiality of these interests in your company's balance sheet and the degree of judgment required from management in terms of assessing their current value, we considered the valuation of equity interests as a key audit matter.

Our response

Taking into account the information provided to us, our work consisted primarily in assessing the method and data that were used to estimate the equity interests' current value.

Accordingly, we carried out the following procedures:

- Assessing that the appropriate method was used and that it was used correctly;
- Evaluating the consistency of the assumptions used and the main estimates with those analyzed during our work on impairment of goodwill;
- Assessing that the valuation took into account the debt of the relevant entity.
- Assessing the consistency of the valuation made with the Group's stock market value.

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SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information provided in the Management Report and in the Other Documents Provided to the Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, as approved on 08 avril 2020, and in in the other documents with respect to the financial position and the financial statements provided to the Shareholders. Regarding the events that occurred and the elements known after the date of approval of the management report of the Board of Directors to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D. 441-4 of the French Commercial Code (Code de commerce).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by or granted to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies which are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as statutory auditors of SPIE SA by the annual general meeting held on November 15, 2011 for PricewaterhouseCoopers Audit and by the articles of incorporation of May 27, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2019, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 9th year of total uninterrupted engagement, which are the 5th year since securities of the Company were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

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

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly sur Seine and Paris-La Défense, April 14, 2020

The Statutory Auditors

French original signed by

Pricewaterhousecoopers Audit	**ERNST & YOUNG et Autres**
Yan Ricaud	Henri-Pierre Navas

4.6 RESULTS (AND OTHER CHARACTERISTIC COMPONENTS) FOR SPIE SA OVER THE LAST 5 YEARS

	2015	2016	2017	2018	2019
1. SHAREHOLDER EQUITY AT YEAR-END					
Share capital	72,415,793	72,415,793	72,415,793	73,107,536	74,118,118
Number of existing ordinary shares	154,076,156	154,076,156	154,076,156	155,547,949	157,698,124
Number of existing priority dividend shares (without voting right)					
Number of preferred shares (category A)	-	-	-	-	-
Number of preferred shares (Category B)	-	-	-	-	-
Maximum number of future shares to be created	-	-	-	-	-
By conversion of bonds					
By exercise of subscription rights	-	-	-	-	-
2. - OPERATIONS AND RESULTS OF THE YEAR					
Invoicing excluding taxes	4,442,361	3,356,486	1,599,009	14,194,822	3,233,339
Income before taxes, employee profit-sharing and allocations to depreciation, amortisation and provisions	160,792,089	- 16,810,165	88,077,723	64,037,160	67,474,661
Company tax (tax consolidation)	32,751,421	23,895,180	29,890,953	30,548,608	34,857,826
Employee profit-sharing due in relation to the financial year	-	-	-	-	-
Income after taxes, employee profit-sharing and allocations to					
Depreciation, amortisation and provisions	184,830,230	1,195,469	116,750,477	94,147,234	101,827,863
Distributed results	77,037,883	81,660,156	86,282,429	90,217,584	95,882,773
3. - EARNINGS PER SHARE					
Income after taxes, employee profit-sharing and allocations to amortisation, depreciation and provisions	1.26	0.05	0.77	0.61	0.65
Income after taxes, employee profit-sharing and allocations to depreciation, amortisation and provisions	1.20	0.01	0.76	0.61	0.65
Dividend per share	0.50	0.53	0.56	0.58	0.61
4. - PERSONNEL					
Average number of employees employed during the year	7.6	10.0	9.0	10.0	10.0
Amount of payroll for the year	3,812,015	4,036,444	3,707,508	4,218,011	5,112,065
Amount of social charges and employee benefits for the year	2,429,809	1,953,241	1,896,580	2,092,956	2,345,063

4.7 INFORMATION ON SUPPLIER PAYMENT PERIODS

MANAGEMENT REPORT SUPPLIER PAYMENT PERIODS

	Due				Not due				
SPIE SA FY ended 12/31/2019	**+2 months**	**1-2 months**	**0-1 months**	**Total due**	**0-1 months**	**1-2 months**	**+2 months**	**Total not due**	**Total**
Various suppliers	7,611.71			7,611.71	70,187.81			70,187.81	77,799.52
Various foreign suppliers				0.00				0.00	0.00
Intragroup suppliers				0.00				0.00	0.00
Intragroup foreign suppliers				0.00				0.00	0.00
Honorary suppliers	991.74			991.74				0.00	991.74
Honorary foreign suppliers				0.00				0.00	0.00
Interim suppliers				0.00				0.00	0.00
TOTAL SUPPLIER DEBT	**8,603.45**			**8,603.45**	**70,187.81**			**70,187.81**	**78,791.26**

The amount included in SPIE SA's statutory financial statements as of December 31, 2019 under item "suppliers debt and related accounts" of the table "status of maturity of debts as year-end" amounts to €649,592.19.

The difference with the amount in the debt table above, i.e., €570,800.93 corresponds to invoices not received as of December 31, 2019.

	Due				Not due				
SPIE SA FY ended 12/31/2018	**+2 months**	**1-2 months**	**0-1 months**	**Total due**	**0-1 months**	**1-2 months**	**+2 months**	**Total not due**	**Total**
Various suppliers			27,797.60	27,797.60	206,375.42			206,375.42	234,173.02
Various foreign suppliers				0.00				0.00	0.00
Intragroup suppliers				0.00				0.00	0.00
Intragroup foreign suppliers				0.00				0.00	0.00
Honorary suppliers			163,251.54	163,251.54				0.00	163,251.54
Honorary foreign suppliers				0.00				0.00	0.00
Interim suppliers				0.00				0.00	0.00
TOTAL SUPPLIER DEBT	**0.00**	**0.00**	**191,049.14**	**191,049.14**	**206,375.42**	**0.00**	**0.00**	**206,375.42**	**397,424.56**

The amount included in SPIE SA's statutory financial statements as of December 31, 2018 under item "suppliers debt and related accounts" of the table "status of maturity of debts as year-end" amounts to €945,944.

The difference with the amount in the debt table above, i.e., €548,519 corresponds to invoices not received as of December 31, 2018.

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CORPORATE GOVERNANCE AFR

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STATEMENT ON CORPORATE GOVERNANCE

In terms of Corporate Governance, the Company refers to and, subject to what is stated in this report, complied during the year ended December 31, 2019 (the "**2019 Applicable Period**") and complies as of the date of this report, with the recommendations relating to Corporate Governance set forth in the Corporate Governance Code for publicly traded companies published by the Afep and the Medef in December 2008, as updated in June 2018 (the "**Afep-Medef Code**").

The Afep-Medef Code is available on the websites of the Afep (www.afep.com) and of the Medef (www.medef.com).

Recommendations of the Afep-Medef Code that are not applied	Justification
Article 13.2 *Terms should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of directors.* **Article 13.3** *The report on Corporate Governance details the dates of the beginning and end of each Director's term of office, to ensure that the existing staggering is clear.*	For historical reasons related to the shareholding of the Company and the existence of a Shareholders' agreement among its main Shareholders since its IPO, the terms of office of the directors were not sufficiently staggered. However, with the reappointment of three directors in 2019 and the planned appointment of a second Director representing employees in the second half of 2020, the Company considers that it is on track in ensuring that replacements of directors run smoothly.
Article 22 *The Board of Directors defines a minimum number of registered shares that the executive corporate officers must retain through to the end of their term of office. This decision is reviewed at least on each extension of their term of office.* *The Board of Directors may base its decisions on various references, for example:* ● *the annual compensation;* ● *a defined number of shares;* ● *a percentage of the capital gain net of taxes and social contributions and of expenses related to the transaction in the case of exercised options or performance shares;* ● *a combination of these references.* *Until this objective regarding the holding of shares has been achieved, the executive corporate officers will devote a proportion of exercised options or awarded performance shares to this end as determined by the Board. This information is included in the Company's report on Corporate Governance.*	Pursuant to the Company's Articles of Association, each Director (except for the Director representing the employee Shareholders and the Director representing the employees) must hold at least 100 Company shares, in registered form. The Board of Directors did not set a higher number of shares that the Chairman and Chief Executive Officer should hold. However, as of the date of this report, the Chairman and Chief Executive Officer holds 2,434,396 Company shares, i.e. a very significant number of shares representing 1.54% of the share capital, all in registered form. The Chairman and Chief Executive Officer must also retain 25% of the performance shares which were granted to him (see Section 6.1.3 of the Universal Registration Document).

The Board of Directors will meet in 2020 to review any adjustments to the Company that may be required following the January 2020 update to the Afep-Medef Code.

5.1 MANAGEMENT BODIES

(A) CHIEF EXECUTIVE OFFICER

Mr Gauthier Louette exercises the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company. He holds the title of Chairman and Chief Executive Officer. His term as a Director was renewed at the Shareholders' General Meeting of May 25, 2018 and will end in 2022, at the end of the Annual Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2021.

The conditions of exercise of his office, in particular his compensation, as set forth by the Board of Directors, are described hereafter and in Section 5.3 "Compensation and benefits" of the Universal Registration Document.

(B) MEANS OF EXERCISING THE GENERAL MANAGEMENT AND LIMITATIONS OF POWERS

Means of exercising the General Management

The functions of Chairman of the Board of Directors and Chief Executive Officer have been combined since the transformation of the Company into a joint stock company with a Board of Directors. To the Board of Directors, such combination constituted a choice of organisation that is well adapted to the Company and the Group, particularly in the context of the Company's recent IPO, and most consistent with the role previously undertaken by the current Chairman and Chief Executive Officer within the Group, in particular his office as Chairman of the Company under its former corporate form of simplified joint stock company.

During its meeting of March 9, 2018 and following a report from the CSR and Governance Committee, the Board of Directors determined that the aggregation of the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company, as well as its unified presentation to third parties, remained in the best interests of the Company for the following reasons:

- the balance of powers and independence of the Board of Directors are sufficiently ensured through a list of issues mentioned in the Company's internal rules for which a prior agreement of the Board of Directors is required (see below). In addition, the increase in the number of independent directors and the presence of an experienced Senior Independent Director (see below) who is notably in charge of reviewing each year the performance of the Board of Directors' operation, organising sessions with non-executive directors and chairing the Board of Directors during the review of issues relating to the Chairman and Chief Executive Officer such as his compensation, contribute to the independence of the Board of Directors;
- in addition to its missions of review of financial issues, the Board of Directors reviews transactions above a certain threshold or which are significant from a strategic point of view which have been reviewed and approved by the Executive Committee. The strategic and operational objectives have thus been aligned between the Executive Committee and the Board of Directors;
- annual reviews of the Board of Directors have shown a high level of satisfaction from the members of the Board of Directors in relation to the way the Chairman and Chief Executive Officer chairs the Board meetings.

These explanations were given in the notice to Shareholders to vote on the renewal of the term of office of the Chairman and Chief Executive Officer at the Shareholders' General Meeting of May 25, 2018.

At its meeting of July 26, 2018, the Board of Directors noted that the term of office of the Chairman and Chief Executive Officer had been renewed with 90.12% of favourable votes, without significant criticism from Shareholders of the explanations provided by the Board.

When the members of the Board of Directors reviewed the functioning of the Board of Directors for 2019 (see Section 5.2.2.3), they confirmed that at this stage, the aggregation of the functions of Chairman and Chief Executive Officer of the Company remained the most efficient structure for the Company's governance and performance.

Taking this combination of functions into account, on December 8, 2015, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, appointed Sir Peter Mason as Senior Independent Director (see above), and his term as Director was renewed at the Shareholders' General Meeting of May 25, 2018.

In accordance with applicable law, the Company's Articles of Association and the internal rules of the Board of Directors, the Chairman and Chief Executive Officer chairs the meetings of the Board of Directors, organises and leads its work and meetings and ensures a smooth functioning of the Company's corporate bodies, in ensuring in particular that the directors are in a position to perform their mission.

Limitations to the powers of the General Management

The Chairman and Chief Executive Officer holds the widest powers to act in all circumstances in the name and on behalf of the Company, which he represents towards third parties.

However, in accordance with Article 4.2 of the internal rules of the Board of Directors, he must obtain the prior authorisation of the Board of Directors with respect to the following strategic decisions:

(i) approval or amendment to the *business plan* or to the budget (including investment budgets together with the related financing plan) of the Company, including the Group's consolidated annual budget;

(ii) any investment (except Section (iii) below) not approved in terms of Section (i) above, under the business plan or the budget for an amount of more than €10 million;

(iii) any external growth transaction or takeover or acquisition of stake, provided that this transaction involves an enterprise value or a transaction amount exceeding €30 million;

(iv) any launch of a significant activity not within the usual scope of the companies of the Group or any decision to stop or significantly reduce the main businesses of the Group;

(v) constitution of security interests (endorsements and guarantees) by the Company for the benefit of a third party, except guarantees granted to customs and tax authorities in the normal course of business;

(vi) any decision to participate in a project involving a company of the Group up to an amount (per project) exceeding €50 million, together with the entry into any agreement of an overall amount equal to or exceeding €50 million;

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(vii) any amendment to the Company's Articles of Association;

(viii) any proposal in relation to any financial undertaking or any operation of indebtedness that would change the leverage ratio of net debt of the Group calculated and submitted to financial markets;

(ix) any decision of issuance of any securities granting access to the Company's share capital (including stock-options plan, any company savings plan or, any incentive mechanism of the employees of the Group);

(x) any decision to amend the conditions for fixed, variable, cash or in-kind compensation of the Company's Chairman and Chief Executive Officer;

(xi) any disposal of a company belonging to the Group or any disposal of one or several of its main businesses, provided that this transaction involves an enterprise value or a transaction amount exceeding €50 million or a company or a business with an annual revenue higher than €150 million; and

(xii) any merger, spin-off, or contribution in kind involving a company of the Group and a third company provided that this transaction involves an enterprise value of the third company or a transaction amount exceeding €50 million or a third party company or enterprise with an annual revenue exceeding €150 million.

(C) EXECUTIVE COMMITTEE

The Group has set up an Executive Committee that determines and implements the Group's operational strategy and ensures the consistency of its actions. This committee meets monthly and brings together the Chief Executive Officers of the main subsidiaries and the Company's Chairman and Chief Executive Officer, the Chief Financial Officer, the Director of Human Resources, the Director of Strategy, Development and Acquisitions and the Director of Operational Support. It is composed of 12 members who reflect the European governance of the Group.

Other committee members at the date of this Universal Registration Document include: Gauthier Louette, Chairman and Chief Executive Officer of SPIE SA and Chairman of SPIE Operations; Michel Delville, the Group's Chief Financial Officer; Christophe Bernhart, Chief Executive Officer of SPIE Oil & Gas Services; Lieve Declercq, Chief Executive Officer of SPIE Nederland; Hein Dirix, Chief Executive Officer of SPIE Belgium; Olivier Domergue, Chief Executive Officer of SPIE France; Robert Goodhew, Chief Executive Officer of SPIE UK; Markus Holzke, Chief Executive Officer of SPIE DZE (formerly SPIE Holding GmbH); Pablo Ibanez, Director of Operational Support (Purchases, Real Estate, Sustainable Development, Digital and IT) for the Group; Elisabeth Rasmussen, Director of Human Resources for the Group; Pierre Savoy, Chief Executive Officer of SPIE Schweiz AG and Jérôme Vanhove, Group Director of Strategy, Development and Acquisitions

5.2 BOARD OF DIRECTORS: COMPOSITION, PREPARATION AND ORGANISATION OF WORK

5.2.1 COMPOSITION

COMPOSITION

The Company's Articles of Association provide that the Board of Directors comprises between 3 and 18 members, who shall not be older than 75 years-old (provided that the number of directors over 70 years-old shall not exceed one third of the directors in office) and appointed for a renewable 4-year term. The term of office of each Director expires immediately after the Annual Ordinary Shareholders' General Meeting deliberating on the financial statements for the preceding financial year, and held during the year during which the term expires. The exception to this are directors representing employees, who are appointed by the Shareholders' General Meeting upon proposal from the Board of Directors, itself receiving proposals from the Appointments and Compensation Committee. Their office may be terminated at any time by the Ordinary Shareholders' General Meeting.

The Articles of Association further provide that the Board of Directors may appoint one or more non-voting Directors, with a maximum of three, for renewable four-year term.

In accordance with Article L. 225-23 of the French Commercial Code, the Board of Directors comprises a Director representing the employee Shareholders, appointed by the Ordinary Shareholders' General Meeting among the members of the Supervisory Board of the employee mutual fund (*fonds commun de placement d'entreprise* – FCPE) holding shares of the Company on behalf of the employees. The Board of Directors also comprises a Director representing the employees. In accordance with Article L. 225-27-1 of the French Commercial Code, and following the entry into force of the PACTE Act (Action Plan for Business Growth and Transformation), the plan is for the European Works Council to appoint a second Director representing employees in the second half of 2020. In 2019, the Company voted to amend its Articles of Association to include which bodies are authorised to appoint employee directors.

On the date of this Universal Registration Document, the Board of Directors comprises 10 directors, including one representative of employee Shareholders, and one representative of employees. The directors of the Company come from various backgrounds and have diverse skills. Five directors have foreign nationality. Six nationalities are therefore represented within the Board.

A non-voting Director was appointed to the Board of Directors in accordance with the agreement between the Company and the Caisse de Dépôt et Placement du Québec described in Section 6.1.2.1 of the Universal Registration Document. The purpose of this appointment is to reconcile the need for access to information by the Caisse de Dépôt and Placement du Québec, the largest Shareholder of the Company, while preserving a balanced representation of directors on the Board, including a significant number of independent directors. Each year, this agreement is submitted for a vote by the Ordinary Shareholders' General Meeting as part of the resolution on related party agreements. Following the resignation of the non-voting Director on February 4, 2020, the Caisse de Dépôt et Placement du Québec informed the Company that it was not putting forward a replacement, which the Board of Directors recorded at its meeting of February 10, 2020.

In accordance with the provisions of Article 15-6 of the Company's Articles of Association and of Article 2.10 of the internal rules of the Board of Directors, each Director must hold at least 100 shares, except for the Director representing the employee Shareholders and the Director representing the employees, who are not required to hold a minimum number of shares of the Company. The Board of Directors issued a recommendation based on which directors must hold 1,500 shares in the Company in order to receive compensation set by the Board.

The tables below present the members of the Board of Directors as of the date of this Universal Registration Document, together with the terms of office of members of the Company's Board of Directors over the past five years:

GAUTHIER LOUETTE
Chairman of the Board of Directors and Chief Executive Officer

AGE: 58
SEX: M

NATIONALITY: French
YEARS ON THE BOARD: 9
PARTICIPATION RATE: 100%

FIRST APPOINTMENT: August 30, 2011

RENEWAL: ☑ May 25, 2018

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 2,434,396

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Gauthier Louette graduated from the École Polytechnique and École Nationale Supérieure de Techniques Avancées. He joined the Group in 1986 where he has spent his entire career, first as a project engineer, then as project manager, then as Director of Operations before being appointed in 1998 as Chief Executive Officer of SPIE Capag, SPIE's pipeline division. In 2000, he was appointed as Director of the Oil & Gas Branch of SPIE. In 2003, he was appointed as Chief Executive Officer of SPIE Operations, and became Chairman and CEO in 2010.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group:
- Chairman of SPIE Operations
- Chairman of SPIE France
- Chairman of SPIE Oil & Gas Services
- Chairman of the Board of Directors of SPIE UK Limited
- Chairman of the Board of Directors of SPIE Belgium
- Chairman of the Supervisory Board of SPIE GmbH
- Chairman of the Supervisory Board of SPIE SAG GmbH
- Chairman of the Supervisory Board of SPIE DZE (formerly SPIE Holding GmbH)
- Chairman of the Board of Directors of SPIE ICS AG
- Member of the Supervisory Board of SPIE Nederland BV
- Chairman of the Board of Directors of SPIE Schweiz AG

Outside of the Group: None

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group:
- Member of the Board of Directors of SPIE International
- Chairman and CEO of SPIE Operations
- Manager of SPIE Management 2
- Chairman of SPIE Nucléaire
- Chairman and member of the Board of Directors of SOFTIX AG

Outside of the Group: None

PETER MASON
Senior Independent Director

AGE: 73
SEX: M

NATIONALITY: British
YEARS ON THE BOARD: 9
PARTICIPATION RATE: 100%

FIRST APPOINTMENT: August 30, 2011

RENEWAL: ☑ May 25, 2018

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 8,700

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Peter Mason graduated from the university of Glasgow. He served as Chairman and CEO of Balfour Beatty Limited, then as CEO of AMEC, before being named Chairman of Thames Water Utilities Limited in December, 2006 up until 2017. Until October 2008, he was a member of the Board of the Olympic Delivery Authority for the 2012 Olympic Games. He was also appointed Director, and then Senior Independent Director of Subsea 7 SA from 2006 to 2017. He is Chairman of the Board of Directors of AGS Airports Limited. He was named Knight Commander of the British Order of the Empire for services rendered to international trade in 2002. Since December 8, 2015, he has been the Senior Independent Director on the Board of Directors of SPIE SA.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group:
- Chairman of AGS Airports Limited
- Chairman of the Board of Directors for WTI UK Ltd
- Chairman of the Board of Directors for Advanced Plasma Power Ltd.

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group:
- Member of the Board of Directors of SPIE Operations

Outside of the Group:
- Chairman of Kemble Water Holdings Limited
- Member of the Board of Directors of SUBSEA 7 SA (listed company)
- Member of the Board of Directors of BAE Systems plc (listed company)
- Chairman of the Board of Directors for Tectronics Holdings Ltd.

REGINE STACHELHAUS
Independent Director

AGE: 64
SEX: F

NATIONALITY: German
YEARS ON THE BOARD: 6
PARTICIPATION RATE: 100%

FIRST APPOINTMENT: July 7, 2014

RENEWAL: ☑ May 25, 2018

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 1,500

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Regine Stachelhaus is a graduate of Eberhard-Karls university of Tübingen. She began her career as a lawyer before joining Hewlett-Packard GmbH in 1984 where she served as Managing Director from 2000 to 2009. In May 2002, she was also appointed Vice-Chair of Imaging and Printing Group (Hewlett-Packard GmbH). She was subsequently appointed Director of Human Resources and member of the Board of Directors of E.ON SE. She has been a member of the Board of Directors of the British Group Computacenter Plc since July 2013, member of the Supervisory Board of Covestro AG since October 2015, and a member of the Supervisory Board of Ceconomy since February 2017.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

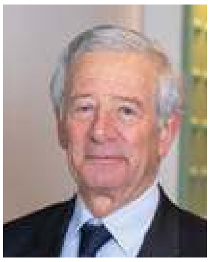
Within the Group:
- Member of the Supervisory Board of SPIE DZE (formerly SPIE Holding GmbH)

Outside of the Group:
- Member of the Supervisory Board of Ceconomy AG (listed company)
- Member of the Supervisory Board of Covestro AG Leverkusen Germany (listed company)
- Member of the Supervisory Board of Covestro Deutschland AG Leverkusen Germany
- Member of the Board of Directors of Leoni AG (publicly traded company)

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group:
- Member of the Supervisory Board of SPIE GmbH

Outside of the Group:
- Member of the Board of Directors of E.ON SE
- Member of the Supervisory Board of E.ON Global Commodities SE
- Member of the Supervisory Board of E.ON Sverige
- Chair of the Supervisory Board of E.ON IT GmbH
- Member of Board of Directors of Computacenter Hatfield UK (listed company)



MICHEL BLEITRACH
Independent Director

AGE: 74
SEX: M

NATIONALITY: French
YEARS ON THE BOARD: 9
PARTICIPATION RATE: 100%

FIRST APPOINTMENT: August 30, 2011

RENEWAL: ☑ May 25, 2018

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 1,800

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Michel Bleitrach graduated from the École Polytechnique and the École Nationale des Ponts et Chaussées and holds a bachelor's in economics and an MBA from the university of California, Berkeley. He began his career with the Bechtel engineering group, and then joined the Ministry of Equipment where he directed several major development programs. He then worked for the Elf Aquitaine group with positions in production-exploration and chemicals and industrial development before joining Lyonnaise des Eaux from 1989 to 2003, then Suez as Chairman and CEO of Elyo and of Suez Industrial Solutions. From 2005 to 2012, he served as Chairman and CEO of Keolis, and then became Chairman of the Saur group parent company in 2012. In 2006, he also joined the Board of Directors of Séchilienne-Sidec, now Albioma, in which he was appointed as Vice-Chairman of the Board in 2011.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group: None
- Member of the Supervisory Board of JC Decaux (listed company)
- Chairman of the Supervisory Board of Indigo (formerly Vincipark)

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group:
- Member of the Board of Directors of SPIE Operations

Outside of the Group:
- Vice-Chairman of Albioma (listed company)
- Chairman and Member of the Supervisory Board of SAUR
- Chairman of HIME
- Member of the Board of Directors of Vedici
- Member of the Board of Directors of Socotec

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FFP INVEST
Independent Director represented by Bertrand Finet

AGE: 54
SEX: M

NATIONALITY: French
YEARS ON THE BOARD: 2
PARTICIPATION RATE: 90%

FIRST APPOINTMENT: May 25, 2018

RENEWAL: -

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: (FFP Invest: 8,500,000; Bernard Finet: 0)

PROFESSIONAL ADDRESS
66, avenue Charles de Gaulle, 92200 Neuilly-Sur-Seine

PERSONAL INFORMATION

FFP Invest is wholly owned by FFP, a listed holding company whose main Shareholder is the Peugeot family group. It is represented by Bertrand Finet, the company's CEO.

After having graduated from the ESSEC, Bertrand Finet began his career in 1991 at the 3i group. He joined CVC Capital Partners in Paris in 1996, before being entrusted with the general management of the Paris office of Candover in 2006. He became manager and member of the Executive Committee of the Fonds Stratégique d'Investissement (FSI) in 2009, SMES equity capital executive manager with Bpifrance in 2013, and then executive manager of the Mid & Large Cap department of Bpifrance in 2015. In January 2017, he is appointed as deputy CEO of FFP.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group:
- Deputy CEO of FFP
- CEO of FFP Invest
- Permanent representative of FFP Invest on the Board of Directors of SEB SA
- Director of FFP Investment UK
- Permanent representative of FFP Invest on the Board of Directors of LDAP
- Chairman of FFP Invest Arb

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group: None

Outside of the Group:
- Executive Director of Mid & Large Cap Equity for Bpifrance Investment
- Member of the Supervisory Board of Mersen
- Permanent representative of BPI France Participations on the Board of Director of Sequana
- Permanent representative of BPI France Participation on the Board of Directors of Vallourec
- Permanent representative of BPI France Participation on the Board of Directors of Technicolor
- Permanent representative of BPI France Participation on the Board of Directors of Constellium
- Permanent representative of BPI France Participation on the Board of Directors of Verallia
- Chairman of the Supervisory Board of Consolidation et Développement Gestion
- Chairman and CEO of CDC Entreprises Capital-Investissement

ELISABETH VAN DAMME
Director appointed by the Caisse des Dépôts et Placement du Québec

AGE: 54
SEX: F

NATIONALITY: Belgian
YEARS ON THE BOARD: 0
PARTICIPATION RATE: 0%

FIRST APPOINTMENT: February 10, 2020

RENEWAL: -

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2022

NUMBER OF SHARES HELD: 0

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

With a degree in applied economics from the Facultés universitaires de Saint-Louis, Ms Elisabeth Van Damme began her career with BBKS-KPMG (1988-1992) as senior auditor, before joining Coca-Cola Services as financial controller (1992-1996).

Chief Financial Officer at Bureau Van Dijk until 2008 and partner with the financial services and consulting firm Redwood Finance until 2019, Elisabeth Van Damme is currently Senior Director at Moody's Analytics and an Independent Director of the contract catering and services company Elior, where she is also a member of the Audit Committee.

Elisabeth Van Damme has also acted as Chief Financial Officer for Air Creative Associates (2011-2013) and Villa Eugénie SA (2013-2016). Between 2017 and June 2019, she was an Independent Director on the Board of Directors Bourbon Offshore, a company specialising in offshore oil and gas marine services.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group:

Senior Director of Moody's Analytics

- Independent Director and Member of the Audit Committee of Elior Group

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group: None

Outside of the Group:

Partner of Redwood Finance

Chief Financial Officer of Villa Eugénie SA

- Independent Director and Member of the Audit Committee of Bourbon Offshore

TANJA RUECKERT
Independent Director

AGE: 50
SEX: F

NATIONALITY: German
YEARS ON THE BOARD: 2
PARTICIPATION RATE: 70%

FIRST APPOINTMENT: September 14, 2017

RENEWAL: ☑ May 25, 2018

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 1,500

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Tanja Rueckert graduated from the university of Regensburg with a PhD in Chemistry. She has spent her entire career in the digital sector working with the SAP group. Following her roles as Executive Vice President and Chief Operating Officer for Products & Innovation with SAP SE in 2015, then Executive Vice President, Digital Assets and Internet of Things (IoT) at SAP SE and Chair of IoT & Digital Supply Chain with SAP SE and since July 1, 2018, the Chair of Bosch Building Technologies, Tanja Rueckert was co-opted as Director of the Company on September 14, 2017, in replacement of Christian Rochat, who resigned. Such co-option has been adopted at the Shareholders' General Meeting called to approve the financial statements of the year ended on December 31, 2017.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group:

- Chair of the Bosch Building Technologies division
- Member of the Board of Directors of Bosch Rexroth
- Member of the University Council of the Karlsruhe university
- Member of the platform learning systems steering committee

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group: None

Outside of the Group:

- Vice-Chair of Industrial Internet Consortium
- Chair of Internet of Things & Digital Supply Chain of SAP SE
- Member of the Board of Directors of LSG
- Member of the Board of Directors of Cargo Sous Terrain
- Member of the Board of Directors of Münchner Kreis
- Chair of the Digitalization Committee of ZIA

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SOPHIE STABILE
Independent Director

AGE: 50
SEX: F

NATIONALITY: French
YEARS ON THE BOARD: 6
PARTICIPATION RATE: 60%

FIRST APPOINTMENT: July 7, 2014

RENEWAL: ☑ May 25, 2018

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 100

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Sophie Stabile is a graduate of the French Ecole Supérieure de Gestion et Finances. She began her career with Deloitte before joining Accor in 1999 to head the Group's Consolidation and Information System Department. In 2006, she was appointed Group Controller General. In May, 2010, she was appointed Chief Financial Officer. She has been a member of Accor's Executive Committee from August 2010 to December 2017. She was appointed Chief Executive Officer of HotelServices France of the AccorHotels group on October 1, 2015, up until September 2017. She is member of the Supervisory Board of Unibail-Rodamco since August 2010 and was appointed Independent Director of Ingenico group on March 27, 2018.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group:
- Member of the Supervisory Board of Unibail-Rodamco (listed company)
- Member of the Board of Directors of Ingenico group (listed company)
- Member of the Board of Directors of Sodexo (listed company)
- Member of the Board of Directors of BPI Participations

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group: None

Outside of the Group:
- Chair of the Supervisory Board of Orbis
- Member of the Board of Directors of Lucien Barrière
- Member of the Supervisory Board of Altamir (listed company)

DANIEL BOSCARI
Director representing employees

AGE: 63
SEX: M

NATIONALITY: French
YEARS ON THE BOARD: 5
PARTICIPATION RATE: 100%

FIRST APPOINTMENT: June 9, 2015

RENEWAL: ☑ May 25, 2019

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2022

NUMBER OF SHARES HELD: 30,651

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Daniel Boscari graduated from the ICG Paris. He started his career with the Group in 1981 and has held the positions of project finance manager and Director of Municipality Development within the General Management of SPIE. He is the Director representing Group employees on the Board of Directors of SPIE SA.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group: None

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group:
- Member of the Board of Directors of SPIE Operations

Outside of the Group: None

GABRIELLE VAN KLAVEREN-HESSEL
Director representing employee Shareholders

AGE: 58
SEX: F

NATIONALITY: Dutch
YEARS ON THE BOARD: 5
PARTICIPATION RATE: 100%

FIRST APPOINTMENT: April 12, 2016

RENEWAL: ☑ May 24, 2019

TERM OF OFFICE
Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2022

NUMBER OF SHARES HELD: 0

PROFESSIONAL ADDRESS
10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Gabrielle Van Klaveren-Hessel was part of the financial management team of the Dutch group Electron Holding BV from 1999 to 2001. In 2001, following the Group's takeover of this group, she became payroll Director at SPIE Netherlands and then, in 2009, head of payroll. She is the representative of SPIE Actionnariat FCPE on the Board of Directors.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

Within the Group: None

Outside of the Group: None

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group:
- Member of the Board of Directors of SPIE Operations

Outside of the Group: None

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EVOLUTION OF THE COMPOSITION DE OF THE BOARD OF DIRECTORS DURING THE YEAR ENDED DECEMBER 31, 2019

The table below presents the composition of the Board of Directors during the 2019 Applicable Period:

Name	Age	Nationality	Appointment	Date of first appointment	Term of office	Primary role within the Group
DIRECTORS						
Gauthier Louette	58	French	May 25, 2018	August 30, 2011	2022	Chairman and Chief Executive Officer
Nathalie Palladitcheff [(4)]	52	French	April 12, 2016	April 12, 2016	2019	Director
Tanja Rueckert	50	German	May 25, 2018	September 14, 2017	2022	Independent Director [(1)]
Daniel Boscari	63	French	Mai 25, 2019	June 9, 2015	2023	Director representing employees Project finance manager and Director of Municipality Development
Gabrielle van Klaveren-Hessel	58	Dutch	[May 24, 2019]	June 9, 2015	2023	Director representing the employee Shareholders Head of payroll at SPIE Nederland
Michel Bleitrach	74	French	May 25, 2018	August 30, 2011	2022	Independent Director [(1)]
Sir Peter Mason	73	British	May 25, 2018	August 30, 2011	2022	Independent Director [(1)] Senior Independent Director [(2)]
Sophie Stabile	50	French	May 25, 2018	July 7, 2014	2022	Independent Director [(1)]
Regine Stachelhaus	64	German	May 25, 2018	July 7, 2014	2022	Independent Director [(1)]
FFP Invest		French	May 25, 2018	December 14, 2017	2022	Independent Director [(1)]
NON-VOTING DIRECTOR						
Pierre Heinrichs [(5)]	39	Belgian	December 14, 2017	December 14, 2017	2021	Non-voting Director [(3)]

(1) As regards the assessment of the independence of the directors, see below.
(2) As regards the tasks of the Senior Independent Director, see above.
(3) As regards the method of appointment, tasks and prerogatives of non-voting Directors, see above.
(4) On February 10, 2020, the Board of Directors decided to co-opt Elisabeth Van Damme as a Director of the Company. She will replace Nathalie Palladitcheff. Elisabeth Van Damme will represent the Caisse de Dépôt et Placement du Québec, the Company's largest Shareholder. A resolution to ratify the co-optation will be presented at the next Shareholders' General Meeting, to be held on May 29, 2020.
(5) On February 4, 2020, Pierre Heinrichs resigned from his role as non-voting Director. Following this resignation, the Caisse de Dépôt et Placement du Québec informed the Company that it was not putting forward a replacement, which the Board of Directors recorded at its meeting of February 10, 2020.

The composition of the Board of Directors primarily reflects the commitments made between the Company and certain Shareholders (see Section 6.1.2.1 below of this Universal Registration Document).

The composition of the Board of Directors also reflects the desire to ensure a presence of independent directors in a proportion consistent with the recommendation of the Afep-Medef Code, which stipulates that at least one third of the members of the Board of Directors should be independent in companies which are controlled, as defined by Article L. 233-3 of the French Commercial Code (see below), and at least half for companies which are not controlled.

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, the Board of Directors comprises one Director representing employees. A second Director representing employees will be designated during the second half of 2020.

Pursuant to Article 225-23 of the French Commercial Code, a Director representing employee Shareholders was appointed to the Board of Directors.

INDEPENDENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

The independence criteria applied by the Board of Directors are those set forth in Section 8 of the Afep-Medef Code.

Such criteria are:

Number	Criteria
1	Not to be or not to have been during the course of the previous five years (i) an employee or executive corporate officer of the Company, (ii) an employee, executive officer or corporate officer of a company consolidated within the Company, or (iii) an employee, executive corporate officer or a Director of the Company's parent company or a company consolidated by the parent company.
2	Not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office during the last five years) is a Director.
3	Not to be a customer, supplier, commercial banker or investment banker who is (i) significant to the Company or the Group, or (ii) for whom the Company or the Group represents a significant portion of their business (nor to be related directly or indirectly to such a person).
4	Not to have a close family relationship with a corporate officer
5	Not to have been a Statutory Auditor of the Company over the last five years
6	Not to have been a Director of the Company for more than twelve years, with the loss of the status of Independent Director occurring on the date at which this period of twelve years is reached
7	Not, for a non-executive corporate officer, to receive variable compensation in cash or securities or any other form of compensation linked to the Company's or Group's performance
8	Not to hold 10% or more of the share capital or voting rights of the Company, or not to represent an entity or person holding such shareholding

At its meeting on December 6, 2019, the CSR and Governance Committee conducted an annual assessment of the independence of Mrs Tanja Rueckert, Mrs Sophie Stabile, Mrs Regine Stachelhaus, Mr Michel Bleitrach and Sir Peter Mason and FFP Invest represented by Mr Bertrand Finet with regard to all of the criteria set by the Afep-Medef Code, based on the answers they provided to the individual questionnaire sent to them.

Said questionnaire was not addressed to the other directors as they do not qualify as independent directors, since they are either managers or employees of the Company, or representatives of Shareholders holding a significant shareholding in the Company.

The conclusions of the CSR and Governance Committee were presented and approved by the Board of Directors at its meeting on December 12, 2019.

According to that analysis, the Board of Directors is of the opinion that six directors (Mrs Tanja Rueckert, Mrs Sophie Stabile, Mrs Regine Stachelhaus, Mr Michel Bleitrach, Sir Peter Mason and FFP Invest represented by Mr Bertrand Finet) are independent with regard to these criteria. The Board noted that none of the directors had a term of office of over 12 years, as the initial appointments were made in 2011.

The committee, moreover, noted that there is no service agreement between the Company or the Group and these directors.

Concerning Mrs Regine Stachelhaus, the CSR and Governance Committee and the Board of Directors noted that she had been appointed as a member of the Supervisory Board of SPIE DZE (formerly SPIE Holding GmbH) in November 2017 (after having been a member of the Supervisory Board of SPIE GmbH), but concluded that this does not affect her independence of judgement within the Company's Board of Directors considering the differences between the issues reviewed by said bodies.

In relation to the independence criterion for key business relationships, the CSR and Governance Committee and the Board of Directors concluded that the Company and the Group do not have any major business relationships with companies within which these directors hold a role or term of office.

The committee also reviewed the 2019 appointment of Mrs Regine Stachelhaus as Director of Leoni AG, and concluded that there was no risk of a conflict of interest due to the minimal nature of the business relationship between the Group and Leoni AG.

Regarding FFP Invest, the CSR and Governance Committee noted that its shareholding in the Company remained far lower than the 10% threshold mentioned by the Afep-Medef Code in its recommendation 8.7, and that it is was not a Shareholder that was in a position to control the Company, either alone or in concert with other Shareholders. FFP Invest representative, Mr Bertrand Finet, also fulfils the independence criteria set by the Afep-Medef Code.

Finally, regarding Mrs Elisabeth Van Damme, the Board of Directors determined that she did not fulfil the independence criteria provided by the Afep-Medef Code due to the significant number of shares and voting rights held by the Caisse des Dépôts et Placement du Québec (**CDPQ**), largest Shareholder of the Group, which is represented by Mrs Van Damme. When the Board of Directors co-opted Mrs Van Damme, it examined the potential conflict of interest risk with regard to Mrs Van Damme's roles for Moody's Analytics, given that Moody's is also one of the Company's rating agencies. It dismissed any risk following a communication from Moody's on its internal structure and code of conduct, stating that there was a strict separation between ratings activities and the activities of Moody's Analytics.

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8
Gauthier Louette	X	√	√	√	√	√	√	√
Michel Bleitrach	√	√	√	√	√	√	√	√
Daniel Boscari	X	√	√	√	√	√	√	√
Gabrielle van Klaveren	X	√	√	√	√	√	√	√
Peter Mason	√	√	√	√	√	√	√	√
Elisabeth Van Damme	√	√	√	√	√	√	√	X
Tanja Rueckert	√	√	√	√	√	√	√	√
Sophie Stabile	√	√	√	√	√	√	√	√
Regine Stachelhaus	√	√	√	√	√	√	√	√
FFP Invest (Bertrand Finet)	√	√	√	√	√	√	√	√

DIRECTORS' COMPETENCIES

The CSR and Governance Committee set up a competencies' matrix relating to the members of the Board of Directors which is regularly submitted to the Board of Directors for review.

The purpose of such matrix is to evaluate and ensure that the Board of Directors is equipped with the necessary competencies to accomplish its missions of control and support of the Company's strategy.

For each Director, their experience and level of expertise were evaluated using a series of criteria to assess the expertise that they contribute to the Board.

On the date of this Universal Registration Document, of 10 directors, the number of competent directors for each area is as follows:

- publicly traded companies outside SPIE: 7 directors;
- technical services outside SPIE: 5 directors;
- energy: 7 directors;
- information and communication technologies/digital: 6 directors;
- international: 10 directors;
- operations: 7 directors;
- finance: 6 directors;
- human resources: 3 directors;
- mergers/acquisitions: 8 directors.

It was concluded that the Board as a whole had the skills required to perform all of its duties.

SENIOR INDEPENDENT DIRECTOR

The internal rules provide that the appointment of a Senior Independent Director is mandatory when the functions of Chairman of the Board and Chief Executive Officer are combined and optional otherwise.

Pursuant to the internal rules, the Senior Independent Director performs the following missions:

- *functioning of the Board of Directors:* The Senior Independent Director assists the Chairman in his duties, in particular in organising and ensuring the smooth functioning of the work of the Board and its committees and in overseeing Corporate Governance and internal control. He has the right to convene a meeting of the Board of Directors. It is the main point of contact for Shareholders, in particular those not represented on the Board of Directors, regarding Corporate Governance issues. He is also responsible for providing assistance to the Board in order to ensure the smooth functioning of the Company's corporate bodies and for providing the Board of Directors with his views on the transactions on which the Board of Directors shall deliberate. In this context, he shall ensure that members of the Board of Directors are able to exercise their duties in the best possible conditions, in particular by ensuring that they receive a high level of information prior to the meetings of the Board of Directors;
- *assessment of the Board of Directors and General Management:* The Senior Independent Director meets periodically and at least once a year with the non-executive corporate officers, without executive or internal corporate officers being present, in order among other things to assess the performance of the Chairman and Chief Executive Officer. Similarly, the Senior Independent Director may, should he/she see fit, organise a meeting between independent members of the Board of Directors for consultation, coordination and to facilitate the communication of any recommendations by these members;
- *managing conflicts of interest:* The Senior Independent Director is in charge, in particular, in coordination with the CSR and Governance Committee which he may consult and meet on these matters as necessary, of regularly performing diligences for the identification and analysis of, and information on, situations which might fall within the scope of the management and prevention of conflicts of interests within the Board of Directors and among the executive corporate officers. Matters are brought before him or he brings them before himself in relation to every conflict of interest, actual or potential, of which he becomes aware concerning the executive corporate officers and the other members of the Board of Directors. He reports these matters to the Secretary of the Board of Directors and the Chairman of the CSR and Governance Committee and, if the latter deems necessary, the Board of Directors. The Senior Independent Director, as necessary, may provide recommendations to the CSR and Governance Committee and to the Board of Directors on the management of potential conflicts of interest that he has identified or of which he was informed.

Therefore, each member of the Board of Directors is required to notify the Senior Independent Director (who reports this to the Secretary of the Board of Directors and to the Chairman of the CSR and Governance Committee and then, if the latter deems this necessary, to the Board of Directors) of any conflict of interests, even potential, of which he becomes aware, and must refrain from taking part in the vote on the corresponding resolution, where applicable.

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, appointed Sir Peter Mason as Senior Independent Director on December 8, 2015, and his term as Director was renewed at the Shareholders' General Meeting of May 25, 2018.

ASSESSMENT PROCESS FOR ROUTINE AGREEMENTS ENTERED INTO UNDER NORMAL CONDITIONS

In accordance with the provisions of Article L. 225-39 (2) of the French Commercial Code, at its meeting of 11 March 2020, the Board of Directors implemented an annual assessment process for agreements on routine activities entered into under normal conditions. When the Board of Directors meetings to review the annual financial statements, it shall review the criteria used to identify routine agreements entered into under normal conditions, to ensure that they are still fit for purpose and compliant with market practices, and shall more specifically analyse whether or not the financial terms of the agreements it assesses are normal. Any agreements which do not meet the above-mentioned criteria shall be reclassified as related party agreements, and will therefore be subject to authorisation by the Board of Directors.

BALANCED REPRESENTATION OF WOMEN AND MEN

During the 2019 Applicable Period, the Board comprised 10 directors, with gender parity. Not counting the employee Director in accordance with Article 225-27 of the French Commercial Code, the proportion of women on the Board of Directors is 55%.

NON-VOTING DIRECTOR

Mr. Pierre Heinrichs, Director of Investments and Private Placements within the Caisse de Dépôt et Placement du Québec, is a non-voting Director within the Board of Directors of the Company. He resigned from his role of non-voting Director on February 4, 2020, and will not be replaced.

5.2.2 PREPARATION AND ORGANISATION OF WORK

5.2.2.1 THE BOARD OF DIRECTORS: PREPARATION AND ORGANISATION OF WORK

Internal rules

The Board of Directors adopted internal rules on the occasion of the Company's IPO and the applicable version as of the date of this report and was adopted by the Board of Directors on December 12, 2019. The internal rules specify the rules and operating procedures of the Board of Directors, in addition to applicable legislative and regulatory provisions and to the Company's Articles of Association. The respective internal rules of the three committees of the Board of Directors are also attached as annexes to the Board's internal rules.

In accordance with Article 2.2 of the Afep-Medef Code, the internal rules of the Board of Directors are available on the Company's website (www.spie.com).

Missions of the Board of Directors

The internal rules of the Board provide that the Board of Directors performs the duties and exercises the powers granted by law, the Company Articles of Association and the internal rules of the Board. The Board of Directors shall determine the strategic directions of the Company's business activities and ensure implementation thereof. In particular, implementation of certain specific strategic decisions is subject to prior authorisation by the Board of Directors (see *below*). Subject to the powers expressly granted by law to Shareholders' General Meetings and within the scope of the corporate purpose, the Board shall be vested with the power to consider any question concerning the proper operation of the Company and shall determine by its decisions the business of the Company.

The Board may conduct any such audits and investigations that it deems may be appropriate and shall be communicated with all documents it deems useful for the execution of its mission.

The Board ensures good Corporate Governance of the Company and the Group, in compliance with corporate social responsibility principles and practices of the Group and its officers and employees.

Functioning of the Board of Directors

The internal rules of the Board of Directors provide for the arrangements for the meeting of the Board of Directors. The Board shall be convened by the Chairman, the Senior Independent Director, or one of its members by any means, including verbally. Convening notices may be addressed by the Secretary of the Board of Directors. The author of the convening notices shall determine the agenda of the meeting, after consultation with the Senior Independent Director who may, if necessary after consulting with the Chairmen of the committees, request that the agenda be amended or that specific points be automatically added thereto.

The Board of Directors shall meet at least seven (7) times a year and, at any moment, as often as required by the Company's interests. The frequency and duration of the meetings shall allow in-depth review and discussion of the matters falling within the Board's scope.

The meetings of the Board of Directors shall be chaired by the Chairman; in the absence of the Chairman, they shall be chaired by the Senior Independent Director or, in the absence of the latter, by a Board member appointed by the Board of Directors.

The Board of Directors may only validly deliberate provided that at least half of its members in duties is present or represented. Members of the Board of Directors are considered to be present for purposes of forming a quorum or majority when attending meetings *via* videoconference or *via* telecommunication facilities allowing their identification and guaranteeing their effective participation, within the conditions of applicable legal and regulatory provisions. Each meeting of the Board and of the committees shall be sufficient in duration to enable useful and meaningful debate of the agenda. The decisions shall be taken at majority of its members present or represented. In case of a split-vote, the Chairman of the meeting shall have a casting vote.

The internal rules of the Board of Directors also recall the obligations of the members of the Board of Directors, as described in the Afep-Medef Code. In particular, the internal rules provide that members of the Board of Directors may benefit from, after being appointed, an additional training about the specifics of the Company and companies it controls, their business and industries and that they may from time to time hear the main managers of the Company, who may be convened to attend to Board of Directors meetings. It is provided that the Board of Directors shall be regularly informed of the financial situation, the treasury situation as well as the commitments of the Company and the Group and that the Chairman and Chief Executive Officer shall regularly provide the Board members with any information concerning the Company of which they may become aware and the provision of which they consider useful and relevant. To this effect, the Group provides the members of the Board of Directors with a report on the activity and the financial situation of the Group on a monthly basis. The Board of Directors and the committees may also hear any experts in areas under their respective competences.

Work of the Board of Directors

During the 2019 Applicable Period, the main topics for which the Board was convened related to:

- a review of the Group's strategy;
- the approval of the 2019 half-year consolidated financial statements and the review and approval of the half-year financial report and the communication related to the half-year results;
- the presentation of the operating situation of the Group, the financial situation, the treasury situation and the commitments of the Group, and in particular the review and approval of the communication related to Q3 2019 results as well as the review and approval of the updated forecasts at 2019 year-end and the approval of the 2020 budget;
- a bond issue by the Company in the amount of €600 million;
- monitoring the Group's situation in terms of safety;
- approval of the conclusion of important commercial contracts relating to the participation in projects exceeding €50 million (see *below*);
- discussions on completed or contemplated acquisitions by the Group, including approval of the conclusion of any material acquisition that involves an enterprise or transaction value of more than €30 million (see *below*);
- Corporate Governance, including the assessment of the independence of the directors, the continuity and succession plan of the members of the Executive Committee, and more particularly of the Chairman and Chief Executive Officer based on the proposals of the Appointments and Compensation Committee, and various questions relating to the organisation and information of the Board of Directors and the committees;
- internal control and risk management, including the presentation of updated risk mapping; and
- the redefinition of the missions and names of certain committees to include the topic of corporate social and environmental responsibility (CSR).

The reports of the Audit, CSR and Governance, and Appointments and Compensation Committees that were held during the 2019 Applicable Period (see below) have also been presented to the Board of Directors.

Frequency of meetings of the Board of Directors and the average participation rate of the directors in the Board of Directors meetings and committees over the 2019 Applicable Period

During the 2019 Applicable Period, the Board of Directors met 10 times.

The average participation rate in the Board of Directors by directors, in person or by proxy, during the 2019 Applicable Period was 91%.

This average rate, including the Board and the committees, is: 92.41%.

The attached table shows the attendance rate of all directors at Board of Director meetings as well as the Board's committees:

	Board of Directors (10 meetings)	Audit Committee (5 meetings)	CSR and Governance Committee (4 meetings)	Appointments and Compensation Committee (3 meetings)
Gauthier Louette	100%	-	-	-
Nathalie Palladitcheff	90%	80%	-	100%
Gabrielle van Klaveren-Hessel	100%	100%	-	-
Daniel Boscari	100%	-	-	100%
Sophie Stabile	60%	100%	-	100%
Sir Peter Mason	100%	100%	100%	-
FFP Invest represented by Bertrand Finet	90%	80%	75%	-
Regine Stachelhaus	100%	-	100%	-
Michel Bleitrach	100%	-	-	100%
Tanja Rueckert	70%	-	75%	-

5.2.2.2 COMPOSITION AND FUNCTIONING OF COMMITTEES OF THE BOARD

The Board of Directors decided to create three committees, the Audit Committee, the Appointments and Governance Committee and the Compensation Committee, in order to assist the Board with some of its missions and contribute efficiently to the preparation of certain specific matters subject to its approval. Each of the committees is subject to its internal rules (annexed to the internal rules of the Board of Directors) and presents its reports and recommendations to the Board of Directors. Minutes of the meetings of these specialised committees of the Board of Directors shall be prepared and communicated to the members of the Board of Directors. During the Board of Directors assessment carried out the year before, the directors stated that they wished to form a committee on Corporate Social and Environmental Responsibility (CSR). Following proposals by the Appointments and Governance Committee, the Board dismissed the proposal for an additional committee, deeming three committees to be sufficient. However, at its meeting of November 7, 2019, it decided to change the Appointments Committee to the Appointments and Compensation Committee, and the Appointments and Governance Committee to the CSR and Governance Committee. Missions relating to appointments and succession plans were therefore transferred to the Appointments and Compensation Committee. The CSR and Governance Committee has been assigned new CSR missions.

Following these changes, on February 10, 2020 the Board approved the appointment of Mr Bertrand Finet to the Appointments and Compensation Committee, and recorded his resignation from the CSR and Governance Committee. It also appointed Mrs Elisabeth Van Damme to the Audit Committee and to the CSR and Governance Committee.

Audit Committee

Composition

The Audit Committee comprises at least three members. On the date of this Universal Registration Document, the members of the Audit Committee were Sir Peter Mason (Chairman, Independent Director and Senior Independent Director), Mrs Elisabeth Van Damme, Mrs Sophie Stabile (Independent Director), Mrs Gabrielle van Klaveren-Hessel (Director representing the employee Shareholders) and Mr Bertrand Finet, representative of FFP Invest (Independent Director).

Mrs Elisabeth Van Damme was appointed a member of the Audit Committee by the Board of Directors on February 10, 2020.

In accordance with recommendation 14.1 of the Afep-Medef Code, the Director representing Shareholder employees is not taken into account to determine the percentage of independent directors.

The composition of the Audit Committee thus complies with the recommendations of the Afep-Medef Code with two-thirds of the members being independent.

The term of office of the members of the Audit Committee coincides with their term on the Board of Directors (see *above*). It may be renewed at the same time as their Board membership.

In response to the wish expressed by a number of Shareholders that the Audit Committee should exclusively comprise independent directors, the Company reiterated that the Afep-Medef Code recommends having a two-thirds majority of independent directors. Moreover, if only independent directors were allowed to sit on the Audit Committee, this would exclude any representation by key Shareholders on that committee. Given the high levels of investments made and risks taken by these Shareholders, they have a legitimate interest in their representatives being allowed to participate in the work of the committee. The Company deemed that barring access to the Audit Committee does not demonstrate good governance, and therefore dismissed the proposal.

Missions of the Audit Committee

The mission of the Audit Committee is to monitor questions relating to the preparation and control of the accounting and financial information, and to ensure the effectiveness of the process to monitor risks and internal operational control in order to assist the Board of Directors in the performance of its control and audit missions.

Within this framework, the primary duties of the Audit Committee are to:

- monitor the process to prepare the financial information;
- monitor the effectiveness of the internal control and risk management systems;
- monitor the legal audits of the parent company and consolidated financial statements by the Company's Statutory Auditors; and
- monitor the independence of the Statutory Auditors.

The Audit Committee reports regularly to the Board on the performance of its missions and informs the Board of Directors immediately of any difficulty encountered.

The Audit Committee meets as needed and, in any case, at least twice a year at the time of the preparation of the annual and half-year financial statements.

Work of the Audit Committee

During the 2019 Applicable Period, the Audit Committee met 5 times, to discuss the following main topics:

- review of the 2019 half-year consolidated financial statements, the half-year financial report and the communication related to the half-year results;
- review of the communication related to the 2019 first and third quarter results;
- presentation of the conclusions of the reports of the Statutory Auditors following their audit mission and their review of the internal control environment of the Group;
- review of the 2019-2020 roadmap for the Risk Control and Internal Audit Department;
- review of the 2019 internal control assessment program within the Group;
- review of the 2019-2020 internal audit program;
- review of audit missions performed in 2019;
- review of the Audit Committee internal rules;
- review of the prior authorisation granted for non-audit services performed by the Company's Statutory Auditors;
- for the purpose of its work, the Audit Committee regularly refers questions to the Group's Chief Financial Officer, the Group's Director of Risk Control and Internal Audit as well as the Statutory Auditors, and, on a case-by-case basis, other managers of the Company.

The average attendance rate of the members of the Audit Committee during the 2019 Applicable Period was 92%.

CSR and Governance Committee (formerly the Appointments and Governance Committee)

Composition

The CSR and Governance Committee comprises a minimum of three members. On the date of this Universal Registration Document, the members of the CSR and Governance Committee were: Mrs Regine Stachelhaus (Chair and Independent Director), Mrs Tanja Rueckert (Independent Director), Sir Peter Mason (Independent Director and Senior Independent Director) and Mrs Elisabeth Van Damme.

Mr Bertrand Finet resigned from the committee on February 10, 2020.

Mrs Elisabeth Van Damme was appointed a member of the committee on February 10, 2020.

The CSR and Governance Committee therefore now comprises four members, a majority of whom are independent.

The term of office of the members of the Audit Committee coincides with their term on the Board of Directors (see *above*). It may be renewed at the same time as their Board membership.

Missions of the CSR and Governance Committee

The CSR and Governance Committee is a specialised committee of the Board, with the primary mission of assisting the Board in Governance and CSR topics.

In this framework, it performs the following tasks:

- annual assessment of the independence of the members of the Board of Directors;
- reviewing directors' competencies;
- assessment process for the Board of Directors;
- review of investor policies and votes;
- review of CSR policies.

The committee meets as needed and, in any case, at least three times a year, prior to the meeting of the Board of Directors.

Work of the CSR and Governance Committee

During the 2019 Applicable Period, the CSR and Governance Committee (formerly the Appointments and Governance Committee) met 4 times, in order to discuss the following main topics:

- annual assessment of the independence of the members of the Board of Directors;
- review of the results of the assessment on the functioning of the Board of Directors;
- review of the Board of Directors skills matrix and of the Board of Directors report;
- review of observations made by investors and proxy advisors on the Company's governance;
- review of the continuity and succession plan of the members of the Executive Committee and, in particular, of the Chairman and Chief Executive Officer to be reported to the Board of Directors; the committee proceeded with its annual review of the plan on December 6, 2019 with the support of the Chairman and Chief Executive Officer. For each position within the Executive Committee, the plan provides for a short term solution for a maximum period of 1 year named "continuity plan" and a medium/long term solution for periods of over 1 year named "succession plan". The continuity plan systematically provides internal recruitment solutions, whereas the succession plan provides for both internal and external recruitment solutions. Time needed for an internal succession, as well as the difficulty level for an external recruitment were assessed and reviewed and presented to the Board of Directors who approved the plan at its meeting of December 12, 2019;
- discussions on committee missions to include a greater proportion of CSR topics.

The average attendance rate of the members of the Audit Committee during the 2019 Applicable Period was 87.5%.

Appointments and Compensation Committee (formerly the Compensation Committee)

Composition

The Appointments and Compensation Committee is composed of four members, three of whom are independent members of the Board. On the date of this Universal Registration Document, the members of committee were: Mr Michel Bleitrach (Chairman and Independent Director), Ms Sophie Stabile (Independent Director), Mr Daniel Boscari (Director representing employees) and Mr Bertrand Finet, representative of FFP Invest, (Independent Director).

In a decision dated February 10, 2020, the Board of Directors of the Company decided to appoint Mr Bertrand Finet as a member of the Appointments and Compensation Committee.

The composition of the Appointments and Compensation Committee thus complies with the recommendations of the Afep-Medef Code with a majority of the members being independent.

The term of office of the members of the Appointments and Compensation Committee coincides with their term on the Board of Directors (*see above*). It may be renewed at the same time as their Board membership.

Missions of the Appointments and Compensation Committee

The Appointments and Compensation Committee is a specialised committee of the Board of Directors, the principal task of which is to assist the Board in the determination and regular assessment of all compensation and benefits for executive corporate officers or managers of the Group, including all deferred benefits and/or severance payments for voluntary or forced departure from the Group.

In this framework, it performs the following tasks:

- reviews and recommends to the Board of Directors all elements and conditions of the compensation for the main executive officers of the Group;
- reviews and makes recommendations to the Board regarding the method of allocation of directors' compensation;
- appointment recommendations for members of the Board of Directors, the General Management, and committees of the Board of Directors.

The Appointments and Compensation Committee meets as needed and, in any case, at least three times a year, prior to the meeting of the Board of Directors.

Work of the Appointments and Compensation Committee

During the 2019 Applicable Period, the Appointments and Compensation Committee (formerly the Remunerations Committee) met three times, to discuss the following main topics:

- determination of the 2019 annual fixed and variable compensation of the Chairman and Chief Executive Officer;
- proposal to the Board of Directors regarding objectives and performance KPIs for the variable part of the Chairman and Chief Executive Officer's compensation for 2020 including a few adjustments;
- review of the observations made by investors and proxies on the information provided by the Company on compensation and bonus share plans, and improve them where possible;
- set the principles for the allocation of the directors' compensation for FY 2019;
- review the employee shareholding plan; and
- review the performance share plan.

The average participation rate of the members of the Appointments and Compensation Committee during the 2019 Applicable Period was 100%.

5.2.2.3 COMPOSITION AND FUNCTIONING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The internal rules of the Board of Directors provide the procedures pursuant to which the Board of Directors shall assess its capacity to meet Shareholders' expectations by conducting periodic reviews of its composition, organisation and functioning. Therefore, once a year when advised by the CSR and Governance Committee, the Board of Directors must add the assessment of its functioning as an item on the agenda. The 2019 Board of Directors assessment was conducted by an external consultant, in close collaboration with the Senior Independent Director. The consultant used questionnaire answers and one-to-one meetings to carry out the assessment. The consultant also asked each Director for his/her opinions on the other directors' contributions to the Board, and gave feedback to each Director.

The CSR and Governance Committee reviewed the report, before communicating the report and attached recommendations to the Board of Directors at its meeting of March 10, 2020.

Based on their answers to the questionnaire and meetings with the consultants, directors were generally satisfied with the Board's composition and competencies, the level of consensus between members on key topics, operating methods and the reports provided by the Board's committees.

The Board is extremely satisfied with the way in which the Chairman conducts meetings and interacts with other members. The Board also confirmed that, at this stage, combining the duties of Chairman and Chief Executive Officer is the most efficient way of meeting governance and performance requirements.

The Board also deemed that there had been constant progress in the areas of financial communication and risk management.

The following improvements were mentioned by directors and summarised by the consultant:

- having more opportunities to meet members of the management team and develop their knowledge of SPIE's various businesses;
- devoting more time to the long-term strategic plan, particularly in terms of growth and diversification;
- having more discussions on innovation, sustainable development and the environment;
- pursuing the continuous improvement of the succession plan.

Moreover, in 2019, the Senior Independent Director met the non-executive Directors on two occasions to discuss topics related to the operation of the Board of Directors and the committees as well as the evaluation of the Chairman and Chief Executive Officer's performance.

5.3. COMPENSATION AND BENEFITS

5.3.1 MEMBERS OF THE BOARD OF DIRECTORS

PRINCIPLES AND RULES SET BY THE BOARD OF DIRECTORS FOR COMPENSATION AND BENEFITS OF ALL KINDS GRANTED TO CORPORATE OFFICERS FOR THE 2019 FINANCIAL YEAR

The compensation policy for the Company's corporate officers was adapted to usual practices of publicly traded companies and reflects the recommendations of the Afep-Medef Code.

(a) Members of the Board of Directors

- The Board of Directors has a maximum budget of €600,000, which was allocated in 2018 by decision of the Shareholders' General Meeting on May 25, 2018. This maximum amount remains in effect for the following years, until the Shareholders' General Meeting decides otherwise. At the date of this Universal Registration Document, no decisions had been taken to change this amount.
- The Board of Directors has set the rules for allocating the directors' fees, which state that only independent directors shall receive compensation. This principle of compensating independent directors remains applicable for compensation paid in respect of the financial year ending December 31, 2019.
- Having noted that compensating independent directors only was not a generally observed practice for publicly traded companies, the Board of Directors reviewed this point at its meeting of February 10, 2020.
- The Board decided that although, in principle, all directors are eligible to receive compensation, an exception would be made for directors who are employees or executive corporate officers of the Company. Indeed, their compensation as an employee or executive corporate officer includes the time that the Company provides to them to fulfil their mission as a Director. The Board therefore deemed that additional compensation could not be justified.

The compensation rules for eligible directors remain unchanged, and are as follows:

- each Independent Director receives a maximum total amount of €60,000 per year, subject to his/her attendance at the meetings of the Board of Directors and the committees (see below);
- each Chairman of a committee receives an additional amount of €10,000 per year, subject to his/her attendance at the meetings of the Board of Directors and of the committees (see below);
- the Senior Independent Director receives a maximum amount of €90,000 per year, subject to his attendance at meetings of the Board of Directors and the committees (*see* below); and
- the independent directors' compensation is split into a fixed portion (40% of the total) paid half in June and half in December, and a variable portion (60% of the total), which is subject to attendance at Board of Directors and committee meetings, paid in the year following the vote at the Shareholders' General Meeting. This variable portion is proportional to attendance at meetings, a meeting of the Board of Directors counting for 1 and a meeting of a committee counting for 1/2. For the Senior Independent Director, the fixed portion is equal to 60% of the total, and the variable portion is 40% of the total.

Compensation items	Applicable policies	Criteria for determination
• Compensation	• The amount allocated to the Board of Directors for the compensation of the directors is set by the Shareholders' General Meeting.	• This amount is €600,000 pursuant to the 16th resolution of the Shareholders' General Meeting of May 25, 2018.
• Fixed amount	• A fixed amount is allocated for the term of office of Director and roles within the Board of Directors and its committees.	• The fixed amount represents 40% of the base amount of €60,000 for one year or €24,000. Except for the Senior Independent Director, who receives a maximum amount of €90,000 of which 60% as a fixed portion or €54,000. The committee chairmen (except for the Senior Independent Director) receive an additional €10,000.
• Variable amount	• A variable amount determined based on attendance at the meetings of the Board and the committees.	• The maximum variable amount represents 60% of the base amount of €60,000 or €36,000. For the Senior Independent Director that represents 40% of the €90,000 or €36,000.

(b) Compensation of Board members during 2019

Other than directors' fees paid to directors of the Company, except for the Chairman and Chief Executive Officer, by the Company or by any Group entity, as detailed for the years ended December 31, 2018 and 2019 in the table below, no other means of compensation or benefits to directors were planned at the date of this Universal Registration Document. The amount of directors' fees corresponds to a gross amount before tax deduction withheld at source by the Company.

TABLE 3 (AMF DEFINITION)

Table of Director's fees and other compensation paid to non-executive corporate officers

Non-executive corporate officers	Amounts paid in 2018 (1)	Amounts paid in 2019 (2)
Michel Bleitrach		
Directors' fees	66,000	70,000
Other compensation	0	0
Nathalie Palladitcheff		
Directors' fees	0	0
Other compensation	0	0
Sir Peter Mason		
Directors' fees	88,667	90,000
Other compensation	0	0
FFP Invest, represented by Bertrand Finet		
Directors' fees	12,000	45,000
Other compensation	0	0
Sophie Stabile		
Directors' fees	54,240	60,000
Other compensation	0	0
Regine Stachelhaus		
Directors' fees	70,000	70,000
Other compensation	0	0
Tanja Rueckert		
Directors' fees	32,000	51,529
Other compensation	0	0
Gabrielle van Klaveren-Hessel		
Directors' fees	0	0
Other compensation	0	0
Daniel Boscari		
Directors' fees	0	0
Other compensation	0	0

(1) The compensation paid in 2018 covers the fixed portion of 40% and the variable portion of 60% at the minimum level for the duties completed in 2017.
(2) The compensation paid in 2019 covers the fixed portion of 40% and the variable portion of 60% at the minimum level for the duties completed in 2018.

At the meeting of March 10, 2019, the Board of Directors allocated the following variable compensation (to be paid after the Shareholders' General Meeting voting on the 2019 financial statements) to the independent directors for the 2019 financial year:

- Michel Bleitrach: €42,000, based on a 100% participation rate in 2019;
- Sir Peter Mason: €36,000, based on a 100% participation rate in 2019;
- Sophie Stabile: €25,714, based on a 71.43% participation rate in 2019;
- Regine Stachelhaus: €42,000, based on a 100% participation rate in 2019;
- Tanja Rueckert: €25,500, based on a 70.83% participation rate in 2019;
- FFP Invest, represented by Bertrand Finet: €31,034, based on an 86.21% participation rate in 2019.

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5.3.2 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The compensation policy for the Chairman and Chief Executive Officer is determined by the Board of Directors, based on the recommendations of the Appointments and Compensation Committee.

The Board of Directors ensures that the compensation policy is in keeping with market practice for similar companies, is well suited to the Company strategy and background, and has the purpose of promoting the Company's medium- and long-term performance and competitiveness, in line with Shareholder interests.

The Chairman and Chief Executive Officer's compensation comprises various components, each having a specific purpose:

- annual basic compensation which recognises the responsibility and scope of the role. Each year it is compared to practices adopted by companies with similar challenges, characteristics and backgrounds. The Board of Directors is responsible for determining this basic compensation at the recommendation of the Appointments and Compensation Committee;
- annual variable compensation comprising a quantitative portion and a qualitative portion, based on formal and demanding annual objectives which the Appointments and Compensation Committee reviews each year, and then issues a recommendation to the Board of Directors;
- a long-term incentive plan (free performance share award) with the intention of fostering a long-term commitment, in keeping with Shareholder interests;
- a severance package in the event of a forced departure, subject to performance conditions;
- a defined-benefit supplemental pension plan.

Moreover, the Chairman and Chief Executive Officer benefits from a company car, and is eligible for provident schemes on the same terms as other executive officers and employees of the Group.

In accordance with the recommendations of the Afep-Medef Code, the components of the compensation due or granted with respect to the 2019 financial year to the Chairman and Chief Executive Officer of the Company, as presented below, as well as the compensation policy of executive corporate officers, will be submitted to the vote of the Shareholders of the Company during the Shareholders' General Meeting scheduled on May 29, 2020.

Variable and fixed compensation for 2019

During its meeting held on December 12, 2018, the Board of Directors approved, based on a proposal by the Appointments and Compensation Committee, the compensation policy for the Chairman and Chief Executive Officer to be applied for the 2019 financial year.

The policy is based on the general principles set out above.

Fixed compensation for 2019

Following a detailed review as part of a study performed by an independent firm on executive officer compensation for a panel of comparable SBF 120-level companies, it was found that the Chairman and Chief Executive Officer's annual basic compensation was positioned at median level, and that given that there had been no change to the responsibility and scope of the role relative to 2018, the annual basic compensation for 2019 should remain unchanged at €775,000. The panel comprised the following companies: Arkema, Bic, Bureau Veritas, CGG, Edenred, Eiffage, Elior, Elis, Getlink (formerly Eurotunnel group), Imerys, Ingenico, Nexans, Rexel and Vallourec.

Variable compensation for 2019

At their meeting of December 3, 2018, the Board of Directors, based on a proposal by the Appointments and Compensation Committee, set out the principles used to calculate variable compensation for the 2019 financial year, together with the relevant criteria and weightings shown in the table below.

The portion of quantitative criteria was increased from 65% to 70%, while the portion of qualitative criteria was therefore reduced from 35% to 30%.

Within the quantitative criteria, the cash flow and acquisitions criteria have been granted a greater weighting in line with the *Group's* business model.

Should the objectives be exceeded, the variable part can reach a maximum of 171% of the annual fixed compensation.

Annual variable compensation criteria for the 2019 financial year			**Minimum**	**Target**	**Maximum**	**Actual**
Quantitative criteria (70% of annual fixed compensation)	EBITA organic growth	As a % of fixed compensation	0%	30%	60%	30.0%
	Weighting by a coefficient directly tied to the Group's safety record		0.9	1	1.1	1
	Total EBITA organic growth	As a % of fixed compensation	0%	30%	66%	30.0%
	Cash flow – 2019 budget	As a % of fixed compensation	0%	30%	60%	28.1%
	External growth acquisitions	As a % of fixed compensation	0%	10%	15%	8.3%
	Total quantitative criteria		**0%**	**70%**	**141%**	**66.4%**
Qualitative criteria (30% of annual fixed compensation)	Individual targets set by the Board (disposals, risk management, succession plans, Shareholder relations and financial communication)		0%	30%	30%	28.0%
ANNUAL VARIABLE TOTAL AS A % OF FIXED COMPENSATION			**0%**	**100%**	**171%**	**94.4%**

TABLE RELATING TO THE CALCULATION OF THE QUALITATIVE CRITERIA OF THE 2019 VARIABLE COMPENSATION

Criteria	Indicator	Weight	Result
Disposals of the period	Achievement compared to forecasts	8%	7%
Risk management	Strengthening of the compliance policy/CSR policy	7%	7%
Strengthening of organisation/ key manager succession plan	Assessment by the Board of Directors	7%	6%
Relations with Shareholders and financial communication	Evaluated by the Board of Directors over the year	8%	8%
TOTAL		**30%**	**28%**

The Board of Directors' meeting held on March 11, 2020, following a proposal from the Compensation Committee and after review of the level of achievement of the quantitative and qualitative performance objectives described above, set the amount of the 2019 annual variable compensation of the Chairman and Chief Executive Officer at €731,600 corresponding to 94.4% of the benchmark fixed compensation (€775,000).

The Board of Directors noted that the financial results were nearly in line with the objectives set, while the 2019 safety results were in line with their 2018 level.

As regards the qualitative criteria, the Board of Directors deemed that risk control, Shareholder relations and financial communication had been in line with expectations; all disposal objectives were achieved with the exception of one business. Although the Board noted that management had been significantly strengthened during 2019, it deemed that there was still room for improvement of the succession plan.

Variable and fixed compensation for 2020

During its meeting held on December 11, 2019, the Board of Directors approved, based on a proposal by the Appointments and Compensation Committee, the compensation policy for the Chairman and Chief Executive Officer to be applied for the 2020 financial year.

The policy is based on the general principles set out above.

Fixed compensation for 2020

A study performed by an independent external firm on compensation of executive officers for comparable SBF 120-level companies found that the Chairman and Chief Executive Officer's annual basic compensation was positioned at 3% below the median. Taking into account the results of the study, the Group's positive performance for 2019 and the fact that fixed compensation did not change in 2019, the Board of Directors wanted to adjust the 2020 annual basic compensation of the Chairman and Chief Executive Officer to the market median of €800,000 (compared with €775,000 in 2019). The panel comprised the following companies: Arkema, Bic, Bureau Veritas, CGG, Edenred, Eiffage, Elior, Elis, Getlink (formerly Eurotunnel group), Imerys, Ingenico, Nexans, Rexel and Vallourec.

Variable compensation for 2020

The principles for calculating variable compensation for 2020 remain unchanged in relation to 2019.

The applicable criteria in the table below were approved by the Board of Directors at its meeting of December 11, 2019, based on a proposal by the Appointments and Compensation Committee.

Should the objectives be exceeded, the variable part can reach a maximum of 171% of the annual fixed compensation.

Annual variable compensation criteria for the 2020 financial year			Minimum	Target	Maximum
Quantitative criteria (70% of annual fixed compensation)	EBITA organic growth	As a % of fixed compensation	0%	30%	60%
	Weighting by a coefficient directly tied to the Group's safety record		0.9	1	1.1
	Total EBITA organic growth	As a % of fixed compensation	0%	30%	66%
	Cash flow – 2020 budget	As a % of fixed compensation	0%	30%	60%
	External Growth Acquisitions	As a % of fixed compensation	0%	10%	15%
	Total quantitative criteria		**0%**	**70%**	**141%**
Qualitative criteria (30% of annual fixed compensation)	Individual targets set by the Board (CSR and related indicators, risk control, strengthening the organisation/succession plans and development of key managers, Shareholder relations and financial communication)		0%	30%	30%
ANNUAL VARIABLE TOTAL AS A % OF FIXED COMPENSATION			**0%**	**100%**	**171%**

In accordance with the press release published by the Company on April 8, 2020 (the full reproduction of which appears in paragraph 4.2 "Events after the reporting period"of this Universal Registration Document), taking into account the societal challenges imposed by the Covid-19 crisis, Mr. Gauthier Louette decided, in his capacity as Chairman and Chief Executive Officer and in solidarity with the Group employees affected by partial unemployment, to cut his remuneration by 25% during the containement period.

Subscription options, performance shares and other security grants

On May 25, 2016, the Shareholders' General Meeting has, in accordance with its 19th resolution, authorised the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of corporate officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the French Commercial Code.

The Board of Directors of July 28, 2016, on the basis of the authorisation granted by the Shareholders' General Meeting, set up two free performance share plans for corporate officers and employees of the Company and its subsidiaries. Mr Gauthier Louette, Chairman and Chief Executive Officer of the Company, is one of the beneficiaries of one of these plans.

During its meeting of March 11, 2019, the Board of Directors approved a new performance share plan for corporate officers and employees of the Company and its subsidiaries (Plan No. 3). Mr Gauthier Louette, Chairman and Chief Executive Officer of the Company, is one of the beneficiaries of this plan.

During its meeting of March 10, 2020, the Board of Directors approved a new performance share plan for corporate officers and employees of the Company and its subsidiaries (Plan No. 4). Mr Gauthier Louette, Chairman and Chief Executive Officer of the Company, is one of the beneficiaries of this plan.

For a detailed description of the performance share plans of which Mr Gauthier Louette is a beneficiary, see Section 6.1.3.2.

Pension plan

Mr Gauthier Louette is covered by a defined-benefit supplemental pension plan set up within SPIE SA (now SPIE Operations) on January 1, 2001, and by a defined-contribution supplemental pension plan [(1)] established within Financière SPIE in 2009, and then within SPIE SA in 2013.

The defined-benefit executive pension plan policy taken out by SPIE SA with Cardiff (owned by BNP Paribas) in 2001, in accordance with Article L. 137-11 of the French Social Security Code, was set up for SPIE's executive officers.

Since January 1, 2010, Mr Gauthier Louette is the last remaining active beneficiary; other pensions due under the plan are being paid out by the insurer to seven former SPIE executive officers who left the Group before January 1, 2010.

To be covered by the plan, beneficiaries must:

- have been with the Group for at least 5 years at the time of departure; and
- be at least 60 years-old at the time of departure and be eligible for their full State pension, or be at least 55 years-old at the time of departure and not be in gainful employment before receiving their State pension (in the second case, a pension is paid at the time of departure only if the departure is initiated by the Company [(2)]).

The benchmark compensation used to calculate beneficiaries' pensions is based on their average compensation for the three years preceding their departure from the Company. Compensation means the sum of gross annual fixed compensation and gross annual variable compensation.

Vesting is applied on an annual basis at 2% of the benchmark compensation for each year of service in the scheme, for the first five years, and then 3% thereafter, subject to the following two caps:

- annual vesting, as described above, is capped at 20% of the annual benchmark compensation [(3)]; and
- annuities paid under the plan, to which annual State pensions and pensions paid under the (ARRCO and AGIRC) private pension plans must be added, are capped at 50% of benchmark compensation.

The Company recorded a provision to finance these obligations with management outsourced to Cardiff.

At December 31, 2019, the theoretical benchmark compensation is equal to the average compensation paid out in 2017, 2018 and 2019, i.e. €1,520,519. As Mr Gauthier Louette has reached the maximum vested rights of 20%, the theoretical annual annuity amount will be €304,104.

When the pension is paid out, the employer's Social Security contribution will amount to 32% of the gross pension amount (current rate).

Severance package and non-compete compensation

The Chairman and Chief Executive Officer benefits from a severance package of one year's compensation (fixed plus variable excluding exceptional bonuses if any) in the event of a forced departure.

The performance conditions, applicable to this termination indemnity, are based on the rate of achievement of the economic and financial criteria applicable to the variable part of his compensation as decided by the Board of Directors upon recommendation from the Appointments and Compensation Committee (see *above*). The average rate of achievement of the objectives based on these criteria for the last three years must be equal to or greater than 70%.

Finally, the Chairman and Chief Executive Officer is a participant in the social guarantee for heads of companies (GSC) that provides, in the event of job loss, payment for 24 months of an annual benefit capped at 40% x 6 PASS (annual Social Security cap).

Thus, in 2019 the Company paid an annual contribution of €12,523 (60% employer contribution and 40% employee contribution).

The Chairman and Chief Executive Officer does not benefit from any indemnity which would be due to compensate a non-compete provision.

(1) The defined contribution pension scheme (so-called "Article 83"), put in place in 2009 in the form of a collective retirement savings contract, benefiting employees and corporate officers whose compensation exceeds 4 PASS (annual Social Security ceiling). The annual contribution paid by the Company is 16% x (annual compensation-4 PASS) capped at 16% x 4 PASS (i.e. €25,935 in 2019), and each year is capitalised in a multi-asset investment fund managed by BNP Paribas Épargne Retraite.

(2) Mr Gauthier Louette has 34 years of service with the Company.

(3) This 20% ceiling was reached for Mr Gauthier Louette before the 2015 financial year.

Other benefits

The Chairman and Chief Executive Officer benefits from a company car.

The summary tables presenting all of the compensation and benefits of the Chairman and Chief Executive Officer with respect to financial years 2019 and 2018 are included in this Chapter of the Universal Registration Document.

Draft of the resolution prepared by the Board of Directors in accordance with Article L. 225-37-2 of the French Commercial Code and submitted to the Shareholders' General Meeting of May 29, 2020

(7th resolution) – Approval of the compensation policy for the Chairman and Chief Executive Officer

The Shareholders' General Meeting, having noted the report of the Board of Directors on Corporate Governance as drafted in accordance with Article L. 225-37 of the French Commercial Code and included in Chapter 5 of the Universal Registration Document, ruling under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, approves the compensation policy for Mr Gauthier Louette, in his role as Chairman and Chief Executive Officer, as set out by the above-mentioned report.

Amount provisioned or recorded elsewhere by the Company or its subsidiaries for payment of pensions or other benefits

In the context of the defined-benefit supplemental pension plan which covers Mr Gauthier Louette, Chairman and Chief Executive Officer of the Company, the total amount provisioned for payment of pensions or other benefits stands at €9,253,684 for the financial year ended December 31, 2019.

Compensation of executive corporate officers

The tables below show the compensation paid to Mr Gauthier Louette, Chairman and Chief Executive Officer of the Company, by the Company or by any Group entity, in the financial years ended December 31, 2018 and 2019.

TABLE 1 (AMF DEFINITION)

Summary table of compensation paid and stock options awarded to each executive corporate officer

(amount in euros)	FY 2018	FY 2019
Gauthier Louette, Chairman and Chief Executive Officer		
Compensation due for the financial year* (breakdown in Table 2)	1,485,980	1,506,332
Valuation of multi-year variable compensation paid in the year	0	0
Valuation of options awarded in the year (detailed in Table 4)	Nil.	Nil.
Valuation of bonus shares awarded in the year (detailed in Table 6)	0	514,500
TOTAL	**1,485,980**	**2,020,832**

* *On a gross basis (before Social Security costs and taxes).*

TABLE 2 (AMF DEFINITION)

Summary table of compensation paid to each executive corporate officer

	FY 2018		FY 2019	
(amount in euros)	Amounts due for the year	Amounts paid in the year	Amounts due for the year	Amounts paid in the year
Gauthier Louette, Chairman and Chief Executive Officer				
Fixed compensation (1)	775,000	775,000	775,000	775,000
Annual variable compensation (1)	703,700	880,957	723,850 (2)	703,700
Multi-year variable compensation (1)	0	0	0	0
Exceptional compensation (1)	0	0	0	0
Compensation awarded for the role of Director	0	0	0	0
Benefits in kind (3)	7,280	7,280	7,482	7,482
TOTAL	**1,485,980**	**1,663,237**	**1,506,332**	**1,486,182**

(1) On a gross basis (before Social Security expenses and taxes).
(2) The annual variable compensation due for the 2019 financial year will be paid after the Shareholders' General Meeting of May 29, 2020.
(3) Benefits in kind are a company car.

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TABLE 11 (AMF DEFINITION)

Executive corporate officers	Employment contract		Supplemental pension plan		Severance or other benefits due or likely to become due as a result of termination or change of duties		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Gauthier Louette		x	x		x			x
Chairman and Chief Executive Officer								
Term start date: August 30, 2011								
Term end date: Shareholders' General Meeting voting on the financial statements of the year ended on December 31, 2021								

5.3.3 GRANTING OF SHARE PURCHASE OR SUBSCRIPTION OPTIONS

TABLE 4 (AMF DEFINITION)

Stock options awarded during the year to each executive corporate officer by the issuer and any Group entity

Name of executive corporate officer	Plan date and No.	Option type (subscription or purchase)	Valuation of options according to the method used for the consolidated financial statements	Number of options awarded during the year	Exercise price	Exercise period
Gauthier Louette			Nil.			

TABLE 5 (AMF DEFINITION)

Stock options exercised during the year by each executive corporate officer

Name of executive corporate officer	Plan date and No.	Number of options exercised during the year	Exercise price
Gauthier Louette			Nil.

TABLE 8 (AMF DEFINITION)

History of stock options awarded

Information on stock options				
Date of Shareholders' General Meeting	Plan No. 1	Plan No. 2	Plan No. 3	Etc.
Date of Board meeting				
Total number of shares that can be bought or subscribed for including those that can be bought or subscribed for by:				
Exercise start date				
Expiry date				
Option price		Nil.		
Authority (when the plan includes more than one facility)				
Number of shares subscribed for at the date of this Universal Registration Document				
Cumulative number of stock options cancelled or expired				
Stock options remaining at year end				

FREE SHARE ALLOCATION

TABLE 6 (AMF DEFINITION)

Bonus shares awarded to each corporate officer

Bonus shares awarded by the Shareholders' General Meeting during the year to each corporate officer by the issuer and any Group entity (nominative list)	Plan date and No.	Number of shares awarded during the year	Valuation of shares according to the SPIE share price at the time of the Board (in euros)	Vesting date	Date available	Performance conditions
Gauthier Louette	No. 3 03/11/2019	36,750	514,500	03/15/2022	03/15/2022	EBITA Cash conversion TSR*
Gauthier Louette	No. 4 03/10/2020	36,750	523,320	03/15/2023	03/15/2023	EBITA Cash conversion TSR*

Total Shareholder Value.

For a description of plans No. 3 and No. 4, see Section 6.1.3.2 of this Universal Registration Document.

TABLE 7 (AMF DEFINITION)

Bonus shares available to each executive officer	Plan date and No.	Number of shares made available during the year	Vesting conditions
Gauthier Louette	No. 1 07/28/2016	20,813	EBITA Cash Conversion TSR*

Total Shareholder Value.

TABLE 9 (AMF DEFINITION)

Date of Shareholders' General Meeting	Plan No. 1	Plan No. 2	Plan No. 3	Plan No. 4	Etc.
Date of Board meeting	07/28/2016	07/28/2016	03/11/2019	03/10/2020	
Total number of bonus shares awarded, of which awarded to:	225,115	872,040	544,171	543,644	
THE CORPORATE OFFICERS					
Gauthier Louette	64,040	0	36,750	36,750	
Vesting date	07/28/2019	N/A	03/15/2022	03/15/2023	
Holding period end date	07/28/2019	N/A	03/15/2022	03/15/2023	
Number of shares subscribed for at the date of this Universal Registration Document	64,040	N/A	36,750	36,750	
Cumulative number of shares cancelled or expired	43,227	N/A	0	0	
Bonus shares remaining at year end	20,813	N/A	Unknown	Unknown	

5.3.4 FAIRNESS RATIO BETWEEN THE COMPENSATION OF THE EXECUTIVE CORPORATE OFFICER AND THE MEAN AND MEDIAN COMPENSATION OF SPIE EMPLOYEES

In accordance with Article L. 225-37-3 paragraph 6 of the French Commercial Code, the ratios were calculated for SPIE SA:

- Ratio A: compensation (1) of the Chairman and Chief Executive Officer divided by the mean compensation (2) on a full-time equivalent basis for employees of SPIE SA;
- Ratio B: compensation of the Chairman and Chief Executive Officer divided by the median (3) compensation on a full-time equivalent basis for employees of SPIE SA.

	2015	2016	2017	2018	2019
Ratio A (SPIE SA)	4.6	5.0	5.2	6.2	5.4
Ratio B (SPIE SA)	4.4	4.8	5.3	6.3	5.2

In order to represent all of the Group's workforce, Ratio A has also been calculated for all Group employees present during 2019, i.e. an average workforce of 47,446 (4) for the Group.

	2015	2016	2017	2018	2019
Ratio A (SPIE group)	36.8	43.4	50.4	52.6	37.6

5.4 OTHER INFORMATION

5.4.1 STATEMENTS CONCERNING THE ADMINISTRATIVE BODIES

At the date of this Universal Registration Document, to the Company's knowledge, there were no family relationships among the members of the Company's Board of Directors and the Chairman and Chief Executive Officer of the Company.

Furthermore, to the best of the Company's knowledge, over the last five years: (i) none of the members of the Board of Directors nor the Chairman and Chief Executive Officer has been convicted of fraud, (ii) none of the members of the Board of Directors nor the Chairman and Chief Executive Officer has been associated with any bankruptcy, receivership, liquidation or judicial administration proceedings, (iii) none of the members of the Board of Directors nor the Chairman and Chief Executive Officer has been the subject of any official public accusation or sanctions by judicial or administrative authorities (including relevant professional organisations), and (iv) none of the members of the Board of Directors nor the Chairman and Chief Executive Officer has been disqualified by a court from acting as a member of a management or supervisory body of an issuer, or from participating in the management or conduct of the business of any issuer.

5.4.2 CONFLICTS OF INTEREST

To the best of the Company's knowledge, at the date of this Universal Registration Document there were no potential conflicts of interest between the duties of the members of the Board of Directors and of the Chairman and Chief Executive Officer *vis-à-vis* the Company, and their private interests.

5.4.3 INFORMATION ON SERVICE AGREEMENTS BETWEEN MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES OF THE COMPANY OR ANY OF ITS SUBSIDIARIES

At the date of this Universal Registration Document, to the Company's knowledge, there were no service provision agreements between members of the administrative and management bodies and the Company or its subsidiaries under which benefits are granted.

(1) This compensation includes the fixed portion paid in year N, the short-term variable portion in respect of year N-1 paid in year N, the IFRS 2 value of the share-based payment related to year N in respect of the long-term portion of the compensation and benefits in kind.

(2) This average compensation corresponds to the average of (fixed compensation paid in year N + short-term variable portion in respect of year N-1 paid in year N + IFRS 2 value of the allocation in shares related to year N in respect of the long-term portion of compensation + benefits in kind) for employees of SPIE SA, excluding the Chairman and Chief Executive Officer.

(3) This median compensation corresponds to the median of (fixed compensation paid in year N + short-term variable portion in respect of year N-1 paid in year N + IFRS 2 value of the allocation in shares related to year N in respect of the long-term portion of compensation + benefits in kind) for employees of SPIE SA, excluding the Chairman and Chief Executive Officer.

(4) The average compensation used corresponds to the sum of salaries and wages paid in N, employee profit-sharing paid in N, the IFRS 2 accounting expense related to share-based compensation in respect of year N for all SPIE Group employees (excluding the Chairman and Chief Executive Officer) divided by the average number of Group employees.

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SHAREHOLDERS AFR

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6.1 SHAREHOLDERS

6.1.1 DISTRIBUTION OF SHARE CAPITAL

The following table sets out the breakdown of the Company's share capital at December 31, 2019:

	Holding percentage			
Shareholders	**Number of shares**	**% of share capital**	**Number of voting rights**	**% of voting rights**
Caisse de Dépôt et Placement du Québec	18,751,639	11.89%	31,211,270	16.55%
FFP (1)	8,500,000	5.39%	17,000,000	9.02%
Managers (2)	4,811,646	3.05%	7,246,042	3.84%
• including Gauthier Louette	2,434,396	1.54%	4,868,792	2.58%
Employee shareholding (3)	8,339,694	5.29%	13,330,320	7.07%
Public	117,294,755	74.38%	119,758,641	63,52%
Treasury shares	390	0%	390	0%
TOTAL	**157,698,124**	**100%**	**188,546,663**	**100%**

(1) Société Foncière Financière et de Participation (a company listed on Euronext Paris, majority-owned by the Peugeot family group).
(2) Managers and senior executives, current and former, of the Group.
(3) Shares held by Group employees, either directly through the FCPE SPIE for you.

At 17 April 2020, SPIE's market capitalisation was more than €1.7 billion.

CHANGES IN SHAREHOLDING FOR THE YEAR ENDED DECEMBER 31, 2019

On June 10 and 11, 2019, Aviva Investors Global Services Limited (controlled by Aviva PLC and acting on behalf of managed funds and clients) and Aviva Investors France (controlled by Aviva PLC and acting on behalf of managed funds and clients), together stated, following disposals of the Company's shares on the market, that they had descended below:

- by way of adjustment, on 16 April 2019, the threshold of 5% of the Company's voting rights, and stated that on that date, they collectively held 8,580,419 shares in the Company representing the same number of voting rights, or 5.52% of the share capital and 4.93% of the Company's voting rights. Under Article L. 233-9 I, 6° of the French Commercial Code, Aviva Investors Global Services Limited and Aviva Investors France declared that they held, on 16 April 2019, 573,137 shares of the Company under a "right to recall" contract for the same number of shares of the Company;
- on June 6, 2019, the threshold of 5% of the Company's share capital, and that they collectively held 7,414,684 shares in the Company representing the same number of voting rights, or 4.77% of the share capital and 4.26% of the Company's voting rights. Under Article L. 233-9 I, 6° of the French Commercial Code, Aviva Investors Global Services Limited and Aviva Investors France declared that they held, on June 6, 2019, 461,560 shares of the Company under a "right to recall" contract for the same number of shares of the Company.

On September 14, 2019, the simplified joint stock company FFP Invest (controlled by the joint stock company Établissements Peugeot Frères) exceeded the threshold of 5% of the voting rights of the Company and declared that it held 8,500,000 shares of the Company representing 16,500,000 voting rights, or 5.45% of the share capital and 8.86% of the voting rights of the Company. This crossing of thresholds was the result of granting double voting rights to the reporting party. On December 12, 2019, the simplified joint stock company FFP Invest exceeded the statutory threshold upwards of 9% of the Company's voting rights and declared that it owned 8,500,000 shares of the Company representing 17,000,000 voting rights, i.e. 5.39% of the share capital and 9.02% of the voting rights of the Company. This crossing of threshold results from the granting of double voting rights to the reporting party.

6.1.2 OTHER INFORMATION ABOUT THE CONTROL OF THE COMPANY

6.1.2.1 DISCLOSURE RELATING TO THE CONTROL OFTHE COMPANY

Undertakings made by *Caisse de Dépôt et Placement du Québec* to the Company

In a letter dated May 22, 2015 and amended on May 29, 2015, during the Initial Public Offering (IPO) of the Company, the *Caisse de Dépôt et Placement du Québec* (**CDPQ**), made undertakings to the Company as regards its governance structure and arrangements for managing the liquidity of its equity interest in the Company.

These undertakings provide in particular for:

- *governance: the* CDPQ will be represented by a Director and a Non-voting Director as soon as it directly or indirectly holds a minimum of 5% of the Company's share capital. If CDPQ were to hold 15% of the share capital of the Company, CDPQ will be represented by two directors;
- *information to be provided in case of sale:* the obligation to provide prior information to the Chairman of the Company's Board of Directors in the event of a sale or transfer of shares by the CDPQ, in whatever manner, either directly or indirectly, representing at least 1% of the Company's share capital. This obligation does not

apply in the event of a market sale of the Company's shares to an unidentified buyer over a certain period of time. Such a sale or transfer must also be carried out in an orderly manner with the Company providing reasonable cooperation and assistance to the transferor in order to facilitate these transactions;

- *prior approval in case of sale:* the obligation to obtain the prior approval of the Company's Board of Directors in the event of a sale or transfer of shares, including as part of a takeover bid, by the CDPQ, in whatever manner, either directly or indirectly, representing at least 1% of the Company's share capital to a competitor or a significant business partner of the Company (client or supplier). The Board of Directors will decide on a simple majority of the directors present and represented, with any Director appointed at the proposal of the CDPQ not taking part in the vote. However, this requirement shall not apply in the event of a takeover bid for which (i) no prior undertaking to sell or tender in the offer would have been taken by a member of the parties, and (ii) the Company's Board of Directors would have issued a favourable opinion by a majority of its members.

For the purposes of this undertaking, the term "competitor" means any company or group of companies (i) whose business or one of its businesses relates to the multi-technical services sector and more specifically to electrical, mechanical or HVAC engineering and communications systems as well as specialised services related to the energy industry (including facility management and information technology activities), and (ii) whose revenue from this business amounts to a minimum of €1 billion. The term "significant business partner" means the Company's customers representing more than €40 million of the Group's consolidated revenue or the Company's suppliers representing more than €15 million of the total amount of the Group's purchases. These two terms also include (i) all entities controlling a competitor or significant business partner, and (ii) all entities controlled by an entity controlling a competitor or significant business partner. The undertakings detailed in points two and three above do not apply to the Company's shares which the CDPQ acquires directly or indirectly as part of the Company's IPO and subsequent to this IPO.

These undertakings will expire on the date on which the CDPQ directly or indirectly holds less than 2% of the Company's share capital.

Undertakings made by FFP to the Company

On September 14, 2017, when FFP invested in the Company's share capital, it entered into the following main undertakings:

- *governance:* FFP undertakes to immediately resign from its duties as a Non-voting Director or as a member of the Board of Directors, as appropriate, should it come to directly or indirectly hold an equity interest of less than 5% of the Company's share capital, unless (i) this equity interest drops to under 5% but remains above 3% of the share capital, where it is not responsible for its own dilution, or (ii) this equity interest drops to under 5% but remains above 4.5% of the share capital, and for a maximum duration of three months;
- *sale of shares:* should FFP wish to sell or transfer shares in the Company representing a minimum of 1% of the share capital, in any manner whatsoever, FFP hereby irrevocably undertakes to inform the Chairman of the Company's Board of Directors in advance.

It should be recalled that as of the date of this Universal Registration Document, FFP Invest is a member of the Board of Directors.

6.1.2.2 AGREEMENTS THAT MAY RESULT IN A CHANGE OF CONTROL

At the date of this Universal Registration Document, there is no agreement whose implementation could result in a change of control of the Company.

6.1.3 EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

6.1.3.1 EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

Directors

The table below shows the percentage of the Company's share capital held by each of the directors at the date of this Universal Registration Document:

Company Director	Number of shares and voting rights	% of capital	% of voting rights	Compensation for the role of Director
Gauthier Louette (Chairman and Chief Executive Officer)	2,434,396	1.54%	2.58%	No
Daniel Boscari	30,651	0.02%	0.02%	No
Sir Peter Mason	8,700	0.00%	0.00%	Yes
Michel Bleitrach	1,800	0.00%	0.00%	Yes
Regine Stachelhaus	1,500	0.00%	0.00%	Yes
Tanja Rueckert	1,500	0.00%	0.00%	Yes
Sophie Stabile	100	0.00%	0.00%	Yes
Elisabeth Van Damme	0	0.00%	0.00%	Yes
Gabrielle van Klaveren-Hessel (1)	0	0%	0%	No
FFP Invest, represented by Bertrand Finet	8,500,000	5.39%	9.02%	Yes

(1) Gabrielle van Klaveren-Hessel also holds 1,216.84 units in the "SPIE for you" fund as of December 2019 (see Section 6.1.4 of this Universal Registration Document).

6.1.3.2 STOCK OPTIONS AND AWARDS OF BONUS SHARES

SPIE 2016 Plan 1 and SPIE 2016 Plan 2

On May 25, 2016, the Shareholders' General Meeting has, in accordance with its 19th resolution, authorised the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of corporate officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the French Commercial Code.

The Board of Directors on July 28, 2016, on the basis of the authorisation granted by the Shareholders' General Meeting, has issued two free performance share plans for corporate officers and employees of the Company and its subsidiaries.

The Board of Directors thus granted 1,098,155 so-called "performance" ordinary shares of the Company, representing 0.71% of the Company's share capital as at July 28, 2016.

The Board of Directors established a list of beneficiaries as follows:

- a SPIE 2016 Plan 1, relating to 225,115 performance shares, reserved for Gauthier Louette, Chairman and Chief Executive Officer of the Company, and certain members of the Group Executive Committee and certain members of the Executive Committee of the *France* segment; and
- a SPIE 2016 Plan 2, relating to 872,040 performance shares for certain members of the management committees of the Group's legal entities, "Key Managers" of the Group and "High Potential" of the Group.

The acquisition of shares is subject to compliance with the following conditions:

- the performance shares shall only be definitively acquired at the end of a period of three years starting on July 28, 2016;
- the beneficiaries shall be bound to the Company by corporate duties or an employment contract throughout the entire duration of the acquisition period;
- conditions of performance, namely:
  - the number of performance shares to be delivered to each beneficiary of the SPIE 2016 Plan 1 at the end of the acquisition period shall be equal to the number of performance shares granted to the relevant beneficiary on the date thereof multiplied by a global allocation rate that will be determined depending on (i) an internal allocation rate, itself depending on the level of (a) the annual average growth rate of the EBITA and (b) the annual average cash conversion rate, for the period of three (3) years running from January 1, 2016 to December 31, 2018 (the "**Reference Period**"), and (ii) an external allocation rate relating to a performance target ("TSR") of the SPIE SA shares over the Reference Period compared to the median TSR of a panel of companies (the "**Panel**"), it being specified that the internal allocation rate accounts for 65% of the global allocation rate and the external allocation rate accounts for 35% of the global allocation rate,
  - the number of performance shares to be delivered to each beneficiary of the SPIE 2016 Plan 2 at the end of the acquisition period shall be equal to the number of performance shares granted to the relevant beneficiary on the date thereof multiplied by a global allocation rate that will be determined depending on (i) an internal allocation rate, itself depending

on the level of (a) the annual average growth rate of the EBITA and (b) the annual average cash conversion rate, over the Reference Period, and (ii) an external allocation rate relating to a performance target (TSR) of the SPIE SA shares over the Reference Period compared to the median TSR of the Panel, it being specified that the internal allocation rate accounts for 80% of the global allocation rate and the external allocation rate accounts for 20% of the global allocation rate.

The Panel is comprised all of the companies listed on the SBF 120 stock index at January 1, 2016, subject to any plans regarding changes to the composition of this index or its removal.

The Board of Directors decided that Gauthier Louette, Chairman and Chief Executive Officer of the Company, will be required to hold 25% of the performance shares that have vested in pure registered form until the termination of his duties. Members of the Management Committee of the *France* segment must retain 15% of their registered free performance shares acquired until the end of their terms of office within the Group.

The Board of Directors' meeting of March 11, 2019, ruling on the financial statements for 2018, recorded the global allocation rate: Pursuant to the allocation rule, the EBITA performance is 0%, the cash conversion rate performance is 100% and the TSR performance is 0%. Thus, the following acquisitions were made: 32.5% of the allocation for SPIE 2016 Plan 1 and 40% of the allocation for SPIE 2016 Plan 2 (the difference in acquisition percentage between the two plans is due to the dominant TSR weighting for SPIE 2016 Plan 1).

SPIE 2019 Plan 3

On March 11, 2019, the Board of Directors, on the basis of the authorisation granted by the Shareholders' General Meeting, set up a performance share plan for corporate officers and employees of the Company and its subsidiary.

The Board of Directors thus granted 544,171 so-called "performance" shares of the Company, representing up to 0.35% of the total number of shares forming the Company's share capital on March 11, 2019. The number of shares granted to each beneficiary will be equal to the number of performance shares granted to the relevant beneficiary multiplied by a global allocation rate that will be determined depending on (i) an internal allocation rate, itself depending on the level of (a) the annual average growth rate of the EBITA and (b) the annual average cash conversion rate, for the period of three (3) years running from January 1, 2019 to December 31, 2021 (the "**Reference Period**"), and (ii) an external allocation rate relating to a performance target (Total Shareholder Return or "TSR") of the SPIE SA shares over the Reference Period compared to the median TSR of a panel of companies (the "**Panel**"), it being specified that the internal allocation rate accounts for 70% of the global allocation rate and the external allocation rate accounts for 30% of the global allocation rate.

The Board of Directors decided that Gauthier Louette, Chairman and Chief Executive Officer of the Company, would be granted 36,750 performance shares, corresponding to 6.75% of the total performance share granted and corresponding to 66% of his fixed gross annual compensation at the date of the plan. He will be required to hold in fully registered form 25% of the performance shares definitely acquired until the until termination of his duties within the Group. Members of the Group Executive Committee, for their part, will be required to hold in fully registered form until termination of their duties as employee within the Group, 15% of the fully vested performance shares.

No dispensation has been provided for the acquisition of free performance shares should the Chairman and Chief Executive Officer's term of office end before the three-year acquisition period for free performance shares expires, except in case of death or disability.

SPIE 2020 Plan 4

On May 24, 2019, the Company's Combined Shareholders' General Meeting has, in accordance with its 13th resolution, authorised the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of corporate officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the French Commercial Code.

Said authorisation was granted for a period of 26 months by the Shareholders' General Meeting.

The number of shares thus granted shall not exceed 3% of the total number of shares composing the Company's share capital at the time of the decision of the Board of Directors to implement such plan, and that if such shares are newly issued shares, the aggregate nominal amount of the corresponding share capital increases shall be allocated on (i) the nominal ceiling of €1,500,000 for the share capital increases reserved to the beneficiaries of an employee savings plans, as well as (ii) on the nominal ceiling of €36,000,000 for share capital increases.

The bonus shares granted to corporate officers of the Company cannot exceed 10% of the total number of shares granted by the Board of Directors.

The definitive acquisition of the shares may be submitted, in part or in whole, to certain performance conditions set by the Board of Directors, it being understood that for corporate officers of the Company, the Board of Directors will submit the acquisition of the shares to performance criteria and shall determine the portion of shares that said officers will be required to hold until the term of their office.

The Shareholders' General Meeting also decided that the shares will be definitely acquired by their beneficiaries after (i) an acquisition period of at least 3 years, and that no conservation period will be required, with the exception of shares awarded to corporate and executive officers which will have an acquisition period of at least one (1) year.

The definitive acquisition of the shares, and the right to freely transfer them, shall however be immediately given to any beneficiary should such beneficiary be subject to an invalidity condition, as set in Article L. 225-197-1 of the French Commercial Code.

On March 10, 2020, the Board of Directors, on the basis of the authorisation granted by the Shareholders' General Meeting, set up a performance share plan for corporate officers and employees of the Company and its subsidiary.

The Board of Directors thus granted 543,644 so-called "performance shares" of the Company, representing up to 0.34% of the total number of shares forming the Company's share capital on March 10, 2020. The number of shares granted to each beneficiary will be equal to the number of performance shares granted to the relevant beneficiary multiplied by a global allocation rate that will be determined depending on (i) an internal allocation rate, itself depending on the level of (a) the annual average growth rate of the EBITA and (b) the annual average cash conversion rate, for the period of three (3) years running from January 1, 2020 to December 31, 2022 (the "Reference Period"), and (ii) an external allocation rate relating to a performance target (Total Shareholder Return or "TSR") of the SPIE SA shares over the Reference Period compared to the median TSR of a panel of companies (the "Panel"), it being specified that the internal allocation rate accounts for 70% of the global allocation rate and the external allocation rate accounts for 30% of the global allocation rate.

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The Board of Directors decided that Gauthier Louette, Chairman and Chief Executive Officer of the Company, would be granted 36,750 Performance Shares, corresponding to 6.76% of the total performance shares granted and corresponding to 65% of his fixed gross annual compensation at the date of the plan.

No dispensation has been provided for the acquisition of free performance shares should the Chairman and Chief Executive Officer's term of office end before the three-year acquisition period for free performance shares expires, except in case of death or disability.

Future plans

On May 29, 2020, the Shareholders' General Meeting will put forward a resolution to authorise the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of corporate officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the French Commercial Code.

On the basis of this new resolution, this plan will be implemented based on the same criteria and acquisition period as SPIE 2020 Plan 4 (as described above).

6.1.4 EMPLOYEE SHAREHOLDING

EMPLOYEE MUTUAL FUND (*FONDS COMMUN DE PLACEMENT D'ENTREPRISE*) SPIE FOR YOU

At the Company's Combined Shareholders' General Meeting held on May 24, 2019, in their 11th resolution, the Shareholders delegated to the Board of Directors the authority to decide on a Company share capital increase in one or more instalments, for a maximum nominal amount of €1,500,000, or through other securities granting access to the Company's share capital, set aside for employees of the Company and employees of French and foreign affiliated companies, who are members of one of the Group's company savings plans, under the conditions of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code.

On July 25, 2019, the Board of Directors decided in principle to issue ordinary shares to employees who are members of one of the Group's company savings plans, set out the main characteristics of this issue, and delegated the necessary powers to complete this transaction to the Company's Chairman and Chief Executive Officer.

Those eligible for the issue include: (i) employees and corporate officers, under the conditions set out by Article L. 3332-2 of the French Labour Code, of companies in the scope of consolidation which are members of the Group's French or international savings plan, as appropriate, whether they have a permanent or fixed-term, full-time or part-time employment contract, who can provide proof of three months of service at the end of the subscription period, and (ii) pre-retired or retired employees of the Group's French companies who still had assets in the French Group Savings Plan when they left the Group.

This offer was made to all Group employees in Austria, Belgium, Czech Republic, France, Germany, Hungary, Luxembourg, Netherlands, Poland, Slovakia, Switzerland and the United Kingdom.

By the time the operation was complete, the Company had issued 1,840,261 new shares, representing close to 1.17% of the capital. Therefore, employee Shareholders now hold 5.29% of the Group's capital.

This third employee issue since the Company was floated has increased the Company's employee Shareholder rate to over 33%.

6.2 FINANCIAL COMMUNICATION SCHEDULE

- Financial information at March 31, 2020: 29 April 2020 pre-market opening
- 2020 half-year results: July 29, 2020 pre-market opening
- Financial information at September 30, 2020: November 5, 2020 pre-market opening

6.3 DIVIDENDS

DIVIDEND PAYMENT POLICY

The Group's dividend policy is described in Section 4.3 of this Universal Registration Document.

DIVIDENDS PAID FOR THE YEARS 2018 AND 2019

For the year 2018, an interim dividend of €0.17 per share was paid on September 2018. In addition, at the proposal of the Board of Directors, the Shareholders' General Meeting of May 24, 2019 decided to distribute a dividend of €0.58 per share for the financial year ended December 31, 2018. Following the payment of the interim dividend of €0.17 per share in September 2018, the remainder of the dividend to be paid for 2018 amounts to €0.41 per share.

In respect of FY 2019, an interim dividend of €0.17 per share was paid in September 2019.

On the basis of the results for the year ended December 31, 2019, the board of directors wished to propose to the General Meeting of shareholders on May 29, 2020 to pay in 2020 a dividend of 61 cents per share. the decision would have led to the payment of a balance of 44 cents per share in cash in June 2020.

However, in accordance with the press release published by the Company on April 8, 2020, the full reproduction of which appears in paragraph 4.2 "Events after the reporting period" of this Universal Registration Document, in order to respond to the societal challenges imposed by the crisis of Covid-19, the board of directors proposed not to pay the balance of the dividend for the year ended December 31, 2019. It therefore decided to submit to the vote of the General Meeting of shareholders of May 29, 2020, the payment of a total dividend limited to 0.17 euro per share, corresponding only to the interim dividend paid in September 2019.

6.4 INFORMATION ABOUT SHARE CAPITAL

6.4.1 PAID-UP SHARE CAPITAL AND AUTHORISED BUT UNISSUED SHARE CAPITAL

At the date of this Universal Registration Document, the Company's share capital amounted to €74,118,118.28, divided into 157,698,124 ordinary shares each with a par value of €0.47, fully paid up.

On May 25, 2018, the Company's Shareholders' General Meeting adopted the following financial delegations:

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount	Use during the 2018 and 2019 financial years
17th Resolution	Authorisation to trade in the Company's shares (share repurchase programme)	18 months	Up to a limit of 10% of the total number of shares comprising the share capital or 5% of the total number of shares with the purpose of holding them for subsequent payment or exchange in the context of potential external growth transactions Maximum repurchase price: €33	Nil.
18th Resolution	Authorisation granted to the Board to reduce the Company's share capital by cancelling treasury shares	26 months	Up to 10% of the share capital by 24-month period	Nil.
19th Resolution	Delegation of authority to the Board to increase share capital by capitalisation of premiums, reserves, profits or other amounts	26 months	€14,500,000 (Approximately 20% of share capital)	Nil.
20th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, with preferential subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued	26 months	Issuance of share capital: €36,000,000 (1) (Approximately 50% of share capital) Issuance of debt securities: €1,000,000,000 (3)	Nil.
21st Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without preferential subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued as part of a public offer (5)	26 months	Issuance of share capital: €7,200,000 (1) (2) (Approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)	Nil.
22nd Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without preferential subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued, through private placements in accordance with Article L. 411-2-II of the French Monetary and Financial Code	26 months	Issuance of share capital: €7,200,000 (1) (2) (Approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)	Nil.

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount	Use during the 2018 and 2019 financial years
23rd Resolution	Delegation of authority to the Board, in the event of an issue without preferential subscription rights, via a public offer (5) or private placements set out in Article L. 411-2-II of the French Monetary and Financial Code, to determine the issue price in accordance with the terms set by the Shareholders' General Meeting, up to 10% of the share capital per year	26 months	Issuance of share capital: €7,200,000 (1) (2) (Approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)	Nil.
24th Resolution	Authorisation to the Board to increase issuance amount with or without preferential subscription rights	26 months	Up to the limit set out by the applicable regulation (currently 15% of the initial issuance) (1) (3)	Nil.
25th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued against contributions in kind up to 10% of the share capital	26 months	Issuance of share capital: €7,200,000 (3) (Approximately 10% of current share capital) Issuance of debt securities: €1,000,000,000 (3)	Nil.
26th Resolution	Delegation of authority granted to the Board to increase the share capital with cancellation of preferential subscription rights through the issue of shares of the Company reserved for members of a company savings plan	26 months	€2,750,000 (1)	Nil.
27th Resolution	Delegation of authority to the Board to increase share capital by issuing shares, without preferential subscription rights, reserved for specific beneficiaries (employees and corporate officers residing outside France)	18 months	€2,750,000 (1) (4)	Nil.

(1) Delegation subject to the overall ceiling on share capital increases of €36,000,000 (i.e. around 50% of the share capital).
(2) A sub-ceiling of €7,200,000 (approximately 10% of the share capital) is applicable to these delegations.
(3) Delegation subject to the overall ceiling for debt security issues of €1,000,000,000.
(4) The overall maximum nominal amount of capital increases which could be carried out under this delegation is part of the overall ceiling of transactions reserved for employees set at €2,750,000.
(5) As part of a share-based takeover bid initiated by the Company (Article L. 225-148 of the French Commercial Code).

On May 24, 2019, the Company's Shareholders' General Meeting adopted the following financial delegations:

Resolution	Purpose of the delegation	Maximum nominal amount	Length of authorisation	Use during FY 2019
9th Resolution	Authorisation granted to the Board of Directors to trade the Company's shares	Up to a limit of 10% of the total number of shares comprising the share capital or 5% of the total number of shares with the purpose of holding them for subsequent payment or exchange in the context of potential external growth transactions Maximum repurchase price: €33	18 months	Nil.
10th Resolution	Authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares	Up to 10% of the share capital by 24-month period	26 months	Nil.
11th Resolution	Delegation of authority to the Board of Directors to issue shares reserved for members of employee savings plans without preferential subscription rights	€1,500,000 (1) (Approximately 2% of current share capital)	26 months	Decision of the Board of Directors' meeting of July 25, 2019 to issue ordinary shares to employees who are members of one of the Group's company savings plans (see Section 6. 1.4 of this Universal Registration Document)
12th Resolution	Delegation of authority to the Board of Directors to increase the share capital by issuing shares without preferential subscription rights in favour of a specific category of beneficiaries (employees and corporate officers of the Company and companies associated therewith)	€1,500,000 (1) (2) (Approximately 2% of current share capital)	18 months	Nil.
13th Resolution	Authorisation granted to the Board of Directors to issue free new or existing shares to the benefit of employees and corporate officers of the Company and other companies related to it	Up to 1% of the share capital (1) (2)	26 months	Nil.

(1) Delegation subject to the overall ceiling on share capital increases of €36,000,000 (i.e. around 50% of the share capital).
(2) A sub-ceiling of €1,500,000 (approximately 2% of the share capital) is applicable to these delegations.

The Shareholders' General Meeting of the Company due to meet on May 29, 2020 is asked to renew the financial delegations set out below, which the Board of Directors may not use without the prior authorisation of the Shareholders' General Meeting of the Company, from the submission of a third party planned takeover bid for the Company's securities and until the end of the bid period:

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount
10th Resolution	Authorisation to trade in the Company's shares (share repurchase programme)	18 months	Up to a limit of 10% of the total number of shares comprising the share capital, or 5% of the total number of shares with the purpose of holding them for subsequent payment or exchange in the context of a merger, demerger or contribution transaction Maximum repurchase price: €33
11th Resolution	Authorisation granted to the Board to reduce the Company's share capital by cancelling treasury shares	26 months	Up to 10% of the share capital by 24-month period
12th Resolution	Delegation of authority to the Board to increase share capital by capitalisation of premiums, reserves, profits or other amounts	26 months	€14,500,000 (Approximately 20% of share capital)

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount
13th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, with preferential subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued	26 months	Issuance of share capital: €36,000,000 (Approximately 50% of share capital) Issuance of debt securities: €1,000,000,000 (4)
14th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without preferential subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued, in the context of takeover bids other than those set out by Article L. 411-2 of the French Monetary and Financial Code	26 months	Issuance of share capital: €7,400,000 (1) (Approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (4)
15th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without preferential subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued, in the context of takeover bids as set out by Article L. 411-2 of the French Monetary and Financial Code	26 months	Issuance of share capital: €7,400,000 (1) (2) (Approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (4)
16th Resolution	Delegation of authority to the Board, in the event of an issue without preferential subscription rights, via a takeover bid, to determine the issue price in accordance with the terms set by the Shareholders' General Meeting, up to 10% of the share capital per year	26 months	Issuance of share capital: €7,400,000 (1) (2) (Approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)
17th Resolution	Authorisation to the Board to increase issuance amount with or without preferential subscription rights	26 months	Up to the limit set out by the applicable regulation (currently 15% of the initial issuance) (1)
18th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued against contributions in kind up to 10% of the share capital	26 months	Issuance of share capital: €7,400,000 (1) (Approximately 10% of current share capital) Issuance of debt securities: €1,000,000,000 (4)
19th Resolution	Delegation of authority granted to the Board to increase the share capital with cancellation of preferential subscription rights through the issue of shares of the Company reserved for members of a company savings plan	26 months	Issuance of share capital: €1,850,000 (1) (3) (Approximately 2.5% of current share capital) Up to an overall ceiling of: €36,000,000
20th Resolution	Delegation of authority to the Board to increase share capital by issuing shares, without preferential subscription rights, reserved for specific beneficiaries	18 months	Issuance of share capital: €1,850,000 (1) (3) (Approximately 2.5% of current share capital) Up to an overall ceiling of: €36,000,000
21st Resolution	Authorisation granted to the Board of Directors to issue free new or existing shares to certain employees and corporate officers of the Company and the companies related to it	26 months	1.5% of the number of shares constituting the Company's share capital on the date of the decision (1)

(1) Delegation included in the overall ceiling on share capital increases set by the 13th resolution to €36,000,000 (i.e. around 50% of the current share capital).
(2) Delegation included in the overall ceiling set to €7,400,000 (i.e. around 10% of the current share capital).
(3) Delegation included in the overall ceiling set to €1,850,000 (i.e. around 2.5% of the current share capital).
(4) Delegation included in the overall ceiling for debt security issues of €1,000,000,000, as set by the 13th resolution.

6.4.2 NON-EQUITY SECURITIES

On March 22, 2017, the Company issued bonds worth €600 million, primarily to finance the acquisition of the German group SAG (see paragraph 4.1.2.1.2.2 of this Universal Registration Document). The bonds have been admitted for trading on Euronext Paris regulated market.

On June 18, 2019, the Company issued bonds worth €600 million, primarily to refinance half of the Senior Credit Facilities Agreement, and then to extend the average maturity of its debt (see paragraph 4.1.2.1.2.3 of this Universal Registration Document). The bonds have been admitted for trading on Euronext Paris regulated market.

6.4.3 TREASURY SHARES

At the date of this Universal Registration Document, the Company holds 390 treasury shares with a net book value of €7,020.

The Shareholders' General Meeting of May 24, 2019 authorised the Board of Directors, for a period of 18 months counting from the date of the meeting, and with faculty of sub-delegation in accordance with legislative and regulatory provisions, to implement a Company share repurchase programme, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code.

The Board did not implement the share repurchase programme in 2019; no transaction therefore took place in connection therewith in 2019.

As a result, the Company's Shareholders' General Meeting to be held on May 29, 2020 will be asked to renew the authorisation and adopt the following resolution:

The Board of Directors shall be authorised, with faculty of sub-delegation in accordance with legislative and regulatory provisions, to implement a buy-back programme for the repurchase of the shares of the Company, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, on one or several times and when it deems appropriate, such number of shares of the Company that may not exceed:

- 10% of the total number of shares constituting the Company's share capital at any given time; or
- 5% of the total number of shares constituting the Company's share capital if the shares are purchased by the Company with the purpose of holding them for subsequent payment or tender in a merger, spin off or contribution.

These percentages apply to a number of shares adjusted, as necessary, to take into account the transactions which may impact the share capital after the given Shareholders' General Meeting.

Acquisitions made by the Company may under no circumstance result in the Company holding at any time more than 10% of the shares composing its share capital.

These shares may be acquired, pursuant to the decisions of the Board of Directors for the following purposes:

- to ensure liquidity and an active market in the Company's shares through an independent investment services provider pursuant to a liquidity agreement in accordance with the market practices recognised by the AMF on July 2, 2018;
- granting for free or assign shares to the corporate officers and to employees of the Company and the other entities of the Group, and in particular in the context of (i) any profit-sharing scheme of the Company; (ii) any Company's stock option plans in accordance with the provisions of Articles L. 225-177 et seq. of the French Commercial Code; or (iii) any employee savings plan sponsored by the Company pursuant to the provisions of Articles L. 3331-1 et seq. of the French Labour Code or (iv) any free granting of shares in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, as well as any hedging operation related to these operations subject to the conditions set out by the market authorities and at such times as, the Board of Directors or the person acting under the delegation of powers of the Board of Directors deems appropriate;
- delivering the Company's shares upon exercise of the rights attached to securities giving access, directly or indirectly, to the Company's share capital through repayment, conversion, exchange, presentation of a warrant or in any other manner as provided by law, as well as for the purpose of any hedging operation related to these operations subject to the conditions set out by the market authorities and at such times as, the Board of Directors or the person acting under the delegation of powers of the Board of Directors deems appropriate;
- holding Company shares for the purpose of subsequent payment or exchange in the context of potential external growth transactions;
- cancelling all or part of the shares thus repurchased;
- to implement any market practice accepted by the AMF from time to time, and more generally, perform all operations or any other accepted operation, in accordance with applicable laws and regulations.

The maximum purchase price per share shall not exceed, excluding charges, thirty-three euros (€33).

The Board of Directors may, nevertheless, in the event of transactions relating to the Company's share capital, and in particular in case of a change in the nominal value of the share, a capital increase through capitalisation of reserves followed by the issue and the free allotment of shares, a stock split or stock consolidation, adjust the maximum purchase price referred to above in order to take into account the impact of such transactions on the value of the Company's share.

The acquisition, sale or transfer of these shares may be made and paid for by all appropriate means in accordance with applicable laws and regulations, on a regulated market, on a multilateral trading systems, systematic internaliser or on an over-the-counter market, including by the purchase or sale of blocks, by using options or other financial derivatives or warrants, or more generally, by using securities granting rights to shares of the Company, at such times as the Board of Directors deems appropriate.

All powers are granted to the Board of Directors, with the right to sub-delegate, in order to carry out, in accordance with applicable legislative and regulatory provisions, all authorised allocation and, as necessary, reallocations of repurchased shares for the purposes of the program or any of its objectives, or their sale, on or off market.

The Board shall also be granted all powers, with faculty of sub-delegation under applicable legislative and regulatory conditions, to implement this authorisation, to specify its terms as necessary, and to set the conditions, in accordance with the terms of the legislative provisions and of this resolutions, and in particular take any trade order, conclude any agreement, in particular for maintaining the register of share purchases and sales, make all declarations to the AMF or any other competent authority, establish any information document, complete all formalities, and in general, do all that is necessary.

The Board of Directors shall inform the Shareholders' General Meeting, as provided by law, of transactions carried out pursuant to this authorisation.

This authorisation shall cancel and replace the one granted by the 9th resolution of the Shareholders' General Meeting of May 24, 2019, and is granted for a term of eighteen (18) months as from the Shareholders' General Meeting of May 29, 2018.

6.4.4 OTHER SECURITIES GRANTING ACCESS TO SHARE CAPITAL

At the date of this Universal Registration Document, there were no securities giving access to the Company's share capital.

6.4.5 CONDITIONS GOVERNING ALL ACQUISITION RIGHTS AND/OR OBLIGATIONS ATTACHED TO SUBSCRIBED CAPITAL WHICH HAS NOT BEEN FULLY PAID UP

N/A.

6.4.6 SHARE CAPITAL OF GROUP COMPANIES SUBJECT TO OPTIONS OR TO AN AGREEMENT ALLOWING THEM TO BE SUBJECT TO OPTIONS

N/A.

6.4.7 CHANGES IN THE COMPANY'S SHARE CAPITAL OVER THE PAST YEAR

Date	Type of transaction	Capital before transaction	No. of shares before transaction	No. of shares after transaction	Par value	Capital after transaction
12/12/2019	Capital increase reserved for employees	73,253,196.61	155,857,863	157,698,124	€0.47	€74,118,118.28

6.5 FACTORS THAT COULD COME INTO PLAY IN THE EVENT OF A TAKEOVER BID

The table below shows information on factors likely to have an impact in the event of a takeover bid provided for in Article L. 225-37-5 of the French Commercial Code:

Legislative or regulatory reference	**Items required**	**Chapters/Sections of the Universal Registration Document**
L. 225-37-5, 1° of the French Commercial Code	The structure of the Company's capital	6.1.1 Shareholders 7.1.5.8 Regulations applicable to foreign investments in France
L. 225-37-5, 2° of the French Commercial Code	Statutory restrictions on exercise of voting rights and on share transfers or clauses of signed agreements brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code	6.1.2.1 Disclosure relating to control of the Company 7.1.5.3 Rights, privileges and restrictions attached to shares (Articles 10, 11, 12 and 13 of the Articles of Association) 7.1.5.7 Declaration of crossing of thresholds and identification of Shareholders
L. 225-37-5, 3° of the French Commercial Code	Direct or indirect holdings in the Company's capital of which it is aware, by virtue of Articles L. 233-7 to L. 233-12 of the French Commercial Code	6.1.1 Shareholders
L. 225-37-5, 4° of the French Commercial Code	A list of holders of any share comprising special rights of control and a description of these	N/A
L. 225-37-5, 5° of the French Commercial Code	The control mechanisms provided for in any employee shareholding system when the control rights are not exercised by employees	6.1.4 Employee shareholding
L. 225-37-5, 6° of the French Commercial Code	The agreements between Shareholders of which the Company is aware and which may result in restrictions on share transfer and exercise of voting rights	6.1.2.1 Disclosure relating to the control of the Company
L. 225-37-5, 7° of the French Commercial Code	The rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Articles of Association	6.1.2.1 Disclosure relating to the control of the Company 7.1.5.2 Provisions of the Articles of Association governing the management and supervisory bodies – internal rules of the Board of Directors 7.1.5.5 Shareholders' General Meetings (Article 19 of the Articles of Association)
L. 225-37-5, 8° of the French Commercial Code	Powers of the Board of Directors, in particular share issue or repurchase	6.5.1 Paid-up share capital and authorised but unissued share capital 6.5.3 Treasury shares
L. 225-37-5, 9° of the French Commercial Code	The agreements concluded by the Company which are amended or which end in the event of change of control of the Company, except if this disclosure, apart from cases of mandatory disclosure under the law, would adversely affect its interests	4.1.2.1.2.1 Senior Credit Facilities Agreement 4.1.2.1.2.2 Bond issue with maturity in 2024 4.1.3.1.2.3 Bond issue with maturity in 2026
L. 225-37-5, 10° of the French Commercial Code	The agreements providing for compensation to members of the Board of Directors or employees if they resign or are dismissed without due and genuine cause, or if their employment ends on account of a takeover bid or share-based takeover bid.	5.3.2 Compensation of executive corporate officers

In addition, the Group is a party to a number of contracts containing change of control provisions, including the Senior Credit Facilities Agreement (see Section 4.1.2.1.2.1 of this Universal Registration Document) as well as a number of other commercial agreements.

The €600 million bond issued by the Company in March 2017 for the purpose of financing the SAG acquisition also includes a change of control provision which may incur the early repayment of said bond.

Finally, the €600 million bond issued by the Company in June 2019 for the purpose of refinancing half of the Senior Credit Facilities Agreement also includes a change of control provision which may incur the early repayment of said bond.

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7.1 MAIN PROVISIONS OF THE LAW AND THE ARTICLES OF ASSOCIATION

7.1.1 COMPANY NAME

At the date of this Universal Registration Document, the Company's name is "SPIE SA".

7.1.2 REGISTRATION NUMBER AND PLACE AND LEI

The Company is registered with the Pontoise Trade and Companies Registry under company number 532 712 825.

LEI: 969500TJNS5GSFWJ8X85.

7.1.3 DATE OF INCORPORATION AND DURATION OF THE COMPANY

The Company was incorporated on May 27, 2011 and registered on 31st May, 2011. Its duration is 99 years unless it is dissolved earlier or extended by a decision of the Extraordinary Shareholders' General Meeting in accordance with the law and the Articles of Association.

The financial year ends on December 31, of each year.

7.1.4 REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France. The phone number of the registered office is +33 1 34 41 81 81.

At the date of this Universal Registration Document, the Company is a joint stock company (*société anonyme*) incorporated under French law.

7.1.5 *MEMORANDUM* AND ARTICLES OF ASSOCIATION

7.1.5.1 CORPORATE PURPOSE

The purpose of the Company, in France and abroad, is (i) to serve as a holding company with all kinds of financial interests (majority or non-controlling) in French or foreign entities and firms, and (ii) provide consulting and support services in the fields of commerce, finance, accounting, law, tax, technical work, administration and IT, in negotiating all types of contracts and in management, and providing any other type of services to the benefit of firms, entities or groups.

Generally, the Company is authorised to perform any commercial, industrial or financial operation that may be directly or indirectly related, in whole or in part, to the purpose cited above or to all other related or complementary activities or those which could contribute to its expansion or development.

7.1.5.2 PROVISIONS OF THE ARTICLES OF ASSOCIATION GOVERNING THE MANAGEMENT AND SUPERVISORY BODIES – INTERNAL RULES OF THE BOARD OF DIRECTORS

The description below summarises the main provisions of the Articles of Association and internal rules governing the Board of Directors, particularly its operational procedures and powers.

The internal rules specify the provisions relating to the Board of Directors cited below, the organisational and operational conditions, and the powers and authority of the committees that the Board has created (see Section 5.2.2 of this Universal Registration Document).

(a) Board of Directors (Articles 15, 16 and 17 of the Articles of Association and 1, 2, 3, 4 and 7 of the internal rules)

Composition

The Company is supervised by a Board of Directors of at least three members and no more than 18, subject to the exceptions allowed by law.

The Board ensures that independent members comprise, to the extent possible, at least half of the Board, at least two thirds of the Audit Committee, and more than half of the Appointments and Compensation Committee and of the CSR and Governance Committee.

In accordance with the Afep-Medef Code, members of the Board are deemed independent if they have no relationship of any kind with the Company, its Group or its management that might compromise their freedom of judgement.

At the time of each renewal or appointment of a member of the Board, and at least once a year before the publication of the Company Universal Registration Document, the Board assesses the independence of each of its members (or candidates). During this assessment, the Board, after an opinion from the CSR and Governance Committee, reviews the independent qualification of each of its members (or candidates) on a case-by-case basis with regard to the criteria cited below, the specific circumstances and the situation of the interested party in relation to the Company. The conclusions of this review are reported to the Shareholders in the Universal Registration Document and, as applicable, to the Shareholders' General Meeting at the time of the appointment of the members of the Board.

The Board can appoint up to three non-voting Directors. Non-voting Directors can be natural persons or legal persons, chosen among or outside the Shareholders. The term of office of non-voting Directors is four years except in cases of resignation or early termination of office decided by the Board. The terms under which they carry out their duties, including their potential compensation, are approved by the Board. Non-voting Directors are eligible for reappointment. They must attend Board meetings and take part in deliberations with a right of discussion only.

Appointments

During the life of the Company, directors are appointed, reappointed or dismissed under the conditions stipulated by the laws and regulations in force and these Articles of Association.

The Articles of Association and the Board's internal rules require each Director to own at least 100 shares during their entire term of office and, in any event, no later than six (6) months after their appointment. Stock-lending arrangements between the Company and members of the Board are not allowed. This restriction does not apply to directors representing the employee Shareholders and employees of the Group. The directors eligible for compensation, as decided by the Board of Directors, must own the number of shares recommended by the Board.

At the time they take office, members of the Board must register their shares. This also applies to any shares subsequently acquired.

Duties

The term of office of a Director is four years.

Directors may be reappointed. Their office may be terminated at any time by the Ordinary Shareholders' General Meeting.

Directors must be under the age of 75 (the number of Directors over the age of 70 must not exceed one-third of the directors in office) and are subject to the applicable laws and regulations governing the total number of offices and positions held.

Identity of directors

Directors may be natural or legal persons. When appointed, legal persons must appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same responsibilities as though they were a Director in their own name, without prejudice to the joint liability of the legal person they represent.

The office of permanent representative is given for the duration of the term of office of the legal person they represent.

Should the legal person revoke the appointment of its permanent representative, they must immediately notify the Company by registered mail of this dismissal and the name of its new permanent representative. This is also required in the event of the death, resignation or prolonged impediment of the permanent representative.

Directors representing employees

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, the Board of Directors shall comprise one Director representing employees. This Director is appointed by the Works Council.

When the number of members of the Board of Directors is higher than the number of Directors shown in Article L. 225-27-1-II of the French Commercial Code, and provided that this requirement is still met on the appointment date, a second Director representing employees shall be appointed by the European Works Council.

Directors representing employees are appointed for a term of four years, which expires immediately after the Shareholders' General Meeting deliberating on the financial statements for the preceding financial year, and held during the year during which the term expires. Directors representing employees may be reappointed.

Chairman of the Board of Directors

The Board of Directors elects a Chairman from among its natural members.

The Chairman is elected for a term that may not exceed his term as Director. He may be reappointed.

The Chairman of the Board organises and directs the work of the Board and reports on that work to the Shareholders' General Meeting. He ensures the proper functioning of the Company's corporate bodies and, in particular, ensures that the directors are in a position to perform their duties.

Senior Independent Director

On a proposal from the Appointments and Compensation Committee, the Board may appoint from among its independent natural members a Senior Independent Director for a term which may not exceed his term of office as a member of the Board. The appointment of a Senior Independent Director is mandatory when the functions of Chairman of the Board Chief Executive Officer are combined and optional otherwise. The functions of the Senior Independent Director are detailed in Section 5.2.1 "Senior Independent Director" of this Universal Registration Document.

Deliberations of the Board of Directors

The Board assumes the duties and exercises the powers granted to it by the law, the Company's Articles of Association and the Board's internal rules. The Board of Directors determines the orientation of the Company's business and monitors its implementation. Subject to the powers expressly attributed to Shareholders' General Meetings, and within the limits of the corporate purpose, the Board considers any question affecting the proper running of the Company and governs the Company's affairs through its resolutions. The Board carries out the controls and verifications it deems appropriate.

The Board meets when called by the Chairman, the Senior Independent Director or one of its members as often as the Company's interests require; the frequency and duration of Board meetings must be such that they allow in-depth review and discussion of matters falling within the jurisdiction of the Board.

The Board may validly deliberate, even in the absence of a notice of meeting, if all members are present or represented.

The Board of Directors may validly deliberate only if at least half of its members are present. Decisions are adopted by a simple majority of the members present or represented. In case of a split-vote, the Chairman of the meeting shall have a casting vote.

The following decisions are subject to prior authorisation by the Board voting by a simple majority of the members present or represented:

(i) approval or amendment to the *business plan* or to the budget (including investment budgets together with the related financing plan) of the Company, including the Group's consolidated annual budget;

(ii) any investment (except Section (iii) below) not approved in terms of Section (i) above, under the business plan or the budget for an amount of more than ten million euros (€10,000,000);

(iii) any external growth transaction, takeover or acquisition of equity interest, provided that this transaction involves an enterprise value or a transaction amount exceeding €30 million (€30,000,000);

(iv) any launch of a significant activity not within the usual scope of the companies of the Group or any decision to stop or significantly reduce the main businesses of the Group;

(v) constitution of security interests (endorsements and guarantees) by the Company for the benefit of a third party, except guarantees granted to customs and tax authorities in the normal course of business;

(vi) any decision to participate in a project involving a Group entity up to a unit amount greater than fifty million euros (€50,000,000), and the conclusion of any agreement of an overall unit amount equal to or greater than €50 million (€50,000,000);

(vii) any amendment to the Company's Articles of Association;

(viii) any proposal in relation with any financial undertaking or any operation of indebtedness that would change the leverage ratio of net debt/EBITDA of the Group calculated and submitted to financial markets;

(ix) any decision of issuance of any securities granting access to the Company's share capital (including stock-options plan, any company savings plan or, any incentive mechanism of the employees of the Group);

(x) any decision to amend the conditions for fixed, variable, cash or in kind compensation of the Company's corporate officers;

(xi) any disposal of a Group entity or any disposal of one or more of its main businesses involving an enterprise or transaction value higher than fifty million euros (€50,000,000) or a firm or business with annual revenue higher than one hundred and fifty million euros (€150,000,000); and

(xii) any merger, spin-off or contribution in kind involving a Group entity and a third-party entity involving an enterprise value of the third-party or a transaction value higher than fifty million euros (€50,000,000) or a third-party firm or business with annual revenue higher than hundred and fifty million euros (€150,000,000).

Compensation of Board members

On the recommendation of the Appointment and Compensation Committee, the Board:

- freely pays to its members the compensation allocated to the Board by the Shareholders' General Meeting, taking into consideration the effective attendance of directors at Board and Committee meetings. A portion determined by the Board and collected on the amount of the compensation granted to the Board is paid to the members of the committees as well as the Senior Independent Director, taking into account their attendance at said committees' meetings;
- determines the amount of the Chairman's compensation;
- may also allocate exceptional compensation to certain members for the duties or offices assigned to them.

The Board of Directors reviews the aptness of the amount of directors' compensation with regard to the tasks and responsibilities of the directors.

(b) General Management (Article 18 of the Articles of Association)

Authority

The General Management of the Company is undertaken, under their responsibility, either by the Chair of the Board of Directors, or by another natural person, appointed by the Board of Directors from among or outside its members and bearing the title of Chief Executive Officer.

The Board of Directors chooses between these two methods of exercising the General Management at any time and, at least, at each expiry of the term of office of the Chief Executive Officer or of the term of office of the Chair of the Board of Directors when the latter also assumes General Management of the Company.

Shareholders and third parties must be informed of this choice under the conditions required by regulations.

When the General Management of the Company is undertaken by the Chair of the Board of Directors, the following provisions relating to the Chief Executive Officer shall apply to the Chairman. In this case, he bears the title of Chairman and Chief Executive Officer.

General Management

On the recommendation of the Chief Executive Officer, the Board may appoint one or more individuals charged with assisting the Chief Executive Officer and bearing the title of Chief Operating Officer.

There may be no more than five Chief Operating Officers.

The Chief Executive Officer and Chief Operating Officers may not be older than 65.

The term of office of the Chief Executive Officer or Chief Operating Officers is determined at the time they are appointed but may not exceed their term of office on the Board, if applicable.

The Chief Executive Officer may be dismissed at any time by the Board. This is also true for the Chief Operating Officers, on the recommendation of the Chief Executive Officer. If dismissal is decided without grounds, it may result in damages, except when the Chief Executive Officer assumes the position of Chairman of the Board.

When the Chief Executive Officer ceases or is prevented from performing his duties, the Chief Operating Officers retain their duties and powers, unless decided otherwise by the Board, until the appointment of the new Chief Executive Officer.

The Board determines the compensation of the Chief Executive Officer and Chief Operating Officers.

Powers of the Chief Executive Officer and Chief Operating Officers

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the corporate purpose and subject to the powers attributed expressly to the Shareholders' General Meeting and the Board by law.

He represents the Company in its relations with third parties. The Company is bound by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that the third party could not have been aware of this fact given the circumstances; simple publication of the Articles of Association is not sufficient to establish such proof.

Decisions of the Board limiting the powers of the Chief Executive Officer are not enforceable against third parties.

In agreement with the Chief Executive Officer, the Board determines the scope and duration of the powers granted to the Chief Operating Officers. The Chief Operating Officers have the same powers as the Chief Executive Officer with respect to third parties.

The Chief Executive Officer or Chief Operating Officers may, within the limits set by the laws in force, delegate the powers they deem appropriate, for one or more specific purposes, to all officers, even outside the Company, individually or in a committee or commission, with or without possibility of substitution, subject to the limitations stipulated by law. These powers may be permanent or temporary, and include or exclude the option of substitution. The delegations so granted retain all their effects despite the expiration of the term of office of the person who granted them.

7.1.5.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES (ARTICLES 10, 11, 12 AND 13 OF THE ARTICLES OF ASSOCIATION)

Fully paid-up shares are in registered or bearer form, at the Shareholder's discretion, under the conditions defined by the regulations in force.

Each share gives a right to a share of the profits and corporate assets in proportion to the percentage of capital it represents. Moreover, it gives the right to vote and to be represented at Shareholders' General Meetings under the conditions set by law and the Articles of Association.

A double voting right is granted to fully paid-up shares that have been held in registered form by the same Shareholder for at least two (2) years. The calculation of this holding period does not take the period for which the Company's shares were held before they were listed on the regulated Euronext Paris stock exchange into account.

In accordance with Article L. 225-123 par. 2 of the French Commercial Code, in the event of a share capital increase by capitalisation of reserves, profits or premiums, double voting rights are granted as from their issue to new bonus shares awarded to Shareholders by virtue of the existing shares for which they already enjoy the same right.

Double voting rights may be exercised at any Shareholders' General Meeting.

Double voting rights automatically cease when the shares are converted to the bearer or transferred to a new owner.

Shareholders are liable for losses only up to the amount of their contributions.

The rights and obligations attached to a share remain with the share when it is transferred. Ownership of a share legally implies compliance with the Articles of Association and the resolutions of the Shareholders' General Meeting.

Whenever it is necessary to hold several shares to exercise a right, individual shares or a number of shares less than the number required give no rights to their owners against the Company; in this case, it is the responsibility of the Shareholders to combine the number of shares necessary.

Shares are indivisible with respect to the Company.

Co-owners of indivisible shares are represented at Shareholders' General Meetings by one of the owners or by a single agent. If they disagree, the agent shall be designated by a court at the request of one of the co-owners.

If there is a beneficial owner, the share registration must show the existence of the beneficial ownership. Except where otherwise stipulated in an agreement notified to the Company by registered mail with return receipt, the voting right belongs to the beneficial owner at Ordinary Shareholders' General Meetings and to the bare owner at Extraordinary Shareholders' General Meetings.

Registered or bearer shares are freely tradable except where otherwise stipulated by laws or regulations. They are registered in an account and are transferred, with respect to the Company, by a transfer between accounts under the conditions defined by the laws and regulations in force.

7.1.5.4 CHANGES TO SHARE CAPITAL AND TO RIGHTS ATTACHED TO SHARES

Insofar as the Articles of Association make no specific provisions, changes in the rights attached to shares are governed by law.

7.1.5.5 SHAREHOLDERS' GENERAL MEETINGS (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)

Notice and place of meeting

Shareholders' General Meetings are called under conditions, forms and times set by law.

They are held at the registered office or at any other location indicated in the notice of meeting.

Agenda

The meeting agenda is provided on the notices and letters of meeting; it is decided by the author of the notice.

The meeting may deliberate only on items indicated on the agenda; however, in all circumstances, it may dismiss one or more directors and replace them.

One or more Shareholders representing at least the percentage of capital required by law, and acting under the statutory conditions and within the statutory time periods, have the option to require the inclusion of proposed resolutions on the agenda.

Access to meetings

Any Shareholder has the right to attend Shareholders' General Meetings and participate in the deliberations personally or through an agent.

Any Shareholder may participate in meetings in person or through their agent, under the conditions defined by the regulations in force, with proof of their identity and ownership of their shares in the form of accounting registration under the conditions defined by the laws and regulations in force.

On the decision of the Board published in the notice of meeting to use such telecommunications methods, Shareholders who attend the meeting *via* videoconferencing or other telecommunication or electronic transmission methods, including the Internet, which allow identification under the conditions required by the regulations in force, are deemed present for the calculation of quorum and majority.

On a decision by the Board, any Shareholder may vote remotely or give their proxy in accordance with the regulations in force using a form prepared by and sent to the Company under the conditions defined by the regulations in force, including electronic or broadcast transmission methods. This form must be received by the Company under the regulatory conditions in order to be counted.

Meetings are chaired by the Chairman of the Board or, if he is absent or unable to do so, by the member of the Board specifically designated for this purpose by the Board. If not, the meeting elects a chair.

Minutes of meetings are prepared and the copies are certified and delivered as required by regulations.

The legal representatives of Shareholders who are legally incapacitated or the individuals representing legal entities shall participate in meetings, whether or not they are Shareholders themselves.

Attendance sheet, office, minutes

At each meeting, an attendance sheet containing the information required by law is kept.

Meetings are chaired by the Chairman of the Board or, in his absence, by a Director specifically designated for this purpose by the Board. If not, the meeting elects a chair.

The duties of tellers are performed by the two members of the meeting who are present and accept the duties and who themselves or as agents have the largest number of votes.

The officers name the secretary who does not have to be a Shareholder.

The mission of the officers is to verify, certify and sign the attendance sheet, to ensure the proper conduct of discussion, to settle incidents at meetings, to count the votes cast, and to ensure the meeting is properly conducted and that minutes are prepared.

Minutes are prepared and copies or excerpts of the resolutions are issued and certified as required by law.

Ordinary Shareholders' General Meeting

The Ordinary Shareholders' General Meeting is a meeting called to make all decisions that do not amend the Articles of Association. It meets at least once a year within six months of the closing of each financial year to approve the financial statements for the year and the consolidated financial statements.

On the first notice of meeting, it may legally deliberate only if the Shareholders present or represented, or voting by mail and electronically, hold at least one-fifth of the voting shares. On the second notice of meeting, no quorum is required.

It rules by a majority of the votes held by the Shareholders present, represented or who have voted by mail or electronically.

Extraordinary Shareholders' General Meeting

Only the Extraordinary Shareholders' General Meeting is authorised to amend all provisions of the Articles of Association. It may not, however, increase Shareholders' commitments, subject to operations resulting from a legally performed consolidation of shares.

It legally deliberates only if the Shareholders present, represented or who have voted by mail or electronically, hold at least one quarter of the voting shares on the first notice of meeting, and one-fifth of the voting shares on the second notice. If the second quorum is not reached, the second meeting may be moved to a date no more than two months from the date on which it was called.

The meeting rules by a two-thirds majority of the votes of the Shareholders present, represented or voting by mail or electronically.

However, under no circumstances may the Extraordinary Shareholders' General Meeting increase the commitments of the Shareholders or damage the equality of their rights unless this is done by unanimous vote of the Shareholders.

7.1.5.6 PROVISIONS THAT ALLOW A CHANGE IN THE CONTROL OF THE COMPANY TO BE DELAYED, DEFERRED OR PREVENTED

The Company's Articles of Association contain no provisions that allow delaying, deferring or preventing a change in control.

7.1.5.7 DECLARATION OF CROSSING OF THRESHOLDS AND IDENTIFICATION OF SHAREHOLDERS (ARTICLE 14 OF THE ARTICLES OF ASSOCIATION)

As long as the Company's shares are listed for trading on a regulated market, in addition to the threshold declarations expressly stipulated by the laws and regulations in force, any natural or legal person that comes to directly or indirectly hold, alone or in partnership, a 1% portion of the Company's share capital or voting rights (calculated according to Articles L. 233-7 and L. 233-9 of the French Commercial Code and the AMF's general regulation), or any multiple of this percentage, must notify the Company of the total number of (i) shares and voting rights which they directly or indirectly hold, alone or in partnership, (ii) securities giving future rights to the Company's share capital which they directly or indirectly hold, alone or in partnership, and the voting rights potentially attached to said securities, and (iii) shares already issued which they may acquire under an agreement or a financial instrument stipulated in Article L. 211-1 of the French Monetary and Financial Code. This notification must be made, by registered mail with return receipt, within a period of four trading days from the date the relevant threshold is crossed.

The obligation to inform the Company also applies, within the same deadlines and under the same conditions, when the Shareholder's interest in the capital or voting rights falls below one of the aforementioned thresholds.

If the threshold declaration obligation cited above is not met, at the request of one or more Shareholders representing at least 1% of the capital or voting, recorded in the minutes of the Shareholders' General Meeting, the shares exceeding the fraction that should have been declared are deprived of voting rights until the expiry of a period of two years after the notification is regularised.

The Company reserves the right to inform the public and the Shareholders of either the information which it was notified of or the noncompliance by the person in question with the aforementioned obligations.

As long as the shares of the Company are listed for trading on a regulated market, the Company has the right to request identification of holders of securities that grant voting rights immediately or in the future in its Shareholders' General Meetings, as well as the number of securities held, under the conditions stipulated by the laws and regulations in force.

7.1.5.8 REGULATIONS APPLICABLE TO FOREIGN INVESTMENTS IN FRANCE

At the date of this Universal Registration Document, the Group had activities in certain industries falling under the ambit of regulations applicable to foreign investments in France, in particular with respect to National Security. Because of these activities, the Company and the Group fall within the scope of application of laws and regulations related to foreign investments in France set out in Articles L. 151-3 and R. 151-2 et seq. of the French Monetary and Financial Code.

In accordance with these provisions, the acquisition of control within the meaning of Article L. 233-3 of the French Commercial Code by a foreign investor of the Company or any of its French subsidiaries with activities listed in the above-mentioned provisions is subject to the prior approval of the minister in charge of the Economy. The acquisition of more than 25% of the share capital or voting rights of the Company or any of its French subsidiaries with such activities by an investor that is not a national of a European Union member State or of a member of the European Economic Area that has an administrative assistance agreement with France is subject to the same procedure.

Under this prior approval procedure, the minister of the Economy is in charge of verifying that the conditions under which the transaction is contemplated do not impact the national interest; he or she may on this account attach one or more conditions to his or her authorisation in order to safeguard the sustainability of the relevant activities, industrial capabilities, R&D capabilities, or any related know-how, and may also, upon justification, refuse such approval, particularly in the event of a negative impact on the national interest.

Any transaction carried out in breach of these provisions is null and moreover may be subject to a financial penalty of up to double the amount of the illegal investment and to criminal penalties set out in Article 459 of the French Customs Code.

7.1.5.9 SPECIFIC CLAUSES GOVERNING CHANGES IN THE SHARE CAPITAL

The Company's Articles of Association contain no specific provisions governing changes in the share capital that are stricter than the legal provisions.

7.2 LEGISLATIVE AND REGULATORY ENVIRONMENT

7.2.1 MULTI-TECHNICAL SERVICES

(A) REGULATIONS RELATING TO PUBLIC PROCUREMENT

For the multi-technical services offered by the Group within the European Union, if the client is in the public sector, it is subject to the European and national regulations applicable to the awarding of public contracts.

European regulations on public procurement mainly consist of two directives: Directive 2004/17 of March 31,, 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors, and Directive 2004/18 of March 31, 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts. These two directives simplify and modernise the pre-existing legal framework, in particular by combining the former sector directives. They eliminate all restrictions on the four fundamental economic freedoms of the European Union and protect the interests of economic operators based in one member State and providing goods, services or public works to awarding authorities in another member State. They also guarantee effective competition by, on the one hand, subjecting a large number of entities to competition rules and, on the other hand, improving transparency at each stage of the contracting process. Moreover, they improve the effectiveness of public procurement through the use of electronic measures to transmit information and as a means of procurement. They also facilitate the standardisation of several factors at Community level, specifically technical specifications and the means by which awarding authorities publicise and describe their requirements. Lastly, in certain circumstances, the directives authorise awarding authorities to take into account considerations of an environmental, cultural or social nature when awarding contracts.

These directives were amended by means of two new directives: Directive 2014/24/EU on public procurement, and Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors. The amended directives aim to increase the efficiency of public expenditure, enable purchasers to use public works contracts to support social objectives, and facilitate the access of SMEs to public works contracts. More specifically, they limit turnover requirements imposed by public purchasers on prospective bidders, ease administrative burdens on contractors, and reduce procedural delays. They also expand the recourse of public purchasers to the competitive negotiation process while affording procedural guarantees to economic operators, and further strengthen measures to detect abnormally low bids. Lastly, the amended directives seek to more broadly encourage the development of innovation by creating a new procedure, the innovation partnership, which will allow purchasers to incorporate, within a single competitive procedure, both the research and development phase and the purchasing phase. The directives were transposed into French law by:

- Order 2015-899 of July 23, 2015 relating to public procurement, which unified the different procedures for open competition existing until then in the French Public Procurement Code, and Order 2005-649 of 6th June, 2005 concerning contracts awarded by certain public or private parties not subject to the

Public Procurement Code, such as national public industrial and commercial institutions and public interest groups; and

- Decree 2016-360 of March 25, 2016 implementing the Order of July 23, relating to public procurement.

The above Order and Decree were supplemented by an Order published in the government gazette on 31st March, 2016 and a series of notices published in the government gazette on March 27, 2016. These texts came into force on April 1, 2016 and repealed the French Public Procurement Code.

In France, many of the calls for tenders issued by the State in which the Group takes part were subject to Order 2015-899 of July 23, 2015 and Decree 2016-360 of March 25, 2016. These texts, which transpose the amended EU directives of 2014 into French law, impose disclosure and competition requirements on awarding authorities, as well as compliance with the principles of free access to public contracts, equal treatment of operators, and procedural transparency.

Article 38 of Law No. 2016-1691 of December 9, 2016 respecting transparency, the fight against corruption and the modernisation of economic life (known as Sapin 2) has empowered the government to establish a new public procurement code by decree. Order No. 2018-1074 of November 26, 2018 respecting the legislative portion of the Public Procurement Code and Decree No. 2018-1075 of December 3, 2018 respecting the regulatory portion of the Public Procurement Code were published in the Official Journal of December 5, 2018.

In addition to the provisions of Order Nos. 2015-899 of July 23, 2015 and 2016-65 of January 29, 2016 and their implementing decrees resulting from the transposition of European directives, the Public Procurement Code is a compendium of all rules governing public procurement law.

Both the legislative portion and regulatory portion of the Public Procurement Code entered into force on April 1, 2019.

(B) REGULATIONS RELATING TO THE USE OF SUBCONTRACTING

The Group enters into works contracts as a subcontractor to economic operators and under public works contracts and private contracts. Moreover, the Group itself makes use of subcontractors when performing its works or services contracts. In these cases, it is subject to the regulations applicable to subcontracting in each country in which it participates, especially in France.

Subcontracting framework in France

Law 75-1334 of December 31, 1975 on subcontracting defines the general subcontracting regime applicable to public or private contracts. The law specifically sets the conditions for accepting and approving subcontractors, the rights of subcontractors to receive direct payment from the contractor, and subcontractors' guarantee of payment and recourse to legal action.

The use of subcontractors in public procurement is governed by Article 62 of Order 2015-899 of July 23, 2015, Articles 133–137 of Decree 2016-360 of March 25, 2016, and the administrative circulars and general administrative terms and conditions applicable to public procurement regarding in particular the conditions and modes of direct payments to subcontractors by contractors and the liability of successful bidders for damages caused by the subcontractor.

French regulations on undeclared work

The Group is subject to regulations on undeclared work, specifically when it uses subcontractors. Articles L. 8222-1, L. 8222-5 and R. 8222-1 of the French Labour Code impose a duty of care on contractors for any contracts with a minimum value of €5,000. Contractors must, on the one hand, ensure that their subcontractors are in compliance with their obligations in terms of Social Security contributions and, on the other hand, put an immediate end to any illegal situation of which it learns. Failure to make the appropriate checks exposes contractors to joint financial liability under which they may be obliged to settle the Social Security contributions owed by subcontractors if the latter resorted to undeclared work, over and above applicable civil and criminal penalties.

(C) ENVIRONMENTAL REGULATIONS

Electrical waste processing

For its activities in multi-technical services and communication, the Group is subject to European regulations respecting the treatment of electrical and electronic equipment waste.

Directive 2002/96/EC on waste electrical and electronic equipment (WEEE), and Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment require producers of electrical and electronic equipment to ensure the removal and treatment of their products at the end of their useful lives. Directive 2002/96/EC was amended by Directive 2012/19/EU, the purpose of which is to collect 20 kg of WEEE per inhabitant by the year 2020. From 2016, member states must guarantee that 45% of electrical and electronic equipment sold in each country is collected. Starting in 2018, the scope of the Directive was broadened to include, in addition to the categories currently affected, all electrical and electronic equipment. Starting in 2019, the collection target will increase to 65% of electrical and electronic equipment sold or, according to another calculation method, 85% of WEEE. In addition, Directive 2002/95/EC was amended by Directive 2011/65/EU and aims to restrict the use of certain hazardous substances in electrical and electronic equipment.

In the course of its business, the Group recovers waste from electrical or electronic equipment, bulbs and tubes on a daily basis. It thus partnered with Recylum, a waste recycling firm, to meet the requirements of Decree of July 20, 2005 on the composition of electrical and electronic equipment and the elimination of waste from such equipment.

The Group has developed a range of WEEE services to assist its customers with processing equipment acquired before August 13, 2005, including project steering and management, logistics, collection, sorting, diagnostics, selective processing, dismantling and packaging, waste inventory and the recovery of user data.

7.2.2 OIL & GAS BUSINESS

As part of its Oil & Gas sector/business, the Group operates in certain countries whose governments prioritise the safeguarding of national interests and where regulation is susceptible to rapid and major changes.

OBLIGATION TO USE A LOCAL PARTNER

The Group is active in countries in Africa, Asia and the Middle East in which regulations require foreign investors to use local partners. Certain countries where the Group is present, such as the United Arab Emirates, Indonesia and Thailand, require that a local partner hold an equity stake – over 50% in some cases – in firms seeking to operate on their territory. In other countries, such as Angola and Nigeria, an equity stake held by a local partner is not mandatory but may be a prerequisite to taking part in calls for tenders issued by local authorities.

EMPLOYMENT OF LOCAL WORKFORCE

Under the laws of certain countries in which the Group is active (such as Gabon or Nigeria), foreign firms may be required to observe a quota of local workers in their workforce. This obligation reduces the number of expatriate workers foreign firms can make use of by requiring them to show proof of a certain number of local employees before they can obtain visas for foreign staff. It also requires them to train the necessary local workers.

FOREIGN EXCHANGE CONTROL

The Group operates in countries with foreign exchange controls that regulate outflows of funds by firms registered locally. One example is Angola whose central bank (National Bank of Angola) is authorised to accept contracts entered into with foreign firms for purposes of transferring funds outside the country.

APPLICABLE LAW

In the course of its Oil & Gas business, the Group is sometimes required to enter into contracts in countries requiring the application of domestic law, particularly in litigation settlements. This is particularly the case in countries, such as Saudi Arabia, Nigeria and Indonesia, where sharia law has been instituted and applies to the Group's contracts.

ENVIRONMENTAL REGULATIONS

Besides its QHSE (Quality, Hygiene, Safety, Environment) policy, the Group is subject to various environmental regulations applicable in countries where it is active, with the oil or gas operator retaining primary responsibility.

7.2.3 NUCLEAR BUSINESS

The services the Group offers in the field of nuclear energy, particularly in France, are subject to very strict regulations due to the risks and constraints inherent to the industry.

NUCLEAR FACILITIES

The order of February 7, 2012 setting out the general rules relating to base **nuclear** facilities, as amended by the order of June 26, 2013 and the decree of December 30, 2015 relating to nuclear pressure equipment, defines the obligations of nuclear operators to guarantee the safety of facilities, security and health of the employees, the population and the environment around the sites and the protection of interests.

Specifically, operators must have sufficient technical capacity, either internally or *via* third parties, to ensure the design, construction, functioning, permanent shutdown, decommissioning, maintenance and oversight of base nuclear facilities. In this regard, it exercises oversight over outside participants, including the Group, in activities they execute or the goods and services they provide.

Furthermore, operators must implement a policy and an integrated management system aimed at protecting health, sanitation, nature and the environment. They must identify the necessary protective measures and operations, the latter of which can only be undertaken by persons with the proper skills and qualifications. Operators must thus ensure that outside participants, such as the Group, put similar measures in place for their staff and their subcontractors. Lastly, operators and their subcontractors, such as the Group, must take measures to detect defects, report any significant event to the French Nuclear Safety Authority, and implement protection to prevent and control any accidents.

RADIATION PROTECTION

The system for protecting individuals from exposure to ionising radiation, which applies to Group employees working at nuclear facilities, falls under European Directive 96/29/Euratom of May 13, 1996 whose provisions were transposed to the French Public Health Code and Labour Code. The decree n°2016-128 of February 10, 2016 relating to various provisions on nuclear issues, takes into account the new Euratom directive 2013/59 which will be incorporated within French law prior to February 6, 2018.

Articles L. 1333-1 to L. 1333-20 and R. 1333-1 to R. 1333-112 of the Public Health Code set out the regulations for the general protection of the population against ionising radiation. All nuclear activities are thus subject to reporting or authorisation regulations. Article R. 1333-8 of the French Public Health Code sets the maximum public exposure level at one milliSievert (doses unit of measurement of radiations absorbed by living organisms, or mSv) per year.

Articles L. 4451-1 et seq. and R. 4451-1 et seq. of the French Labour Code set out the procedures for worker protection against ionising radiation. Other than imposing various obligations on firms with employees who may be exposed, such as demarcating controlled and restricted areas, monitoring emitters of radiation and setting up collective and individual protective measures, the French Labour Code sets the maximum exposures of workers to ionising radiation, and notably the one at 20 mSv per 12 consecutive months for the efficient dose [1].

(1) The efficient dose is the measurement, in sieverts (Sv), of the impact of the exposure of whole or part of the body to various types of ionising radiation, notably from a radioactive source, which takes into account the affected tissues sensitivity and the nature of the radiation.

As such, the Group is required to have a management system certified by CEFRI (the body tasked with certifying firms operating in the nuclear industry with staff exposed to ionising radiation) under the responsibility of an employee appointed as "Designated Manager" and an employee appointed "Competent Person in matters of Radioprotection". It is also required to implement preparation methods to prevent or restrict radiation to which workers are exposed, as well as a process of detecting, analysing and treating violations.

In 2018, 3 new rules (n° 2018-434, 437 and 438 of June 4, 2018), transposing European texts (following the Euratom provisions) entered into effect. The main evolutions related to the limited exposure levels for the eye lens (100 mSv over 5 years but inferior to 50 mSv per year) and the evolution of companies' internal missions with the appointment of a radioprotection adviser.

FRENCH NUCLEAR SAFETY AUTHORITY (ASN)

As a contractor working directly in the Nuclear sector, and as a provider to customers operating in this sector, the Group is subject to the decisions of the ASN, an independent administrative authority responsible for monitoring civil nuclear activities in France. It, on behalf of the State, monitors nuclear safety and radiation protection in France to protect workers, patients, the public and the environment from risks related to nuclear activities. For all activities carried out at base nuclear facilities, the ASN also conducts plant inspections. These audits and inspections, to which the Group is subject, may uncover breaches or lead to instructions aimed at improving or enhancing services on the basis of which the Group would have to respond and propose an action plan. Moreover, the Group is required to report to the ASN its own incidents with regard to safety, radiation protection and the environment.

The ASN plays an important role in drawing up regulations applicable to the nuclear industry; it is consulted on draft decrees and ministerial orders of a regulatory nature relating to nuclear safety, and may make technical regulatory decisions to supplement the mode of enforcement of decrees and orders issued in matters of nuclear safety or radiation protection. The ASN may also hand down individual decisions and impose instructions under the conditions set out by Articles L. 592-1 et seq. and Articles L. 592-19 et seq. of the French Environmental Code.

PROTECTION OF OFFICIAL SECRETS

The Decree of November 30, 2011 (as amended by the decrees 2016-308, 2016-1337 and 2014-445) approving Interministerial General Directive 1300 (IGI 1300) aims to strengthen legal certainty relating to the protection of official secrets and describes its general structure. The Decree applies to the facilities of some of the Group's major customers. In this context, the Group depends on two authorisation sectors, the Direction Générale de l'Armement for our intervention on military sites and sites of the CEA DAM, and the Nuclear Sphere for interventions on EDF, ORANO and CEA DEN facilities.

Under the Decree and its Directive, the Group must obtain, for legal persons working on these facilities, the appropriate clearance from the relevant national defence authorities according to the level of secrecy (either the Secrétariat général de la défense et de la sécurité nationale, the Haut fonctionnaire de défense et de sécurité, the Autorités de sécurité déléguées, or the préfet). The Group must also obtain clearance from the same authorities for all its employees working on these facilities and/or handling documents or information relating to them.

7.2.4 WORKPLACE HEALTH AND SAFETY REGULATIONS

In most countries in which it is active, the Group is legally required to ensure the safety and protect the health of its employees. The French Labour Code in particular requires employers to ensure the safety and protection of their workers' physical and mental health. Employers must adopt the necessary measures to prevent occupational risks, assess company-specific risks, and inform and train their employees with regard to these risks.

7.3 INFORMATION ON EQUITY INTERESTS

Information on equity interests is provided in Section 4.4.1 of this Universal Registration Document, under Note 24 to the Company's consolidated financial statements for the year ended December 31, 2019.

7.4 MAJOR CONTRACTS

See Section 4.1.2.1.2 of this Universal Registration Document.

7.5 RELATED-PARTY TRANSACTIONS AFR

7.5.1 PRINCIPAL RELATED-PARTY TRANSACTIONS

Parties related to the Group consist primarily of the Company's Shareholders, its unconsolidated subsidiaries, entities under joint control (proportionate consolidation), affiliates (companies accounted for using the equity method), and entities over which the different executives of the Group exercise at least significant influence.

The figures specifying the relationships with the related parties are found in Note 23 of the notes to the consolidated financial statements for the year ended December 31, 2019 and presented in Section 4.4.1 of this Universal Registration Document.

There has been no significant transaction between related parties between 1st January, and December 31, 2019, or significant modifications between related parties described in the Note 23 of the notes to the consolidated financial statements for the year ended December 31, 2019.

7.5.2 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS FOR 2019

(Annual Shareholders Meeting for the approval of the financial statements for the year ended December 31, 2019)

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of SPIE SA

SPIE SA
10 avenue de l'Entreprise
95800 Cergy

In our capacity as Statutory Auditors of SPIE SA, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual Shareholders Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL SHAREHOLDERS MEETING

We were not informed of any agreement authorized and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the annual shareholders meeting

Agreements approved in prior years

A) THAT WERE IMPLEMENTED DURING THE YEAR

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreement, approved by the Annual Shareholders Meeting in prior years, remained in force during the year ended December 31, 2019.

Letter of Commitment from Sponsors dated May 22, 2015 and amendment dated May 29, 2015

Persons concerned

Roberto Quarta, Company Director until March 16, 2017

Christian Rochat, Company Director until September 6, 2017

Clayton Dubilier & Rice, Ardian and Caisse de Dépôt et Placement du Québec ("CDPQ")

Nature, purpose and terms and conditions

On May 29, 2015, the Board of Directors authorized the Company to countersign the Amendment to the Letter of Commitment, which provides that:

- the Consortium will be represented on the Company's Board of Directors by a maximum of:
  - four Directors selected from the recommended candidates, three recommended by Clayton Dubilier & Rice and the fourth recommended by Caisse de Dépôt et Placement du Québec ("CDPQ"), and
  - a non-voting Director recommended by CDPQ.
- This representation on the Board of Directors will be altered in the event that members of the Consortium sell their shares at the request of the Company and according to the following conditions:
  - Clayton Dubilier & Rice will be represented by three, two or one Director(s) when it directly or indirectly holds at least 25%, 15% or 5%, respectively, of the Company's share capital;
  - CDPQ will be represented by a Director and a non-voting Director when it directly or indirectly holds at least 5% of the Company's share capital and by two Directors when it directly or indirectly holds at least 15% of the Company's share capital and Clayton Dubilier & Rice's representation comes to only two Directors; and
  - Ardian will be represented by a non-voting Director when it directly or indirectly holds at least 2% of the Company's share capital.

These commitments came into force at the date the Company's shares were first listed on the market in connection with its initial public offering and will no longer apply to a member of the Consortium when they directly or indirectly hold less than 2% of the Company's share capital and are no longer a shareholder of the holding company for the Consortium's shares in the Company.

The Letter of Commitment also provides that:

- the Consortium has a duty to inform the Chairman of the Company's Board of Directors in the event that one or more members of the Consortium sells or transfers shares, in any manner whatsoever, representing at least 1% of the Company's capital;
- the Consortium has a duty to obtain the agreement of the Company's Board of Directors before the sale or transfer of shares, by one or more members of the Consortium, in any manner whatsoever, representing at least 1% of the Company's capital, to a competitor or significant trading partner of the Company.

B) THAT WERE NOT IMPLEMENTED DURING THE YEAR

We have also been informed of the following agreements and commitments that were approved by the Annual Shareholders Meeting in prior years but not implemented during the year.

Signature by the Company of an indemnity agreement

Persons concerned

Gauthier Louette, Chairman and Chief Executive Officer

Denis Chêne, Company Director until March 12, 2019

Nature, purpose and terms and conditions

In connection with the initial public offering of SPIE SA shares and the legal restructuring resulting from the merger of the Management Companies (SPIE 20 PP, SPIE 20 RA, SPIE 350 PP and SPIE 350 RA) into SPIE SA, the Company signed on June 9, 2015 an indemnity agreement with the former shareholders of the Management Companies in their capacity as Guarantors, pursuant to which the Guarantors agreed to indemnify the Company against any harm suffered as a result of a known or unknown liability relating to the Management Companies and caused by a fact or event arising prior to the IPO.

Signature by the Company of an underwriting agreement

Persons concerned

Roberto Quarta, Company Director until March 16, 2017

Christian Rochat, Company Director until September 6, 2017

Clayton Dubilier & Rice, Ardian and Caisse de Dépôt et Placement du Québec ("CDPQ")

Nature, purpose and terms and conditions

In connection with the initial public offering of SPIE SA shares, the Company signed on June 9, 2015 an underwriting agreement in its capacity as Issuer, with Clayax Acquisition Luxembourg 1 S.à.r.l. and FCPE SPIE Actionnariat 2011 in their capacity as Selling Shareholders, and with the group of financial institutions comprising the Global Coordinators and their associated Lead Managers, Bookrunners and Co-Lead Managers.

Neuilly-sur-Seine and Paris-La Défense, April 14, 2020

The Statutory Auditors

Pricewaterhousecoopers Audit	**ERNST & YOUNG et Autres**
Yan Ricaud	Henri-Pierre Navas

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7.6 INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND DECLARATIONS OF INTERESTS

N/A.

7.7 DOCUMENTS AVAILABLE TO THE PUBLIC

The Articles of Association, minutes of Shareholders' General Meetings and other corporate documents of the Company, as well as the historical financial information and any valuation or declaration established by an expert at the Company's request that must be available to the Shareholders, as required by the applicable law, may be viewed at the Company's registered office.

Regulated information as defined by the AMF's general regulation is also available on the Company's website.

7.8 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AFR

7.8.1 NAME AND TITLE OF PERSON RESPONSIBLE

Mr. Gauthier Louette, Chairman and Chief Executive Officer of SPIE SA.

7.8.2 CERTIFICATION OF THE PERSON RESPONSIBLE

"I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify, to the best of my knowledge, that the financial statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all companies included in the scope of consolidation, and that the information included in this Universal Registration Document contained in the management report of the Board of Directors listed in the concordance table on page 254 to 256 of this Universal Registration Document presents a true and fair view of the development of the business, results and financial position of the Company and of all companies included in the scope of consolidation and a description of the main risks and uncertainties they face."

April 17, 2020

Mr. Gauthier Louette

Chairman and Chief Executive Officer of SPIE SA

7.8.3 NAME AND TITLE OF THE PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Mr. Gauthier Louette, Chairman and Chief Executive Officer of SPIE SA.

7.9 AUDITORS AFR

7.9.1 PRINCIPAL STATUTORY AUDITORS

Ernst & Young et Autres
1 place des Saisons
92400 Courbevoie – La Défense 1, France
Represented by Mr. Henri-Pierre Navas

Appointment date: Ernst & Young et Autres was appointed by the Company's Articles of Association on May 27, 2011.

Last reappointed: at the Combined Shareholders' General Meeting of May 25, 2016 for a duration of six financial years, namely until the end of the Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2021.

Ernst & Young et Autres is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine Cedex
Represented by Mr. Yan Ricaud

Appointment date: PricewaterhouseCoopers Audit was appointed by the Shareholders' General Meeting of 15th November, 2011.

Last reappointed: at the Combined Shareholders' General Meeting of May 16, 2017 for a duration of six financial years, namely until the end of the Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2022.

PricewaterhouseCoopers Audit is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

7.9.2 ALTERNATE STATUTORY AUDITORS

Auditex
1-2, Place des Saisons
Paris La Défense 1
92400 Courbevoie
Represented by Mr. Christian Scholer

Appointment date: Auditex was appointed by the Company's Articles of Association on May 27, 2011.

Last reappointed: at the Combined Shareholders' General Meeting of 25th May, 2016 for a duration of six financial years, namely until the end of the Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2021.

Auditex is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

CROSS-REFERENCE TABLES

UNIVERSAL REGISTRATION DOCUMENT

To facilitate the reading of this Universal Registration Document, the cross-reference table below identifies the main headings set out by Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017.

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BOARD OF DIRECTORS' MANAGEMENT REPORT

This Universal Registration Document includes all the elements of the Company's Board of Directors' management report required by Articles L. 225-100-1 et seq. and L. 232-1 II of the French Commercial Code. Below are the references to the sections of this Universal Registration Document corresponding to the different parts of the management report as approved by the Company's Board of Directors.

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INCLUDING THE ANNUAL FINANCIAL REPORT

This Universal Registration Document also serves as the Company's annual financial report. To facilitate its reading, the cross-reference table below lists the information found in the annual financial report that must be published by publicly traded companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's general regulation.

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