


REGISTRATION DOCUMENT
INCLUDING THE ANNUAL FINANCIAL REPORT

2018



SPIE, sharing a vision for the future

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REGISTRATION DOCUMENT 2018

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 €73,107,536.03, 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 Registration Document. Unless otherwise stated, the "**Group**" and the "**SPIE group**" refer to the Company and its subsidiaries and holdings.

This 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 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 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 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, 2017). Certain information contained in this 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 Registration Document have been rounded. The totals presented in this 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 €73,107,536.03
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



In accordance with its general regulation, in particular article 212-13, the **Autorité des marchés financiers** (French financial markets regulator – AMF) registered the French language version of this Registration Document on 17 April 2019 under number D.19-0354. This document may only be used for the purposes of a financial transaction if it is supplemented by a prospectus in respect of which the AMF has granted a visa. It was prepared by the issuer and all its signatories are liable for its contents.

Copies of this Registration Document are available free of charge at SPIE, 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France, and on the websites of SPIE (www.spie.com) and the AMF (www.amf-france.org).

A robust, resilient business model anchored in the real economy

GAUTHIER LOUETTE
CHIEF EXECUTIVE OFFICER OF SPIE

SPIE IS BEGINNING 2019 WITH AN OPTIMAL STRUCTURE AND REAPING THE BENEFITS OF THE CONVERGENCE BETWEEN THE ENERGY TRANSITION AND THE DIGITAL TRANSITION.

IN 2018, YOU PURSUED THE FAR-REACHING TRANSFORMATIONS UNDERTAKEN IN 2017. HOW WOULD YOU DESCRIBE THE OUTCOMES DURING THE YEAR?

In 2018, we completed the transformations begun in 2017, primarily in Germany, France and the United Kingdom. SPIE is fully up and running, and our cash flow will no longer be impacted by restructuring costs in 2019.

After carrying out the most extensive reorganisation of its French operations in 15 years and the largest acquisition in its history, SPIE is now a very different company from what it was just three years ago. Based on these solid foundations, we've begun 2019 in very good shape, and will continue to deploy our business model and consolidate our positions as the sector's independent European leader.

HOW DID SPIE'S MAIN FINANCIAL PERFORMANCE INDICATORS DO IN 2018?

We met our revenue, margin and cash conversion targets for the year. Consolidated revenue came in at €6.7 billion, representing a very satisfactory 9.2% increase at constant exchange rates. Organic growth stood at 2.6%. Consolidated EBITA rose to €400 million, for an EBITA margin of 6%. Lastly, the cash conversion ratio was 116%, yielding operating cash flow of €460 million. Debt was reduced by nearly €200 million and our gearing, i.e., the ratio of net debt

to pro forma EBITDA, declined to 3. Revenue acquired in 2018 totalled €95 million, which was, as expected, lower than the average acquired in previous years. After a highly active bolt-on acquisitions drive in 2017, in 2018 we focused on integrating the recently acquired companies, like Ziut in the Netherlands. In 2019, we expect to return to the average annual pace of acquisitions in previous years, which would represent around €200 million in acquired revenue.

HOW WOULD YOU DESCRIBE 2018 AND WHAT WERE THE MAJOR EVENTS OF THE YEAR?

The continental European economy was and remains buoyant, especially in our two main host countries, France and Germany.

In France, SPIE captured the firm growth in the industry services and network markets, particularly the fibre optic segment. We remained highly selective in the commercial building segment, in line with our focus on margins rather than volumes.

In Germany, where skills were in short supply, we deepened our relationships with existing customers, who demonstrated their confidence and loyalty by renewing a large number of multi-year maintenance contracts during the year.

In Belgium, we expanded our business portfolio with the acquisition and integration of Systémat, which is now the ICS division of SPIE Belgium and the primary source of its digital services offering. We had a very good year in the industry services and transport systems segments.

In the Netherlands, SPIE also enjoyed sustained business in the industry services and river infrastructure segments, while in the United Kingdom, the market environment remains difficult for everyone in our industry. In Switzerland, where we renewed our largest facilities management contract with the canton of Bern for a period of 15 years, business was on target in both our multi-technical activities and our digital services.

After several years of decline, our oil services business flattened out and even returned to growth in the second half, led by the award of substantial contracts in West Africa. Also, in the energy segment, SPIE had a good year in nuclear power and we are still working on a large number of projects as part of the Grand Carénage refit programme for French nuclear power plants.

In addition to our leadership positions in fast-growing markets and our ability to continuously incorporate the latest technological innovations into our solutions, the power and resiliency of SPIE's business model primarily stems from the quality of our customer relationships and our commitment to working with them, over the long term, to develop, support and sustain their facilities and infrastructure.



Deploying our network of capabilities throughout Europe

PROFILE

WE ARE SPIE

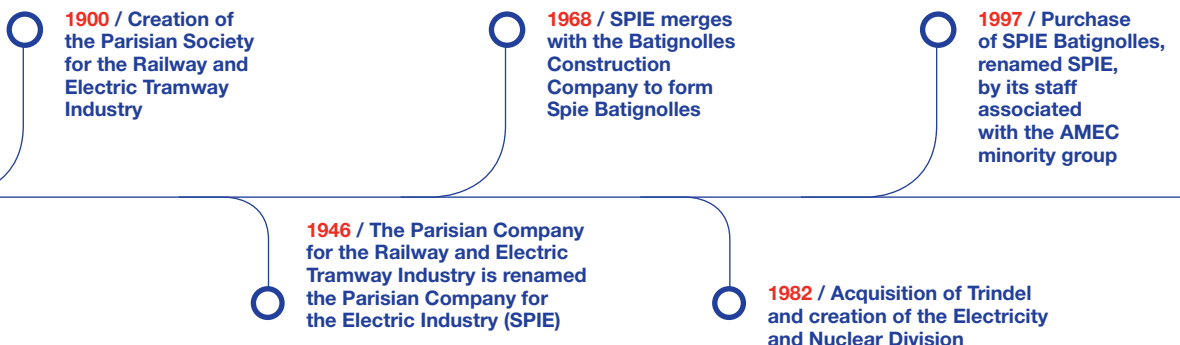
As the independent European leader in multi-technical services in the areas of energy and communications, SPIE supports its customers to design, build, operate and maintain energy-efficient and environmentally-friendly facilities.

We have over 46,000 men and women committed to achieving the energy and digital transition alongside our customers.

www.spie.com



SPIE, A CENTURY-OLD COMPANY

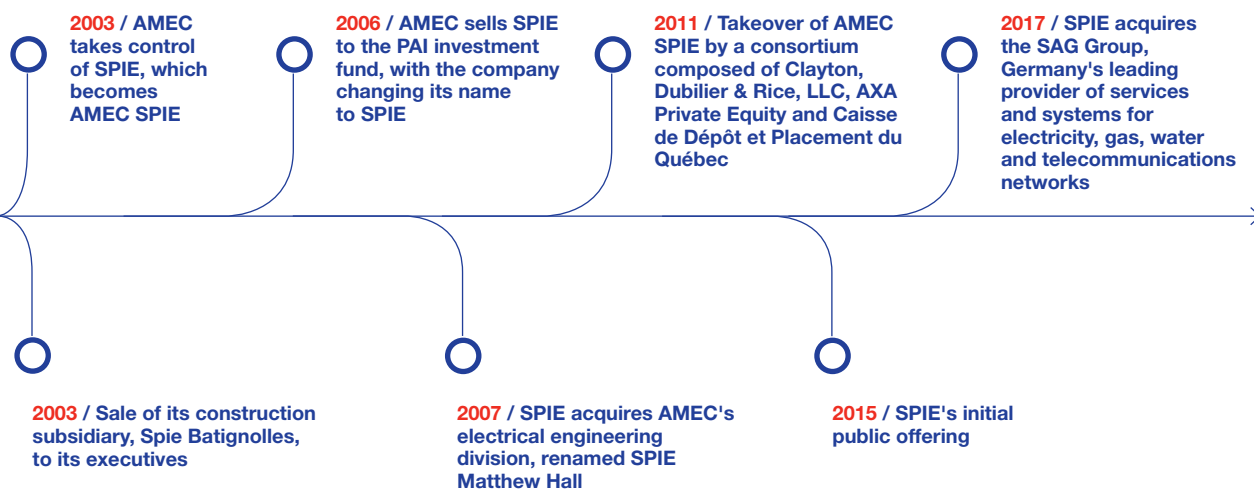


EUROPE

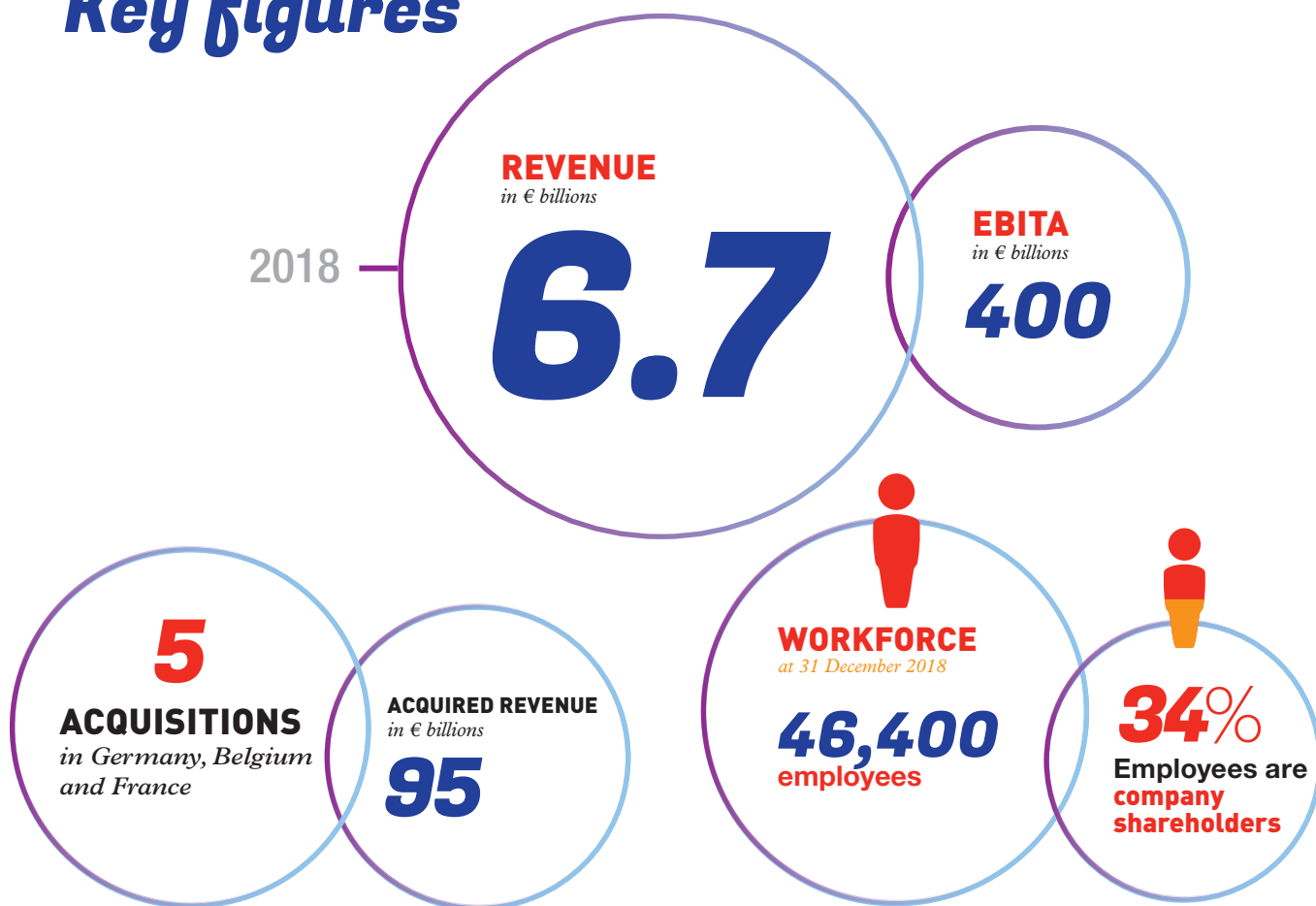
DEUTSCHLAND
BELGIUM
FRANCE
HUNGARY
NETHERLANDS
POLAND
UNITED KINGDOM
SWITZERLAND

22 COUNTRIES
OUTSIDE EUROPE
for the Oil & Gas
Services activities

2018 GEOGRAPHIC FOOTPRINT

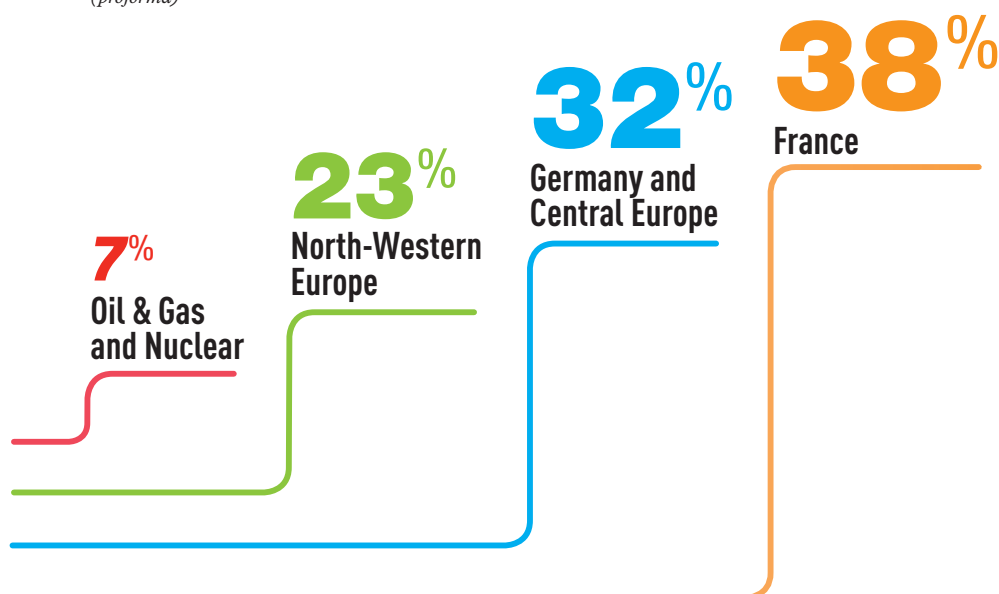


Key figures



REVENUE

by 2018 reporting segment
(proforma)



2018 results
European campaign



Read the 2018
results press
release

Smart city

Contribute to a sustainable model of urban and regional development

- Smart public lighting
- Connectivity and telecommunications
- Video protection
- Transport and mobility
- Educational and healthcare infrastructure
- Public services installations
- Water and waste treatment

Energies

Facilitate the energy transition around the world

- Oil and gas extraction and production
- Nuclear cycle and power generation
- Thermal and renewable energies
- Power transmission and distribution networks

Industry services

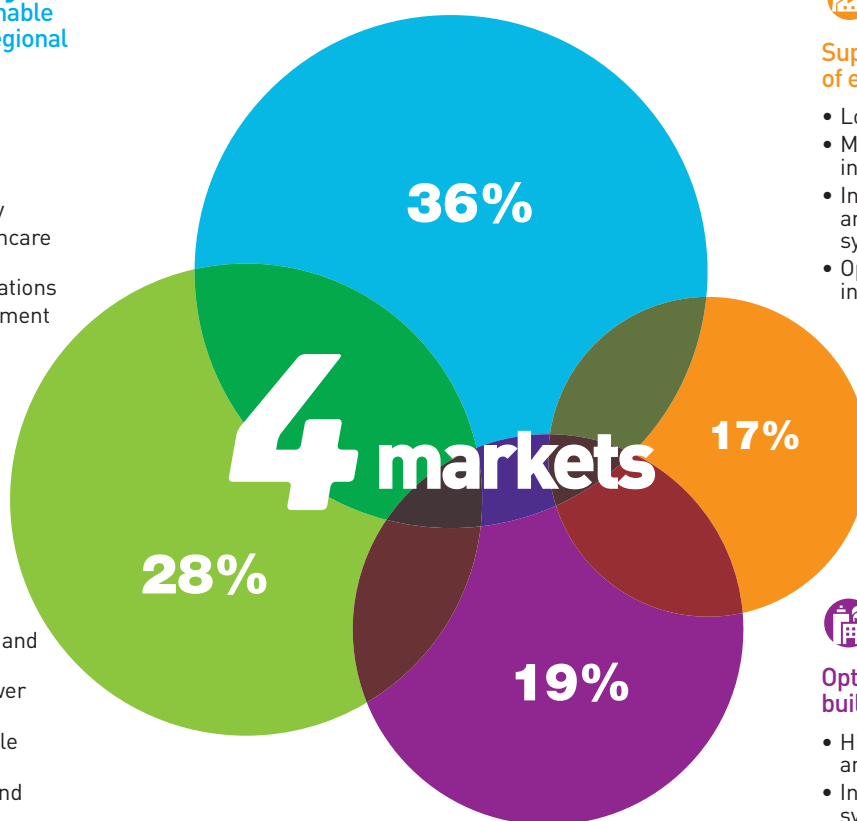
Support the development of each industrial sector

- Local engineering
- Mechanical and electrical installations
- Instrumentation, automation and production management systems
- Optimization of energy use in industrial processes

e-efficient buildings

Optimize long-term building performance

- Highly energy-efficient electrical and HVAC systems
- Information and communication systems
- Control and safety systems
- Multi-technical energy services



20%

Information & Communications Technology Services (ICT)

28%

Technological Facility Management (Tech FM)

34%

Mechanical & Electrical Services (M&E)

18%

Transmission & Distribution Services (T&D)

Supporting our customers' assets throughout their lifecycle

ASSET SUPPORT 83%

- Replacement
- Upgrading and modifications
- Maintenance and services



NEW FACILITIES 17%

- Engineering and supply
- Installation
- Consulting and design

CSR indicators

RESPONSIBLE PURCHASING

100%

of purchasing from the Group's strategic suppliers has been audited for CSR performance, a priority for SPIE.



FOCUS / An integral part of the Group's CSR policy, SPIE's approach to responsible purchasing relies on several ambitious objectives: 40% of purchasing must be assessed by an independent external body, and 100% of buyers must receive training in business ethics.

EMPLOYEE SHARE OWNERSHIP

34%

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



FOCUS / Share For You 2018 was a success, with over 6,000 employees purchasing shares on preferential terms. The plan, which was particularly popular with new employees, brought in €21 million in share subscriptions.

Economy



Environment



VEHICLES

593

hybrid and electric vehicles in the Group's corporate fleet in 2018, with an average CO₂ emissions rate of 122g/km.



FOCUS / In Switzerland, where sustainable mobility is a high priority, SPIE has the largest fleet of vehicles running on natural gas and biogas. The Group's Swiss subsidiary expects to avoid 21 tonnes of CO₂ emissions over the service life of its 30 SEAT Leon cars, substantially reducing harmful pollutants such as ultrafine particles and NO_x.

CARBON FOOTPRINT

227^g

of CO₂ per euro of revenue (Scopes 1, 2 and 3): the Group's carbon intensity in 2017.



FOCUS / From energy efficiency to carbon capture and storage, SPIE's business lines are actively contributing to improving their clients' carbon footprints. In 2018, some 200,000 tonnes of CO₂ were avoided in Germany, thanks to the solutions rolled out.



Social

RECRUITMENT

5,386
employees, excluding
the workforce from newly
acquired companies, were
hired in 2018: the Group has
46,400 employees overall.

SAFETY

6.3

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



FOCUS / All of the Group subsidiaries are developing partnerships with schools and universities, as illustrated in the United Kingdom by the creation of a "Future So'SPIE Ladies" workshop to raise interest among 14-18 year old girls for careers in new technologies.



FOCUS / In June 2018, the annual Safety Day event was held for the eighth consecutive time. Led by frontline managers, this event takes place at every subsidiary. In 2018, the main themes were work preparation phases and daily routines.

GENDER EQUALITY

15%

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 such as women's mentoring, special events and recruitment campaigns at job fairs and on social networks.

Society

GENERATIONS

9%

of SPIE's workforce is
under 26 years old, working
in businesses impacted
by technological and digital
disruption in an international
environment.



FOCUS / To optimise its search for new potential and talent, SPIE has set up sourcing teams in its subsidiaries and strengthened its "job incubation" policy with apprenticeships, workstudy programmes, and local and international internships. In 2018, SPIE hired 641 new work-study employees in France and 278 in Germany, who were ably supported by tutors trained in-house.

Corporate governance

THE BOARD OF DIRECTORS IS COMPOSED OF 10 MEMBERS:



Gauthier Louette
*Chairman of the Board
of Directors*



Sir Peter Mason
*Senior Independent Director
Chairman of the Audit Committee
Member of the Appointments
and Governance Committee*



Regine Stachelhaus
*Independent Director
Chairman of the Appointments
and Governance Committee*



Michel Bleitrach
*Independent Director
Chairman of the Compensation
Committee*



Nathalie Palladitcheff
*Director
Member of the Audit Committee
Member of the Compensation
Committee*



FFP Invest
*Represented by Bertrand Finet
Independent Director
Member of the Audit Committee
Member of the Appointments
and Governance Committee*



Tanja Rueckert
*Independent Director
Member of the Appointments
and Governance Committee*



Sophie Stabile
*Independent Director
Member of the Audit Committee
Member of the Compensation
Committee*



Daniel Boscari
*Director representing
employees
Member of the Compensation
Committee*



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

Ongoing rollout of a local-reach network

Against a backdrop of intensifying consolidation in the multi-technical services market, SPIE completed five new acquisitions in Belgium, France and Austria, thus continuing the expansion of its local-reach European network, the biggest in the industry.

Acquisitions

In Europe, five local-reach regional companies joined SPIE in 2018, representing acquired revenue of €95 million.

Siétar & Vti – €6m France

Siétar, based in Pluneret, Brittany, specialises in industrial piping and boiler systems for liquid processes in the agro-food industry.

Buchet – €13m France

Buchet operates mainly in the Provence-Alpes-Côte d'Azur region of southern France, where it has a strong local footing, specialising in electrical installations for service-sector and residential buildings.

Systemat – €70m Belgium

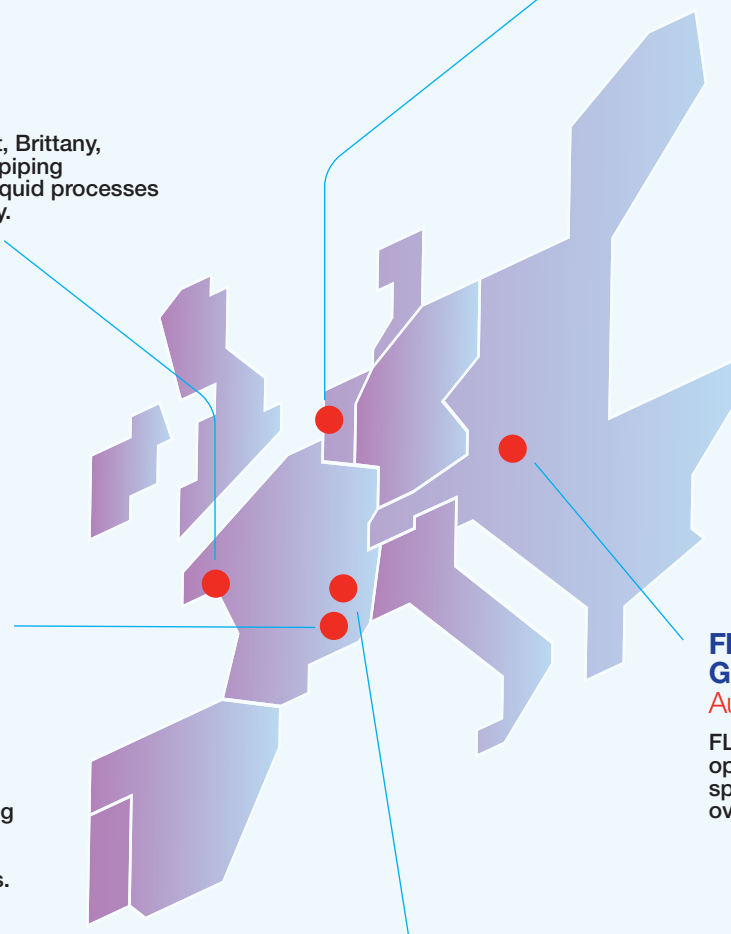
The Systemat group operates in Belgium and Luxembourg as a global provider of IT solutions for managing ICT (information and communication technologies) equipment, software and tools.

FLM Freileitungsmontagen GmbH – €4m Austria

FLM, based in Lienz, Austria, operates primarily in Germany, specialising in the field of overhead power line installations.

Fluigetec – €2m France

Fluigetec, based in Pierrelatte in southern France, specialises in the installation, inspection and maintenance of industrial gas distribution networks, with a specific focus on the nuclear power sector.



A selection of projects

Information & Communications Technology Services (ICT)



Hyper-connected town - France

The roll-out of a hyperconverged solution for storing and backing up municipal data is the latest step in the digital strategy of the town of Issy-les-Moulineaux near Paris.

Technical Facility Management (Tech FM)



Complex commercial facility - Germany

Commerzbank relies on SPIE's expertise for its ongoing programme to enhance facility management at its centre in Frankfurt, one of Europe's biggest trading floors.

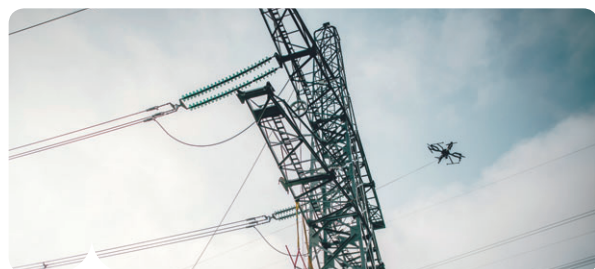
Mechanical & Electrical Services (M&E)



Hornsea Project One - United Kingdom

Wilton Engineering Services (WESL) commissioned SPIE to install electrical and mechanical equipment for 20 wind turbines at the world's largest offshore wind farm.

Transmission & Distribution (T&D)



Innovation & Environment - Netherlands

Using drones to string overhead power lines between two pylons prevents damage to the land, as well as to plant and animal life.



IT clean room - United Kingdom

Next Generation Data (NGD), the operator of Europe's largest data centre, commissioned SPIE to design and install three data halls, each with more than 400 racks.



Smart Parking - Switzerland

SPIE's Smart Parking Manager solution, with its wide choice of custom IoT applications, transforms an ordinary carpark into a visitor reception area.



Palletization platform- France

At Jean Floc'h, a Brittany-based food company specialised in pork processing, the new palletization platform is equipped with a multi-lane product diverter to increase throughput and improve the handling of salted meats.



On-site intervention - Germany

To minimise inconvenience entailed by renovation work at its Hamburg laboratory and offices, Philips Healthcare and SPIE opted for an innovative approach that would completely separate the building infrastructure from its complex power supply systems, avoiding any hindrance to the site's research work in radiology and production of medical technologies.



Energy of tomorrow - France

SPIE couples service-sector, industrial and nuclear expertise to provide optimum maintenance for buildings and infrastructures at the international ITER programme site in Cadarache.



Controlled laboratory - United Kingdom

The new laboratory at the Pirbright Institute, a world leading centre of excellence in research and surveillance of viral diseases in livestock and that spread from animals to people, upholds the highest safety standards. SPIE coordinated all facilities, services and plant, including intelligent lighting controls that mimic sunrise and sunset for poultry breeding.



Air quality - France

At Aix-en-Provence Hospital, SPIE HVAC solutions cover everything from heating and air conditioning to ventilation and smoke removal, as well as air treatment in all high-risk areas.



Smart mobility - Belgium

To help ensure smooth traffic conditions in Flanders, traffic light systems input information from SPIE's AISY (Audio Identification System) solution, fitted on some 4,500 De Lijn public transport vehicles and 1,200 intersections.



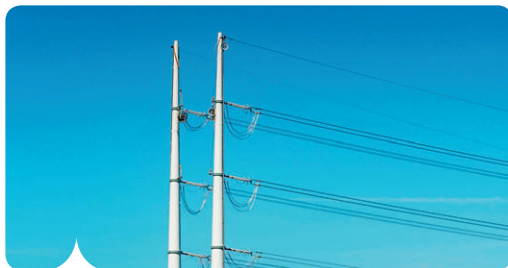
Advanced video surveillance - Hungary

All Tesco retail outlets are covered by an ultramodern IP (Internet Protocol) video surveillance system with intelligent data analysis capabilities.



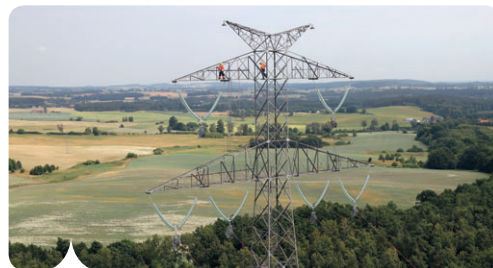
High voltage substation - Netherlands

The 380 kV substation constructed in Rilland for TenneT is designed to increase power grid capacity in the Zeeland province.



CompactLine - Germany

CompactLine technology offers a new alternative to 400 kV overhead power lines, with higher transmission capacity and lower space requirements, in terms of both height and width. SPIE deployed the 1.8 km line in the east of the Saxony-Anhalt region as part of a threeyear cooperation with 50 Hertz and other public and private sector partners.



Regional development - Poland

A comprehensive environmental impact assessment was carried out ahead of construction of the new 120 km 400kV over line designed to guarantee security of electricity supply in Poland's Pomorze and Kujawy regions, with a view to preserving important natural conservation areas.

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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. At the time, it was active in three sectors of activity: (i) SPIE Batignolles, which specialised in the construction market; (ii) SPIE Enertrans, which specialised in rail transport and traffic and the energy market and (iii) SPIE Trindel, which specialised in electrical engineering and local services.

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. Between 2002 and 2006, the Group sold or abandoned five business lines, namely, its civil engineering operations (2002), its French construction arm (2003), its energy projects operations (2004), its pipelines segment (2006) and its rail business (2007). The Group continues to dispose of operations that are no longer part of its core business. For example, the Group sold its Spanish subsidiaries in July 2011, its Greek operations run by SPIE Hellas SA in July 2015, its Hungarian subsidiary SPIE Hungaria Kft in November 2015, and its Portuguese subsidiary TECNOSPIE SA

in July 2016. In 2018, the Group also sold its operations in Morocco. In addition, in December 2018, the Group announced the signing of an agreement with Royal Boskalis Westminster N.V. ("Boskalis") for the sale of its underwater cabling operations in Germany. This activity constitutes the major portion of the Gas & Offshore division acquired with SAG in March 2017. Subject to the performance of the usual conditions, this transaction should be finalised in the first quarter of 2019.

At the same time, the Group continued its external growth as an independent multi-technical services provider through the acquisition of other companies in its sector of activity, such as Matthew Hall and Controlec in 2007, in the United Kingdom and the Netherlands. More recently, the Group has made several acquisitions in Northwest Europe, Germany and Central Europe. In 2012, the Group acquired the Dutch companies Klotz B.V. and Gebr. Van der Donk to strengthen its position in, respectively, multi-technical building services and the cable network market. In 2013, the Group acquired Dutch operator KPN's IS&P unit (installation, maintenance and management of data, voice and data centre communication infrastructure), thus expanding its activities and presence in the Netherlands. In addition, in the same year, the Group acquired Hochtief's Service Solutions activities (multi-technical services), making Germany the Group's largest market outside France.

In May 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.

In March 2017, the Group acquired the German group SAG, a leading German provider of services and systems for electric, gas, water and telecommunications networks. The Group financed this acquisition with a €600 million bond. The bonds are admitted for trading on Euronext Paris regulated market.

SPIE's main activity, in France and abroad, is that of a holding company holding shareholdings, in whichever form (majority or minority) in French and foreign companies. At 16 April, 2019, SPIE's market capitalisation was more than €2.5 billion.

1.2 COMPETITIVE STRENGTHS AND ADVANTAGES AFR

1

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

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. Historically, the Group has chosen to focus its activities on multi-technical services and has gradually expanded its geographic presence and range of services. 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 HIGH-QUALITY RANGE OF MULTI-TECHNICAL SERVICES IN THE MOST ATTRACTIVE EUROPEAN MARKETS

The Group is the independent European leader in multi-technical ⁽¹⁾ services, 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 Registration Document, the Group is the largest independent player in France in a market characterised by the coexistence of major national players and a large number of local players ⁽¹⁾. The Group also enjoys a strong presence in Germany (which was strengthened in 2017 with the acquisition of the SAG Group), the Netherlands, Belgium, the UK and Switzerland, where it considers itself to be among the major players ⁽¹⁾.

The Group's strong foothold in European markets and its range of leading multi-technical services should enable it 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 & 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 TECHNICAL SERVICES BASED ON A DENSE LOCAL NETWORK

The Group's services are based on a dense local network of over 800 sites, most of which are located in six main countries (France, Germany, the United Kingdom, the Netherlands, Belgium 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 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.

⁽¹⁾ Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2018.

The qualification level of its employees allows the Group to offer value-added services.

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 (more than 6000 Group employees took part in the employee share offering in 2018) and a policy of awarding bonuses closely tied to an entity's financial performance (EBIT and cash flow of the operating unit in question) as well as the Group's safety record.

A STRATEGIC PRESENCE IN SPECIALISED HIGH-GROWTH AND HIGH-MARGIN ENERGY SEGMENTS

The Group operates in the field of technical services to energy operators, which is an attractive market with strong long-term growth potential. It significantly strengthened its presence in 2017 with the acquisition of the German Group SAG. The Group also considers itself one of the leading global players in its core industry, namely, the Oil & Gas ⁽¹⁾ sector, in which it provides mission critical, technically advanced services to its customers (notably operational support and maintenance of oil facilities, and skills development and team training on behalf of its customers). In the nuclear industry, the services offered by the Group cover the entire life cycle of nuclear power plants. The Group reckons it is among the top specialised service providers in the nuclear ⁽¹⁾ industry in France, a sector which enjoys long-term growth drivers due in particular to the French government's decision to prolong the lifespan of existing nuclear reactors and to an increasingly complex and regulated environment requiring highly qualified and experienced workers.

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 56% of the Group's consolidated production for the year ended 31 December, 2018. 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 31 December, 2018, the Group's top ten customers accounted for only 17% 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 over 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.

⁽¹⁾ Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December 2018.

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 Registration Document).

1.2.4 LONG-TERM STRUCTURAL GROWTH FACTORS TO CAPITALISE ON

The Group considers that its position as the leading independent European provider of integrated ⁽¹⁾ services enables it to seize growth opportunities by making the most of long-term growth drivers and market trends in the various sectors in which it operates. Moreover, it considers itself in a good position to benefit from expected growth in certain markets (notably in Europe and in technical services to the energy industry).

These growth drivers and market trends include (i) stricter environmental standards and a growing concern for the impact of energy consumption on the environment, (ii) a greater focus on energy efficiency, (iii) changes in the mix of energy production and distribution, (iv) new technologies and innovative services, (v) the rise of building automation and connected devices within buildings, and the technological convergence of communications systems (e.g. cloud computing and external hosting for which demand should be high), (vi) the renewal and upgrade of infrastructure, and (vi) a general tendency for companies to externalise technical services such as the ones proposed by the Group.

As fossil fuels gradually become scarcer and more expensive, and as concerns over climate change grow, local and national authorities, corporations and consumers in general are becoming increasingly

preoccupied with socially responsible energy consumption. The Group considers that many of its technical services, not to mention the innovative services it is developing with regard to nuclear energy, renewable energy production, installing and renovating infrastructure, smart energy systems, and optimising communication systems, 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.

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

The Group considers that the technical services industry in which it operates remains structurally fragmented across Europe and thus offers substantial opportunities to acquire and consolidate local firms in the UK, the Netherlands, Germany and Northern Europe.

Since 2006, the Group has successfully completed 125 acquisitions (including 122 targeted "bolt-on" acquisitions), which resulted in significant value creation. Bolt-on acquisitions represent, since 2006, a total production of over €2.1 billion and overall investment of approximately €700 million, thanks to a very selective approach to the various investment opportunities and the application of strict financial criteria reflected in particular by an average EBITA acquisition multiple of 5.7x for "bolt-on" acquisitions (8.1x for all acquisitions).

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 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Number of bolt-on acquisitions | 2 | 10 | 18 | 11 | 10 | 14 | 11 | 6 | 6 | 8 | 10 | 11 | 5 |
| Acquired production (in millions of euros) | 14 | 113 | 217 | 99 | 79 | 125 | 167 | 221 | 212 | 184 | 263 | 321 | 95 |
| Acquisition costs (in millions of euros) | 7 | 51 | 89 | 33 | 34 | 52 | 45 | 77 | 74 | 51 | 79 | 112 | 32 |
| 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 |

Led by a dedicated and experienced team drawing on the strong involvement of local teams in identifying and consolidating acquired entities, the Group concentrates on (i) developing the regional density of its premises, (ii) strengthening the range of products and services

offered by existing operating entities, and (iii) acquiring platforms with a sufficient critical mass to pursue growth in markets where it does not yet have a local presence.

(1) Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December 2018.

The execution and success of the Group's external growth policy are enhanced by its in-depth knowledge of its markets and their various players which has enabled most of its acquisitions to be made 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 levels of available cash flow has enabled it to self-finance most of its acquisitions in the last three years.

Since 2007, the Group has 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 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.

In March, 2017, the Group reached a new stage in its external growth policy and the development of its presence in Germany and in Central Europe with the acquisition of the SAG Group, a leading German provider of services and systems for electric, gas, water and telecommunications networks (see Section 4.1.3 of this Registration Document).

1.2.6 ATTRACTIVE AND HIGH-VISIBILITY FINANCIAL PERFORMANCE

The Group reckons it has successfully delivered EBITA and production growth, as well as maintained a cash conversion ratio of close to 100%.

The Group's production increased from €2.7 billion in 2006 to €6.7 billion in 2018, with EBITA rising from €97 million to €400 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 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|-------|-------|
| 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 |
| EBITA (in millions of euros) | 97 | 129 | 166 | 197 | 220 | 243 | 262 | 298 | 334 | 353* | 342* | 388 | 400 |
| Cash conversion ratio (in %) | N/A | 176 | 156 | 96 | 124 | 106 | 100 | 110 | 102 | 105 | 122 | 102 | 116 |

* Restatements pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (see Note 11 to the consolidated financial statements for the year ended 31 December, 2018 included in Section 4.1.1 of the 2018 Registration Document).

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 investment spending. Through its traditional financing policy rooted in profitability and maintaining a negative working capital requirement, the Group considers that it generates high cash flow; this has allowed it to rapidly reduce its debt ratio and will enable it to pursue its value-creating acquisitions strategy.

1.2.7 A STRONG CORPORATE CULTURE SUPPORTED BY A HIGHLY EXPERIENCED MANAGEMENT TEAM

The Group is led by a team comprised of the Chairman and Chief Executive Officer and a 12-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 34% 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.

The Group believes that the industry experience and knowledge of its senior executives, and the skills and responsiveness of its local teams, will continue to drive its value-creating growth strategy.

1.3 STRATEGY AFR

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The Group focuses its development and range of services on four strategic themes: "Smart city", which covers the "intelligent" development of cities, especially in terms of communication infrastructure, mobility, community facilities and security; "E-efficient buildings", which covers a range of energy performance services ranging from design to operation and maintenance of low-energy buildings; "Energies", which covers the energy services offered by the Group, including nuclear energy and renewable energies as well as oil and gas; and "Industry services", which covers various areas of services to the industry.

The Group's expertise in each of its businesses enables it to shape its strategy around the following main lines:

(I) CAPITALISE ON STRUCTURAL FACTORS FOR LONG TERM GROWTH

Capitalise on growth opportunities in key markets

Benefiting from the quality of its integrated services and its position as an independent ⁽¹⁾ European leader, the Group seeks to capitalise on the attractive growth opportunities offered in the various markets in which it operates. The Group specifically hopes to benefit from the growing trend toward outsourcing of technical services in the manufacturing and retail sectors by businesses seeking to reduce their fixed costs, stabilise their maintenance budgets and limit costly and risky internal maintenance work.

The Group is also continuing to diversify its activities. This entails first of all expanding into the end markets targeted by the Group so as to further extend its scope of activity. As buildings are becoming increasingly fitted with advanced technology, particularly with respect to automation, safety and comfort, and energy efficiency, the Group is positioning itself to take advantage of the growing outsourcing of technical services required by the complexity of such facilities.

The Group is also looking to benefit from the growing demand for so-called smart solutions, combining information and communications technology with electrical and mechanical equipment, for instance by developing smart systems that optimise energy use.

The Group also seeks to pursue the geographic diversification of its businesses by seizing opportunities that arise in regions or countries where its presence is limited or non-existent, like the strengthening of its presence in Switzerland in recent years. As such, the Group announced the signing, on April 1st, 2019, of an agreement for the purchase of Christof Electrics GmbH & Co KG, a company which offers full solutions in the sector 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. The final closing of the transaction is expected by May 2019 and is subject to approval by the antitrust authorities. The Group also wants to continue to reinvest a portion of its available cash in targeted "bolt-on" acquisitions, for instance in Europe, as it did during the year ended 31 December,

2018 with the acquisitions of Systemat in Belgium, a specialist in the management of ICT equipment, software and infrastructure, and Buchet, a company specialising in electrical installation mainly active in the Provence-Alpes-Côte d'Azur region (France). Finally, in certain cases, the Group may make more structuring acquisitions in order to strengthen its international presence or presence in certain business sectors, such as the acquisition in 2017 of the SAG Group, a leading German provider of services and systems for electric, gas, water and telecommunications networks.

Support the development of the "green economy"

The Group seeks to contribute to and benefit from the development of the "green economy" fostered by the long-term increase in energy prices and domestic and international concerns over climate changes, which are pushing public and private entities to implement systems to optimise energy expenditures. As such, it devotes considerable time and resources to energy efficiency and energy savings.

The Group aims to concentrate on services aimed at enhancing the value of its customers' facilities, reducing their energy costs and addressing their sustainable development challenges. It will thus continue to develop its expertise in state-of-the-art areas such as energy efficiency, smart grids and information and communications systems that facilitate long-distance collaboration.

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.

Capitalize on industry trends that bolster specialty segments

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 longstanding 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.

The Group intends to capitalise on the demand created by more stringent safety requirements for nuclear facilities and generally stricter oversight of the nuclear industry, in particular with respect to stricter safety standards imposed by the French Nuclear Safety Authority (ASN) on all nuclear power plants following the Fukushima accident in Japan.

Lastly, the Group seeks to expand its range of services relating to the decommissioning and rehabilitation of facilities for which it expects to see growing demand from its customers due in particular to the aging of nuclear power plants.

In the Oil & Gas industry, despite a market contraction in 2016 and 2017 following the decrease in oil price, the Group anticipates increased demand over the long term for maintenance services,

(1) Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December 2018.

due to the high utilisation rates of production sites, and for new technologies and more complex services involving exploration and extraction. The Group seeks to strengthen its presence throughout the entire production chain from support to operations, both onshore and offshore as well as downstream oil markets.

The Group is also positioning itself to address the growing demand for production efficiency and security. It intends to support the evolution of the production and transport of fossil fuels.

(II) PURSUE A RIGOROUS OPERATIONAL MANAGEMENT POLICY THAT FOCUSES ON THE GENERATION OF INCOME AND CASH FLOWS

The Group aims 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 will further strengthen its rigorous project-selection policy and its contract management. It will also improve its procurement procedures and conditions to better manage its cost structure. It will carry on bolstering its tender monitoring process and manage the costs and risks associated with contracts and project management as a whole more strictly.

The Group aims to closely involve all its employees in these efforts focused on financial performance so as to control its costs, optimise its investments and control its working capital requirement to strengthen cash flows. It will thus continue to implement its variable incentive compensation policy on the basis of its financial performance and safety record.

(III) STRENGTHEN ITS PRESENCE BY PARTICIPATING IN THE CONSOLIDATION OF THE SECTOR

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

With its strong cash flow, the Group seeks to expand its market presence and its products and services, essentially through relatively small acquisitions in regions where it can densify its network or broaden its range. This strategy draws on the Group's experiences in France where it has both a dense network in most regions and a robust range of products and services.

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.

(IV) MAINTAIN A RECURRING, HIGH VISIBILITY REVENUE STREAM

The Group aims to maintain a high level of recurring business by continuing to focus on asset-support and maintenance services which offer predictable revenue growth and some protection against economic ups and downs.

Beyond asset-support and maintenance services, the Group intends to grow its recurring business by continuing to develop at the local level and strengthening its long-term customer relationships. It will depend in particular on the strength and dynamism of its local teams who, throughout over 800 sites, can support the Group's customers in 30 countries around the world.

The Group will use the revenue generated by its recurring business to continue generating high cash flow and pursue its dynamic acquisitions policy and thus strengthen and diversify its activities.

(V) CONTINUE TO GIVE ITS EMPLOYEES A STAKE IN THE GROUP'S PERFORMANCE

A critical factor in the Group's success is its employees' commitment to it and the prevalence of common values. The Group has sought to give its employees a generous stake in its performance through employee shareholding schemes set up in 2006, 2011, 2015 and 2018; the latest employee share offering saw more than 6000 staff take part in the capital increase reserved for employees.

An active employee Shareholder policy is a strategic foundation for the Group's profitable development. For this reason, the Company intends to continue its employee profit-sharing policy and continue to expand the scope of the incentive schemes put in place for its employees.

1.4 MARKETS AND COMPETITIVE POSITION AFR

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. The European multi-technical services market is characterised by significant disparities from country to country. Below is the Group's analysis of its markets in relation to its main countries of operation.

At the date of this Registration Document, the Group is the largest independent player in France ⁽¹⁾ 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 first players in Germany, country where it has known a strong development in 2017. The Group is also implanted in the Netherlands, Belgium, the United Kingdom and Switzerland, where it considers itself to be amongst the main players.

The Group is developing its range of multi-technical services in France, Germany, Switzerland, Central Europe (Poland, Hungary, Slovakia, the Czech Republic) and Northwestern Europe (the Netherlands, the United Kingdom and Belgium). 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 centers, 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

MARKET TRENDS

After having experienced a decline in 2017, the French multi-technical services market showed positive trends, in particular in the industry and infrastructures market segments, while trends remained at a lower level in installation services for the tertiary sector. Multi-technical expertises were bolstered by the deployment of new technologies which are now operational (internet of things, supervisory systems).

COMPETITIVE ENVIRONMENT

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

- large subsidiaries of leading French construction groups (Vinci Energies, Eiffage Energie, 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 expertises.

Major players now offer all types of services and cover all end-customer markets. In 2018, in a French market that is still fragmented, although more consolidated than other European markets, the Group believes it is one of the third largest players ⁽¹⁾.

1.4.2 GERMANY & CE

(I) GERMANY

Market trends

With the acquisition of SAG and Lück in 2017, the Group has considerably reinforced its presence in Germany, the Group's second-largest market. After several years of steady growth, the German multi-technical services market is expected to continue to grow in the coming years, averaging 2% to 4% a year ⁽²⁾. This development is encouraged by the development of outsourcing and subcontracting of technical services, as well as by the need for refurbishment and modernisation in buildings, facilities and infrastructures. In fact, customers in these markets are increasingly opting for multi-technical service providers to consolidate their subcontracting agreements and build long-term contractual relationships.

Competitive environment

The strong development of the Group in Germany since 2013 has considerably reinforced its position on this market. The Group considers itself to be the second-largest player in the German multi-technical services market. This market, with an estimated volume of €100 billion, is very fragmented and structured around three categories:

- 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, LTG and original equipment manufacturers (ABB, GE, Siemens),

(1) Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December 2018.

(2) Source: Lünendonk-Study 2018 - Facility Service Unternehmen in Deutschland", Interconnection "IC Market Tracking Facility Services in Deutschland 2018"; Statista, Bitkom-Study 2018, ZVEI 2018, ZV SHK 2018; SPIE estimates.

- Information & Communication Services: Computacenter, Euromicron, Telcat.
- numerous small and medium-sized regional and local players often specialized in a specific market segment.

Pressure from competition is still a major issue on the German market, in a context where the various players seek to progressively penetrate their competitors' service segments.

1.4.3 NORTH-WESTERN EUROPE

(I) UNITED KINGDOM

Market trends

In 2018, the multi-technical services market in the United Kingdom remained hesitant in an environment of general economic uncertainty.

Competitive environment

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.

The British multi-technical services market is highly fragmented.

(II) NETHERLANDS

Market trends

In 2018, the Dutch multi-services market benefited from a good macroeconomic context as well as favourable trends linked to the energy transition and the infrastructure development, with important public investment made in those sectors. Overall all economic sectors are profiting from a good economic climate with high growth of 2.5% and an all-time low unemployment rate of below 3.5%.

Competitive environment

The Group considers itself the second-largest player 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.

(III) BELGIUM

Market trends

In 2018, the Belgian multi-technical services market grew more markedly thanks to an improvement in the economy and the general confidence of the players in the Group's various markets: industry, building systems, infrastructure and services.

Competitive environment

The Belgian multi-technical services market is covered mainly by international groups. In 2018, the Group believes it is the third largest player in the Belgian market.⁽¹⁾

1.4.4 OIL & GAS AND NUCLEAR

1.4.4.1 OIL & GAS

Market trends

The technical services market for the oil and gas industry covered by the Group (mainly Africa, Middle East and Asia-Pacific) continued its decline in the first part of 2018 and stabilised in the second, showing some signs of improvement.

Competitive environment

In 2018, 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⁽¹⁾. 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

Market trends

The French market of multi-technical services generated by the production of nuclear electricity has seen good trends in 2018 and should continue to grow during the coming years thanks, in particular, to the renovation work linked to extending the lifetime of plants (the "Grand Carénage" program).

This market is characterised by a strong concentration of clients, with EDF, ORANO and the French Alternative Energies and Atomic Energy Commission (Commissariat à l'énergie atomique et aux énergies alternatives) being the three major players.

Competitive environment

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 2018, 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 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December 2018.

1.5 ACTIVITIES OF THE GROUP AFR

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The Group provides multi-technical services for electrical, climate and mechanical engineering in three geographical areas: France, Germany, and Central and Northwestern 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 21 countries, while nuclear activities are conducted mainly in France.

1.5.1 OVERVIEW

The Group's principal activity consists in providing multi-technical services (Mechanical and Electrical Services – M&E), which covers design, installation, extension and renovation of mechanical, electrical and heat systems, ventilation and air conditioning, and Technical Facility Management (Tech.FM), which covers operation and technical maintenance of clients' facilities in three geographic regions: France, Germany & Central Europe and North-Western Europe). It also provides services in IT facilities and communication networks (infrastructure, improvement and maintenance of communications systems, voice, data, images and information), telecoms services facilities, building technologies (integrated security and safety) and process engineering and implementation (instrumentation, automatic controls, robotic, industrial computing, transport schemes management) – (Information & Communications Technology Services – ICT) mainly in France and North-Western Europe. Finally, with the SAG acquisition, the Group strongly developed its transmission infrastructure and energy distribution services (Transmission & Distribution Services activity), in particular in Germany.

For the year ended 31 December, 2018, Mechanical and Electrical Services, Technical Facility Management, Information & Communications Technology Services and Transmission & Distribution Services accounted for 34%, 28%, 20% and 18% of consolidated Group production respectively.

MECHANICAL AND ELECTRICAL SERVICES

The Group supports its clients in designing, building, extending and renovating of their facilities, through its expertise in electrical, HVAC and mechanical engineering services. Through these services, the Group offers solutions that allow its clients to control their energy consumption, specifically by means of customised technologies, arbitrage between fossil and renewable energies, and operational support, allowing them to reduce their energy expenses by up to 50%, particularly in the context of "energy performance" contracts, pursuant to which the Group commits to reducing its clients' expenses to a certain level.

Electrical Engineering

In the area of electrical engineering, the services offered by the Group include procurement of high and low tension facilities. The Group is also active in renewable energy production, specifically at wind or photovoltaic plants that may be parts of turnkey procurements of complete facilities, including connection to the electricity transmission network. The Group is also active as an integrator in the public lighting sector.

It offers the installation of smart lighting points, which can be controlled remotely by regulating systems that allow for differentiated lighting, thus optimising energy expenditures. It is also active in the enhancement of architectural assets, including illumination solutions. It ensures the installation of traffic lights and video-protection systems including the installation of cameras and the provision of image storage systems. The Group's services also include the installation of charging stations for electrical vehicles, airport runway sweep systems, highway information signs and highway equipment for toll roads and tunnels.

Inside the buildings, the Group's services cover all electrical equipment from transformers to the supply of power outlets and distribution boards. To mitigate potential network failures, the Group is able to offer secured power supplies by installing inverters equipped with batteries and electrical generation groups. The Group also implements "smart" lighting (in the tertiary sector as well as in manufacturing and residential), to optimise energy consumption using motion detectors or ambient lighting. The Group also offers services related to low-voltage transmission for security and building-control systems, as well as telephone and computer networks.

In the manufacturing sector, the Group offers all electrical power services for machinery, engines, valves, and implementation of production lines for metering and regulating instruments, as well as automation systems for the management and supervision of industrial processes.

HVAC engineering

The Group has expertise in HVAC engineering. It primarily offers design, installation and renovation services for heating, ventilation and air conditioning. Specifically, the Group is active in the installation of wood or gas fueled boilers, as well as those fueled by recycled materials, such as household waste or even biogas from manufacturing or agricultural processes.

It installs cold production plants, compressors, heat pumps and geothermal systems, and provides for the routing and distribution of fluids or hot or cold air through networks of pipelines or conduits, ventilators and pumps. The Group also provides for the implementation of terminal equipment for the dissemination and regulation of heat (power, temperature). All these facilities are managed by temperature and flow sensors to ensure optimal comfort to users in all climatic configurations.

The Group also offers integrated ventilation and smoke-removal systems (both in highway tunnels and at manufacturing and tertiary sites). Further, it is active in manufacturing processes requiring very high levels of dust control, particularly in the agro-food and pharmaceutical sectors.

Finally, the Group designs and installs cooling, filtration and ventilation systems for technical facilities that generate high volumes of heat, such as computer centers and network cores for telecommunications operators.

Mechanical engineering

In mechanical engineering, the Group operates either through its own workshops, allowing it to offer manufacturing, repair and restoration services for mechanical parts, or by intervening directly at its clients' sites. The Group's services specifically include developing customised parts, reconditioning valves, rewinding electric motors, reconditioning diesel engines, and transfer of client sites. Specifically, in the area of rock and sand quarries, the Group designs, manufactures and installs or renovates conveyor belts, screens, grinders, storage tanks and silos. In the aeronautics sector, it offers the design and modernisation of logistical equipment, supports and robots incorporated into assembly lines. Finally, in the area of hydraulics, the Group provides for the sizing and implementation of mechanical facilities for drinking water or wastewater treatment facilities, such as pumps, fluid networks, valves and compactors.

TECHNICAL FACILITY MANAGEMENT

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, climate 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.

INFORMATION & COMMUNICATIONS TECHNOLOGY SERVICES

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.

Specifically, the Group offers its clients unified communications services and solutions for voice, data and images, technical infrastructure services and solutions 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 centers, such as design, installation, maintenance and support for the operation of such centers. 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).

TRANSMISSION & DISTRIBUTION SERVICES

The Group provides a full range of transmission infrastructure and energy distribution services, mainly electrical (high voltage lines, sub-stations, distribution networks). Those services include planning, design, engineering, installation, commissioning as well as operation and maintenance support services. This activity has been significantly reinforced in the services portfolio of the Group with the acquisition of SAG in March 2017. Henceforth, the Group is the first player in Germany and enjoys a significant part of the market share in the Netherlands, France and Central Europe.

1.5.2 FRANCE

In France, the Group considers itself to be among the top three actors in multi-technical services ⁽¹⁾.

For the year ended 31 December, 2018, the France segment represented production of €2,523 million, or 38% of the Group's consolidated production, and EBITA of €158 million, representing 39.5% of the Group's consolidated EBITA, with the support of over 16,500 employees.

MECHANICAL AND ELECTRICAL SERVICES AND TECHNICAL FACILITY MANAGEMENT

The Group offers its services with the help of a dense network of local offices in France. In order to enhance its range of services offering, the Group is regularly considering acquisition opportunities. Thus, in 2018, the Group carried out the acquisitions of the Buchet company, which allowed it to reinforce its technical offer dedicated to the new multiple dwelling unit market.

(1) Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December 2018.

In 2017, the Group operated through seven subsidiaries, five of which being established at a regional level (SPIE Ile-de-France Nord-Ouest, SPIE Ouest-Centre, SPIE Sud-Ouest, SPIE Sud-Est and SPIE Est), and two of which SPIE Facilities and SPIE CityNetworks, being specialised subsidiaries, respectively for building maintenance and facility management services and telecom and outdoor energy network services and e-Mobility.

In the context of the "Ariane" project launched in 2017, SPIE created on 1 January, 2018 a Holding company "SPIE France", a subsidiary of SPIE Operations, which purpose is to grant more operating autonomy to France, on a comparable level as the subsidiaries of other countries (Germany, Netherlands, United Kingdom, Belgium, and Switzerland).

As early as 1 January, 2018, SPIE France, in its capacity as the company overseeing SPIE's activities in France, was granted the necessary means to manage all of the French subsidiaries which were legally transferred to it during the second half of 2018. This structure ensures the development of the "France" segment in liaison with the Group and in synergy with the other countries.

As part of the "Galileo" business project, on 30 June, 2018, the Group also merged its five regional subsidiaries into a single subsidiary called "SPIE Industry & Tertiary", which includes two Business Units (BUs), the Industry BU and the Tertiary BU.

This reorganisation equips the "France" segment with a new national subsidiary to better meet the expectations of the Group's industrial and tertiary customers, namely:

- enable SPIE France to provide comprehensive responses and a consistent quality of service throughout the country;
- bring together specific expertise and innovation to share the excellence of SPIE's know-how;
- capitalise on close relationships with the Group's customers and partners.

The Group serves all economic players and sectors (manufacturing, tertiary, ministries and government entities).

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 2018, SPIE ICS and SPIE CityNetworks combined their complementary know-how and won the tender offer of the city of Courbevoie. New « Safe and Smart City » services perfectly answering the citizens' needs and the city's issues in terms of video surveillance and communication infrastructures (set up of high speed communication network and optic fiber as well as WIFI in 28 buildings).

INFORMATION & COMMUNICATIONS TECHNOLOGY SERVICES

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.

The Group operates in a range of sectors such as aeronautics, mass distribution, banking and insurance, health and local authorities and State services.

In 2017, the Group acquired S-Cube, a company specialising in the design, integration and maintenance of digital infrastructures, with particular expertise in data centre solutions and hyper-convergence. The successful integration of this company in 2018 contributes to the growth and expertise of SPIE on this market.

The Group is a master of the solutions and services required for the design, implementation and outsourcing of sustainable and evolving information and communication systems. It assists its clients in the definition and implementation of their information and communication systems and its optimisation, operation and appropriation by users. In 2018, the CEA-CESTA entrusted SPIE France with the total redesign of the control-command systems and supervision of the various test centers, as well as cybersecurity. By its choice, the CEA confirms the benefits on an integrated approach and the complementarity of our expertise to provide a functional and reliable solution. In 2018, SPIE ICS's cloud and managed services activity achieved ISO 27001 certification. Obtaining this certification, which is dedicated to information systems security, is the culmination of the implementation of an effective and reliable information security management system (ISMS) within this activity.

The Group seeks to provide its clients with new services while assisting them in the design, implementation and IT outsourcing of more energy-efficient and environmentally friendly infrastructure.

A part of the ICT services are offered by the Group through a subsidiary other than SPIE ICS; SPIE CityNetworks. 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 fiber optic (particularly as part of FttH "Fiber to the Home" programmes) or systems for supervision stations and railroad or road traffic. The Group also provides maintenance services for major telecommunications operators such as Orange.

In almost all cases, contracts entered into by the Group as integrator contain maintenance activities associated with providing integration services. These agreements are generally entered into for periods of one year with automatic renewal, or for periods of three years. Contracts under which the Group provides managed services have a duration of between three and six years.

The Group serves thousands of customers in two categories: Intermediate-Sized Enterprises (between 500 and 5,000 users), a market in which the Group intends to grow further, and Key Accounts (which includes large publicly traded companies such as Airbus Group, Société Générale, ministries and administrations such as the French Ministry of Defense and Pôle Emploi, major procurement stations of public hospitals such as UNIHA).

1.5.3 GERMANY AND CENTRAL EUROPE

For the year ended 31 December, 2018, the Germany & Central Europe market generated a €2,164 million production, *i.e.* 32% of the Group's consolidated production, and a €133 million EBITA, *i.e.* 33.4% 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. In Germany the Group now has approximately 12,200 employees as at 31 December, 2018 (w/o Gas & Offshore activities).

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 wide 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 50 hertz, Amprion, Commerzbank, Daimler, Deutsche Bahn, E.ON, ENBW, EWE, Innogy, Lufthansa, MunichRE, Siemens, Tennet and several public authorities.

Business growth continued, both through the extension or renewal of existing contracts and the signing of new contracts. In the Tech FM / Energy Efficiency services area, BMW, Commerzbank and Daimler renewed the partnership with SPIE DZE in 2018. Also in the area for Transmission & Distribution several existing framework agreements with long-standing clients were successful renewed.

In the area of M&E services, SPIE DZE has extended the existing business relationship with the data centre operator Interxion who has entrusted SPIE DZE with the complete technical implementation of its new "FRA14" data centre in Frankfurt am Main. SPIE DZE will provide all of the technical building equipment and interior installations in the 4,600 m² data centre. Scope of services: Project planning, dry construction and technical interior construction, general contractor for electrical works, security systems and mechanics.

In the service area of ICS, the Group was awarded by Deutsche Messe Hannover with new contracts in the areas of fire safety and media technology. Deutsche Messe AG and the Group are increasing their successful collaboration, which also includes power supply and safety technology. The Group will continue to replace fire detection systems at the Hanover Exhibition Grounds and take over their maintenance for five years. SPIE DZE will also equip the premises of Deutsche Messe AG with new media technology.

On 6 November, 2018, SPIE DZE successfully concluded the acquisition of 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. With this acquisition, the Group strengthens its expertise in overhead power line installations in demanding terrain. The highly qualified industrial climbers of FLM are specially trained to operate in challenging areas of the alpine and pre-alpine landscape. FLM generates revenue of approximately €4 million.

On December, 21st, 2018, the Group has announced the sale of its German offshore cabling activities and has signed an agreement with Royal Boskalis Westminster N.V. ('Boskalis') for the sale of its offshore cabling activities in Germany. These activities constitute the major part of the Gas & Offshore division which was acquired with SAG in March 2017 and for which a sale process was initiated shortly thereafter. This disposal is in line with the Groups strategic focus on its core business of small, recurring, low-risk multi-technical services contracts. As a result of this transaction, all assets, employees and contractual obligations for future operations pertaining to the offshore cabling activities will be transferred to Boskalis. Completion of the transaction is subject to the satisfaction

of customary conditions and is expected to occur during the first quarter of 2019. The remaining Gas & Offshore division mainly includes a more traditional construction activity, for which a separate sale process is in progress.

On April 1st, 2019, the Group announced the signing of an agreement for the purchase of Christof Electrics GmbH & Co KG, a company which offers full solutions in the sector 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. The final closing of the transaction is expected by May 2019 and is subject to approval by the antitrust authorities.

Outside of SPIE DZE, the Group operates in Switzerland, where it offers, with the support of around 500 employees (as at 31 December, 2018), a comprehensive range of multi-technical services.

1.5.4 NORTH-WESTERN EUROPE

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

For the year ended 31 December, 2018, the North-Western Europe segment generated production of €1,498 million, or 22% of the Group's consolidated production, and EBITA of €53 million, representing 13.3% of the Group's consolidated EBITA.

(I) 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.

As of 31 December, 2018, the Group had about 4,300 employees.

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.

In 2018, SPIE Nederland participated in the construction of a mobile bicycle bridge built from natural raw materials in the province of Friesland (Netherlands). Lighter and requiring less maintenance, this bicycle bridge which was built in fibre reinforced plastic, will replace the actual bridge on the Van Harinxma channel and will guarantee safe and easier passage for larger ships.

In 2018, SPIE Nederland installed the first underground transformation station of the Netherlands under the Vrijthof square in Maastricht. SPIE Nederland was also entrusted the design, installation, operation and maintenance of the system and related activities, all of which is done without disrupting traffic.

In 2018, SPIE Nederland helped the Schagen County with the performance of its energy efficiency and carbon neutral objectives, by replacing over 11,000 public lighting systems with LED fixtures over the whole town. This major operation allowed Schagen to reduce its CO₂ emissions, as well as its energy consumption and costs.

(II) UNITED KINGDOM

The Group operates in the United Kingdom via its subsidiary SPIE UK which, as at 31 December, 2018, had more than 3,000 employees, 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 2018 - SPIE UK has invented a bespoke engineering solution whilst carrying out works on the cooling infrastructure and capital plant replacement works at the Shell Centre in the South Bank, London. Specifically, this unique mechanism makes use of the adjacent River Thames for heat rejection through the development of a distinctive filtration and pumping system. As Principal Contractor and designer, SPIE UK's solution significantly lowered client costs, reduced the building's carbon footprint, safeguarded the programme and secured a major eco-friendly solution for Shell's corporate operations.

Also in 2018 SPIE UK has been awarded a contract with The Pirbright Institute, a world leading centre of excellence in research and surveillance of virus diseases of farm animals and viruses that spread from animals to humans. The work, which is valued at circa £2 million, entails the design, installation and commissioning of the internal fit out of a new Specific Pathogen Free (SPF) laboratory and will be completed over a seven-month period.

In 2018 SPIE UK has been awarded a multi-million pound contract with Next Generation Data (NGD), operators of the largest tier 3+ data centre in Europe, for the design and installation of three new data halls with associated power trains. The works form part of NGD's recent multi-million-pound investment into the further development of its world class facility and the latest expansion phase of an additional 23,000 sq. meters of capacity.

(III) BELGIUM

The Group operates in Belgium and Luxembourg through its subsidiary SPIE Belgium, which has a total of around 1,850 employees who offer 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. This position has been strengthened in recent years, through several acquisitions. In 2018, the Group has acquired Systemat, a company specialising in information and communication systems services.

The Group's client portfolio is balanced, and its clients operate in the public as well as the private sectors. 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.

In 2018, Elia, the administrator for the transport network of high-voltage electricity, remained a very important client of the Group. Numerous investments are planned for energy transformation and high-voltage electricity networks in neighboring countries.

In addition, in 2018, the E-Mobility market started in particular with the execution of agreements with IONITY (in the context of a European tender offer) and the Ieteren group, importer of all brands from the Volkswagen group, were executed.

1.5.5 OIL & GAS AND NUCLEAR

For the year ended 31 December, 2018, the Oil & Gas and Nuclear segment generated €487 million, or 7% of the Group's consolidated production, and EBITA of €46 million, representing 11.5% 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;
- new construction projects which include engineering, procurement and construction of new on-shore and off-shore production facilities and the 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; and
- support services for exploration and drilling activities (workshop, equipment, etc.).

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.

In November 2018, the multinational oil and gas group ENI entrusted SPIE Oil & Gas Services with the maintenance of its equipment at its onshore sites in Congo and Ghana. The multi-business maintenance agreement for its onshore sites started on 1 August, 2018 for a period of three years plus two options of one year each. 208 employees are mobilized to provide this service (204 Congolese employees and 4 expatriates). The equipment in question includes turbines, compressors, control systems, instruments, rotating machinery, electrical equipment and piping. Similarly, SPIE Oil & Gas Services Ghana was awarded a multi-business maintenance agreement covering the onshore sites of ENI Ghana. This maintenance contract mobilises a permanent team of 15 employees.

The Group is developing and providing solutions for skills development, specifically by hiring and training teams on behalf of a number of international oil and/or gas groups. The Group has developed candidate selection processes for a large number of complex projects covering all operating and maintenance activities. The Group has also developed services that include the creation of training centers, specifically intended for oil businesses that, in a number of countries, are experiencing heightened pressure to reduce their dependence on expatriate personnel and increase their use of domestic teams.

During the year ended 31 December, 2018, the Group mobilised over 3,100 people to provide services in nearly 21 countries through subsidiaries and branches in four regions of the world: Europe (France and Belgium), Africa (particularly in Algeria, Angola, Congo, Gabon and Nigeria), where the Group generates most of its production from its Oil & Gas activities, Asia-Pacific (Australia, Indonesia, Malaysia, Bangladesh, Myanmar and Thailand) and the Middle East (including the United Arab Emirates, Iraq, Qatar and Saudi Arabia and Kuwait).

Growth in the Group's activities in the Oil & Gas sector is partially due to its historic links to the Total Group, which remains the Group's largest client in this sector. The Group also has solid links with other major players in the petroleum and gas industry, such as 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 (Koweit) and Sonangol (Angola). Finally, it works through engineering companies, construction companies, service companies, and petrochemical and manufacturing companies.

(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. Though its subsidiary SPIE Nucléaire, the Group has assisted nuclear fuel cycle operators for over thirty years, both in France and internationally.

Through the services it offers, the Group contributes to virtually the entire nuclear fuel cycle: from manufacturing to reprocessing-recycling of nuclear fuel, from waste conditioning 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 dismantling.

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). It also assisted ORANO, ex-Areva, from 2008 to 2013 in building its new facilities in the Rhône valley (such as the Georges Besse II uranium enrichment plant).

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 center, 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 centers and implementation of the nuclear rapid response force).

The Group offers maintenance services for all its clients in all areas of electricity, instrumentation, control center and mechanics. In 2018, SPIE Nuclear and SPIE Facilities won a multi-technical maintenance agreement buildings and infrastructures of the ITER site, in Cadarache (Bouche-du-Rhône, France) for the upcoming five years. Until its commissioning in 2030, the perimeter entrusted by ITER will progressively include 60 tertiary and nuclear buildings as well as their utilities.

In 2018, the Group acquired the company Fluigeteq, specialised in the installation, control and maintenance of gas distribution networks in industrial environments to reinforce the scope of services expected from our clients.

Finally, the Group is engaged in activities related to facilities dismantling. Specifically, the Group undertakes studies of dismantling scenarios or safety studies, and provides complete dismantling

services. The Group has notably been active at the EDF sites in Bugey and Creys-Malville, as well as at the ORANO sites in Pierrelatte, in Tricastin and in La Hague.

The Group also offers engineering services such as the manufacturing and implementation of mechanical units (glove boxes, nuclearisation of manufacturing equipment) and specialised tooling (intervention robots, cutting tools) that satisfy the requirements for intervention scenarios in hostile and/or confined environments.

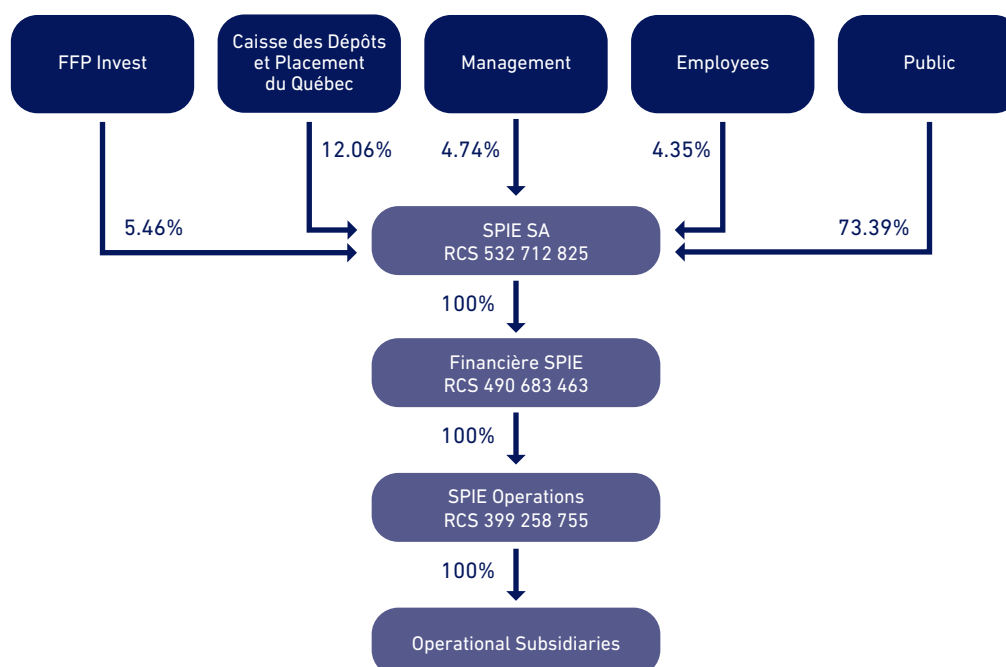
During the year ended 31 December, 2018, the Group mobilised its dedicated subsidiary SPIE Nuclear, i.e. around 2,000 people, to meet the needs of its customers, the main ones being EDF, ORANO and the French Atomic Energy and Alternative Energies Commission. Services to the nuclear industry are thus primarily provided by the Group in France.

1.6 GROUP STRUCTURE AFR

1.6.1 LEGAL STRUCTURE

SIMPLIFIED GROUP ORGANIZATION CHART AS AT 31 DECEMBER, 2018

The percentages shown in the chart below represent the share capital of the Company as at 31 December, 2018:



1.6.2 SUBSIDIARIES AND EQUITY INTERESTS**(I) MAIN SUBSIDIARIES AS AT 31 DECEMBER, 2018**

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 53, boulevard de Stalingrad, 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 multitechnical services 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* (limited 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* (limited 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 £50,000,002, 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* (limited company) with a capital of CHF 1,100,000 registered at Industriestrasse 50a, 8304 Wallisellen, Switzerland under company no. CHE443.369.585. It is the Group's holding company for multi-technical services activities in Switzerland.

Note 27 to the consolidated financial statements for the year ended 31 December, 2018, as included in Section 4.4.1 of this 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 Registration Document.

1.7 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES AFR

The Group has no significant research and development activities and holds no significant patents or licences.

The Group uses different commercial names, brands and domain names in the context of its business. With the exception of the SPIE brand and logos, the Group considers that none of its other

commercial names, service or commercial brands are essential to its business. All the Group's trademarks are protected in France and within the European Union. The Group also has various domain names, particularly www.spie.com, with various extensions to cover the main European countries (including ".fr", ".be" and ".de").

1.8 INDUSTRIAL DEVICES AND REAL ESTATE ASSETS

Most of the Group's premises are offices and warehouses. The Group's policy on property assets is to lease rather than acquire them, preferably under commercial leases. As a result, the Group leases its registered office in Cergy-Pontoise.

During the year ended 31 December, 2018, the Group spent €74.4 million on its rents and rental expenses and €23.6 million on the maintenance of its property assets. Most of these expenditures related to leases that expire in more than one year. At 31 December,

2018, the balance sheet value of the Group's land and buildings was €52.2 million. The Group reckons that these property assets are sufficient to cover its current needs and that additional suitable space could be found if needed.

Generally, the Group's businesses do not require significant equipment investments; its primary needs for equipment and supplies include vehicles and machinery and the leasing of light equipment.

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2.1 RISK FACTORS

Investors should carefully consider all the information set out in this Registration Document, including the risk factors detailed below. At the date of this 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 Registration Document are not exhaustive and that other risks, whether unknown or whose occurrence, at the date of this 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.

2.1.1 RISKS RELATING TO THE GROUP'S SECTORS OF ACTIVITY

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. In general, periods of recession or deflation are likely to have a negative impact on demand for services (see Sections 1.4.1 and 4.1.1 of this Registration Document). During the year ended 31 December, 2018, the Group generated 96% of its production in Europe, 41% of which was in France. At the date of registration of this Registration Document, growth remains limited in the European Union, especially in France, although noticeable improvement can be seen over the recent period. The growth forecasts of the International Monetary Fund for 2019 are 1.6% in the European Union and 1.5% in France) (source: IMF, *World Economic Outlook*, January 2019).

Generally, during periods of recession, customers significantly reduce spending on equipment which affects the Group's ability to sell services relating to construction projects or projects to extend the life of 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. In addition, some of the Group's customers may experience financial difficulties that can lead to payment delays or even default. If current economic conditions continue or worsen, it could have a material adverse effect on the Group and its business, financial position, results and prospects.

In addition, although oil prices have progressively improved during the financial years ended 31 December, 2017 and 2018, they remain at a low level. This situation negatively affects, by reductions in operating expenditure and low investment, particularly in the drilling and geosciences field, the Group's activities in the Oil & Gas sector: maintenance of operations, technical assistance and provision of

tubular for drilling and oil installations called OCTG activities (Oil Country Tubular Goods) operated by SONAID in Angola. Although this situation has already had an impact on the Group's results in 2017 and 2018, oil prices could, if they were to remain at current levels or decrease further, continue to negatively impact the Oil & Gas sector, and as such significantly impact the activities, financial situation, results and outlook of the Group.

Finally, following the United Kingdom's decision to leave the European Union (Brexit), the Group was negatively impacted in 2018 by the decline of the United Kingdom's activity in a context of political and economic uncertainty. For the year ended 31 December, 2018, the Group's production in the United Kingdom represented approximately 6% of its consolidated production. The Group cannot exclude the fact that this decision may have other negative impacts on its activity and its results should the economic conditions of the United Kingdom further degrade.

2.1.1.2 RISKS RELATING TO LEVELS OF PUBLIC EXPENDITURES

The public sector accounts for a significant share of the Group's customers, in particular in France. It represented approximately 13% of the Group's consolidated production for the year ended 31 December, 2018 and 13% for the year ended 31 December, 2017. 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.

2.1.1.3 RISKS RELATING TO THE COMPETITIVE ENVIRONMENT

The Group faces intense competition from various players. 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 CALLS FOR TENDERS

The contracts entered into by the Group's entities are often awarded following a competitive bidding process, most notably with respect to government contracts. Winning a contract largely depends on customer perceptions with regard to the price and quality of the services offered by the various bidders: the Group could thus lose tenders if it were unable to demonstrate its strengths, which could significantly affect the growth of its business. Moreover, calls for tenders and related decisions can be subject to proceedings such as litigation aimed at overturning them or obtaining compensation which could affect the corresponding contract's application or viability. Lastly, nonrenewed government contracts generally must be resubmitted for bids through new calls for tenders.

Furthermore, the Group may commit significant financial and human resources to prepare for and participate in these calls for tenders, with no assurance that it will obtain the contract. Even in cases

where the contract is awarded to the Group, the profits realised may be lower than initial projections, or sales could prove insufficient to make the project profitable. More generally, the performance conditions may prove different from those set out when the bid was prepared because they depend on many variables that are sometimes difficult to foresee, such as the accessibility of work sites, availability of qualified workers, bad weather, and increases in the price of oil and raw materials used in the materials purchased by the Group for installation at customer premises (e.g. copper for cables) that it may not be able to pass on to its customers. The difficulty of foreseeing final costs and performance conditions can have a significant effect on project profit margins and thus have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.1.5 RISKS RELATING TO PUBLIC-PRIVATE PARTNERSHIPS

Due to the nature of its business, the Group may enter into public-private partnerships ("PPP"). PPPs (such as Private Finance Initiatives in the UK) consist in awarding contracts for the construction or transformation, maintenance, operation or management of sites, equipment or intangible assets necessary for government services, as well as all or part of the financing of such contracts, to private firms. Following significant growth in recent years, financial crises, cuts in public spending and efforts to limit government debt have led to a slowdown in the number of new PPPs. Some of the Group's contracts can nevertheless be entered into or renewed in the form of PPPs. In certain cases, these contracts require the private partner to undertake various activities, some in areas in which the Group is not present, such as those relating to construction and public works (e.g. hospitals and buildings). The Group can thus risk losing or not obtaining certain contracts if the public authorities prefer to use multidisciplinary contractors, in particular construction groups with their own technical service departments which could give them an advantage in obtaining PPP projects.

Were the Group unable to adapt to customer requirements with regard to PPPs or, more generally, were it unable to break into the PPP market, it could have a material adverse effect on its business, financial position, results and prospects.

2.1.1.6 RISKS RELATING TO CHANGES IN TECHNOLOGIES AND INDUSTRY STANDARDS

The Group's activities require a high level of technological expertise for a wide variety of technical services. As a result, the Group must continually adapt its expertise to identify and integrate technological innovations, new industrial standards, new products and new customer expectations. New technologies or changes in standards, as well as changes in the demand for services, could render the Group's services obsolete or unviable. In order to remain at the forefront of the industry and anticipate its customers' expectations, the Group must continually 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.

Were the Group unable to anticipate and integrate changes in technologies and industrial standards in time, it could affect its customer relationships and competitive position which could have a material adverse effect on its business, financial position, results and prospects.

2.1.1.7 RISKS RELATING 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 UK 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.

2.1.1.8 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. 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 ACTIVITIES

2.1.2.1 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.

2.1.2.2 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.

2.1.2.3 RISKS RELATING TO WORKPLACE SAFETY AND HEALTH

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 increased frequency and size of work accidents and illnesses.

New technologies as well as new procedures, services, tools and machines could have unanticipated effects on the working conditions of the Group's 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.

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

2.1.2.4 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.

2.1.2.5 RISKS RELATING TO EMPLOYEES AND TEMPORARY WORKERS

In general, the Group's employees provide services at premises and locations belonging to or operated by its customers. As a result, the Group could be subject to claims relating to damages incurred by its customers with respect to their assets or businesses, or unauthorised use or wrongful behaviour or any illegal act on the part of Group employees or any other person entering customer premises in an unauthorised manner in connection with the performance of the Group's services. Such claims could be significant and could

affect the Group's reputation, which could have a material adverse effect on its business, financial position, results and prospects.

Furthermore, for certain of its activities the Group hires a large number of temporary workers. It cannot guarantee that such temporary workers will always have the same level of training, qualifications and reliability as its permanent employees, which could lead to a lower quality of service or a higher rate of work accidents, which could, in turn, negatively affect the Group's reputation and business.

2.1.2.6 RISKS RELATING TO ACQUISITIONS

In addition to its organic growth, the Group has grown in recent years through the acquisition of numerous regional service companies such as, in 2018, Systemat in Belgium, a specialist in the management of equipment, software and ICT infrastructure, and Buchet, a company specialising in electrical facilities mainly active in the Provence-Alpes-Cote d'Azur region (France), and through numerous small acquisitions, which have consolidated its range of services and presence in its geographic markets. In 2017, the Group also acquired the German Group SAG, a provider of services and systems for electricity, gas and telecommunications networks, which generated consolidated revenue of €1.3 billion in 2016. The Group 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.

2.1.2.7 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.

2.1.2.8 RISKS RELATING TO SUBCONTRACTORS

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 EARLY TERMINATION OR NON-RENEWAL OF SIGNIFICANT CONTRACTS

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.

2.1.2.10 RISKS RELATING TO PUBLIC SECTOR CONTRACTS

A significant portion of the Group's business is carried out with public sector entities, notably in the UK and France and to a lesser extent in Belgium, Germany and the Netherlands. The public sector accounted for approximately 13% of the Group's consolidated production for the year ended 31 December, 2018.

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 terms of public sector contracts, such as pricing, duration and subcontractors' ability to 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.

2.1.2.11 RISKS RELATING TO ACTIVITIES IN THE OIL & 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 & Gas activities, the Group is exposed to fluctuations in oil prices, which affect the level of its activities with its clients. In particular, Oil & Gas players, as a result of low oil prices and changes in the economic conditions, tend to reduce their investments, which negatively impacts certain projects in which the Group is involved and, more generally, the Group's activities, in particular its tubular supply activities for drilling and oil installations, called OCTG activities (Oil Country Tubular Goods) operated in Angola through SONAID.

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

2.1.2.12 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.

2.1.2.13 RISKS RELATING TO PRESENCE IN EMERGING COUNTRIES

Although a significant portion of the Group's consolidated production is realised in Western Europe, the Group also operates in other markets, in particular Eastern Europe, Africa and Southeast Asia.

In general, the Group's business in these countries involves higher risks than in Western Europe and includes: volatile GDP, relative economic instability (inflation is frequently higher and more unstable), informal and unregulated trade, sometimes significant changes in regulations or imperfect application thereof, nationalisation or expropriation of private property (without sufficient compensation to rebuild what was seized), difficulties in collecting payments, difficulties in retaining employees, social disturbances, sharp interest and exchange rate fluctuations, threat of war, public disturbances or acts of terrorism, claims by local authorities challenging the initial tax framework or the application of contractual provisions, foreign exchange controls, and unfavourable government interventions or restrictions (e.g. limits on dividend payments or any other payments made by foreign subsidiaries, tax withheld at source or any other tax based on payments or investments made by foreign subsidiaries, and any other restrictions imposed by foreign governments).

Although the Group's business in emerging markets is not concentrated in a single country, the occurrence of these events or circumstances in one of the emerging markets in which the Group is present could have a material adverse effect on its business, financial position, results and prospects.

2.1.2.14 RISKS RELATING TO DEPENDENCE ON CERTAIN CUSTOMERS

A significant share of the Group's consolidated production in its Oil & Gas and Nuclear businesses comes from a small number of customers. In the Oil & Gas sector the Group's top three customers accounted for nearly 40% of its consolidated production for the year ended 31 December, 2018 while in the Nuclear sector three customers accounted for nearly all of the Group's consolidated production.

More generally, the top ten customers represent approximately 17% of the Group's consolidated production for the year ended 31 December, 2018. 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.

2.1.2.15 RISKS RELATING TO RELATIONSHIPS WITH CERTAIN SUPPLIERS

For some very specific services, the Group may rely on a limited number of suppliers. This is the case with the Group's communications business due to the concentrated nature of the market. As a result, any shortcomings or significant price increases on the part of these suppliers, as well as any deterioration or changes in relations with them or any breach of contract on their part, could have a material adverse effect on the Group's business, financial position, results or prospects.

2.1.2.16 RISKS RELATING TO EMPLOYEE RELATIONSHIPS

As the Group's activities primarily rely on human resources, maintaining good relations with employees and employee-representative bodies is a key issue. Although the Group takes great care to maintain good relations with its workers and has not experienced any significant labour unrest in the past, it cannot guarantee that no strike, claim or other labour unrest will interfere with its activities in the future. Such events could lead to interruptions in business and harm the Group's reputation; more generally, their occurrence could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.2.17 RISKS RELATING TO THE NON-FORMALISATION OF CONTRACTS

In accordance with best practices in the markets in which the Group operates, a large number of agreements the Group enters into with its customers, in particular small enterprises, are often informal and generally consist of pricing agreements that are periodically renegotiated between the parties or of purchase orders.

As a result, the renewal terms of these contracts are not formal and depend to a large extent on commercial relations with the customers concerned. This flexibility can result in an imprecise definition of the parties' rights and, in the case of a disagreement between the parties as to the content of their agreement, lead to challenges, disputes or conflicts which could have a material adverse effect on the Group's business, financial position, results and prospects.

2.1.2.18 RISKS RELATING TO THE COMMITMENTS OF RESULT MADE IN SOME CONTRACTS

As part of its activities, the Group enters into a number of contracts under which it makes performance commitments with its co-contractors. This is the case with energy efficiency contracts offered by the Group under which it undertakes to reduce a customer's energy costs by a defined amount, or with certain technical services contracts under which it undertakes to provide a level of service quality measured by means of performance indicators.

Any failure by the Group to fulfil its performance obligation could result in a reduction or even loss of payment or to the early termination of the contract. Were the Group unable to fulfil its performance undertakings in several contracts, it could have a material adverse effect on its business, financial position, results and prospects.

2.1.2.19 RISKS RELATING TO THE GROUP'S DECENTRALISED STRUCTURE

The Group is organised around a decentralised management structure. The Group's strategy favours decision-making and responsibility at the local level in order to better adapt to the local needs of its customers. Historically the Group has grown through acquisitions which have required the integration of firms and teams with very different practices and policies. The Group cannot guarantee that it will be able to standardise and apply the best practices it has developed for its activities in France. Given the extent of the Group's business in Europe, Africa, Asia and the Middle East, and the autonomy it gives its local entities, it cannot exclude the possibility that difficulties such as internal reporting problems may occur in the future. Were the Group unable to effectively manage its decentralised structure, it could have a material adverse effect on its business, financial position, results and prospects and affect its reputation.

2.1.2.20 RISKS RELATING TO A POSSIBLE FAILURE OF THE GROUP'S INFORMATION SYSTEMS

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. 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.

2.1.3 RISKS RELATING TO THE COMPANY

2.1.3.1 RISKS RELATING TO THE HOLDING COMPANY STRUCTURE

The Company is a holding company and the Group's parent company; as such, its principal assets consist of direct or indirect interests in the various subsidiaries which generate the Group's cash flow. The Company's revenue essentially comes from dividends received from its subsidiaries, payments for services carried out on behalf of subsidiaries, intragroup interest and loan repayments by subsidiaries, and tax consolidation income as the head of a tax consolidation Group and its French direct and indirect subsidiaries of which it owns 95% or more. As a result, the parent company financial statements and year-on-year changes therein only partially reflect the Group's performance and do not necessarily reflect the same trends as the consolidated financial statements.

Moreover, the Company's subsidiaries may be unable to make these payments to the Company depending on changes in their activities or regulatory limits. Dividend payments or other financial flows may also be limited due to various undertakings, such as credit agreements entered into by the Group's subsidiaries (see Section 2.1.3.3 of this Registration Document) or to tax constraints making financial transfers more difficult or expensive.

Any decrease in dividends paid by the Group's subsidiaries to the Company, whether due to lower profits or to regulatory or contractual constraints, could thus have a material adverse effect on the Group's financial position, results and prospects.

2.1.3.2 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. Should one or more of these executives or other key staff suffer 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.

2.1.3.3 RISKS RELATING TO DEBT AND FINANCING COVENANTS

2.1.3.3.1 Risks relating to the Group's indebtedness

At 31 December, 2018, the Group's total net debt amounted to €1,349.1 million (see Notes 20.3 and 20.4 to the consolidated financial statements for the year ended 31 December, 2018 included in Section 4.4.1 of this 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.

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 (see Section 2.1.4.2 of the Registration Document).

2.1.3.3.2 Risks relating to financing covenants.

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 Registration Document). These covenants limit, among other things, the Group's ability to:

- make acquisitions or investments as part of joint ventures;
- make any type of loans;
- take on any debt or grant guarantees;
- create security interests;
- pay dividends or other unauthorised payments;
- sell, transfer or dispose of assets;
- merge or combine with other companies; or
- conclude transactions with related entities.

The restrictions contained in the Senior Credit Facilities Agreement and contracts relating to the Group's debt securitisation facility could impact its ability to conduct its business and limit its ability to respond to market conditions or seize business opportunities that may arise. For example, these restrictions could affect the Group's ability to finance investment in its businesses, make strategic acquisitions, investments or alliances, restructure itself or finance its capital requirements. Moreover, the ability of the Group to meet these covenants could be affected by events beyond its control such as economic, financial or industrial conditions. A failure on the part of the Group to meet its commitments or observe its restrictions could result in a default under the abovementioned agreements.

In the event of a default that is not remedied or waived, the relevant creditors could terminate their lines of credit and/or require that the outstanding amounts be repaid immediately. This could activate the cross-default clauses of other loan agreements the Group has entered into. This type of event could have a material adverse effect on the Group and even lead to its bankruptcy or liquidation.

2.1.3.4 RISKS RELATING TO MAINTENANCE OF A NEGATIVE WORKING CAPITAL REQUIREMENT

In recent years, the Group's working capital requirement has been structurally negative, which has enabled it to finance its acquisitions internally. The Group cannot guarantee that it will be able to maintain a negative working capital requirement in the future.

In a situation of unfavourable economic conditions, the Group could be faced with longer terms of payment and consequent delays in collecting receivables from certain customers. Conversely, the Group could be forced by its suppliers to have shortened payment terms. Moreover, the Group could find it difficult to invoice advances on orders, or to invoice under terms initially negotiated with its customers, notably due to difficulties it might encounter when performing its contractual obligations and completing its work. The occurrence of such events could undermine the Group's ability to maintain a negative working capital requirement and thus have a material adverse effect on its business, financial position, results and prospects.

2.1.3.5 RISKS RELATING TO GOODWILL AND OTHER INTANGIBLE ASSETS AND OTHER ASSETS

At 31 December, 2018, goodwill amounted to €3,102.7 million, of which €85.9 million was attributable to acquisitions made during the year ended 31 December, 2018 (see Note 14 to the consolidated financial statements for the year ended 31 December, 2018 included in Section 4.4.1 of this 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 31 December, 2018, the deferred tax assets on the Group's consolidated balance sheet amounted to €299.6 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**2.1.4.1 LIQUIDITY RISK**

The table below shows the breakdown by maturity date of financial liabilities at 31 December, 2018:

| <i>In thousands of euros</i> | Under 1 year | From 2 to 5 years | Over 5 years | Total at 31 Dec, 2018 |
|---|---------------------|--------------------------|---------------------|------------------------------|
| LOANS AND BORROWINGS FROM BANKING INSTITUTIONS | | | | |
| Bond | - | - | 600,000 | 600,000 |
| A Facility of the Senior Credit Facilities Agreement | - | 1,200,000 | - | 1,200,000 |
| Revolving | - | - | - | - |
| Others | 10,174 | 1,177 | - | 11,351 |
| Capitalisation of loans and borrowing costs | (3,824) | (14,181) | (234) | (18,239) |
| Securitisation | 298,658 | - | - | 298,658 |
| BANK OVERDRAFTS (CASH LIABILITIES) | | | | |
| Bank overdrafts (cash liabilities) | 3,019 | - | - | 3,019 |
| Interests on bank overdrafts (cash liabilities) | 166 | - | - | 166 |
| OTHER DEBTS AND LIABILITIES | | | | |
| Finance Leases | 9,096 | 8,578 | - | 17,675 |
| Accrued interest on loans | 14,733 | - | - | 14,733 |
| Other debts and liabilities | 367 | 417 | 647 | 1,432 |
| Derivatives | 76 | - | - | 76 |
| INTEREST-BEARING LOANS AND BORROWINGS | 332,466 | 1,195,991 | 600,413 | 2,128,871 |

In 2015, the Group entered into a senior facility agreement with a banking syndicate (see Section 4.1.2.1 of this Registration Document).

The Group also has revolving credit facilities which it can draw down for a total amount of €400 million. The availability of these revolving credit facilities is subject to covenants and other customary obligations.

Moreover, on 22 March, 2017, the Group issued a bond maturing in 2024, for the amount of €600 million in order to finance the SAG acquisition (see Section 4.1.2 of the present Registration Document).

The bonds are admitted for trading on Euronext Paris regulated market.

For more information on the Group's sources of liquidity, see Section 4.1.2 "Cash flow and financial structure" of this Registration Document.

In addition, the Group renewed its €300 million commercial receivables disposal programme with the option of increasing the amount to €450 million maturing on 11 July, 2022 for a period of five years starting on 11 July, 2017 (except in the event of early termination or amicable termination).

The main terms of this assignment of commercial receivables programme are as follows:

- 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 acts as the centralising agent on behalf of the Group with regard to the custodian bank, Société Générale.

Under this receivables disposal programme, participating companies can transfer full ownership of their commercial receivables to the "SPIE Titrisation" securitisation mutual fund to obtain financing for a maximum total amount of €450 million (see Note 20.3 to the consolidated financial statements for the year ended 31 December, 2018).

The purpose of the programme, other than optimising the management and recovery of its receivables, is to make cash available to the Group to finance its operations and acquisitions.

The use of this program is accompanied by early repayment clauses for certain bank loans.

As at 31 December, 2018 transferred receivables represented a total amount of €558.2 million with financing obtained amounting to €298.7 million.

The Group manages its liquidity risk through specific reserves, bank credit facilities and reserve credit facilities, by preparing cash flow forecasts, by monitoring real cash flow compared with forecasts, and by trying to align the maturity dates of financial assets and liabilities to the extent possible.

The main stipulations of the Group's existing financing agreements (especially covenants, default clauses and early repayment clauses) are described in Section 4.1.2 of this Registration Document.

At the registration date of this Registration Document, and since its initial public offering in 2015, the Company has been rated by the rating agencies Moody's Investors Services and Standard & Poor's. At the time of the initial public offering, the Company was rated BB (outlook stable) by Standard & Poor's and Ba3 (outlook stable) by Moody's Investors Services. Based on the Company's level of indebtedness, in March 2018, Moody's Investors Services and Standard & Poor's changed the Company's respective ratings from Ba3 (stable outlook) to Ba3 and BB (stable outlook) to BB (negative outlook). In September 2018, Moody's Investors Services upgraded the Company's rating from Ba3 to Ba3 (stable outlook). The ratings below are regularly reviewed and the Group cannot assure that they will be maintained.

Agency

Notations

Moody's Investors Services

Ba3 (stable outlook) ⁽¹⁾

Standard & Poor's

BB negative outlook ⁽²⁾

(1) This rating was issued on 17 July, 2018 by Moody's Investors Services.

(2) This rating was issued on 30 March, 2018 by Standard & Poor's.

2.1.4.2 INTEREST RATE RISKS

The Group is exposed to the risk of interest rate fluctuations by virtue of some of its debts being tied to interest rates indexed to the Euro Interbank Offered Rate ("Euribor") plus a margin. Euribor could increase considerably in the future, leading to additional interest rate expense for the Group, reducing available cash flow for investments, and limiting the Group's ability to service its debt. The Group's debt agreements generally do not contain clauses requiring it to hedge all or part of its exposure to interest rate risk. At 31 December, 2018, the Group's outstanding variable-rate debt amounted to €1,481.7 million and the outstanding amount of the Group's fixed-rate debt amounted to €647.1 million.

Financial assets or liabilities with a fixed rate are not subject to transactions intended to convert them into floating rates. The Group examines interest rate risks on underlying assets with variable rates on a case-by-case basis. When deemed necessary, these risks are hedged by SPIE Operations through an internal forward rate agreement at market conditions. The Group hedges its position on the market against internal guarantees. These swaps are entered into only from 1 January to 31 December of each year (and are therefore unwound on 31 December).

At 31 December, 2018, in view of changes in variable rates (negative Euribor), no interest rate swaps were entered into to hedge existing debt. The Group examines the possibility to establish new swaps during the first semester of 2019.

The Group's exposure to interest rate risk is mainly related to its net debt. The Group's fixed-rate and variable-rate debt after hedging at 31 December, 2017 and 2018 breaks down as follows:

| <i>In thousands of euros</i> | 31 December 2018 | 31 December 2017 |
|--|-------------------------|-------------------------|
| SUMMARY OF DEBTS BEFORE HEDGING | | |
| Fixed rate | 647,130 | 618,085 |
| Variable rate | 1,481,741 | 1,449,394 |
| TOTAL | 2,128,871 | 2,067,479 |
| SUMMARY OF DEBTS AFTER HEDGING | | |
| Fixed rate | 647,130 | 618,085 |
| Variable rate | 1,481,741 | 1,449,394 |
| TOTAL (AFTER HEDGING) | 2,128,871 | 2,067,479 |

2.1.4.3 EXCHANGE RATE RISKS

In the context of its international activities outside of the Euro zone, the Group is only exposed to an operating exchange rate risk.

As at 31 December, 2018, 13.3% of the Group's revenue was generated in currencies other than the euro, mainly in pounds sterling and Swiss francs, representing 5.8% and 2.0% of the Group's revenue respectively. The Group presents its consolidated financial statements in euros. As a result, when the Group prepares its consolidated financial statements, it must translate foreign currency-denominated assets, liabilities, income and expenses into euros at applicable exchange rates. Fluctuations in exchange rates can thus affect the value of these items in the Group's consolidated financial statements, even if their intrinsic value remains unchanged. The

Group also makes purchases in currencies other than euro (mainly in american dollars). Unfavourable exchange rate fluctuations can affect the cost of such purchases.

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

- via an internal forward exchange rate deficit agreement for 100% of intragroup transactions in foreign currency;
- by intermediation for currency flows corresponding to equity operations.

In both cases SPIE Operations hedges itself through forward contracts. With regard to calls for tender, foreign currency risk is also hedged when possible through COFACE, a French credit insurer.

The Group's foreign exchange exposure to the US dollar, Swiss franc and pound sterling as at 31 December, 2018 is presented below:

| Currencies <i>In thousands of euros</i> | 31 December, 2018 | | |
|--|--------------------|----------------------|-------------------------|
| | USD (US Dollar) | CHF (Swiss Franc) | GBP (Pound Sterling) |
| Closing rate | 1.1371 | 1.1287 | 0.8985 |
| Risks | (5,646) | 6,462 | 135,173 |
| Hedges | 5,761 | - | (5,365) |
| Net position excluding options | 116 | 6,462 | 129,808 |
| SENSITIVITY TO THE CURRENCY RATE -10% VS EURO | | | |
| P&L Impact | (648) | 718 | 14,379 |
| Impact on equity | (619) | - | n/a |
| SENSITIVITY TO THE CURRENCY RATE +10% VS EURO | | | |
| P&L Impact | 530 | (587) | (11,764) |
| Impact on equity | 507 | - | n/a |

Although the Group monitors and assesses exchange rate fluctuations on a regular basis and hedges itself by means of derivative financial instruments, it cannot exclude the possibility that an unfavourable movement in the exchange rates mentioned above could have an unfavourable effect on the Group's consolidated financial position and results.

concentration immaterial at the level of the Group's consolidated statement of financial position.

In addition, the Group hedges its position with leading financial institutions and currently believes that the risk they will fail to honour their obligations is very low since the financial exposure of each of these financial institutions is limited.

2.1.4.4 CREDIT AND/OR COUNTERPARTY RISKS

Credit and/or counterparty risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The items that could expose the Group to concentrations of counterparty risk are mainly customer receivables, cash and cash equivalents, investments and derivative financial instruments. Overall, the book value of financial assets recorded in the Group's consolidated financial statements for the years ended 31 December, 2018 and 2017, net of amortisation, represents the Group's maximum exposure to credit risk.

The Group believes that it has very limited exposure to concentrations of credit risk relating to its customer receivables. The high number and wide distribution of its customers render the risk of customer

2.1.4.5 RISKS RELATING TO THE DECLINE OF CREDIT RATINGS

At the registration date of this Registration Document, and since its initial public offering in 2015, the Company has been rated by the rating agencies Moody's Investors Services and Standard & Poor's. At the time of the initial public offering, the Company was rated BB (outlook stable) by Standard & Poor's and Ba3 (outlook stable) by Moody's Investors Services. Based on the Company's level of indebtedness, in March 2018, Moody's Investors Services and Standard & Poor's changed the Company's respective ratings from Ba3 (stable outlook) to Ba3 and BB (stable outlook) to BB (negative outlook). In September 2018, Moody's Investors Services upgraded the Company's rating from Ba3 to Ba3 (stable outlook). A rating may be revised or withdrawn by the rating agencies at

any time. Any negative change in an applicable credit rating of the Company could negatively affect the Group, in particular its ability to obtain financing and/or its cost of financing.

2.1.5 LEGAL RISKS

2.1.5.1 RISKS RELATING TO REGULATION AND CHANGES THERETO

The Group's activities are 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 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 (see Section 2.1.5.6 of this Registration Document). 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.

2.1.5.3 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.

2.1.5.4 RISKS RELATING TO THE GROUP'S ABILITY TO DEDUCT INTEREST

In order to comply with the European directive against tax evasion ("ATAD 1"), the 2019 finance law put new limitations on interests deductibility in France.

As from January 1st, 2019, in accordance with article 212 bis paragraph II of the French general tax Code, net interest expenses are deductible from the taxable income for the purpose of the corporate income tax only if they are higher than the following thresholds: (i) €3 million or (ii) 30% of the adjusted taxable income of the Company (i.e. the taxable income before deduction of the tax losses and without taking into account net financial expenses, and, to a certain extent, amortisation, provisions and capital gains / losses).

A company, member of a consolidated group, may furthermore deduct 75% of the amount of the net financial expenses non admitted in deduction on the basis of the above mentioned criteria when the ratio between its equity and its total assets is equal or superior to that ratio as calculated at the level of the consolidated group to which it belongs.

If the company was undercapitalized et exceeded a specific debt ratio of 1.5x, this provision did not apply and net interest expenses linked to a debt to related entities superior to 1.5x the equity would only be deductible should they remain under the highest of the following two thresholds (i) €1 million or (ii) 10% of the adjusted taxable income mentioned above (together the "revised thresholds").

Interest expenses which would be excluded from deductible expenses in a given year could be indefinitely carried over, subject to the abovementioned restrictions. If the company is undercapitalized, interests submitted to the revised thresholds can only be carried over for one third of their amount.

When, for a given year, the company does not fully make use of its deducting ability (i.e. when the amount of the net interest expenses is inferior to the abovementioned thresholds), the unused part of the deducting ability (corresponding to the positive balance between the applicable thresholds and the net interest expenses) can be carried over the next 5 fiscal years. However, this unused deducting ability can only be used to deduct carried over financial expenses.

The Group believes that such new rules should deprive it of a deductible of €7 million in 2019; i.e. an amount equal to the amount borne based on the previous mechanism of article 223 B bis of the French tax Code (based on the rules in force and the information available at the date of this Registration Document).

Moreover, the deductibility of interest paid to a related party in accordance with article 39.12 of the French general tax Code is

submitted to a limitation pursuant to article 212 paragraph 1, b of the French general tax Code. The deductibility of interests will be submitted to an additional condition: if the lender is related to the borrower pursuant to article 39.12 of the French general tax Code, the French borrower must prove, if requested by the French tax administration, that the lender is, for the current year and in relation to the relevant interest, submitted to income tax of an amount at least equal to 25% of the corporate income tax as determined by French tax laws. In the event the related lender is established outside of France, the corporate income tax as determined by French tax law shall be construed as being the amount said lender would have paid in France had its head office been located in France. In accordance with the provisions of the 2017 directive amending ATAD 1 regarding hybrid mechanisms ("ATAD 2"), the limitation set by article 212 paragraph 1, b of the French general tax Code may be amended as from January 1st, 2020. Such amendments are unknown at this date. It cannot be ruled out that said amendments may limit the Group's capacity to deduct said interests.

The effect of these rules on the Group's ability to deduct interest expenses from corporate income tax may increase its tax burden and have a material adverse impact on its financial position and results.

2.1.5.5 RISKS RELATING TO THE GROUP'S ABILITY TO USE ITS TAX DEFICITS

The Group has significant tax losses. The ability to effectively use these losses will depend on a combination of factors, including (i) the ability to earn a taxable profit to which the deficits carried forward can be applied, (ii) under Article 209 of the French General Tax Code, the general limitation of the amount of deficits carried forward for tax purposes that may be used to offset taxable profits in a given year to €1 million plus an amount equal to 50% of the share of such taxable profits in excess of that threshold of €1 million, and some more specific restrictions relating to the use of certain categories of deficits, and (iii) the consequences of current or future tax audits or litigation that may call into question the use or existence of such tax deficits.

The impact of these factors could increase the tax burden to which the Group is exposed and thus have an adverse effect on the Group's cash position, effective tax rate, financial position and results.

2.1.5.6 RISKS RELATING TO LITIGATION AND INVESTIGATIONS IN PROGRESS

In the course of their business, the Group's entities may be involved in some legal, administrative, criminal or arbitration proceedings relating in particular to civil liability, competition, intellectual and industrial property, taxation, environmental matters and discrimination. The most significant ongoing disputes for which the Group has received notice are detailed in the present Section. 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.

Should the outcome of these proceedings be unfavourable, it could have a material adverse impact on the Group's business, financial position, results and prospects.

Legal proceedings and litigation

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 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.

At 31 December, 2018, the Group's total provisions for litigation amounted to €49.3 million.

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 void the procedure 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.

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 (*Grefe 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 29 December, 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. The SNCF lodged an appeal with the French Supreme Court of Appeal (*Cour de cassation*) against the decisions pronounced by the Paris Administrative Court of Appeal and, on the present date, the proceedings are still ongoing.

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

2.1.5.7 RISKS RELATING TO CLAIMS

The Group may encounter difficulties in performing its contractual obligations. It relies on partners, suppliers and subcontractors to carry out its projects. It may be subject to claims from customers, suppliers or subcontractors or be led to initiate claims against them. Such claims may be subject to counterclaims for breach of contractual terms or any other material consequence, incomplete work or defect, breach of warranties and/or delay, and claims for project cancellations. Claims and counterclaims may result in damages or contractually agreed upon payments (e.g. penalties). Claims that are not settled through commercial agreements or payments may result in judicial or arbitration proceedings which can be long and onerous. The financial costs of such claims, or the failure to recover sufficient damages or amounts in relation to them, could have a material adverse impact on the Group's business, financial position, results and prospects.

2.1.5.8 RISKS RELATING TO INSURANCE

The Group has taken out insurance policies covering a wide range of risks and endeavours to maintain a level of insurance coverage appropriate to the nature of its business. However, insurance policies are usually subject to limitations such as deductibles and caps. Moreover, not all claims are covered, and the Group cannot exclude the possibility that it will be faced with a major incident not covered by any of its insurance policies. The occurrence of several events resulting in substantial claims for damages within a calendar year may have a material adverse effect on the Group's business and

financial position. Furthermore, the premiums paid on these policies may rise in view of the Group's claims history or as a result of a general price increase on the insurance market. The Group cannot thus guarantee that it will be able to maintain its current insurance coverage or do so at a reasonable cost.

2.1.6 RISKS RELATING TO THE CHANGE IN ACCOUNTING STANDARDS

The consolidated financial statements of the Group are prepared and presented accounting to the IFRS accounting standards. Any amendment to said accounting standards may have a significant impact on the presentation of the results and financial situation of the Group. Certain IFRS standards were recently amended by the International Accounting Standards Board. In particular, the implementation of the IFRS 9 standard "Financial Instruments" and 16 "Leases" could have an impact on the way the Group presents its financial statements.

The IFRS 9 standard deeply changes the current rules relating to the recording and evaluation of financial assets, as well as the financial assets amortisation model. The IFRS 9 standard applies to fiscal year starting on 1 January, 2018. At the registration date of this Registration Document, the Group adopted IFRS 9 in its consolidated financial statements for the annual period beginning on 1 January, 2018. However, the actual impact of this IFRS standard on the Group's results for the year ended 31 December, 2019 is

not entirely known and cannot be evaluated as it will depend on the financial instruments that the Group detains and the economic conditions at the time the standard is applied by the Group, as well as the accounting decisions the Group will decide upon in the future.

The IFRS 16 standard implements a unique accounting regime which applies to the tenant and which requires the recording of the lease in the accounts, unless said lease is for a period inferior to twelve (12) months or relates to an asset of a low value. The IFRS 16 standard replaces the IAS 17 standard which treats financial leases and simple leases separately. The Group began working on the impact of the implementation of the IFRS 16 standard on its financial statements but is not yet in a position to provide quantitative information on said impacts other than those estimated and mentioned in Note 2.2 to the consolidated financial statements for the year ended 31 December, 2018 included in paragraph 4.4.1 of the present Registration Document. At this stage, the main impacts expected by the Company concern the increase of financial debt and user rights of the assets, an increase of operational result and an increase of financial expenses in the P&L. The amendments to the accounting standards resulting from the adoption of IFRS 16 standard will be applied beginning on 1 January, 2019. The Group has adopted IFRS 16 for the preparation of its consolidated financial statements for the annual period beginning on 1 January, 2019.

Other than those new standards, the International Accounting Standards Board may in the future adopt new amendments or additions to the IFRS standards, which the Group will have to adopt and which impact will be uncertain.

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 businesses 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 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 (*Code de commerce*), which is included in Chapter 5 to this 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 2.1.6 of this 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:

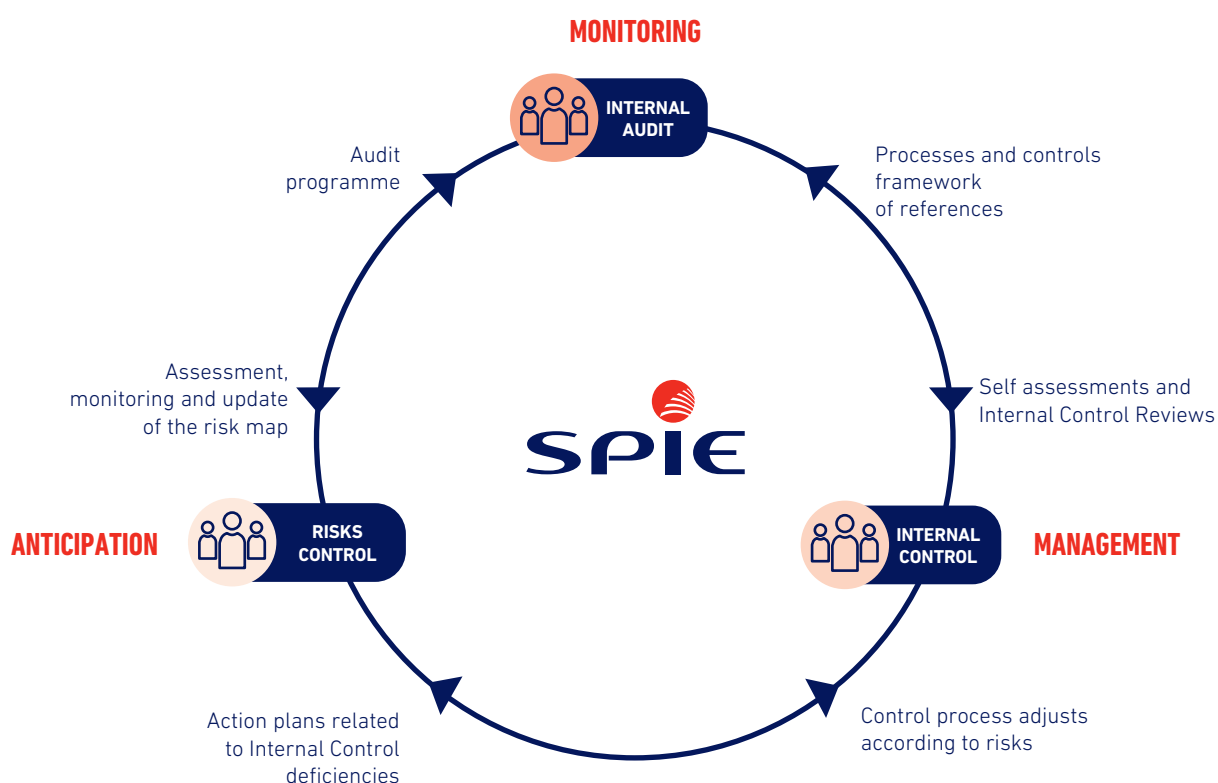
- reliable financial information;
- compliance with the laws, regulations and internal policies in force; and
- effective and efficient internal processes at Group level.

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 allows the identification, analysis and hierarchisation of 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 activities, the effectiveness of its operations and the efficient use of its resources.

The internal audit provides the senior executives 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 companies listed on a regulated market published on 26 October, 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 12 July, 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.

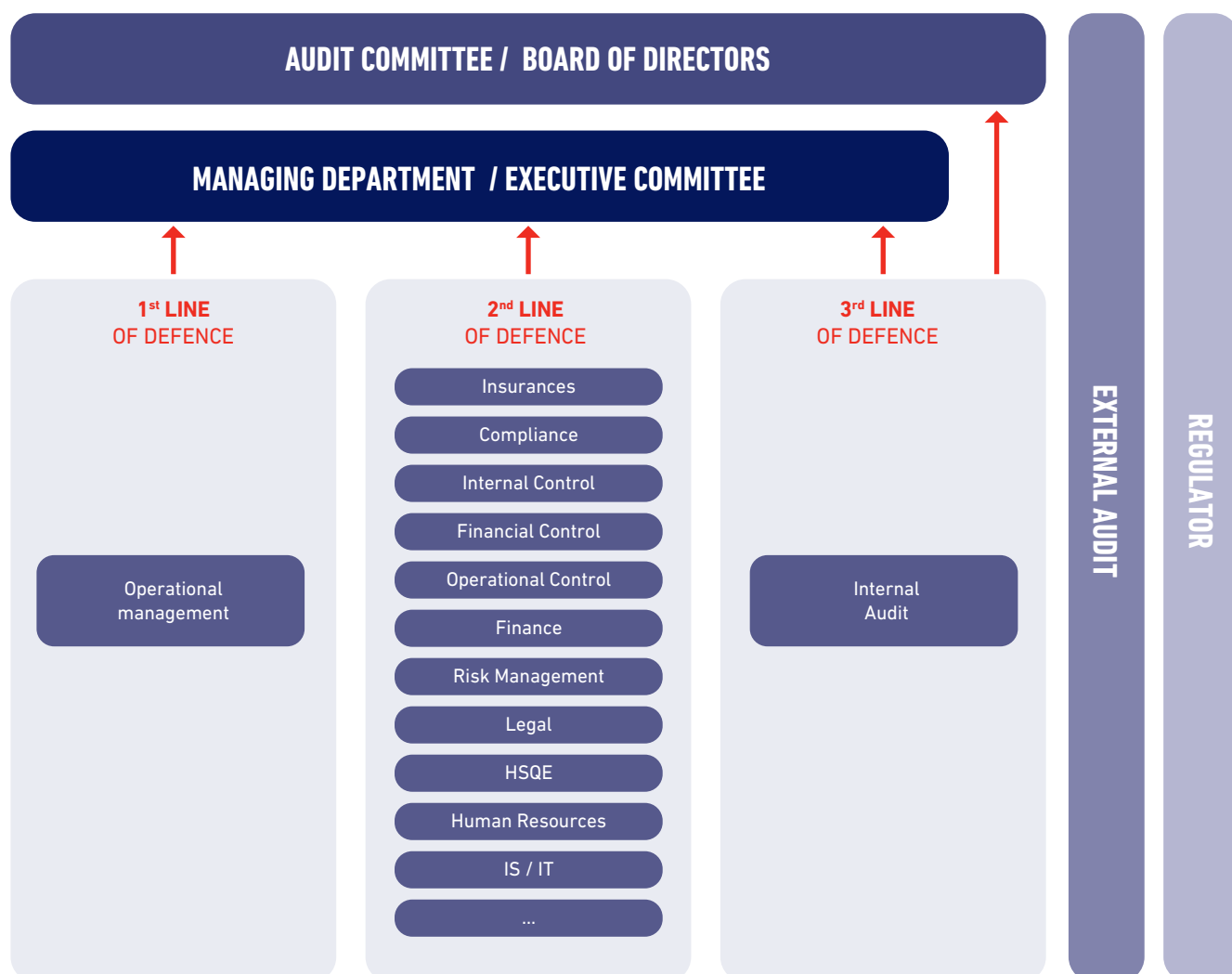
LIMITS OF INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

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 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 MAIN INTERNAL CONTROL AND RISK MANAGEMENT ACTORS AND THEIR OVERSIGHT

THE THREE LINES OF CONTROL FOR EFFECTIVE RISK MANAGEMENT AND CONTROL



The Group's structure rests on the senior executive team, 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 Registration Document and the Board of Directors' management report on corporate governance in Chapter 5 of this 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 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, legal affairs and insurance, 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 Chief Executive Officer; he is a member of the Executive Committee and a director 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 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 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'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 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 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
- the circulation 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 2017, 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 17 managers, 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 2018, the Group's Executive Committee met two (2) times as the Risk Committee and examined proposals for action plans concerning the risks considered 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 circulated, 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. In 2018, SPIE's internal audit conducted a review in the subsidiaries of the fourth self-assessment of the level of internal control 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". This fourth assessment was presented to the Group's Chief Executive Officers in late August 2018, then to the directors who are members of the Audit Committee of the SPIE Board of Directors, as well as to the Statutory Auditors. It did not contain any material shortcomings. Since then, pragmatic and concrete action plans have been devised in the subsidiaries; measures to strengthen internal controls have also been initiated, e.g. as regards separation of duties, feedback and sharing of best practices between subsidiaries.

CIRCULATION 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 circulated by the managerial or functional organisation for best effect.

2.3.4 INTERNAL CONTROL AND RISK MANAGEMENT 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 (statutory and consolidated financial statements) circulated within and outside the Group.

For production of the statutory 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, circulation 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 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, like any publicly traded company, SPIE is subject to the control of the AMF.

-3-

NON-FINANCIAL PERFORMANCE **AFR**

| | | | | | |
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3.1 OVERVIEW OF CSR STRATEGY (VISION, CSR GOVERNANCE, OVERVIEW OF ISSUES AND OBJECTIVES)

3.1.1 VALUE-CREATION MODEL AND CSR STRATEGY

3.1.1.1 SPIE VALUE-CREATION MODEL



3.1.1.1.1 Segments and activities

The Group is Europe's independent leader in multi-technical services in energy and communications.

With more than 46,000 employees worldwide as of 31 December, 2018, the Group supports its clients in the design, implementation, operation, and maintenance of energy-efficient, environmentally friendly facilities.

The Group's production is divided into four reporting segments:

- France (38% of consolidated production);
- Germany and Central Europe (32% of consolidated production);
- North-Western Europe (23% of consolidated production); and
- Oil & Gas and Nuclear (7% of consolidated production).

The Group's activity covers four areas of excellence:

- **Mechanical and Electrical Services**, which covers the installation and improvement of mechanical, electrical and heating, ventilation, and air-conditioning systems;
- **Information & Communications Technology Services**, which covers the installation, improvement, operational support, and maintenance of voice, data, and image communication systems;
- **Technical Facility Management**, which covers the technical management of facilities and the services necessary for their operation; and
- **Transmission & Distribution Services**, which covers service for energy transmission and distribution infrastructures.

The services offered by the Group cover the entire life cycle of its clients' facilities, ranging from design and installation (new facilities), services that account for approximately 17% of consolidated production, to support in operation, maintenance, and rehabilitation (asset support), services that represent approximately 83% of consolidated production, to roughly half of which are the equipment extension and renovation activities.

3.1.1.1.2 Value-creation and outlook

SPIE's actions aim to:

- improve the living environment: promoting sustainable and safe transport, supporting the development of territories, and improving buildings for better living;
- combining energies: an active player in the search for solutions against global warming and in the preservation of natural resources, SPIE participates in the global energy transition by contributing its expertise to develop a balanced, sustainable energy mix;
- developing the performance of businesses: involvement in all professions thanks to a local network, a presence throughout the industrial value chain, and optimisation of performance through global know-how.

The Group's activities actively contribute to the development of a green economy and to the transition to a low-carbon economy, a commitment based in particular on the improvement of energy efficiency and the use of renewable energy, as well as technological

and digital innovation. Each year, SPIE's services help its clients save several thousand tonnes of CO₂.

SPIE offers leading multi-technical services in the most attractive European markets, focused on hi-tech activities and supported by a dense local network. SPIE draws its added value from these strengths: being the link between client demands and the supplier market and offering a multitude of services to its clients.

This robust value-creation model is built especially on proximity, which is synonymous with recurrence for the Group. This recurrence of the SPIE model is a major factor that sets the Group apart.

In addition, pursuing a rigorous policy of operational management and financial discipline will continue to enable SPIE to implement its external growth strategy and thus enrich its offering to meet the Group's ambition to be Europe's independent leader of its sector.

To implement a lasting business to serve a sustainable world, SPIE promotes the coherence and continuity of its efforts.

For more information, refer to Chapter 1 "Overview of the Group and its activities" in the present Registration Document.

3.1.1.2 CSR STRATEGY

3.1.1.2.1 CSR governance

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

SPIE's values are "Local Presence" 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 proposes and steers SPIE's CSR strategy. It is composed of members of the management committees of the subsidiaries as well as two members of the Group's Executive Committee and meets regularly. 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, and inter-subsidiary working groups on specific safety subjects.

In addition, SPIE has a large network of employees responsible for managing issues related to quality/health/safety/environment (QHSE) covering all the themes and led by the Sustainable Development Department. All policies on the various subjects are relayed at the local level to ensure the implementation of local initiatives.

SPIE also communicates various data related to sustainable development themes in its Registration Document and its annual report, which supplement this declaration of extra-financial performance (DEFP). The main objective of the DEFP is to comply with European Directive 2014/95/EU on disclosure of extra-financial information by companies, transposed in France by Order 2017-1180 of 19 July, 2017 and supplemented in particular by Decree 2017-1265 of 9 August, 2017.

3.1.1.2.2 CSR policy

Already committed for more than a decade now to 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 areas: social, economy, society, and environment.

Each of these areas 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 strives to reduce its carbon footprint as well as that of its clients and partners through its internal initiatives and its solutions promoting the green economy;

- **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 to fostering constructive industrial relations;
- **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 their time for a sustainable world. The Group is committed to make the future better based on shared values of local presence and responsibility.



3.1.2 MAIN EXTRA-FINANCIAL RISKS

3.1.2.1 EXTRA-FINANCIAL RISK ANALYSIS METHODOLOGY

In 2018, SPIE put in place a pragmatic extra-financial risk analysis process to identify its main risks (classified into four categories: social, environmental, societal, and economic). The themes of Articles L. 225-102-1 and R. 225-105 of the French commercial Code were taken into account in the risk identification process.

The Group's CSR risks were assessed during the consultation of several functional and operational directors in France by applying the Risk Control and Internal Audit Department's methodology. CSR risks were thus assessed according to five criteria: applicability, impact, frequency, level of control, and term. The various discussions also provided an opportunity to identify proposals for action to address each risk.

The mapping of the Group's extra-financial risks and the list of the six main risks were validated by two Executive Committee members.

3.1.2.2 MAIN EXTRA-FINANCIAL RISKS

The main CSR risks identified by SPIE are the following:

- recruitment risk;
- occupational health and safety conditions and accidents at work risk;
- subcontracting risk;
- corruption risk;
- quality/client satisfaction risk;
- greenhouse gas (GHG) emissions risk.

3.1.2.2.1 Recruitment risk

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 and worker and technician profiles are becoming increasingly scarce, especially in Germany and the Netherlands, but also in France.

The topics of recruitment and retention of human resources are therefore major concerns for the Group. If they are not properly taken into account and addressed, this could adversely affect the Group's activities and development.

3.1.2.2.2 Occupational health and safety conditions and accidents at work risk

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 serious accidents at work.

Aware of its responsibility to its employees and partners, the Group incorporates its commitment to health and safety into each of its actions, making "zero accidents" a concrete goal.

Since the impacts of an accident at work may be significant (loss of production, financial loss, human loss, image and reputation risk, social risk, legal proceedings), occupational safety risk is a major issue for SPIE and is at the heart of its concerns.

3.1.2.2.3 Subcontracting risk

SPIE works with more than 155,000 suppliers, and one-third of the Group's purchases, i.e. €1.6 billion, are made using subcontracting. The vast majority of the Group's subcontractors are small or medium-sized businesses.

Growing client demand is also driving SPIE to undertake an ongoing search for new subcontractors in a context of supply shortages.

As such, identifying and contracting with adequate subcontractors to be able to bid for contracts is a key issue, and not being able to seize all business opportunities is a primary risk.

Strict enforcement of international and national laws and SPIE standards, particularly sustainable development, among subcontractors is a priority, particularly for obvious safety issues. At the same time, the operational supervision of subcontractors, particularly small subcontractors, is complex given their large number, and there is a risk of non-compliance with laws and Group standards.

3.1.2.2.4 Corruption risk

SPIE maintains high ethical requirements in carrying out its business affairs. However, the Group may face risks related to corruption as part of its activities that may cause financial and/or criminal sanctions or even exclusion from certain markets as well as a risk of harming the Group's image.

3.1.2.2.5 Quality/client satisfaction risk

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

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

3.1.2.2.6 GHG emissions risk

SPIE is an eco-responsible player and combats climate change by striving to reduce its environmental impact (especially by cutting GHG emissions of its buildings and vehicles) and by reducing the carbon footprint of its clients and partners through an offering of technical energy efficiency solutions and services dedicated to renewable energy.

Failure to assume this climate responsibility could expose the Group to an image risk.

SPIE also recognises that changes in the regulations on greenhouse gas emission reductions could create opportunities and/or risks, such as a change in client behaviour.

3.1.3 POLICIES AND RESULTS RELATING TO SPIE'S MAIN EXTRA-FINANCIAL RISKS

3.1.3.1 RECRUITMENT

SPIE had 46,398 employees as of 31 December, 2018, compared with 46,650 as of 31 December, 2017 (all types of contracts: fixed-term, permanent, apprentices), an increase of 1.2% (+525 people) at constant scope.

For more information, refer to section 3.2.1 – “Number and breakdown of employees” in the present registration document.

3.1.3.1.1 SPIE's primary asset: its employees

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

In 2018, SPIE defined its HR policy 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.

This policy, validated and supported by the Executive Committee, was communicated to the Group's entire HR community and was presented at a Group HR convention in November 2018.

The recruitment policy is part of the first component of this HR policy and is supported by the other two areas. Companies that pursue a policy of well-being at work, digitalisation, and growth improve recruitments.

To become an employer of choice, SPIE has established 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.

3.1.3.1.2 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's goal is to intensify and professionalise its sourcing by reviewing and adapting the organisation of teams, resources, and tools as well as communication.

In 2018, SPIE revamped its organisation and set up sourcing teams in most of the subsidiaries to optimise its results.

In addition, various resources and tools have been reinforced and/or created, such as:

- developing a “breeding ground” policy in each country through apprenticeships, alternating work/study programmes, international corporate volunteer programmes, and internships. In 2018, SPIE recruited 641 new work/study program participants in France and 278 in Germany, bringing the total number of participants currently at SPIE France to 965 and at SPIE Germany to 779;
- establishing co-optation programmes in the subsidiaries;
- developing partnerships with universities and strengthening the relationship with schools;
- energising a network of business line ambassadors who support the HR employees in the various forums in which SPIE participates;
- taking actions dedicated women to raise their awareness of SPIE's technical occupations, which are often perceived as being reserved for men.

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

- developing a 2018 media plan for social networks with targeted objectives and themes such as diversity, digital, and well-being at work;
- targeted communication in-house and on social networks: weekly broadcast of an interview with an SPIE employee about his or her job and posting of videos highlighting a particular job and talent;
- “SPIE is recruiting” written on service vehicles in France;
- 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.

In 2018, the Group recruited 5,386 new employees on permanent contracts.

3.1.3.1.3 HR development: a way to retain and attract talent

Proximity and HR development are priorities in SPIE's HR policy as defined in 2018 to complement its strengths and enhance awareness of the Group and its attractiveness.

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.

The training and professional development policy is also based on two main tools:

- STARS (SPIE Talents Appraisal Recruitment Solution), deployed in a majority of the subsidiaries, also provides access for all Group employees to job listings in collaboration with job search sites. STARS also allows managers and employees to monitor objectives, performance, and development and advancement wishes. Lastly, it supports the implementation each year of a talent review (CEDRE) to assess and manage employee skills;
- SMILE (SPIE My Intensive Learning Experience), an e-learning platform deployed in all the subsidiaries, provides a new, more flexible form of learning to supplement in-person learning, offering users the autonomy to self-train and training modules accessible to all employees, including several training modules dedicated to safety.

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 2018, this programme had around fifty pairs of mentors (young executives under age 35) 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, refer to section 3.2.3 – "Training" in the present Registration Document.

3.1.3.1.4 SPIE's strengths: diversity and equal treatment

For SPIE, acting on diversity and especially gender equality also means acting on the employer brand and therefore on the Group's attractiveness.

Gender equality is a priority issue for the Group. 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 and increase the diversity of teams, promote better development of women's careers, and raise employee awareness of diversity. In 2018, the Group renewed its 2017 actions, such as organising "Diversity" 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 8 March.

In 2018, SPIE participated once again in the La Parisienne race. Around 240 participating employees from all of the Group's countries were welcomed by SPIE's CEO, who was present at this 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.

Lastly, this year the Group extended a programme for mentoring women by members of the management committees to all its subsidiaries.

3.1.3.1.5 Retention through employee shareholding

Employee shareholding is also a way to retain teams and contribute to the Group's attractiveness.

SPIE wishes to continue to involve its employees in the ownership of the company, after the momentum associated with the IPO in June 2015 and the success of the "Share For You 2015" operation. Beyond the possibility for any Group employee to make voluntary contributions into the SPIE for you employee mutual fund, SPIE introduced in 2017 the possibility for French employees to invest their incentive and/or profit-sharing bonuses into the SPIE Actionnariat 2015 subfund of the SPIE for you employee mutual fund. Today, SPIE is among the European companies whose proportion of employee shareholders is above the European average⁽¹⁾, reflected in the Group's inclusion in the Euronext FAS IAS index of companies with strong employee ownership structures.

In May 2018, SPIE carried out an additional employee shareholding operation, allowing all employees who joined the Group more recently to participate.

At the end of 2018, 34% of employees were shareholders of the Group.

3.1.3.2 OCCUPATIONAL HEALTH/SAFETY AND WORKPLACE ACCIDENTS

3.1.3.2.1 An occupational health/safety policy that makes "zero accidents" a concrete goal

SPIE's primary responsibility is to ensure the health and safety of employees and other workers. This is a key issue for the Group. Aware of this responsibility, SPIE has implemented a dedicated policy in all its subsidiaries and imposes high safety standards. SPIE has made a commitment to achieve a level of 0 accidents. Frequency rate reduction targets are in place in each of the Group's subsidiaries. SPIE ensures the development of reliable safety management systems certified according to recognised standards such as OHSAS 18001, VCA, and MASE. As of 31 December, 2018, OHSAS 18001 certifications concerned 92% of the scope versus 84% as of 31 December, 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. A prevention and safety code proposes operational measures to respond to these risks and to understand the work-preparation and intervention phases. Created in 2016 and available on the Intranet, this code is deployed in several languages across all the subsidiaries and distributed to all newcomers.

In addition to this code and to reinforce the prevention of serious accidents related to the major risks, SPIE is working on developing vital safety rules to be followed before starting any high-risk activity. Five international working groups led by country QHSE managers were established to carry out this project. The project is part of the 2019 safety action plan validated by the Executive Committee. These rules will be deployed in the SPIE group in 2019.

(1) As of 31/12/18, 4.34% of the capital is held by employees, which is well above the average of 1.72% calculated in the 2017 European share ownership survey.

2018 was marked by management's efforts to unite the international teams, notably through co-construction, and thus have the support of all employees. 2019 will be the year of operational implementation.

Management is reaffirming its desire to implement safety standards on an operational level to guarantee that employees fully appropriate the rules and to stimulate implementation at local levels across all of the Group's sites.

SPIE carried out several key actions in 2018.

- in June 2018, the SPIE Safety Day was held for the 8th consecutive year. This event to raise awareness about safety issues for all employees takes place in all the subsidiaries every year. Led by country and by operational staff according to a procedure defined by the Group, Safety Day 2018 focused on topics related to the work-preparation and intervention phases: understanding and controlling risks on a daily basis;
- in France, SPIE created Mobile Safety Schools (EMS) in 2018 with the aim of raising awareness and training teams as close as possible to the field. A programme based on the safety and prevention code, alternating theory and practice and supported by local management, was developed. Starting in 2019, in the subsidiaries, these mobile schools will be in contact with SPIE employees and clients and thus promote exchange and sharing on health and safety topics;

- the identification of subsidiary best practices in health/safety was carried out during the year with the Group's QHSE network. These best practices will be reviewed and prioritised for actions in 2019;
- an accident management procedure has been established. The notions of serious accidents and potentially serious events have been defined and are now being monitored at the Group level.

SPIE is continuing the actions already launched in previous years, demonstrating its commitment to prevention:

- preventive safety inspections on the sites by supervisors;
- training on the manager's stance on safety;
- special attention given to equipping and maintaining vehicles used in missions to reduce road risk.

All these actions are carried out by the operational line, relying on the expertise and support of a structured QHSE function duly identified within each subsidiary and at the headquarters level.

In 2018, SERCE and OPPBTP awarded SPIE (SPIE Sud-Ouest, SPIE Sud-Est) 2nd jury prize, recognising the safety commitments of the Group and its subsidiaries. In addition, SPIE Est received 1st jury prize in "Safety Training".

In 2019, the Group QHSE Committee is also continuing its work on developing a "Safety Onboarding Package" to ensure a strong, quick integration of new acquisitions into SPIE's safety standards.

3.1.3.2 Accidents at work and occupational illnesses

| | 2017 | 2018 |
|--|-------|-------|
| Absolute frequency in number of accidents per million hours worked | 11.24 | 11.41 |
| Frequency of lost-time accidents in number of accidents per million hours worked | 6.18 | 6.29 |
| Workplace accident severity rate for employees | 0.22 | 0.17 |

Rates are calculated with acquisitions included on a pro rata basis.

SPIE had 2 fatal accidents in 2018.

The safety performance indicators including temporary employees are published in the annual report.

Occupational illnesses are mainly related to musculoskeletal disorders. These are reduced thanks to a prevention approach aimed at reducing risky situations, particularly through the acquisition of better equipment.

3.1.3.3 SUBCONTRACTING

3.1.3.3.1 Purchasing governance

As is the case for the Group in general, the purchasing function is decentralised. Each subsidiary is responsible for the final selection of its suppliers, its annual purchasing performance plan, and its compliance with the regulations in force.

The Group purchasing committee consists of the purchasing directors of the subsidiaries and is responsible for developing, deploying, and updating the strategic purchasing plan, developing and deploying the joint annual purchasing action plan (which serves as the basis for the annual subsidiary purchasing action plans), and guiding inter-subsidiary actions. Managing subcontracting risk was one of the recurring topics reviewed by the Group purchasing committee in 2018.

3.1.3.3.2 Strategic Purchasing Plan and Annual Purchasing Action Plan

The 2017-2020 Strategic Purchasing Plan was drafted in 2017 by the Group purchasing committee, together with the concerned functional departments, including the HQSE department. It was approved by the Group's Executive Committee. The plan includes six priorities:

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

Each priority has been broken down into concrete levers, quantified strategic objectives, and an action plan. The management of supplier risk, including subcontracting risk, has been incorporated.

Each year, the strategic purchasing plan is broken down into an annual Group purchasing action plan, which itself is broken down into an annual purchasing action plans within the subsidiaries.

The 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 purchasing department to strengthen this management of risks.

3.1.3.3 Management of subcontracting risk

At the end of 2017, the SPIE risk management committee (the Executive Committee) identified subcontracting as one of the Group's major risks. An Executive Committee member was appointed as sponsor of this risk.

In early 2018, under the authority of one of the Executive Committee members, the Group purchasing director worked with the Group purchasing committee and the HQSE department to put in place a multi-subsidiary, multifunctional (purchasing and operational) team. This team's mission is to improve existing action plans for managing subcontracting, in particular by identifying and transferring best practices. This team has two objectives: to further improve and secure the sourcing of subcontractors to meet client demand and to reduce the risk of non-compliance with QHSE laws and standards on health and safety.

An initial list of best practices for managing subcontracting risk was formalised. Each country also carried out an initial self-assessment of its level of maturity in relation to the implementation of these best practices. In 2019, the list of best practices will be finalised for deployment.

Improving the management of subcontracting risk is integrated into the 2019 purchasing action plan. A supplier and subcontractor risk mapping action, with a detailed CSR chapter, was also initiated in 2018. This mapping will be carried out in 2019, based on the Group's risk mapping methodology and with the help of an expert service provider in supplier risk management. Subcontracting is identified as a category to be addressed as a priority.

3.1.3.4 Other "sustainable purchasing" actions

Beyond the management of subcontracting risk, many "sustainable purchasing" actions have been in place for many years and were reinforced in the 2017–2020 Strategic Purchasing Plan.

Governance and mobilisation

The sustainable purchasing committee, in which a member of the Group Executive Committee participates, and in conjunction with the Group CSR Committee, sets annual targets and ensures the implementation of decisions.

A subsidiary purchasing manager coordinates this sustainable purchasing priority at the Group level and across the Group. This person leads the sustainable purchasing committee, the subsidiary purchasing managers, and the network of subsidiary sustainable purchasing contacts (appointed by each subsidiary purchasing manager) to promote the sustainable purchasing policy and monitor the roll-out of the annual plan.

Category Managers and operational buyers are asked to appropriate the sustainable purchasing policy and translate it into concrete actions and selection and performance criteria in their relations with the suppliers they manage.

SPIE's suppliers and subcontractors charter

A suppliers and subcontractors charter was developed in 2015 with the ambition of being 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 / workloads / taxes / wages / subcontracting arrangements), and the environment.

Assessment of suppliers/subcontractors

Criteria for selecting and assessing suppliers and subcontractors in terms of sustainable development are set out in the purchasing processes of the subsidiaries.

Some subsidiaries have a post-work assessment tool for subcontractors and suppliers. Business Reviews organised with strategic suppliers at the Group or subsidiary level include the topic of sustainable purchasing performance.

In addition, EcoVadis is responsible for assessing the sustainable purchasing performance of suppliers and subcontractors as an independent third party. In 2017, suppliers representing more than €770 million of purchases were assessed for a total volume of external purchases of €2.8 billion for a coverage rate of approximately 27% of external purchases. In 2018, approximately €900 million of purchases were assessed (+28% of assessed supplier and subcontractor activity). Taking into account the 2017 and 2018 acquisitions, the 2018 purchase volume was €3.4 billion. The 2018 QHSE performance assessment "gross" coverage rate was 29% and 32% in pro forma terms (excluding acquisitions less than 24 months ago) for a Group target of 31%. The Group therefore exceeded its target in 2018.

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

Ethics

Since 2017, SPIE has reinforced its business ethics training for the purchasing network. The legal departments of each subsidiary ensure that the training is updated according to changes in laws. Two new goals have been set: business ethics training must be carried out at least every three years by all buyers, and new buyers must have been trained within six months of their arrival.

Purchasing from the protected worker sector

SPIE has set up a purchasing plan with institutions in the protected worker sector in all countries. In France, purchases with the protected worker sector amounted to €2 million in 2018.

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. To do this, they evaluate the life cycle of products and services: manufacture, 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

The purchasing departments at both the Group and subsidiary levels are working with stakeholders including the QHSE department to develop a purchasing policy aimed at reducing SPIE's carbon footprint. For example, each country's fleet policies incorporate CO₂ emissions criterion and offer hybrid and electric vehicles.

3.1.3.4 ANTI-CORRUPTION

3.1.3.4.1 Anti-corruption policy and ethics committee

Ethics Policy

The ethics policy is defined in the "Principles of Ethical Business Conduct" code. The main areas of this code are compliance with laws, accuracy of payment accounts, confidentiality, agreements, labour standards, corruption, respect for property, and conflicts of interest. SPIE's Executive Committee supports this commitment.

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.

To meet the new regulatory requirements, an overhaul of the ethical principles, the guide for their application, and the alert procedure was launched in 2018. For example, certain topics such as human rights and personal data protection are addressed in more detail. The updated ethics code, guide for its application, and new alert procedure will be issued in 2019.

In addition, ethics training sessions will be relaunched after the publication of the ethics code.

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.

3.1.3.4.2 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.

In 2018, the management of external invitations and invitations received by employees was reinforced. 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. This procedure is being deployed in all Group subsidiaries.

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 bases each year.

3.1.3.5 QUALITY AND CLIENT SATISFACTION

SPIE aims to structure its quality and client satisfaction approach, which is now currently decentralised. The goal is to have effective, proactive management of the client relationship.

Although there is not yet a formalised policy in this area, discussions were initiated at the end of 2018, and the governance and scope are being validated by the Executive Committee.

Significant actions were also carried out at the end of 2018; 2019 will be the year of the roll-out and standardisation of initiatives that were previously local and specific.

SPIE therefore decided to set up a Client Management Program (CMP) to manage client appointments, performance reviews, etc. and thus effectively monitor the client relationship throughout the life of the contract.

In addition, to make progress on quality and client satisfaction, SPIE set up a working group bringing together representatives of the various subsidiaries. In 2018, three workshops were held to discuss the various actions to be taken in client relations management.

An initial action carried out in 2018 was the definition of the principles for implementing client satisfaction surveys. Inspired by local initiatives in the Group (England and the Netherlands), SPIE is working on determining a methodology to measure eight key performance indicators, selected by the working group. Through the definition of common standard indicators, SPIE wants to establish benchmarks and client analyses based on consolidated data. These indicators, presented to the sales and marketing directors at the end of the year, were proposed for the Executive Committee's approval in January 2019.

Customer survey campaigns are already planned for 2019 in the United Kingdom, the Netherlands, and Germany. Pilots are also being finalised in Belgium and France.

3.1.3.6 GREENHOUSE GAS EMISSIONS

SPIE's commitment to the environment, which is one of the four areas of SPIE's CSR policy, is demonstrated through projects aiming to help our clients reduce their carbon footprint as well as actions to reduce our CO₂ emissions.

A structured, duly identified QHSE function is in place to support operational staff in the prevention of environmental risks. In addition, the subsidiaries have local CSR policies and local environmental commitments. For example, SPIE Nederland's industry division director participates in the industry's "climate table", which is part of the Dutch Climate Agreement. This comprehensive agreement contains agreements with specific sectors on how climate goals can be achieved. The sectors involved are industry, electricity, built environment, transport, and agriculture. The industry's climate table includes the 10 Dutch companies with the highest CO₂ emissions. The role of this group is to propose solutions and evaluate the technical feasibility of each solution. The Dutch national government is in the process of finalising the agreements to complete the plans for the coming years.

In 2018, an environment code was developed by an inter-subsidiary working group, bringing together environment experts. Once validated, this code will be deployed in 2019. Its themes are waste, energy, and hazardous substance management as well as

the consideration of environmental topics in the preparation and implementation of activities. Although it is directed at employees, this code will also be available for subcontractors and clients.

3.1.3.6.1 Reducing SPIE's carbon footprint

Since 2009, SPIE has produced its carbon assessment to identify and quantify the significant areas of greenhouse gas emissions related to its activities and to undertake actions to reduce them.

During the carbon footprint assessments performed in 2009, 2011, and 2014, "scope 1, 2, and 3" emissions were taken into account, i.e. direct emissions, related to the energy consumption of the fleet and SPIE sites, as well as indirect emissions such as the energy necessary for the manufacture and transport of purchased products and business travel.

As was the case in 2017, a carbon footprint assessment on scopes 1 and 2 was completed in 2018. CO₂ carbon equivalent greenhouse gas emissions amounted to around 86,300 tons, representing a carbon intensity of 19 grams of CO₂ per euro of turnover.

At the Group level, the action plan to reduce SPIE's carbon footprint primarily focuses on the following topics for 2018:

- optimising the vehicle fleet and its fuel consumption;
- building locations consideration;
- waste collection and recycling;
- promoting eco-friendly behaviours among employees on these themes.

Optimising the vehicle fleet and fuel consumption

Each subsidiary has its own vehicle policy, which requires the inclusion of a CO₂ emissions cap to limit emissions.

To optimise the vehicle fleet and fuel consumption, SPIE works on two areas:

- change in the fleet composition;
- awareness-raising on eco-driving, for example by setting up e-learning on the actions to be taken to change driving habits.

A study is underway at the Group level to put cleaner company vehicles in place at SPIE France and SPIE Operations. A limit to the initiative already identified could be the lack of diversity of electric and hybrid vehicle models currently available on the French market. SPIE now has 414 electric or hybrid vehicles in its fleet. Fuel consumption as of 31 December, 2018 was 27,953,301 compared with 33,162,045 for 2017.

Among the CO₂ emissions reduction initiatives for 2018 were:

- since 2017, SPIE Switzerland has had a fleet of 30 vehicles operating on biomethane, replacing its diesel models, which has saved 21 tons of CO₂ over the period of operation. In addition, SPIE Switzerland participates in the national Bike to Work action, a campaign to promote commuting by bicycle;
- SPIE Nederland is certified at the highest level (level 5) on the CO₂ performance scale. This is a tool that helps companies reduce their CO₂ emissions internally and externally through the projects put in place for their clients;

- during its supplier innovation challenge, SPIE Belgium made electric vehicles and natural gas vehicles available to raise awareness among the participants;
- like last year, SPIE Oil & Gas Services is participating in Planète Urgence's initiative by planting a tree for each plane ticket purchased. In 2018, 1,536 trees were planted. Starting in 2019, the subsidiary will offer subsidies for the purchase of electric bicycles.

Discussions on locations and buildings

SPIE monitors its energy consumption, particularly in its buildings (heating, air-conditioning, ventilation, lighting, and IT equipment).

In 2018, electricity consumption amounted to approximately 48.3 million kWh, and gas consumption was around 50.8 million kWh.

SPIE has put in place various measures to improve the effectiveness of its energy consumption, whether through its real estate or automobile fleet.

The real estate department has undertaken an initiative to try to select more energy-efficient buildings in the event of relocations. Always with the aim of reducing energy consumption within the real estate inventory, SPIE takes advantage of the replacement of buildings to consolidate several sites.

For example, the SPIE group headquarters houses the subsidiaries SPIE Operations, SPIE Oil & Gas Services, SPIE Nucléaire, and SPIE France in a building meeting the HQE Construction standard. During conception of this new headquarter building, the focus was particularly placed on energy performance. This resulted in the choice of a heat pump with a geothermal collector, connected to a network that powers the underfloor heating and cooling systems of the halls, all topped off with reversible radiant ceilings in the offices for heating and cooling. Thanks to this new site, electricity and gas consumption between 2014 (former site) and 2018 was cut by 49%, a decrease largely associated with the reduction of office space as well as new building technologies.

Another example is the future offices of SPIE Belgium. Construction work on SPIE Belgium's new building in Aalter started in September 2018. This building will be a Q-ZEN (Quasi Zero Energy) building equipped with all modern equipment: use of solar panels and heat pumps, LED lighting with sunset control, accessibility and parking possibilities for bicycles, electric charging stations, and the combination of flexible and fixed offices. It will also provide easy access for people with disabilities. This new building will be built according to a BIM (Building Information Modelling) concept.

Lastly, SPIE is deploying the smart office concept by setting up the first Power over Ethernet (PoE) network lighting system in Germany. This smart office solution deployed by SPIE Deutschland & Zentraleuropa makes it possible to improve the building's energy efficiency and to optimise user comfort. The smart lighting system does not require any switches: employees control the lights with a smartphone app and can adjust their brightness according to their needs. The manager of the facility can control the building remotely. Continuous data collection enables efficient management of the facility.

Preventing, recycling, and eliminating waste

SPIE is a company that promotes the sorting and recycling of waste by its teams including on behalf of its clients. This waste is especially waste of electrical and electronic equipment ("WEEE"). In that regard, SPIE sets up sorting containers at its various worksites and locations. The percentage of sites covered by waste sorting area is an indicator which is monitored and published in the annual report. The waste is subsequently treated by approved providers.

To raise employee awareness of recycling and reducing waste produced internally, specific actions are implemented within the Group. For example, the industry division of SPIE Industrie & Tertiaire organised an operation to recycle end-of-life helmets and uniforms. As it did in the previous year, the industry division of SPIE Industrie & Tertiaire also organised a battery collection initiative in partnership with Téléthon as part of the "a battery = a gift for Téléthon" initiative. This operation allowed 667 kg of batteries to be collected in 2018.

In addition, toolbox talks to remind employees waste sorting instructions are organised in the subsidiaries.

Hazardous waste is treated in accordance with the regulations applicable in each country.

In most cases, other waste generated by SPIE is considered ordinary industrial waste ("OIW"). OIW data are consolidated together with the scope 3 carbon footprint assessment produced periodically.

Specific, demanding contracts are put in place for waste from the subsidiary SPIE Nucléaire to ensure compliance with clients' specifications and regulations.

3.1.3.6.2 Energy efficiency/smart city projects for SPIE clients

SPIE designs and implements long-term solutions to meet energy and environmental challenges. The Group's activities thus actively contribute to the development of a green economy, which is based on the improvement of energy efficiency and the use of renewable energies. SPIE seeks not only to reduce its daily impact on the environment internally, but also to support its clients in their energy transition process.

Several large-scale SPIE projects illustrate this approach:

- in 2018, SPIE was selected to install fast vehicle charging stations throughout Europe for Ionity, a joint venture of five car manufacturers. This project aims to increase the accessibility and convenience of fast-charging stations with the deployment of 400 high-power stations across Europe at 120 km intervals by 2020. It responds to SPIE's ambition to work for sustainable urban mobility, particularly through electric mobility;
- in 2018, SPIE Belgium contributed to the development of renewable energy by participating in the production of the deep geothermal power plant of the Flemish Institute for Technological Research, specialising in clean technologies and sustainable development (VITO). SPIE installed nine adiabatic cooling towers there. These coolers use ambient air and water spray pre-cooling to cool the process water and thus permit considerable energy savings in the process;
- SPIE Nederland installed a biocomposite bicycle bridge in Ritsumasyl in the province of Friesland. The bridge, made from 100% natural fibers (flax) and 80% organic resins, is innovative and

meets the current standards for conventional bridges. This is an example of how SPIE, as a multi-technical service provider, strives to offer a greener future by making maximum use of sustainability and innovations;

- in 2018, SPIE Nederland was chosen to replace more than 11,000 public lighting systems with energy-efficient LED lights throughout the city of Schagen in the Netherlands. This major operation will enable the city to reduce its CO₂ emissions as well as its energy consumption and costs;
- in early 2018, the largest hospital in southern Thuringia in Germany, SRH Zentralklinikum Suhl, decided to continue its productive collaboration with SPIE Deutschland & Zentraleuropa, which will be in charge of the building's technical management and energy efficiency operations until 2025. SPIE Deutschland & Zentraleuropa has been operating the Suhl hospital's technical facilities since 2007, providing all of the building's technical management services, including maintenance and repair services. In 2012, SPIE also installed a cogeneration plant, which, in addition to financial savings, cuts CO₂ emissions by around 2,400 tons per year, equivalent to the emissions of 270 standard households;
- In partnership with a start-up, SPIE CityNetworks innovates and offers a solution combining solar energy and electrical mobility targeting businesses, communities, and real estate players. The principle consists in using parking lots to install shade structures equipped with photovoltaic panels able to cover 10 to 40 parking spaces. The shades are pre-equipped for electric car charging.

In 2018, SPIE is one of only two companies listed on the Paris stock exchange appearing in the Carbon Clean 200 ranking, which it joined in 2017 (30th in third quarter 2018). This is a recognition of SPIE's long-standing commitment to develop innovative technical solutions with its clients to reduce their carbon footprint.

3.1.3.7 ANTI-TAX EVASION

Given its geographical presence and the nature of its activities, which are tangible and highly local, the risk of tax evasion 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;
- every 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 are in place to mitigate any identified risks.

3.1.3.8 RESPECT FOR HUMAN RIGHTS

In 2003, to demonstrate its will and in keeping with its values, SPIE made a commitment to the United Nations by signing the Global Compact. This accession formalises SPIE's commitment to apply a responsible, transparent approach in carrying out all its actions. SPIE has thus undertaken to adopt, support, and enact the 10 core values of the Global Compact in four areas – Human Rights, Labour Standards, Environment, and Anti-Corruption – and to promote them with all its stakeholders.

SPIE works every day to protect human rights, and this is reflected in a number of concrete actions including:

- establishment of the "Principles of Ethical Business Conduct" guide (see section 3.1.3.4 "Anti-Corruption" paragraph the present Registration Document);
- existence of a supplier and subcontractor charter and the assessment of suppliers on their social, environmental, and societal responsibility (see section 3.1.3.3 "Subcontracting" paragraph in the present Registration Document);
- existence of an internationally deployed occupational safety policy (see section 3.1.3.2 "Occupational Health/Safety and workplace accidents" in the present Registration Document); and
- establishment of a non-discrimination policy.

3.1.4 MANDATORY INFORMATION

Societal commitments in favour of the circular economy, the fight against food waste, the fight against food insecurity, respect for animal welfare and responsible, fair, and sustainable food supplies, collective agreements entered into within the company and their impact on the company's economic performance and on the working conditions for employees, diversity and anti-discrimination actions, and measures taken for persons with disabilities are not among the main risks identified by SPIE in the Group's extra-financial risk analysis.

These themes are therefore not addressed in the 2018 DEFP.

3.1.5 METHODOLOGICAL NOTE

3.1.5.1 REPORTING SCOPE

3.1.5.1.1 Subsidiary scope

SPIE Deutschland & Zentraleuropa has a reporting scope that is particularly complex to consolidate due to the number of sites, countries, data sources, and acquisitions. The subsidiary is therefore not included this year in the consolidated figures on fuel consumption, greenhouse gas emissions, and the number of vehicles, which are indicators audited for the first time this year by the independent third party. SPIE Deutschland & Zentraleuropa is becoming more structured to be able to report them next year.

In addition, SPIE Poland is not included in the consolidated energy consumption figures this year.

The other presented data relate to all subsidiaries of the SPIE group in France and Certain sites, which represent less than 1% of total energy consumption, could not be consolidated in the group energy consumption and greenhouse gas emission figures.

3.1.5.1.2 Indicator scope

Certain areas of consumption by SPIE's clients are included (where there is a lease); waste brought to SPIE sites is also included.

Special cases:

- the "Number of electric or hybrid vehicles" and "fuel consumption" indicators cover the Europe scope;
- the "Percentage of purchases made with assessed suppliers" indicator covers the scope of 83% of purchases. The following are excluded this year: SAG, Vigilec, and Thepault.

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.

The elaboration of certain key performance indicators related to subcontracting, corruption, and quality and client satisfaction is underway. Consequently they are not published this year.

3.1.5.2 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 the harmonisation of methodologies in all the subsidiaries as well as the reliability of data.

The reporting guide specifies the organisation of the process for collection, validation, and consolidation of indicators and the use of 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).

3.1.5.3 METHODOLOGICAL DETAILS

3.1.5.3.1 Lack of 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, extrapolation is done on a pro rata basis from the existing data.

3.1.5.3.2 Change of method

In 2018, the data on the number of recruitments are absolute data accounting for all recruitments made during the year. In 2017, this figure included only the recruitment of employees still working within the Group at the end of the year.

3.1.5.3.3 Carbon assessment

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

In 2018, the Group continued to follow the GHG Protocol standard and used the databases of ADEME (French environment and energy management agency – www.ademe.fr/) for conversion factors.

- Scope 1: This corresponds to the direct emissions resulting from burning fossil fuels for the energy consumption of our buildings and our fleet. The GHG conversion factors have been updated according to the ADEME database.

Furthermore, other types of fuel (LPG, CNG) used by the fleet excluding diesel, unleaded gasoline and heavy fuel oil are not taken into account in the carbon footprint calculation. They represent a total of 20071 liters in 2018 for the entire fleet.

- Scope 2: This concerns indirect emissions associated with the electricity consumption by buildings and the fleet. Scope 2 emissions were calculated using the GHG Protocol location-based method. The electricity conversion factors have been updated according to the ADEME database;

The 2018 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. For the Netherlands, the district heating emission factor used is France's.

The emission factor used to calculate emissions relating to the heat network in the Netherlands is identical to the one used in 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. Scope 3 is calculated every two years.

3.1.6 LIMITS FOR 2018

SPIE Deutschland & Zentraleuropa's electricity consumption:

In accordance with German law on commercial leases, owners are required to provide invoices to tenants within a period of five years. The SPIE Deutschland & Zentraleuropa group therefore has little access to actual consumption data for 2018. SPIE has therefore developed an estimation method based on major studies, scientific documents, and official governmental data relating to energy consumption and prices in Germany.

3.1.7 CONTROLS AND VERIFICATION

The data are collected and consolidated using the Group's online reporting tool, Enablon, which has several options for data validation at the subsidiary level (consistency tests, etc.). The Group's Sustainable Development 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 extra-financial performance was verified by one of SPIE SA's statutory auditors, PricewaterhouseCoopers Audit, designated as an independent third party (ITP).

3.1.8 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED CSR INFORMATION SHOWN IN THE MANAGEMENT REPORT

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.

Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial statement included in the management report.

For the year ended, 31st 2018

To the General Assembly of the SPIE company
Parc Saint-Christophe - Pôle Vinci
95863 Cergy Pontoise Cedex

In our capacity as Statutory Auditor of SPIE company (hereinafter the "entity"), 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 statement for the year ended... (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 Statement 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 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 that we considered to be the most important, which is listed in appendix, 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 GmbH, SPIE SAG GmbH and SPIE Nederland and covers between 20% and 47% 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, which is listed in 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 7 people between September 2018 and April 2019 and took a total of 7 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some 12 interviews with the people responsible for preparing the Statement, representing executive management, risk management, compliance, human resources, health and safety, environmental, business development and purchasing departments.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial 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:

- For the indicators "Greenhouse gas emissions (scope 1 & 2)", "Carbon intensity per turn over", "Number of electric and hybrid vehicles" and "fuel car consumption", the scope of reporting doesn't include the activities of SPIE Deutschland & Zentraleuropa and covers 67% of consolidated workforce.
- No key performance indicators are stated for the information on the risks in relation to business ethics, quality and clients' satisfaction and suppliers.

Neuilly sur Seine, 8th of April 2019

One of the Statutory Auditors PricewaterhouseCoopers Audit

Yan Ricaud
Partner

Sylvain Lambert
Sustainable Development Partner

APPENDIX:

LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

Evolution of Employee number;
OSHAS certification (% of workforce);
Absolute frequency rate;
Frequency rate;
Severity rate;
Carbon intensity per turn over;
Number of new hired employee (permanent contract);
Number of pair-work "Digital reverse monitoring";
Number of participants for the run "la Parisienne";
% of employee shareholder;
Number of fatal accident;
Coverage rate of purchasing spent evaluated by Ecovadis.

Qualitative information (actions and results)

Energy efficiency projects / Durable city in SPIE clients;
Decrease of carbon footprint of SPIE;
Hiring;
Intensification and professionalization of sourcing;
Health and safety policy for "zero accident" a real objective;
Risk management of suppliers;
Quality and satisfaction of clients;
Business ethic.

3.2 EMPLOYEES / OVERVIEW

3.2.1 NUMBER AND BREAKDOWN OF EMPLOYEES

(I) STAFF OVERVIEW

At 31 December, 2018, the Group employed a total of 46,398 people (all types of contracts combined) compared to 46,650 as at 31 December, 2017, representing a decrease of 252 people. At constant perimeter, the workforce at 31 December, 2018 increased by 1.2% compared with 31 December, 2017.

(II) BREAKDOWN OF EMPLOYEES

The table below sets out the breakdown of Group employees by country at 31 December, 2018 and 2017:

| Country | 2018 | 2017 |
|--|---------------|---------------|
| France | 18,979 | 18,722 |
| Belgium (incl. Oil & Gas staff) | 1,825 | 1,699 |
| Germany | 13,100 | 12,855 |
| United Kingdom (incl. Oil & Gas staff) | 3,073 | 3,516 |
| Netherlands | 4,261 | 4,198 |
| Switzerland | 513 | 532 |
| Poland | 1,014 | 943 |
| Hungary | 377 | 383 |
| Slovakia | 420 | 447 |
| Total Europe | 43,562 | 43,295 |
| Morocco ⁽¹⁾ | 0 | 826 |
| Rest of Africa | 851 | 736 |
| Total Africa | 851 | 1,562 |
| Middle East | 1,285 | 1,020 |
| Asia | 700 | 773 |
| Others ⁽²⁾ | 0 | 0 |
| TOTAL | 46,398 | 46,650 |

(1) Sale of SPIE Morocco on 28 February, 2018.

(2) North America, South America.

The table below sets out the breakdown of Group employees by main subsidiary (employees > 1,000) at 31 December, 2018 and 2017:

| Subsidiaries | 2018 | 2017 |
|---|---------------|---------------|
| SPIE West-Centre | 0 | 1,632 |
| SPIE South-West | 0 | 1,396 |
| SPIE IDF North-West | 0 | 1,489 |
| SPIE East | 0 | 1,216 |
| SPIE South-East | 0 | 1,659 |
| SPIE Nuclear | 2,020 | 1,887 |
| SPIE ICS | 3,071 | 2,912 |
| SPIE CityNetworks | 3,590 | 3,562 |
| SPIE Facilities | 2,495 | 2,444 |
| SPIE Industry & Tertiary industry division | 3,474 | 0 |
| SPIE Industry & Tertiary tertiary division | 3,785 | 0 |
| Total France | 18,435 | 18,197 |
| SPIE Oil & Gas Services | 3,168 | 2,912 |
| SPIE Belgium | 1,816 | 1,678 |
| SPIE Nederland | 4,261 | 4,198 |
| SPIE UK | 3,073 | 3,516 |
| SPIE DZE (formerly SPIE Holding GmbH) (including Lück) ⁽¹⁾ | 7,234 | 6,903 |
| SPIE SAG ⁽²⁾ | 7,677 | 7,725 |
| TOTAL ⁽³⁾ | 45,664 | 45,129 |

(1) Includes Germany, Poland, Hungary.

(2) SAG: Germany, Poland, Hungary, Czech Republic/Slovakia.

(3) Excludes SPIE Operations, SPIE France and SPIE ICS AG.

The table below sets out the breakdown of Group employees by occupational category at 31 December, 2018 and 2017:

| Occupational category | 2018 | 2017 |
|-----------------------|---------------|---------------|
| Managers | 6,518 | 6,741 |
| ETAM ⁽¹⁾ | 20,607 | 20,190 |
| Labourers | 19,273 | 19,719 |
| TOTAL | 46,398 | 46,650 |

(1) Employees, technicians and supervisors.

The following table shows the percentage of women in the Group's workforce at 31 December, 2018 and 2017:

| Percentage of women | 2018 (Europe) | 2017 (Europe) | 2018 (World) | 2017 (World) |
|--|------------------|------------------|-----------------|-----------------|
| Percentage of female employees | 14% | 13% | 13% | 13% |
| Percentage of female managers | 15% | 14% | 15% | 14% |
| Percentage of female clerical, technical and supervisory staff | 23% | 22% | 21% | 21% |
| Percentage of women labourers | 4% | 4% | 4% | 4% |

The following table sets out the breakdown of Group employees by type of employment at 31 December, 2018 and 2017:

| By type of employment | 2018 (Europe) | 2017 (Europe) | 2018 (World) | 2017 (World) |
|----------------------------|------------------|------------------|-----------------|-----------------|
| Permanent employees | 84% | 85% | 81% | 82% |
| Others ⁽¹⁾ | 16% | 15% | 19% | 18% |
| Of which temporary workers | 55% | 57% | 42% | 44% |

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

The table below shows the age pyramid of permanent Group employees at 31 December, 2018 and 2017:

| Age pyramid | 2018 (Europe) | 2017 (Europe) | 2018 (Worldwide) | 2017 (Worldwide) |
|----------------|------------------|------------------|---------------------|---------------------|
| Under 25 years | 7% | 7% | 7% | 7% |
| 25-40 years | 35% | 35% | 36% | 36% |
| 41-55 years | 40% | 41% | 40% | 41% |
| 56-60 years | 12% | 12% | 11% | 11% |
| >60 years | 6% | 5% | 6% | 5% |

3.2.2 EMPLOYMENT AND WORKING CONDITIONS

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

| Employment | 2018 | 2017 |
|--|--------|--------|
| Permanent employees who left ⁽¹⁾ | 13.86% | 12.56% |
| Permanent employees having left voluntarily | 8.01% | 7.30% |
| Rate of new permanent employees | 10.09% | 8.61% |
| Percentage of disabled people / workforce ⁽²⁾ | 5% | 5.1% |

(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 | 2017 |
|---------------------------------|---------|---------|
| Absenteeism rate ⁽¹⁾ | 5.62% | 5.38% |
| Overtime | 466,737 | 145,094 |

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

The table below shows changes in workplace safety for the last two years (Group employees having suffered an accident at work):

| Work place safety | 2018* | 2017* |
|--------------------------------|-------|-------|
| Number of fatal work accidents | 2 | 1 |
| Frequency rate with lost time* | 6.29 | 6.18 |
| Severity rate | 0.17 | 0.22 |

* 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 during the career Committee process.

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

3.2.3 TRAINING

During the year ended 31 December, 2018, 2.36% of payroll was devoted to training Group employees (Europe scope).

| Training | 2018 | 2017 |
|---|------------|------------|
| Total training expenses (in euros) | 39,830,105 | 41,699,398 |
| Employees who have received training ⁽¹⁾ | 22,208 | 24,136 |

(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 management arm dedicated jobs and skills, the consideration of individual needs brought out during annual performance reviews and the talent review. Each country provides annual training programs aiming to develop employees' expertise on the technical, management and personal development level. In addition to said programs, international leadership development programs are handled at the Group level: "Ambition Manager", "SPIE Talents" and "Business Units 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/entity/firm) by labour union representatives, works councils and/or the central works council, the workplace health and safety Committee, and the Group Committee.

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 6 May, 2009).

As of 31 December, 2018, the Group employed 46,398 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, 112 collective agreements were signed over 2018 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 INCENTIVES 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 2018 amounted to €7,122,767.

3.3.2 OPTIONAL PROFIT-SHARING AGREEMENT

In France, employees of Group entities with 50 or more workers are eligible for incentives under a collective agreement signed on 10 April, 2013.

Incentives are calculated under similar terms for all entities in relation to the results and performances specific to identified subgroups. 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 for employee incentive plans for 2018 was €12,274,649.

3.3.3 COMPANY SAVINGS AND SIMILAR 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 Out of 2006 and 2011 and the initial public offering of 2015).

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

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

The PEGI was unilaterally established on 24 October, 2006.

3.3.4 RETIREMENT BENEFITS

The amounts due by the Group with regard to post-employment benefits increased from approximately €694 million for the year ended 31 December, 2017 to approximately €689 million for the year ended 31 December, 2018. This increase is mainly due to contributions paid to externalized funds on Switzerland, as well as contributions paid in Germany and France.

The non-financial performance declaration described in Article L. 225-102-1 of the French Commercial Code, which presents additional social information, is included in Chapter 3 of this 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 31 December, 2018, 23 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). 2 Group sites in France with classified facilities required only a simple declaration; only the subsidiaries Gemco and ATMN operate classified installations that require authorisation.

Many Group entities have put environmental management systems and workplace health and safety management systems in place. At 31 December, 2018, 77% of the Group's workforce is employed by subsidiaries certified according to the international environmental standard ISO 14001 and 92% according to an international standard for workplace health and safety OHSAS 18001, ILO OSH 2001 or VCA in the Benelux countries. 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 activities, environmental regulatory compliance is particularly relevant to waste management and the storage of hazardous products (solvents, chemicals) (see Section 7.2 of this Registration Document).

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

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ANALYSIS OF ACTIVITY AND FINANCIAL STATEMENTS AFR

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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 37.8% of consolidated production and 39.5% of consolidated EBITA for the year ended 31 December, 2018;
- Germany & Central Europe, which includes the Group's activities in Germany as well as Poland, Hungary and Switzerland in multi-technical services and accounted for 32.4% of consolidated production and 33.4% of consolidated EBITA for the year ended 31 December, 2018;
- North-Western Europe, which includes the Group's United Kingdom, Belgium and Netherlands activities in multi-technology services and accounted for 22.5% of consolidated production and 13.3% of consolidated EBITA for the year ended 31 December, 2018; and
- Oil & Gas and Nuclear, which includes the Group's activities in the Oil & Gas sectors around the world and in the nuclear sector in France and accounted for 7.3% of consolidated production and 11.5% of consolidated EBITA for the year ended 31 December, 2018.

For the year ended 31 December, 2018, the Group had consolidated production of €6,671.3 million and consolidated EBITA of €400 million.

ANALYSIS OF NET INCOME FOR THE YEARS ENDED 31 DECEMBER, 2018 AND 31 DECEMBER, 2017

Consolidated income statement

In thousands of euros

| | 2018 | 2017 |
|---|----------------|----------------|
| Revenue | 6,693,693 | 6,127,993 |
| Other income | 56,029 | 56,612 |
| Operating expenses | (6,428,810) | (5,864,742) |
| Recurring operating income | 320,913 | 319,863 |
| Total other operating income (expenses) | (41,821) | (56,798) |
| Operating income | 279,092 | 263,065 |
| Net income (loss) from companies accounted for under the equity method | 489 | 490 |
| Operating income including companies accounted for under the equity method | 279,581 | 263,555 |
| Costs of net financial debt | (66,265) | (57,694) |
| Other financial income (expenses) * | (25,838) | (18,083) |
| Pre Tax Income | 187,478 | 187,778 |
| Income tax expenses | (25,485) | (72,273) |
| Net income from continuing operations | 161,993 | 115,505 |
| Net income from discontinued operations | (70,583) | (4,033) |
| NET INCOME | 91,410 | 111,472 |
| Net income from continuing operations attributable to: | | |
| Owners of the parent | 162,024 | 114,435 |
| Non-controlling interests | (32) | 1,070 |
| | 161,993 | 115,505 |
| Net income attributable to: | | |
| Owners of the parent | 91,442 | 110,402 |
| Non-controlling interests | (32) | 1,070 |
| | 91,410 | 111,472 |

* For a breakdown of «Other financial income (expenses)», see Note 9 to the consolidated financial statements for the year ended 31 December, 2018 included in Section 4.4.1 of this Registration Document.

(1) Company's estimates based on its 2018 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2018.

4.1.1.1 REVENUE

Consolidated revenue increased by 9.2%, or €565.7 million, going from €6,128.0 million for the year ended 31 December, 2017 to €6,693.7 million for the year ended 31 December, 2018. This change is mainly due to the relative increase in external growth.

4.1.1.2 REVENUE

Production increased by 8.9%, or €544.4 million, going from €6,126.9 million for the year ended 31 December, 2017 to €6,671.3 million for the year ended 31 December, 2018 mainly due to the full year contribution of acquisitions made in 2017, including SAG in particular.

Organic growth increased by 2.6%, with the positive contribution from all segments, including in particular +4.2% in Germany and Central Europe.

The table below details the breakdown of production by operating segments for the financial years ended 31 December, 2018 and 2017:

| <i>In millions of euros</i> | France | Germany and Central Europe | North-Western Europe | Oil & Gas and Nuclear | Total |
|-----------------------------|---------------|-----------------------------------|-----------------------------|----------------------------------|--------------|
| Production 2018 | 2,523.1 | 2,163.6 | 1,498.0 | 486.6 | 6,671.3 |
| Production 2017 | 2,406.9 | 1,891.4 | 1,336.4 | 492.2 | 6,126.9 |

France

Production in the France segment rose by 4.8%, including +3.9% due to acquisitions, or €116.2 million, going from €2,406.9 million for the year ended 31 December, 2017 to €2,523.1 million for the year ended 31 December, 2018.

With organic growth of 1.0% over the whole year, production in France benefited from a strong activity in telecommunication infrastructures, industrial activities and services related to information and communication technologies. At the same time, SPIE actively reduced its exposition to the very competition heavy sector of tertiary installation, through a strong contract selection process. Outside of tertiary installation, the organic growth of the segment reached +2.7%. Growth from acquisitions was strong, with the successful integration of the French business of SPIE SAG and S-Cube, ICT specialist. Otherwise, two new "bolt-on" acquisitions made in 2018 enriched SPIE France services offer and reinforced the density of its local sites network.

Germany and Central Europe

Production in the Germany & Central Europe segment experienced a rise of 14.4%, or €272.2 million, going from €1,891.4 million for the year ended 31 December, 2017 to €2,163.6 million for the year ended 31 December, 2018, due mainly to the full year contribution from 2017 acquisitions, including SAG and Lück.

Organic growth for the segment was 4.2% at constant currency, of which 4.0% was in Germany where SPIE enjoys first rank positioning in Technical Facility Management services and Transmission and Distribution network services, on markets where demand for technical services kept growing steadily over 2018.

In Central Europe, the production strongly increased, due to the progression of Transmission and Distribution network services.

North-Western Europe

Production in the North-Western Europe segment experienced a rise of 12.1%, or €161.6 million, going from €1,336.4 million for the year ended 31 December, 2017 to €1,498.0 million for the year ended 31 December, 2018, due mainly to the contribution from 2017 and 2018 acquisitions.

Organic growth for the segment increased by 3.7% at constant currency, which was mainly impacted by a sustained activity in the Energy segment in the Netherlands, with many contracts linked to investments in energy transition, as well as in Industry.

In Belgium, business was very dynamic in most segments and in the United Kingdom, our activities showed resilience in a complex environment, and have registered small organic growth, supported by Data Centers' services agreements.

Oil & Gas and Nuclear

Production in the Oil & Gas and Nuclear segment decreased by 1.1%, or €5.6 million, from €492.2 million for the year ended 31 December, 2017 to €486.6 million for the year ended 31 December, 2018, mainly due to the negative impact of currency fluctuations.

Organic growth for the entire segment increased by 0.4% at constant currency in 2018.

For nuclear activities, production linked to the "Grand Carénage" has been robust in 2018 and the agreement for the EPR of Flamanville generated more production than initially expected.

In the Petrol-Gas segment, after a positive third trimester 2018, organic growth accelerated in the fourth trimester, reached +8.1% and thus reached a slightly positive level over the whole year. Growth over the second semester was mostly due to maintenance activities for upstream oil in Ouest Africa, where took advantage of strong positioning to win contracts, in a market showing some improvement. Downstream activities in the Middle-East remained robust.

4.1.1.3 OPERATING EXPENSES

The Group's operating expenses increased by €564.1 million or 9.6%, from € 5,864.7 million for the year ended 31 December, 2017 to €6,428.8 million for the year ended 31 December, 2018, 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 31 December, 2017 and 31 December, 2018:

| <i>In millions of euros</i> | 2018 | 2017 |
|---|--------------------|--------------------|
| Purchases consumed | (974,766) | (858,785) |
| External services | (3,031,814) | (2,700,205) |
| Personal costs | (2,370,150) | (2,225,489) |
| Taxes | (47,957) | (42,266) |
| Net amortisation and depreciation expenses and provisions | (60,573) | (101,974) |
| Other operating income and expenses | 56,449 | 63,977 |
| TOTAL OPERATING EXPENSES | (6,428,810) | (5,864,742) |

Purchases consumed

Purchases consumed ⁽¹⁾ by the Group increased by €116.0 million, or 13.5%, from €858.8 million for the year ended 31 December, 2017 to €974.8 million for the year ended 31 December, 2018.

External services

The Group's external expenses increased by €331.6 million, or 12.3%, going from €2,700.2 million for the year ended 31 December, 2017 to €3,031.8 million for the year ended 31 December, 2018.

The 12.6% change in purchases consumed and external expenses between the year ended 31 December, 2017 and the year ended 31 December, 2018, is related to the increase in revenue.

Personal costs

Personnel expenses increased by €144.7 million, or 6.5%, going from €2,225.5 million for the year ended 31 December, 2017 to €2,370.2 million for the year ended 31 December, 2018. This increase is mainly due to organic growth as well as contribution from acquisitions.

Net amortisation and depreciation expenses and provisions

Net amortisation, depreciation and provisions decreased by €41.4 million from €102.0 million for the year ended 31 December, 2017 to €60.6 million for the year ended 31 December, 2018.

This decrease is mainly due to reversal of provisions for business risks, used during the exercise. The depreciations mainly include an increase in the amortisation of allocated goodwill for €60.2 million for the year ended 31 December, 2018. Such Goodwill amortization depreciations were equal to €59.8 million for the year ended 31 December, 2017.

4.1.1.4 GROUP OPERATING INCOME AFTER SHARE OF NET INCOME FROM EQUITY METHOD

The Group's operating income increased by €16.0 million, or 6.1%, going from €263.6 million for the year ended 31 December, 2017 to €279.6 million for the year ended 31 December, 2018. This increase can be explained by the following major changes:

- the current operating income increased by €1.0 million, or 0.3%, going from €319.9 million for the year ended 31 December, 2017 to €320.9 million for the year ended 31 December, 2018;
- other operating income and expenses amounted to €(41.8) million for the year ended 31 December, 2018 and mainly include:
 - the amount of the goodwill amortization related to the 2017 acquisition of SAG, for €(41.1) million, and
 - the costs relating to France's restructuring for €(9.9) million and the integration of the SAG group for €(17.6) million.

4.1.1.5 EBITA AND EBITA MARGIN

Group consolidated EBITA increased by 3.1%, going from €388.0 million for the year ended 31 December, 2017 to €400.0 million for the year ended 31 December, 2018 due to production growth.

EBITA margin decreased by 30 basis points from 6.3% of production for the year ended 31 December, 2017 to 6.0% of production for the year ended 31 December, 2018, reflecting the negative impact of the full year consolidation of certain 2017 acquisitions, notably SAG and Ziut.

Compared to 2017 pro forma level (5.9%), the 2018 EBITA margin slightly increases (+10 basis points).

(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:

| <i>In millions of euros</i> | France | Germany and Central Europe | North-Western Europe | Oil & Gas and Nuclear | Holdings | Total |
|---|---------------|-----------------------------------|-----------------------------|----------------------------------|-----------------|--------------|
| FINANCIAL YEAR 2018 | | | | | | |
| EBITA | 158.2 | 133.5 | 53.3 | 46.1 | 9.0 | 400.0 |
| <i>EBITA as a % of revenue (as per management accounts)</i> | <i>6.3%</i> | <i>6.2%</i> | <i>3.6%</i> | <i>9.5%</i> | <i>n/a</i> | <i>6.0%</i> |
| FINANCIAL YEAR 2017 | | | | | | |
| EBITA | 151.7 | 120.0 | 54.3 | 48.9 | 13.1 | 388.0 |
| <i>EBITA as a % of revenue (as per management accounts)</i> | <i>6.3%</i> | <i>6.3%</i> | <i>4.1%</i> | <i>9.9%</i> | <i>n/a</i> | <i>6.3%</i> |

France

EBITA for the France segment rose by €6.5 million, or 4.3%, going from €151.7 million for the year ended 31 December, 2017 to €158.2 million for the year ended 31 December, 2018.

The EBITA margin reached 6.3%, stable in reference to the 2017 margin and slightly increasing compared to the 2017 pro forma level (6.2%). The decrease of the CICE was more than offset by an improvement of the operational performance at the level of most divisions, reflecting the efficiency benefits caused by the new organization.

Germany and Central Europe

EBITA for the Germany & Central Europe segment rose by €13.5 million, or 11.3%, going from €12.0 million for the year ended 31 December, 2017 to €133.5 million for the year ended 31 December, 2018.

The EBITA margin for the segment decreased by 10 basis points, from 6.3% in 2017 to 6.2% in 2018, but has strongly increased compared with the 2017 pr forma level (5.5%). The increases are mainly a result of the early completion of the €20 million costs synergies, as well as a robust operational performance in Germany. In Switzerland, SPIE has continued being very selective in executing contracts, resulting in a positive impact on margins.

North-Western Europe

EBITA for the North-Western Europe segment fell by €1.0 million, or 1.8%, going from €54.3 million for the year ended 31 December, 2017 to €53.3 million for the year ended 31 December, 2018 mainly due to the negative impact of Ziut's full year contribution.

The EBITA margin for the segment decreased by 50 basis points, from 4.1% in 2017 to 3.6% in 2018 and recedes by 10 basis points compared to its 2017 pro forma level.

Oil & Gas and Nuclear

EBITA for the Oil & Gas and Nuclear segment fell by €2.8 million, or 5.7%, going from €48.9 million for the year ended 31 December, 2017 to €46.1 million for the year ended 31 December, 2018.

The EBITA margin for the segment decreased by 40 basis points, from 9.9% in 2017 to 9.5% in 2018.

4.1.1.6 COST OF NET FINANCIAL DEBT

Net financial expenses increased by €8.6 million, an increase of 14.9%, from €(57.7) million for the year ended 31 December, 2017 to €(66.3) million for the year ended 31 December, 2018. This increase is mainly due to the recording in the income statement of the non amortized part of the financing costs linked to old debt following the Group's refinancing (see Note 20.3 to the consolidated financial statements for the year ended 31 December, 2018).

The following table details the evolution of the net financial expenses for the financial years ended 31 December, 2018 and 31 December, 2017:

| <i>In thousands of euros</i> | 2018 | 2017 |
|--|-------------|-------------|
| Interest expenses and losses on cash equivalents | (66,825) | (58,275) |
| Interest income on cash equivalents | 560 | 575 |
| Net proceeds on sale of marketable securities | - | 6 |
| Cost of net financial debt | (66,265) | (57,694) |

4.1.1.7 PRE TAX INCOME

Income before tax excluding the impact of disposals of companies and other assets decreased by €0.3 million, going from €187.8 million

for the year ended 31 December, 2017 to €187.5 million for the year ended 31 December, 2018. This decrease is mainly explained by the increase of the costs of financial indebtedness and other financial expenses partially offset by the growth in operating income in 2018.

4.1.1.8 INCOME TAX EXPENSES

Income tax expenses decreased by €46.8 million, going from €72.3 million for the year ended 31 December, 2017 to €25.5 million for the year ended 31 December, 2018. This change is explained by a decrease in current tax expenses of €12.1 million and a decrease in deferred tax expenses of €34.7 million. The decrease of the current

tax expense is mainly due to reversal of tax provisions for the fiscal year relating to tax audits followed by rebates received, in SAG France for €15.5 million and in SPIE SAG Group for €2.1 million. The decrease of the deferred tax expenses is mainly due to the capitalisation of deficits in 20018 previously not capitalised for €21.1 million, linked mainly to perimeter entries in Germany.

Income taxes are detailed as follows:

| <i>In thousands of euros</i> | 2018 | 2017 |
|---|-----------------|-----------------|
| INCOME TAX EXPENSE REPORTED IN THE INCOME STATEMENT | | |
| Current income tax | (52,272) | (64,373) |
| Deferred income tax | 26,787 | (7,900) |
| Total income tax reported in the income statement | (25,485) | (72,273) |
| INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME | | |
| Net (loss)/gain on cash flow hedge derivatives | 130 | (127) |
| Net (loss)/gain on post-employment benefits | 86 | (9,640) |
| Total income tax reported in the statement of comprehensive income | 216 | (9,767) |

4.1.1.9 NET INCOME

Net income decreased by €20.1 million. It amounted to €91.4 million for the year ended 31 December, 2018, compared to €111.5 million for the year ended 31 December, 2017. This change is mainly due to the increase/decrease in operating income of €16.0 million, the increase in the cost of debt and other financial income and expenses of €16.3 million and a decrease in tax expenses of €46.8 million, and a decrease of €66.6 million in income from operations that were discontinued or sold.

4.1.1.10 KEY FACTORS AFFECTING NET INCOME

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 perimeter (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 (for the year ended 31 December, 2018, maintenance services represented 56% of the Group's consolidated production compared to 52% for 2017).

4.1.1.10.2 Acquisitions, disposals and changes in scope**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 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.

In 2017, the Group signed or completed 11 acquisitions, for a total acquired production of approximately €321 million. For example, the Group acquired Lück Verwaltungs GmbH in Germany, a specialist in multi-technical services for the tertiary sector that generated revenue of around €130 million in 2016, and Ziut BV, a Dutch specialist in the installation, management and maintenance of public lighting networks with revenue of approximately €114 million in 2016. In January, the Group acquired S-Cube, a company specialising in the design, integration and maintenance of digital infrastructures, with particular expertise in data centre solutions and hyper-convergence, which in 2016 generated revenue of approximately €47 million, allowing SPIE ICS France to extend its service offering in data centre solutions and creating significant business opportunities. Finally, during the fiscal year ended 31 December, 2017, the Group also acquired several entities of a smaller size which generated revenue comprised between €1 and €6 million in 2016.

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 they were located in countries in which the Group does not intend to expand.

Changes in perimeter

More generally, the Group's results may be impacted by changes in the scope of consolidation, such as a significant acquisition (see above for 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 31 December, 2018, personnel costs accounted for 36% of the Group's cost structure, costs related to purchases 22%, costs related to outsourcing 24% 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 (furniture and equipment) represented 15.2% of total operating expenses on the income statement for the year ended 31 December, 2017 and 15% of total operating expenses on the income statement for the year ended 31 December, 2017.

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 Seasonal nature of working capital requirements and cash flow

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 (see Section 2.1.4.3 of this Registration Document).

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 31 December, 2018, 13.3% of the Group's production was recorded in currencies other than the euro, of which 5.8% in pounds sterling and 2.0% 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, especially its OCTG business in Angola through SONAID. In 2018, the contribution of OCTG activities to the Group's production stood at €1.8 million (compared to €7.8 million in 2017), 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 more limited on maintenance activities for operations.

4.1.1.11 MAIN INCOME STATEMENT ITEMS

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 revenue 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 closing 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 31 December, 2018 in Section 4.4.1 of this 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.

Net financial expenses consists of interest income and expenses, cash equivalents and the net expenses and net income from sales of marketable securities.

Earnings 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 earnings before tax minus income tax and plus or minus net income from discontinued operations or assets held for sale.

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 noncontrolling interests or consolidated using the equity method.

EBITA represents adjusted operating income before amortisation of allocated goodwill, 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 | 2017 |
|--|---------|---------|
| Production (<i>in millions of euros</i>) | 6,671.3 | 6,126.9 |
| EBITA (<i>in millions of euros</i>) | 400.0 | 388.0 |
| Cash conversion ratio | 116% | 102% |

RECONCILIATION BETWEEN PRODUCTION AND REVENUE FROM ORDINARY ACTIVITIES

In millions of euros

| | 2018 | 2017 |
|---|----------------|----------------|
| Revenue (as per management accounts) | 6,671.3 | 6,126.9 |
| SONAID ⁽¹⁾ | (1.8) | (7.8) |
| Holding activities ⁽²⁾ | 22.6 | 17.8 |
| Others ⁽³⁾ | 1.6 | (8.9) |
| Revenue | 6,693.7 | 6,128.0 |

(1) SONAID is consolidated under the equity method in the Group's IFRS consolidated financial statements and proportionally (55%) in the management accounts.

(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 revenue from entities consolidated under the equity method, or not yet consolidated.

RECONCILIATION BETWEEN EBITA AND GROUP OPERATING INCOME AFTER SHARE OF NET INCOME FROM EQUITY METHOD

In millions of euros

| | 2018 | 2017 |
|--|--------------|--------------|
| EBITA | 400.0 | 388.0 |
| Amortization of intangible assets (allocated goodwill) ⁽¹⁾ | (60.2) | (59.8) |
| Restructuring costs ⁽²⁾ | (32.3) | (44.5) |
| Financial commissions | (1.7) | (1.6) |
| Impact from companies from equity method | (4.3) | (1.6) |
| Others ⁽³⁾ | (21.9) | (16.9) |
| GROUP OPERATING INCOME AFTER SHARE OF NET INCOME FROM EQUITY METHOD | 279.6 | 263.6 |

(1) For the year ended 31 December, 2017, the amount relating to the allocated goodwills of the Group includes an amount of €41.1 million for SAG group.

(2) Costs related to «restructuring» include the following items:

- For the financial year ended 31 December, 2017:
 - a. restructuring costs in France of €13.3 million;
 - b. restructuring costs for Oil & Gas activity of €13.5 million;
 - c. restructuring costs related to the integration of SAG for €16.2 million.
- For the financial year ended 31 December, 2018:
 - a. restructuring costs in France of €9.9 million;
 - b. restructuring costs related to the integration of SAG for €17.6 million.

(3) «Other non-recurring items» correspond mostly to:

- For the financial year ended 31 December, 2017:
 - a. costs related to external growth projects (in particular those related to the acquisition of SAG) for €8.9 million;
 - b. the costs related to the Group's free share plans under IFRS 2 (€5.1 million).
- For the financial year ended 31 December, 2018:
 - a. costs related to the granting of a performance share plan under IFRS 2 (€2.9 million);
 - b. costs related to the sale of the activity "distribution network services" (for the electrical network part) (€14.1 million).

RECONCILIATION BETWEEN ADJUSTED NET INCOME, GROUP SHARE, NET INCOME GROUP SHARE 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 Group, in order to neutralise the non-recurring items. As regards the financial year ended 31 December, 2018, the net income attributable to the Group has therefore been adjusted by the following items:

The adjusted net income for 2018 excludes the following items:

- the amortisation of affected goodwills, as it is an expense without any cash impact;
- the exceptional items; and
- the impact on the effective tax rate of the exceptional deferred tax changes related to the capitalization of tax loss carry forwards in Germany and in the Netherlands as well as the reversal of tax provisions.

In millions of euros

2018

| | |
|---|--------------|
| EBITA | 400.0 |
| Costs of net financial debt | (66.3) |
| Other financial income (expenses) | (27.5) |
| Normative tax | (90.0) |
| Minority interests | 0.0 |
| Adjusted Net income attributable to the Group | 216.2 |
| Amortization of intangible assets (allocated goodwill) ⁽¹⁾ | (60.2) |
| Restructuring costs ⁽²⁾ | (32.3) |
| Others ⁽³⁾ | (26.2) |
| Normative tax | 64.5 |
| Income from activities being sold | (70.6) |
| NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT | 91.4 |

(1) For the year ended 31 December, 2018, the amount relating to the allocated goodwills includes an amount of €(41.1) million for SAG group.

(2) Costs related to «restructuring» include the following items:

- For the financial year ended 31 December, 2017:
 - a. restructuring costs in France of €13.3 million;
 - b. restructuring costs for Oil & Gas activity of €13.5 million;
 - c. restructuring costs related to the integration of SAG for €16.2 million.
- For the financial year ended 31 December, 2018:
 - a. restructuring costs in France of €9.9 million;
 - b. restructuring costs related to the integration of SAG for €17.6 million.

(3) «Other non-recurring items» correspond mostly to:

- For the financial year ended 31 December, 2017:
 - a. costs related to external growth projects (in particular those related to the acquisition of SAG) for €8.9 million;
 - b. the costs related to the Group's free share plans under IFRS 2 (€5.1 million).
- For the financial year ended 31 December, 2018:
 - a. costs related to the granting of a performance share plan under IFRS 2 (€2.9 million);
 - b. costs related to the sale of the activity "distribution network services" (for the electrical network part) (€14.1 million).

RECONCILIATION BETWEEN OPERATING CASH FLOW AND NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (IFRS)

In millions of euros

2018

| | |
|---|--------------|
| Operating Cash-Flow | 462.4 |
| Income tax paid | (61.5) |
| Purchase of tangible and intangible assets, net of disposals | 42.4 |
| Cash impact of ⁽¹⁾ EBITA/operating income reconciliation | (77.7) |
| NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES (IFRS) | 365.6 |

(1) The cash impact of EBITA/operating income reconciliation includes the following items:

- restructuring costs of €(36.4) million mainly corresponding to costs related to restructuring in France and Germany;
- the cash impact of discontinued operations for €(32.3) million;
- financial commissions for €(1.7) million, acquisition costs for €(2.0) million; and
- other items for the remainder.

RECONCILIATION BETWEEN OPERATING CASH FLOW AND FREE CASH FLOW

In millions of euros

| | 2018 |
|----------------------------|--------------|
| Operating Cash-Flow | 462.4 |
| Income tax paid | (61.5) |
| Net interest paid | (55.5) |
| Others ⁽¹⁾ | (57.1) |
| Free cash-flow | 288.3 |

(1) Includes the cash impact of restructuring costs and discontinued operations.

4.1.1.13 ORGANIC GROWTH

In this chapter of this Registration Document, the Group presents changes of 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.

refinancing of the credit facility set up at the time of its IPO and through bond issues. In March 2017, as part of the acquisition of SAG (see Section 4.1.3 of this Registration Document), the Company conducted a bond issue of €600,000,000, mainly for the purpose of financing said acquisition. Such bonds, with a 7 years maturity and a 3.125% interest rate, have been listed on Euronext Paris (ISIN Code FR0013245263).

In accordance with Article 28–1 of European Commission regulation (EC) No. 809/2004, information relating to the Group's liquidity and share capital for the year ended 31 December, 2017 as presented in Chapter 10 "Liquidity and share capital" of the 2017 Registration Document is included by reference in this Registration Document.

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 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

4.1.2.1 FINANCIAL ASSETS AND 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 €297.4 million and €365.6 million respectively for the years ended 31 December, 2017 and 2018;
- **available cash** with total cash and cash equivalents including assets held for sale at 31 December, 2017 and 2018 totalled €520.1 million and €779.8 million respectively (see Note 4 to the consolidated financial statements for the year ended 31 December, 2018 included in Section 4.4.1 of this Registration Document);
- **debt**, which includes the Senior Credit Facilities Agreement, the bonds issued under the SAG acquisition, direct borrowings from banks and other lenders, the securitisation facility (see Section 4.1.2.1.2.1 of this 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 €2,067.5 million and €2,128.9 million as at 31 December, 2017 and 2018 respectively. The following table breaks down the Group's total debt as at the indicated dates:

| <i>In millions of euros</i> | At 31 December, 2018 | At 31 December, 2017 |
|--|-----------------------------|-----------------------------|
| BORROWINGS FROM CREDIT INSTITUTIONS | | |
| Bond – SAG acquisition (maturity 22 March, 2024) | 600.0 | 600.0 |
| A Facility of the Senior Credit Facilities Agreement | 1,200.0 | 1,125.0 |
| Revolving (maturity 11 May, 2020) | - | - |
| Others | 11.4 | 0.7 |
| Capitalised borrowing costs | (18.2) | (13.9) |
| Securitization | 298.7 | 298.4 |
| BANK OVERDRAFTS (CASH LIABILITIES) | | |
| Bank overdrafts (cash liabilities) | 3.0 | 18.8 |
| Interests on bank overdrafts (cash liabilities) | 0.2 | 0.1 |
| OTHER DEBTS AND LIABILITIES | | |
| Finance Leases | 17.7 | 21.2 |
| Accrued interest on loans | 14.7 | 14.9 |
| Other debts and liabilities | 1.4 | 2.2 |
| Derivatives | 0.1 | 0.1 |
| INTEREST-BEARING LOANS AND BORROWINGS | 2,128.9 | 2,067.5 |

As at 31 December, 2018 and 2017, the Group's net debt/EBITDA ratio was 3.0x and 3.3x, respectively ⁽¹⁾.

At 31 December, 2018, 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 of tangible assets and amortisation of goodwill.

The table below presents the reconciliation of EBITA and adjusted EBITDA for the year ended 31 December, 2018:

| <i>In millions of euros</i> | At 31 December, 2018 | At 31 December, 2017 |
|--|-----------------------------|-----------------------------|
| Group EBITA | 400.0 | 388.0 |
| Depreciation and amortisation of tangible and intangible assets (excluding goodwill) | 52.6 | 51.4 |
| EBITDA | 452.6 | 439.4 |
| Adjustment (12-month effect of acquisitions) | 1.1 | 18.9 |
| Adjusted EBITDA | 453.7 | 458.3 |

The 2017 adjustment included the €17 million of synergies related to the SAG integration.

⁽¹⁾ Based on the management accounts of the entities acquired for the periods between 1 January, 2018 and their respective acquisition dates.

The table below breaks down financial liabilities at 31 December, 2018:

| <i>In thousands of euros</i> | Total at 31 Dec, 2018 | Reduction | Increase | Total at 31 Dec, 2017 |
|---|------------------------------|--------------------|------------------|------------------------------|
| LOANS AND BORROWINGS FROM BANKING INSTITUTIONS | | | | |
| Bond | 600,000 | - | - | 600,000 |
| A Facility of the Senior Credit Facilities Agreement (term 11 June, 2020) | - | (1,125,000) | - | 1,125,000 |
| A Facility of the Senior Credit Facility Agreement (term 7 June, 2023) | 1,200,000 | - | 1,200,000 | - |
| Revolving (term 11 May 2020) | - | - | - | - |
| Revolving (term 7 June, 2023) | - | - | - | - |
| Others | 11,351 | - | 10,648 | 703 |
| Capitalized borrowing costs | (18,239) | 10,608 | (14,979) | (13,868) |
| Securitization | 298,658 | - | 288 | 298,370 |
| TOTAL BANK OVERDRAFTS (CASH LIABILITIES) | | | | |
| Total Bank overdrafts (cash liabilities) | 3,019 | (15,749) | - | 18,768 |
| Interests on bank overdrafts (cash liabilities) | 166 | | 30 | 136 |
| OTHER DEBTS AND LIABILITIES | | | | |
| Finance Leases | 17,675 | (3,506) | | 21,181 |
| Accrued interest on loans | 14,733 | (164) | - | 14,897 |
| Other debts and liabilities | 1,432 | (720) | - | 2,152 |
| Derivatives | 76 | (64) | - | 140 |
| INTEREST-BEARING LOANS AND BORROWINGS | 2,128,871 | (1,134,595) | 1,195,987 | 2,067,479 |

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 facility agreement executed by the Company at the time of its IPO in 2015, SPIE SA concluded on 7 June, 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 7 June, 2018; and

- a €600 million revolving credit facility, with five-year maturity from 7 June, 2018, undrawn for the year ended 31 December, 2018.

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:

- 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 31 December, 2018, the Group's net debt/EBITDA ratio was 2.97x:

| 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 up to 31 December, 2018 (inclusive), of 4.00: 1 up to 31 December, 2019 (inclusive) and of 4.00: 1 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 nonobservance 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 22 March, 2017, as part of the acquisition of SAG (see Section 4.1.3 of this 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 22 March, 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 Ba3 by Moody's Investors Service. This bond is guaranteed by 17 subsidiaries of the Company. 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 Debt Securitisation Programme

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 11 June, 2015 (except in the event of early termination or termination by agreement);
- it has a maximum funding of €300 million potentially extendable to €450 million.

The main features of the Securitisation Facility at 31 December, 2018 are summarised in the following table:

| Sellers | Currencies | Commitment at 31/12/2018 | Outstanding securitised receivables at 31/12/2018 | Gross amount of receivables assigned at 31/12/2018 | Maturity | Interest rate |
|--|------------|-----------------------------|--|---|-----------|--|
| Certain SPIE group entities in Belgium and France | Euro | 300.0 million | 298.7 million | 558.2 million | June 2020 | Commercial paper funding costs/Euribor/ EONIA + Margin + commission fees |

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 11 June, 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 UTILISATION

4.1.2.2.1 Capital expenditures

The Group's capital expenditure falls under the following categories:

- purchasing new entities under the Group's acquisitions policy;
- renewing tangible 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 expenditure for the years ended 31 December, 2017 and 2018 totalled €219.3 million and €14.0 million respectively. This decrease is mainly due to less acquisitions as well as the result of the sale of the Moroccan activities. For more information on the Group's historical, current and future capital expenditure, see Section 4.1.3 of this Registration Document.

4.1.2.2.2 Payment of interest and repayment of loans

Much of the Group's cash flow goes to servicing and repaying its debt. The Group paid interest of €47.5 million and €59.0 million, respectively, during the years ended 31 December, 2017 and 2018. In addition, it paid €513.3 million and €1,497.9 million, respectively, during the years ended 31 December, 2017 and 2018.

4.1.2.2.3 Financing of working capital

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 31 December, 2017 and 2018, 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 €(458.4) million at 31 December, 2017, and €(587.6) million at 31 December, 2018.

4.1.2.3 CONSOLIDATED CASH FLOW**4.1.2.3.1 Group cash flow for the years ended 31 December, 2017 and 2018**

The following table summarises the Group's cash flow for the years ended 31 December, 2017 and 2018:

| <i>In millions of euros</i> | Year ended 31 Dec. | |
|---|---------------------------|-------------|
| | 2018 | 2017 |
| Net cash flow from (used in) operating activities | 365.6 | 297.4 |
| Net cash from investing activities | 14.0 | 219.3 |
| Net cash from financing activities | 93.7 | 60.1 |
| Impact of changes in exchange rates and accounting method | 1.8 | (16.4) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 259.6 | 1.6 |

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 31 December, 2017 and 2018:

| <i>In millions of euros</i> | Year ended 31 Dec. | |
|---|---------------------------|--------------|
| | 2018 | 2017 |
| Internally generated funds from (used in) operations | 283.3 | 378.9 |
| Income tax paid | (61.5) | (62.4) |
| Impact of changes in working capital requirement | 143.3 | (19.5) |
| Dividends received from companies accounted for under the equity method | 0.4 | 0.4 |
| NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES | 365.6 | 297.4 |

Net cash flow from operating activities totalled €297.43 million for the year ended 31 December, 2017 and €365.6 million for the year ended 31 December, 2018. This increase of €68.2 million comes mostly from the change in working capital requirement which went from €(19.5) million in 2017 to €143.3 million in 2018, partially offset by a decrease of internally generated funds which decrease from €378.9 million in 2017 to €283.3 million in 2018.

Internally generated funds from (used in) operations

Internally generated funds from operations amounted to €378.9 million and €283.3 million in the years ended 31 December, 2017 and 31 December, 2018 respectively. This change is mainly due to the evolution of current operating income in 2018 after the removal of calculated income and expenses (amortizations 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 31 December, 2018 was €61.5 million, €0.9 million more than in the year ended 31 December, 2017. This change is mainly explained by a decrease of €6.3 million in corporate tax paid in 2018, offset by a €5.4 million CVAE increase paid in relation to 2017 which had been impacted by the occasional decrease of applicable tax rates.

Changes in working capital requirement

The change in working capital requirement related to activity represented a cash increase of €143.3 million for the year ended 31 December, 2018 compared to a cash decrease of €19.5 million for the year ended 31 December, 2017, a difference of €162.8 million between the two financial years (see Note 19 to the consolidated financial statements for the year ended 31 December, 2018 included in Section 4.4.1 of this 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 31 December, 2017 and 2018.

| <i>In millions of euros</i> | Year ended 31 Dec. | |
|--|--------------------|----------------|
| | 2018 | 2017 |
| Effect of changes in the scope of consolidation | 32.0 | (185.6) |
| Purchase of tangible and intangible assets | (53.1) | (44.8) |
| Purchase of financial assets | - | (0.1) |
| Changes in loans and advances granted | 1.5 | 2.5 |
| Proceeds from disposals of property, plant and equipment and intangible assets | 5.6 | 8.7 |
| Proceeds from disposals of financial assets | - | - |
| Dividends received | - | - |
| NET CASH FROM INVESTING ACTIVITIES | (14.0) | (219.3) |

Net cash from investing activities represents a cash outflow of €14.0 million in the year ended 31 December, 2017 and a cash outflow of €219.3 million in the year ended 31 December, 2018. This change of €205.3 million is explained mainly by a decrease in the impact of changes in scope of consolidation of €217.6 million, an increase in acquisitions of tangible and intangible fixed assets of €8.3 million and a decrease of disposals of property, plant and equipment and intangible assets.

Effect of changes in the scope of consolidation

The impact of changes in scope resulted in a cash outflow of €185.6 million and net cash inflow of €32.0 million in the years ended 31 December, 2017 and 31 December, 2018 respectively.

The cash outflow for the year 2017 is primarily due to the acquisition of the SAG Group, Luck and PMS in Germany, MMC, S-Cube, JM Electricité and Probian in France, AD Bouman, Mer Ict, Ziut, Alewijnse retail and Inmeco in the Netherlands, as well as earn outs paid in relation to previous acquisitions.

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.

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 €53.1 million for the financial

year ended 31 December, 2018, compared to an outflow of €44.8 million for the financial year ended 31 December, 2017.

In 2018, acquisitions of property, plant and equipment represented an amount of €44.7 million compared to €38.8 million in 2017.

In 2018, acquisitions of intangible assets represented an amount of €8.3 million compared to €6.0 million in 2017.

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 inflow of €1.5 million for the year ended 31 December, 2018, compared to a cash increase of €2.5 million for the year ended 31 December, 2017.

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 decreased by €3.2 million, going from €8.7 million for the year ended 31 December, 2017 to €5.5 million for the year ended 31 December, 2018.

The change in €5.5 millions recorded in 2018 is due to the amount of disposals of property, plant and equipment.

4.1.2.3.4 Net cash flows generated by financing activities

The following table shows consolidated cash flow from financing activities for the years ended 31 December, 2017 and 2018.

| <i>In millions of euros</i> | Year ended 31 Dec. | |
|--|---------------------------|---------------|
| | 2018 | 2017 |
| Issue of share capital | 20.4 | - |
| Loan issue | 1,531.9 | 607.3 |
| Loan repayments | (1,498.0) | (513.3) |
| Net interest paid | (59.0) | (47.5) |
| Dividends paid to owners of the parent | (88.1) | (106.3) |
| Dividends paid to non-controlling interests | (1.0) | (0.3) |
| Other cash flows from (used in) financing activities | - | - |
| NET CASH FROM FINANCING ACTIVITIES | (93.7) | (60.1) |

Net cash from financing activities represented net disbursements of €93.7 million in the year ended 31 December, 2018 compared with net disbursements of €60.1 million for the year ended 31 December, 2017.

The main evolution of the year ended 31 December, 2018 are due to the refinancing of the Group's indebtedness on 7 June, 2018. A new Senior Credit "A Facility" (term of 7 June, 2023), for a total amount of €1,200 million was drawn and the "A Facility" term loan (term of 11 June, 2020) of €1,125 million was repaid early. The change in Fiscal Year 2018 is also due to the share capital increase of €20.4 million in relation to the employee's shareholder plan, a decrease of dividends paid of €18.2 million compared with 2017 when an interim dividend had been paid for the first time in addition to the 2016 dividends paid also in 2017.

Issue of share capital

There was no capital increase during the year ended 31 December, 2017, compared to the capital increase of €20.4 million for the year ended 31 December, 2018, a result of the implementation of the SHARE FOR YOU 2018 employees shareholding plan.

Proceeds from loans and borrowings

Consolidated cash generated by debt issues amounted to €607.3 million and €1,531.9 million in the years ended 31 December, 2017 and 31 December, 2018 respectively.

In 2017, the cash and cash equivalents generated by the loan issue corresponds to the issue on 22 March, 2017 of a €600 million bond, which purpose was mainly to finance the SAG acquisition in Germany, as well as an increase in the drawings in relation to the securitisation program.

In 2018, the cash generated by the issuance of loans mainly corresponded to the refinancing of the Group's indebtedness. On 7 June, 2018, SPIE SA executed a new Senior Credit Facility Agreement with an "A Facility" (term of 7 June, 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 FY2018.

Repayment of loans and borrowings

Repayments of borrowings resulted in net cash outflows of €513.3 million and €1,498.0 million in the years ended 31 December, 2017 and 31 December, 2018, respectively.

In 2017, the cash disbursed for loan repayments for the amount of €513.3 million is largely due to the repayment of loans for a total amount of €471.8 million recorded in SAG's accounts on the date of the change of control, the repayment of loans for a total amount of €25.9 million recorded in Luck's account on the closing date, the payment of financial leases for an amount of €9.4 million and the repayment of loans for current operating activities for €6.2 million.

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 11 June, 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 31 December, 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.

Net interest paid

Net financial interest paid resulted in net cash outflows of €47.5 million and €59.0 million in the years ended 31 December, 2017 and 31 December, 2018, respectively.

In 2017, interests paid on Tranche A of the Senior Credit Facility dated 15 May, 2015 amount to €26.0 million. Interests paid on the Revolving Credit Facility amount to €3.8 million. Other interests paid are linked to the securitisation program for an amount of €2.5 million, as well as interests paid on bank overdrafts and financial leases.

In 2018, interest paid on Tranche A of the Senior Credit Facility dated 15 May, 2015 amounted to €12.5 million. Interest paid on the A Facility of the Senior Credit Facility Agreement executed on 7 June, 2018 amounted to €11.7 million. Interest paid on the Revolving

Credit Facility executed on 15 May, 2015 amounted to €1.4 million. Interest paid on the Revolving Credit Facility executed on 7 June, 2018 amounted to €1.8 million. Other interest paid is related to the securitisation programme 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.

Dividends paid to non-controlling interests

The Group paid dividends to non-controlling interests of €0.3 million and €1.0 million for the years ended 31 December, 2017 and 31 December, 2018 respectively.

In 2017, dividends paid to non-controlling interests covered foreign subsidiaries of SPIE Oil & Gas Services for an amount of €0.3 million.

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.

4.1.2.4 GOODWILL

At 31 December, 2018, goodwill totalled €3,102.7 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 24 to the consolidated financial statements of the Company for the year ended 31 December, 2018 included in Section 4.4.1 of this Registration Document.

4.1.3 INVESTMENTS

INVESTMENTS MADE IN 2017 AND 2018

In 2017, the Group acquired the German group SAG ("SAG"), a provider of services and systems for electric, gas, water and

The table below details the Group's total purchases for the last two years:

| <i>In millions of euros</i> | Year ended 31 December, 2018 | For the year ended 31 December, 2017 |
|---|---|---|
| Effect of changes in the scope of consolidation | 31.9 | (185.6) |
| Purchase of tangible and intangible assets | (53.0) | (44.8) |
| Purchase of financial assets | 0 | (0.1) |
| TOTAL | (21.1) | (230.5) |

The terms of financing for these investments are detailed in Section 4.1.2 of this Registration Document.

MAIN INVESTMENTS MADE AFTER THE END OF THE FINANCIAL YEAR (31 DECEMBER, 2018)

No main investments were made after the end of the 2018 financial year.

telecommunications networks which focused primarily on servicing transport and distribution networks. SAG's technical expertise covers the entire chain of energy infrastructure, including the design, engineering and installation; SAG also offers a wide range of asset support services. SAG is the German market leader, where it generates about 75% of its revenue, and is also present in Slovakia, Czech Republic, Poland, Hungary and France. SAG employs approximately 8,000 highly qualified employees over more than 170 sites, including 120 in Germany. The transaction was completed for a valuation of approximately €850 million. The acquisition of SAG was financed by a bond issue by the Company for a total amount of €600 million in March 2017 (see Section 4.1.2 of this Registration Document). SAG's entry in the Group's scope of consolidation is effective since 1 April, 2017, the acquisition having been closed on 31 March, 2017.

In addition, 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, which made 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 revenue of about €4 million. Finally, during the fiscal year ended 31 December, 2018, the Group also acquired several entities of a smaller size which generated revenue comprised between €1 and €6 million in 2017.

In addition to acquisitions, each year the Group purchases or replaces tangible and intangible assets.

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 POST-CLOSURE EVENTS

To the Company's knowledge, there has been no significant change in the financial or business position of the Group since 31 December, 2018.

4.3 TRENDS AND OBJECTIVES

GROUP OBJECTIVES FOR THE YEAR ENDED 31 DECEMBER, 2019

ASSUMPTIONS

The objectives presented below are based on data, assumptions and estimates that the Group considers to be reasonable at the date of this Registration Document. These data and assumptions may change over time or be modified in view of uncertainties related to the economic, financial, competitive, regulatory and tax environment as well as other factors unknown to the Group at the date of this Registration Document. Were some of the risks described in Chapter 2.1 "Risk Factors" of this Registration Document to occur, it could have a material adverse impact on the Group's business, financial position, results or prospects and thus undermine these objectives. The achievement of objectives implies the success of the Group's strategy. The Group cannot give any assurance or guarantee that it will achieve the objectives described in this section.

The Group has established its objectives for the year ended on 31 December, 2019 in accordance with accounting standards applied in the consolidated financial statements for the year ended 31 December, 2018.

These objectives are primarily based on the following assumptions for 2019:

- the continuation of the trends observed in 2018 in each of the Group's market segments;
- an exchange rate of 1 euro for 1.20 USD and 1 euro for 0.89 GBP.

Furthermore, said objectives do not account for the impact of the IFRS 16 accounting standard application, which will become effective as of FY2019.

Based on the above hypothesis, the Group's objectives for 2019 are:

- Revenue growth between 2.5% and 4.5%, including bolt-on acquisitions, at constant currency;
- A total annualized acquired turnover through bolt-on acquisitions of approximately €200 million;
- A consolidated EBITA margin of at least 6.0%;
- Cash conversion around 100% and the continued reduction in leverage.

The dividend pay-out ratio will remain at c.40% of Adjusted Net Income ⁽¹⁾ attributable to the Group.

(1) Adjusted for the amortisation of allocated goodwill and exceptional items.

4.4 CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 28-1 of Commission regulation (EC) No. 809/2004, the following financial statements are included in this Registration Document by way of reference:

- the financial statements for the years ended 31 December, 2017 and the corresponding reports from the Statutory Auditors set out in Chapter 20 "Financial information on the issuer's assets, financial position and results of the Group" of the 2017 Registration Document recorded by the AMF on April 26, 2018 under number R.18-023; and
- the consolidated financial statements for the year ended 31 December, 2016, and the corresponding Statutory Auditors' reports set out in Chapter 20 "Financial information on the issuer's assets, financial position and results" from the Company's 2016 Registration Document recorded by the AMF on April 18, 2017 under number R.17-017.

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4.4.1 GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018**4.4.1.1 CONSOLIDATED INCOME STATEMENT***In thousands of euros*

| | Notes | 2018 | 2017 |
|---|-------|------------------|------------------|
| Revenue | 7 | 6,693,693 | 6,127,993 |
| Other income | | 56,029 | 56,612 |
| Operating expenses | 8.1 | (6,428,810) | (5,864,742) |
| Recurring operating income | | 320,913 | 319,863 |
| Other operating expenses | | (52,825) | (67,922) |
| Other operating income | | 11,004 | 11,123 |
| Total other operating income (expenses) | 8 | (41,821) | (56,798) |
| Operating income | | 279,092 | 263,065 |
| Net income (loss) from companies accounted for under the equity method | 7.1 | 489 | 490 |
| Operating income including companies accounted for under the equity method | | 279,581 | 263,555 |
| Interests charges and losses from cash equivalents | | (66,825) | (58,275) |
| Gains from cash equivalents | | 560 | 581 |
| Costs of net financial debt | 9 | (66,265) | (57,694) |
| Other financial expenses | | (47,793) | (32,902) |
| Other financial incomes | | 21,954 | 14,819 |
| Other financial income (expenses) | 9 | (25,838) | (18,083) |
| Net income before taxes | | 187,478 | 187,778 |
| Income tax expenses | 10 | (25,485) | (72,273) |
| Net income from continuing operations | | 161,993 | 115,505 |
| Net income from discontinued operations | 11 | (70,583) | (4,033) |
| NET INCOME | | 91,410 | 111,472 |
| Net income from continuing operations attributable to: | | | |
| • Owners of the parent | | 162,024 | 114,435 |
| • Non-controlling interests | | (32) | 1,070 |
| | | 161,993 | 115,505 |
| Net income attributable to: | | | |
| • Owners of the parent | | 91,442 | 110,402 |
| • Non-controlling interests | | (32) | 1,070 |
| | | 91,410 | 111,472 |
| Net income Share of the Group – earning per share | 12 | 0.59 | 0.72 |
| Net income Share of the Group – diluted earnings per share | | 0.59 | 0.71 |
| Dividend per share (proposal for 2018) | | 0.58 | 0.56 |

4.4.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros

| | 2018 | 2017 |
|--|---------------|----------------|
| Net income recognized in income statement | 91,410 | 111,472 |
| Actuarial losses on post-employment benefits | 4,333 | 33,343 |
| Tax effect | 86 | (9,640) |
| Items that will not be reclassified to income | 4,419 | 23,703 |
| Currency translation adjustments | 3,171 | (8,328) |
| Fair value adjustments on future cash flows | (406) | 368 |
| Other | | |
| Tax effect | 130 | (127) |
| Items that may be reclassified to income | 2,895 | (8,087) |
| TOTAL COMPREHENSIVE INCOME | 98,724 | 127,088 |
| Attributable to: | | |
| • Owners of the parent | 98,783 | 125,964 |
| • Non-controlling interests | (59) | 1,124 |

4.4.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

| | Notes | Dec. 31, 2018 | Dec. 31, 2017 |
|--|-------|------------------|------------------|
| NON-CURRENT ASSETS | | | |
| Intangible assets | 15 | 1,028,308 | 1,075,590 |
| Goodwill | 14 | 3,102,689 | 3,015,955 |
| Property, plant and equipment | 16 | 174,087 | 180,446 |
| Investments in companies accounted for under the equity method | 20 | 3,151 | 3,062 |
| Non-consolidated shares and long-term loans | 20.7 | 45,377 | 65,081 |
| Other non-current financial assets | | 5,908 | 5,142 |
| Deferred tax assets | 10 | 299,645 | 288,778 |
| Total non-current assets | | 4,659,165 | 4,634,054 |
| CURRENT ASSETS | | | |
| Inventories | 19 | 43,149 | 37,281 |
| Trade receivables | 19 | 1,877,875 | 1,850,370 |
| Current tax receivables | | 29,408 | 41,586 |
| Other current assets | 19 | 271,960 | 246,642 |
| Other current financial assets | 20.7 | 6,961 | 7,881 |
| Cash management financial assets | 20 | 4,051 | 4,800 |
| Cash and cash equivalents | 20 | 780,446 | 538,541 |
| Total current assets from continuing operations | | 3,013,850 | 2,727,101 |
| Assets classified as held for sale | 11 | 117,352 | 396,069 |
| Total current assets | | 3,131,202 | 3,123,170 |
| TOTAL ASSETS | | 7,790,367 | 7,757,224 |

| <i>In thousands of euros</i> | Notes | Dec. 31, 2018 | Dec. 31, 2017 |
|--|--------------|----------------------|----------------------|
| EQUITY | | | |
| Share capital | 17 | 73,108 | 72,416 |
| Share premium | | 1,190,120 | 1,170,496 |
| Consolidated reserves | | 118,886 | 86,085 |
| Net income attributable to the owners of the parent | | 91,442 | 110,402 |
| Equity attributable to owners of the parent | | 1,473,556 | 1,439,399 |
| Non-controlling interests | | 2,449 | 2,949 |
| Total equity | | 1,476,005 | 1,442,348 |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing loans and borrowings | 20 | 1,796,406 | 1,729,928 |
| Non-current provisions | 18 | 53,173 | 69,833 |
| Accrued pension and other employee benefits | 18 | 714,975 | 721,147 |
| Other non-current liabilities | 19 | 6,520 | 7,281 |
| Deferred tax liabilities | 10 | 348,790 | 369,134 |
| Total non-current liabilities | | 2,919,864 | 2,897,324 |
| CURRENT LIABILITIES | | | |
| Trade payables | 19 | 1,101,956 | 990,477 |
| Interest-bearing loans and borrowings (current portion) | 20 | 332,466 | 337,552 |
| Current provisions | 18 | 143,061 | 139,502 |
| Income tax payable | 19 | 34,052 | 34,355 |
| Other current operating liabilities | 19 | 1,647,164 | 1,579,973 |
| Total current liabilities from continuing operations | | 3,258,700 | 3,081,859 |
| Liabilities associated with assets classified as held for sale | 11 | 135,798 | 335,694 |
| Total current liabilities | | 3,394,498 | 3,417,553 |
| TOTAL EQUITY AND LIABILITIES | | 7,790,367 | 7,757,224 |

4.4.1.4 CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

| | Notes | 2018 | 2017 |
|--|-------|-----------------|------------------|
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | | 520,113 | 518,534 |
| OPERATING ACTIVITIES | | | |
| Net income | | 91,410 | 111,472 |
| Loss from companies accounted for under the equity method | | (489) | (490) |
| Depreciation, amortization, and provisions | | 80,918 | 128,658 |
| Proceeds on disposals of assets | | 1,418 | (1,071) |
| Dividend income | | - | (1) |
| Income tax expense | | 29,799 | 77,209 |
| Elimination of costs of net financial debt | | 69,706 | 59,476 |
| Other non-cash items | | 10,563 | 3,704 |
| Internally generated funds from (used in) operations | | 283,326 | 378,958 |
| Income tax paid | | (61,484) | (62,403) |
| Changes in operating working capital requirements | | 143,340 | (19,507) |
| Dividends received from companies accounted for under the equity method | | 400 | 350 |
| Net cash flow from (used in) operating activities | | 365,582 | 297,398 |
| INVESTING ACTIVITIES | | | |
| Effect of changes in the scope of consolidation | 22.2 | 31,974 | (185,627) |
| Acquisition of property, plant and equipment and intangible assets | | (53,057) | (44,819) |
| Net investment in financial assets | | - | (59) |
| Changes in loans and advances granted | | 1,536 | 2,491 |
| Proceeds from disposals of property, plant and equipment and intangible assets | | 5,550 | 8,711 |
| Proceeds from disposals of financial assets | | - | 8 |
| Dividends received | | - | - |
| Net cash flow from (used in) investing activities | | (13,997) | (219,295) |
| FINANCING ACTIVITIES | | | |
| Issue of share capital | | 20,428 | 11 |
| Proceeds from loans and borrowings | | 1,531,858 | 607,325 |
| Repayment of loans and borrowings | | (1,497,914) | (513,278) |
| Net interest paid | | (59,045) | (47,549) |
| Dividends paid to owners of the parent | | (88,074) | (106,312) |
| Dividends paid to non-controlling interests | | (993) | (344) |
| Net cash flow from (used in) financing activities | | (93,740) | (60,147) |
| Impact of changes in exchange rates | | 1,795 | (16,377) |
| Impact of changes in accounting policies | | - | - |
| Net change in cash and cash equivalents | | 259,638 | 1,579 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 22 | 779,751 | 520,113 |

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 22.

4.4.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| <i>In thousands of euros except for the number of shares</i> | 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 | Total equity |
|--|---|--------------------------|---|------------------------------|--|---|--------------------------|--|---|-------------------------|
| AT 31 DECEMBER, 2016 | 154,076,156 | 72,416 | 1,170,496 | 242,063 | (991) | 25 | (68,919) | 1,415,088 | 2,160 | 1,417,248 |
| Net income | | | | 110,402 | | | | 110,402 | 1,070 | 111,472 |
| Other comprehensive income (OCI) | | | | | (8,383) | 241 | 23,703 | 15,561 | 54 | 15,615 |
| Total comprehensive income | | | | 110,402 | (8,383) | 241 | 23,703 | 125,963 | 1,124 | 127,088 |
| Distribution of dividends | | | | (106,312) | | | | (106,312) | (357) | (106,669) |
| Share issue | | | | | | | | | | |
| Change in the scope of consolidation and other | | | | | 539 | | | 539 | 22 | 561 |
| Other movements | | | | | | | 4,121 | 4,121 | | 4,121 |
| AT 31 DECEMBER, 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 |
| Distribution of 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 31 DECEMBER, 2018 | 155,547,949 | 73,108 | 1,190,120 | 249,522 | (5,630) | (10) | (33,551) | 1,473,556 | 2,449 | 1,476,005 |

NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

See Note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

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

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

The SPIE group consolidated financial statements were authorized for issue by the Board of Directors on 11 March, 2019.

ACCOUNTING POLICIES AND MEASUREMENT METHODS

NOTE 2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

In accordance with European regulation 1606/2002 dated 19 July, 2002 on international accounting standards, the consolidated financial statements of SPIE group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December, 2018.

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 31 December, 2018;
- 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. These policies have been consistently applied to all the years presented.

2.2.1 New standards and interpretations applicable from 1 January, 2018

- Amendment to IFRS 2 "Classification and measurement of share-based payment transactions";
- Amendment to IFRS 4 on Insurance contracts "applying IFRS 9 financial instruments with IFRS 4 insurance contracts";
- IFRS 9 "Financial instruments";
- IFRS 15 and clarification of IFRS 15 "Revenue from contracts with customers";
- Amendment to IAS 40 "Transfers of investment properties";
- IFRIC 22 "Foreign currency transactions and advance considerations";
- Amendment to IAS 28 "Long-term Interests in Associates and Joint Venture".

The Group adopted the IFRS 15 standard on 1 January, 2018 the date on which the standard came into force in the European Union. Given that the impacts identified were not material, IFRS 15 was applied retrospectively to currently existing contracts according to the "simplified retrospective" approach.

Since 1 January 2018, the Group has applied IFRS 9 "Financial instruments", which sets out rules for recognizing and measuring assets, financial liabilities and certain contracts for the purchase or sale of non-financial items. It replaces IAS 39 "Financial instruments: recognition and measurement", which was applied until 31 December 2017. The Group has opted for the "simplified approach" relating to the classification, measurement and impairment of financial assets, and of financial liabilities, as per paragraph 7.2.15 of IFRS 9 standard. The Group decided to maintain the dispositions of the IAS 39 standard in terms of hedge accounting. Following the adoption of IFRS 9, no significant impact has impacted the Group's equity as at 1 January, 2018.

The reconciliation of financial assets and liabilities as at 1 January, 2018 is presented in the Note 20.9.

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

2.2.2 Published new standards and interpretations for which application is not mandatory as of 1 January, 2018

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

- IFRS 14 "Regulatory deferral accounts";
- IFRS 16 "Lease contracts";
- IFRS 17 "Insurance contracts";
- Amendments to IFRS 9 "Prepayment features with negative compensation";
- Amendments to IFRS 10 and IAS 28 "Investments in Associates and Joint Ventures" – "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture";
- Amendment to IAS 12 "Income taxes";
- Amendments to IAS 19 "Employee Benefits" – "Plan amendment, curtailment or settlement";
- Amendment to IAS 23 "Borrowing costs";

- Amendments to IAS 28 "Investments in Associates and Joint Ventures" – "Long-term Interests in Associates and Joint Ventures";
- Amendment to IFRS 3 "Business Combinations";
- Amendments to IAS 1 and IAS 8 "Definition of Material";
- IFRIC 23 "Uncertainty over Income Tax Treatments".

The IFRS 16 standard will come to force in financial statements from 1 January, 2019. This standard, which will replace the IAS 17 standard and its interpretations, will lead 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 Group has assessed the impacts of this standard in its financial statements and at this stage, the main impacts expected in the Group's financial statements as at 1 January, 2019, are an increase of the financial debts and right-of-use assets in the statement of financial position for an amount estimated of €330 million, and an improvement of the operating income by nearly €3 million as well as an increase of the financial expenses by around €2.5 million in the Group income statement.

The Group is currently assessing the impact and practical implications from the application of the standards and interpretations published by the IASB, but whose application is not yet compulsory as at 1 January, 2018.

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 value 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 associates of SPIE SA.

The scope of consolidation comprises 204 companies; the percentages of interest are presented in the table in Note 27 of the present document.

The main amendments to the scope of consolidation that took place during the year are presented in Note 6.

3.1.1 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:

- substantive rights enabling it to direct the activities that significantly affect the investee's returns;
- exposure to variable returns from its involvement with the investee; 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.

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 recognizing its share of the assets, liabilities, revenue and expenses of the joint operation.

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 enterprises 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.

3.1.2 Translation of the financial statements of foreign entities

The Group's consolidated accounts 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 rates for income statement items. Exchange gains or losses resulting from the translation of accounts are recognized in equity as currency translation adjustments.

The currency translation rates used by the Group for its main currencies are as follows:

| | 2018 | | 2017 | |
|---------------------------|--------------|--------------|--------------|--------------|
| | Closing Rate | Average Rate | Closing Rate | Average Rate |
| Euros – EUR | 1 | 1 | 1 | 1 |
| US Dollar – USD | 1.1371 | 1.1830 | 1.1845 | 1.1236 |
| Swiss Franc – CHF | 1.1287 | 1.1584 | 1.1686 | 1.1088 |
| Great-Britain Pound – GBP | 0.8985 | 0.8837 | 0.8816 | 0.8731 |
| CFA Franc – CFA | 655.9570 | 655.9570 | 655.9570 | 655.9570 |

3.2 SEGMENT REPORTING

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 characterized by a standardized economic model, especially in terms of products and offered services, operational organization, 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 recognized 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 recognized as expenses of the period. These expenses are recognized as "Other operating income and expenses" of the income statement.

3.3.1 Goodwill

Goodwill represents the difference between:

- the acquisition price of the shares of the acquired company plus any contingent price adjustments; and
- the Group's share in the fair value of their identifiable net assets on the date of the control being taken.

The fair value of assets and liabilities acquired may be adjusted within a maximum twelve-month period following the date of acquisition (the "allocation period"), in order to reflect facts and circumstances existing at the acquisition 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 recognized in income.

3.3.2 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 recognized 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 recognized in income.

3.3.3 Treatment of outstanding representations and warranties

In the context of its business combinations, the Group usually obtains representations and warranties from the sellers.

Regarding business combinations, the outstanding representations and warranties that can be valued individually result in the recognition of an indemnification asset in the accounts of the acquirer. 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 recognized when they become exercisable, through the income statement.

The outstanding representations and warranties are recorded in "Other non-current assets".

3.3.4 Impairment test of goodwill

Goodwill is tested for impairment at least once a year and whenever there is an indication of impairment. For this test, goodwill

is allocated to cash generating units (CGU) or groups of CGUs corresponding to homogeneous groups which together generate identifiable cash flows. The conditions of the impairment tests conducted on the CGUs are detailed in the Note 3.10.

3.4 RECOGNITION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

Since 1 January, 2018, the Group applies the principles determined by the IFRS 15 standard for the recognition of ordinary revenue from contracts with customers ("ordinary revenues").

The Group recognizes 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. The measurement of the percentage-of-completion method relies on the contracts follow-up and the consideration of hazards assessed based on acquired experience, in order to value the best estimate of future benefits and obligations expected for these contracts. The recognition of revenues from contracts with customers stands when a performance obligation is satisfied and if it fulfills these three criteria:

1. customer receive benefits as performed/ another would not need to re-perform;
2. the performance creates/enhances an asset customer controls;
3. 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.

3.4.1 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" especially include:

- gains and losses on disposals of assets or operations;

- expenses resulting from restructuring plans or operations disposal 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

Whenever discontinued operations (disposed or sold) or operations classified as held for sale are:

- either a separate major line of business or geographical area of operations that is material for the Group or that forms part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- or a subsidiary acquired exclusively with a view to resale.

They are shown in a separate line in the consolidated financial statements at the reporting date.

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.

Details of discontinued operations or operations held for sale are set out in Note 11.

3.7 LEASE CONTRACTS

3.7.1 Operating leases

Lease contracts which do not transfer substantially all risks and rewards inherent to the ownership to the Group are qualified as "operating lease". These leases give rise to payments recorded as charges in the income statement during all lease duration.

3.7.2 Finance leases

Leases contracts under which the Group assumes substantially all the risks and rewards inherent to the ownership are qualified as "finance leases". They are capitalized at the lower of the fair value of the asset leased and the discounted value of the minimum rentals due at the beginning of the leasing contract. The corresponding debt is recognized in liabilities. Payments received under the lease contract are broken down between the financial expense and the amortization of debt so as to obtain a constant periodic interest rate over the remaining balance of the liability. The financial expenses are recognized directly in the income statement.

The asset is amortized over its useful life for the Group, the debt is amortized over the finance lease period, and eventually deferred taxes are recognized.

3.8 INTANGIBLE ASSETS

Intangible assets (mainly brands, customer relationships 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 should be accounted for.

3.8.1 Brands and customer related assets

The value of customer relationships is measured taking into account a renewal rate of contracts and amortized over the renewal period.

The amortization period of the backlog is defined on a case-by-case basis for each acquisition, after a detailed review.

Brands acquired are amortized 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 amortized.

3.8.2 Internally generated intangible assets

Research costs are recognized in the income statement as expenses of the period.

Development costs are recognized as intangible 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 expenditure;
- the reliable measure of the cost of this asset.

Capitalized expenditure includes personnel costs and the cost of materials and services used that are directly allocated to the given projects. Capitalized expenditure is amortized over the estimated useful life of the relevant processes, once they have been put into use.

3.8.3 Other intangible assets

Other intangible assets are recognized at cost, net of accumulated amortization and impairment losses, if any. They relate mainly to software and are amortized over a period of three years on a straight-line basis.

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized 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 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 amortizable 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 provided in Note 14.

3.11 FINANCIAL ASSETS

The Group classifies its financial assets within the following categories: assets available for sale, assets measured at their fair value through equity and income, loans and receivables.

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.

3.11.1 Assets available for sale

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. Changes in value are recognized in equity. However, if there is a significant or sustained decrease in the fair value of assets available for sale, the unrealized capital loss is reclassified from equity to net income or loss for the year. As far as equity instruments are concerned, if, during a subsequent period, the fair value of a security available for sale increases, the increase in value is again recorded in equity.

When these financial assets are derecognized, the accumulated gains and losses previously recorded in equity are reclassified to income for the period.

3.11.2 Loans and receivables

These include receivables related to investments, "1% building" 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 amortized cost calculated using the effective rate of return. The value on the face of the statement of financial position includes the outstanding capital and the unamortized share of transaction costs directly attributable to the acquisition. An impairment test is carried out whenever there is an indication of impairment. An impairment loss is recorded if the carrying amount of an asset is greater than its recoverable value. Impairment losses are recognized 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.

Previously recognized impairment losses may be reversed in the income statement in the event of an improvement in the recoverable value of loans and receivables.

3.11.3 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 recognized.

Receivables are measured, for each signed contract, using the amortized cost method at an effective interest rate corresponding to the project's internal rate of return.

In subsequent periods, the financial asset is amortized and interest income is recognized using the effective interest rate.

3.11.4 Receivables securitization program

In the course of its operations, some entities of the Group have developed a securitization program for its trade receivables which will end in 11 June, 2020.

Under this securitization program, participating companies can transfer full ownership of their trade receivables to the "SPIE Titrisation" Mutual Fund in order to obtain funding amounting up to a maximum of €300 million, with the possibility to increase the amount to €450 million.

The financed amount of the transaction is defined as equal to the amount of transferred receivables eligible for the securitization program less, by way of security, the subordinate deposit amount and the additional senior deposit amount applied by the "SPIE Titrisation" Mutual Fund.

In the consolidated accounts, the securitized receivables have been kept as assets in the statement of financial position, the security deposits paid into the funds have been cancelled and in return the value of financing obtained has been recorded in borrowings.

Moreover, SPIE DZE signed in December 2013 a non-recourse securitization program of discount on notes receivable for an unlimited duration. This program was extended to all German entities acquired together with the SAG group in March 2017. The assigned receivables amount is of €70,952 thousands as of 31 December, 2018 and is no longer recognized as assets in the consolidated financial statements.

3.11.5 "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 realized 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 recognized 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 IAS 39, 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 amortized cost method which consists in reconstituting the redemption value of the loan, at the end of the 20 year period, by recognizing interest income over the period.

3.11.6 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 recognized in the income statement. These financial instruments are classified as current assets under cash equivalents and notably include marketable securities.

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 recognized 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 amortized cost using the effective interest rate method. The amortized 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 amortized 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 amortized 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 unrealized gain or loss on the derivative financial instrument is immediately recognized in equity and the ineffective portion of the gain or loss is immediately recognized in the income statement. The amounts recorded in equity 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 unrealized gain or loss, which was recorded in equity (for the effective portion), is immediately recognized 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 realizable value according to the "first in – first out" method.

The inventories are impaired, where applicable, in order to reflect their probable net realizable value.

3.15 CASH AND CASH EQUIVALENTS

In the consolidated statement of financial position, cash and cash equivalents includes liquid assets in current bank accounts, shares in money market funds and negotiable debt securities which can be mobilized 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.

3.16.1 Current taxes

The current income tax charge 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.

3.16.2 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 recognized only when it is probable that they will be recovered. In particular, deferred tax assets are recognized on tax loss carry-forwards of the Group, to the extent that it is probable that they can be utilized 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 recognized. Future sources of taxable income and the effects of the Group's global income tax strategies are taken into account in making this determination. This assessment is conducted through a detailed review of deferred tax assets 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 back, 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 provisions validated by local management and reviewed by the Group's Accounting and Tax Department.

3.16.3 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 of the outstanding shares (i.e. the majority of those).

No deferred tax liability is to be recognized 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 recognized on the basis of the best estimate of the expenditure required to settle the obligation at the reporting date. These estimates take into account information available and different possible outcomes.

An estimation of the amount shown under provisions corresponds to the outflow of resources that the Group will probably have to bear in order to settle its obligation.

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.

3.17.1 Provisions

Depending on the nature of the risk, estimates of the probable expenditure are made with operational staff in charge of the contracts, internal and external lawyers and independent experts whenever necessary.

Quantitative information is set out in Note 18.2.

3.17.2 Contingent liabilities

Contingent liabilities are potential obligations stemming from past events whose 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 expensed as incurred and the Group has no legal or constructive 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.

3.18.1 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.

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 amortize through the income statement the cost of past services over the average vesting period have been cancelled;
- the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognized in that period through the income statement;

- the net interest on the net defined benefit liability or asset has to be determined using the same discount rate as of the defined benefit obligation, at the beginning of the period;
- the remeasurements of the net defined benefit liability or asset, comprising: actuarial gains and losses, return on plan assets and some changes in the effect of the asset ceiling must be booked as Other Comprehensive Items (OCI). These impacts are presented in the consolidated statement of comprehensive income.

These plans are characterized as follows:

- in France, employee benefits correspond to retirement indemnities established in accordance with collective bargaining agreements (estimated based on a percentage of the last salary, according to the seniority and to the applicable collective agreements);
- 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 recognized under "Net financial expenses". 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) have been determined locally according to each concerned country.

Quantitative information is detailed in Note 18.1.

3.18.2 Other long-term benefits

Other long-term benefits essentially include length-of-service bonuses in the form of "length-of-service awards". The Group recognizes 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 recognized immediately in the income statement of the financial year of their occurrence.

3.18.3 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.

3.18.4 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. 4 42-1 and seq. of the French Employment Code (Code du travail).

3.18.5 Performance Shares

The Shareholders' General Meeting of SPIE on 25 May 2016, in its 20th extraordinary resolution, authorized, under certain conditions, the grant of existing or future shares, in favor 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.

The list of the beneficiaries of the Plan, as well as the number of performance shares granted to each of them were decided by the

Board of Directors, upon proposal of the Compensation Committee, at its meeting of 28 July 2016.

The valuation and accounting principles applicable are defined in accordance with IFRS 2 "Share-based payments". Performance shares represent employees benefits granted to their beneficiaries and, as such, constitute additional remuneration paid by SPIE (see Note 8.2 "Employee Cost").

As a non-cash transaction, benefits granted are recognized as an expense over the vesting period in return for an increase in equity (see Note 17). They are valued by an external actuary on the basis of the fair value of the performance shares, at the grant date.

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 "Segment information").

NOTE 4 ADJUSTEMENTS ON PREVIOUS PERIODS

In 2018, no additional operation has requested the application of the IFRS 5 standard (non-current assets held for sale and discontinued operations), see Note 11. As a consequence, financial income statements of 31 December, 2017 have not been restated.

NOTE 5 SIGNIFICANT EVENTS

5.1 "ARIANE" AND "GALILEO" PROJECTS – FRENCH SEGMENTS

"ARIANE" project

In the context of the "Ariane" corporate project initiated in 2017, SPIE created on 1 January, 2018, a holding company "SPIE France", subsidiary of SPIE Operations, destined to bring a functional autonomy to France, comparable to the autonomy of the companies in the other companies (Germany, Netherlands, United Kingdom, Switzerland).

From the 1st of January of 2018, the SPIE France company, as head of the French activities of SPIE, has been given all necessary means to lead all French entities which has been legally attached to it on 29 June, 2018 (the five French regional multitechnical entities, SPIE Citynetworks, SPIE Facilities, SPIE ICS and SPIE Nucléaire). This structure ensures the development of the "France" segment in liaison with the Group and in synergy with the other countries.

Thus SPIE Operations focuses on its consolidation and animation purposes for all European holding subsidiaries of the Group, including France.

This organization answers the necessity to clearly balance the "corporate" functions on the whole Group in order to prepare the future development of the Group.

"GALILEO" Project

The "Galileo" project, in continuity to the "Ariane" project, materialized the merger as at 30 June, 2018 of the five regional multitechnical entities into one single entity named "SPIE Industry & Tertiary". This latter comprises two business units.

- one Industry business unit;
- one Tertiary business unit.

Their activities are respectively dedicated to industrial environments and their processes, as well as multi-technical solutions dedicated to buildings.

With 6,850 employees located over 200 sites throughout the country, SPIE Industrie & Tertiaire designs and implements innovative and high-performance solutions to support the core business and life cycle of the investments of more than 3,000 customers.

This project provides the "France" sector with a new national subsidiary in order to answer our customers' expectations and the evolution of a market expected to be in growth. Consequently, a new CGU has been created: SPIE Industrie & Tertiaire (see Note 14 "Goodwills").

5.2 FINANCIAL DEBT REFINANCING AS AT 7 JUNE 2018

On 7 June, 2018, as part of the refinancing of its debt, the Group repaid its "Facility A" and "Revolving Credit Facility (RCF)" financing lines, both initially due on 2020. On the same date, the Group signed a new Senior Credit Agreement, for a nominal amount of €1,200 million and a "Revolving Credit Facility" of €600 million not drew down as at 31 December, 2018 (see Note 20.3).

These facilities bear interest equal to Euribor plus a margin of 1.70% for the term loan and 1.30% for the revolving credit facility, compared to 2.38% and 2.28% respectively for the repaid facilities.

5.3 EMPLOYEES SHAREHOLDERS PLAN "SHARE FOR YOU 2018" – 20 JULY, 2018, SHARE CAPITAL INCREASE

On 26 April, 2018, the Board of Directors, upon delegation of the Mixed Shareholders' General Meeting held on 16 May, 2017, decided on the principle to proceed with a share capital increase reserved for eligible current and former employees and corporate officers of the Company and its French and foreign, direct and indirect, subsidiaries, who are members of a *plan d'épargne d'entreprise* of the SPIE group (French company savings plan), within the limit of a maximum amount of €104.8 million issuance share premium included (before

discount). The Board of Directors delegated authority to the CEO for the completion of this transaction. Acting under this delegation, the CEO set forth the definitive terms of the offer in a decision dated 25 May, 2018 and set in particular (i) the dates of the subscription period from 30 May to 18 June, 2018 (included) and (ii) the subscription price of one SPIE share at €14.33 after a discount rate of 20% applied to the reference price set at €17.91.

In a decision dated 20 July, 2018, the CEO recognized definitive completion of the capital increase through the issuance of a total amount of 1,471,793 new ordinary shares, at unit price of €14.33, hence an increase of the SPIE SA share capital by €692 thousand, and an issuance premium of €19,693 thousand.

The discount rate on the subscription date of the shares constitutes an immediate charge to be recognized in full in the consolidated income statement of the issuing company. As such, a loss of €937 thousand has been booked in the statement of income as at 31 December, 2018 relating to the 20% discount.

Launched in 16 countries, the subscription reached an amount of €26.4 million (before discount). More than 6,000 employees subscribed for shares as part of "SHARE FOR YOU 2018". More than 34% of SPIE employees are now Group Shareholders. With 4.3% of its capital held by its employees, SPIE rank among the top 20 companies listed on the SBF 120 with the highest rate of share ownership by employee shareholders.

NOTE 6 ACQUISITIONS AND DISPOSALS

Changes in scope of consolidation include:

- companies acquired during the period;
- 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;
- newly created entities;
- liquidated or divested entities.

6.1 CHANGES IN SCOPE

6.1.1 Companies acquired during previous period and consolidated in 2018

- In 2018, SPIE consolidated the **SAG Energy Systems Iberica** entity, subsidiary of SAG Group acquired on 31 March, 2017. Located in Spain, the company is specialized in the installation of overhead and high voltage lines, the equipment of transformer stations, temporary connections and optical fibers. It generated a €339 thousand million revenue in 2018 while employing 24 people.
- On 23 October, 2017, the Group acquired two shelter entities remained inactive during 2017 and which were renamed respectively "**BoDo Shared Services GmbH**" and "**SPIE Gastechnischer Service GmbH**". These companies were part of a Partial Contribution of Assets from the Bohlen & Doyen GmbH company during the first half of 2018.

- On 14 November, 2017, SPIE Nederland acquired the Dutch company **Alewijnse Retail**. Based in Zaltbommel, Alewijnse Retail employs 20 people and generated revenue of approximately €6 million in 2016. The company specializes in the design and implementation of retail modification plans as well as maintenance management, and closely cooperates with its customers to develop tailor-made solutions. In October 2016, SPIE already acquired a business unit of the Alewijnse Group (Alewijnse Technisch Beheer), specialized in technical management of building-related installations. The transferred counterpart stood at €2.7 million.
- On 4 December, 2017, SPIE Nederland acquired the Dutch company **Inmeco**. Founded in 1996, the company is specialized in commissioning, prevention, maintenance and repairing of industrial instrumentation devices. The company generated revenue of approximately €820 thousand in 2016. Inmeco employs four people. The transferred counterpart stood at €0.4 million.
- On 20 December, 2017, SPIE ICS France acquired the French company S-Cube. Based in Vélizy, France, **S-Cube** is a company specialized in the design, the integration and the maintenance of digital infrastructure, with a strong focus on datacenter solutions and hyper convergence. S-Cube employs 42 people and generated revenue of approximately €47 million in 2016. The transferred counterpart stood at €25.5 million.

These companies have been consolidated since the beginning of 2018 period.

6.1.2 Acquisitions of the period

| | Country | Type of inclusion | Date of inclusion | Consolidation Method ⁽¹⁾ | % of interest | % of control |
|--|-----------|-------------------|-------------------|-------------------------------------|---------------|--------------|
| NEW ENTITIES / ACTIVITIES OF THE GROUP | | | | | | |
| Systemat Sub-group: | | | | | | |
| Systemat Eis S.A | Luxemburg | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Systemat Luxembourg Psf S.A | Luxemburg | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Inca Digital S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Systemat Belux S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Everun It S.P.R.L | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Shopmat S.P.R.L | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Syremat S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Systemat Expert S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Mimeos Logistics S.P.R.L | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Mimeos S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Systemat Numeric Support S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Systemat Digital Hub S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Systemat Sourcing Center S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Bizz4Partners S.A | Belgium | Acquisition | 2018-04-27 | F.C. | 100 | 100 |
| Fluigetec | France | Acquisition | 2018-05-23 | F.C. | 100 | 100 |
| Buchet SAS | France | Acquisition | 2018-07-11 | F.C. | 100 | 100 |
| Siétar & VTI | France | Acquisition | 2018-08-01 | N.C. | 100 | 100 |
| FLM | Germany | Acquisition | 2018-11-06 | N.C. | 100 | 100 |

(1) F.C.: Full Consolidation, N.C.: Not Consolidated.

Incoming entities in the Group scope corresponding to 2018 acquisitions are presented below:

- on 27 April, 2018, SPIE completed the acquisition of **Systemat** in Belgium. Systemat specializes in the management of ICT equipment, software and infrastructure for its clients. The company employs around 150 people with revenue of approximately €70 million. This acquisition allows SPIE to enter the Information and Communication Technology (ICT) services market in Belgium and to complement the wide range of services already offered by the Group in this country. The transferred counterpart stood at €11.1 million;
- on 23 May, 2018, SPIE acquired **Fluigetec** in France. This acquisition allows SPIE to complement the wide range of services it offers to the nuclear sector. Fluigetec employs 19 people and generated revenue of close to €2 million in 2017. The transferred counterpart stood at €1.9 million;
- on 11 July, 2018, SPIE Industrie & Tertiaire, a subsidiary of SPIE France, acquired the French company **Buchet**. Founded in 1954, Buchet is specialized in electrical installation works in the housing and tertiary sectors. The company, based in Nice and mainly active in the Provence-Alpes-Côte d'Azur region. With 47 employees, the company generated a turnover of approximately €13 million in 2017. The transferred counterpart stood at €2.8 million.

6.1.3 Companies acquired during the period and held as financial assets

- On 1 August, 2018, SPIE acquired **Siétar & VTI** in France, a company specializing in pipework and boiler making for liquid

processes in the agri-food industry. Siétar & VTI employs 44 people and generated revenue of €6 million in 2017. The transferred counterpart stood at €2 million.

- On 6 November, 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 revenue of approximately €4 million. The transferred counterpart stood at €0.4 million.

6.1.4 Created companies

- The Group created on 28 December, 2017 the **SPIE Meppel B.V.** company, located in the Netherlands. The company was consolidated during the first half of 2018.
- From 1 June, 2018, the Group consolidated the SPIE 162 company. This entity had no activity since its creation in 2016. As at 31 May, 2018, the company was renamed **ATMN Industry**. Located in France, the company was part of a Partial Contribution of Assets from the ATMN company during the first half of 2018.
- The Group consolidated in 2018 the company **SPIE Oil and Gas Services Ghana Limited** created on 16 April, 2018.

6.1.5 Companies liquidated or divested in 2018

During the year 2018, the Group sold or disposed several entities which did not represent any strategic interest for itself. The operations are the following:

- on 9 January, 2018, the Group liquidated the **SAG Finance BV** company. Located in the Netherlands, the company was without significant activity since December 2017;

- on 20 December 2017, SPIE signed an agreement in order to sell its activities of SPIE Morocco to ENGIE. **SPIE Morocco** has more than 1,000 employees and generated in 2017 revenue of approximately €60 million. The final disposal has been concluded on 2 March, 2018.

6.1.6 Changes in method

During the year 2018, the Group deconsolidated the **SPIE OGS Venezuela** subsidiary which had no activity since 2017, and which was fully depreciated due to the strong devaluation of the Venezuelan Bolivar.

6.2 IMPACT OF NEWLY CONSOLIDATED COMPANIES

The impact of the new consolidated companies in the Group's financial statement is presented hereafter:

| <i>In thousands of euros</i> | S-Cube | Systemat Group | Other acquisitions | Total Acquisitions 2018 | PPA Adjustments (IFRS 3R) | Total after adjustments |
|--|-----------------|-----------------------|---------------------------|--------------------------------|----------------------------------|--------------------------------|
| Intangible assets | 3,954 | 6,056 | 1,351 | 11,361 | (740) | 10,621 |
| Property, plant and equipment | 135 | 46 | 346 | 527 | (189) | 338 |
| Financial assets | 14 | 249 | 26 | 289 | - | 289 |
| Deferred tax assets | 501 | - | 211 | 712 | 411 | 1,123 |
| Other non-current assets | - | 45 | - | 45 | - | 45 |
| Current assets | 10,301 | 14,971 | 5,715 | 30,987 | (4,743) | 26,244 |
| Cash and cash equivalents | 8,240 | 846 | 2,585 | 11,671 | - | 11,671 |
| Total assets acquired at fair value | 23,145 | 22,213 | 10,234 | 55,592 | (5,261) | 50,331 |
| Equity attributable to non-controlling interests | - | - | 868 | 868 | - | 868 |
| Long-term borrowings | - | (2,165) | (61) | (2,226) | - | (2,226) |
| Other non-current liabilities | (634) | (5,690) | (306) | (6,630) | 353 | (6,277) |
| Deferred tax liabilities | (1,218) | (1,599) | (350) | (3,167) | - | (3,167) |
| Short-term borrowings | - | (12,581) | (19) | (12,600) | - | (12,600) |
| Other current liabilities | (13,637) | (14,488) | (6,870) | (34,995) | (33,419) | (68,414) |
| Total liabilities assumed at fair value | (15,489) | (36,523) | (6,738) | (58,750) | (33,066) | (91,816) |
| Transferred counterpart* | 25,500 | 11,113 | 7,836 | 44,449 | - | 44,449 |
| RECOGNIZED GOODWILLS | 17,844 | 25,423 | 4,340 | 47,607 | 38,327 | 85,934 |

* See Note 6.1.2.

The column "PPA Adjustments (IFRS 3R)" includes the goodwill adjustments related to:

- the purchase price allocation of companies acquired during previous period (see Note 14.1), and in particular to additional provisions accounted for in the Ziut group (€12.6 million) and in the SAG group (€17.8 million).

NOTE 7 SEGMENT INFORMATION

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

7.1 INFORMATION BY OPERATING SEGMENT

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

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

| <i>In millions of euros</i> | France | Germany and Central Europe | North-Western Europe | Oil & Gas and Nuclear | Holdings | Total |
|---|----------------|-----------------------------------|-----------------------------|----------------------------------|-----------------|----------------|
| 2018 | | | | | | |
| Revenue (as per management accounts) | 2,523.1 | 2,163.6 | 1,498.0 | 486.6 | - | 6,671.3 |
| EBITA | 158.2 | 133.5 | 53.3 | 46.1 | 9.0 | 400.0 |
| <i>EBITA as a % of revenue (as per management accounts)</i> | <i>6.3%</i> | <i>6.2%</i> | <i>3.6%</i> | <i>9.5%</i> | <i>n/a</i> | <i>6.0%</i> |
| 2017 | | | | | | |
| Revenue (as per management accounts) | 2,406.9 | 1,891.4 | 1,336.4 | 492.2 | - | 6,126.9 |
| EBITA | 151.7 | 120.0 | 54.3 | 48.9 | 13.1 | 388.0 |
| <i>EBITA as a % of revenue (as per management accounts)</i> | <i>6.3%</i> | <i>6.3%</i> | <i>4.1%</i> | <i>9.9%</i> | <i>n/a</i> | <i>6.3%</i> |

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

| <i>In millions of euros</i> | 2018 | 2017 |
|--|----------------|----------------|
| Revenue (as per management accounts) | 6,671.3 | 6,126.9 |
| SONAID ⁽¹⁾ | (1.8) | (7.8) |
| Holding activities ⁽²⁾ | 22.6 | 17.8 |
| Other ⁽³⁾ | 1.6 | (8.9) |
| Revenue from contracts with customers | 6,693.7 | 6,128.0 |

(1) The SONAID company is consolidated on a proportionate basis in the management accounts (55%) while it is accounted for in equity method in consolidated accounts.

(2) Non-Group revenue from the SPIE Operations Group and non-operational entities.

(3) The "other" line mainly relates to the re-invoicing of services provided by Group entities to non-managed joint ventures, to the re-invoicing to non-Group entities that do not correspond to operational activity (essentially re-invoicing of expenses on account) and to the revenue from entities consolidated under the equity method, non-consolidated companies.

7.1.2 Reconciliation between EBITA and operating income

| <i>In millions of euros</i> | Note | 2018 | 2017 |
|--|-------------|--------------|--------------|
| EBITA | | 400.0 | 388.0 |
| Amortization of intangible assets (allocated goodwill) | (a) | (60.2) | (59.8) |
| Restructuring costs | (b) | (32.3) | (44.5) |
| Financial commissions | | (1.7) | (1.6) |
| Impact of equity affiliates | | (4.3) | (1.6) |
| Other non-recurring items | (c) | (21.9) | (16.9) |
| Consolidated Operating Income | | 279.6 | 263.6 |

(a) In 2018 and in 2017, the amounts relating to the allocated goodwills of the Group include an amount of €(41.1) million for SAG group.

(b) In 2018, restructuring costs relate to reorganizations in France for €(9.9) million and to the integration of SAG for an amount of €(17.6) million.

In 2017, restructuring costs related to reorganizations in France for €(13.3) million, in OGS for €(13.5) million and relate to the integration of SAG for an amount of €(16.2) million.

(c) In 2018, the "other non-recurring items" mainly correspond to costs related to external growth project for €(2.8) million, to the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 for €(2.9) million, and to the costs related to the disposal of the distribution services activities (overhead lines part) in the United Kingdom for €(14.1) million.

In 2017, the "other non-recurring items" mainly corresponded to costs related to external growth project €(8.9) million, and the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 for €(5.1) 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.

| <i>In millions of euros</i> | 2018 | 2017 |
|--|----------------|----------------|
| Revenue (as per management accounts) | 6,671.3 | 6,126.9 |
| Pro-forma adjustments (12 months effect of acquisitions) | 24.6 | 374.2 |
| Pro-forma revenue (as per management accounts) | 6,695.9 | 6,501.1 |
| EBITA | 400.0 | 388.0 |
| Pro-forma adjustments (12 months effect of acquisitions) | 0.9 | (4.0) |
| EBITA pro-forma | 400.9 | 384.0 |
| <i>As a % of pro-forma revenue</i> | <i>6.0%</i> | <i>5.9%</i> |

7.3 NON-CURRENT ASSETS BY OPERATING SEGMENT

Non-current assets include intangible assets, property, plant and equipment, and goodwill allocated to cash generating units.

| <i>In thousands of euros</i> | France | Germany & CE | North-Western Europe | Oil & Gas – Nuclear | Holdings | Total |
|------------------------------|----------------|-------------------------|-----------------------------|--------------------------------|------------------|------------------|
| 31 December, 2018 | 309,239 | 1,448,848 | 191,053 | 44,477 | 2,311,467 | 4,305,084 |
| 31 December, 2017 | 286,919 | 1,474,910 | 152,231 | 39,894 | 2,318,036 | 4,271,990 |

7.4 PERFORMANCE BY GEOGRAPHIC AREA

Revenue from contracts with customers is broken down by geographical location of customers.

| <i>In thousands of euros</i> | France | Germany | Rest of the world | Total |
|----------------------------------|-----------|-----------|-------------------|-----------|
| DECEMBER 31, 2018 | | | | |
| Revenue from ordinary activities | 2,826,105 | 1,797,974 | 2,069,614 | 6,693,693 |
| 2017 | | | | |
| Revenue from ordinary activities | 2,696,166 | 1,552,801 | 1,879,026 | 6,127,993 |

Unfulfilled or partially fulfilled benefit obligations amount to €4,785 million as of 31 December, 2018. The group expects to recognize €2,764 million during the 2019 financial year, the rest €2,021 million will be recognized 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 OTHER OPERATING INCOME AND EXPENSES

8.1 OPERATING EXPENSES

| <i>In thousands of euros</i> | Note | 2018 | 2017 |
|---|------|--------------------|--------------------|
| Purchases consumed | | (974,766) | (858,785) |
| External services | | (3,031,814) | (2,700,205) |
| Employment cost | 8.2 | (2,370,150) | (2,225,489) |
| Taxes | | (47,957) | (42,266) |
| Net amortization and depreciation expenses and provisions | 21.6 | (60,573) | (101,974) |
| Other operating income and expenses | | 56,449 | 63,977 |
| Operating expenses | | (6,428,810) | (5,864,742) |

The line "Net amortization and depreciation expenses and provisions" includes the net impairment losses on financial and contract assets, as detailed in the Note 21.6.

8.2 EMPLOYEE COST

8.2.1 Breakdown of employee cost

| <i>In thousands of euros</i> | Note | 2018 | 2017 |
|------------------------------|------|--------------------|--------------------|
| Wages and salaries | (a) | (1,693,961) | (1,571,912) |
| Social security costs | | (658,706) | (630,054) |
| Employee benefits | (b) | (10,264) | (14,777) |
| Employee profit-sharing | | (7,219) | (8,747) |
| Employee costs | | (2,370,150) | (2,225,489) |

(a) The CICE (French State's credit for competitiveness and employment) total benefit accounted for in the income statement, booked as a deduction from personnel costs, amounts to €27,288 thousand (against €31,430 thousand in 2017). These amounts were calculated including the payments

and liabilities accounted for during the period and relating to eligible compensations.

(b) Employee benefits include the share of long-term post-employment benefit reserved for retirement benefit.

8.2.2 Performance Shares

The information relating to the features of the performance shares are presented here below:

| | 31 Dec., 2018 | 31 Dec., 2017 | At original date Sept 19, 2016 |
|--|----------------|----------------|-----------------------------------|
| Beneficiary population | 332 | 377 | 420 |
| Acquisition date | 2019-07-28 | 2019-07-28 | 2019-07-28 |
| Number of granted shares at origin | 1,098,155 | 1,098,155 | 1,098,155 |
| Number of granted shares cancelled | (250,895) | (152,943) | - |
| Number of granted shares under performance conditions at year end | 847,260 | 945,212 | 1,098,155 |

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

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

The number of performance shares, to which the fair value applied for the calculation of the IFRS 2 expense, is adjusted by taking into consideration the estimation of the probabilities of achieving financial performance conditions.

The acquisition of the allocated shares is subject to three financial performance conditions:

- two internal conditions (non-market);
 - a condition on Average Annual Growth Rate (AAGR) of EBITA over the period 2016-2018,
 - a condition on Cash Conversion Rate (CCR) of EBITA over the period 2016-2018;
- one external condition, linked to a Total Shareholder Return (TSR) target for the SPIE shares compared to the median TSR of the companies included in the SBF 120 index over the reference period 2016-2018.

The beneficiary population is composed of 420 people and is divided into two circles, each with a specific plan:

- the first group corresponding to the Executive Committee of SPIE group and CEO of the French subsidiaries;
- the second circle corresponding to others beneficiaries bound with any of the Group companies by an employment contract.

The weights to be applied to internal and external allocation rates are as follows:

| | External Criteria | Internal Criteria |
|--|-------------------|-------------------|
| Executive Committee of SPIE group and CEO of French subsidiaries | 35.0% | 65.0% |
| Others | 20.0% | 80.0% |

The fair value of the performance shares, valued to €9,455 thousand as at 31 December, 2018, is amortized over the three-year vesting period. Thus, a charge for an amount of €2,135 thousand was booked in 2018.

Applicable taxes and employers contributions, due by employer companies in their own countries, have been accrued as expenses over the period 2016-2018 for a cumulative amount of €1,141 thousand for the 2016-2018 period, with an expense of €(158) thousand for the current year.

8.2.3 Breakdown of average number of Group employees

| | 2018 | 2017 |
|--|---------------|---------------|
| Engineers and executive management | 6,572 | 7,026 |
| Lower and middle management | 20,437 | 20,259 |
| Other employees | 19,324 | 19,567 |
| Average number of Group employees | 46,333 | 46,852 |

Headcount does not include any temporary people.

8.3 OTHER OPERATING INCOME (LOSS)

Other operating income and expenses break down as follows:

| <i>In thousands of euros</i> | Notes | 2018 | 2017 |
|---|--------------|-----------------|-----------------|
| Business combination acquisition costs | (a) | (2,794) | (8,929) |
| Net book value of financial assets and security disposals | (b) | (506) | (1,487) |
| Net book value of assets | | (3,742) | (4,785) |
| Other operating expenses | (c) | (45,783) | (52,721) |
| Total other operating expenses | | (52,825) | (67,922) |
| Gain on security disposals | (d) | - | 208 |
| Gains on asset disposals | | 5,067 | 6,637 |
| Other operating income | (e) | 5,937 | 4,278 |
| Total other operating income | | 11,004 | 11,124 |
| OTHER OPERATING INCOME AND EXPENSES | | (41,821) | (56,798) |

(a) 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.

In 2017 "business combination acquisition costs" mainly related to the acquisitions of SAG group, Luck companies and PMS by SPIE DZE (formerly SPIE GmbH), of Trios Group and Environmental Engineering by SPIE UK, and to the acquisition of Alewijnse, Ziut and Aaftink by SPIE Nederland.

(b) In 2018, the "net book value of financial assets" mainly related to the net book value recognized during the liquidation of SAG Finances BV by SPIE DZE for an amount of €(493) thousand.

In 2017, the "net book value of financial assets and security disposals" mainly corresponded to the NBV booked consequently to:

- (i) the disposal of AGIS Fire & Security Oy, located in Finland, by SPIE DZE (formerly SPIE GmbH), for an amount of €(312) thousand;
- (ii) the dissolution of the Allard company held by SPIE UK for an amount of €(186) thousand;
- (iii) to the dissolution of the Vehicle Rental company held by SPIE ENS Limited for an amount of €(675) thousand.

(c) In 2018, the "other operating expenses" mainly correspond to restructuring costs deriving from the reorganizations 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.

In 2017, the "other operating expenses" mainly corresponded to the restructuring costs deriving from the reorganizations completed in France, in OGS in particular since the acquisition of SAG group, in Germany.

(d) The gains on security disposals corresponded in 2017 to the disposal of the shares of AGIS Fire & Security Oy (located in Finland) by SPIE DZE (formerly SPIE GmbH), for an amount of €200 thousand.

(e) The "other operating income" mainly corresponds to penalties and to write backs on provisions.

NOTE 9 NET FINANCIAL COST AND FINANCIAL INCOME AND EXPENSES

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

| <i>In thousands of euros</i> | Notes | 2018 | 2017 |
|---|--------------|-----------------|-----------------|
| Interest expenses | (a) | (66,248) | (57,032) |
| Interest expenses on financial leases | | (420) | (367) |
| Interest expenses on cash equivalents | | (157) | (875) |
| Interest expenses and losses on cash equivalents | | (66,825) | (58,275) |
| Interest income on cash equivalents | | 560 | 575 |
| Net proceeds on sale of marketable securities | | - | 6 |
| Gains on cash and cash equivalents | | 560 | 581 |
| Costs of net financial debt | | (66,265) | (57,694) |
| Loss on exchange rates | (b) | (31,340) | (16,855) |
| Allowance for financial provisions for pensions | | (12,712) | (10,106) |
| Other financial expenses | | (3,740) | (5,941) |
| Total other financial expenses | | (47,793) | (32,902) |
| Gain on exchange rates | (b) | 18,688 | 10,227 |
| Reversal of financial provisions for pensions | | 22 | 21 |
| Gains on financial assets excl. cash and cash equivalents | | 277 | 151 |
| Allowance / Reversal on financial assets | | 190 | 1,330 |
| Other financial income | | 2,777 | 3,089 |
| Total other financial income | | 21,954 | 14,819 |
| OTHER FINANCIAL INCOME AND EXPENSES | | (25,838) | (18,083) |

(a) The change between 2017 and 2018 (€9.2 million) is due to the recognition through income statement of charges related to the old loans following the renewal of the Group's main term loan (Facility A), see Note 20.3.

(b) The gains and losses on exchange rates include in 2018 the evolution of currency translations between:

- angolan kwanza and euro generated a loss of nearly 25 million partially offset by a gain of €15 million;
- sterling pound and euro for a net amount of approximately €2 million, without any significant cash impact.

NOTE 10 INCOME TAX**10.1 TAX RATE****10.1.1 Tax rate**

The Group applies a tax reference of 34.43%. Furthermore, prevailing tax rates in the main European countries in Group businesses are the followings:

| <i>Income tax rate used by the Group</i> | 2018 | 2017 |
|--|-------------|-------------|
| France | 34.43% | 34.43% |
| Germany | 30.70% | 31.50% |
| United Kingdom | 19.00% | 19.00% |
| Belgium | 29.58% | 33.99% |
| Netherlands | 25.00% | 25.00% |
| Switzerland | 21.00% | 21.00% |

10.2 CONSOLIDATED INCOME TAX EXPENSE

Income taxes are detailed as follows:

| <i>In thousands of euros</i> | 2018 | 2017 |
|---|-----------------|-----------------|
| INCOME TAX EXPENSE REPORTED IN THE INCOME STATEMENT | | |
| Current income tax | (52,272) | (64,373) |
| Deferred income tax | 26,787 | (7,900) |
| TOTAL INCOME TAX REPORTED IN THE INCOME STATEMENT | (25,485) | (72,273) |
| INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME | | |
| Net (loss)/gain on cash flow hedge derivatives | 130 | (127) |
| Net (loss)/gain on post-employment benefits | 86 | (9,640) |
| TOTAL INCOME TAX REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME | 216 | (9,767) |

The Group deferred taxes as at 31 December, 2017, have been revalued mainly following the adoption of the 2018 Finance Act in France, which provided for a reduction in the corporate income tax rate from 28% to 25% (excluding additional tax contribution) for all companies between 2020 and 2022. In 2017, the impact related to

the deferred tax scheduled from 2020 onwards, and the update of the deferred taxes on these assets is the following:

- €20.5 million on the SPIE brand;
- €(2.3) million for the pension provisions.

In 2018, French deferred tax basis have also been fully revised from 34.43% to 32.02% (including additional tax contribution).

10.3 DEFERRED TAX ASSETS AND LIABILITIES

Before offsetting deferred tax assets and liabilities by fiscal entity, the components of deferred tax are as follows:

| <i>In thousands of euros</i> | Assets | Liabilities | 31 Dec., 2018 |
|--|----------------|------------------|-----------------|
| Derivatives | | 13 | 13 |
| Employee benefits | 127,214 | | 127,214 |
| Provisions for contingencies and expenses non-deductible for tax purpose | 45,011 | | 45,011 |
| Tax loss carry forward | 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 |
| TOTAL DEFERRED TAX – NET | 299,645 | (348,790) | (49,145) |

Deferred tax assets and liabilities by nature for 2017 are detailed below:

| <i>In thousands of euros</i> | Assets | Liabilities | 31 Dec., 2017 |
|--|----------------|------------------|-----------------|
| Derivatives | | (140) | (140) |
| Employee benefits | 129,509 | | 129,509 |
| Provisions for contingencies and expenses non-deductible for tax purpose | 31,312 | | 31,312 |
| Tax loss carry forward | 41,922 | | 41,922 |
| Revaluation of long-term assets | 39,042 | (334,400) | (295,358) |
| Deferred tax liabilities on finance leases | 101 | (591) | (490) |
| Other temporary differences | 46,892 | (34,002) | 12,889 |
| TOTAL DEFERRED TAX – NET | 288,778 | (369,134) | (80,356) |

The breakdown of deferred tax variations for the period according to their impact on the income statement or on the statement of financial position is the following:

| In thousands of euros | Variations 2018 | | | | | | 31 Dec., 2017 |
|--|-----------------|------------------|--------------|-------------------------|-------------------|--|-----------------|
| | 31 Dec., 2018 | Income statement | Equity & OCI | Translation differences | Reclassifications | Other/ Changes in scope ⁽¹⁾ | |
| Derivatives | 13 | 23 | 130 | | | | (140) |
| Employee benefits | 127,214 | (2,871) | 86 | 247 | 37 | 206 | 129,508 |
| Provisions for contingencies and expenses non-deductible for tax purpose | 45,011 | 2,398 | | 7 | 3,534 | 7,760 | 31,312 |
| Tax loss carry forward ⁽²⁾ | 47,147 | 5,252 | | (26) | (1) | - | 41,922 |
| Revaluation of long-term assets | (283,033) | 14,939 | | 552 | - | (3,167) | (295,358) |
| Deferred tax liabilities on finance leases | (416) | 75 | | (1) | - | - | (490) |
| Other temporary differences ⁽³⁾ | 14,918 | 6,970 | | (51) | 816 | (5,706) | 12,889 |
| TOTAL DEFERRED TAX – NET | (49,145) | 26,785 | 216 | 729 | 4,387 | (907) | (80,356) |

(1) The "others / changes in scope" mainly correspond to the deferred taxes provided by the incoming entities of the Group during the year, and to the ongoing process of purchase price allocation.

(2) The tax loss carry forward impacting the income statement mainly relate to:

- (i) the tax loss carry forwards used at SPIE group level (in particular in the level of the holding company, SPIE SA, head of tax integration regime) (see Note 10.4);
- (ii) the impact of increase of tax carry forwards activated in Germany, in the Netherlands and in Switzerland.

(3) The total amount of the "Other temporary differences" include the other differences such as restatements on currency translations and deferred taxes on borrowing costs for approximately €12,522 thousand.

10.4 TAX LOSS CARRIED FORWARD

Tax losses carried forward within the tax group in France amount to €64,102 thousand. They have been recognized as deferred tax assets for €16,050 thousand. The timeline for the relief of carry forward tax deficits, by allocation to predictable profits of the SPIE SA tax group, has been estimated at 1 year.

As at 31 December, 2018, unrecognized tax losses in France amount to €105,989 thousand and concern mainly pre-integration losses in the Group's French subsidiaries.

All tax losses carried forward in the United-Kingdom, which timeline for the relief of carry forward tax losses has been estimated at less than 5 years, amount to £ 20,468 (i.e. €22,780 thousand). The amount of deferred tax assets finally recognized is of £ 3,889 thousand (i.e. €4,328 thousand).

The deferred tax assets corresponding to the tax losses carried forward in Germany were fully accounted for €21,464 thousand, on a basis of a 5 years plan relief.

The tax losses carried forward of the Ziut group in the Netherlands amount as at 31 December, 2018 to €11,652 thousand. The corresponding amount of deferred tax assets finally recognized is of €2,913 thousand.

All tax losses carried forward relating to the SPIE ICS in Switzerland, amount in basis as at 31 December, 2018 to 11,691 thousands of Swiss Francs (CHF) (i.e. €10,358 thousand). They have been subject to the recognition of deferred tax assets fully accounted for an amount of CHF 2,455 thousand (i.e. €2,175 thousand).

10.5 RECONCILIATION BETWEEN PROVISION FOR INCOME TAXES AND PRE-TAX INCOME

| <i>In thousands of euros</i> | Notes | 2018 | 2017 |
|---|--------------|-----------------|-----------------|
| Consolidated net income | | 91,410 | 111,473 |
| (-) Net income from discontinued operations | | 70,583 | 4,033 |
| Provision for income taxes | | 25,485 | 72,273 |
| Pre-tax income | | 187,478 | 187,779 |
| (-) Net income (loss) from companies accounted for under the equity method | | (490) | (492) |
| Pre-tax income excl. companies accounted for under the equity method | | 186,988 | 187,288 |
| Theoretical French statutory tax rate | | 34.43% | 34.43% |
| Theoretical tax charge | | (64,380) | (64,483) |
| Permanent differences and other differences | (a) | 20,615 | (6,493) |
| French CVAE | (b) | (13,155) | (12,282) |
| Tax loss carry-forward | (c) | 9,521 | (33,404) |
| Difference between French and foreign income tax rates | | 2,835 | 26,229 |
| Difference on French income tax rate (Finance Act) | 10.2 | (7,328) | 17,144 |
| Tax provisions | (d) | 26,406 | 1,016 |
| Net provision for income taxes, including discontinued activities | | (25,485) | (72,273) |
| EFFECTIVE TAX RATE | | 13.59% | 38.49% |
| Effective tax rate excluding French CVAE | (e) | 2.89% | 28.51% |

(a) The permanent differences and other differences mainly include the incidences of reversal of non-tax deductible provisions for €10,796 thousands, and the discount of the 20% related to the 2018 Employees Shareholders Plans (see Note 5.3) for 1,894 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 income tax expense. As CVAE is tax deductible, its amount has been restated net of income tax for reconciliation purposes.

(c) The tax loss carry-forward comprise altogether tax losses realized in 2018 and not activated, for an amount of €(11,578) thousand, the utilization and the activation of tax loss carry-forwards not activated for an amount of €21,099 thousand, mainly related to incoming entities in Germany.

(d) Tax provisions comprise:

- on the one hand to tax audits in progress where notices of judgments have been received and are subject to discussions with the relevant tax authorities. The portion of this process relating to additional income tax is recognized as a component of the income tax expense. The reversal of tax provisions recognized during the period relate to the tax audit, which resulted in tax relieves, that occurred at SAG France for €15,506 thousand, and at SPIE SAG Group for €2,142 thousand;
- on the other hand to the reversal of tax outstanding debts not used in 2018 for an amount €6,202 thousand.

(e) In 2018, if the impact following the adoption of the 2018 Finance Act in France (see Note 10.2) had been taken into account, as well as the deferred tax on previous years' tax carry-forwards activated, the effective tax rate of the Group would have been of 19.50% excluding French CVAE, and 30.20% including the CVAE.

In 2017, if the impact following the adoption of the 2018 Finance Act in France had not been taken into account, the effective tax rate of the Group would have been of 37.64% excluding French CVAE and 47.62% including the CVAE.

NOTE 11 DISCONTINUED OPERATIONS

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

| <i>In thousands of euros</i> | Notes | 2018 | | 2017 | |
|---|-------|----------------|----------------------------|----------------|----------------------------|
| | | Revenue | Contribution to net income | Revenue | Contribution to net income |
| SPIE Industrie & Tertiaire – operations of SPIE in Morocco | (a) | 2,141 | (4,629) | 61,073 | 21,689 |
| SPIE Nuclear – soft FM activity | | - | - | 178 | (2,151) |
| SPIE Industrie & Tertiaire – MSI business | (b) | 4,223 | (2,094) | 7,892 | (2,597) |
| SPIE UK – underground utilities services | (c) | 26,959 | (18,109) | 53,793 | (30,121) |
| SPIE UK – soft FM activity | (d) | 37,283 | (328) | 32,660 | (7,720) |
| SPIE SAG – Gas & Offshore Services | (e) | 126,765 | (40,615) | 164,386 | 23,873 |
| SPIE Switzerland – SPIE IFS AG | | - | - | 1,198 | (194) |
| SPIE South-West- SonoTechnic | | - | - | 469 | (69) |
| SPIE Infoservices – Logistic business | | - | - | - | 104 |
| SPIE Industrie & Tertiaire – “housing market projects” activity | (f) | 1,870 | (3,837) | 7,288 | (7,170) |
| SPIE DZE – Services Solutions business in Greece | | - | (12) | - | (5) |
| SPIE OGS – Algeria business | (g) | 2,442 | (922) | 2,472 | 381 |
| SPIE Holdings – S.G.T.E. Ingénierie | | - | (36) | - | (52) |
| TOTAL | | 201,683 | (70,583) | 331,409 | (4,033) |

(a) SPIE's Moroccan operations. On 20 December, 2017, SPIE signed an agreement in order to sell its activities of SPIE Morocco to ENGIE. The final sales agreement was concluded on 2 March, 2018.

(b) The conception and assembly of specialized equipment for aeronautics activity (MSI) of SPIE Industrie & Tertiaire. The disposal process has been initiated during the second half of 2017. The final sales agreement has been signed on 28 September, 2018.

(c) Underground utilities services in the United Kingdom (water and gas networks). A divesture process has been initiated during the third quarter of 2017 and the disposal has been concluded on 26 June, 2018.

(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 divesture process has been initiated during the second quarter of 2017 and is still in progress as at 31 December, 2018.

(e) The Gas & Off-shore business of SAG, for which a disposal process has been initiated during the second quarter of 2017 and is still in progress as at 31 December, 2018 (see post-closing events, Note 26).

(f) Activities in “Housing market Projects” of the French company SPIE Industrie & Tertiaire. The discontinued process was initiated in the second half of the year 2016 and was still in progress as at 31 December, 2018.

(g) A sales agreement on the Algerian business of SPIE OGS has been signed on 8 January, 2019 (see post-closing events, Note 26).

As a result, as at 31 December, 2018, all of these activities have been reclassified in a separate line on the income statement, representing the contribution to net income of these operations.

The assets and liabilities of these operations have been respectively reclassified as “Assets classified as held for sale” and “Liabilities associated with assets classified as held for sale” in the consolidated statement of financial position as at 31 December, 2018. Assets and liabilities of these activities have been valued at the lower of their accounting value and their fair value less potential costs of sale of the assets.

NOTE 12 EARNINGS PER SHARE

12.1 DISTRIBUTABLE EARNINGS

In thousands of euros

| | 31 Dec., 2018 | 31 Dec., 2017 |
|---|----------------|----------------|
| CONTINUING OPERATIONS | | |
| Basic earnings from continuing operations attributable to owners of the parent (excluding minority Shareholders) | 162,024 | 114,435 |
| (-) 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 | 114,435 |
| Earnings from discontinued operations distributable to Shareholders of the Company, used for the calculation of the earnings per share | (70,583) | (4,033) |
| Total operations | | |
| Basic earnings from continuing operations attributable to owners of the parent (excluding minority Shareholders) | 91,442 | 110,402 |
| (-) Basic earnings attributable to preferential owners | | |
| EARNINGS DISTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY, USED FOR THE CALCULATION OF THE EARNINGS PER SHARE | 91,442 | 110,402 |

12.2 NUMBER OF SHARES

| | 31 Dec., 2018 | 31 Dec., 2017 |
|--|--------------------|--------------------|
| Average number of shares used for the calculation of earnings per share | 154,812,053 | 154,076,156 |
| Effect of the diluting instruments | 972,708 | 1,021,684 |
| Average number of diluted shares used for the calculation of earnings per share | 155,784,760 | 155,174,311 |

In compliance with IAS 33 "Earnings per share", the weighted average number of ordinary shares in the first half of 2018 (and for all presently shown periods) has been adjusted to take into account events that impacted the number of outstanding shares without having a corresponding impact on the entity's resources.

During the 2016 period, SPIE has issued a new Free Performance Shares plan which consequently dilutes the average number of shares (see Note 8.2).

12.3 EARNINGS PER SHARE

In thousands of euros

| | 31 Dec., 2018 | 31 Dec., 2017 |
|-----------------------------------|---------------|---------------|
| CONTINUING OPERATIONS | | |
| Basic earnings per share | 1.05 | 0.74 |
| Diluted earnings per share | 1.04 | 0.74 |
| Discontinued operations | | |
| Basic earnings per share | (0.46) | (0.03) |
| Diluted earnings per share | (0.45) | (0.03) |
| TOTAL OPERATIONS | | |
| Basic earnings per share | 0.59 | 0.72 |
| Diluted earnings per share | 0.59 | 0.71 |

In 2017, the lowering of the income tax rate from 2020 on, as provided for by the French Finance Act of 2018 (see Note 10.2) generated a positive amount of €17.1 million on the Group net income (i.e. €0.23 per share).

NOTE 13 DIVIDENDS

The dividends entitled for the 2017 period, representing a total amount of €86,282 thousand, which corresponds to a dividend of 56 cents per share, have been subject to an interim payment on September 2017 for an amount of €24,652 thousand. Consequently, a final dividend payment occurs in May 2018 for an amount of €61,630 thousand.

Furthermore, an interim dividend on the 2018 dividend was paid in September 2018, for an amount of €26,443 thousand.

Based on 2018 year's results, the Board of Directors will propose to the General Shareholders' Meeting to pay in 2019 a dividend of €0.58 per share. Since an interim dividend of €0.17 per share was paid in September 2018, the final dividend payment on May 2019 should be €0.41 per share if approved.

NOTES TO THE STATEMENT OF FINANCIAL POSITION**NOTE 14 GOODWILLS**

The following notes relate to the assets and liabilities of continuing operations as at 31 December, 2018.

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

14.1 CHANGES IN GOODWILLS

The value of the Group's goodwills as at 31 December, 2018 stands at €3,103 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:

| <i>In thousands of euros</i> | 31 Dec., 2018 | Acquisitions and adjustments of preliminary goodwill | Disposals | Changes in consolidation method | Changes in scope of consolidation and other | Translation adjustments | 31 Dec., 2017 |
|------------------------------|----------------------|---|------------------|--|--|--------------------------------|----------------------|
| 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 | 593,580 | 1,635 | | | 591,945 | | |
| SPIE Citynetworks | 244,767 | | | | (1,736) | | 246,503 |
| SPIE Facilities | 176,664 | | | | (2,593) | | 179,257 |
| SPIE ICS (France) | 180,194 | 17,844 | | | | | 162,350 |
| SPIE DZE | 992,617 | 24,969 | | | | (85) | 967,734 |
| SPIE ICS (Switzerland) | 48,246 | | | | | 1,647 | 46,599 |
| SPIE UK | 197,814 | | | | | (761) | 198,575 |
| SPIE Nederland | 176,896 | 15,113 | | | | | 161,783 |
| SPIE Belgium | 108,640 | 25,423 | | | | | 83,217 |
| SPIE Nuclear | 130,045 | 950 | | | | | 129,095 |
| SPIE OGS | 253,226 | | | | | | 253,226 |
| TOTAL GOODWILL | 3,102,689 | 85,934 | - | - | - | 801 | 3,015,955 |

Acquisitions and goodwill adjustments which occurred between 1 January and 31 December, 2018 mainly relate to the temporary allocations of goodwill and to the ongoing processes of purchase price allocation for the different acquisitions of the period, i.e.:

- in France:
 - €1,506 thousand for the Buchet company acquired by SPIE Industrie & Tertiaire in July 2018,
 - €129 thousands for the JM Electricité acquired in July 2017 and which PPA process was still ongoing in 2018,
 - €950 thousand for the Fluigetec company acquired by SPIE Nuclear in January 2018,
 - €17,844 thousand for the S-Cube company acquired in December 2017 by SPIE ICS.
- in Germany:
 - €26,023 thousand for the SAG group acquired by SPIE DZE in March 2017 and relating to the finalization of the goodwill allocation process,
 - €(1,057) thousand for the Luck and relating to the finalization of the goodwill allocation process.
- in the Netherlands:
 - €13,839 thousand for the Ziut group acquired in September 2017,

- €1,546 thousand for the Alewijnse Retail company acquired in November 2017,
- €329 thousand for the Inmeco company acquired in December 2017,
- €(601) thousand for the payment of an earn-out related to the Aaftink acquisition in December 2016.
- in Belgium:
 - €25,423 thousand for the Systemat group acquired in February 2018.

"Changes in scope of consolidation and other" relate to transfers of assets between the five French regional multitechnical entities to the SPIE Industrie & Tertiaire company, during the Galileo project (see Note 5.1).

Currency translation adjustments mainly relate to:

- €1,647 thousand for all Swiss entities within the SPIE ICS Switzerland CGU;
- €(85) thousand for the Polish and Hungarian companies held by SPIE DZE;
- and to €(761) thousands of currency translation impacts covering all entities of the SPIE UK CGU.

For comparative purpose, the carrying amounts of the Group goodwill as of 31 December, 2017 were the following:

| <i>In thousands of euros</i> | 31 Dec., 2017 | Acquisitions and adjustments of preliminary goodwill | Disposals | Change in consolidation method | Change in scope of consolidation and other | Translation adjustments | 31 Dec., 2016 |
|------------------------------|----------------------|---|------------------|---------------------------------------|---|--------------------------------|----------------------|
| SPIE IDF North-West | 139,757 | | | | (135,931) | | 275,688 |
| SPIE East | 68,592 | | | | (23,351) | | 91,943 |
| SPIE South-East | 130,651 | 1,407 | | | (68,739) | | 197,983 |
| SPIE South-West | 129,645 | | | | (99,588) | | 229,233 |
| SPIE West-Centre | 118,971 | 2,061 | | | (101,825) | | 218,735 |
| SPIE Citynetworks | 246,503 | | | | 246,503 | | |
| SPIE Facilities | 179,257 | | | | 179,257 | | |
| SPIE ICS (France) | 162,350 | (42) | | | | | 162,392 |
| SPIE DZE | 967,734 | 805,440 | (248) | | | 162 | 162,379 |
| SPIE ICS (Switzerland) | 46,599 | | | | 3,674 | (4,071) | 46,996 |
| SPIE UK | 198,575 | 3,958 | | (9,292) | | (2,106) | 206,016 |
| SPIE Nederland | 161,783 | 5,133 | | | | | 156,650 |
| SPIE Belgium | 83,217 | 4,918 | | | | | 78,299 |
| SPIE Nuclear | 129,095 | 1,294 | | | | | 127,801 |
| SPIE OGS | 253,226 | | | | | | 253,226 |
| TOTAL GOODWILL | 3,015,955 | 824,169 | (248) | (9,292) | | (6,015) | 2,207,341 |

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".

These tests are carried out in October of each year on the basis of the most recent budgets available. In 2018, they were developed based on the Business Plan's forecasts taking into account cash flows comprising a budget Y+1, forecasts for the years Y+2, a revised business plan for the year Y+3 and projections for Y+4 to Y+6 (these additional years are extrapolated from forecasts) in which is added a terminal value, calculated with a growth rate of 1.80% (in 2017: 1.70%).

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 rates after tax for all CGUs amount to 7.20% (2017: 7.30%) for all CGUs.

14.2.1 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.

Critical assumptions of the business plan and multiannual forecasts correspond to any reasonably possible changes.

The value of all operating segments subject to impairment testing is higher than the book value. 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).

The sensitivity tests would not present any loss in value except for the SPIE OGS CGU in the case of an increase of the WACC by +0.5% and of a decrease of the margin on terminal year by -0.5%. Under such conditions, the impairment could reach a maximum of €21 million. Nevertheless, the economic strategy of SPIE OGS lies in new business opportunities which should allow to extend its activity fields and hence improve its performance, starting in 2019. Pending the achievement of this strategy, it has been decided not to impair the related goodwill, but to keep the CGU under surveillance for 2019.

NOTE 15 INTANGIBLE ASSETS**15.1 INTANGIBLE ASSETS – GROSS VALUES**

| <i>In thousands of euros</i> | Concessions, patents, licenses | Brands | Backlog and customer relationship | Others | Total |
|----------------------------------|---|----------------|--|----------------|------------------|
| GROSS VALUES | | | | | |
| At 31 Dec., 2016 | 7,445 | 755,013 | 172,582 | 96,847 | 1,031,888 |
| Business combination effect | 81 | 136,490 | 220,861 | 3,766 | 361,198 |
| Other acquisitions in the period | 231 | - | - | 15,678 | 15,909 |
| Disposals in the period | (36) | - | - | (253) | (289) |
| Exchange difference | (10) | (796) | (1,327) | (529) | (2,663) |
| Other movements | 544 | - | - | (490) | 54 |
| Assets held for sale | - | - | (10,358) | (434) | (10,792) |
| At 31 Dec., 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 in the period | 401 | - | - | 11,105 | 11,507 |
| Disposals in the period | (211) | - | - | (977) | (1,188) |
| Exchange difference | 5 | 4 | 157 | (72) | 94 |
| Other movements | 717 | - | - | (779) | (62) |
| Assets held for sale | - | - | - | (3) | (3) |
| AT 31 DEC., 2018 | 9,186 | 892,775 | 391,041 | 123,272 | 1,416,275 |

Period ended 31 December, 2018

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.

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 revenues.

The line "Business combination effect", which concerns the brands, and backlog and customer relationships, corresponded in 2017 to the impacts of the purchase price allocation processes for the company acquired in 2017, and in particular to SAG, for the following amounts:

- €134,565 thousand in brand;
- €21,386 thousand in backlog;
- and €171,488 in customer relationship asset.

In 2018, the line "Business combination effect" relating to brands, backlogs and customer relationships corresponded mainly to the impacts of the ongoing process of purchase price allocation on the Systemat Group for the following amounts:

- €1,399 thousand in brand;
- €4,657 thousand in customer relationship asset.

As well as the purchase price allocation on S-Cube for the following amounts:

- €3,009 in customer relationship asset;
- €665 thousand in brand;
- and €131 thousand in backlog.

The "Other acquisitions in the period", representing €11,507 thousand, correspond to:

- on the one hand to intangible assets under development (mainly softwares);
- and on the other hand to other commissioned intangible assets: ERP implementation projects in Germany.

15.2 INTANGIBLE ASSETS –AMORTIZATION AND NET VALUES

| <i>In thousands of euros</i> | Concessions, patents, licenses | Brands ^(a) | Backlog and customer relationship ^(b) | Others | Total |
|-------------------------------|---|------------------------------|---|-----------------|------------------|
| AMORTIZATIONS | | | | | |
| At 31 Dec., 2016 | (5,514) | (71,727) | (108,621) | (68,660) | (254,521) |
| Amortization for the period | (744) | (16,341) | (43,506) | (10,281) | (70,873) |
| Reversal of impairment losses | - | - | - | - | - |
| Disposals in the period | 4 | - | - | 90 | 94 |
| Exchange difference | 7 | 796 | 696 | 282 | 1,780 |
| Other movements | (46) | - | - | 93 | 47 |
| Assets held for sale | - | - | 3,485 | 272 | 3,757 |
| At 31 Dec., 2017 | (6,294) | (87,272) | (147,946) | (78,204) | (319,716) |
| Amortization for the period | (899) | (16,690) | (43,534) | (8,023) | (69,145) |
| Reversal of impairment losses | - | - | - | 306 | 306 |
| Disposals in the period | 202 | - | - | 392 | 594 |
| Exchange difference | (4) | (4) | (120) | 1 | (126) |
| Other movements | (151) | - | - | 258 | 107 |
| Assets held for sale | - | - | - | 14 | 14 |
| AT 31 DEC., 2018 | (7,146) | (103,966) | (191,600) | (85,257) | (387,969) |
| NET VALUE | | | | | |
| At 31 Dec., 2016 | 1,931 | 683,286 | 63,961 | 28,188 | 777,365 |
| At 31 Dec., 2017 | 1,961 | 803,435 | 233,813 | 36,382 | 1,075,590 |
| AT 31 DEC., 2018 | 2,041 | 788,809 | 199,441 | 38,017 | 1,028,308 |

15.2.1 Period ended 31 December, 2018

Amortization of intangible assets during the period includes:

- (a) the amortization of SAG brand for €14,952 thousand (amortization over 9 years), GfT for €642 thousand (amortization over 3 years), Hartmann for €506 thousand (amortization over 3 years), Systemat for €350 thousand (amortization over 5 years), and S-Cube for €240 thousand (amortization over 4 years);

- (b) the amortization of the customer relationship assets and backlogs of the Group's acquisitions, and in particular of the SAG group for respectively €19,054 thousand and €7,129 thousand.

15.2.2 Finance leases

Intangible assets include the softwares financed by the Group through finance leases for a global amount of €15,204 thousand.

NOTE 16 PROPERTY, PLANT AND EQUIPMENT**16.1 PROPERTY, PLANT AND EQUIPMENT – GROSS VALUES**

| <i>In thousands of euros</i> | Land | Buildings | Plant and machinery | Others | Total |
|----------------------------------|---------------|------------------|----------------------------|----------------|----------------|
| GROSS VALUES | | | | | |
| At 31 Dec., 2016 | 4,435 | 46,467 | 129,868 | 143,288 | 324,059 |
| Business combination effect | 21,703 | 17,446 | 28,167 | 76,136 | 143,451 |
| Other acquisitions of the period | 16 | 2,113 | 13,920 | 23,689 | 39,738 |
| Disposals of the period | (354) | (3,700) | (4,218) | (7,005) | (15,277) |
| Exchange differences | 46 | (194) | (249) | (812) | (1,209) |
| Other movements | 35 | (2,154) | 160 | 1,764 | (196) |
| Assets held for sale | (1,934) | (4,984) | (7,886) | (49,710) | (64,513) |
| At 31 Dec., 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) |
| Exchange differences | (25) | (141) | 65 | 74 | (28) |
| Other movements | (70) | 398 | 2,808 | (3,796) | (661) |
| Assets held for sale | - | (12) | (34) | 39 | (7) |
| AT 31 DEC., 2018 | 23,862 | 54,968 | 173,213 | 196,419 | 448,464 |

Other property, plant and equipment mainly correspond to office and computer equipment and transport equipment.

16.2 PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION & NET VALUES

| <i>In thousands of euros</i> | Land | Buildings | Plant and machinery | Others | Total |
|-------------------------------|---------------|------------------|----------------------------|------------------|------------------|
| DEPRECIATIONS | | | | | |
| At 31 Dec., 2016 | (1) | (24,861) | (92,602) | (106,672) | (224,136) |
| Depreciation of the period | (174) | (4,712) | (14,744) | (22,054) | (41,684) |
| Reversal of impairment losses | 45 | 222 | 64 | - | 331 |
| Disposals of the period | - | 1,632 | 3,348 | 5,498 | 10,478 |
| Exchange differences | - | 105 | 267 | 637 | 1,010 |
| Other movements | - | 1,735 | 39 | (1,714) | 60 |
| Assets held for sale | - | 1,652 | 3,806 | 2,875 | 8,334 |
| At 31 Dec., 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 impairment 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 31 DEC., 2018 | (368) | (26,306) | (112,647) | (135,056) | (274,377) |
| NET VALUE | | | | | |
| At 31 Dec., 2016 | 4,434 | 21,607 | 37,266 | 36,616 | 99,923 |
| At 31 Dec., 2017 | 23,817 | 30,768 | 59,940 | 65,919 | 180,446 |
| AT 31 DEC., 2018 | 23,494 | 28,662 | 60,566 | 61,364 | 174,087 |

16.2.1 Finance leases

Fixed assets include assets financed by the Group through finance leases. These properties have net values of:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Land | - | - |
| Buildings | 60 | 185 |
| Plants and machinery | 5,477 | 6,163 |
| Others | 1,573 | 2,649 |
| NET AMOUNT OF ASSETS FINANCED THROUGH FINANCE LEASE | 7,110 | 8,997 |

NOTE 17 EQUITY**17.1 SHARE CAPITAL**

As at 31 December, 2018 the share capital of SPIE SA stands at €73,107,563.03 divided into 155,547,949 ordinary shares, all of the same class, with a nominal value of 0.47 euro.

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

| | Holding percentage |
|--|--------------------|
| Caisse de Dépôt et Placement du Québec | 12.1% |
| Société Foncière Financière et de Participation (FFP Invest) | 5.5% |
| Managers ⁽¹⁾ | 4.7% |
| Employee shareholding ⁽²⁾ | 4.3% |
| Public ⁽³⁾ | 73.4% |
| Treasury shares | 0.0% |
| TOTAL | 100.0% |

(1) Managers and senior executives, current and former, of the Group (as at 31 December, 2018).

(2) Stake held by the Group employees, directly or through the FCPE SPIE Actionnariat 2011/2018 (as at 31 December, 2018).

(3) Based on the information disclosed on 31 December, 2018 for the shares held by managers and employees.

17.2 PERFORMANCE SHARES

The current Performance Shares Plan grants, under certain conditions, performance shares in favor of corporate officers or employees of the Group (refer Note 3.18 and Note 8.2).

As a non-cash transaction, benefits granted are recognized as an expense over the vesting period in return for an increase in equity for an amount of €2,135 thousands relating to the year 2018.

NOTE 18 PROVISIONS**18.1 PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS**

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

| In thousands of euros | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------|----------------|
| Retirement benefits | 688,951 | 693,928 |
| Other long-term employee benefits | 26,024 | 27,219 |
| Employee benefits | 714,975 | 721,147 |
| | 2018 | 2017 |
| EXPENSE RECOGNIZED THROUGH INCOME IN THE PERIOD | | |
| Retirement benefits | 22,862 | 23,336 |
| Other long-term employee benefits | 1,130 | 1,803 |
| Total | 23,992 | 25,139 |

The obligations relate to the German (76.4%), French (19.0%), Swiss (4.6%), Dutch, and Belgian subsidiaries and comprise the local obligations for pensions.

18.1.1 Actuarial assumptions

The actuarial assumptions used to estimate the retirement benefits of the French entities are as follows:

| | 31 Dec., 2018 | 31 Dec., 2017 |
|------------------------------------|---|---|
| Discount rate | 1.50% | 1.50% |
| 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 executive staff | 2.75% for executive staff |
| | 2.25% for non-executive staff | 2.00% for non-executive staff |
| Generated average rate of turnover | Tables 2017 | Tables 2017 |
| | Executive staff: 4.5% | Executive staff: 4.5% |
| | Non-executive staff: 3.3% | Non-executive staff: 3.3% |
| Rate of employer's social charges | 50% | 50% |
| Mortality table | TGH/TGF 00-02 | 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 |

The actuarial assumptions used to estimate the retirement benefits of the German entities are as follows:

| | 31 Dec., 2018 | 31 Dec., 2017 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Discount rate | 2.32% | 2.19% |
| Type of retirement | Voluntary departure | Voluntary departure |
| Age of retirement | 62 years old (63 under exception) | 62 years old (63 under exception) |
| Future salary increase | 2.75% for all staff | 3.25% for all staff |
| Generated average rate of turnover | Average rate: 5% | Average rate: 5% |
| | For all categories of staff | For all categories of staff |
| Mortality table | RT Heubeck 2018 G | RT Heubeck 2005 G |

The actuarial assumptions used to estimate the retirement benefits of the Swiss entities are as follows:

| | 31 Dec., 2018 | 31 Dec., 2017 |
|---|--|--|
| Discount rate | 0.95% | 0.70% |
| 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 | Males: 25% Females: 25% | Males: 25% Females: 25% |
| Mortality table | BVG 2015 GEN | BVG 2015 GEN |
| Age at start of career (in years) | 25 years olds for all staff | 25 years olds for all staff |

18.1.2 Post-employment benefits

Changes in the provision are as follows:

| <i>In thousands of euros</i> | 2018 | 2017 | Of which France | Of which Germany | Of which Switzerland | Of which others |
|---|----------------|----------------|----------------------------|-----------------------------|---------------------------------|----------------------------|
| Benefit liability as of 1 January | 693,928 | 275,008 | 124,592 | 530,625 | 38,073 | 638 |
| Effect of changes in the scope of consolidation | 568 | 452,201 | 568 | | | |
| Operations discontinued or held for sale | | (26) | | | | |
| Expense for the period | 22,862 | 23,336 | 4,777 | 16,456 | 836 | 793 |
| Actuarial gain or loss to be recognized in OCI | (4,388) | (33,343) | 6,384 | (7,326) | (3,630) | 184 |
| Benefits paid | (19,857) | (15,626) | (5,682) | (13,200) | | (976) |
| Contributions paid to the fund | (5,291) | (3,867) | (374) | | (4,916) | (1) |
| Currency translation differences | 1,136 | (3,556) | | (7) | 1,143 | |
| Other changes | (7) | (198) | | (7) | | |
| BENEFIT OBLIGATION AS OF 31 DECEMBER | 688,951 | 693,928 | 130,265 | 526,542 | 31,506 | 638 |

The expense in the financial year is analyzed as follows:

| <i>In thousands of euros</i> | 2018 | 2017 | Of which France | Of which Germany | Of which Switzerland | Of which others |
|---|---------------|---------------|----------------------------|-----------------------------|---------------------------------|----------------------------|
| SERVICE COST DURING THE YEAR | | | | | | |
| Current service cost | 20,227 | 19,613 | 7,932 | 5,815 | 5,688 | 792 |
| Past service costs (plan, changes and reductions) | (4,724) | | 373 | | (5,097) | |
| Plan curtailments/settlements | (5,352) | (6,387) | (5,287) | (65) | | |
| NET INTEREST EXPENSE | | | | | | |
| Interest expense | 14,541 | 11,790 | 1,759 | 12,017 | 764 | 1 |
| Expected return on assets | (1,830) | (1,680) | | (1,311) | (519) | |
| EXPENSE IN THE PERIOD | 22,862 | 23,336 | 4,777 | 16,456 | 836 | 793 |
| of which: | | | | | | |
| Personal costs | 10,151 | 13,226 | 3,018 | 5,750 | 591 | 792 |
| Financial costs | 12,711 | 10,110 | 1,759 | 10,706 | 245 | 1 |

The reconciliation with the financial statements is provided below:

| <i>In thousands of euros</i> | 2018 | 2017 | Of which France | Of which Germany | Of which Switzerland | Of which others |
|--|----------------|----------------|----------------------------|-----------------------------|---------------------------------|----------------------------|
| Projected Benefit Obligation liability | 840,088 | 846,350 | 140,354 | 592,470 | 106,626 | 638 |
| Plan assets | 151,137 | 152,422 | 10,089 | 65,928 | 75,120 | - |
| BENEFIT OBLIGATION | 688,951 | 693,928 | 130,265 | 526,542 | 31,506 | 638 |

18.1.3 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 the French entities:

| Rate <i>In thousands of euros</i> | 1.00% | 1.25% | 1.50% | 1.75% | 2.00% |
|--|---------|---------|---------|---------|---------|
| Present benefit obligation – 31 Dec., 2018 | 128,208 | 123,979 | 119,950 | 116,110 | 112,447 |
| Difference | 8,258 | 4,029 | | (3,840) | (7,503) |
| Difference (in %) | 6.88% | 3.36% | | -3.20% | -6.26% |

The table below shows the sensitivity of the obligation with discount rates of +/-0.25% and +/-0.50% for the German entities:

| Rate <i>In thousands of euros</i> | 1.82% | 2.07% | 2.32% | 2.57% | 2.82% |
|--|---------|---------|---------|----------|----------|
| Present benefit obligation – 31 Dec., 2018 | 633,675 | 607,538 | 583,016 | 559,989 | 538,341 |
| Difference | 50,659 | 24,522 | | (23,027) | (44,675) |
| Difference (in %) | 8.69% | 4.21% | | -3.95% | -7.66% |

The table below shows the sensitivity of the obligation with discount rates of +/-0.25% and +/-0.50% for the Swiss entities:

| Rate <i>In thousands of euros</i> | 0.45% | 0.70% | 0.95% | 1.20% | 1.45% |
|--|---------|---------|---------|---------|---------|
| Present benefit obligation – 31 Dec., 2018 | 121,532 | 116,773 | 110,685 | 105,040 | 101,166 |
| Difference | 10,847 | 6,088 | | (5,645) | (9,519) |
| Difference (in %) | 9.8% | 5.50% | | -5.10% | -8.6% |

18.1.4 Other long-term employee benefits (length-of-service / jubilee awards)

Changes in the provision are as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---|---------------|---------------|
| Benefit liability as of 1 January | 27,220 | 16,965 |
| Business combination | 10 | 11,015 |
| Disposals of companies and other assets | 13 | (301) |
| Expense of the period | 1,130 | 1,803 |
| Benefits paid to beneficiaries | (2,259) | (2,262) |
| Contributions paid to funds | (9) | - |
| Other changes | (81) | - |
| BENEFIT OBLIGATION AS OF 31 DECEMBER | 26,024 | 27,220 |

There are no plan assets for other long-term employee benefits.

The expense in the financial year is analyzed as follows:

| <i>In thousands of euros</i> | 2018 | 2017 |
|--|--------------|--------------|
| Current service cost | 717 | 1,689 |
| Amortization of actuarial gains and losses | (133) | 101 |
| Interest expense | 713 | 368 |
| Plan curtailments/settlements | (267) | (576) |
| Amortization of past service costs | 100 | 221 |
| EXPENSE FOR THE PERIOD | 1,130 | 1,803 |
| Of which: | | |
| Personal costs | 417 | 1,435 |
| Financial costs | 713 | 368 |

18.2 OTHER PROVISIONS

Provisions include:

- provisions for contingent liabilities against specific risks in business combinations;
- provisions for tax risks, arising where tax audits have led to proposals from the tax authorities for adjustments in respect of prior years;

- provisions for restructuring;
- provisions for lawsuits with employees and labor cases;
- provisions for litigation still pending on 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".

| <i>In thousands of euros</i> | 31 Dec., 2018 | Additions during the period | Reversals during the period | Translation adjustments | Assets held for sale / discontinued | Change in scope/ others (a) | 31 Dec., 2017 |
|--|----------------------|------------------------------------|------------------------------------|--------------------------------|--|------------------------------------|----------------------|
| Provisions for warranty liabilities | 1,904 | | | | | | 1,904 |
| Tax provisions and litigations (b) | 30,320 | 2,903 | (22,002) | 177 | (1,413) | 1,602 | 49,054 |
| Restructuring | 9,694 | 1,992 | (2,890) | | (394) | 3,373 | 7,613 |
| Litigations | 49,382 | 16,036 | (24,722) | 77 | | 10,244 | 47,746 |
| Losses at completion | 44,397 | 28,049 | (48,625) | (36) | (27) | 20,583 | 44,454 |
| Social provisions and disputes | 10,123 | 5,253 | (10,723) | | 221 | (63) | 15,435 |
| Warranties and claims on completed contracts | 50,414 | 14,623 | (27,385) | 41 | 7,399 | 12,608 | 43,129 |
| PROVISIONS FOR LOSSES AND CONTINGENCIES | 196,235 | 68,856 | (136,348) | 258 | 5,786 | 48,347 | 209,335 |
| <i>Current</i> | <i>143,061</i> | <i>48,723</i> | <i>(96,370)</i> | <i>277</i> | <i>(2,319)</i> | <i>53,248</i> | <i>139,502</i> |
| <i>Non-current</i> | <i>53,173</i> | <i>20,133</i> | <i>(39,978)</i> | <i>(19)</i> | <i>8,105</i> | <i>(4,901)</i> | <i>69,833</i> |

(a) The €48,347 thousand of provisions include:

- €12,571 thousand of "losses at completion" from the Ziut group and €7,077 thousand in the SAG group relating to PPA finalization;
- and €4,950 thousand of "warranties and claims on completed contracts" in the SAG group.

(b) "Tax provisions and litigations" include an amount of €15,506 thousand accounted for in 2017 in the SAG group and fully reversed in 2018 in "Income tax expenses", following a tax relief.

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.

On 2018, reversals of unused provisions amounted to €20,417 thousand of which €4,911 thousand in "operating income" and €15,506 thousand in "Income tax Expenses".

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

| <i>In thousands of euros</i> | 31 Dec., 2018 | Non-current | Current |
|--|----------------------|--------------------|----------------|
| Provisions for warranty liabilities | 1,904 | 1,904 | |
| Tax provisions and litigations | 30,320 | 657 | 29,663 |
| Restructuring | 9,694 | 114 | 9,580 |
| Litigations | 49,382 | 11,832 | 37,550 |
| Losses at completion | 44,397 | 17,491 | 26,906 |
| Social provisions and disputes | 10,123 | 3,037 | 7,086 |
| Warranties and claims on completed contracts | 50,414 | 18,138 | 32,276 |
| Provisions for losses and contingencies | 196,235 | 53,173 | 143,061 |

For purposes of comparison, provisions accounted for as at 31 December, 2017 were as follows:

| <i>In thousands of euros</i> | 31 Dec., 2017 | Additions during the period | Reversals during the period | Translation adjustments | Assets held for sale / discontinued | Change in scope/ others | 31 Dec., 2016 |
|--|----------------------|------------------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|
| Provisions for warranty liabilities | 1,904 | 605 | (62) | | | | 1,361 |
| Tax provisions and litigations | 49,054 | 3,362 | (2,347) | (673) | | 31,467 | 17,245 |
| Restructuring | 7,613 | 2,834 | (3,893) | | (244) | 7,259 | 1,657 |
| Litigations | 47,746 | 15,097 | (12,160) | (201) | (1,315) | 4,377 | 41,948 |
| Losses at completion | 44,454 | 28,847 | (34,246) | (124) | (1,038) | 21,703 | 29,312 |
| Social provisions and disputes | 15,435 | 6,637 | (7,619) | (7) | (620) | 1,381 | 15,663 |
| Warranties and claims on completed contracts | 43,129 | 17,227 | (19,985) | (428) | (906) | 11,958 | 35,263 |
| Provisions for losses and contingencies | 209,335 | 74,609 | (80,312) | (1,434) | (4,123) | 78,144 | 142,450 |
| <i>Current</i> | <i>139,502</i> | <i>49,639</i> | <i>(57,117)</i> | <i>(692)</i> | <i>(3,536)</i> | <i>57,982</i> | <i>93,225</i> |
| <i>Non-current</i> | <i>69,833</i> | <i>24,970</i> | <i>(23,195)</i> | <i>(742)</i> | <i>(587)</i> | <i>20,162</i> | <i>49,226</i> |

The breakdown into current and non-current by category of provisions for 2017 is as follows:

| <i>In thousands of euros</i> | 31 Dec., 2017 | Non-current | Current |
|--|----------------------|--------------------|----------------|
| Provisions for warranty liabilities | 1,904 | 1,904 | |
| Tax provisions and litigations | 49,054 | 19,134 | 29,920 |
| Restructuring | 7,613 | 395 | 7,218 |
| Litigations | 47,746 | 13,857 | 33,889 |
| Losses at completion | 44,454 | 16,723 | 27,731 |
| Social provisions and disputes | 15,435 | 8,038 | 7,397 |
| Warranties and claims on completed contracts | 43,129 | 9,782 | 33,348 |
| Provisions for losses and contingencies | 209,335 | 69,833 | 139,502 |

NOTE 19 WORKING CAPITAL REQUIREMENT

| In thousands of euros | Notes | 31 Dec., 2018 | Change in Working capital related to activity ⁽¹⁾ | Other changes of the period | | | 31 Dec., 2017 |
|--|-------|------------------|--|-----------------------------|-------------------------------------|------------------|------------------|
| | | | | Change in scope (2) | Currency translations & Fair values | Change in Method | |
| Inventories and receivables | | | | | | | |
| Inventories and work in progress (net) | | 43,149 | 2,051 | 3,075 | 57 | 685 | 37,281 |
| Trade receivables | (a) | 1,877,875 | (2,748) | 37,303 | (460) | (6,590) | 1,850,370 |
| Current tax receivables | | 29,408 | (12,797) | 339 | 280 | | 41,586 |
| Other current assets | (b) | 271,960 | 14,736 | 10,445 | 186 | (48) | 246,642 |
| Other non-current assets | (c) | 5,708 | 715 | 5 | | | 4,988 |
| Liabilities | | | | | | | |
| Trade payables | (d) | (1,101,956) | (90,066) | (23,962) | 1,170 | 1,259 | (990,477) |
| Income tax payable | | (34,052) | 1,028 | (363) | (363) | | (34,355) |
| Other long-term employee benefits | (e) | (26,024) | 1,134 | (59) | 9 | 112 | (27,219) |
| Other current liabilities | (f) | (1,647,163) | (49,402) | (27,190) | (945) | 10,452 | (1,579,960) |
| Other non-current liabilities | | (6,520) | 674 | (3) | 7 | 83 | (7,281) |
| Working capital requirement | | (587,615) | (130,289) | (4,797) | (57) | 5,952 | (458,426) |

(1) Include the flows of incoming entities as at control date.

(2) Working capital presented at date of control for incoming entities and working capital presented at date of loss of control for outgoing entities.

(a) Receivables include accrued income.

(b) The other current assets mainly include tax receivables and accrued expenses recognized 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 accrued expenses.

(e) Other long-term employee benefits correspond to length-of-service awards.

(f) The detail of the other current liabilities is presented below:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|------------------------------|---------------|---------------|
| Social and tax liabilities | (684,008) | (655,834) |
| Deferred revenue | (384,734) | (379,976) |
| Advance and down-payments | (305,788) | (327,826) |
| Others | (272,633) | (216,325) |
| Other current liabilities* | (1,647,163) | (1,579,960) |

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

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

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

| In thousands of euros | 31 Dec., 2018 | Other movements of the period | | | | 31 Dec., 2017 |
|--|------------------|-------------------------------------|------------------|---|--------------------|------------------|
| | | Changes in W.C. related to business | Changes in scope | Currency translation & fair value impacts | Changes in methods | |
| WORKING CAPITAL | (587,615) | (130,289) | (4,797) | (57) | 5,952 | (458,426) |
| (-) Accounts payables on purchased assets | 8,595 | 6,121 | (25) | (9) | | 2,509 |
| (-) Tax receivables (a) | (33,213) | 4,641 | 4,048 | (280) | | (41,622) |
| (-) Tax payables (b) | 34,652 | (1,029) | 363 | 363 | 1 | 34,955 |
| Working capital excl. acc. payables on purchased assets, excl. tax receivables and payables | (577,581) | (120,556) | (410) | 16 | 5,953 | (462,584) |
| (-) Assets held for sale | | (22,251) | | | | |
| (-) other non-cash operations which impact the working capital as per balance sheet (c) | | (533) | | | | |
| CHANGES IN WORKING CAPITAL AS PRESENTED IN C.F.S | | (143,340) | | | | |

(a) Of which current tax receivables for an amount of €29,408 thousand as at 31 December, 2018.

(b) Of which current tax payables for an amount of €34,052 thousand as at 31 December, 2018.

(c) The "other non-cash operations which impact the working capital as per balance sheet" relate to the neutralization of the non-cash impacts of CICE and CIR, two French tax credits (see Note 8.2 and 19.2).

19.2 FRENCH TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT (CICE)

French companies submitted to tax payment can benefit from the French Government's tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE). The CICE tax credit amounts to 6% of gross payroll for compensation equal to or below 2.5 times the minimum legal wage of €1,498 per month since 1 January, 2018.

The CICE receivable from the State recognized as a current asset is based on payments and on liabilities recognized related to eligible remunerations in 2018. The CICE is directly charged to the Corporate

Tax of the year and of the three following years. At the end of the period, the unused balance will be paid back by the State. The tax loss carry forwards generated by the French holdings do not allow considering the recovery of the CICE claim prior to three years of imputation. Thus, on 8 December, 2016 the Board of Directors of SPIE SA authorized the discounted non-recourse sale of the CICE receivable to Natixis, according to the applicable French Daily Law (loi Dailly).

On 7 December, 2018, the Group has made a partial divestiture of its CICE receivable of €27,395 thousand for the 2018 CICE and of €300 thousand remaining from the 2017 CICE not divested in 2017.

19.3 TRADE AND OTHER RECEIVABLES

Current trade and other receivables break down as follows:

| In thousands of euros | 31 Dec., 2018 | | | 31 Dec., 2017 |
|---------------------------------------|---------------|------------|-----------|---------------|
| | Gross | Provisions | Net | |
| Trade receivables (a) | 1,108,376 | (40,402) | 1,067,974 | 980,774 |
| Notes receivables | 2,179 | | 2,179 | 2,812 |
| Contract assets (b) | 807,722 | | 807,722 | 866,784 |
| Trade receivables and contract assets | 1,918,277 | (40,402) | 1,877,875 | 1,850,370 |

(a) As at 31 December, the ageing analysis of net trade receivables is as follows:

| In thousands of euros | 31 Dec. | Not past due | Past due per maturity | | |
|-----------------------|-----------|--------------|-----------------------|----------------|-------------|
| | | | < 6 months | 6 to 12 months | > 12 months |
| 2018 | 1,067,974 | 821,845 | 219,143 | 17,599 | 9,389 |
| 2017 | 980,774 | 761,330 | 196,819 | 16,140 | 6,485 |

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

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Trade receivables | 1,070,153 | 983,586 |
| Trade receivables included in assets held for sale | 11,819 | 98,386 |
| Contract assets ⁽ⁱ⁾ | 807,722 | 866,784 |
| CONTRACT LIABILITIES ⁽ⁱⁱ⁾ | (701,308) | (721,079) |

(i) Contract assets comprise accrued income.

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

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---------------------------------------|----------------------|----------------------|
| Prepaid income | (384,777) | (380,016) |
| Down payments received from customers | (305,788) | (327,826) |
| Contract guarantees provisions | (10,744) | (13,238) |
| CONTRACT LIABILITIES | (701,308) | (721,079) |

19.4 ACCOUNTS PAYABLE

Current trade and other payables break down as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|------------------------------|----------------------|----------------------|
| Accounts payables | 625,676 | 539,115 |
| Notes payables | 49,533 | 45,089 |
| Accrued invoices | 426,748 | 406,273 |
| ACCOUNTS PAYABLE | 1,101,956 | 990,477 |

NOTE 20 FINANCIAL ASSETS AND LIABILITIES

20.1 NON-CONSOLIDATED SHARES

As at 31 December, 2018 non-consolidated shares stand as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--------------------------------|----------------------|----------------------|
| Equity securities | 4,507 | 25,159 |
| Depreciation of securities | (1,058) | (874) |
| NET VALUE OF SECURITIES | 3,449 | 24,285 |

As at 31 December, 2018, securities include the shares of the Siétar & VTI companies acquired on 1 August, 2018 by SPIE Industrie & Tertiaire for an amount of €2,039 thousand, and the shares of FLM GmbH acquired on 6 November, 2018 by SPIE DZE for an amount of €400 thousand (see Note 6.1.3).

These companies will be consolidated in 2019.

As at 31 December, 2017, securities included the shares of S-Cube company, acquired on 20 December, 2017 by SPIE ICS (France) for an amount of €19,500 thousand, and the shares held by SPIE Nederland in:

- Alewijnse Retail, acquired on 14 November, 2017 for an amount of €2,650 thousand;

- Inmeco, acquired on 4 December, 2017 for an amount of €384 thousand;
- and a goodwill booked in the newly created company, Meppel BV for an amount of €700 thousand.

During 2018, there were no significant change on the Group's other equity securities.

The amounts "depreciation of securities" as at 31 December, 2018 include the depreciation of SPIE OGS Venezuela which were full depreciated by SPIE OGS for an amount of €195 thousand (see Note 6.2).

20.2 NET CASH AND CASH EQUIVALENTS

As at 31 December, net cash and cash equivalents break down as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Marketable securities – Cash equivalents | 4,051 | 4,800 |
| Fixed investments (current) | - | - |
| Cash management financial assets | 4,051 | 4,800 |
| Cash and cash equivalents | 780,446 | 538,541 |
| Total cash and cash equivalents | 784,497 | 543,341 |
| (-) Bank overdrafts and accrued interests | (3,185) | (18,904) |
| Net cash and short term deposits of the Balance Sheet | 781,312 | 524,437 |
| (+) Cash and cash equivalents from discontinued operations | (1,706) | (4,459) |
| (-) Accrued interests not yet disbursed | 145 | 135 |
| CASH AND CASH EQUIVALENTS FROM THE CFS AT THE END OF THE PERIOD | 779,751 | 520,113 |

20.3 BREAKDOWN OF NET DEBT

Interest-bearing loans and borrowings break down as follows:

| <i>In thousands of euros</i> | Notes | 31 Dec., 2018 | 31 Dec., 2017 |
|--|--------------|----------------------|----------------------|
| LOANS AND BORROWINGS FROM BANKING INSTITUTIONS | | | |
| Bond – SAG acquisition (maturity 22 March, 2024) | (a) | 600,000 | 600,000 |
| Facility A (maturity 11 June, 2020) | (b) | - | 1,125,000 |
| Facility A (maturity June 07, 2023) | (b) | 1,200,000 | - |
| Revolving (maturity 11 May, 2020) | (b) | - | - |
| Revolving (maturity June 07, 2023) | (b) | - | - |
| Others | (c) | 11,351 | 703 |
| Capitalization of loans and borrowing costs | (d) | (18,239) | (13,868) |
| Securitization | (e) | 298,658 | 298,370 |
| Total bank overdrafts (cash liabilities) | | | |
| Bank overdrafts (cash liabilities) | | 3,019 | 18,768 |
| Interests on bank overdrafts (cash liabilities) | | 166 | 136 |
| Other loans, borrowings and financial liabilities | | | |
| Finance leases | | 17,675 | 21,181 |
| Accrued interest on loans | | 14,733 | 14,897 |
| Other loans, borrowings and financial liabilities | | 1,432 | 2,152 |
| Derivatives | | 76 | 140 |
| Interest-bearing loans and borrowings | | 2,128,871 | 2,067,479 |
| Of which | | | |
| Current | | 332,466 | 337,551 |
| Non-current | | 1,796,405 | 1,729,928 |

The Group loans are detailed hereafter:

- (a) On 22 March, 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 (see Note 5.3).
- (b) As a result of the refinancing of the Group's debt, in respect of the senior loan agreement concluded by the Group during its

IPO in 2015, SPIE SA as a borrower established, on 7 June, 2018 a loan agreement for an amount of €1,800 million through two new lines of funding:

- a term loan of €1,200 million maturing on 7 June, 2023 ("Facility A");
- a Revolving Credit Facility (RCF) with a five-year maturity, aiming to finance the current activities of the Group along with external growth, for an amount of €600 million, which have not been drawn as at 31 December, 2018.

These credit lines bear the following characteristics:

| <i>In thousands of euros</i> | Repayment | Fixed/floating rate | 31 Dec., 2018 |
|---|------------------|-----------------------------------|----------------------|
| Facility A | At maturity | Floating - 1 month Euribor +1.70% | 1,200,000 |
| Revolving Credit Facility | At maturity | Floating - 1 month Euribor +1.30% | - |
| LOANS AND BORROWINGS FROM BANKING INSTITUTIONS | | | 1,200,000 |

Interests are payable on these two loans (Facility A and RCF) contracted under the "New Senior Credit Facilities Agreement" established on 7 June, 2018, at a floating rate indexed to Euribor for advances in euros, at 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, Swedish Krona or Swiss Francs, 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 semester;
- 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 semester.

As at 31 December, 2018, a quarterly financial commitment fee for 0.455% is applied to the unwithdrawn portion of the Revolving Facility line. A quarterly financial commitment fee also applied to the withdrawn portion of the RCF under following conditions:

- utilization between 0% and 33%: 0.10% + margin;
- utilization between 33% and 66%: 0.20% + margin;
- utilization above 66%: 0.40% + margin.

(c) The "other" loans include the loans of entities acquired during the period, of which €3,498 thousand for the S-Cube entity and €6,502 thousand for the Systemat group.

(d) Financial liabilities are presented for their contractual amount. Transaction costs that are directly attributable to the issuance of financial debt instruments have been deducted, for their total amount, from the nominal amount of the respective debt instruments. The balance as at 31 December, 2018 is 18.3 million euros and relates to the two credit lines (See points (a) and (b)).

(e) The securitization program established in 2007 for an amount of 300 million euros, with a maturity at 30 August, 2018, has been renewed under the conditions below:

- the duration of the Securitization program is a period of five years minus one month from 11 June, 2015 (except in the event of early termination or termination by agreement);
- maximum funding of €450 million.

The Securitization program represented funding of €298.6 million as at 31 December, 2018.

20.4 NET DEBT

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

| <i>In millions of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---|----------------------|----------------------|
| Loans and borrowings as per balance sheet | 2,128.9 | 2,067.5 |
| Capitalized borrowing costs | 18.2 | 13.9 |
| Others* | (14.9) | (16.3) |
| Gross financial debt (a) | 2,132.2 | 2,065.1 |
| Cash management financial assets as per balance sheet | 4.1 | 4.8 |
| Cash and cash equivalents as per balance sheet | 780.4 | 538.5 |
| Accrued interests | - | - |
| Gross cash (b) | 784.5 | 543.3 |
| Consolidated net debt (a) - (b) | 1,347.7 | 1,521.8 |
| Cash held in discontinued activities | 1.7 | 18.8 |
| Unconsolidated net cash | (0.3) | (8.7) |
| NET DEBT - AS PUBLISHED | 1,349.1 | 1,531.9 |

* The "other" line of the gross financial debt corresponds in 2017 and 2018 to the accrued interests on the Bond mainly for €14.6 million.

20.5 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 Chart 4) is detailed hereafter:

| <i>In thousands of euros</i> | Cash flows (corresponding to the CFS) | | | | | Non-cash flows | | | 31 Dec., 2018 |
|--|---------------------------------------|------------------|--------------------|-----------------|------------------|----------------|----------------------------------|--------------------|------------------|
| | 31 Dec., 2017 | Loan issue | Loan repayments | Changes | Changes in scope | Others (b) | Currency and fair values changes | Changes in methods | |
| Bond (a) | 594,254 | (144) | (2,000) | | 2,000 | 866 | | | 594,976 |
| Bank loans | 1,415,951 | 1,529,698 | (1,470,681) | | 12,055 | 9,742 | | 29 | 1,496,794 |
| Other debts and liabilities | 2,153 | 2,304 | (3,314) | | 299 | | 22 | (31) | 1,432 |
| Finance Leases | 21,181 | | (21,919) | | 78 | 18,347 | (10) | (2) | 17,675 |
| Financial instruments | 139 | | | | | 76 | (140) | | 75 |
| FINANCIAL INDEBTEDNESS AS PER C.F.S | 2,033,678 | 1,531,858 | (1,497,914) | | 14,432 | 29,031 | (128) | (4) | 2,110,952 |
| (-) Financial interests | 14,897 | 18,785 | (18,949) | | | | | | 14,733 |
| (+) Bank overdrafts | 18,904 | | | (16,484) | 394 | | 58 | 313 | 3,185 |
| CONSOLIDATED FINANCIAL INDEBTEDNESS | 2,067,479 | 1,550,643 | (1,516,863) | (16,484) | 14,826 | 29,031 | (70) | 309 | 2,128,871 |

(a) The €2,000 thousand of bond were linked to the Systemat group's acquisition and were fully repaid during the period.

(b) The "Others" 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.

20.6 SCHEDULED PAYMENTS FOR FINANCIAL LIABILITIES

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

| <i>In thousands of euros</i> | Less than 1 year | From 2 to 5 years | Over 5 years | 31 Dec., 2018 |
|--|------------------|-------------------|----------------|------------------|
| LOANS AND BORROWINGS FROM BANKING INSTITUTIONS | | | | |
| Bond | | | 600,000 | 600,000 |
| Facility A | | 1,200,000 | | 1,200,000 |
| Revolving | | | | - |
| Others | 10,174 | 1,177 | | 11,351 |
| Capitalization of loans and borrowing costs | (3,824) | (14,181) | (234) | (18,239) |
| Securitization | 298,658 | | | 298,658 |
| TOTAL BANK OVERDRAFTS (CASH LIABILITIES) | | | | |
| Bank overdrafts (cash liabilities) | 3,019 | | | 3,019 |
| Interests on bank overdrafts (cash liabilities) | 166 | | | 166 |
| OTHER LOANS, BORROWINGS AND FINANCIAL LIABILITIES | | | | |
| Finance leases | 9,096 | 8,578 | | 17,675 |
| Accrued interest on loans | 14,733 | | | 14,733 |
| Other loans, borrowings and financial liabilities | 367 | 417 | 647 | 1,432 |
| Derivatives | 76 | | | 76 |
| Interest-bearing loans and borrowings | 332,466 | 1,195,991 | 600,413 | 2,128,871 |
| Of which: | | | | |
| Fixed rate | 36,711 | 10,005 | 600,413 | 647,130 |
| Variable rate | 295,755 | 1,185,986 | - | 1,481,741 |

Future debt interest is broken down as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 | Less than 1 year | From 2 to 5 years | Over 5 years |
|---|----------------------|----------------------|-------------------------|--------------------------|---------------------|
| Expected interest on bank borrowings | 35,683 | 96,632 | 17,978 | 17,705 | |
| Expected interest on finance lease borrowings | 565 | 808 | 239 | 297 | 30 |
| TOTAL | 36,248 | 97,440 | 18,217 | 18,002 | 30 |

The discounted value of future finance lease rental payments is as follows for each maturity date:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|------------------------------|----------------------|----------------------|
| Less than 1 year | 9,335 | 8,667 |
| From 2 to 5 years | 8,876 | 13,289 |
| Over 5 years | 30 | 32 |
| TOTAL | 18,240 | 21,989 |

The reconciliation between the future rental payments to be made in accordance with finance lease contracts and the value of the corresponding financial debt is presented as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Future rental payments due on finance leases | 18,240 | 21,989 |
| Finance lease liabilities | 17,675 | 21,181 |
| DIFFERENCE: FUTURE FINANCE LEASE EXPENSES | 565 | 808 |

20.7 OTHER FINANCIAL ASSETS

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---|----------------------|----------------------|
| Non-consolidated shares and associated receivables * | 3,479 | 24,546 |
| Long-term borrowings | 35,127 | 32,267 |
| Derivatives | 34 | 546 |
| Long-term receivables from service concession arrangement ("PPP") | 9,205 | 10,759 |
| Long-term deposits and guarantees | 4,475 | 4,771 |
| Other | 17 | 73 |
| OTHER FINANCIAL ASSETS | 52,338 | 72,963 |
| Of which: | | |
| <i>Current</i> | 6,961 | 7,881 |
| <i>Non-current</i> | 45,377 | 65,081 |

* See Note 20.1 for further details.

20.8 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:

| <i>In thousands of euros</i> | 31 Dec., 2018 * | 31 Dec., 2017 |
|---|------------------------|----------------------|
| Value of shares at the beginning of the period | 3,062 | 2,913 |
| Business combinations | | 9 |
| Net income attributable to the Group | 489 | 490 |
| Dividends paid | (401) | (350) |
| VALUE OF SHARES AT THE END OF THE PERIOD | 3,151 | 3,062 |

* Based on available 2017 information for Host GmbH and Allied Maintenance.

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

| <i>In thousands of euros</i> | 31 Dec., 2018 * | 31 Dec., 2017 |
|------------------------------|------------------------|----------------------|
| Non-current assets | 6,122 | 22,561 |
| Current assets | 96,757 | 113,871 |
| Non-current liabilities | (43,525) | (43,611) |
| Current liabilities | (72,971) | (96,220) |
| NET ASSET | (13,618) | (3,399) |
| INCOME STATEMENT | | |
| Revenue | 76,244 | 85,725 |
| Net income | (8,732) | 3,067 |

* Based on available 2017 information for Host GmbH and Allied Maintenance.

20.9 CARRYING AND FAIR VALUE OF FINANCIAL INSTRUMENTS BY ACCOUNTING CATEGORY

Reconciliation between accounting categories and IFRS 9 categories

| | FV P/L | FV E | Receivables and loans at amortized cost | Financial liabilities at amortized cost | 31 Dec., 2018 |
|--|---------------|-------------|--|--|----------------------|
| ASSETS | | | | | |
| Non-consolidated shares and long-term borrowings | 3,466 | | 41,911 | | 45,377 |
| Other non-current financial assets | | | 5,908 | | 5,908 |
| Other current financial assets (excl. derivatives) | | | 6,927 | | 6,927 |
| Derivatives | 34 | | | | 34 |
| Trade receivables | | | 1,877,875 | | 1,877,875 |
| Other current assets | | | 271,960 | | 271,960 |
| Cash and short-term deposits | 4,051 | | 780,446 | | 784,497 |
| TOTAL – FINANCIAL ASSETS | 7,551 | | 2,985,027 | | 2,992,578 |
| LIABILITIES | | | | | |
| Borrowings and loans (excl. derivatives) | | | | 1,796,330 | 1,796,330 |
| Derivatives | 76 | | | | 76 |
| Other long-term liabilities | | | | 6,520 | 6,520 |
| Current interest-bearing loans and borrowings | | | | 332,466 | 332,466 |
| Trade payables | | | | 1,101,956 | 1,101,956 |
| Other current liabilities | | | | 1,647,164 | 1,647,164 |
| TOTAL – FINANCIAL LIABILITIES | 76 | | | 4,884,436 | 4,884,512 |

FV P/L: fair value through Profit and Loss, FV E: fair value through Equity.

The reconciliation between accounting categories and IFRS 9 categories as at 1 January, 2018 was as follows:

| | FV P/L | FV E | Receivables and loans at amortized cost | Financial liabilities at amortized cost | January 1 st , 2018 |
|--|---------------|------------|---|---|--------------------------------|
| ASSETS | | | | | |
| Non-consolidated shares and long-term borrowings | 24,358 | | 40,723 | | 65,081 |
| Other non-current financial assets | | | 5,142 | | 5,142 |
| Other current financial assets (excl. derivatives) | | | 7,335 | | 7,335 |
| Derivatives | | 546 | | | 546 |
| Trade receivables | | | 1,870,695 | | 1,870,695 |
| Other current assets | | | 242,892 | | 242,892 |
| Cash and short-term deposits | 4,800 | | 538,541 | | 543,341 |
| TOTAL – FINANCIAL ASSETS | 29,158 | 546 | 2,705,328 | | 2,735,032 |
| LIABILITIES | | | | | |
| Borrowings and loans (excl. derivatives) | | | | 1,729,788 | 1,729,788 |
| Derivatives | 140 | | | | 140 |
| Other long-term liabilities | | | | 7,281 | 7,281 |
| Current interest-bearing loans and borrowings | | | | 337,552 | 337,552 |
| Trade payables | | | | 988,773 | 988,773 |
| Other current liabilities | | | | 1,598,252 | 1,598,252 |
| TOTAL – FINANCIAL LIABILITIES | 140 | | | 4,661,646 | 4,661,786 |

FV P/L: fair value through Profit and Loss, FV E: fair value through Equity.

Carrying value and fair value of financial instruments

| <i>In thousands of euros</i> | Book value | | Fair value | |
|--|------------------|------------------|------------------|------------------|
| | 31 Dec., 2017 | 31 Dec., 2018 | 31 Dec., 2017 | 31 Dec., 2018 |
| ASSETS | | | | |
| Non-consolidated shares and long-term borrowings | 65,081 | 45,377 | 71,790 | 50,953 |
| Other non-current financial assets | 5,142 | 5,908 | 5,142 | 5,908 |
| Other current financial assets (excl. derivatives) | 7,335 | 6,927 | 7,335 | 6,927 |
| Derivatives | 546 | 34 | 546 | 34 |
| Trade receivables | 1,850,370 | 1,877,875 | 1,850,370 | 1,877,875 |
| Other current assets | 246,642 | 271,960 | 246,706 | 272,039 |
| Cash and short-term deposits | 543,341 | 784,497 | 543,341 | 784,497 |
| TOTAL – FINANCIAL ASSETS | 2,718,457 | 2,992,578 | 2,725,230 | 2,998,233 |
| LIABILITIES | | | | |
| Borrowings and loans (excl. derivatives) | 1,729,788 | 1,796,330 | 1,729,788 | 1,796,330 |
| Derivatives | 140 | 76 | 140 | 76 |
| Other long-term liabilities | 7,281 | 6,520 | 7,281 | 6,520 |
| Current interest-bearing loans and borrowings | 337,552 | 332,466 | 337,552 | 332,466 |
| Trade payables | 990,477 | 1,101,956 | 990,477 | 1,101,956 |
| Other current liabilities | 1,579,973 | 1,647,164 | 1,579,973 | 1,647,164 |
| TOTAL – FINANCIAL LIABILITIES | 4,645,211 | 4,884,512 | 4,645,211 | 4,884,512 |

Classification by asset or liability level at fair value:

| <i>In thousands of euros</i> | 31 Dec., 2018 Fair value | Level 1 | Level 2 | Level 3 |
|--------------------------------------|-------------------------------------|----------------|----------------|----------------|
| ASSETS | | | | |
| Cash and short-term deposits | 4,051 | 4,051 | | |
| Derivatives | 34 | | 34 | |
| TOTAL – FINANCIAL ASSETS | 4,085 | 4,051 | 34 | |
| LIABILITIES | | | | |
| Derivatives | 76 | | 76 | |
| TOTAL – FINANCIAL LIABILITIES | 76 | | 76 | |

- 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 21 FINANCIAL RISK MANAGEMENT

21.1 DERIVATIVE FINANCIAL INSTRUMENTS

The Group is mainly exposed to interest rate, foreign exchange and credit risks within the framework 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 | | | | | | Total |
|---|---|---|------------------|------------------|------------------|------------------|-------------------------|--------------|
| | | Under 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years | |
| Asset derivatives qualified for designation as cash flow hedges (a) | | | | | | | | |
| Forward sales – USD | 34 | 1,826 | | | | | | 1,826 |
| Forward sales – GBP | - | | | | | | | |
| | 34 | | | | | | | |
| Liability derivatives qualified for designation as cash flow hedges (b) | | | | | | | | |
| Forward purchase – USD | (27) | 4,512 | | | | | | 4,512 |
| | (27) | | | | | | | |
| Total net derivative qualified for designation as cash flow hedges (a) + (b) | 7 | | | | | | | |
| Liability derivatives not qualified for designation as cash flow hedges | | | | | | | | |
| Forward purchases – GBP | (49) | 5,000 | | | | | | 5,000 |
| Total fair value of qualified and not qualified derivatives | (42) | | | | | | | |

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.

21.2 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, 2018, given the evolution of variable rates (negative Euribor), no interest rate swap has been established for

the hedging of the new loans. The Group examines the possibility to establish new swaps during the first semester of 2019.

21.3 FOREIGN EXCHANGE RISK

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

- through an Internal Exchange Shortfall Guarantee Agreement for currency flows corresponding to 100% of SPIE group's operations;
- by intermediation for currency flows corresponding to equity operations.

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

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

| <i>In thousands of euros</i> Currencies | 31 December, 2018 | | |
|--|--|------------------------------------|---------------------------------------|
| | USD <i>(American Dollar)</i> | CHF <i>(Swiss Franc)</i> | GBP <i>(Sterling Pound)</i> |
| Closing rate | 1.1371 | 1.1287 | 0.8985 |
| Risks | (5,646) | 6,462 | 135,173 |
| Hedges | 5,761 | - | (5,365) |
| Net positions excluding options | 116 | 6,462 | 129,808 |
| SENSITIVITY TO THE CURRENCY RATE -10% VS EURO | | | |
| P&L Impact | (648) | 718 | 14,379 |
| Equity Impact | (619) | - | n/a |
| SENSITIVITY TO THE CURRENCY RATE +10% VS EURO | | | |
| P&L Impact | 530 | (587) | (11,764) |
| Equity Impact | 507 | - | n/a |

The estimated amount of credit risk on currency hedging as at 31 December, 2018 is not significant (the risk of fluctuation during 2018 is also not significant).

21.4 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 21.3) relating to:

- forward purchases for USD 6,338 thousand;
- forward sales for GBP 5,000 thousand.

are distributed as follows at 31 December, 2018:

- BNP: 41.2%;
- CA CIB: 44.1%;
- CBN: 16.7%.

21.5 LIQUIDITY RISK

As at 31 December, 2018, the unused amount of the revolving credit facility (RCF) line stands at €600 million.

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

- nine of the Group's subsidiaries act as assignors in the securitization program in which assets are transferred to a securitization mutual fund named SPIE Titrisation;
- SPIE Operations is involved in this securitization program as a centralizing entity on behalf of the Group in relation to the depository bank.

This receivables securitization program allows participating companies to transfer full ownership of their trade receivables to the SPIE Titrisation mutual fund allowing them to obtain funding for a total amount of €300 million, with the possibility to increase the amount to €450 million.

The use of this program is accompanied by early repayment clauses for certain bank loans.

As at 31 December, 2018 transferred receivables represented a total amount of €558.2 million with financing obtained amounting to €298.7 million.

21.6 CREDIT RISK

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

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

Consequently, the Credit Management Department manages and monitors credit activity, risks and results and 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 working capital requirements implemented by General Management plays an important role in improving cash flow, serving more particularly to reduce overdue payments. Other actions have focused primarily on improving the invoicing process, introducing the securitization program and improving the information systems used to manage the trade item.

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

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---|---------------|----------------|
| Impairment losses on contract assets | (10,467) | (14,143) |
| Write-back of impairment losses on contract assets | 15,758 | 12,331 |
| Impairment losses on financial assets | - | - |
| Write-back of impairment losses on financial assets | - | - |
| NET IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS | 5,292 | (1,813) |

NOTE 22 NOTES TO THE CASH FLOW STATEMENT

22.1 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:

| <i>In thousands of euros</i> | Notes | 31 Dec., 2018 | 31 Dec., 2017 |
|---|------------|----------------|----------------|
| Marketable securities and other investments | | 4,051 | 4,800 |
| Cash | | 778,720 | 538,317 |
| Bank overdraft | | (3,021) | (23,004) |
| CASH AND CASH EQUIVALENTS AT YEAR-END INCLUDING ASSETS HELD FOR SALE | (a) | 779,750 | 520,113 |
| (-) Cash and cash equivalents of assets held for sale | (c) | 1,706 | 4,459 |
| (-) Accrued interests not yet due | | (145) | (135) |
| (+) Trading securities (short-term) | | - | - |
| CASH AND CASH EQUIVALENTS AT YEAR-END EXCLUDING ASSETS HELD FOR SALE | (b) | 781,311 | 524,437 |

(c) See Note 20.2.

22.2 IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the scope of consolidation can be summarized as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Consideration paid | (20,173) | (215,812) |
| Cash and cash equivalents provided | 11,259 | 29,925 |
| Cash and cash equivalents transferred | 3,788 | (290) |
| Impact of change in consolidation methods | - | - |
| Transfer price of consolidated investments | 37,100 | 550 |
| EFFECT OF CHANGE IN SCOPE OF CONSOLIDATION ON CASH & CASH EQUIVALENTS | 31,974 | (185,627) |

22.3 IMPACT OF OPERATIONS HELD FOR SALE

The impact on the cash flow statement of operations classified as discontinued is summarized as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Net cash flow from operating activities | (39,851) | (1,376) |
| Net cash flow used in investing activities | 32,717 | 553 |
| Net cash flow from financing activities | 4,581 | (5,608) |
| Effect of change in exchange rates | 98 | (278) |
| Effect of change in accounting principles | | |
| CHANGE IN CASH AND CASH EQUIVALENTS | (2,455) | (6,709) |
| RECONCILIATION | | |
| Cash and cash equivalents at beginning of the period | 750 | 2,250 |
| Cash and cash equivalents at end of the period | (1,706) | (4,459) |

OTHER NOTES**NOTE 23 RELATED PARTY TRANSACTIONS****23.1 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 accounts 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 has been no significant modifications between related parties described in the notes to the consolidated financial statements ended 31 December, 2017.

23.2 REMUNERATIONS AND BENEFITS TO MEMBERS OF THE GOVERNING BODIES

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|--|----------------------|----------------------|
| Salaries, social charges and short-term benefits | 2,124 | 1,854 |
| Other benefits – performance share plan | 296 | 296 |
| Post-employment benefits | 607 | 601 |
| EXECUTIVE COMPENSATIONS | 3,026 | 2,750 |

23.3 ATTENDANCE FEES

In 2018, the Board of Directors was composed of four independent Administrators, according to the "AfeP-Medef" Code. One of them has been nominated as a Senior Independent Director on 8 December, 2015. These independent Administrators are each member of at

least one of the Committees set up by the Board of Directors, i.e.: Audit Committee, remuneration committee, nomination committee, strategic and acquisition committee.

In accordance with their mandates and their functions within the Group, the independent Administrators receive attendance fees.

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---|---------------|---------------|
| Attendance fees | 262 | 276 |
| Other remunerations and fringe benefits | | |
| DIRECTORS REMUNERATIONS | 262 | 276 |

The amount of attendance fees correspond to a gross amount before tax deduction withheld at source by the company.

23.4 INVESTMENTS IN ASSOCIATES

The Group has investments in proportionally recognized joint ventures. The table below sets out the Group's proportionate interest in the assets, liabilities and net income of these entities:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|------------------------------|---------------|---------------|
| Non-current assets | - | - |
| Current assets | 52,270 | 66,222 |
| Non-current liabilities | (1) | - |
| Current liabilities | (48,745) | (58,929) |
| NET ASSETS | 3,524 | 7,293 |
| INCOME STATEMENT | | |
| Income | 66,133 | 68,031 |
| Expenses | (62,609) | (60,737) |

23.5 TAX GROUP AGREEMENTS

SPIE SA set up a tax consolidation group on 1 July, 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 be indemnified.

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 24 CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET COMMITMENTS

24.1 OPERATING LEASE COMMITMENTS

Commitments relating to operating lease stand at €423 million and breakdown per categories of equipment as follows:

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 | < 1 year | 2 to 5 years | > 5 years |
|-------------------------------|----------------|----------------|----------------|----------------|---------------|
| Buildings | 227,844 | 287,768 | 68,130 | 125,391 | 34,323 |
| Cars & trucks | 194,762 | 200,040 | 63,791 | 123,027 | 7,944 |
| TOTAL OPERATING LEASES | 422,606 | 487,808 | 131,921 | 248,418 | 42,267 |

The increase in cars & trucks operating leases mainly relate to companies acquired during the year.

24.2 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.

| <i>In thousands of euros</i> | 31 Dec., 2018 | 31 Dec., 2017 |
|---|----------------------|----------------------|
| COMMITMENTS GIVEN | | |
| Bank guarantees | 414,246 | 481,137 |
| Insurance guarantees | 426,560 | 377,377 |
| Parent company guarantees * | 546,523 | 497,700 |
| TOTAL COMMITMENTS GIVEN | 1,387,329 | 1,356,214 |
| COMMITMENTS RECEIVED | | |
| Endorsement, guarantees and warranties received | 23,074 | 28,588 |
| TOTAL COMMITMENTS RECEIVED | 23,074 | 28,588 |

* The "parent company guarantees" exclude a share of bank and insurance guarantees given by the parent company. These commitments respectively represented for 2017 and 2018, €325,133 thousand and €360,328 thousand.

The significant decrease (€82) million) in bank guarantees relates to the disposal of SPIE activities in Morocco (€(66) million).

24.3 OTHER COMMITMENTS GIVEN AND RECEIVED**Individual Employee Training Rights for the Group's French Companies**

Act No. 2004-391 of 4 May, 2004 relating to life-long professional training and social dialogue amending Articles L. 933-1 to L. 933-6 of the French Employment Code entitles employees with open-ended employment contracts under private law to a right to individual training (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 1 January 2015, the Personnel Training Account (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' rights to DIF are retained and continue to exist alongside the CPF: the rights to DIF can be used to exhaustion and up to 2020 at the most.

Tracking the number of hours of training accumulated corresponding to rights acquired under the DIF and the CPF and the monitoring of the volume of training hours which has not been used are now decentralized and available through an internet portal accessible only by employees as 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 31 December, 2018, no shares were pledged.

NOTE 25 STATUTORY AUDITORS' FEES

In accordance with the ANC 2017-09 and ANC 2017-10 regulation, the fees relating to auditors of SPIE SA booked in the consolidated income statement are the followings:

| <i>In thousands of euros</i> | EY | PwC |
|---|--------------|------------|
| Statutory audit at SPIE SA level | 286 | 297 |
| Statutory audit at level of subsidiaries fully consolidated | 1,359 | 516 |
| Other services * | 87 | 90 |
| TOTAL | 1,732 | 903 |

* These fees relate to works carried out for the bond emission, the interim dividend, a certificate issued for the CICE assignment agreement and independent third-party works.

NOTE 26 SUBSEQUENT EVENTS

26.1 SALE OF OFFSHORE CABLING ACTIVITIES IN GERMANY

On 21 December, 2018, SPIE has announced that it has signed an agreement with Royal Boskalis Westminster N.V. ('Boskalis') for the sale of its offshore cabling activities in Germany.

These activities constitute the major part of the Gas & Offshore division which was acquired with SAG in March 2017 and for which a sale process was initiated shortly thereafter. This disposal is in line with SPIE's strategic focus on its core business of small, recurring, low-risk multi-technical services contracts.

As a result of this transaction, all assets, employees and contractual obligations for future operations pertaining to the offshore cabling activities will be transferred to Boskalis. Completion of the transaction is subject to the satisfaction of customary conditions and is expected to occur during the first quarter of 2019.

Corresponding sold assets have been valued at their fair value at year end 2018, based on the signed agreement. As a result, an

impairment has been recognized on "Net income from discontinued operations" as at December 2018 for a net amount of €(9.8) million.

The remaining Gas & Offshore division mainly includes a construction activity, and an activity "Gas technology" for which a separate sale process is in progress. As a result, a discontinuing provision has been recognized on "Net income from discontinued operations" as at December 2018 for a net amount of €(10.2) million.

26.2 SALE OF LEGAL ENTITIES – FORAID AND FORAID ALGERIE

The companies Foraid and Foraid Algérie, which carry the activity of SPIE Oil & Gas Services in Algeria, were sold on 8 January, 2019.

The contribution of these companies to the Group's revenues amounted to €2.4 million in 2018 (see Note 11). In accordance with IFRS 3R, the consequences of this sale were fully recognized in the SPIE group consolidated income statement during the period.

NOTE 27 SCOPE OF CONSOLIDATION

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| HEADQUARTER SUB GROUP | | | | | | |
| SPIE SA | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | Mother Company | 100.00 | Mother Company | 100.00 |
| FINANCIÈRE SPIE | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE Operations | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| PARC SAINT CHRISTOPHE SNC | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE INTERNATIONAL | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SGTE INGENIÉRIE | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SBTP | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE Telecom Services | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE BATIGNOLLES TP HOCH UND TIEFBAU GMBH | Unter den linden 21 10117 Berlin – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE INFRASTRUKTUR GMBH (ex S GMBH) | Rudolfstrasse 9 10245 Berlin – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE RAIL (DE) GMBH | Unter den linden 21 10117 Berlin – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE SPEZIALTIEFBAU GMBH | Unter den linden 21 10117 Berlin – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE ENERTRANS | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE FRANCE SUB GROUP | | | | | | |
| SPIE FRANCE | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE INDUSTRIE & TERTIAIRE SUB-GROUP | | | | | | |
| SPIE INDUSTRIE & TERTIAIRE (EX SPIE SUD EST) | 4, avenue Jean-Jaurès – BP 19 69320 Feyzin – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE IDF NORD OUEST | 1/3 place de la Berline 93287 Saint-Denis Cedex – France | EUR | FC | 100.00 | Merger | - |
| SPIE EST | 2, route de Lingolsheim BP 70330 – Geispolsheim Gare 67411 Illkirch Cedex – France | EUR | FC | 100.00 | Merger | - |
| SPIE SUD OUEST | 70, Chemin de Payssat ZI Montaudran 31400 Toulouse – France | EUR | FC | 100.00 | Merger | - |
| SPIE OUEST CENTRE | 7, Rue Julius et Ethel Rosenberg BP 90263 44818 Saint-Herblain Cedex – France | EUR | FC | 100.00 | Merger | - |
| BUCHET SAS | 40 Rue Auguste Gal 06300 Nice – France | EUR | - | - | FC | 100.00 |
| C-TRAM SERVICES | 497, Rue Nicéphore Niepce 69800 Saint-Priest – France | EUR | FC | 100.00 | Merger | - |
| SIPECT | 229, Rue du Docteur Guichard – BP 91004 49010 Angers Cedex 1 – France | EUR | FC | 100.00 | FC | 100.00 |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|-----------------------------------|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| J.M. ÉLECTRICITÉ | 248 chemin de la Banastiere- La Garriguede Chalancon 84270 Vedene – France | EUR | FC | 100.00 | FC | 100.00 |
| THERMI | 115, rue Olof Palm – ZAC de Tournezy 34000 Montpellier – France | EUR | FC | 100.00 | FC | 100.00 |
| ANQUETIL CLIMATICIENS | 2, route de Lingolsheim BP 70330 – Geispolsheim – France | EUR | FC | 100.00 | FC | 100.00 |
| ENELAT | 70 Chemin de Payssat – Zone Industrielle de Montaudran 31400 Toulouse – France | EUR | FC | 100.00 | FC | 100.00 |
| BOISSON | Zone Artisanale 34130 Mudaison – France | EUR | FC | 100.00 | FC | 100.00 |
| ENELAT OUEST | ZAC de la Lorie, Immeuble Bertioz, 31 rue Bonny Sands 44800 Saint-Herblain – France | EUR | FC | 100.00 | FC | 100.00 |
| LIONS | Chemin du Badaffier – ZAC Ste Anne Est 84700 Sorgues – France | EUR | FC | 100.00 | FC | 100.00 |
| PROJELEC | 25, Allée Evariste Gallois 18000 Bourges – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE POSTES HTB | Parc Scientifique de la Haute Borne 10, avenue de l'Harmonie CS 20292 59665 Villeneuve-d'Ascq Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| THERMAT | 2, rue de l'Euro 74960 Meythet – France | EUR | FC | 100.00 | FC | 100.00 |
| VILLANOVA | ZAC de Chazaleix – Rue Emmanuel Chabrier 63730 Les Martres de Veyre | EUR | FC | 100.00 | FC | 100.00 |
| PROBIA INGENIÉRIE | 21, Rue Marcelin Berthelot – Zone de Kerivin – 29600 Saint-Martin-des-Champs – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE MAROC | PK 374, 815 Route d'el Jadida (par Lissasfa) Km 1.5 C.R. Ouled Azzouz Province de Nouaceur Casablanca – Maroc | MAD | FC | 100.00 | Disposal | - |
| COMAFIPAR SA | PK 374, 815 Route d'el Jadida (par Lissasfa) Km 1.5 C.R. Ouled Azzouz Province de Nouaceur Casablanca – Maroc | MAD | FC | 100.00 | Disposal | - |
| SOCIÉTÉ NOUVELLE HENRI CONRAUX | 2, route de Lingolsheim BP 70330 – Geispolsheim – France | EUR | FC | 100.00 | FC | 100.00 |
| ACEM | Avenue Albert Einstein 63200 Riom – France | EUR | Merger | - | - | - |
| SPIE CITYNETWORKS | | | | | | |
| SPIE CITYNETWORKS | 1/3 place de la Berline 93287 Saint-Denis Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| GRAND POITIERS LUMIÈRE | 1 rue des Entreprises 86440 Migné Auxances – France | EUR | EM | 50.00 | EM | 50.00 |
| VAL DE LUM | Parc d'activités de la Fringale – Voie de l'institut 27100 Val de Reuil – France | EUR | FC | 85.00 | FC | 85.00 |
| ENTREPRISE TRENTO | Route de Camaret 84100 Orange – France | EUR | FC | 100.00 | FC | 100.00 |
| CINERGY SAS | 27 Avenue du Gros Chêne 95614 Éragny sur Oise | EUR | EM | 50.00 | EM | 50.00 |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|--|---|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| SAG VIGILEC SAS | Les Paltrats 03500 Saint Pourcain sur Sioule – France | EUR | FC | 100.00 | FC | 100.00 |
| SAG FRANCE SAS | 45, Route de Metz 57130 Jouy-aux-Arches – France | EUR | FC | 100.00 | FC | 100.00 |
| SOGETRALEC SAS | Domaine de Poussan le Haut, Route de Lespignan 34500 Béziers – France | EUR | FC | 100.00 | FC | 100.00 |
| ELCARE | Avenue du Maine 72190 Saint-Pavace | EUR | FC | 100.00 | FC | 100.00 |
| SPIE FACILITIES | | | | | | |
| SPIE FACILITIES (ex SPIE 911) | 1/3 place de la Berline 93287 Saint-Denis Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SONO TECHNIC | Impasse Maniou 31140 Launaguet – France | EUR | Disposal | - | - | - |
| SPIE NUCLÉAIRE | | | | | | |
| SPIE NUCLÉAIRE | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE DEN | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | Merger | - | - | - |
| MAINTENANCE MESURE CONTRÔLE – MMC | 2, avenue Gabriel Lippmann 57970 Yutz – France | EUR | FC | 100.00 | FC | 100.00 |
| FLUIGETEC | 1 allée Vasco de Gama Zone Industrielle Daudel 26700 PIERRELATTE – France | EUR | - | - | FC | 100.00 |
| ATMN INDUSTRIE | Le Marais – Route Industrielle EST 76430 Saint-Vigor D'Ymonville – France | EUR | - | - | FC | 100.00 |
| ATMN | Le Marais – Route Industrielle EST 76430 Saint-Vigor D'Ymonville – France | EUR | FC | 100.00 | Merger | - |
| SAG ENERGY SYSTEMS IBERICA S.L.U. | Paseo Sarasate 38, 1 ^o planta 31001 Pamplona-Espagne | EUR | - | - | FC | 100.00 |
| SPIE THÉPAULT | 45, Route de Metz 57130 Jouy-aux-Arches – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE ICS | | | | | | |
| SPIE ICS | 53, Boulevard de Stalingrad 92247 Malakoff cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SPIE Cloud SERVICES | 53, Boulevard de Stalingrad 92247 Malakoff cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| S-CUBE | 12, rue Paul Dautier 78140 Velizy-Villacoublay – France | EUR | - | - | FC | 100.00 |
| SPIE INFOSERVICES | 53, Boulevard de Stalingrad 92247 Malakoff cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| SOCIÉTÉ FINANCIÈRE DU LANGUEDOC – SOFILAN | Rue Guy Arnaud – ZAC de Valdegour 30900 Nîmes – France | EUR | FC | 100.00 | Merger | - |
| APPLICATION DEVELOPPEMENT INFORMATIQUE – ADI | Rue Guy Arnaud – ZAC de Valdegour 30900 Nîmes – France | EUR | FC | 100.00 | Merger | - |
| REPRO DIFFUSION INFORMATIQUE – RDI | Rue Guy Arnaud 30900 Nîmes – France | EUR | FC | 100.00 | Merger | - |
| SPIE BELGIUM SUB GROUP | | | | | | |
| SPIE BELGIUM | Rue des deux gares 150 1070 Bruxelles – Belgium | EUR | FC | 100.00 | FC | 100.00 |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|--|---|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| SYSTEMAT LUXEMBOURG PSF SA | Parc d'Activités Capellen 77-79 8308 Capellen – Luxembourg | EUR | | - | FC | 100.00 |
| SYSTEMAT EIS SA | Parc d'Activités Capellen 77-79 8308 Capellen – Luxembourg | EUR | | - | FC | 100.00 |
| INCA DIGITAL SA | Kleine Mechelsebaan 52 3200 Aarschot – Belgium | EUR | | - | FC | 100.00 |
| SYSTEMAT BELUX SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| EVERUN IT S.P.R.L | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| SHOPMAT S.P.R.L | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| SYSTEMAT RENTING MANAGEMENT SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| SYSTEMAT EXPERT SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| MIMEOS LOGISTICS S.P.R.L | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| MIMEOS SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| SYSTEMAT NUMERIC SUPPORT SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| SYSTEMAT DIGITAL HUB SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| SYSTEMAT SOURCING CENTER SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| BIZZ4PARTNERS SA | Chaussée de Louvain 431C 1380 Lasne – Belgium | EUR | | - | FC | 100.00 |
| TEVEAN | Industriepark Rosteyne 6 9060 Zelzate – Belgium | EUR | FC | 100.00 | FC | 100.00 |
| ELEREP | Lammerdries3 2440 Geel – Belgium | EUR | FC | 100.00 | FC | 100.00 |
| DEVIS NV | Herentalseweg 48 2440 Geel – Belgium | EUR | Merger | - | - | - |
| DEVINOXS NV | Lammerdries3 2440 Geel – Belgium | EUR | Merger | - | - | - |
| DESERVIS NV | Lammerdries3 2440 Geel – Belgium | EUR | Merger | - | - | - |
| UNI-D NV | Lammerdries3 2440 Geel – Belgium | EUR | Merger | - | - | - |
| CLIMATISATION, REFRIGERATION INDUSTRIELLE ET COMMERCIALE SPRL | Rue des Berces 7 5650 Chastres – Belgium | EUR | Merger | - | - | - |
| SPIE NEDERLAND SUB GROUP | | | | | | |
| SPIE NEDERLAND B.V. | Huifakkerstraat, 15 4800 CG Breda – Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| ZIUT ADVIES B.V. | Nieuwe Plein 1B 6811 KN Arnhem -Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| ZIUT B.V. | Nieuwe Plein 1B 6811 KN Arnhem -Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| JANSEN VENNEBOER BEHEERMAATSCHAPPIJ B.V. | Industrieweg 4 NL 8131VZ Wijhe – Netherlands | EUR | FC | 100.00 | - | - |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| JANSEN VENNEBOER BEHEER & ONDERHOUD | Industrieweg 4 NL 8131VZ Wijhe – Netherlands | EUR | Merger | - | - | - |
| JANSEN VENNEBOER ADVIES B.V. | Industrieweg 4 NL 8131VZ Wijhe – Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| JANSEN VENNEBOER B.V. | Industrieweg 4 NL 8131VZ Wijhe – Netherlands | EUR | FC | 100.00 | Merger | - |
| AAFTINK HOLDING B.V. | Bovenkamp, 7 NL 1391 LA – Abcoude – Netherlands | EUR | FC | 100.00 | Merger | - |
| AAFTINK VERWARMING ABCOUDE BV | Bovenkamp, 7 NL 1391 LA – Abcoude – Netherlands | EUR | Merger | - | - | - |
| AAFTINK SERVICE BV | Bovenkamp, 7 NL 1391 LA – Abcoude – Netherlands | EUR | Merger | - | - | - |
| AAFTINK PROJECTEN BV | Bovenkamp, 7 NL 1391 LA – Abcoude – Netherlands | EUR | Merger | - | - | - |
| AAFTINK INSTALLATIE TECHNIEK BV | Bovenkamp, 7 NL 1391 LA – Abcoude – Netherlands | EUR | Merger | - | - | - |
| AAFTINK ELECTROTECHNIEK B.V. | Nijverheidsweg, 1 NL 6651 KS – Druten – Netherlands | EUR | FC | 100.00 | Merger | - |
| AD BOUMAN B.V. | Bovenkamp, 7 NL 1391 LA – Abcoude – Netherlands | EUR | FC | 100.00 | Merger | - |
| ZIUT INSTALLATIETECHNIEK B.V. | Nieuwe Plein 1B 6811 KN Arnhem – Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| MER ICT B.V. | Burgemeester Drijbersingel 25 NL 8021 DA Zwolle, Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| INMECO B.V. | Scheijdelveweg 8 e, 3214VN Zuidland Netherlands | EUR | - | - | FC | 100.00 |
| SPIE RETAIL B.V. (EX. ALEWIJNSE RETAIL B.V.) | Dwarsweg 2a NL 5301 KT Zaltbommel Netherlands | EUR | - | - | Merger | - |
| SPIE MEPEL B.V. | Pieter Mastebroekweg 8, 7942JZ Meppel – Netherlands | EUR | - | - | FC | 100.00 |
| SPIE CONTROLEC ENGINEERING BV | De Brauwweg, 74-82 NL 3125 AE Schiedam – Netherlands | EUR | Merger | - | - | - |
| GIETWALSONDERHOUDCOMBINATIE | Staalstraat, 150 1951 JP Velsen-Nord 4815 PN Breda – Netherlands | EUR | EM | 50.00 | EM | 50.00 |
| GEBR. VAN DER DONK CIVIEL B.V. | Menhirweg 6 NL 5342LS Oss – Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| SPIE TB ZWOLLE B.V. (EX ALEWIJNSE ZWOLLE BV) | Curieweg 11 NL 8013 RA Zwolle – Netherlands | EUR | FC | 100.00 | Merger | - |
| SPIE TB UTRECHT B.V. (EX ALEWIJNSE ULTRECHT BV) | Detmoldstraat 17 NL 3523 GA Utrecht – Netherlands | EUR | FC | 100.00 | Merger | - |
| SPIE TB DELFT B.V. (EX ALEWIJNSE DELFT BV) | Westlandseweg 13 NL 2624 AA Delft – Netherlands | EUR | FC | 100.00 | Merger | - |
| GPE TECHNICAL SERVICES BV | De Weegschaal 5 5215 MN'S – Hertogenbosch – Netherlands | EUR | Merger | - | - | - |
| INFRASTRUCTURE SERVICES & PROJECTS B.V. | Kromme Schaft 3 NL 3991 AR Houten – Netherlands | EUR | FC | 100.00 | FC | 100.00 |
| SPIE UK SUB GROUP | | | | | | |
| SPIE LIMITED (EX SPIE MATTHEW HALL LIMITED) | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|--|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| SPIE UK LTD | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE WHS LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| GARSDALE AND LAYCOCK (ST ANNES) LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | Liquidation | - | - | - |
| GARSDALE AND LAYCOCK LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| GARSDALE AND LAYCOCK (GROUP) LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| ALARD ELECTRICAL LTD | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | Liquidation | - | - | - |
| SPIE FS NORTHERN (UK) LTD | Centre Park – WA1 1RL Warrington Cheshire – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE ENS LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | Liquidation | - | - | - |
| VEHICLE RENTAL IRELAND LIMITED | 1 CairnView, Swatragh Maghera – BT46 5QG County Londonderry Ireland | GBP | Liquidation | - | - | - |
| SPIE SCOTSHIELD LTD | Mccafferty House 99 Firhill road G20 7BE Glasgow – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE LEVEN ENERGY SERVICES LIMITED | CNA House Sanfold Lane – Levenchulme M19 3BJ Manchester – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| ENVIRONMENTAL ENGINEERING LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE ENVIRONMENTAL ENGINEERING (UK) LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE MSS CLEAN TECHNOLOGY LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| TRIOS COMPLIANCE LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| TRIOS GROUP LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE FACILITIES LIMITED (EX TRIOS PROPERTY LIMITED) | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| TRIOS SECURE LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| TRIOS SKILZ LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| TRIOS FACILITIES LIMITED | 33 Gracechurch Street 2 nd Floor – EC3V OBT London – United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE DZE SUB GROUP | | | | | | |
| SPIE DEUTSCHLAND & ZENTRALEUROPA GMBH | Balcke-Durr-Allee 7 40882 Ratingen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE GMBH | Balcke-Durr-Allee 7 40882 Ratingen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| PMS SICHERHEITSTECHNIK KOMMUNIKATION GMBH | Schnorrstraße 70 1069 Dresden Germany | EUR | Merger | - | - | - |
| SPIE PERSONALMANAGEMENT GMBH (EX LÜCK PERSONALMANAGEMENT GMBH) | Leihgesterner Weg 37 D-35392 Giessen -Germany | EUR | FC | 100.00 | FC | 100.00 |
| LUCK HOLDING GMBH | Leihgesterner Weg 37 D-35392 Giessen Germany | EUR | Merger | - | - | - |
| SPIE LÜCK GMBH (EX LÜCK GEBÄUDETECHNIK GMBH) | Blumenstrasse 28 D-35423 Lich – Germany | EUR | FC | 100.00 | FC | 100.00 |
| LUCK BETEILIGUNGS GMBH | Leihgesterner Weg 37 D-35392 Giessen Germany | EUR | Merger | - | - | - |
| LS PLAN GMBH | An den Weiden 7 D-57078 Siegen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE BUCHMANN GMBH (EX ELEKTRO BUCHMANN GMBH) | Niederlosheimer Strasse 85 D-66679 Losheim am See – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE LÜCK BERATUNG GMBH (EX LÜCK BERATUNG GMBH) | Leihgesterner Weg 37 D-35392 Giessen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE PULTE VERWALTUNGS GMBH (EX PULTE ELEKTROTECHNIK VERWALTUNGS GMBH) | Obere Illbach 2-4 D-56412 Heiligenroth – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE PULTE GMBH & CO. KG (EX PULTE ELEKTROTECHNIK GMBH & CO. KG) | Obere Illbach 2-4 D-56412 Heiligenroth – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE NUHN GMBH (EX NUHN GEBÄUDETECHNIK GMBH) | Speyerer Schlag 8 D-67547 Worms – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE LÜCK HOLDING GMBH (EX LÜCK VERWALTUNGS GMBH) | Leihgesterner Weg 37 D-35392 Giessen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| ADVAGO SA, ATHEN/ GRIECHENLAND | 4 Zalogou Str & Mesogeion Ave Agia Paraskevi – Greece | EUR | FC | 51.00 | FC | 51.00 |
| CAR.E FACILITY MANAGEMENT KFT., GYÖR, UNGARN | VACI UT 76 1133 Budapest – Hungary | HUF | FC | 100.00 | FC | 100.00 |
| FMGO! GMBH | Gedonstrasse 8 80802 Munich – Germany | EUR | FC | 74.90 | FC | 74.90 |
| HOST GMBH HOSPITAL SERVICE + TECHNIK | Theodor – Stern – Kai 7 60596 Francfort sur le Main – Germany | EUR | EM | 25.10 | EM | 25.10 |
| SCHLOSS HERRENHAUSEN GMBH | Herrenhäuser Strasse 3 30419 Hanovre – Germany | EUR | Merger | - | - | - |
| SPIE ENERGY SOLUTIONS GMBH | Alfredstrasse 236 45133 Essen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE ENERGY SOLUTIONS HARBURG GMBH | Fuhlsbüttler Strasse 399 22309 Hambourg – Germany | EUR | FC | 65.00 | FC | 65.00 |
| SPIE POLSKA FACILITY MANAGEMENT SP. Z.O.O., WARSZAU/POLEN | ul. Powsinska 64A PL-02-903 Warszawa – Poland | PLN | FC | 100.00 | Merger | - |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| SPIE FLEISCHHAUER GMBH | Oldenburger Allee 36 30659 Hannover – Germany | EUR | FC | 100.00 | FC | 100.00 |
| AM ALLIED MAINTENANCE GMBH | König-Georg-Stieg 8-10 21107 Hamburg – Germany | EUR | EM | 25.00 | EM | 25.00 |
| SPIE HARTMANN GMBH | König-Georg-Stieg 8-10 21107 Hamburg – Germany | EUR | FC | 100.00 | FC | 100.00 |
| HE HANSE PROJEKTMANAGEMENT GMBH | König-Georg-Stieg 8-10 21107 Hamburg | EUR | Merger | - | - | - |
| SPIE COMNET GMBH (EX SPIE ICS GMBH) | Alfredstrasse 236 45133 Essen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| COMNET COMMUNIKATIONSSYSTEME & NETZWERKSERVICE BERLIN GMBH | Am Borsigturm 58 13507 Berlin – Germany | EUR | Merger | - | - | - |
| COMNET HANSE GMBH | Friedrich-Ebert-Damm 245 22159 Hamburg – Germany | EUR | Merger | - | - | - |
| COMNET COMMUNIKATIONSSYSTEME & NETZWERKSERVICE GMBH | Burgewedeler Strasse 27a 30916 Isernhagen – Germany | EUR | Merger | - | - | - |
| COMNET COMMUNIKATIONSSYSTEME & NETZWERKSERVICE REGION MITTE GMBH | Friedrich-Ebert Strasse 25 34117 Kassel – Germany | EUR | Merger | - | - | - |
| COMNET RHEIN-NECKAR GMBH | Mundenheimer Strasse 55 68219 Mannheim – Germany | EUR | Merger | - | - | - |
| COMNET WEST GMBH | Leyboldstrasse 10 50354 Hürth – Germany | EUR | Merger | - | - | - |
| SPIE AGIS FIRE & SECURITY OY (EX AGIS FIRE & SECURITY OY) | Valurautantie 19 700 – Helsinki – Finland | EUR | Disposal | - | - | - |
| SPIE AGIS FIRE & SECURITY KFT., BUDAPEST/UNGARN | Montevideo u. 3a 1037 Budapest – Hungary | HUF | FC | 100.00 | FC | 100.00 |
| SPIE POLSKA SP Z.O.O., WARSCHAU/POLEN (EX AGIS FIRE & SECURITY SP Z.O.O.) | Ul. Palisadowa 20/22 01-940 Warsaw – Poland | PLN | FC | 100.00 | FC | 100.00 |
| SPIE GFT GMBH (EX GFT – GESELLSCHAFT FÜR ELEKTRO) | Am Lichtbogen 40 45141 Essen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE SAG HOLDING GMBH | Balke-Dürr-Allee 7 40878 Ratingen – Germany | EUR | Merger | - | - | - |
| SPIE INFOGRAPH GISMobil GMBH | Am Stutzenwald 25 66877 Ramstein-Miesenbach – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SAG FINANCE B.V., AMSTERDAM/NIEDERLANDE | Herikerbergweg 238 1101 CM Amsterdam – Nederland | EUR | FC | 100.00 | Liquidation | - |
| SPIE SAG GMBH | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE IMMOBILIEN GMBH (EX SAG IMMOBILIEN GMBH) | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE ERWIN PETERS GMBH | Großmoorbogen 21 21079 Hamburg – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE VERSORGUNGSTECHNIK GMBH | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SAG VERMÖGENSVERWALTUNG GMBH | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | Merger | - | - | - |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| SPIE SAG GROUP GMBH | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SAG BETEILIGUNGS GMBH | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | Merger | - | - | - |
| SPIE VERTEILNETZE GMBH | Pittlerstraße 44 63225 Langen (Essen) – Germany | EUR | FC | 100.00 | FC | 100.00 |
| BOHLEN & DOYEN GMBH | Hauptstraße 248 26639 Wiesmoor – Germany | EUR | FC | 100.00 | FC | 100.00 |
| BOHLEN & DOYEN SERVICE UND ANLAGENTECHNIK GMBH | Hauptstraße 248 26639 Wiesmoor – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SEG LIPRO ENERGIE TECHNIK GMBH | Bayrische Straße 12 06679 Zorbau – Germany | EUR | FC | 100.00 | FC | 100.00 |
| ELEKTROVOD, A.S., BRÜNN/ TSCHÉCHIEN | Trat'ová 574/1 619 00 Brno – Czech Republic | CZK | FC | 100.00 | FC | 100.00 |
| SPIE ELBUD GDAŃSK SA, DANZIG/POLEN | ul. Marynarke Polskiej 87 80-557 Gdansk-Poland | PLN | FC | 100.00 | FC | 100.00 |
| SPIE HUNGARIA KFT., BUDAPEST/UNGARN | Mezőkövesd út 5-7 01116 Budapest-Hungary | HUF | FC | 100.00 | FC | 100.00 |
| SPIE ELEKTROVOD, A.S., BRATISLAVA/SLOVAKIE | Prievozská 4C 821 09 Bratislava-Slovakia | EUR | FC | 100.00 | FC | 100.00 |
| SPIE ELBUD KRAKÓW SP. Z.O.O., KRAKAU/POLEN | ul. Płk. St. Dąbka 8 30-732 Kraków-Poland | PLN | FC | 100.00 | FC | 100.00 |
| SPIE IMMOBILIEN VERWALTUNGSGESELLSCHAFT MBH | Balcke-Duerr-Allee 7 40882 Ratingen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE SAG IMMOBILIEN GMBH & CO. KG | Balcke-Duerr-Allee 7 40882 Ratingen – Germany | EUR | FC | 100.00 | FC | 100.00 |
| SPIE GASTECHNISCHER SERVICE GMBH | Hauptstraße 248 26639 Wiesmoor – Germany | EUR | - | - | FC | 100.00 |
| BODO SHARED SERVICES GMBH | Hauptstraße 248 26639 Wiesmoor – Germany | EUR | - | - | FC | 100.00 |
| SPIE ICS AG SUB GROUP | | | | | | |
| SPIE SCHWEIZ AG | Industriestrasse 50a 8304 Wallisellen – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| SPIE ICS AG (ex CONNECTIS) | Sonnenplatz 6 6020 Emmenbrücke – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| ELECTROTECH | Chemin des Léchères 3 1217 Meyrin – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| HAMARD SA | Chemin des Léchères 3 1217 Meyrin – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| SPIE MTS SA (Ex SPIE Switzerland SA) | Chemin des Léchères 3 1217 Meyrin – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| FANAC & ROBAS SA | 107, Rue de Lyon 1203 Geneve – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| VISTA CONCEPT SA | En reutet B 1868 Collombey Muraz – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| VISCOM SYSTEM SA | Avenue des Alpes 29 Montreux – Switzerland | CHF | FC | 100.00 | FC | 100.00 |
| SPIE IFS SA (Ex SPIE SCHWEIZ AG) | Untere rebgasse 7 4058 BASEL – Switzerland | CHF | Merger | - | - | - |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| SPIE OIL GAS & SERVICES SUB GROUP | | | | | | |
| SPIE OIL & GAS SERVICES | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex | EUR | FC | 100.00 | FC | 100.00 |
| SPIE OIL & GAS SERVICES SÉNÉGAL | 29, Avenue Pasteur Dakar, Senegal | XOF | FC | 100.00 | FC | 100.00 |
| SPIE TURBOMACHINERY (EX GEMCO INTERNATIONAL) | 5, Avenue des frères Wright ZI du Pont Long – 64140 Lons | EUR | FC | 100.00 | FC | 100.00 |
| FORAID | 10, avenue de l'Entreprise-France 95863 Cergy-Pontoise Cedex | EUR | FC | 100.00 | FC | 100.00 |
| SPIE OGS DOHA LLC | Doha State of Qatar with PO Box 14670 – Qatar | QAR | FC | 100.00 | FC | 100.00 |
| ALMAZ SPIE OGS | P.O. Box 18123 Sana' a Republic OF Yemen | USD | FC | 80.00 | FC | 80.00 |
| FORAID ALGERIE EURL | Route Nationale n° 49 Ouargla – Algeria | DZD | FC | 100.00 | FC | 100.00 |
| SPIE OGS CONGO | Section H – Parcelle 47 bis ZI de la Pointe noire Pointe Noire – Congo | CFA | FC | 100.00 | FC | 100.00 |
| SPIE OGS GABON | BP 579 Port Gentil – Gabon | CFA | FC | 99.00 | FC | 99.00 |
| IPEDEX GABON | BP 1564 Port Gentil – Gabon | EUR | FC | 90.00 | FC | 90.00 |
| IPEDEX INDONESIA | Veteran Building 9 th Floor unit No. 05–06 Plaza Semanggi 10220 Jakarta – Indonesia | USD | FC | 90.00 | FC | 90.00 |
| SPIE OGS (MALAYSIA) SDN BHD | Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1 47301 Petaling Jaya, Selangor Darul Ehsan – Malaisia | MYR | FC | 49.00 | FC | 49.00 |
| SPIE OGS KISH LLC (IRAN) | P.O. Box 79415 – 1316 1316 KISH Island I.R. – Iran | USD | FC | 100.00 | FC | 100.00 |
| SPIE OGS MIDDLE EAST LLC (ABU DHABI) | P.O. Box 4899 Abu Dhabi – Emirats Arabes Unis | AED | FC | 100.00 | FC | 100.00 |
| SPIE OGS ASP SDN BHD (MALAISIE) | Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1 47301 Petaling Jaya, Selangor Darul Ehsan – Malaisia | MYR | FC | 100.00 | FC | 100.00 |
| SPIE OGS THAILAND LTD | 1010, Shinawatra tower III 18 th Floor, Unit 1801 Viphavadi Rangsit Road, Chatuchak 10900 Bangkok – Thailand | THB | FC | 100.00 | FC | 100.00 |
| SONAID | Rua Amilcar Cabral n°211 Edificio IRCA – 9° et 10° Andar Luanda Angola | USD | FC | 55.00 | EM | 55.00 |
| SPIE NIGERIA LTD | 55 Trans Amadi Industrial Layaout Port Harcourt – Nigeria | NGN | FC | 100.00 | FC | 100.00 |
| SPIE OIL & GAS SERVICES VENEZUELA | Esquina Puente Victoria Edificio Centro Villasmil, piso 6, oficina 617 La Candelaria – Caracas – Venezuela | VEF | FC | 100.00 | NC | - |
| ENERFOR | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| YCOMAZ | 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex – France | EUR | FC | 100.00 | FC | 100.00 |
| GTMH NIGERIA | Plot 107 trans Amadi indus. Layout Port – Harcourt – Nigeria | NGN | FC | 100.00 | FC | 100.00 |

| Company | Address | Consolidation Currency | Conso Method 2017* | % Interest 31/12/2017 | Conso Method 2018* | % Interest 31/12/2018 |
|---|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| ASB PROJECTS & RESOURCES PTE | 160 Robinson Road #17-01, SBF Center, Singapore 068914 | USD | FC | 100.00 | FC | 100.00 |
| SPIE OIL AND GAS SERVICES GHANA LIMITED | P.O. Box LG 1204 Legon, Accra C374/26 Gilford Tetteh Ave. East Legon, Accra Ghana | GHS | - | - | FC | 80.00 |
| SPIE OIL & GAS SERVICES SAUDI | Al Mafleh Buildin, g, 2 nd Floor Labor City, King Abdulaziz Road – Cross 7, Building 7263 – Unit 1 PO Box 4695 – 34442 AL Khobar Saudi Arabia | SAR | FC | 100.00 | FC | 100.00 |
| SPIE LYBIA | Building n°470 – Souk Algabib Street Elsaihya Guerquerch Tripoli Lybia | LYD | FC | 65.00 | FC | 65.00 |
| SPIE OGS BELGIUM | Rue des deux gares 150 1070 Bruxelles – Belgium | EUR | FC | 100.00 | FC | 100.00 |
| SPIE TECNICOS DE ANGOLA LIMITADA | Avenida Commante Kima Kyenda n°309 no bairro da Boa Vista Luanda – Angola | USD | FC | 75.00 | FC | 75.00 |
| SPIE OGS VIETNAM LTD | 5 th Floor, 97-101 Nguyen Cong Tru Nguyen Thai Binh Ward, District 1 Ho Chi Minh City – Vietnam | VND | FC | 100.00 | FC | 100.00 |
| SPIE OGS JBL LIMITED | P.O. Box 74980 Emaar Square Building Level 7 Unit 702 702 Downtown Dubai – United Arab Emirates | AED | FC | 100.00 | FC | 100.00 |
| SPIE EDGO ENERGY VENTURES LIMITED | PO Box 74980, Emaar Square, Building 4, Level 7 Unit 702 74980 Dubai – United Arab Emirats | AED | Liquidation | - | - | - |
| SPIE PLEXAL (THAILAND) LTD | Rasa Tower 1, Units 1401-1404, 14 th Floor, 555 Paholyothin Road, Chatuchak District – Bangkok – Thailand | THB | FC | 100.00 | FC | 100.00 |
| SPIE OIL AND GAS SERVICES PTY LTD | 18 th Floor, 140 St George's Terrace Perth WA 6000 – Australia | AUD | FC | 100.00 | FC | 100.00 |
| SERVICES PETROLEUM & INDUSTRIAL EMPLOYEMENT (SPIEM) | PO BOX 15 Abu Dhabi – United Arab Emirates | AED | FC | 100.00 | FC | 100.00 |
| SPIE OGS LIMITED (UK) | 2 nd Floor 33 Gracechurch Street EC3V 0BT London United Kingdom | GBP | FC | 100.00 | FC | 100.00 |
| SPIE SERVICES NIGÉRIA LIMITED | 55 Trans Amadi Industrial Layout Port harcourt – Nigeria | NGN | FC | 100.00 | FC | 100.00 |

* Conso methods: FC: Full Consolidation, EM: Equity Method., NC: Not Consolidated.

4.4.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
S.A.S. au capital de € 2 510 460
672 006 483 R.C.S. Nanterre

Statutory Auditors
member of the Versailles regional company

ERNST & YOUNG et Autres

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Statutory Auditors
member of the Versailles regional company

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 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, 2018.

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, 2018 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 1st, 2018 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) N° 37/2014 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 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 statements as a whole, 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, 2018, the value of the Group's goodwill amounts to €3,102.7 million, against a total balance sheet of €7,790.4 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.

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, 2018, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 8th year of total uninterrupted engagement, which is the 4th 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 15, 2019

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 PARENT COMPANY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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ASSETS BALANCE SHEET

| BALANCE SHEET – ASSETS | 31 Dec., 2018 | | 31 Dec., 2017 |
|---|----------------------|---------------|----------------------|
| | Gross | Amortisations | Net |
| Uncalled share capital (I) | | | |
| Start-up costs | | | |
| Development costs | | | |
| Concessions, patents and similar rights | | | |
| Goodwill | 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 |
| Land | | | |
| Buildings | | | |
| Plant and machinery | | | |
| Other tangible fixed assets | | | |
| Fixed assets in progress | | | |
| Advances and deposits | | | |
| TOTAL tangible fixed assets | | | |
| Equity interests accounted for under the meq method | | | |
| Other equity interests | 1,440,669,595 | | 1,440,669,595 |
| Receivables concerning equity interests | 1,198,993,268 | | 483,272,447 |
| Other capitalised securities | | | |
| Loans | | | |
| Other financial assets | | | |
| TOTAL financial assets | 2,639,662,863 | | 1,923,942,043 |
| Total Fixed Assets (II) | 2,787,827,437 | | 2,072,106,617 |
| Raw materials, consumables | | | |
| Production of goods in progress | | | |
| Production of services in progress | | | |
| Interim and finished products | | | |
| Goods | | | |
| TOTAL Stock | | | |
| <i>Advances and deposits paid on orders</i> | | | |
| Trade and related receivables | 10,975,885 | | 10,975,885 |
| Other receivables | 510,937,911 | | 395,859,397 |
| Unpaid called-up share capital | | | |
| TOTAL Receivables | 521,913,796 | | 395,859,397 |
| Investment securities | 7,020 | | 7,020 |
| (of which treasury shares) | | | |
| Cash assets | 26,964 | | 31,197 |
| TOTAL Cash assets | 33,984 | | 38,217 |
| Prepaid expenditure | 2,288,847 | | 2,150,607 |
| TOTAL Circulating assets (III) | 524,236,627 | | 398,048,221 |
| Loan issue costs to be amortised (IV) | | | |
| Bond redemption premiums (V) | | | |
| Unrealised gains (V) | | | |
| GENERAL TOTAL (I à VI) | 3,312,064,064 | | 2,470,154,837 |

LIABILITIES BALANCE SHEET

| BALANCE SHEET – LIABILITIES | 31 Dec., 2018 | 31 Dec., 2017 |
|---|----------------------|----------------------|
| Individual or share capital (of which paid: 72,415,793) | 73,107,536 | 72,415,793 |
| Issue, merger, contribution premiums, etc. | 1,190,120,440 | 1,170,496,439 |
| Revaluation surplus (of which equivalence difference:) | | |
| Legal reserve | 7,310,754 | 7,241,579 |
| 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 | 7,241,579 |
| Carry forward | 5,354,169 | (23,322,917) |
| INCOME FOR THE FINANCIAL YEAR (PROFIT OR LOSS) | 94,147,234 | 116,750,477 |
| Investment subsidies | | |
| Regulated provisions | 39,030,858 | 39,030,858 |
| TOTAL EQUITY (I) | 1,409,070,989 | 1,382,612,229 |
| Income from issue of non-voting shares | | |
| Conditional advances | | |
| TOTAL OTHER EQUITY (II) | | |
| Provisions for liabilities | | |
| Provisions for charges | 7,366,334 | 7,062,800 |
| TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (III) | 7,366,334 | 7,062,800 |
| Convertible bond loans | | |
| Other bond loans | 600,000,000 | 600,000,000 |
| Borrowing and debts with credit institutions | 1,214,589,041 | 422,688,480 |
| Miscellaneous borrowing and financial liabilities (of which equity loans:) | | |
| TOTAL Financial liabilities | 1,814,589,041 | 1,022,688,480 |
| Advances and deposits received on orders in progress | | |
| Supplier debts and related debts | 945,944 | 515,097 |
| Tax and social debts | 3,507,680 | 3,686,793 |
| Debts on fixed assets and related debts | | |
| Other debts | 76,584,075 | 53,589,437 |
| TOTAL Operating Debts | 81,037,699 | 57,791,328 |
| Prepaid income | | |
| TOTAL DEBTS (IV) | 1,895,626,741 | 1,080,479,808 |
| Unrealised losses (V) | | |
| GENERAL TOTAL – LIABILITIES (I À V) | 3,312,064,064 | 2,470,154,837 |

INCOME STATEMENT

| Income Statement | 31 Dec., 2018 | | | 31 Dec., 2017 |
|---|-------------------|--------|---------------------|---------------------|
| | France | Export | Total | |
| Sales of goods | | | | |
| Production sold goods | | | | |
| Production sold services | 14,194,822 | | 14,194,822 | 1,599,009 |
| Net revenues | 14,194,822 | | 14,194,822 | 1,599,009 |
| Production in stock | | | | |
| Capitalised production | | | | |
| Operating subsidies | | | | |
| Reversals on amortisations and provisions, transfers of expenses | | | 161,671 | 28,077 |
| Other income | | | 87,823 | 1,774 |
| Total operating income (I) | | | 14,444,316 | 1,628,860 |
| 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 expenditure | | | 18,894,810 | 11,761,949 |
| Taxes, duties and similar payments | | | 483,937 | 68,920 |
| Salaries and wages | | | 4,218,011 | 3,833,474 |
| Social charges | | | 2,092,956 | 2,700,513 |
| Operating allocations | | | | |
| • Fixed Assets | | | | |
| amortization and depreciation expenses | | | | |
| provisions expenses | | | | |
| • on current assets: provisions expenses | | | | |
| • for contingencies and expenses: provisions expenses | | | 311,326 | 1,090,555 |
| Other expenditure | | | 405,608 | 305,759 |
| Total operating expenditure (II) | | | 26,406,648 | 19,761,170 |
| OPERATING INCOME | | | (11,962,332) | (18,132,310) |
| Profit attributed or loss transferred | | | | |
| Loss borne or profit transferred | | | | |
| Financial income from equity interests | | | 89,564,346 | 115,348,021 |
| Income from other securities and capitalised asset receivables | | | 23,806,741 | 14,440,189 |
| Other interest and similar income | | | | 238,431 |
| Reversals on provisions and transfers of expenses | | | | |
| Exchange rate gains | | | | 3,431 |
| Net income on assignments of investment securities | | | | |
| Total financial income (V) | | | 113,371,087 | 130,030,071 |
| Financial allocations to amortisations and provisions | | | 127,208 | 127,644 |
| Interest and similar expenditure | | | 37,713,441 | 25,083,881 |
| Exchange rate losses | | | | 4,213 |
| Net expenditure on assignments of investment securities | | | | |
| Total financial expenditure (VI) | | | 37,840,649 | 25,215,738 |
| FINANCIAL INCOME (V – VI) | | | 75,530,437 | 104,814,333 |
| PRE-TAX CURRENT INCOME (I-II+III-IV+V-VI) | | | 63,568,105 | 86,682,023 |

INCOME STATEMENT (CONTINUED)

| Income Statement (continued) | 31 Dec., 2018 | 31 Dec., 2017 |
|--|--------------------|--------------------|
| Exceptional income on management operations | 43,967 | 31,359 |
| Exceptional income on capital operations | | |
| Reversals on provisions and transfers of expenses | | |
| Total exceptional income (VII) | 43,967 | 31,359 |
| Exceptional expenditure on management operations | 13,446 | |
| Exceptional expenditure on capital operations | | |
| Exceptional allocations to amortisations and provisions | | |
| Total exceptional expenditure (VIII) | 13,446 | |
| EXCEPTIONAL INCOME (VII -VIII) | 30,521 | 31,359 |
| Employee profit sharing (IX) | | |
| Income taxes (X) | (30,548,608) | (30,037,095) |
| TOTAL INCOME (I + III + V + VII) | 127,859,370 | 131,690,290 |
| TOTAL EXPENDITURE (II + IV + VI + VIII + IX + X) | 33,712,136 | 14,939,814 |
| PROFIT OR LOSS (TOTAL INCOME – TOTAL EXPENDITURE) | 94,147,234 | 116,750,477 |

NOTES TO THE ANNUAL ACCOUNTS

Company: SPIE SA

The balance sheet total for the financial year having ended on 31 December, 2018 amounts to €3,312,064,063.92. The company generated an income of €94,147,233.78 for the financial year.

The financial year has a duration of 12 months, covering the period from 1 January, 2018 to 31 December, 2018.

1. Significant Events**1.1 SPIE performance share allocation plan**

The SPIE group decided during its Shareholders' General Meeting of 25 May, 2016 to issue a performance allocation plan for a targeted category of employees.

The detailed features of the plan are described in the document "Rules for performance share allocation plan" dated 28 July, 2016 and published by SPIE SA.

The main conditions for the acquisition of performance share provide:

- a definitive granting date of 19 September, 2016;
- a definitive date of acquisition of the shares by the beneficiaries after a period of 3 years, i.e. on 28 July, 2019;
- attendance conditions;
- performance conditions.

The attendance conditions stipulate that the beneficiary must be related to one of the Group's companies for the duration of the acquisition period.

The performance conditions are of two types: a condition of internal performance based on the EBITDA and a condition of external performance or so-called market performance based on a comparison between the performance of the SPIE SA share and that of the SBF120.

As an allocation of free shares to be issued, no compensation cost should be recognised in relation to the shares granted to the personnel.

However, the French companies with employees beneficiaries of the free share allocation plan, must record in their accounts accrued liabilities for the specific employer's contribution, as well as possible social security contributions due on the value of free shares distributed on a pro rata basis over the allocation period.

Given the current state of the regulation at the end of the financial year 2018, SPIE SA is liable to pay, at the end of the 3 years of the allocation period, the specific employer's contribution with a rate of 20% for which an adjustment of €62,000 has been recognised in the annual income for the period going from 1 January to 31 December, 2018.

1.2 Refinancing of the Group's financial debt on 7 June, 2018

On 7 June, 2018, in the context of the refinancing of its debt, the Group proceeded with the repayment of its "Facility A" and "Revolving Credit Facility" lines, which both initially had their term set in 2020. On this same date, the Group executed a new Senior Facility Agreement for a total amount of €1,200 million as well as a Revolving Credit Facility of €600 million which was unused as of 31 December, 2018.

Said credit facilities carry an interest rate equal to Euribor plus an additional starting margin of 1.70% for the term loan and 1.30% for the revolving facility, compared to respectively 2.38% and 2.28% for the repaid facilities.

The total amount of the financial debt is registered in SPIE SA's accounts.

1.3 "Share for You 2018" employees offering – share capital increase on 20 July, 2018

On 26 April, 2018, the Board of Directors, making use of the delegation of authority granted by the Shareholders' General Meeting of 16 May, 2017, decided to increase SPIE SA's share capital via the issuance of shares reserved to employees, former employees and eligible executive officers of the Company and its French and foreign subsidiaries, held directly or indirectly, member of a company saving plan, within the limit of €104.8 million share premium included (before discount) and granted the CEO the necessary powers to pursue this operation. Acting within said delegation of authority,

the CEO determined the definitive conditions of the offering in a decision dated 25 May, 2018 and in particular set the dates of the subscription period, which was open from 30 May, 2018 to 18 June, 2018 (included) and the subscription price of a SPIE share at €14.33 after a 20% discount granted to SPIE employees over a reference price per share of €17.91.

In a decision dated 20 July, 2018, the CEO took note of the definitive realisation of this share capital increase via the issuance of 1,471,793 new shares at the price of €14.33 per share, i.e. a share capital increase of €691,742.71 and the recording of a share premium in the accounts of €20,399,050.98 over which it was decided to collect the amount necessary to increase the statutory reserve as a consequence of the issuance of new shares, i.e. a total amount of €69,174.27, and to charge the fees related to the share capital increase for an amount of €705,875.91.

Divided between 16 countries, subscriptions have reached the amount of €26.4 million (before discount). Over 6,000 employees subscribed to shares through "SHARE FOR YOU 2018". Today, over 34% of SPIE's employees are Shareholders of the Group. With 4.3% of its share capital held by employees, SPIE belongs to the 20 companies of the SBF 120 having the highest level of employees' shareholdings.

1.4 CICE (Crédit d'impôt pour la Compétitivité et l'Emploi)

As from 1 January, 2013, French companies subject to corporate income tax can benefit from a "Tax Credit for Competitiveness and Employment" (*Crédit d'impôt pour la compétitivité et l'emploi* or CICE), calculated for FY2018 at 6% of the compensation not exceeding 2.5 times the minimum wage (minimum wage in France being €1,498 since 1 January, 2018).

CICE claim on the State is recognized as current assets, based on payments and liabilities recognized in 2018 as eligible remunerations. The CICE is chargeable against the corporate income tax due for the reference year and the following 3 years. The unused balance at the end of the period will be reimbursed by the State. The tax loss carryforwards generated at the level of the French holding companies do not allow for a recovery of the CICE claim prior to the expiry of the 3 chargeable years. Also, SPIE SA has proceeded with the assignment of the CICE claim to Natixis, without recourse and as a discount, in accordance with the Dailly Law.

Said claim assignment was executed on 7 December, 2018 for a total amount of €27,394,862 for the 2018 CICE and €300,485 for the remaining 2017 CICE paid in June 2018.

1.5 Sale of the 2015 and 2017 Research and Development Tax Credit (Crédit d'Impôt Recherche or CIR)

The CIR is chargeable against the corporate income tax due for the reference year and the following 3 years. The unused balance at the end of the period will be reimbursed by the State. The tax loss carryforwards generated at the level of the French holding companies do not allow for a recovery of the CIR claim prior to the expiry of the 3 chargeable years. Also, SPIE SA has proceeded with the assignment of the CICE claim to Natixis, without recourse and as

a discount, in accordance with the Dailly Law, on 28 November, 2018, for a total amount of €13,691,487, divided as follows:

- 2015 CIR: €4,741,082 due in July 2019;
- 2017 CIR: €8,950,405 due in July 2021.

1.6 Loans to Financière SPIE and SPIE Operations

- a €716,960,066 loan was granted to Financière SPIE on 7 June, 2018 for the purpose of refinancing the Group's debt;
- SPIE Operations is the beneficiary of the new €600 million Revolving Credit Facility which was unused as of 31 December, 2018.

2. Accounting Rules and Methods

The annual accounts for the financial year 2018 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 accounts is the historic costs method.

2.1 Recognition of Revenues

SPIE SA has provided services which are re-invoiced to SPIE Operations in compliance with a service provision agreement signed on 1 July, 2015.

2.2 Affiliated Companies

The amounts that are indicated in the different tables concerning the affiliated companies relate to operations undertaken with the subsidiaries of SPIE Operations and the company SPIE SA.

2.3 Intangible Fixed Assets

The intangible fixed assets mainly include the goodwill and the merger deficit.

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 1 January, 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 upon closure where there is an indication of impairment loss, which leads to recording of a depreciation when its current value is less than its net book value.

The technical merger or combination deficit resulting from operations of mergers or universal transfers of assets are recorded on the assets and are not amortised. They are the subject of an impairment test where there is an indication of impairment loss.

2.4 Tangible Fixed Assets

N/A

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 upon closure which leads to recording of a depreciation when the current value of the securities owned falls below its net book value.

Purchase cost of equity securities:

Owing to the change in tax legislation introduced by the 2007 Finance Act, and relative 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 accounts treatment option selected in 2005, only for equity securities as defined in Article 39-1-5 of the French General Tax Code.

Consequently the purchase costs incurred by the company during the financial years having ended since 31 december, 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 Stocks and Products in Progress

N/A.

2.7 Receivables and Debts

Receivables and debts were recorded at their nominal value.

As necessary, receivables and debts denominated in foreign currency have been revalued and recorded at the price of 14 december, 2018, with a view to accelerating the closure process. The exchange rate differences between 14 december, 2018 and 31 december, 2018 do not entail any significant impact on the valuations of the receivables and debts denominated in foreign currency.

Bad debts, where applicable, give rise to the recording 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 relative to the surplus cash invested;
- at the EONIA rate increased by 1/4 per cent for interest relative to the cash requirements financed.

2.8 Treasury shares

After the IPO on 10 June, 2015, the company SPIE SA holds 390 treasury shares corresponding to the unassigned fractional shares consecutive to:

- the stock split and consecutive division of the ordinary shares nominal value reduced from 1 euro (€1) to 0.47 euro;
- the merger between the company SPIE SA, as absorbing company, and each of the four Management companies, as absorbed companies.

The book value of the 390 treasury shares amounts to €7,020.00. It is registered in the account "50200 – Treasury shares" as of 31 December, 2018.

2.9 Cash Assets & Bank Facilities in Currency

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 Later 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 depreciation is recorded if the book value is greater than the recoverable value.

2.11 Provisions for Liabilities and Charges

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 accounts, 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 7 November, 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 ETAM (employees, technicians, supervisors). Labourers' lump sum payments on retirement are covered by an inter-company defined contribution scheme (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 scheme.

The annual expenditure 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 relative to length of service awards. The actuarial differences generated and the cost of past services are immediately recorded in income or expenditure for the financial year of their recording.

2.12.3 INDIVIDUAL EMPLOYEE TRAINING RIGHTS (DIF) AND PERSONAL TRAINING ACCOUNT (CPF)

Law 2004-391 of 4 May, 2004 on professional training throughout life and social dialogue, modifying Articles L. 933-1 to L. 933-6 of the French Employment 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 1 January, 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 expenditure 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 Post-Closure Events

N/A

ADDITIONAL INFORMATION RELATIVE 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 (I) | | | |
| Other intangible fixed asset items (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 | | | |
| Other tangible fixed assets | | | |
| General installations, miscellaneous fixtures and fittings | | | |
| Transport equipment | | | |
| Office equipment and computer furniture | | | |
| Recoverable packaging and miscellaneous | | | |
| Tangible fixed assets in progress | | | |
| Advances and deposits | | | |
| TOTAL (III) | | | |
| Equity-accounted equity interests | | | |
| Other equity interests | 1,923,942,042.81 | 1,080,766,807.52 | |
| Other capitalised securities | | | |
| Loans and other financial assets | | | |
| TOTAL (IV) | 1,923,942,042.81 | 1,080,766,807.52 | 0.00 |
| GENERAL TOTAL (I + II + III + IV) | 2,072,106,616.59 | 1,080,766,807.52 | 0.00 |

| Box B FIXED ASSETS | Reductions | | Gross value at the end of the financial year | Revaluation Original value |
|---|------------|-----------------------|---|-------------------------------|
| | Transfer | Assignment | | |
| Start-up and development costs (I) | | | | |
| Other intangible fixed asset items (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 | | | | |
| Other tangible fixed assets | | | | |
| General installations, miscellaneous fixtures and fittings | | | | |
| Transport equipment | | | | |
| Office equipment and computer furniture | | | | |
| Recoverable packaging and miscellaneous | | | | |
| Tangible fixed assets in progress | | | | |
| Advances and deposits | | | | |
| TOTAL (III) | | | | |
| Equity-accounted equity interests | | | | |
| Other equity interests | | 365,045,987.43 | 2,639,662,862.90 | |
| Other capitalised securities | | | | |
| Loans and other financial assets | | | | |
| TOTAL (IV) | | 365,045,987.43 | 2,639,662,862.90 | |
| GENERAL TOTAL (I + II + III + IV) | | 365,045,987.43 | 2,787,827,436.68 | |

Comments on the main acquisitions, assignments and contributions**Intangible fixed assets**

- a) The principal acquisitions comprise: N/A;
b) The principal assignments comprise: N/A;
c) The contributions comprise: N/A.

Tangible fixed assets

- a) The principal acquisitions comprise: N/A;
b) The principal assignments comprise: N/A;
c) The contributions comprise: N/A.

Financial assets

- a) The principal acquisitions comprise:
- loan of €716,960,066.47 granted to Financière SPIE on 7 June, 2018;
 - Drawing of €340,000,000 on the Revolving Credit Facility by SPIE Operations on 7 June, 2018;
 - Accrued Interests on loans (SAG France, SPIE Deutschland & Zentraleuropa, Financière SPIE and SPIE Operations).

- b) The principal assignments comprise:

- Repayment of the €340,000,000 drawing by SPIE Operations, the Revolving Credit Facility is unused as of 31 December, 2018;
- Repayment of accrued interests:
 - €391,234.89 by SAG France,
 - €15,816,717.87 by SPIE Deutschland & Zentraleuropa,
 - €7,008,284.66 by Financière SPIE,
 - €1,829,750.01 by SPIE Operations.

- c) The contributions comprise: N/A.

2. AMORTIZATION

N/A.

3. STOCKS AND WORKS IN-PROGRESS

N/A.

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 amortisations | 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 | 7,062,800 | 438,534 | 135,000 | 7,366,334 |
| 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 liabilities and charges | | | | |
| TOTAL (II) | 7,062,800 | 438,534 | 135,000 | 7,366,334 |
| Provisions on intangible fixed assets | | | | |
| Provisions on tangible fixed assets | | | | |
| Provisions on equity-accounted securities | | | | |
| Provisions on equity securities | | | | |
| Provisions on other financial assets | | | | |
| Provisions on stocks | | | | |
| Provisions on customer accounts | | | | |
| Other provisions for depreciation | | | | |
| TOTAL (III) | | | | |
| GENERAL TOTAL (I + II + III) | 46,093,658 | 438,534 | 135,000 | 46,397,192 |
| Of which operating allocations and reversals | | 311,326 | 135,000 | |
| Of which financial allocations and reversals | | 127,208 | | |
| Of which exceptional allocations and reversals | | | | |
| depreciation of equity-accounted securities | | | | |

Comments on the principal significant provisions by category

• *Regulated provisions:*

They concern excess tax depreciation over normal depreciation on acquisition costs of the Financière SPIE's shares for an amount of €39,030,858 depreciated in full since 31 August 2016.

• *Provisions for liabilities and charges:*

The allocation of provisions for lump sum payment on retirement include the valuation of services for an amount of €311,326 and the financial part linked to the costs of discounting the provision for an amount of €127,208.

5. RECEIVABLES AND DEBTS

Box A

Statement of Receivables

| | Gross amount | Up to one year | Over one year |
|---|----------------------|--------------------|----------------------|
| Receivables concerning equity interests | 1,198,993,268 | 9,596,221 | 1,189,397,047 |
| Loans | | | |
| Other financial assets | | | |
| TOTAL RECEIVABLES LINKED TO THE CAPITALISED ASSETS | 1,198,993,268 | 9,596,221 | 1,189,397,047 |
| Bad or litigious customers | | | |
| Other trade receivables | 10,975,885 | 10,975,885 | |
| Receivables representative of securities lent | | | |
| Prov. for prior dep. constituted. | | | |
| Personnel and related receivables | | | |
| Social security and other social organisations | | | |
| State and other public authorities | | | |
| Income tax | 6,779,629 | 6,779,629 | |
| Value added tax | 763,778 | 763,778 | |
| Other tax | | | |
| State – miscellaneous | 177,480 | 177,480 | |
| Groups and Shareholders | 502,241,174 | 502,241,174 | |
| Miscellaneous debtors | 975,851 | 975,851 | |
| TOTAL RECEIVABLES LINKED TO THE CIRCULATING ASSETS | 521,913,796 | 521,913,796 | |
| Prepaid expenditure | 2,288,847 | 2,288,847 | |
| TOTAL RECEIVABLES | 1,723,195,910 | 533,798,864 | 1,189,397,047 |
| Loans granted during the financial year | | | |
| Repayments obtained during the financial year | | | |
| Loans and advances granted to Shareholders | | | |

Box B

Statement of debts

| | Gross amount | Up to one year | One to five years | Over five years |
|--|----------------------|-------------------|------------------------------------|--------------------|
| Convertible bond loans | | | | |
| Other bond loans | 600,000,000 | | | 600,000,000 |
| Loans with credit institutions originally under 1 year | | | | |
| Loans with credit institutions originally over 1 year | 1,214,589,041 | 14,589,041 | 1,200,000,000 | |
| Miscellaneous loans and financial liabilities | | | | |
| Trade accounts payable and related payables | 945,944 | 945,944 | | |
| Personnel and related payables | 2,575,551 | 2,575,551 | | |
| Social security and other social organisations | 335,937 | 335,937 | | |
| State and other public authorities | | | | |
| Income taxes | | | | |
| VAT | 119,433 | 119,433 | | |
| Guaranteed bonds | | | | |
| Other taxes | 476,759 | 476,759 | | |
| Debts on fixed assets and related debts | | | | |
| Groups and Shareholders | 76,357,907 | 76,357,907 | | |
| Other debts | 226,168 | 226,168 | | |
| Debt representative of securities borrowed | | | | |
| Prepaid income | | | | |
| TOTAL DEBTS | 1,895,626,741 | 95,626,741 | 1,200,000,000 | 600,000,000 |
| Loans taken out during the financial year | | | Borrowing from private individuals | |
| Loans repaid during the financial year | | | | |

Receivables on equity interests are firstly linked to loans made to subsidiaries and accrued interest attached to said loans.

Customer receivables are linked to intragroup invoices to be made relating to the re invoicing of fees on the debt refinancing in June 2019.

Loans are linked to a bond issue in March 2017 for €600 million, the Senior Credit Facility ofr €1,200 million and the Revolving Credit Facility for €600 million unused as of 31 December, 2018.

The fraction of debts represented by provisions on non-reached invoices amounts, as of 31 december, 2018, to €548,520. It is mainly composed of Statutory Auditors' fees and various fees.

The principal operations with the affiliated companies represent a sum of:

- €1,440,669,595 on the equity securities of Financière SPIE;
- €1,198,993,268 on loans to subsidiaries and the corresponding interests;
- €10,975,885 on invoices to be made on fees linked to the debt refinancing of Financière SPIE and SPIE Operations;
- €502,241,174 on other receivables, which mainly concern cash advances and tax consolidation current account;
- €76,357,907 on other debts, which concern the tax consolidation current accounts.

6. AFFILIATED COMPANIES: ELEMENTS PERTAINING TO SEVERAL BALANCE SHEET ITEMS

| | Amount concerning companies | | 31/12/2018 |
|---|-----------------------------|---------------------------|--|
| | affiliated | with a holding connection | Debts/receivables repres. by commercial papers |
| Advances and deposits paid on fixed assets | | | |
| Intangible | | | |
| Tangible | | | |
| Financial assets | | | |
| Equity interests | 1,440,669,595 | | |
| Receivables concerning equity interests | 1,198,993,268 | | |
| Loans | | | |
| Other capitalised securities | | | |
| Other financial assets | | | |
| | 2,639,662,863 | | |
| Receivables | | | |
| Suppliers: advances and deposits paid | | | |
| Trade receivables and related receivables | 10,975,885 | | |
| Other receivables | | | |
| Unpaid called-up share capital | | | |
| | 10,975,885 | | |
| Cash assets | | | |
| Financial current accounts | 502,241,174 | | |
| | 502,241,174 | | |
| Miscellaneous financial liabilities | | | |
| Debts concerning equity interests | | | |
| Miscellaneous financial loans and debts | | | |
| Financial current accounts | | | |
| Clients: advances and deposits received | | | |
| Supplier debts | 12,000 | | |
| Debts on fixed assets | | | |
| Other debts | 76,357,907 | | |
| | 76,369,907 | | |

7. EQUITY INCREASE/DECREASE

| EQUITY | Opening | Increase | Reduction | Dist. Dividends | Appropriation of earnings N-1 | Contributions and mergers | Closure |
|--|----------------------|--------------------|-----------|-------------------|-------------------------------|---------------------------|----------------------|
| Share or individual capital | 72,415,793 | 691,743 | | | | | 73,107,536 |
| Issue, merger, contribution premiums, etc. | 1,170,496,439 | 19,624,001 | | | | | 1,190,120,440 |
| Revaluation surplus | | | | | | | |
| Legal reserve | 7,241,579 | 69,174 | | | | | 7,310,753 |
| Statutory or contractual reserves | | | | | | | |
| Regulated reserves | | | | | | | |
| Other reserves | | | | | | | |
| Carry forward | (23,322,917) | | | 88,073,392 | 116,750,477 | | 5,354,168 |
| Income for the financial year | 116,750,477 | 94,147,234 | | | (116,750,477) | | 94,147,234 |
| Investment subsidies | | | | | | | |
| Regulated provisions | 39,030,858 | | | | | | 39,030,858 |
| TOTAL EQUITY | 1,382,612,229 | 114,532,152 | | 88,073,392 | | | 1,409,070,989 |

SHARE CAPITAL

In the context of the Group's savings plan, an employee offering to subscribe to SPIE SA's share capital was launched from 30 May to 18 June, 2018.

Subscription Price

The subscription price offered to employees has been based on the average of the SPIE share market price over the last 20 market days preceding the definitive subscription dates. The subscription price retained for the employees' offering then was subject to a 20% discount compared to said average.

The above being understood, the CEO of SPIE SA, decided on 25 May, 2018, in accordance with the powers granted by the Board of Directors, **to set the shares' subscription price to €14.33.**

After having noted the average of the SPIE share market price (the "Reference Price"), the subscription price of €14.33 is calculated on the basis of a €17.91 Reference Price to which a 20% discount is applied.

Total amount of subscriptions: €21,090,793.69
Number of shares created 1,471,793 shares

Amount of assets used by subscribing employees taking the 20% discount into account

| | |
|--|----------------|
| Total amount of subscriptions (1,471,793 shares x €14.33) | €21,090,793.69 |
| Discount 20% | €5,272,698.42 |
| Amount of assets used by subscribing employees | €26,363,492.11 |

Calculation of the share capital increase and the share premium

NUMBER OF NEW SHARES:

| | | |
|-----------------------|------------------|-------------------------------|
| Amount of assets used | = €26,363,492.11 | = 1,471,793 new shares |
| Reference Price | €17.91 | |

SPIE SA SHARE CAPITAL INCREASE

Number of new shares x Equity Value = Share capital increase
1,471,793 x €0.47 = €691,742.71

CALCULATION OF THE SHARE PREMIUM

Share premium before assignment to the legal reserve and charging share capital increase fees

| | |
|--------------------------------------|----------------|
| Total asset amount | €26,363,492.11 |
| Minus SPIE SA share capital increase | - €691,742.71 |

Share premium before discount €25,671,749.40

Discount 20% - €5,272,698.42

Share premium after discount €20,399,050.98

Levy on the share premium for assignment to the legal reserve

It was decided to levy the necessary amount on the share premium to bring the legal reserve to 10% of the new share capital.

New share capital after the share capital increase from "Share For You" €73,107,536.03

New legal reserve de 1/10th €7,310,753.60

Legal reserve before the share capital increase €7,241,579.33

Amount to levy to increase the legal reserve €69,174.27

As a consequence, the share premium after discount and assignment to the legal reserve amounts to:

| | |
|------------------------------|----------------|
| Share premium after discount | €20,399,050.98 |
| Legal reserve dotation | – €69,174.27 |

Share premium €20,329,876.71

Imputation of the share capital increase fees on the share premium

| | |
|---|----------------|
| Share premium after discount and legal reserve levy | €20,329,876.71 |
| Fees on share capital increase | – €705,875.91 |

Share premium €19,624,000.80

As of 31 December, 2018, the share capital of SPIE SA amounted to €73,107,536.03 into 155,547,949 ordinary shares, all of the same category, of a par value of €0.47.

Dividends

The FY2017 dividend, which amounted to €86,282,428.96 and €0.56 per share, has been subject to the payment of an interim dividend in September 2017 of €24,652,122.56. The Group paid the balance in May 2018 for an amount of €61,630,306.40.

Also, an interim dividend for 2018 of €26,443,085.03 was paid in September 2018.

Based on the FY2018 results, the Board of Directors will propose to the Shareholders' Annual Meeting to pay a €0.58 dividend in 2019. Taking into account the €0.17 interim dividend paid in September 2018, such decision would lead to the payment of a balance of €0.41 per share in May 2019.

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 | Number as of 31/12/2018 | Par value |
|---|---------------------------------------|-----------------------------------|------------------------------------|-------------------------|-----------|
| Ordinary shares | 154,076,156 | 1,471,793 | | 155,547,949 | 0.47 |
| Amortised shares | | | | | |
| Priority dividend shares (without voting right) | | | | | |
| Preferred shares | | | | | |
| Company shares | | | | | |
| Investment certificates | | | | | |
| TOTAL | 154,076,156 | 1,471,793 | | 155,547,949 | |

9. INFORMATION RELATIVE 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 | 14,589,041 |
| Miscellaneous loans and financial liabilities | |
| Advances and deposits received on orders in progress | |
| Supplier debts and related debts | 548,520 |
| Tax and social security debts | 3,096,291 |
| Debts on fixed assets and related debts | |
| Other debts | |
| TOTAL | 18,233,852 |

11. INCOME RECEIVABLE

| | Amount |
|---|-------------------|
| Receivables attached to equity interest | 9,596,221 |
| Other financial fixed assets | |
| Customer receivables and related accounts | 10,975,885 |
| Employees and related accounts | |
| Social security and other social services | |
| State and other public entities | 177,480 |
| Other receivables | |
| Cash assets | |
| TOTAL | 20,749,585 |

12. PREPAID INCOME & EXPENDITURE

The nature and amounts of the Prepaid Income are as follows:

- Prepaid Income linked to the "advancement" method: N/A.
- Other Prepaid Income: N/A.

The nature and amounts of the Prepaid Expenditure are as follows:

- Prepaid Expenditure linked to the "advancement" method: N/A.
- Other Prepaid Expenditure for €2,288,846.88 mainly linked to the financing of the CICE and CIR.

ADDITIONAL INFORMATION RELATIVE TO THE INCOME STATEMENT

1. BREAKDOWN OF REVENUES

| Breakdown of revenues | 31/12/2018 | 31/12/2017 | Increase/Decrease |
|-------------------------------------|-------------------|------------------|-------------------|
| DISTRIBUTION BY ACTIVITY SECTOR | | | |
| Sales of goods | | | % |
| Production sold goods | | | % |
| Production sold services | 14,194,822 | 1,599,009 | 788% |
| DISTRIBUTION BY GEOGRAPHICAL MARKET | | | |
| Net revenues-France | 14,194,822 | 1,599,009 | 788% |
| Net revenues-Export | | | % |
| NET REVENUES | 14,194,822 | 1,599,009 | 788% |

Is mainly concerned the re invoicing in 2018 of fees linked to the debt refinancing and managers services.

2. FINANCIAL INCOME

The financial income amounted to **€75,530,437.29** as of 31 december, 2018.

The financial revenues amounted to **€113,371,086.89** and are principally broken down into:

- dividends: 89,564,345.64 (received from Financière SPIE);
- revenues from term receivables: €23,806,741.05 (interests from loans to subsidiaries).

The financial expenditure amounted to **€37,840,649.40** and is principally broken down into:

- interest on bank debts: €36,764,185.99;

- CIR and CICE receivables Interest: 931,422.39;
- financial allocation linked to the costs of discounting the provisions for lump sum payments on retirement: €127,208;
- interests on late payment of the payroll tax: €10,725.00.

3. EXCEPTIONAL INCOME

The exceptional income amounted to **€30,521.00** as of 31 december, 2018;

- tax penalties further to a 2015 tax audit of SPIE Ouest Centre: €43,967.00;
- tax audit of SPIE Operations: €(13,446.00).

4. TRANSFERS OF EXPENDITURE

| Transfers of expenditure | Operation |
|--------------------------------------|---------------|
| Transfers of operating expenditure | 26,671 |
| Transfers of financial expenditure | |
| Transfers of exceptional expenditure | |
| TOTAL | 26,671 |

Breakdown of transfers of operating expenditure principally illness reimbursement

5. WORKFORCE

| Workforce | Average salaried workforce | |
|--|----------------------------|----------|
| | 2018 | 2017 |
| Managers | 10 | 9 |
| ETAM [clerical, technical and supervisory staff] | | |
| Labourers | | |
| TOTAL | 10 | 9 |

6. REMUNERATIONS ALLOCATED TO THE EXECUTIVE OFFICERS

Pursuant to Article 24-18 of Decree 83-1020 of 29 November, 1983, no information will be communicated as this would make it possible to identify the situation of a determined member of the management organs.

7. INCOME TAXES

| | Current income | Exceptional income | Equity interest | Tax credits | Holdbacks |
|------------------------------|-------------------|--------------------|-----------------|-------------|--------------|
| Pre-tax income | 63,568,105 | 30,521.00 | | | |
| Taxes: | | | | | |
| • at the rate of % | (30,548,608) | | | | 1,908 |
| • on Long term capital gains | | | | | |
| INCOME AFTER TAX | 94,116,713 | 30,521 | | | 1,908 |

Method used:

The tax corrections have been reclassified according to their nature in current income, exceptional income and equity interest.

Tax consolidation:

The company has been placed under the regime of tax consolidation of the SPIE SA group since 1 January 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, it will lose certain tax prerogatives, such as the ability 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 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 indemnification.

Considering the profit of the tax group in 2018, SPIE SA has recorded a corporate income tax expense of €8,575,798 and a tax consolidation revenue of €39,262,257.

In the absence of tax consolidation, the company would also not have paid any corporate income tax owing to its tax deficit in 2018.

FINANCIAL LIABILITIES AND OTHER INFORMATION**1. COMMITMENTS GIVEN**

- bank bonds: N/A;
- endorsements, bonds and guarantees: N/A;
- deposit linked to securitization: N/A;
- personal training account: on 1 January, 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

- securitized claims: N/A;
- supplier bonds: N/A;
- discounted effects not due: N/A;
- balancing subsidies: N/A;
- Director shares: N/A.

3. MANAGEMENT OF THE 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 of 31 december, 2018: €0.

4. DEFERRED TAXATION

| Description | 31/12/2018 | 31/12/2017 |
|---|---------------------|---------------------|
| 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 expenditure 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 | | |
| Amortisations of software | | |
| Potential losses on long-term contract | | |
| Provisions for pensions and similar obligations | 7,366,334 | 7,062,800 |
| Other liabilities and charges provisioned | | |
| Expenditure payable | 4,425 | 753,996 |
| UCITS securities valuation gain | | |
| Unrealised exchange gain | | |
| Other income taxed in advance | | |
| Deficits carried forward for tax purposes | 64,101,748 | 96,982,564 |
| Total bases for reducing the future tax debt | 71,472,507 | 104,799,360 |
| Total future tax assets | 24,607,984 | 36,085,913 |
| NET SITUATION | (11,168,359) | (22,646,288) |
| (1) Tax rate: | 34.43 | 34.43 |
| Of which normal corporate income tax rate: | 33.33 | 33.33 |
| Social contribution on tax: | 3.30 | 3.30 |

8. PERSONNEL BENEFITS**Annexe 1:****PENSION LIABILITIES - PROVISIONS FOR RETIREMENT BENEFITS****VALUATION OF LIABILITIES**

| | |
|---|-------------------|
| Total current value of the liabilities as of 1 January, 2018 | 17,638,940 |
| Transfers as of 1 January | - |
| Normal expenditure for the financial year | 541,849 |
| Interest expenditure | 251,599 |
| Contributions paid by employees | - |
| Modifications of scheme | - |
| Acquisitions of business | - |
| Transfer of all assets and liabilities | - |
| Transfer of employees | - |
| Liquidations/Reductions in scheme/Redundancies | (343,356) |
| Actuarial losses (and gains) | 709,824 |
| Benefits paid | (565,530) |
| Other | - |
| Total current value of liabilities as of 31 December, 2018 | 18,233,326 |
| HEDGING OF LIABILITIES | |
| Market value of funds invested as of 31 December, 2018 | 8,292,760 |
| Transfers on 1 January | - |
| Actual return of funds | 325,698 |
| Employer's contributions | 135,000 |
| Employee contributions | - |
| Modifications of scheme | - |
| Acquisitions of business | - |
| Assignments of business | - |
| Transfer of personnel | - |
| Reductions in scheme | - |
| Liquidations of scheme | - |
| Benefits paid | (565,530) |
| Other | - |
| Market value of fund invested as of 31 December, 2018 | 8,187,928 |
| EXPENDITURE 2018 | |
| The pension costs covered can be broken down as follows: | |
| Normal expenditure for the financial year | 541,849 |
| Interest expenditure | 251,599 |
| Return expected from funds | (124,391) |
| Amortisation of modifications of scheme | - |
| Amortisation of actuarial losses (and gains) | 112,834 |
| Effect of reductions/liquidations/redundancies | (343,356) |
| Net cost over the period | 438,534 |
| Financial hedging | 10,045,398 |
| Actuarial (losses) and gains not recognised | (2,679,064) |
| Costs of past services not recognised | - |
| AMOUNT PROVISIONED – IAS19/EMPLOYEE BENEFITS | 7,366,334 |

The discounting rate is 1.5% and the method of retirement is valued on the voluntary departure.

4.5.2 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
S.A.S. au capital de € 2.510.460
672 006 483 R.C.S. Nanterre

Statutory Auditors
member of the Versailles regional company

ERNST & YOUNG et Autres

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Statutory Auditors
member of the Versailles regional company

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 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, 2018.

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, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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.

Valuation of equity interests

Risk identified

Equity interests held by SPIE SA 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 the 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.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 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) N° 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, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

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.

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 and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

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 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 controlling and controlled companies. 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, 2018, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 8th year of total uninterrupted engagement, which is the 4th 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 Cedex and Paris-La Défense, April 15, 2019

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit
Yan Ricaud

ERNST & YOUNG et Autres
Henri-Pierre Navas

4.6 TABLE OF SPIE SA'S RESULTS FOR THE LAST FIVE YEARS

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------------|-------------|-------------|-------------|-------------|
| 1. - SHAREHOLDER EQUITY AT YEAR-END | | | | | |
| Share capital | 39 634 070 | 72 415 793 | 72 415 793 | 72 415 793 | 73 107 536 |
| Number of existing ordinary shares | 33 596 102 | 154 076 156 | 154 076 156 | 154 076 156 | 155 547 949 |
| Number of existing shares with preferential dividend rights (without voting right) | | | | | |
| Number of preferred shares (category A) | 4 337 968 | - | - | - | |
| Number of preferred shares (Category B) | 1 700 000 | - | - | - | - |
| 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 | 2 720 635 | 4 442 361 | 3 356 486 | 1 599 009 | 14 194 822 |
| Results before tax, employee participation scheme and allocation to amortization and provisions" | 75 445 337 | 160 792 089 | 16 810 165 | 88 077 723 | 64 037 160 |
| Company tax (tax consolidation) | 50 868 256 | 32 751 421 | 23 895 180 | 29 890 953 | 30 548 608 |
| Employee participation due in relation to the financial year | - | - | - | - | - |
| Results after tax, employee participation scheme and allocation to amortization and provisions | 26 156 074 | 184 830 230 | 1 195 469 | 116 750 477 | 94 147 234 |
| Distributed results | - | 77 037 883 | 81 660 156 | 86 282 429 | 90 217 584 |
| 3. - RESULTS PER SHARE | | | | | |
| Results after tax, employee participation scheme, but before allocation to amortization and provisions | 0,62 | 1,26 | 0,05 | 0,77 | 0,61 |
| Results after tax, employee participation scheme, but before allocation to amortization and provisions | 0,66 | 1,20 | 0,01 | 0,76 | 0,61 |
| Dividend per share | - | 0,50 | 0,53 | 0,56 | 0,58 |
| 4. - EMPLOYEE | | | | | |
| Average number of employees employed during the year | 5 | 7,6 | 10,0 | 9,0 | 10,0 |
| Amount of payroll for the year | 3 317 443 | 3 812 015 | 4 036 444 | 3 707 508 | 4 218 011 |
| Amount of social charges and employee benefits for the year | 1 048 372 | 2 429 809 | 1 953 241 | 1 896 580 | 2 092 956 |

4.7 INFORMATION ON SUPPLIER PAYMENT PERIODS

| SPIE SA FY ENDED DECEMBER 31, 2018 | Due | | | | Non due | | | | Total |
|---------------------------------------|-------------------|---------------|-------------------|-------------------|-------------------|---------------|---------------|-------------------|-------------------|
| | over +2 months | 1-2 months | 1-2 months | Total due | over +2 months | 1-2 months | 1-2 months | Total due | |
| 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

| SPIE SA FY ENDED DECEMBER 31, 2017 | Due | | | | Non due | | | | Total |
|---------------------------------------|-------------------|------------------|---------------|------------------|-------------------|---------------|---------------|------------------|------------------|
| | over +2 months | 1-2 months | 1-2 months | Total due | over +2 months | 1-2 months | 1-2 months | Total due | |
| Various suppliers | | | 451.00 | 451.00 | 54,941.60 | | | 54,941.60 | 55,392.60 |
| Various foreign suppliers | | 20,831.91 | | 20,831.91 | | | | 0.00 | 20,831.91 |
| Intragroup suppliers | | | | 0.00 | | | | 0.00 | 0.00 |
| Intragroup foreign suppliers | | | | 0.00 | | | | 0.00 | 0.00 |
| Honorary suppliers | | | | 0.00 | | | | 0.00 | 0.00 |
| Honorary foreign suppliers | | | | 0.00 | | | | 0.00 | 0.00 |
| Interim suppliers | | | | 0.00 | | | | 0.00 | 0.00 |
| TOTAL SUPPLIER DEBT | 0.00 | 20,831.91 | 451.00 | 21,282.91 | 54,941.60 | 0.00 | 0.00 | 54,941.60 | 76,224.51 |

The amount included in SPIE SA's statutory financial statements as of December 31, 2017 under item "suppliers debt and related accounts" of the table "status of maturity of debts as year-end" amounts to €515,097.

The difference with the amount in the debt table above, i.e., €438,873 corresponds to invoices not received as of December 31, 2017.

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CORPORATE GOVERNANCE

| | | | | | |
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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 31 December, 2018 (the **"2018 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 |
|---|--|
| <p>Article 13.2 <i>Terms should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of Directors.</i></p> <p>Article 13.3 <i>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. (...)</i></p> | <p>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 offices of the Directors were not staggered. While considering that the absence of staggered renewal does not hinder the proper functioning of the Board of Directors, the Board of Directors has examined the conditions for the renewal of the Directors' mandates as from 2020 in order to avoid having to renew more than one third of the Directors' mandates in the same General Shareholders' Meeting. The Company shall review the terms of offices of the next block renewals and possibly provide for shorter terms.</p> |
| <p>Article 22 <i>The Board of Directors defines a minimum number of registered shares that the company 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.</i> <i>The Board of Directors may base its decisions on various references, for example:</i></p> <ul style="list-style-type: none"> • 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. <p><i>Until this objective regarding the holding of shares has been achieved, the company 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.</i></p> | <p>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 CEO should hold.</p> <p>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 1.56% 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 Registration Document).</p> |

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 CEO. His term as a director was renewed at the General Meeting of 25 May, 2018 and will end in 2022, at the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December, 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 Registration Document.

(B) MEANS OF EXERCISING THE GENERAL MANAGEMENT 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 President of the Company under its former corporate form of simplified joint stock company.

During its meeting of 9 March, 2018 and following a report from the Appointments 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 (cf. *infra*). In addition, the increase in the number of Independent Directors and the presence of an experienced Senior Independent Director (cf. *infra*) which 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 CEO 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 General Meeting of 25 May, 2018.

At its meeting of 26 July, 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.

Taking this combination of functions into account, on 8 December, 2015, the Board of Directors, on the recommendation of the Appointments and governance Committee, appointed Sir Peter Mason as Senior

Independent Director (see above), and his term as director was renewed at the General Meeting of 25 May, 2018.

In accordance with applicable law, the Company's by-laws and the internal rules of the Board of Directors, the Chairman and CEO 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 CEO 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:

- 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 consolidated annual budget of the Group;
- 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);
- 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;
- 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;
- 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;
- 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;

- (vii) any amendment to the Company's Articles of Association;
- (viii) any proposition in relation with any financial undertaking or any operation of indebtedness that would lead the leverage ratio of net debt on EBITDA of the Group to exceed a certain amount set annually by the Board of Directors;
- (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 Group's corporate officers;
- (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 Human Resources Director, the Strategy, Development and Acquisitions Director and the Operational Support Director. In addition to the Chairman and CEO, it is composed of 12 members who reflect the European governance of the Group.

On the date of the present Registration Document, the members of this committee are: Mr Gauthier Louette, Chairman and Chief Executive Officer of SPIE SA and Chairman of SPIE Operations; Mr Michel Delville, Group Chief Financial Officer; Mr Yves Compañy, Chief Executive Officer of SPIE Oil & Gas Services; Mrs Lieve Declercq, Chief Executive Officer of SPIE Nederland; Mr Johan Dekempe, Chief Executive Officer of SPIE Belgium; Mr Olivier Domergue, Chief Executive Officer of SPIE France; Mr Robert Goodhew, Chief Executive Officer of SPIE UK; Mr Markus Holzke, Chief Executive Officer of SPIE DZE (formerly SPIE Holding GmbH); Mr Pablo Ibanez, Group Director of Operational Support (Purchasing, Real Estate, Sustainable Development, Digital, IT); Mrs Elisabeth Rasmussen, Group Human Resources Director; Mr Pierre Savoy, Chief Executive Officer of SPIE Schweiz AG and Jérôme Vanhove, Group Strategy, Development and Acquisitions Director. The Board of Directors: composition, preparation and organisation of work

5.2 BOARD OF DIRECTORS : COMPOSITION AND FUNCTIONING

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. Directors are appointed by the Shareholders' General Meeting upon proposal from the Board of Directors, itself receiving proposals from the Appointments and Governance Committee. Their office may be terminated at any time by the Shareholders' Ordinary General Meeting.

The by-laws 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. Non-voting Directors are convened to the meetings of the Board of Directors and take part in the deliberations in advisory capacity.

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 Shareholders' Ordinary 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.

The term of office of the members of the Board of Directors is four years. The term of office of each Director expires immediately after the meeting of the Shareholder's Annual Ordinary General Meeting deliberating on the financial statements for the preceding financial year and held during the year during which the term expires. 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 offices of the Directors were not staggered. While considering that the absence of staggered renewal does not hinder the proper functioning of the Board of Directors, the Company contemplates that the Board of Directors shall review the terms of offices of the next block renewals and possibly provide for shorter terms.

On the date of the present registration document, the Board of Directors comprises 10 Directors, including one representative of the employee-Shareholders, one employee representative and one non-voting Director. The Directors and non-voting Directors of the Company come from various backgrounds and have diverse skills. Four Directors and one non-voting Director have foreign nationality. Five nationalities are therefore represented within the Board.

The 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 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.

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. Also, at its meeting of 10 March, 2016, the Board of Directors issued a recommendation pursuant to which the Independent Directors shall own 1,500 shares of the Company to be acquired over a two-year period as they are the only ones receiving fees.

The below tables present the members of the board of Directors as of the date of the present Registration Document:



GAUTHIER LOUETTE

Chairman of the Board of Directors
and Chief Executive Officer

AGE: 57

SEX : M

NATIONALITY: French

YEARS ON THE BOARD: 8

PARTICIPATION RATE: 100 %

FIRST APPOINTMENT: August 30, 2011

RENEWAL: ☒ May 25, 2018

TERM OF OFFICE

Shareholders' meeting voting on the accounts 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 and became Chairman and CEO in 2010.

**TERMS OF OFFICE AND DUTIES PERFORMED
AS OF THE DATE OF THIS REGISTRATION DOCUMENT:**

Within the Group :

- Chairman of SPIE Operations
- 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
- CEO of SPIE DZE (ex SPIE Holding GmbH)
- Chairman of the Supervisory Board of SPIE SAG GmbH
- President of the Board of Directors of SPIE ICS AG
- Member of the Supervisory Board of SPIE Nederland BV
- Manager of SPIE Management 2
- 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
- Chairman of the Board of Directors of Financière SPIE
- Chairman of Clayax Acquisition 4 SAS
- Chairman of the Board of Directors and then Chairman of SPIE ICS
- Chairman of SPIE Est
- Chairman of SPIE Ile-de-France Nord-Ouest
- Chairman of SPIE Ouest-Centre
- Chairman of SPIE Sud-Est
- Chairman of SPIE Sud-Ouest
- Chairman of SPIE Nuclear
- Director of TECNOSPIE SA
- Director of SPIE Maroc
- Chairman and member of the Board of Directors of SOFTIX AG

Outside of the Group : None

**PETER MASON**

Senior Independent Director

AGE: 72**SEX :** M**NATIONALITY:** British**YEARS ON THE BOARD:** 8**PARTICIPATION RATE:** 100 %**FIRST APPOINTMENT:** August 30, 2011**RENEWAL:** ☒ May 25, 2018**TERM OF OFFICE**

Shareholders' meeting voting on the accounts of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 2,000**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 director of Subsea 7 SA from 2006 to 2017, and president 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 8 December, 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 REGISTRATION DOCUMENT:*Within the Group :* None*Outside of the Group :*

- Chairman of AGS Airports Limited
- Chairman of Tectronics Holdings Ltd.
- Chairman of 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)

**REGINE STACHELHAUS**

Independent Director

AGE: 63**SEX :** F**NATIONALITY:** German**YEARS ON THE BOARD:** 5**PARTICIPATION RATE:** 100 %**FIRST APPOINTMENT:** July 7, 2014**RENEWAL:** ☒ May 25, 2018**TERM OF OFFICE**

Shareholders' meeting voting on the accounts of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 750**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-President of Imaging and Printing Group (Hewlett-Packard GmbH). She was subsequently appointed Head of Human Resources and member of the Board of Directors of E.ON SE. She has been a Director of the British Group Computacenter Plc, 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 REGISTRATION DOCUMENT:*Within the Group :*

- Member of the Supervisory Board of SPIE DZE (ex SPIE holding GmbH)

Outside of the Group :

- Member of the Supervisory Board of Ceconomy AG (listed company)
- Member of Board of Directors of Computacenter Hatfield UK (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

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



MICHEL BLEITRACH
Independent Director

AGE: 73
SEX : M

NATIONALITY: French
YEARS ON THE BOARD: 8
PARTICIPATION RATE: 100 %

FIRST APPOINTMENT: August 30, 2011

RENEWAL: ☒ May 25, 2018

TERM OF OFFICE
Shareholders' meeting voting on the accounts 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 Master'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 REGISTRATION DOCUMENT:

Within the Group : None

Outside of the Group :

- Member of the Supervisory Board of JC Decaux (listed company)
- Member of the Supervisory Board of Socotec
- 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
- Chairman of the Management Board of Keolis SAS
- Chairman and CEO of Keolis SA
- Member of the Board of Directors of Vedici



FFP INVEST
Independent Director
represented by Mr. Bertrand Finet

AGE: 53
SEX : M

NATIONALITY: French
YEARS ON THE BOARD: 1
PARTICIPATION RATE: 100 %

FIRST APPOINTMENT: May 25, 2018

RENEWAL: -

TERM OF OFFICE
Shareholders' meeting voting on the accounts of the year ended on December 31, 2021

NUMBER OF SHARES HELD BY FFP INVEST: 8,500,000

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 Mr. 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 executive management of the Paris office of de 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 REGISTRATION DOCUMENT:

Within the Group : None

Outside of the Group :

- Managing director of FFP
- CEO of FFP Invest
- Permanent representative of FFP Invest at the board of directors of SEB SA
- Director of FFP Investment UK
- Permanent representative of FFP Invest at the board of directors of LDAP

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 at the board of directors of Sequana
- Permanent representative (non voting director) of BPI France Participation at the board of directors of Vallourec
- Permanent representative (non voting director) of BPI France Participation at the board of directors of Technicolor
- Chairman of the supervisory board of Consolidation et Développement Gestion
- CEO of CDC Entreprises Capital-Investissement

**NATHALIE PALLADITCHEFF**

Director appointed by the Caisse des Dépôts et Placement du Québec

AGE: 51

SEX: F

NATIONALITY: French

YEARS ON THE BOARD: 3

PARTICIPATION RATE: 75 %

FIRST APPOINTMENT: April 12, 2016

RENEWAL: -

TERM OF OFFICE

Shareholders' meeting voting on the accounts of the year ended on December 31, 2018

NUMBER OF SHARES HELD: 100

PROFESSIONAL ADDRESS :

10, Avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Nathalie Palladitcheff graduated from ESC Dijon and holds a DECF degree and DESCF degree. She started her career at Coopers & Lybrand Audit (1991 to 1997). She then joined the Banque Française Commerciale Océan Indien (1997-2000) as Director of financial matters and of management control. In 2000, she was appointed as Financial Director of Société Foncière Lyonnaise, of which she later became Deputy General Manager. As from May, 2006, she was General Manager of Dolmea Real Estate. She then joined Icade in September, 2007, as member of the Executive Committee, in charge of finance, legal and IT, and, as from August, 2010, of the Services to Real Estate department. In April, 2015, she was appointed as Executive Vice-President and Chief of Finance of Ivanhoé Cambridge, a subsidiary of the Caisse de Dépôt et Placement du Québec and Executive President and Chief of Finance of Ivanhoé as from March 2018. Nathalie Palladitcheff was Director of Silic and Qualium and Director and Chair of the Audit Committee of Crédit Agricole CIB. She received the honour of chevalier de l'Ordre National du Mérite.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS REGISTRATION DOCUMENT:

Within the Group : None

Outside of the Group :

- Executive president and Chief Financial Director of Ivanhoé Cambridge

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group : None

Outside of the Group :

- Executive Vice-President and Chief of Finance of Ivanhoé Cambridge
- Director and member of the Strategic Committee of Gecina (listed company)
- Chair and CEO of Icade Finances
- Chair of Icade Services
- Interim CEO and member of the Executive Committee of Icade (listed company)
- Permanent Representative of Icade (listed company) and Chair of:
- I-Porta
- Icade Property Management
- Icade Transactions
- Sarvilep
- Icade Expertise
- Permanent Representative of Icade (listed company) and Liquidator of the Caisse des dépôts des Pays de Loire
- Permanent Representative of Icade (listed company) and Managing Partner of Résidence de Sarcelles (SCI)
- Permanent Representative of Icade Services and Chairman of:
- I-Porta
- Icade Transactions
- Icade Property Management
- Icade Résidences Services
- Icade Gestec
- Director and Chair of the Audit Committee of Crédit Agricole CIB
- Director and Member of the Audit, Financial Statements and Risks Committee of SILIC (listed company)
- Director of Inmobiliaria de la Caisse des dépôts España
- Director of Qualium Investment
- Member of the Steering Committee of ULI FRANCE



TANJA RUECKERT
Independent Director

AGE: 49
SEX : F

NATIONALITY: German
YEARS ON THE BOARD: 1
PARTICIPATION RATE: 75 %

FIRST APPOINTMENT: May 25, 2018

RENEWAL: ☒ May 25, 2018

TERM OF OFFICE
Shareholders' meeting voting on the accounts of the year ended on December 31, 2021

NUMBER OF SHARES HELD: 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 IoT at SAP SE and President of IoT & Digital Supply Chain with SAP SE and since July 1st, 2018, the president of Bosch Building Technologies. Dr. Tanja Rueckert was co-opted as Director of the Company on September 14, 2017, in replacement of Mr. Christian Rochat, who resigned. Dr. Tanja Rueckert's appointment as a Director was approved by the subject to the approval of the SPIE 2018 Shareholders' General Meeting.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS REGISTRATION DOCUMENT:

Within the Group : None

Outside of the Group :

- CEO/President Bosch Building Technologie
- Member of the Board of Directors of LSG
- Member of the Board of Directors of Cargo Sous Terrain
- Member of the University Council of the Karlsruhe University
- Member of the Board of Directors of Münchner Kreis
- President of the Digitalization Committee of ZIA

TERMS OF OFFICE AND DUTIES PERFORMED DURING THE PAST FIVE YEARS NO LONGER HELD:

Within the Group : None

Outside of the Group :

- Vice-President of Industrial Internet Consortium
- President Internet of Things & Digital Supply Chain de SAP SE



SOPHIE STABILE
Independent Director

AGE: 49
SEX : F

NATIONALITY: French
YEARS ON THE BOARD: 5
PARTICIPATION RATE: 100 %

FIRST APPOINTMENT: July 7, 2014

RENEWAL: ☒ May 25, 2018

TERM OF OFFICE
Shareholders' meeting voting on the accounts 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 since August 2010 and member of Unibail-Rodamco's Supervisory Board. She was appointed Chief Executive Officer of HotelServices France of the AccorHotels group on 1 October, 2015, up until 2017. She is member of the supervisory board of Unibail-Rodamco since August 2011 and was appointed Independent Director of Ingenico Group on March 27, 2018.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS REGISTRATION DOCUMENT:

Within the Group : None

Outside of the Group :

- Member of the Board of Directors of Sodexo (listed company)
- Member of the Supervisory Board of Altamir (listed company)
- Member of the Supervisory Board of Unibail-Rodamco (listed company)
- Member of the Board of Directors of Ingenico Group (listed company)

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 Supervisory board of Lucien Barrière

**DANIEL BOSCARI**

Director representing employees

AGE: 62**SEX :** M**NATIONALITY:** French**YEARS ON THE BOARD:** 4**PARTICIPATION RATE:** 100 %**FIRST APPOINTMENT:** June 9, 2015**RENEWAL:** -**TERM OF OFFICE**

Shareholders' meeting voting on the accounts of the year ended on December 31, 2018

NUMBER OF SHARES HELD: 30 000**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 management of SPIE. He is the Director representing Group employees on the General Management of SPIE SA.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS 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-HESSSEL**

Director representing employees shareholders

AGE: 57**SEX :** F**NATIONALITY:** Dutch**YEARS ON THE BOARD:** 4**PARTICIPATION RATE:** 100 %**FIRST APPOINTMENT:** April 12, 2016**RENEWAL:** -**TERM OF OFFICE**

Shareholders' meeting voting on the accounts of the year ended on December 31, 2018

NUMBER OF SHARES HELD: 0**PROFESSIONAL ADDRESS :**

10, Avenue de l'Entreprise, 95863 Cergy-Pontoise, France

PERSONAL INFORMATION

Gabrielle Van Klaveren-Hessel était en poste à la direction financière du groupe néerlandais Electron Holding BV de 1999 à 2001. En 2001, à la suite du rachat de ce groupe par le Groupe, elle est devenue administratrice de la gestion de la paie au sein de SPIE Netherlands puis, en 2009, responsable de la paie. Elle est représentante du FCPE SPIE Actionnariat au sein du conseil d'administration.

TERMS OF OFFICE AND DUTIES PERFORMED AS OF THE DATE OF THIS 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

Evolution of the composition de of the Board of Directors during the year ended December 31, 2018

FFP Invest was appointed Directors during the Shareholders' General Meeting of May 25, 2018. It is represented by Mr. Bertrand Finet, COO.

The table below presents the composition of the Board of Directors during the 2018 Applicable Period:

| Name | Age | Nationality | Appointment date/ renewal date | Year of first appointment | Term of office | Primary role within the Group |
|-------------------------------|-----|-------------|-----------------------------------|---------------------------|----------------|--|
| DIRECTORS | | | | | | |
| Gauthier Louette | 57 | French | 25 May, 2018 | 30 August, 2011 | 2022 | Chairman and Chief Executive Officer |
| Denis Chêne ⁽⁴⁾ | 57 | French | 25 May, 2018 | 30 August, 2011 | 2022 | Director Group Chief Financial Officer |
| Nathalie Palladitcheff | 51 | French | 12 April, 2016 | 12 April, 2016 | 2019 | Director |
| Tanja Rueckert | 49 | German | 25 May, 2018 | 14 September, 2017 | 2022 | Independent Director ⁽¹⁾ |
| Daniel Boscari | 62 | French | 9 June, 2015 | 9 June, 2015 | 2019 | Director representing the employees Group project finance manager and Director of Municipality Development |
| Gabrielle van Klaveren-Hessel | 57 | Dutch | 9 June, 2015 | 9 June, 2015 | 2019 | Director representing the employee- Shareholders Payroll manager at SPIE Nederland |
| Michel Bleitrach | 73 | French | 25 May, 2018 | 30 August, 2011 | 2022 | Independent Director ⁽¹⁾ |
| Sir Peter Mason | 72 | British | 25 May, 2018 | 30 August, 2011 | 2022 | Independent Director ⁽¹⁾ Senior Independent Director ⁽²⁾ |
| Sophie Stabile | 49 | French | 25 May, 2018 | 7 July, 2014 | 2022 | Independent Director ⁽¹⁾ |
| Regine Stachelhaus | 63 | German | 25 May, 2018 | 7 July, 2014 | 2022 | Independent Director ⁽¹⁾ |
| FFP Invest | | French | 25 May, 2018 | 14 December, 2017 | 2022 | Independent Director ⁽¹⁾ |
| NON-VOTING DIRECTOR | | | | | | |
| Pierre Heinrichs | 38 | Belgian | 14 December, 2017 | 14 December, 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) Mr. Denis Chêne resign from his mandate as member of the Board of Directors of the Company as of [XX] March 2019. He was not replaced.

The composition of the Board of Directors primarily reflects the commitments made between the companies and certain Shareholders (see 6.1.2.1 below of the present 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.

INDEPENDENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

The independence criteria applied by the Board of Directors are those set forth in the Afep-Medef Code.

Such Criteria are:

| Number | Criteria |
|--------|--|
| 1 | Not to be and not to have been during the course of the previous five years an employee or executive officer of the corporation, an employee, executive officer of a company or a Director of a company consolidated within the corporation, or an employee, executive officer or a Director of the Company's parent company or a company consolidated with this parent. |
| 2 | Not to be an executive Officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive Officer of the corporation (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 that is material to the Group or for a significant part of whose business the corporation or its Group accounts. |
| 4 | Not to be related by close family ties to a company officer. |
| 5 | Not to have been an auditor of the corporation within the previous five years |
| 6 | Not to have been a Director of the corporation for more than twelve years. Loss of the status of Independent Director occurs on the date at which this period of twelve years is reached. |
| 7 | Not, for an non-executive officer, receiving a variable compensation in cash or titles or any other payment linked to the Company or the Group's performance. |
| 8 | Not holding 10% or more of the share capital or voting rights of the Company, or representing an entity or person holding such shareholding. |

At its meeting on 23 November, 2018, the Appointments 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 Appointments and Governance Committee were presented and approved by the Board of Directors at its meeting on 12 December, 2018.

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 noted that there is no service agreement between the Company or the Group and these directors

Concerning Mrs Regine Stachelhaus, the Appointments and Governance Committee and the Board of Directors noted that she had been appointed as a member of the Supervisory Board of SPIE DZE (ex. 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 Appointments 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.

It examined the case of Mrs Tanja Rueckert at the time of her appointment as manager of Bosch Building Technologies, a company with which the Group does not have a significant volume of business.

It reached a similar finding regarding the appointment of Mrs Sophie Stabile as director of Ingénico.

It carefully considered the risk of a potential conflict of interest with regard to the appointment of Mrs Sophie Stabile as a director of Sodexo, given that she may be perceived as a competitor of the Group in the technical maintenance services sector. It found, however, that such competition was limited to a few geographical areas and was for a very limited number of projects. It thus concluded that at this stage, there was no genuine conflict of interest with respect to Mrs Stabile but that this subject would be reconsidered in the event of a change in the level of competition.

Regarding FFP Invest, the Appointments and Governance Committee noted that its shareholding in the Company was lower than the 10% threshold mentioned by the Afep-Medef Code in its recommendation 8.7 and that it was not a Shareholder that was in the 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 Nathalie Palladitcheff, 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 Nathalie Palladitcheff.

| | Criterion 1 | Criterion 2 | Criterion 3 | Criterion 4 | Criterion 5 | Criterion 6 | Criterion 7 | Criterion 8 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gauthier Louette | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Michel Bleitrach | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Baniel Boscari | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Gabrielle van Klaveren | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Peter Mason | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Nathalie Palladitcheff | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X |
| Tanja Rueckert | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sophie Stabile | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Regine Stachelhaus | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| FFP Invest (Bertrand Finet) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

DIRECTORS' COMPETENCIES

The Appointments 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.

The following skills were examined:

- publicly traded companies outside SPIE;
- technical services outside SPIE;
- energy;
- information and communication technologies/digital;
- international;
- operations;
- finance;
- human resources;
- mergers/acquisitions.

It was concluded that the Board as a whole had the skills required to perform all of its duties.

In order to increase the knowledge of Directors in the technical services provided by the Group, site visits are organised. In 2018, the Directors visited two customer sites in Germany for which SPIE is one of the leading providers of technical services.

In 2019, the Committee will assess whether the skills matrix should be changed to include more criteria on the topic of Corporate Social Responsibility (CSR) and make, as the case may be, proposals to the Board.

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.
He is in particular the preferred 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 Directors, without executive Directors being present, in order among other things to assess the performance of the Chairman and Chief Executive Officer and to consider the future of management. As part of this process, the Senior Independent Director (SID) chairs discussions during the meeting of the Board of Directors which, following the Compensation Committee's report, assess the performance of the Chairman and Chief Executive Officer as well as determining his targets and compensation. Likewise, if he deems it necessary, the Senior Independent Director may arrange, prior to the Board meeting at which the Board and its Committees are assessed, a meeting with the Independent Directors to consult and coordinate with and facilitate the communication of potential recommendations to them. He also oversees the performance of the annual evaluation of the functioning of the Board of Directors through individual interviews with the directors;
- *managing conflicts of interest:* The Senior Independent Director is in charge, in particular, in coordination with the Appointments 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 officers. He is seized or seizes himself of every conflict of interests, actual or potential, which he becomes aware of concerning the executive officers and the other members of the Board of Directors. He informs the Secretary of the Board of Directors and the Chairman of the Appointments and Governance Committee thereof and, if the latter deems necessary, the Board of Directors. The Senior Independent Director, as necessary, may provide recommendations to the Appointments and Governance Committee and to the Board of Directors on the management of potential conflicts of interests that he detected 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 Appointments and Governance Committee 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.

BALANCED REPRESENTATION OF WOMEN AND MEN

During the 2018 Applicable Period, the Board of Directors was composed of 11 directors, (the director representing employees is not counted for this purpose in accordance with Article L. 225-27 of the French Commercial Code), five of whom are women (Sophie Stabile, Nathalie Palladitcheff, Tanja Rueckert, Regine Stachelhaus and Gabrielle van Klaveren-Hessel), representing 50% of the directors.

NON-VOTING DIRECTOR

Mr. Pierre Heinrichs, Director of Investments and Private Placements withing the Caisse de Dépôt et Placement du Québec, is a non-voting director within the board of directors of the Company.

5.2.2 PREPARATION AND ORGANISATION OF WORK

5.2.2.1 CONDITIONS OF PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

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 14 December, 2017. 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 by-laws. 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 1.3 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 by-laws 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 six 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 CEO 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 2018 Applicable Period, the main topics of which the Board was convened related to:

- the approval of the 2018 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 2018 results as well as the review and approval of the updated forecasts at 2018 year-end and the approval of the 2019 budget;
- 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 proposal from the Appointments and Governance Committee, and various questions relating to the organisation and information of the Board of Directors and the Committees; and

- internal control and risk management, including the presentation of updated risk mapping.

The reports of the Audit, Appointments, Governance, and Compensation Committees that were held during the 2018 Applicable Period (see below) have also been presented to the Board of Directors.

In accordance with article 1.7 of the 2018 Afep-Medef Code, on 11 March, 2019, the Group's Human Resources Director presented the Group's diversity policy, in particular in terms of the men/women balance in governing bodies, to the Board of Directors. The Board of Directors reviewed the efforts made by the Company in terms of communication, training, partnership and hiring to increase women's presence in various branches of the Company. The Board of Directors noted that such efforts led to a significant increase of the number of women in Executive Committees over the past three years, whether at the level of the Group or at the level of the Group's main subsidiaries.

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 2018 Applicable Period

During the 2018 Applicable Period, the Board of Directors met 8 times.

The average participation rate of the Directors, in person or by proxy, during the 2018 Applicable Period was 95.45%.

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 | Audit Committee | Appointment and Governance Committee | Compensation Committee |
|---|--------------------|-----------------|--------------------------------------|------------------------|
| Gauthier Louette | 100% | - | - | - |
| Denis Chêne * | 100% | - | - | - |
| Nathalie Palladitcheff | 75% | 85.71% | 100% | 100% |
| Gabrielle van Klaveren-Hessel | 100% | 85.71% | - | - |
| Daniel Boscari | 100% | - | - | 100% |
| Sophie Stabile | 100% | 100% | - | 100% |
| Sir Peter Mason | 100% | 100% | 100% | - |
| FFP Invest represented by Bertrand Finet ** | 100% | 100% | 100% | - |
| Regine Stachelhaus | 100% | - | 100% | - |
| Michel Bleitrach | 100% | - | - | 100% |
| Tanja Rueckert | 75% | - | 100% | - |

* Mr. Denis Chêne resigned from his mandate as member of the Board of Directors of the Company as of 12 March 2019. He was not replaced.

** Mr. Bertrand Finet was appointed member of the Board of Directors by the Shareholders' General Meeting of 25 May, 2018.

5.2.2.2 COMPOSITION AND FUNCTIONING OF THE 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 for some of its missions and concur 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.

Audit Committee

Composition

The Audit Committee comprises at least three members. In 2018, the members of the Audit Committee were Sir Peter Mason (Chairman, Independent Director and Senior Independent Director), Mrs Nathalie Palladitcheff, Mrs Sophie Stabile (Independent Director), Mrs Gabrielle van Klaveren-Hessel (director representing employee Shareholders) and Mr Bertrand Finet, representative of FFP Invest, (Independent Director). They were appointed by the Board of Directors as members of the Audit Committee, given their independence and their skills in financial and/or accounting matters.

Mr Bertrand Finet was appointed a member of the Audit Committee by the Board of Directors on 26 July, 2018.

In accordance with recommendation 14.1 of the Afep-Medef Code, the Director representing Shareholders-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.

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 corporate and consolidated accounts by the Company's independent auditors; and
- monitor the independence of the independent 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 2018 Applicable Period, the Audit Committee met 7 times, to discuss the following main topics:

- review of the 2018 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 2017 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 2017-2018 roadmap for the Risk Control and Internal Audit Department;
- review of the 2018 internal control assessment program within the Group;
- review of the 2018-2019 internal audit program;
- review of audit missions performed in 2018;
- review of the Audit Committee internal rules;
- review of the prior authorisation granted for non-audit services performed by the Company's auditors;
- for the purpose of its work, the Audit Committee regularly questions the Group's Chief Financial Officer, the Group's Risk Control and Internal Review Director as well as the Auditors, and more occasionally, other managers of the Company.

The average attendance rate of the members of the Audit Committee during the 2018 Applicable Period was 94.28%.

Appointments and Governance Committee

Composition

During the 2018 Applicable Period, the members of the Appointments and Governance Committee were: Mrs Regine Stachelhaus (Chairman and Independent Director), Mrs Tanja Rückert (independant director), Sir Peter Mason, Senior Independent Director, as well as Mr Bertrand Finet, representative of FFP Invest (Independent Director). They were appointed by the Board of Directors as members of the Appointments and Governance Committee, based in particular on their independence and their expertise in selecting executive officers of publicly traded companies and their knowledge of governance issues.

Mrs Tanja Rückert and Mr Bertrand Finet, representative of FFP Invest, were appointed members of the Appointments and Governance Committee by the Board of Directors on 26 July, 2018.

Mrs Nathalie Palladitcheff resigned from the Appointments and Governance Committee; her resignation was ratified by the Board of Directors on 26 July, 2018.

As a result, the Appointments and Governance Committee is composed of four members, all of whom are independent members. The composition of this Committee is therefore compliant with recommendation 16.1 of the Afep-Medef Code, which requires a majority of independent members within this Committee.

The term of office of the members of the Appointments and Governance 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 Governance Committee

The Appointments and Governance Committee is a specialised Committee of the Board, with the primary mission of assisting the Board in determining the members of the executive bodies of the Company and its Group.

In this framework, it performs the following tasks:

- appointment recommendations for members of the Board of Directors, the General Management, and Committees of the Board of Directors; and
- annual assessment of the independence of the members of the Board of Directors.

The Appointments and Governance Committee meets as needed and, in any event, at least once a year prior to the Board meeting that decides the situation of the members with regard to the independence criteria adopted by the Company.

Work of the Appointments and Governance Committee

During the 2018 Applicable Period, the Appointments and Governance Committee met 3 times, in order to discuss the following main topics:

- annual assessment of the independence of the members of the Board of Directors;
- organisation of the process for the evaluation of the functioning of the Board of Directors;
- review of the continuity and succession plan of the members of the Executive Committee and, in particular, of the CEO with a report from the board of directors; the Committee proceeded with its annual review of the plan on November 23, 2018 with the support of the CEO. 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 on December 12, 2018.
- review of the Competencies Matrix with the Board of Directors and report to the Board of Directors;
- review of observations made by investors and voting advisory agencies on corporate governance.

The average participation rate of the members of the Appointments and Governance Committee during the 2018 Applicable Period was 100%.

Compensation Committee

Composition

The Compensation Committee is composed of four members, two of whom are independent members of the Board. During the 2018 Applicable Period, the members of the Compensation Committee were Michel Bleitrach (Chairman, Independent Director), Sophie Stabile (Independent Director), Daniel Boscari, director representing employees and Nathalie Palladitcheff. They were appointed by the Board of Directors as members of the Compensation Committee

based in particular on their independence and their expertise in the area of compensation for executive officers of public traded companies.

In a decision dated 26 July, 2018 the Board of Directors of the Company decided to appoint Mrs Nathalie Palladitcheff as a member of the Compensation Committee.

In accordance with recommendation 14.1 of the Afep-Medef Code, the Director representing Shareholders-employees is not taken into account to determine the percentage of Independent Directors. The composition of the Compensation Committee is in accordance with Recommendation 17.1 of the Afep-Medef Code

The term of office of the members of the 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 Compensation Committee

The 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 officers or managers of the Group, including all deferred benefits and/or severance payments for voluntary or force 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' fees;
- consults for recommendation to the Board of Directors on all exceptional compensation related to special missions, if any, that may be assigned by the Board to certain members; and
- review of employees shareholding plans and bonus share scheme for certain beneficiaries.

The Compensation Committee meets as needed and, in any event, at least once a year, prior to any meeting of the Board of Directors that will decide on the compensation for members of the General Management or the allocation of Directors' fees.

Work of the Compensation Committee

During the 2018 Applicable Period, the Compensation Committee met 3 times, to discuss the following main topics:

- determination of the 2018 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 CEO's compensation for 2019 including a few adjustments;
- review of the observations made by investors and proxys on the information provided by the Company on compensations and bonus share scheme (*plan d'attribution d'actions gratuites*) within the Group; and
- setting the principles for the allocation of the Directors' fees among the Directors for the year 2018.

The average participation rate of the members of the Compensation Committee during the 2018 Applicable Period was 100%.

**5.2.2.3 EVALUATION OF THE FUNCTIONING
OF THE BOARD OF DIRECTORS
AND THE COMMITTEES OF THE BOARD**

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. To that purpose, once a year, the Board of Directors shall, upon report of the Appointments and Governance Committee, devote an item of the agenda to its operating procedures, to the verification that important issues are properly prepared and discussed within the Board of Directors, and to the measuring of the effective participation and involvement of each Board member in the Board of Directors' work through his or her competence and involvement in deliberations. This assessment shall be made on the basis of the answers to an individual and anonymous inquiry addressed to each member of the Board of Directors once a year. For the 2018 Applicable Period, the Board of Directors also introduced, in addition to the written personal questionnaire, interviews between each Director and non-voting Directors and the Senior Independent Director.

With respect to the 2018 Applicable Period, in accordance with the internal rules of the Board of Directors described above, an

evaluation mainly focused on Board of Directors and Committee organisation and Board and Committee papers, was performed in December 2018 and January 2019 by the Secretary of the Board of Directors through individual inquiry sent to each of the members of the Board of Directors, and under the Senior Independent Director's supervision. The anonymous responses were analysed and reported to the Appointments and Governance Committee. The Senior Independent Director conducted individual interviews with each director and submitted observations to the Appointments and Governance Committee, which, at its meeting of 11 February, 2019, issued its recommendations to the Board of Directors

The evaluation demonstrated a generally positive feedback with some comments suggesting areas of improvement. As a result of these comments and recommendations, the Board has noted a very high level of satisfaction with the organisation and agenda of the Board meetings, the way in which the meetings are chaired by the Chairman and Chief Executive Officer and the organisation of discussions. However, it felt that in the future, the Board should devote more time to the examination of corporate social responsibility (CSR) issues and that, to that end, the mission and composition of Board committees should be reviewed in 2019.

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
DURING THE 2018 FINANCIAL YEAR**

The compensation policy for the Company's executive 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 rules for allocating the Directors' fees among the Directors have been set by the Board of Directors, following a recommendation by the Compensation Committee during its meeting of 10 March, 2016 and continued in 2017 and 2018.

The rules for allocating the Directors' fees among the Directors have been set as follows:

- only Independent Directors (currently six) are entitled to Directors' fees;
- 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 who is independent 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);
- the Independent Directors' compensation is split into a fixed part (40% of the total) paid half in June and half in December, and a variable part (60% of the total), which is subject to attendance at Board of Directors and Committee meetings, paid end of March of the year following the activity report presented to the Board of Directors. 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 ½. For the Senior Independent Director, the fixed part is equal to 60% of the total, and the variable part 40% of the total.

The compensation due to each member of the Board of Directors with respect to 2018, after taking into account their attendance at Board of Directors and Committee meetings, is presented in this Chapter of the Registration Document.

(b) Compensation of Board members

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 31 December, 2017 and 2018 in the table below, no other means of compensation or benefits to Directors were planned at the date of this 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) ⁽⁴⁾**Table of Director's fees and other compensation paid to non-executive officers**

| Non-executive officers | Amounts paid in 2017 ⁽¹⁾ | Amounts paid in 2018 ⁽²⁾ |
|---|--|--|
| Michel Bleitrach | | |
| Attendance fees | 65,800 | 66,000 |
| Other compensation | 0 | 0 |
| Denis Chêne ⁽³⁾ | | |
| Attendance fees | 0 | 0 |
| Other compensation | 0 | 0 |
| Nathalie Palladitcheff | | |
| Attendance fees | 0 | 0 |
| Other compensation | 0 | 0 |
| Sir Peter Mason | | |
| Attendance fees | 86,570 | 88,667 |
| Other compensation | 0 | 0 |
| FFP Invest, represented by Bertrand Finet ⁽⁴⁾ | | |
| Attendance fees | 0 | 12,000 |
| Other compensation | 0 | 0 |
| Sophie Stabile | | |
| Attendance fees | 54,000 | 54,240 |
| Other compensation | 0 | 0 |
| Regine Stachelhaus | | |
| Attendance fees | 62,360 | 70,000 |
| Other compensation | 0 | 0 |
| Tanja Rueckert ⁽⁵⁾ | | |
| Attendance fees | 7,000 | 32,000 |
| Other compensation | 0 | 0 |
| Gabrielle van Klaveren-Hessel | | |
| Attendance fees | 0 | 0 |
| Other compensation | 0 | 0 |
| Daniel Boscari | | |
| Attendance fees | 0 | 0 |
| Other compensation | 0 | 0 |

(1) The compensation paid in 2017 covers the fixed portion of 40% and the variable portion of 60% at the minimum level for the duties completed in 2016.

(2) 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.

(3) Mr. Denis Chêne resigned from his mandate as member of the Board of Directors of the Company as of 12 March 2019. He was not replaced.

(4) FFP Invest was appointed as a Director at the Shareholders' General Meeting called to approve the financial statements of the year ended on 31 December, 2017.

(5) Mrs Tanja Rueckert was appointed Director of the Company by co-optation on 14 September, 2017, to replace the resigning Mr Christian Rochat. Such co-optation has been adopted at the Shareholders' General Meeting called to approve the financial statements of the year ended on 31 December, 2017.

The Board of Directors has decided that only Independent Directors shall be permitted to receive Directors' fees.

Since 2018, the maximum annual amount of the fees granted to the Board of Directors is equal to €600,000 euros. This maximum amount remains in effect for the following years, until the Shareholders' General Meeting decides otherwise. At the date of this Registration Document, no decisions had been taken to change this amount.

The variable portion of Independent Directors' fees (capped at 60% of the total and 40% for Sir Peter Mason, Senior Independent Director since 1 January, 2016), based on their attendance at Board and Committee meetings, is paid in March of the following year. 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. At the meeting of 11 March, 2019, the Board of Directors allocated the following variable compensation (to be paid at the end of March 2019) to the Independent Directors for the 2018 financial year:

- Michel Bleitrach: €42,000, based on a 100% participation rate in 2018;
- Sir Peter Mason: €36,000, based on a 100% participation rate in 2018;
- Sophie Stabile: €36,000, based on a 100% participation rate in 2018;
- Regine Stachelhaus: €42,000, based on a 100% participation rate in 2018;
- Ms Tanja Rueckert: €27,529, based on a 76.47% participation rate in 2018;
- FFP Invest, represented by Bertrand Finet: €21,000, based on a 100% participation rate in 2018.

5.3.2 COMPENSATION OF EXECUTIVE AND 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 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 remuneration;

- annual variable compensation comprising a quantitative portion and a qualitative portion, based on formal and demanding annual objectives which the 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 financial year 2018 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' Annual General Meeting scheduled on 24 May, 2019.

Variable and fixed compensation for 2018

Fixed compensation for 2018

In accordance with the principles described above, the Board of Directors, in its decisions of 14 December, 2017, based on the recommendations of the Compensation Committee, set the 2018 compensation of the Chairman and Chief Executive Officer at €775,000, compared with €740,300 in 2017, representing an increase of 4.7%. The main components on which this compensation is based are:

- the fact that the Chairman and Chief Executive Officer's responsibilities are considerably broader following the acquisition of SAG, cementing SPIE's position as a Europe-wide Group;
- a study performed by an independent external firm on compensation practices for comparable SBF 120-level companies found that the Chairman and Chief Executive Officer's annual fixed compensation was positioned below the median of the benchmark.

Variable compensation for 2018

An annual variable portion with achieved objectives amounting to 100% of his gross annual fixed compensation, with 55% linked to EBITA, 10% linked to Operating Cash Flow, and 35% linked to individual qualitative objectives, as presented below, and with an adjustment of the EBITA factor based on the Group's safety performance. Should the objectives be exceeded, the variable part can reach a maximum of 171% of the fixed annual compensation.

ANNUAL VARIABLE COMPENSATION CALCULATION TABLE FOR 2018

| Performance criteria | | | Minimum | Target | Maximum | Actual | |
|--|--|---|----------------------------|--------|---------|--------|-------|
| Quantitative criteria (65% of fixed compensation) | EBITA 2018 | Comparison to the 2018 budget | In % of fixed compensation | 0 | 55% | 110% | 54.9% |
| | | Weighting by a coefficient directly tied to the Group's safety record | | 0.9 | 1 | 1,1 | 0.955 |
| | | Total weighted 2018 EBITA in thousands | In % of fixed compensation | 0 | 55% | 121% | 52.4% |
| | Cash flow from operations | Comparison to the 2018 budget | In % of fixed compensation | 0 | 10% | 15% | 13.9% |
| | Total quantitative criteria | | In % of fixed compensation | 0 | 65% | 136% | 66.3% |
| Qualitative criteria (35% of fixed compensation) | Individual fixed objectives set by the Board (2018 external growth, SAG consolidation, reorganisation of French activities, strategic review, Shareholder relations and financial communication) (See table below) | | In % of fixed compensation | 0 | 35% | 35% | 24.5% |
| Total annual variable compensation | | | In % of fixed compensation | 0 | 100% | 171% | 90.8% |

TABLE RELATING TO THE CALCULATION OF THE QUALITATIVE CRITERIA OF THE 2018 VARIABLE REMUNERATION

| Criteria | Indicator | Weight | Result |
|---|--|--------|--------|
| External Growth | Objective communicated in projections | 9% | 5.5% |
| Achievement of SAG integration | Achievement of the integration plan | 7% | 5% |
| Reorganisation of French Activities | Creation of SPIE France and setting up of new organisations and achievement of the 2018 action plan | 7% | 7% |
| Strategic Business Review | One review per year chaired by the senior independent director and including competition, digital strategy and risk matrix | 5% | 4% |
| Relations with Shareholders and financial communication | Evaluated by the Board of Directors over the year | 7% | 3% |
| TOTAL | | 35% | 24.5% |

The Board of Directors' meeting held on 11 March, 2019, 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 2018 annual variable compensation of the Chairman and Chief Executive Officer to €703,700 resulting from the application of a 90.8% rate to the fixed annual remuneration of €775,000.

While the Board of Directors noted that the financial objectives were in line with, or over, the objectives set for the year, the security criteria was impacted by the occurrence of 2 fatalities over 2018.

Regarding qualitative criteria, the Board of Directors noted that half of the external growth objective of €200 million which was publicly announced was reached. The SAG integration was successfully achieved it being understood that some actions are still to be taken in relation to the disposal of certain activities. The Board of Directors also considers that some aspects of the strategic business review and the relation with Shareholders and financial communication could be improved, which led the Board of Directors to reach an achievement result of 24.5% compared with a maximum of 35%.

Variable and fixed compensation for 2019

During its meeting held on 12 December, 2018, the Board of Directors decided, based on a proposal by the Compensation Committee, on 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 (aforem. Eurotunnel Group), Imerys, Ingenico, Nexans, Rexel and Vallourec.

Variable compensation for 2019

At their meeting of 3 December, 2018, the Board of Directors, based on a proposal by the 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 keeping with the Group's business model.

Should the objectives be exceeded, the variable part can reach a maximum of 171% of the fixed annual compensation.

| Annual variable compensation criteria for the 2019 financial year | | | Minimum | Target | Maximum |
|---|---|----------------------------|---------|--------|---------|
| Quantitative criteria (70% of annual fixed compensation) | EBITA organic growth | In % of fixed compensation | 0% | 30% | 60% |
| | Weighting by a coefficient directly tied to the Group's safety record | | 0.9 | 1 | 1,1 |
| | Total EBITDA organic growth | In % of fixed compensation | 0% | 30% | 66% |
| | Cash flow – 2019 Budget | In % of fixed compensation | 0% | 30% | 60% |
| | External Growth Acquisitions | In % of fixed compensation | 0% | 10% | 15% |
| | Total quantitative criteria | | 0% | 70% | 141% |
| Qualitative criteria (30% of annual fixed compensation) | Individual fixed targets set by the Board (disposals, risk management, succession plans, Shareholder relations and financial communication) | | 0% | 30% | 30% |
| Total annual variable as a % of fixed compensation | | | 0% | 100% | 171% |

Subscription options, performance shares and other shares allotment

On 25 May, 2016, the Shareholders' General Meeting has, in accordance with its 20th resolution, authorised the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the Commercial Code.

The Board of Directors on 28 July, 2016, on the basis of the authorisation granted by the Shareholders' General Meeting, has issued two free performance shares plans for officers and employees of the Company and its subsidiaries. Mr Gauthier Louette, Chairman and CEO, is one of the beneficiaries of these plans.

During its meeting of 11 March, 2019, the Board of Directors approved a new performance shares plan for officers and employees of the Company and its subsidiaries. Mr Gauthier Louette, Chairman and CEO, is one of the beneficiaries of this plan.

For a detailed description of said performance share plans granted notably to Mr Gauthier Louette, see Section 6.1.3.2 of this Registration Document.

Pension plan

Mr Gauthier Louette is covered by a defined benefit supplemental pension plan set up within SPIE SA (now SPIE Operations) on

1 January, 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 Cardif (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 1 January, 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 1 January, 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 base pay 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.

(1) The defined contribution pension scheme (known as "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).

(2) Mr Gauthier Louette has 34 years of service with the Company.

Pensions are vested on an annual basis, i.e. 2% of the base pay for each year under the plan for the first five years and 3% thereafter, subject to the following two caps:

- annual vesting as described above is capped at 20% of the annual base pay ⁽¹⁾; 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 the base pay.

The Company recorded a provision to finance these obligations with management outsourced to Cardif.

At 31 December, 2018, the theoretical base pay is equal to the average compensation paid out in 2016, 2017 and 2018, i.e. €1,508,816. As Mr Gauthier has reached the maximum vested rights of 20%, the theoretical annual annuity amount will be €301,763.

When the pension is paid out, the employer's social security contribution will amount to 32% of the gross pension amount (current rate). ⁽²⁾

Severance package and non-compete

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 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 ASSC (annual social security cap) (PASS – *plafond annuel de la Sécurité sociale*).

Thus, in 2018 the Company paid an annual contribution of €12,278 (60% employer contribution and 40% employee contribution).

The Chairman and CEO does not benefit from any indemnity which would be due to compensate a non-compete provision.

Other benefits

The Chairman and CEO 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 2018 and 2017 are included in this Chapter of the Registration Document.

Draft of the resolution provided in accordance with Article L. 225-37-2 of the French Commercial Code and submitted to the Shareholders' General Meeting of 24 May, 2019

(8th Resolution) - Approval of the principles and the criteria for the determination, allocation and attribution of the fixed, variable and exceptional components of the total compensation and benefits of all kinds attributable to Mr Gauthier Louette, as Chairman and Chief Executive Officer (compensation policy)

The Shareholders' General Meeting, having noted the report of the Board of Directors on corporate governance as drafted in accordance with Article L. 225-37-2 of the French Commercial Code, ruling under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, approves the principles and criteria applicable for the determination, the allocation and attribution of the fixed, variable and exceptional components of the total compensation and benefits of all kinds presented in the aforementioned report and attributable to Mr Gauthier Louette, in his role as Chairman and Chief Executive Officer, for the year 2019.

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 €8,131,959 for the financial year ended 31 December, 2018. This amount covers Mr Gauthier Louette and seven of the Group's former executive officers who are now retired.

Compensation of executive and 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 31 December, 2017 and 2018.

TABLE 1 (AMF DEFINITION)

Summary table of compensation paid and stock options awarded to each executive officer

| (amount in euros) | 2017 | 2018 |
|---|------------------|------------------|
| Gauthier Louette, Chairman and Chief Executive Officer | | |
| Compensation due for the financial year * (breakdown in Table 2) | 1,627,802 | 1,485,980 |
| 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 | 0 |
| TOTAL | 1,627,802 | 1,485,980 |

* On a gross basis (before social security costs and taxes).

(1) This 20% ceiling was reached for Gauthier Louette before the 2015 financial year.

(2) In the context of the defined contribution pension scheme (known as "Article 83") which covers Mr Gauthier Louette, the annual contribution paid by the Company is 16% x (annual compensation - 4 PASS) capped at 16% x 4 PASS (i.e. 25,428 euros in 2018), and each year is capitalised in a multi-asset investment fund managed by BNP Paribas Épargne Retraite.

TABLE 2 (AMF DEFINITION)

Summary table of compensation paid to each executive officer

| (amount in euros) | 2017 | | 2018 | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 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⁾ | 740,300 | 740,300 | 775,000 | 775,000 |
| Annual variable compensation ⁽¹⁾ | 880,957 | 686,600 | 703,700 ⁽²⁾ | 880,957 |
| Multi-year variable compensation ⁽¹⁾ | 0 | 0 | 0 | 0 |
| Exceptional compensation ⁽¹⁾ | 0 | 0 | 0 | 0 |
| Attendance fees | 0 | 0 | 0 | 0 |
| Benefits in kind ⁽³⁾ | 6,545 | 6,545 | 7,280 | 7,280 |
| TOTAL | 1,627,802 | 1,433,445 | 1,485,980 | 1,663,237 |

(1) On a gross basis (before social security costs and taxes).

(2) the annual variable remuneration due for the year 2018 will be paid after the Shareholders' General Meeting of 24 May, 2019.

(3) Benefits in kind mean a company car.

TABLE 11 (AMF DEFINITION)

| | 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 |
| Executive officers | | | | | | | | |
| Gauthier Louette | | x | x | | x | | | x |
| Chairman and Chief Executive Officer, | | | | | | | | |
| Role start date: 30 August, 2011 | | | | | | | | |
| Role end date: Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2021 | | | | | | | | |

5.3.3 AWARD OF STOCK OPTIONS

TABLE 4 (AMF DEFINITION)

Stock options awarded during the year to each executive officer by the issuer and any Group entity

| Name of executive officer | Plan date and No. | Option type (subscription or purchase) | Valuation of options using the consolidated method | 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 officer

| Name of executive 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. | |
| Terms of exercise (where the plan includes several facilities) | | | | |
| Number of shares subscribed for at the date of this Registration Document | | | | |
| Cumulative number of stock options cancelled or expired | | | | |
| Stock options remaining at year end | | | | |

TABLE 9 (AMF DEFINITION)

| Stock options awarded to and exercised by the top ten non-executive employee beneficiaries | Total number of options awarded/ shares subscribed for or purchased | Weighted average price | Plan No. 1 | Plan No. 2 |
|---|---|------------------------|------------|------------|
| Options awarded during the year by the issuer and any Group entity falling within the option allocation scope to the ten employees of the issuer and any entity within this scope who were awarded the highest number of options (overall figure) | | | | |
| Options on the issuer and any Group entity falling within the option allocation scope exercised during the year by the ten employees of the issuer and these entities who bought or subscribed for the highest number of shares (overall figure) | | Nil. | | |

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 (list of names) | Plan date and No. | Number of shares awarded during the year | Valuation of options using the consolidated method (in euros) | Vesting date | Date available | Performance conditions |
|--|---------------------|--|---|--------------|----------------|-----------------------------------|
| Gauthier Louette | No. 1 28/07/2016 | 64,040 | 704,602 | 28/07/2016 | 28/07/2019 | EBITA Cash conversion TSR * |
| Gauthier Louette | No. 3 11/03/2019 | 36,750 | 514,500 | 11/03/2019 | 15/03/2019 | EBITA Cash Conversion TSR * |

* Total Shareholder Value.

For a more detailed description of the 2019 plan, see Section 6.1.3.2 of this Registration Document.

TABLE 7 (AMF DEFINITION)

| Bonus shares available to each corporate officer | Plan date and No. | Number of shares made available during the year | Vesting conditions |
|--|-------------------|---|--------------------|
| Gauthier Louette | | Nil. | |

TABLE 10 (AMF DEFINITION)

| Date of Shareholders' General Meeting | Plan No. 1 | Plan No. 2 | Plan No. 3 | Etc. |
|---|------------|------------|------------|------|
| Date of Board meeting | 28/07/2016 | 28/07/2016 | 11/03/2019 | |
| Total number of bonus shares awarded, of which awarded to: | 225,115 | 872,040 | 544,171 | |
| CORPORATE OFFICERS | | | | |
| Gauthier Louette | 64,040 | 0 | 36,750 | |
| Vesting date | 28/07/2016 | N/A | 11/03/2019 | |
| Holding period end date | 28/07/2019 | N/A | 15/03/2019 | |
| Number of shares subscribed for at the date of this Registration Document | 64,040 | N/A | 36,750 | |
| Cumulative number of shares cancelled or expired | 0 | N/A | 0 | |
| Bonus shares remaining at year end | Unknown | N/A | Unknown | |

5.4 OTHER INFORMATION

5.4.1 STATEMENTS CONCERNING THE ADMINISTRATIVE BODIES

At the date of this 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 or liquidation 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 Registration Document there were no potential conflicts of interest between the duties of the members of the Board of Directors and of the CEO 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 Registration Document, to the Company's knowledge, there were no service provision agreements between members of the executive bodies and the Company or its subsidiaries under which benefits are granted.

-6-

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 31 December, 2018:

| Shareholders | Holding percentage | | | |
|--|--------------------|--------------------|-------------------------|--------------------|
| | Number of shares | % of share capital | Number of voting rights | % of voting rights |
| Caisse de Dépôt et Placement du Québec | 18,751,639 | 12.06% | 31,211,270 | 17.93% |
| FFP Invest ⁽¹⁾ | 8,500,000 | 5.46% | 8,500,000 | 4.88% |
| Managers ⁽²⁾ | 7,367,487 | 4.73% | 11,531,582 | 6.63% |
| • including Gauthier Louette | 2,434,396 | 1.56% | 4,868,792 | 2.80% |
| • including Denis Chêne ⁽³⁾ | 1,030,476 | 0.66% | 2,060,952 | 1.19% |
| Employee shareholding ⁽⁴⁾ | 6,757,243 | 4.35% | 8,405,482 | 4.83% |
| Public | 114,171,190 | 73.40% | 114,410,351 | 65.73% |
| Treasury shares | 390 | 0.00% | 0 | 0.00% |
| TOTAL | 155,547,949 | 100.0% | 174,058,685 | 100.0% |

(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) Mr. Denis Chêne resigned from his position as director of the Company on March 12, 2018. He was not replaced.

(4) Shares held by Group employees, either directly through the FCPE SPIE Actionnariat 2011/2015 and 2018 SPIE for you.

CHANGES IN SHAREHOLDING DURING THE YEAR ENDED 31 DECEMBER, 2018

On 9 January, 2018, the simplified joint stock company FFP Invest (controlled by the public limited 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 the same number of voting rights, or 5.52% of the share capital and 5.41% of the voting rights of the Company.

On 27 March, 2018, BlackRock, Inc., acting on behalf of clients and funds under its management, went below the threshold of 5% of the voting rights of the Company and declared that it held, on behalf of said customers and funds, 7,794,351 shares of the Company representing the same number of voting rights, or 5.06% of the share capital and 4.96% of the voting rights of the Company. This crossing of thresholds was the result of a sale of Company shares on the market.

On 28 March, 2018, BlackRock, Inc., acting on behalf of clients and funds under its management, went below the threshold of 5% of the voting rights of the Company and declared that it held, on behalf of said customers and funds, 6,874,317 shares of the Company representing the same number of voting rights, or 4.46% of the share capital and 4.38% of the voting rights of the Company. This crossing of thresholds was the result of a sale of Company shares on the market and a return of Company shares held as collateral.

On 19 May, 2018, the Caisse de Dépôt et Placement du Québec exceeded the Company's 10% and 15% voting rights thresholds and declared that it held 14,758,819 shares of the Company representing 27,218,450 voting rights, or 9.58% of the share capital and 15.74% of the voting rights of the Company. On 23 May, 2018, the Caisse de Dépôt et Placement du Québec further stated that it held 15,130,972 shares of the Company representing 27,590,603 voting rights, or 9.82% of the share capital and 15.96% of the voting rights of the Company.

On 23 May, 2018, the simplified joint stock company FFP Invest (controlled by the public limited company Établissements Peugeot Frères) went below the threshold of 5% of the voting rights of the Company and declared that it held 8,500,000 shares of the Company representing the same number of voting rights, or 5.52% of the share capital and 5.41% of the voting rights of the Company.

On 29 May, 2018, the Caisse de Dépôt et Placement du Québec exceeded the Company's 10% share capital threshold and declared that it held 15,643,080 shares of the Company representing 28,102,711 voting rights, or 10.15% of the share capital and 16.25% of the voting rights of the Company. This crossing of thresholds was the result of an acquisition of Company shares on the market. The Caisse de Dépôt et Placement du Québec further stated that it held 16,548,057 shares of the Company representing 29,007,688 voting rights, or 10.74% of the Company's share capital and 16.77% of the voting rights.

On 26 September, 2018, Aviva Investors Global Services Limited (controlled by Aviva plc and acting on behalf of funds and clients under management) and Aviva Investors France (controlled by Aviva plc and acting on behalf of funds and clients under management) acting in concert corrected their previous declaration, stating that they had not gone below the thresholds of 5% of the share capital and voting rights of the Company and held 10,464,715 shares of the Company representing the same number of voting rights, or 6.73% of the share capital and 6.01% of the voting rights of the Company. 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 2,701,678 shares of the Company under a "right to recall" contract for the same number of shares of the Company.

6.1.2 OTHER INFORMATION ABOUT THE CONTROL OF THE COMPANY

6.1.2.1 DISCLOSURE RELATING TO CONTROL OF THE COMPANY

Undertakings made by Caisse de Dépôt et Placement du Québec to the Company

In a letter dated 22 May, 2015 and amended on 29 May, 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 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 Board of Directors in the event of a sale or transfer of shares, including as part of a public offering, 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 public offer 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 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 14 September, 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 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.

Note that as of the date of this Registration Document, FFP Invest is a member of the Board of Directors.

Shareholders' agreement between the Group's main executives

On the occasion of the Company's initial public offering, on 29 May, 2015, some of the Company's Shareholders, including Gauthier Louette, Chairman and Chief Executive Officer of the Company entered into a Shareholders' agreement to organise their stakes in the Company.

The main stipulations of the Shareholders' agreement are as follows:

- the executive officer Shareholders in question undertake to meet before any Shareholders' General Meeting and any other significant event for the Company in order to adopt a common position;
- the obligation to provide prior information with respect to any sale of Company shares.

This Shareholders' agreement, under which the executive officers in question act in concert with regard to the Company, is valid for a period of five years.

6.1.2.2 AGREEMENTS THAT MAY RESULT IN A CHANGE OF CONTROL

At the date of registration of this Registration Document, there is no agreement whose implementation could result in a change of control of the Company.

6.1.3 SHAREHOLDINGS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

6.1.3.1 SHAREHOLDINGS 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 the Registration Document:

| Company Director | Number of shares and voting rights held at 31 Dec. 2018 | | | Attendance fees |
|--|---|--------------|--------------------|-----------------|
| | Number of shares and voting rights | % of capital | % of voting rights | |
| Gauthier Louette (Chairman and CEO) | 2,434,396 | 1.56% | 2,80% | No |
| Daniel Boscarì | 30,000 | 0.002% | 0,002% | No |
| Sir Peter Mason | 2,000 | 0.00% | 0,00% | Yes |
| Michel Bleitrach | 1,800 | 0.00% | 0,00% | Yes |
| Regine Stachelhaus | 750 | 0.00% | 0,00% | Yes |
| Tanja Rueckert | 500 | 0.00% | 0,00% | Yes |
| Sophie Stabile | 100 | 0.00% | 0,00% | Yes |
| Nathalie Palladitcheff | 100 | 0.00% | 0,00% | No |
| Gabrielle van Klaveren-Hessel ⁽¹⁾ | 0 | 0.00% | 0,00% | No |
| FFP Invest, represented by Bertrand Finet | 8,500,000 | 5.46% | 4,88% | Yes |

(1) Gabrielle van Klaveren-Hessel also holds 949,6912 units in the "SPIE for you" fund as of December 31, 2018 (see Section 6.1.4 of the this Registration Document).

6.1.3.2 STOCK OPTIONS AND AWARDS OF FREE SHARES

On 25 May, 2016, the Shareholders' General Meeting has, in accordance with its 20th resolution, authorised the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the Commercial Code.

Said authorisation was granted for a period of 38 months.

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 €2,750,000 for the share capital increases reserved to the beneficiaries of a employee savings plans, as well as (ii) on the nominal ceiling of €36,000,000 for share capital increases.

The free shares granted to 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 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' Meeting also decided that the shares will be definitely acquired by their beneficiaries after (i) an acquisition period of at least 1 year and a conservation period of at least 1 year as from their definitive acquisition, and/or (ii) an acquisition period of at least 2 years in which case no conservation period may be required.

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 Commercial Code.

The Board of Directors on 28 July, 2016, on the basis of the authorisation granted by the Shareholders' General Meeting, has issued two free performance share plans for officers and employees of the Company and its subsidiaries.

The Board of Directors thus granted 1,098,155 ordinary shares called "performance shares" of the Company, representing 0.71% of the Company's share capital as at 28 July, 2016.

The Board of Directors established a list of beneficiaries as follows:

- a SPIE 2016 plan, 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 Performance Shares shall be definitively acquired by the beneficiaries subject to compliance with the following conditions:

- the end of a period of three years starting on 28 July, 2016;
- beneficiaries shall be bound with any of the Group companies by corporate duties or an employment contract throughout the entire duration of the acquisition period;
- conditions of performance, *i.e.*:
 - 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 hereof 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 years running from 1 January, 2016 to 31 December, 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 hereof 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 1 January, 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 Segment France Management Committee must retain 15% of their registered free performance shares acquired until the end of their terms of office within the Group.

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.

On 11 March, 2019, the Board of Directors, on the basis of the authorisation granted by the General Meeting, set up a performance share plan for officers and employees of the Company and its subsidiary.

The Board of Directors thus granted 544,171 ordinary shares called "performance shares" of the Company, representing up to 0.35% of the total number of shares forming the Company's share capital on

11 March, 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 1 January, 2019 to 31 December, 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.

(i) Internal Allocation Rate

The Internal Allocation Rate depends on the level of two internal performance indicators (the "Internal Indicators") for the Reference Period:

- the annual average growth rate of the EBITA over the Reference Period (the "3-Year AAGR"); and
- the annual average cash conversion rate for the Reference Period (the "3-Year CCR").

The allocation rates (the "3-Year AAGR Allocation Rate" and the "3-Year CCR Allocation Rate") shall be determined, once the Board of Directors has adopted the financial statements for the financial year ended on 31 December, 2021, depending on the level of attainment of the Internal Indicators, as follows:

(a) 3-Year AAGR Allocation Rate

- if the 3-Year AAGR is inferior to 4.5%, the 3-Year AAGR Allocation Rate is equal to 0%;
- if the 3-Year AAGR is equal to 4.5%, the 3-Year AAGR Allocation Rate is equal to 25%;
- if the 3-Year AAGR is equal to 5%, the 3-Year AAGR Allocation Rate is equal to 50%;
- if the 3-Year AAGR is superior to 4.5% and inferior to 5%, the 3-Year AAGR Allocation Rate is determined by linear interpolation between 25% to 50%;
- if the 3-Year AAGR is superior or equal to 7%, the 3-Year AAGR Allocation Rate is equal to 100%; and
- if the 3-Year AAGR is superior to 5% and inferior to 7%, the 3-Year AAGR Allocation Rate is determined by linear interpolation between 50% and 100%.

Calculation formula of the 3-Year AAGR = $\left[\left(\frac{\text{EBITA 2019}}{\text{EBITA 2018} - 1} \right) + \left(\frac{\text{EBITA 2020}}{\text{EBITA 2019} - 1} \right) + \left(\frac{\text{EBITA 2021}}{\text{EBITA 2020} - 1} \right) \right] / 3$

(b) 3-Year CCR Allocation Rate

- if the 3-Year CCR is inferior to 100%, the 3-Year CCR Allocation Rate is equal to 0%; and
- if the 3-Year CCR is superior or equal to 100%, the 3-Year CCR Allocation Rate is equal to 100%.

Calculation formula of the 3-Year CCR = $\left[\text{CCR 2019} + \text{CCR 2020} + \text{CCR 2021} \right] / 3$

The internal allocation rate shall be equal to the arithmetic average of the 3-Year AAGR Allocation Rate and the 3-Year CCR Allocation Rate (the "Internal Allocation Rate").

(ii) External Allocation Rate

This External Allocation Rate relates to a performance target (Total Shareholder Return or "TSR") of the Company's shares (the "SPIE TSR") compared to the TSR of the companies which are included in the SBF 120 index (the "SBF 120 TSR") over the Reference Period, or, in case of disappearance of this index, any index that would replace it or which, in the opinion of the Compensation Committee, would be appropriate to evaluate the performance of the SPIE TSR.

The SPIE TSR shall be calculated, over the Reference Period, in application of the following formula:

$$\frac{\text{Final Reference Price} + \text{Dividends Paid and Reinvested} - \text{Initial Reference Price}}{\text{Initial Reference Price}}$$

where

- the Initial Reference Price corresponds to the last quoted trading price of the SPIE share on the Euronext Paris market on the first trading day of the Reference Period (i.e., on 2 January, 2019);
- the Dividends Paid and Reinvested correspond to dividends paid over the Reference Period and immediately reinvested in company's securities; and
- the Final Reference Price corresponds to the last quoted trading price of the SPIE share on the Euronext Paris market on the last trading day of the Reference Period (i.e., on 31 December, 2021).

In order to determine the SBF 120 Median TSR for the Reference Period, the TSR of each company composing the SBF 120 index shall be calculated using the same method as the SPIE TSR, it being specified that if a company included in the SBF 120 index were to leave the index, it will, along with the company which would therefore integrate this index, be excluded from the SBF 120 Median TSR calculation.

The allocation rate corresponding to the SPIE TSR and SBF 120 Median TSR (the "External Allocation Rate") shall be determined, once the Board of Directors has adopted the financial statements for the financial year ended on 31 December, 2021, as follows:

- if the SPIE TSR is inferior to the SBF 120 Median TSR, the External Allocation Rate is equal to 0%;
- if the SPIE TSR is equal to the SBF 120 Median TSR, the External Allocation Rate is equal to 50%;
- if the SPIE TSR is superior or equal to the product (105% x SBF 120 Median TSR), the External Allocation Rate is equal to 100%.
- The External Allocation Rate will vary linearly between these two limits.

(iii) Global Allocation Rate

The Global Allocation Rate corresponds to the weighted average of the corresponding Internal Allocation Rate and External Allocation Rate, determined according to the following formula:

Global Allocation Rate = (0.70 x Internal Allocation Rate) + (0.30 x External Allocation Rate).

The Board of Directors decided that Mr. Gauthier Louette, 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 termination of his duties within the Group. Members of the Group Executive Committee (excluding Mr. Gauthier LOUETTE), should be required to hold in fully registered form until termination of their duties as employee within the Group, a number of performance shares corresponding to 15% of the Performance Shares that will be definitively granted to them.

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.

6.1.4 EMPLOYEE SHAREHOLDING

SPIE EMPLOYEE MUTUAL FUND (FONDS COMMUN DE PLACEMENT D'ENTREPRISE SPIE – FCPE) SPIE FOR YOU

At the combined Shareholders' General Meeting held on 16 May, 2017, the Company Shareholders delegated to the Board of Directors the authority to decide on a Company share capital increase by way of a new share issue 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.

As part of this delegation of authority, on 26 April, 2018 the Board of Directors decided in principle to apply a Company share capital increase set aside for employees of the Company and employees of French and foreign affiliated companies.

By delegation of the Board of Directors and by way of a decision of 25 May, 2018, the Chairman and CEO set the subscription price of a share in the context of this operation to €14.33.

The offering was launched pursuant to Articles L. 3332-1 *et seq.* of the French Employment Code, as part of the Group Savings Plan (PEG) and International Group Savings Plan (PEGI).

It was open to employees in 16 countries (France, Germany, Australia, Belgium, Republic of the Congo, United Arab Emirates, Gabon, Hungary, Luxembourg, Nigeria, Netherlands, Poland, Czech Republic, United Kingdom, Slovakia and Switzerland), with at least three months' service with the Group at the end of the subscription period.

By the time the operation was complete, the Company had issued 1,471,793 new shares, representing close to 1% of the capital. Therefore, employee Shareholders now hold 4% of the Group's capital.

This second employee offering since the Company was floated has increased the Company's employee Shareholder rate to over 34%.

6.2 FINANCIAL COMMUNICATION SCHEDULE

- Financial information at 31 March, 2019: 30 April, 2019 pre-market opening;
- 2019 half-year results: 26 July, 2019 pre-market opening;
- Financial information at 30 September, 2019: 8 November, 2019 pre-market opening.

6.3 DISTRIBUTION OF DIVIDENDS

DIVIDEND PAYMENT POLICY

The Group's dividend policy is described in Section 4.3 of this Registration Document.

DIVIDENDS PAID FOR THE YEARS 2017 AND 2018

For the year 2017, an interim dividend of €0.16 per share was paid on September, 2017. In addition, at the proposal of the Board of Directors, the Shareholders' General Meeting of 25 May, 2018 decided to distribute a dividend of €0.56 per share for the financial year ended 31 December, 2017. Following the payment of the interim dividend paid in 2017, the remainder of the dividend to be paid for 2017 amounts to €0.40 per share.

For the year 2018, an interim dividend of €0.17 per share was paid on September 2018.

Based on the 2018 results, the Board of Directors will propose to the Shareholders' general meeting of May 24, 2019 to pay a 2019 dividend of €0.58 per share. Taking into account the interim dividend of €0.17 per share paid in September 2018, this decision would lead to the payment of a balance of €0.41 per share in May 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 Registration Document, the Company's share capital amounted to €73,107,536.03 divided into 155,547,949 ordinary shares with a par value of €0.47, fully paid up.

On 16 May, 2017, the Shareholders' General Meeting adopted the following financial delegations:

| Resolution | Purpose of the delegation | Maximum nominal amount | Length of authorisation | Use during financial year 2017 / 2018 |
|-----------------------------|--|---|-------------------------|--|
| 8 th 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. |
| 9 th 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 months period | 26 months | Nil. |
| 10 th Resolution | Delegation of authority to the Board of Directors to issue shares reserved for members of employee savings plans without preferential subscription rights | €2,750,000 ⁽¹⁾⁽²⁾ (Approximately 3% of current share capital) | 26 months | Decision of the Board of Directors of 26 April, 2018 to issue up to 5,851,063 new shares to Group employees with at least three months' seniority in the Group as at 12 June, 2018 (see Section 6.1.4 of this Registration Document) |
| 11 th 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 representatives of the Company and companies associated therewith) | €2,750,000 ⁽¹⁾⁽²⁾ (Approximately 3% of current share capital) | 18 months | Decision of the Board of Directors of 26 April, 2018 to issue up to 5,851,063 new shares to Group employees with at least three months' seniority in the Group as at 12 June, 2018 (see Section 6.1.4 of this Registration Document) |

(1) Delegation subject to the global limit on share capital increases of €36 million (i.e. around 50% of the share capital).

(2) A subceiling of €2,750,000 (approximately 3% of the share capital) is applicable to these delegations.

On 25 May, 2018, the Shareholders' General Meeting adopted the following financial delegations:

| Resolution | Subject of the delegation | Maximum duration | Maximum nominal amount | Use during financial year 2018 |
|-----------------------------|--|------------------|---|--------------------------------|
| 17 th 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. |
| 18 th Resolution | Authorisation granted to the Board to reduce share capital by cancelling treasury shares | 26 months | Up to 10% of the share capital by 24 months period | Nil. |
| 19 th 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. |
| 20 th Resolution | Delegation of authority to the Board to increase share capital by issuing shares and/or securities, with 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. |
| 21 st Resolution | Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without 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. |
| 22 nd Resolution | Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without 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 Financial and Monetary 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. |
| 23 rd Resolution | Delegation of authority to the Board, in the event of an issue without subscription rights, via a public ⁽⁵⁾ offer or private placements set out in Article L. 411-2-II of the French Financial and Monetary 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. |
| 24 th Resolution | Authorisation to the Board to increase issuance amount with or without subscription rights | 26 months | Up to the limit set out by the applicable regulation (currently 15% of the initial issuance ^{(1)/(3)}) | Nil. |

| Resolution | Subject of the delegation | Maximum duration | Maximum nominal amount | Use during financial year 2018 |
|-----------------------------|--|------------------|--|--------------------------------|
| 25 th 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 share capital) Issuance of debt securities: €1,000,000,000 ⁽³⁾ | Nil. |
| 26 th Resolution | Delegation of authority to the Board to issue shares reserved for members of employee savings plans without subscription rights | 26 months | €2,750,000 ⁽¹⁾ | Nil. |
| 27 th Resolution | Delegation of authority to the Board to increase share capital by issuing shares, without 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 global limit on share capital increases of €36 million (i.e. around 50% of the share capital).

(2) A subceiling 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 likely to 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).

The table below summarises the delegations and financial authorisations that we propose to renew during the Shareholders' General Meeting to be held on 24 May, 2019 and which the Board of Directors will not be entitled to use, unless otherwise previously authorised by the Shareholders' General Meeting, as from the registration date by a third party of a public offering project targeting the Company's securities, until the end of the offering period:

| Resolution | Purpose of the delegation | Maximum nominal amount | Length of authorisation |
|-----------------------------|--|---|-------------------------|
| 9 th 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 |
| 10 th 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 months period | 26 months |
| 11 th 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⁾⁽²⁾ (Approximately 2% of current share capital) | 26 months |
| 12 th 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 representatives of the Company and companies associated therewith) | €1,500,000 ⁽¹⁾⁽²⁾ (Approximately 2% of current share capital) | 18 months |
| 13 th Resolution | Authorization granted to the Board of Directors to issue free new or existing shares to the benefit of employees and directors of the Company and other Group companies | Up to 1% of the share capital ⁽¹⁾⁽²⁾ | 26 months |

(1) Delegation subject to the global limit on share capital increases of €36 million (i.e. around 50% of the share capital).

(2) A subceiling of €1,500,000 (approximately 2% of the share capital) is applicable to these delegations.

6.4.2 NON-EQUITY SECURITIES

On 22 March, 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 Registration Document). The bonds have been admitted for trading on Euronext Paris regulated market.

6.4.3 TREASURY SHARES

At the date of this Registration Document, the Company holds 390 treasury shares with a net book value of €7,020.

The Shareholders' General Meeting of 25 May, 2018 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 2018; no transaction therefore took place in connection therewith in 2018.

As a result, the Shareholders' General Meeting to be held on 24 May, 2019 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 investment services provider pursuant to a liquidity agreement in accordance with the market practices recognized by the AMF;
- granting for free or assign shares to the executive 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 Employment 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 the 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 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, as provided by law, of transactions carried out pursuant to this authorisation.

This authorisation shall cancel and replace the one granted by the eighteenth resolution of the Shareholders' General Meeting of 25 May, 2018, and is granted for a term of eighteen (18) months as from the Shareholders' General Meeting of 24 May, 2018.

6.4.4 OTHER SECURITIES GRANTING ACCESS TO SHARE CAPITAL

At the date of this 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

Nil.

6.4.6 SHARE CAPITAL OF GROUP ENTITIES SUBJECT TO OPTIONS OR TO AN AGREEMENT ALLOWING THEM TO BE SUBJECT TO OPTIONS

Nil.

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 |
|------------|---|----------------------------|----------------------------------|---------------------------------|-----------|---------------------------|
| 25/05/2018 | Capital increase reserved for employees | 72,415,793.32 | 154,076,156 | 155,547,949 | €0.47 | €73,107,536.03 |

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 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 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 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 Articles of Association | 6.1.2.1 Disclosure relating to 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 |
| 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 and 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 of this Registration Document) as well as a number of other commercial agreements.

Finally, 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 such bond.

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ADDITIONAL INFORMATION

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7.1 MAIN PROVISIONS OF THE LAW AND ARTICLES OF ASSOCIATION

7.1.1 COMPANY NAME

At the date of this Registration Document, the Company's name is SPIE SA.

7.1.2 REGISTRATION NUMBER AND PLACE

The Company is registered with the Pontoise Trade and Companies Registry under company number 532 712 825.

7.1.3 DATE OF INCORPORATION AND DURATION OF THE COMPANY

The Company was incorporated on 27 May, 2011 and registered on 31 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 31 December 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 Registration Document, the Company is a public limited 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 noncontrolling) 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 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 Compensation Committee and the Appointments 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 Registration Document, the Board assesses the independence of each of its members (or candidates). During this assessment, the Board, after an opinion from the Appointments 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 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.

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 Director is four years.

Directors may be reappointed. Their office may be terminated at any time by the Shareholders' Ordinary 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.

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 Governance 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 Registration Document.

Deliberations

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 proposition in relation with any financial undertaking or any operation of indebtedness that would lead the leverage ratio of net debt on EBITDA of the Group to exceed a certain amount set annually by the Board of Directors;

- (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 Group'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 Compensation Committee, the Board:

- freely pays to its members the Directors' fees 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 Directors' fees granted to the Board is paid to the members of the committees as well as the Senior Independent Director, taking into account their attendance to 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 reviews the aptness of the amount of Directors' fees with regard to the tasks and responsibilities of the Directors.

(b) General Management (Article 18 of the Articles of Association)

Authority

Either the Chairman of the Board or another individual appointed by the Board from among or outside its members and bearing the title of Chief Executive Officer is responsible for running the Company.

The Board chooses between these two methods of management at any time and at least each time the appointment of the Chief Executive Officer or the term of office of the Chairman expires when the Chairman also assumes the running of the Company.

Shareholders and third parties must be informed of this choice under the conditions required by regulations.

When the Chairman of the Board is responsible for running the company, the following provisions relating to the Chief Executive Officer 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 Shareholders' Ordinary General Meetings and to the bare owner at Shareholders' Extraordinary 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 Finance 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 Registration Document, the Group had activities in certain industries falling under the ambit of regulation 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. 153-1 *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 33.33% 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 31 March, 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors, and Directive 2004/18 of 31 March, 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 preexisting 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 23 July, 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 6 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 25 March, 2016 implementing the Order of 23 July, relating to public procurement.

The above Order and Decree were supplemented by an Order published in the government gazette on 31 March, 2016 and a series of notices published in the government gazette on 27 March, 2016. These texts came into force on 1 April, 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 are subject to Order 2015-899 of 23 July, 2015 and Decree 2016-360 of 25 March, 2016. These texts, which transpose the amended EU directives into French law, impose proclamatory 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 9 December, 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 26 November, 2018 respecting the legislative portion of the Public Procurement Code and Decree

No. 2018-1075 of 3 December, 2018 respecting the regulatory portion of the Public Procurement Code were published in the Official Journal of 5 December, 2018.

In addition to the provisions of Order Nos. 2015-899 of 23 July, 2015 and 2016-65 of 29 January, 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 1 April, 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 31 December, 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 23 July, 2015, Articles 133-137 of Decree 2016-260 of 25 March, 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 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 2005-829 of 20 July, 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 13 August, 2005, including project steering and management, logistics, collection, sorting, diagnostics, selective processing, dismantling, packaging, waste inventory and the recovery of computer data.

7.2.2 OIL & GAS BUSINESS

As part of its Oil & Gas 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 bid 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 7 February, 2012 setting out the general rules relating to core **nuclear facilities**, as amended by the order of 26 June, 2013 and the decree of 30 December, 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, dismantling, 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 13 May, 1996 whose provisions were transposed to the French Public Health Code and Labour Code. The decree n°2016-128 of 10 February, 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 6 February, 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 sievert, 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 charge 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 4 June, 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 30 November, 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 habilitation 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 SAFETY AND HEALTH 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 Registration Document, under Note 27 to the Company's consolidated financial statements for the year ended 31 December, 2018.

7.4 MAJOR CONTRACTS

See Section 4.1.2.1.2 of this 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 (entities 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 to the consolidated financial statements for the year ended 31 December, 2018 and presented in Section 4.4.1 of this Registration Document.

There has been no significant transaction between related parties between 1 January and 31 December, 2018, or significant modifications between related parties described in the notes 23 to the consolidated financial statements for the year ended 31 December, 2018.

7.5.2 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
SAS au capital de 2 510 460 €
672 006 483 RCS Nanterre

Statutory Auditors
member of the Versailles regional company

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 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 and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. It is the responsibility of the shareholders pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*) to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code concerning the implementation during the year of the agreements and commitments already approved by the Shareholders' General Meeting.

We performed the procedures that we deemed necessary in accordance with the 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 AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' GENERAL MEETING

We were not informed of any agreement or commitment authorised and entered into during the year to be submitted for approval at the Shareholders' General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

ERNST & YOUNG et Autres

Tour First – TSA 14444
92037 Paris – La Défense Cedex
SAS à capital variable
438 476 913 RCS Nanterre

Statutory Auditors
member of the Versailles regional company

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' GENERAL MEETING

Agreements and commitments 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 agreements and commitments, approved by the Shareholders' General Meeting in previous years, remained in force during the year ended 31 December 2018.

PENSION PLAN FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (GAUTHIER LOUETTE)

Person concerned

Gauthier Louette.

Nature, purpose and terms and conditions

The defined contribution pension plan for which Chairman and Chief Executive Officer Gauthier Louette is eligible, already in place within other Group companies, was extended by way of an amendment to cover SPIE SA with effect from 1 January 2013. The amount paid in for Gauthier Louette represents the maximum amount, i.e., 16% of the annual social security ceiling.

Similarly, the complementary defined benefit pension plan for which Gauthier Louette is eligible, already in place within other Group companies, was extended by way of an amendment to cover SPIE SA with effect from 1 January 2013. Annuity payments due at the time the beneficiary retires are capped at 20% of his average fixed and variable compensation for the previous three years. These annuities will be paid if the beneficiary is still working for the Company when he retires. They will also be paid if the beneficiary is over 55 years of age when he leaves the Company and if he does not work between leaving the Company and retiring, provided that his departure is decided by the Company.

LETTER OF COMMITMENT FROM SPONSORS DATED 22 MAY 2015 AND AMENDMENT DATED 29 MAY 2015

Persons concerned:

Roberto Quarta, Company Director until 16 March 2017.

Christian Rochat, Company Director until 6 September 2017.

Clayton Dubilier & Rice, Ardian and Caisse de Dépôt et Placement du Québec (CDPQ).

Nature, purpose and terms and conditions

The Board of Directors, at its meeting of 29 May 2015, authorised 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 Shareholders' General Meeting in prior years but not implemented during the year.

TERMINATION BENEFITS FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (GAUTHIER LOUETTE)

Person concerned

Gauthier Louette.

Nature, purpose and terms and conditions

At its 21 May 2014 meeting, the Board of Directors decided to introduce termination benefits for the Chairman and Chief Executive Officer Gauthier Louette amounting to one year of his gross salary (annual gross and variable compensation, excluding any exceptional bonuses) and payable subject to the fulfilment of performance criteria. These criteria are the financial criteria used each year by the Company's Board of Directors to determine Gauthier Louette's variable compensation. The termination benefits will only be paid if the average achievement rate for each criterion as calculated over the previous three years is at least equal to 70%.

SIGNATURE BY THE COMPANY OF AN INDEMNITY AGREEMENT

Persons concerned:

Gauthier Louette and Denis Chêne, Chairman and Chief Executive Officer and Director respectively.

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, on 9 June 2015 SPIE SA signed 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 16 March 2017.

Christian Rochat, Company Director until 6 September 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, on 9 June 2015 the Company signed 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, 15 April 2019

The Statutory Auditors

PricewaterhouseCoopers Audit
Yan Ricaud

ERNST & YOUNG et Autres
Henri-Pierre Navas

7.6 INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND DECLARATIONS OF INTERESTS

Nil.

7.7 DOCUMENTS ACCESSIBLE 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 REGISTRATION DOCUMENT AFR

7.8.1 NAME AND TITLE OF THE PERSON RESPONSIBLE

Mr. Gauthier Louette, Chairman and CEO of SPIE SA.

I have obtained from the Statutory Auditors an audit completion letter stating that they have completed their assignment and in which they indicate that they have checked the information on the financial position and the financial statements given in this Registration Document and that they have read the entire Registration Document.

17 April 2019

Mr. Gauthier Louette

Chairman and CEO 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 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 Registration Document contained in the management report of the Board of Directors listed in the concordance table on pages 256 to 259 of this Registration Document present 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.

7.8.3 NAME AND TITLE OF THE PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Mr. Gauthier Louette, Chairman and CEO of SPIE SA.

7.9 AUDITORS AFR

7.9.1 STATUTORY AUDITORS

ERNST & YOUNG et Autres

Tour First – 1, place des Saisons, TSA 14444
92037 Paris – La Défense Cedex, France
Represented by Henri-Pierre Navas

Appointment date: ERNST & YOUNG et Autres was appointed by the Company's Articles of Association on 27 May, 2011.

Last reappointed: at the Combined Shareholders' General Meeting of 25 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 31 December, 2021.

ERNST & YOUNG et Autres is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

PRICEWATERHOUSECOOPERS AUDIT

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex, France
Represented by Yan Ricaud

Appointment date: PricewaterhouseCoopers Audit was appointed by the Shareholders' General Meeting of 15 November, 2011.

Last reappointed: at the Combined Shareholders' General Meeting of 16 May, 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 31 December, 2022.

PricewaterhouseCoopers Audit is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

7.9.2 ALTERNATE AUDITOR

AUDITEX

1-2, Place des Saisons
Paris La Défense 1
92400 Courbevoie, France
Represented by Christian Scholer

Appointment date: Auditex was appointed by the Company's Articles of Association on 27 May, 2011.

Last reappointed: at the Combined Shareholders' General Meeting of 25 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 31 December, 2021.

Auditex is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

CROSS-REFERENCE TABLES

BOARD OF DIRECTORS' MANAGEMENT REPORT

This Registration Document includes all the elements of the Board of Directors' management report required by Articles L. 225-100-1 *et seq.* and Article L. 232-1 II of the French Commercial Code. Below are the references to the sections of this Registration Document

corresponding to the different parts of the management report as approved by the Company's Board of Directors.

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| <ul style="list-style-type: none"> Statutory Auditors' report on the corporate governance report by the Chairman of the Board of Directors; Statutory Auditors' report on the annual financial statements, including the certification from the Statutory Auditors on the accuracy and honesty of the information contained in the management report on the compensation of corporate officers; Supplementary reports on the transactions carried out by the Company with regard to stock options and bonus shares. | 4.5.2 | 195-197 |
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| <ul style="list-style-type: none"> Inventory of securities held in the portfolio at year-end. | 4.4.1 Note 27 | 158-168 |
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| <ul style="list-style-type: none"> of the status of valid delegations of competence and powers granted by the Shareholders' General Meeting to the Board of Directors or Management Board in matters of increasing the share capital; of the usage made by these delegations during the year ended. | 6.4.1 | 234-236 |
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Report on the implementation of share repurchases previously authorised by the Shareholders General Meeting as part of a share repurchase programme.

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| | 6.4.3 | 237-238 |
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ANNUAL FINANCIAL REPORT

This 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.

| | Chapters/Sections of the Registration Document | Pages |
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| 1 – Consolidated financial statements | 4.4.1 | 101-168 |
| 2 – Parent company financial statements | 4.5.1 | 173-194 |
| 3 – Management report | See cross-reference table above | 252-254 |
| 4 – Statement of the natural person responsible for the annual financial report | 7.8 | 254 |
| 5 – Statutory Auditors' report on: | | |
| • the consolidated financial statements; | 4.4.2, | 169-172, |
| • the parent company financial statements. | 4.5.2 | 195-197 |
| 6 – Statement on the fees of the Statutory Auditors | 4.1.1 Note 25 | 156 |
| 7 – Board of Directors' management report on corporate governance (Article L. 225-37 of the French Commercial Code) | 5 | 201 |
| 8 – Statutory Auditors' report on the Board of Directors' corporate governance report (Article L. 225-37 of the French Commercial Code) | 4.5.2 | 195-197 |

NOTES

Handwriting practice lines consisting of 20 horizontal dotted lines.

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