HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS TO 30 JUNE 2020

GETLINK SE

GETLINK

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Accounting standards applied and presentation of the consolidated results

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of Getlink SE for the six-month period 1st January to 30 June 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group has applied IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to its maritime segment since the cessation of MyFerryLink's operations in the second half of 2015. Accordingly, this activity's net results for the current and previous periods are presented as a single line in the income statement called "Net result from discontinued operations". More information on these transactions is given in note C.2 to the summary consolidated half-year financial statements.

[*] *English translation of Getlink SE's "rapport financier semestriel" for information purposes only.*

HALF-YEAR ACTIVITY REPORT AT 30 JUNE 2020

PREPARATION OF THE HALF-YEAR FINANCIAL REPORT IN THE CONTEXT OF THE COVID-19 PANDEMIC

The COVID-19 virus outbreak, which appeared in China in December 2019 and was designated as a pandemic by the World Health Organization on 11 March 2020, led to the introduction of numerous restrictive measures in many countries.

As indicated in this Half-Year Financial Report and in notes A.1 and D.5 to the summary consolidated financial statements at 30 June 2020, the traffic restrictions and containment measures imposed by the French and British governments from 17 and 23 March respectively had a significant impact on the Group's traffic and revenues during the first half of 2020, particularly those of Eurotunnel.

Despite the progressive deconfinement measures put in place since mid-May, the introduction by the United Kingdom from 8 June 2020 of a 14-day quarantine period for almost all people entering its territory delayed the recovery and prolonged the impact of the crisis on Eurotunnel's traffic and revenues.

The Passenger Shuttle and Eurostar train activities have been the most strongly impacted: Passenger Shuttle traffic fell by 73% between March and June, with a decrease of 52% over the first half of the year. For their part, the ferry operators stopped all passenger traffic. Eurostar was forced to massively reduce its timetable and to postpone the launch of its direct return service between London and Amsterdam, leading to an 89% drop in the number of passengers using trains passing through the Tunnel between March and June, and a 62% drop over the period as a whole.

The Truck Shuttle activity was less affected than Eurotunnel's other activities due to a certain level of economic activity in Europe being maintained and the need to ensure the flow of essential goods: Truck Shuttle traffic fell by 23% in the four months of the crisis and by 18% in the six-month period.

Overall revenues from Eurotunnel activities were down 46% in the period March to June 2020 and 32% in the first half of 2020.

Europorte's business, which was impacted at the beginning of the year by the national strikes against pension reform in France, experienced a further decline during the period of the health crisis, which affected in particular traffic in the automotive and cement/quarry sectors, and to a lesser extent the hydrocarbons sector.

Faced with this situation, the Group took a series of measures to ensure the health and safety of its customers and personnel whilst ensuring the continuation of movement of goods and people and preserving its profitability and cash flow capabilities:

- The Group, which as an important operator vital to contingency plans, immediately took the necessary measures to ensure the protection of its employees and the continuity of essential functions, the cost of which was approximately €2.3 million. A continuous monitoring system was set up in consultation with staff representatives.
- The Group has adapted its Shuttle capacity and operating plans to cope with the decline in traffic while implementing specific measures to ensure the health and safety of its customers and maintain the quality of its service. As part of the measures put in place by the French and British governments, the Group implemented furloughing measures which, over the months of April, May and June, covered almost all of its staff in France and approximately one-third of its UK workforce. These measures came to an end on 30 June 2020 for the Group's personnel in France.
- The Chairman and Chief Executive Officer, members of the Board and of the management team also decided to reduce their remuneration during the crisis period.
- Europorte has put in place similar measures by adapting its capacities to the decline in traffic and implementing a furlough scheme for some of its staff. Members of the management team also decided to accept a reduction in their compensation during this period.
- In the context of the economic uncertainty caused by the crisis, and faced with the unavailability of its teams and certain suppliers, the Group has postponed a significant portion of its capital expenditure planned for the first half of 2020 whilst ensuring that neither the safety nor the continuity of operations of its services are impacted.
- On 3 April 2020, the Group announced the withdrawal of its proposal to distribute its 2019 dividend.

Other than the furloughing measures, the Group has voluntarily limited its recourse to other aid and financial measures put in place by the governments to help companies in difficulty during the crisis so as not to be constrained in its decisions by state directives. Nevertheless, like most players in the international transport sector, the Group has requested a deferral of the payment of its business rates from the British government. At the balance sheet date, the government has not responded to this request.

As indicated in note D.5 to the summary consolidated financial statements at 30 June 2020, the Group estimates the impact of the COVID-19 pandemic on its EBITDA for the first half of 2020 at €140 million.

The reduced activity in the first half impacted the Group's results and cash flow. Nevertheless, the Group has continued to honour its debt service obligations during the period and continues to have significant liquidity, with net cash available at 30 June 2020 of more than €510 million.

ANALYSIS OF CONSOLIDATED INCOME STATEMENT

To enable a better comparison between the two periods, the consolidated income statement for the first half of 2019 presented in this half-year activity report has been recalculated at the exchange rate used for the 2020 half-year income statement of £1=€1.146.

In the first half of 2020, the Group's consolidated revenues were severely impacted by the effects of the pandemic and amounted to €369 million, a decrease of €154 million (-29%) compared to 2019. Following the reduction in traffic from mid-March, the Group put in place measures to limit the impact on its margins and its cash position such as the implementation of partial activity in France and a job retention scheme in the UK as well as postponing certain projects. Operating costs totalled €246 million, a decrease of €22 million (-8%) compared to 2019. EBITDA reduced by €132 million (52%) to €123 million. At €31 million, the operating profit for the first six months of 2020 was down by €133 million compared to 2019. After taking into account a reduction of €11 million in net finance costs, the pre-tax result for the Group's continuing operations for the first half of 2020 was a loss of €85 million, down €122 million compared to 2019.

Including a tax expense of €3 million and the net profit of €9 million from discontinued operations, the Group's net consolidated result for the first six months of 2020 was a loss of €79 million compared to a profit of €41 million in 2019.

€ million Improvement/(deterioration) of result	1st half 2020	1st half 2019 *recalculated	Change €M	Change %	1st half 2019 reported
Exchange rate €/£	1.146	1.146			1.145
Eurotunnel	311	456	(145)	-32%	456
Getlink	–	1	(1)	-100%	1
Europorte	58	66	(8)	-12%	66
Revenue	**369**	**523**	**(154)**	**-29%**	**523**
Eurotunnel	(191)	(205)	14	+7%	(205)
Getlink	(7)	(9)	2	+22%	(9)
Europorte	(48)	(53)	5	+9%	(53)
ElecLink	–	(1)	1	+100%	(1)
Operating costs	**(246)**	**(268)**	**22**	**+8%**	**(268)**
Operating margin (EBITDA)	**123**	**255**	**(132)**	**-52%**	**255**
Depreciation	(91)	(86)	(5)	-6%	(86)
Trading profit	**32**	**169**	**(137)**	**-81%**	**169**
Other net operating charges	(1)	(5)	4		(5)
Operating profit (EBIT)	**31**	**164**	**(133)**	**-81%**	**164**
Net finance costs	(118)	(133)	15	+11%	(133)
Net other financial income	2	6	(4)		6
Pre-tax (loss)/profit from continuing operations	**(85)**	**37**	**(122)**		**37**
Income tax income/(expense)	(3)	4	(7)		4
Net (loss)/profit from continuing operations	**(88)**	**41**	**(129)**		**41**
Net profit/(loss) from discontinued operations	9	–	9		–
Net consolidated (loss)/profit for the period	**(79)**	**41**	**(120)**		**41**

* *Restated at the rate of exchange used for the 2020 half-year income statement (£1=€1.146).*

1 EUROTUNNEL SEGMENT

The Group's core business is the Eurotunnel segment which operates and directly markets its Shuttle Services and also provides access, on payment of a toll, for the circulation of High-Speed Passenger Trains (Eurostar) and the Train Operators' Rail Freight Trains through its Railway Network.

€ million Improvement/(deterioration) of result	1st half 2020	1st half 2019*	Change €M	 %
Exchange rate €/£	1.146	1.146		
Shuttle Services	212	297	(85)	-29%
Railway Network	95	153	(58)	-38%
Other revenue	4	6	(2)	-33%
Revenue	**311**	**456**	**(145)**	**-32%**
External operating costs	(103)	(112)	9	+8%
Employee benefits expense	(88)	(93)	5	+5%
Operating costs	**(191)**	**(205)**	**14**	**+7%**
Operating margin (EBITDA)	**120**	**251**	**(131)**	**-52%**
EBITDA/revenue	*39%*	*55%*	*-16 pts*	

* *Restated at the rate of exchange used for the 2020 half-year income statement (£1=€1.146).*

The health crisis and the strict lockdown measures taken by governments have had a serious impact on traffic and the organisation of Eurotunnel's activities. Since mid-March, Eurotunnel has experienced a very sharp drop in traffic, particularly for Passenger Shuttles and Eurostar passengers. The Truck Shuttle business has also recorded a significant decrease in traffic, although less marked than in other sectors due to the need to maintain the supply flows of essential goods.

1.1 EUROTUNNEL SEGMENT REVENUE

Revenue generated by this segment, which in the first six months of 2020 represented 84% of the Group's total revenue, reached €311 million, down -32% compared to 2019.

1.1.1 Shuttle Services

Traffic (number of vehicles)	1st half 2020	1st half 2019	Change
Truck Shuttle	665,348	809,621	-18%
Passenger Shuttle:			
Cars *	545,215	1,139,149	-52%
Coaches	9,362	26,954	-65%

* *Includes motorcycles, vehicles with trailers, caravans and motor homes.*

At €212 million, Shuttle Services' revenue for the first half of 2020 has been badly impacted by the consequences of the health crisis on traffic.

Truck Shuttle

Until the end of February 2020, Truck Shuttle traffic was down 9% compared to 2019 due to an unfavourable base effect linked to the stockpiling in anticipation of Brexit observed in 2019. Since mid-March, some market sectors, such as industrial and notably the automotive sector, have been strongly impacted by the consequences of the strict lockdowns imposed by governments, while other sectors have been more resilient, such as food, pharmaceuticals and e-commerce. As a result, Truck Shuttle traffic was down 28% in the second half of March, 34% in April and 29% in May. Starting in June, the effect of the gradual lifting of certain lockdown measures began to be felt with a reduction in traffic limited to 11% for the month. In a Short Straits cross-Channel truck market that contracted during the period by 15.4%, the Truck Shuttle service's market share decreased by 1 point to 39.2% for the first half of 2020 (40.4 % in the first half of 2019) with 665,348 trucks carried by Eurotunnel, down -18% compared to the first half of 2019.

Passenger Shuttle

Measures put in place by governments to limit the spread of the pandemic from mid-March included closing international borders for non-essential travel. As a result, the level of passenger vehicle traffic on the Passenger Shuttle Service dropped dramatically: a reduction of 75% in the second half of March compared to 2019, and then of 91% in April, 81% in May and 69% in June.

In the first half of 2020, the Short Straits cross-Channel car market contracted during the period by 56.6% whilst Eurotunnel's car traffic decreased by only 52% thanks to a market share improvement of 6 points compared to the previous year, to 65.9%.

In a market that contracted by 72.1% and with Eurotunnel's coach traffic declining by 65%, the Passenger Shuttle's coach market share for the first half of 2020 is up 10 points compared to the previous year, at 50.7% (40.7% in the first half of 2019).

1.1.2 Railway Network

Traffic	1st half 2020	1st half 2019	Change
High-Speed Passenger Trains (Eurostar)			
Passengers *	1,993,210	5,299,197	-62%
Train Operators' Rail Freight Services **:			
Number of trains	857	1,166	-27%

* *Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between continental stations (such as Brussels-Calais, Brussels-Lille, Brussels-Amsterdam, etc.).*

** *Rail freight services by train operators (DB Cargo for BRB, SNCF and its subsidiaries, GB Railfreight, Rail Operations Group, RailAdventure and Europorte) using the Tunnel.*

The Group earned revenues of €95 million in the first half of 2020 from the use of its Railway Network by Eurostar's high-speed passenger trains and by the cross-Channel rail freight trains, down -38% compared to 2019 as a result of the impact of the health crisis.

The impact of the epidemic on Eurostar traffic was seen as early as the beginning of March. Following the closure of borders to non-essential travel in the middle of the month, the number of services was quickly reduced to two return trips per day (London-Paris and London-Brussels) carrying only a few hundred passengers per day. Despite the gradual deconfinement measures put in place since mid-May, the implementation by the United Kingdom from 8 June 2020 of a 14-day quarantine period for almost all people entering its territory seriously delayed the resumption of Eurostar traffic, which continues to be significantly impacted. In the first half of 2020, 1,993,210 Eurostar passengers used the Tunnel, down 62% compared to the same period in 2019.

Cross-Channel rail freight has also been impacted by the crisis with the suspension of steel and then automobile flows. In the first half of 2020, cross-Channel rail freight recorded a reduction of 27% in the number of trains compared to the same period in 2019.

1.2 EUROTUNNEL SEGMENT OPERATING COSTS

At €191 million in the first half of 2020, operating expenses are down 7% compared to 2019. This decrease of €14 million was mainly generated by the favourable impact of the implementation of *activité partielle* in France and a Job Retention Scheme in the United Kingdom as well as other measures to adjust expenses and review the phasing of projects in order to preserve the Group's cash flows, such as the significant reduction of the use of temporary staff and subcontractors as well as a decrease in the use of spare parts and in marketing expenses.

2 GETLINK SEGMENT

The Getlink segment includes the activities of the Group's holding company, Getlink SE, as well as its direct subsidiaries including the railway training centre CIFFCO.

For the first half of 2020, the Getlink segment's operating charges amounted to €7 million, down €2 million compared to 2019.

3 EUROPORTE SEGMENT

The Europorte segment covers the entire rail freight transport logistics chain mainly in France and includes Europorte France and Socorail.

€ million Improvement/(deterioration) of result	1st half 2020	1st half 2019	Change €M
Revenue	58	66	(8)
External operating costs	(23)	(27)	4
Employee benefits expense	(25)	(26)	1
Operating costs	**(48)**	**(53)**	**5**
Operating margin (EBITDA)	**10**	**13**	**(3)**

In the first half of 2020, Europorte recorded an €8 million decrease in revenue and a reduction of €3 million in EBITDA due firstly to the continuation of the SNCF Réseau strike until 13 January and then the COVID-19 crisis from mid-March. Europorte was less affected by the health crisis than Eurotunnel, but nevertheless had to put in place a furlough scheme for some of its personnel following the shutdown of certain industrial sites, notably automotive and cement plants.

4 ELECLINK SEGMENT

ElecLink's activity is the construction and operation of a 1 GW electricity interconnector between the UK and France. Construction works began in 2016 and the interconnector is now expected to be in commercial operation in early January 2022.

Costs directly attributable to the project are capitalised as assets under construction. During the first half of 2020, investment in the project amounted to €26 million.

5 OPERATING MARGIN (EBITDA)

EBITDA by business segment evolved as follows:

€ million	Eurotunnel	Getlink	Europorte	ElecLink	Total Group
EBITDA 2019 restated *	251	(8)	13	(1)	**255**
Improvement/(deterioration):					
Revenue	(145)	(1)	(8)	–	**(154)**
Operating costs	14	2	5	1	**22**
Total changes	**(131)**	**1**	**(3)**	**1**	**(132)**
EBITDA 2020	**120**	**(7)**	**10**	**–**	**123**

* *Restated at the rate of exchange used for the 2020 income statement (£1=€1.146).*

Despite the measures put in place to limit its effects, the sudden and sharp decline in traffic from March 2020 resulting from the COVID-19 pandemic had a very significant impact on the Group's consolidated operating margin (EBITDA), which at €123 million in the first half of 2020 is down by 52% compared to 2019.

6 OPERATING PROFIT (EBIT)

At €91 million, depreciation charges increased by €5 million compared to the first half of 2019 as a result of the capital investment projects completed in 2019 and in the first half of 2020.

The trading profit in the first half of 2020 was €32 million, down by €137 million (-81%) compared to 2019.

The operating profit for the first six months of 2020 was down by €133 million (-81%) compared to 2019, to €31 million.

7 NET FINANCIAL CHARGES

At €118 million for the first half of 2020, net finance costs decreased by €15 million compared to 2019 at a constant exchange rate. This decrease was mainly as a result of the impact of lower inflation rates in the UK and France on the index-linked tranches of the debt (€13 million) and of the increase in the capitalisation of interest on the financing of the ElecLink project (€2 million).

Other net financial income of €2 million in the first half of 2020 consists mainly of the income from the G2 notes held by the Group (2019: €6 million). This income is down €4 million due to lower UK inflation rates.

8 NET CONSOLIDATED RESULT

The Group's pre-tax result for continuing operations for the first six months of 2020 was a loss of €85 million, down €122 million compared to 2019 at a constant exchange rate. The evolution of the pre-tax result from continuing operations by segment compared to 2019 is presented below:

€ million	**Eurotunnel**	**Getlink**	**Europorte**	**ElecLink**	**Total continuing activities**
Pre-tax result from continuing activities for the 1st half of 2019*	**39**	**(2)**	**1**	**(1)**	**37**
Improvement/(deterioration) of result:					
Revenue	-145	-1	-8	-	-154
Operating expenses	+14	+2	+5	+1	+22
EBITDA	**-131**	**+1**	**-3**	**+1**	**-132**
Depreciation	-3	-1	-1	-	-5
Trading result	**-134**	**-**	**-4**	**+1**	**-137**
Other net operating income/charges	+3	+1	-	-	+4
Operating result (EBIT)	**-131**	**+1**	**-4**	**+1**	**-133**
Net financial costs and other	+48	-48	+2	+9	+11
Total changes	**-83**	**-47**	**-2**	**+10**	**-122**
Pre-tax result from continuing operations for the 1st half of 2020	**(44)**	**(49)**	**(1)**	**9**	**(85)**

* *Restated at the rate of exchange used for the 2020 income statement (£1=€1.146).*

After taking into account a net tax charge of €3 million and a profit of €9 million from discontinued activities (see notes A.4 and C.2 to the Group's half-year consolidated financial statements as at 30 June 2020), the Group's net consolidated result for the first half of the 2020 financial year was a loss of €79 million compared to a profit of €41 million at an equivalent exchange rate for the same period in 2019.

ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	30 June 2020	31 December 2019
Exchange rate €/£	1.096	1.175
Fixed assets	6,700	6,734
Other non-current assets	558	613
Total non-current assets	**7,258**	**7,347**
Trade and other receivables	75	77
Other current assets	81	83
Cash and cash equivalents	511	525
Total current assets	**667**	**685**
Total assets	**7,925**	**8,032**
Total equity	1,376	1,639
Financial liabilities	4,813	4,998
Interest rate derivatives	1,329	1,055
Other liabilities	407	340
Total equity and liabilities	**7,925**	**8,032**

The table above summarises the Group's consolidated statement of financial position as at 30 June 2020 and 31 December 2019. The main elements and changes between the two dates, presented at the exchange rate for each period, are as follows:

- At 30 June 2020, "Fixed assets" include property, plant and equipment and intangible assets amounting to €5,823 million for the Eurotunnel segment, €772 million for the ElecLink segment and €96 million for the Europorte segment. Between 31 December 2019 and 30 June 2020 the investments of €26 million in the ElecLink segment is mainly due to expenses capitalised in connection with the project.
- Other non-current assets at 30 June 2020 include the G2 inflation-linked notes held by the Group amounting to €320 million and a deferred tax asset of €193 million.
- At 30 June 2020, "Cash and cash equivalents" amounted to €511 million after net capital expenditure of €36 million and €124 million in debt service costs (interest, repayments and fees).
- Equity decreased by €263 million as a result of the impact of the recycling of the fair value of value of partially terminated hedging contracts and the change in the fair value of the instruments totalling €239 million, the recognition of an actuarial loss on employee benefits of €62 million and the impact of net result for the period (loss of €79 million). This reduction was partially offset by the impact of the change in the exchange rate on the translation adjustment of €115 million.
- Financial liabilities decreased by €185 million compared to 31 December 2019 due to the impact of the change in exchange rate on the sterling-denominated debt (€157 million), contractual debt repayments of €26 million, and a decrease of €6 million in the liability relating to lease contracts. These decreases have been partially offset by an increase of €9 million arising from the impact of the amortisation of debt issuance costs and from the effect of inflation on the index-linked debt tranches of the Term Loan.
- The liability in respect of the fair value of the interest rate derivatives increased by €274 million due to the impact of a decrease in the long term rates on the market value of the instruments.
- Other liabilities include €255 million of trade and other payables and provisions, as well as retirement liabilities of €152 million.

ANALYSIS OF CONSOLIDATED CASH FLOWS

Consolidated cash flows

€ million	1st half 2020	1st half 2019
Exchange rate €/£	1.096	1.115
Net cash inflow from trading	158	279
Other operating cash flows and taxation	14	12
Net cash inflow from operating activities	**172**	**291**
Net cash outflow from investing activities	(36)	(101)
Net cash outflow from financing activities	(129)	(311)
Net cash outflow from discontinued activities *	(6)	–
Total increase/(decrease) in cash in the period	**1**	**(121)**

* *MyFerryLink maritime segment, see note C.2 to the consolidated financial statements at 30 June 2020.*

At €158 million, net cash generated from trading by continuing operations in the first half of 2020 reduced by €121 million compared to the first half of 2019. This change is explained mainly by the impact of the COVID-19 pandemic on Eurotunnel's activities:

- net cash flow from Eurotunnel and Getlink activities which decreased by €118 million to €151 million (first half 2019: €269 million);
- net cash flows from Europorte's operations which decreased by €2 million to €8 million (first half 2019: €10 million); and
- ElecLink's operating expenses which remained relatively stable at around €1 million.

Other operating and taxation cash flows of €14 million are mainly related to the receipt of £11 million in respect of the settlement agreement between the British Secretary of State for Transport and Eurotunnel reached in 2019. The first half of 2020 saw net tax receipts of €2 million compared to net receipts of €6 million in the first half of 2019. Payments related to other operating expenses decreased in the first half of 2020 compared to the first half of 2019.

Net cash payments from investing activities, which in the first half of 2020 amounted to €36 million (down by €65 million compared to the first half of 2019 as a result of the Group's decision to postpone a significant portion of its capital expenditure that was planned for the first half of 2020 following the COVID-19 crisis), comprised mainly:

- a net amount of €38 million relating to the Eurotunnel and Getlink segments (first half of 2019: €40 million). The main expenditure during the period comprised €5 million for facilities for Brexit, €11 million on infrastructure, €11 million on rolling stock and €8 million on IT and digital projects, and
- net receipt of €2 million for the ElecLink project mainly due to the return of a security deposit held by RTE in connection with the French capacity contracts (payments of €60 million in the first half of 2019).

Net financing payments in the first half of 2020 amounted to €129 million compared to €311 million in the first half of 2019. During 2020, cash flow from financing comprised:

- €5 million paid in respect of capital transactions:
  - €4 million net payments on the liquidity contract (€3 million net receipts in the first half of 2019) and €1 million received from the exercise of stock options (€3 million in the first half of 2019); in the first half of 2020, €2 million was paid in respect of the share buyback programme (€0 million in the first half of 2019); and
  - no dividend payment in the first half of 2020 (€193 million in the first half of 2019).
- €124 million of net debt service costs:
  - €91 million of interest paid on the Term Loan and on other borrowings (€92 million in the first half of 2019);
  - €26 million paid in respect of the scheduled repayments on the Term Loan and other borrowings (€25 million in the first half of 2019);
  - €3 million of cash received from the scheduled repayment of the G2 notes held by the Group and €3 million of interest received thereon;
  - €10 million paid in relation to leasing contracts (€10 million in the first half of 2019) presented in cash flows related to financing activities in accordance with IFRS 16, and
  - €3 million in relation to fees on the operation to simplify the debt completed in 2015 (€4 million in the first half of 2019).

The net cash outflow from discontinued operations of €6 million in the first half of 2020 consists mainly of €7 million paid by the Group as part of the settlement agreement entered into in February 2020 putting an end to all claims incurred following the liquidation of SCOP SeaFrance in July 2015 (see note A.4 of the summary consolidated financial statements at 30 June 2020).

Free Cash Flow

The Group's Free Cash Flow, as defined in section 2.1.3.b of the 2019 Universal Registration Document, shows the cash flows generated by the Group's current activities.

€ million	1st half 2020	1st half 2019
Exchange rate €/£	1.096	1.115
Net cash inflow from operating activities	172	291
Net cash outflow from investing activities	(38)	(41)
Debt service costs (interest paid, fees and repayments)	(124)	(123)
Interest received and other receipts	1	2
Free Cash Flow from continuing operations	**11**	**129**
Free Cash Flow from discontinuing operations	(6)	–
Free Cash Flow	**5**	**129**
Dividend paid	–	(193)
Purchase of treasury shares and net movement on liquidity contract	(6)	3
ElecLink project	2	(60)
Use of Free Cash Flow	**(4)**	**(250)**
Decrease in cash in the period	**1**	**(121)**

At €11 million in the first half of 2020, Free Cash Flow for continuing activities has decreased by €118 million compared to the same period in 2019 for the reasons set out in the previous section.

OTHER FINANCIAL INDICATORS

Eurotunnel Holding SAS's financial covenants

The debt service cover ratio is based on the cash flows of the Eurotunnel Holding SAS sub-group of companies only. It is defined as their net operating cash flow less capital expenditure and taxes compared to their debt service costs, calculated on a rolling 12-month basis. The synthetic debt service cover ratio is calculated on the same basis but using a hypothetical amortisation on the Term Loan. These covenants are described in section 8.2.4 of the 2019 Universal Registration Document.

The covenants for the 12 months to 30 June 2020 were respected.

Getlink SE's financial "incurrence" ratios

As described in the section "Cash position and financial ratios" below, Getlink SE's financial ratios (the net leverage ratio and the debt service cover ratio) are "incurrence" covenants, non-compliance with which may prevent certain transactions from being carried out as described in section 8.2.5 of the 2019 Universal Registration Document.

OUTLOOK

The Group's results and financial position in the first half of 2020, and in particular those of the Eurotunnel segment, were badly affected by the effects of the implementation of the strict containment measures taken by the French and British governments from mid-March 2020 to contain the COVID-19 pandemic. The impact on the Group's business is described in this half-year activity report and in notes A.1 and D.5 to the summary half-year consolidated financial statements for the six months ended 30 June 2020.

In this context, the Group has drawn up a new business plan covering the period 2020 to 2022 in order to estimate the impact of the crisis on the development of its business, cash flow and financial position. This plan, which incorporates the results for the first half of 2020, was established on the basis of the Group's best estimates to date of the likely evolution of the health crisis, government measures and the economic situation in Europe and the United Kingdom over the rest of 2020 and the medium term.

The main assumptions used in the preparation of these projections are as follows:

Macro-economic conditions

- The continuation of the free movement of persons between the United Kingdom and the Continent following the introduction from 10 July of a travel corridor between the two countries;
- The absence of new confinement or movement restrictions in the event of a possible second wave of the pandemic;
- A Brexit on 1 January 2021 at the end of the transition period associated with trade agreements between the United Kingdom and the European Union limiting border disruption; and
- An economic recession in the United Kingdom and Europe that could continue until the end of 2021.

Eurotunnel activity

- A gradual resumption of Passenger Shuttle traffic during the summer of 2020 benefiting from the complete reopening of the border between the United Kingdom and France and the positioning of Shuttles as a safer mode of transport in the context of health risks. With marketing and communication campaigns on this theme targeting both existing and new customers, the Group has had, since the announcement by the British government of a travel corridor with the Continent, a sharp increase in the number of bookings for the summer period. In order to respond to this upturn in demand, the Group has put an end to the partial activity measures for its staff in France as of 1 July 2020 and has reduced the use of furloughing for its UK staff.
- Eurostar traffic will increase in the second half of 2020 but in a more measured way due to capacity limitations and an international market still impacted by the crisis. Eurostar's latest announcements regarding the resumption of its services for the remainder of the year confirm this trend.
- Truck Shuttle traffic in the second half of 2020 will benefit from the reopening of production lines and the resumption of commercial activity in Europe, but will be impacted by an uncertain economic environment in the context of the consequences of the health crisis and of Brexit.
- Control of operating costs through dynamic management of capacity and operating plans in accordance with traffic levels.
- Truck Shuttle and Eurostar traffic in 2021 still impacted by the effects of the economic recession in the United Kingdom and worldwide; a rebound in Passenger Shuttle car traffic driven by a reduced health risk and the effect of the many events postponed to 2021.

Despite the remaining uncertainties regarding the trading agreements that will be negotiated between the United Kingdom and the European Union at the end of Brexit's transition period on 31 December 2020, the Group, in view of all its preparatory measures already implemented and designed to maintain fluidity of passage through its terminals, remains confident in its ability to ensure optimal management of traffic flows on the sites whatever the future regulatory context may be.

In 2019, the Group launched a major capital expenditure programme focused on strengthening its quality of service and modernising its infrastructure and equipment. As part of the actions taken to offset the effects of the health crisis, the Group has revised the schedule of certain investments. The postponement of part of the expenditure planned for 2020 does not alter this strategy and should not have a significant impact on the overall timetable for its implementation.

Europorte activity

Despite the impact of the health crisis on its traffic and results in the first half of the year, Europorte should return to the expected level of activity in the second half and, strategically supported by profitable operations and quality of service, should continue its controlled growth.

ElecLink

With regard to ElecLink, for which the construction work on the converter stations and cable manufacturing was completed in 2019, the Group has continued exchanges with the IGC and the Channel Tunnel Safety Authority to enable them to take a global decision on the authorisation to bring the interconnector into service on the basis of the final submission dossier which was declared complete on 24 March 2020. Due to the health crisis and containment measures, the date for announcing the IGC's decision, scheduled for April 2020, was postponed. The IGC informed the Group on 8 July 2020 that the health crisis has led to a further delay in its decision-making process. As a result, the Group expects an authorisation from the IGC in the second half of 2020, the Établissement Public de Sécurité Ferroviaire having issued a favourable report as to the continuation of the project. In this context, and taking into account the likely impact of the crisis on the resumption of works, the Group currently plans to bring the interconnector into service in early January 2022.

On 11 June 2020, the national regulators issued an opinion in favour of a first extension of the deadline for commercial operation of interconnector by five months, taking the deadline to 31 December 2020. This additional time will allow the regulators to examine the request for an extension of ElecLink's exemption in the light of the IGC's decision and the resulting timetable for the actual commissioning of the interconnector. ElecLink will need to request a further extension of the deadline for bringing the interconnector into service as soon as the IGC has given its decision. The position of the national regulators should be confirmed by the European Commission before the end of July 2020.

Objectives

In light of the first half results and the current outlook, and based on its latest financial forecasts, the Group has set a new financial target of an EBITDA for 2020 of €350 million at an exchange rate of £1=€1.14 and at constant perimeter. This target is established on the basis of the assumptions detailed above, in particular on the assumption of maintaining the free movement of persons and goods between the United Kingdom and continental Europe following the reopening of borders and the absence of a second wave of the COVID-19 pandemic requiring the reintroduction of lockdowns. The Group had already announced on 18 March 2020 that it would not be able to meet the 2020 EBITDA targets announced at the beginning of the year in the context of the COVID-19 crisis.

On 3 April 2020, the Group announced the withdrawal of its proposal to distribute its 2019 dividend. The Group will communicate at a later date on its dividend policy for 2020 in light of the impact of the evolution of the health and economic situation on its activities in the second half of 2020.

In these circumstances, given the context of the health crisis and its consequences on its business, and in view of the announced delay in the commissioning of ElecLink, the Group withdraws its EBITDA target of €735 million by 2022 published in its 2019 Universal Registration Document.

Cash position and financial ratios

Based on its latest revised forecasts, the main assumptions for which are set out above, the Group will have a sufficient level of liquidity to cover its debt service in 2020 and 2021 as well as the financing of its activities.

As described in notes G.1.2 and G.1.1 respectively of the consolidated financial statements as of 31 December 2019 and in sections 8.2.4 and 8.25 respectively of the 2019 Universal Registration Document, the Group is required to comply with covenants relating to Eurotunnel's Term Loan, the breach of which could constitute an event of default, and financial ratios, or "incurrence covenants", attached to the Senior Secured Notes issued by Getlink SE, the breach of which may prevent certain transactions from being carried out, such as the payment of dividends or the raising of additional financing, without however giving rise to an event of default.

Based on its latest revised forecasts, the Group believes that at 31 December 2020 and 31 December 2021 it will be in a position to comply with the covenants relating to Eurotunnel's Term Loan as well as the debt service cover incurrence covenant ratio relating to Getlink SE's Senior Secured Notes which is a condition for the payment of dividends. However, the Group has carried out sensitivity analyses in relation to the main assumptions used, some of which, if they were to materialise, could lead to a breach of its covenants relating to Eurotunnel's Term Loan and this incurrence covenant ratio relating to the Senior Secured Notes. With this in mind, the Group maintains regular communication with its creditors on the evolution of its situation and its results, and remains confident in its ability to obtain the required waivers if necessary.

On the basis of the forecast levels of its EBITDA in 2020 and 2021, the Group may not be able to comply with the other incurrence covenant ratio for financial leverage related to Getlink SE's Senior Secured Notes at these two dates, which is a condition to raising additional financing. However, under the terms of the Getlink SE's Senior Secured Notes and Eurotunnel's Term Loan, the Group has the possibility to apply for additional credit facilities of up to a total of €625 million, the drawing of which is not contingent on compliance with any covenant or financial ratio. The access to additional debt in excess of this amount is subject to compliance with the incurrence covenant financial leverage ratio.

Given its strong balance sheet and its operational excellence, the Group remains confident in the robustness of its business model and in its ability to quickly return to growth in revenue and margins when the crisis ends.

RISKS

The Group has reviewed the impact of the crisis on the major risks and uncertainties identified and detailed in chapter 3 Risks and Control of the 2019 Universal Registration Document and has considered the risks induced by the pandemic which have led to the emergence of other risks, which until now were not considered major for the Group.

Risks related to the environment in which Getlink operates

The COVID-19 pandemic and the restrictive measures implemented have a significant impact on the Group's traffic and revenues, which were already affected by the uncertainties surrounding Brexit. Gradual deconfinement measures were introduced from mid-May and the Group's forecasts for the next six months are based on the assumption that these measures will continue and that traffic will gradually return. Nevertheless, the health crisis will have an impact on macro-economic conditions not only in the United Kingdom and Europe, but also worldwide: the change in travel habits which could result in the short term in a certain reluctance to travel even after the reopening of borders. The significant impact of the crisis on European and global economic activity in recent months and its effect on business activity and purchasing power could prove to be substantial and lasting. Furthermore, the exceptional measures taken during the health crisis have reduced the capacity of governments to cope with a prolonged economic recession.

In the short term, a further deterioration of the health situation or a second wave of the pandemic in the coming months, accompanied by renewed confinement of populations, could have a significant negative impact on the Group's activities.

In addition, the Group remains confident that the measures already put in place to prepare the management of its traffic under Brexit are adequate and believes that operational disruptions to its activities should be limited.

Risks related to the exercise of the Group's activities

In the context of the health crisis and containment measures, the Group has limited its capital expenditure in the first half of 2020 by prioritising projects relating to the safety and continuity of operation of the Tunnel as well as the preparation for Brexit. Eurotunnel's strategic investment projects as well as the ElecLink project are expected to resume in the second half of 2020. The possible consequences of the crisis on the situation of certain suppliers, on the availability and delivery of equipment or on the organisation of works could initially affect the progress of these projects.

The health and safety of the Group's employees, customers, suppliers and other partners remains a priority in the current health context. Numerous measures have been put in place to protect all customers, employees and other people working on the Group's various sites and using its services. The Group will continue to apply these measures while adapting them as necessary in response to changes in the health situation and associated risks.

The reduced activity during the lockdown period and the consequences of this pandemic in the medium and long term could impact the Group's results, and more particularly its cash position. During the first half of 2020, the Group implemented an action plan to adjust its expenses to the decline in activity and announced on 3 April 2020 its decision, supported by the vote at the General Meeting of Shareholders on 30 April 2020, not to pay its dividend for 2019.

It should nevertheless be recalled that the Group has a very high level of liquidity, with a net available cash position of more than €510 million at the end of June 2020. As indicated above, the Group has the possibility to apply for additional credit facilities of up to a total of €625 million, the drawing of which is not contingent on compliance with any covenant or financial ratio. The access to additional debt in excess of this amount is subject to compliance with the incurrence covenant financial leverage ratio.

In the longer term, other of the Group's financial risks could be affected by a prolonged effect of the crisis, in particular the risk of default or late payment by some customers and the impact of changes in exchange rates on its activities.

RELATED PARTIES

In the first half of 2020, the Group did not have any related parties transactions as defined by IAS 24.

SUMMARY HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€'000	Note	1st half 2020	1st half 2019	Full year 2019
Revenue	D.1	369,480	523,042	1,085,277
Operating expenses	D.2	(128,687)	(142,753)	(272,712)
Employee benefits expense	E	(118,072)	(124,974)	(252,323)
Operating margin (EBITDA)	D.1	**122,721**	**255,315**	**560,242**
Depreciation	F	(91,133)	(86,671)	(181,739)
Trading profit		**31,588**	**168,644**	**378,503**
Other operating income	D.3	37	87	38,082
Other operating expenses	D.3	(491)	(4,304)	(7,546)
Operating profit		**31,134**	**164,427**	**409,039**
Finance income	G.6	813	1,324	2,640
Finance costs	G.6	(118,499)	(134,626)	(259,503)
Net finance costs		(117,686)	(133,302)	(256,863)
Other financial income	G.7	42,549	15,016	45,206
Other financial charges	G.7	(40,733)	(9,363)	(41,060)
Pre-tax (loss)/profit from continuing operations		**(84,736)**	**36,778**	**156,322**
Income tax (expense)/income of continuing operations	I.1	(2,780)	3,884	2,015
Net (loss)/profit from continuing operations		**(87,516)**	**40,662**	**158,337**
Net profit/(loss) from discontinued operations	C.2	8,696	(57)	603
Net (loss)/profit for the period		**(78,820)**	**40,605**	**158,940**
Net profit attributable to:				
Group share		(78,820)	40,605	158,940
Earnings per share (€):	H.3			
Basic earnings per share: Group share		(0.15)	0.08	0.30
Diluted earnings per share: Group share		(0.15)	0.08	0.29
Basic earnings per share from continuing operations		(0.16)	0.08	0.30
Diluted earnings per share from continuing operations		(0.16)	0.08	0.29

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

€'000	Note	1st half 2020	1st half 2019	Full year 2019
Items that will never be reclassified to the income statement:				
Actuarial gains and losses on employee benefits		(61,656)	(20,954)	(3,835)
Related tax	I	1,931	1,125	602
Items that are or may be reclassified to the income statement:				
Foreign exchange translation differences		115,114	3,837	(82,279)
Hedging contracts: movement in market value and recycling of the fair value on the partially terminated contracts	G.2	(233,771)	(215,724)	(251,741)
Related tax	I	(5,430)	(7,001)	(12,724)
Net expense recognised directly in equity		**(183,812)**	**(238,717)**	**(349,977)**
(Loss)/profit for the period – Group share		(78,820)	40,605	158,940
Total comprehensive loss for the period		**(262,632)**	**(198,112)**	**(191,037)**

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€'000		Note	30 June 2020	31 December 2019
ASSETS				
Goodwill ElecLink		F	20,392	20,392
Intangible assets ElecLink		F	119,955	119,955
Right-of-use assets (IFRS 16)			29,170	35,241
Total intangible assets		F	**169,517**	**175,588**
Concession property, plant and equipment			5,819,966	5,872,657
Other property, plant and equipment			710,642	685,864
	Of which ElecLink		*630,438*	*605,080*
	Europorte		*72,296*	*73,833*
Total property, plant and equipment			**6,530,608**	**6,558,521**
Equity accounted companies			50	–
Deferred tax asset		I.2	192,971	204,638
Other financial assets		G.3	364,969	407,765
Total non-current assets			**7,258,115**	**7,346,512**
Inventories			2,603	2,521
Trade receivables			74,775	77,148
Other receivables			77,924	80,830
Other financial assets		G.3	192	210
Cash and cash equivalents			511,355	524,507
Total current assets			**666,849**	**685,216**
Total assets			**7,924,964**	**8,031,728**
EQUITY AND LIABILITIES				
Issued share capital		H.1	220,000	220,000
Share premium account			1,711,796	1,711,796
Other reserves		H.4	(815,176)	(675,092)
Profit for the period			(78,820)	158,940
Cumulative translation reserve			338,117	223,003
Equity			**1,375,917**	**1,638,647**
Retirement benefit obligations			152,389	98,331
Financial liabilities		G.1	4,680,082	4,852,737
Other financial liabilities		G.4	43,627	50,353
Interest rate derivatives		G.2	1,328,937	1,054,999
Total non-current liabilities			**6,205,035**	**6,056,420**
Provisions		D.4	3,096	14,728
Financial liabilities		G.1	59,762	60,513
Other financial liabilities		G.4	29,422	34,324
Trade payables			191,364	191,114
Other payables			60,368	35,982
Total current liabilities			**344,012**	**336,661**
Total equity and liabilities			**7,924,964**	**8,031,728**

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€'000	**Issued share capital**	**Share premium account**	*** Consolidated reserves**	**Result**	**Cumulative translation reserve**	**Total**
1 January 2019	220,000	1,711,796	(361,117)	130,320	305,282	**2,006,281**
Transfer to consolidated reserves	–	–	130,320	(130,320)	–	**–**
Payment of dividend	–	–	(193,014)	–	–	**(193,014)**
Share based payments	–	–	10,676	–	–	**10,676**
Acquisition/sale of treasury shares	–	–	5,741	–	–	**5,741**
Result for the year	–	–	–	158,940	–	**158,940**
Profit/(loss) recorded directly in other comprehensive income:						
▪ Actuarial gains and losses on employee benefits	–	–	(3,835)	–	–	**(3,835)**
▪ Related tax	–	–	602	–	–	**602**
▪ Movement in fair value of hedging contracts	–	–	(308,625)	–	–	**(308,625)**
▪ Recycling of the fair value on the partially terminated hedging contracts	–	–	56,884	–	–	**56,884**
▪ Related tax	–	–	(12,724)	–	–	**(12,724)**
▪ Foreign exchange translation differences	–	–	–	–	(82,279)	**(82,279)**
31 December 2019	**220,000**	**1,711,796**	**(675,092)**	**158,940**	**223,003**	**1,638,647**
Transfer to consolidated reserves	–	–	158,940	(158,940)	–	**–**
Payment of dividend	–	–	–	–	–	**–**
Share based payments **	–	–	5,281	–	–	**5,281**
Acquisition/sale of treasury shares	–	–	(5,379)	–	–	**(5,379)**
Result for the period	–	–	–	(78,820)	–	**(78,820)**
Profit/(loss) recorded directly in other comprehensive income:						
▪ Actuarial gains and losses on employee benefits	–	–	(61,656)	–	–	**(61,656)**
▪ Related tax	–	–	1,931	–	–	**1,931**
▪ Movement in fair value of hedging contracts (G.2)	–	–	(262,253)	–	–	**(262,253)**
▪ Recycling of the fair value on the partially terminated hedging contracts (G.2)	–	–	28,482	–	–	**28,482**
▪ Related tax	–	–	(5,430)	–	–	**(5,430)**
▪ Foreign exchange translation differences	–	–	–	–	115,114	**115,114**
30 June 2020	**220,000**	**1,711,796**	**(815,176)**	**(78,820)**	**338,117**	**1,375,917**

* *See note H.4 below.*
** *Of which €2,675,000 is in respect of free shares and €2,606,000 is in respect of preference shares.*

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

CONSOLIDATED STATEMENT OF CASH FLOWS

€'000	Note	1st half 2020	1st half 2019	Full year 2019
Operating margin (EBITDA) from continuing operations	D.1	122,721	255,315	560,242
Operating margin (EBITDA) from discontinued operations	C.2	(41)	(23)	21
Exchange adjustment	*	(2,802)	(3,676)	10,095
Decrease in inventories		(82)	(245)	(229)
Increase in trade and other receivables		(10,152)	(3,363)	24,819
Increase in trade and other payables		49,326	30,964	(6,017)
Net cash inflow from trading		**158,970**	**278,972**	**588,931**
Other operating cash flows		5,340	6,375	5,354
Taxation received /(paid)		1,833	5,389	4,262
Net cash inflow from operating activities		**166,143**	**290,736**	**598,547**
Payments to acquire property, plant and equipment		(36,049)	(101,047)	(246,583)
Sale of property, plant and equipment		–	370	370
Net cash outflow from investing activities		**(36,049)**	**(100,677)**	**(246,213)**
Capital transactions:				
Dividend paid		–	(193,014)	(193,014)
Exercise of stock options		774	2,564	3,165
Purchase of treasury shares		(1,970)	–	–
Liquidity contract (net)		(4,025)	2,771	2,652
Financial transactions:				
Fees paid on new loans		–	(48)	(71)
Net debt service cost:				
Fees paid on loans		(3,422)	(3,541)	(7,276)
Interest paid on loans		(90,872)	(92,432)	(189,107)
Scheduled repayment of loans		(25,565)	(24,718)	(52,383)
Cash received from scheduled repayment of G2 notes		2,584	2,448	5,331
Interest paid on leasing and repayment of leasing obligations	B.3.1	(10,413)	(9,598)	(21,114)
Interest received on cash and cash equivalents		770	1,311	2,761
Interest received on other financial assets		3,208	3,275	6,907
Net cash outflow from financing activities		**(128,931)**	**(310,982)**	**(442,149)**
Increase/(decrease) in cash in the period		**1,163**	**(120,923)**	**(89,815)**

* *The adjustment relates to the restatement of elements of the income statement at the exchange rate ruling at the period end.*

Movement during the period

€'000	1st half 2020	1st half 2019	Full year 2019
Cash and cash equivalents at 1 January	524,507	606,532	606,532
Effect of movement in exchange rate	(14,015)	(350)	7,981
Increase/(decrease) in cash in the period	1,163	(120,923)	(89,815)
Decrease in interest receivable in the period	(300)	(20)	(191)
Cash and cash equivalents at the period end	**511,355**	**485,239**	**524,507**

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

NOTES TO THE FINANCIAL STATEMENTS

Getlink SE is the Group's consolidating entity. Its registered office is at 3 rue La Boétie, 75008 Paris, France, and its shares are listed on Euronext Paris and, until 26 June 2020, on NYSE Euronext London. The term "Getlink SE" refers to the holding company which is governed by French law. The term "Group" refers to Getlink SE and all its subsidiaries.

The main activities of the Group are the design, financing, construction and operation by the Eurotunnel segment of the Fixed Link's infrastructure and transport system in accordance with the terms of the Concession (which will expire in 2086), the rail freight activity of the Europorte segment as well as the construction and operation (expected early January 2022) of the 1 GW electricity interconnector in the Tunnel by ElecLink. The maritime activity was discontinued in 2015 (see note C.2 below).

The summary half-year consolidated financial statements for 2020 were prepared under the responsibility of the Board of Directors at its meeting held on 22 July 2020.

A. Important events

A.1 COVID-19 pandemic

COVID-19 was declared a pandemic by the World Health Organization and the French and British governments adopted strict population containment and movement restriction provisions for people within and between the two countries from 17 and 23 March respectively.

The health crisis and the measures taken by the governments have had a significant impact on traffic and the Group's internal organisation, and more particularly on Eurotunnel's activities, which since mid-March have seen a very sharp drop in traffic, particularly for Passenger Shuttles and in the number of Eurostar passengers. The Truck Shuttle business also experienced a significant decrease in traffic, although not as great as that of other sectors due to the need to maintain the supply flows of essential goods between France and the United Kingdom.

Despite the gradual easing of lockdown measures since mid-May, the implementation by the United Kingdom from 8 June 2020 of a 14-day quarantine period for almost all people entering its territory has significantly delayed the recovery of Passenger Shuttle and Eurostar traffic.

Europorte's business was also impacted during the period, particularly traffic from the automotive sector.

Faced with this situation, the Group has implemented a series of measures to allow the movement of goods, while ensuring the health safety of its customers and staff.

It has also taken decisions to preserve its cash flow by implementing furloughing in France and the United Kingdom covering almost all of its staff in France and approximately one-third of its UK workforce. On 3 April 2020, the Group also announced the cancellation of the payment of its 2019 dividend.

The impact of the health crisis and government measures implemented by the Group on the Group's results and financial position in the first half of 2020 is detailed in note D.5 to these summary consolidated financial statements.

The consequences for the Group of the COVID-19 pandemic on the 2020 financial year will depend on the evolution of the viral outbreak over the rest of the year and the decisions of the French and British authorities, as well as their impact on the economy in general and on cross-Channel transport in particular.

In light of the results of the first half and the outlook to date, the Group confirms, as announced on 18 March 2020, that it will not be in a position to achieve the 2020 EBITDA targets announced at the beginning of the year.

The Group has prepared new financial forecasts incorporating the information available to date and its best assessment of how the situation and its activity could evolve over the next 18 months.

On the basis of these forecasts, the Group will have a sufficient level of liquidity to cover its debt service in 2020 and 2021 and the financing of its activities.

As described in notes G.1.2 and G.1.1 respectively of the consolidated financial statements as of 31 December 2019 and in sections 8.2.4 and 8.2.5 respectively of the 2019 Universal Registration Document, the Group is required to comply with covenants relating to Eurotunnel's Term Loan, the breach of which could constitute an event of default, and financial ratios, or "incurrence covenants", attached to the Senior Secured Notes issued by Getlink SE, the breach of which may prevent certain transactions from being carried out, such as the payment of dividends or the raising of additional financing, without however giving rise to an event of default.

Based on its latest revised forecasts, the Group believes that it will be in a position to comply at 31 December 2020 and 31 December 2021 with the covenants relating to Eurotunnel's Term Loan as well the debt service cover incurrence covenant ratio relating to Getlink SE's Senior Secured Notes which is a condition for the payment of dividends. However, the Group has carried out sensitivity analyses in relation to the main assumptions used, some of which, if they were to materialise, could lead to a breach of its covenants relating to Eurotunnel's Term Loan and this incurrence covenant ratio relating to the Senior Secured Notes. With this in mind, the Group maintains regular communication with its creditors on the evolution of its situation and its results, and remains confident in its ability to obtain the required waivers if necessary.

On the basis of the forecast levels of its EBITDA in 2020 and 2021, the Group may not be able to comply with the other incurrence covenant ratio for financial leverage related to Getlink SE's Senior Secured Notes at these two dates, which is a condition to raising additional financing. However, under the terms of the Getlink SE's Senior Secured Notes and Eurotunnel's Term Loan, the Group has the possibility to apply for additional credit facilities of up to a total of €625 million, the drawing of which is not contingent on compliance with any financial ratio. The access to additional debt in excess of this amount is subject to compliance with the incurrence covenant financial leverage ratio.

The Group has taken this context into account in determining the main estimates and assumptions made in preparing its summary consolidated financial statements for the six months ended 30 June 2020, as described in note B.4 below. It also confirms that the indications of impairment identified on the assets of the Concession, Europorte and ElecLink led it to carry out impairment tests on its assets at 30 June 2020, which did not result in the recognition of any exceptional impairment at that date (see note F below). In addition, the Group's exposure to credit risk on its operating activities did not lead it to significantly reconsider the expected credit losses on its customers at 30 June 2020.

A.2 Brexit: the United Kingdom's exit from the European Union

Following the UK's decision to leave the European Union on 23 June 2016 and the triggering of Article 50 by the British government at the end of March 2017, the official date of exit of the United Kingdom from the European Union took place on 31 January 2020. A transition period, which began on the date of exit, will now end on 31 December 2020 as the UK government did not request an extension by the deadline of 1 July 2020. The UK government has indicated that implementation of the new arrangements will be phased in over the first half of 2021. In this context, exacerbated by the impact of the COVID-19 pandemic on the ongoing negotiations, uncertainties remain regarding the trade agreements to be concluded between the United Kingdom and the European Union.

During the period, the Group continued to implement its action and investment plan launched in mid-2018 and designed to maintain the fluidity of its traffic post-Brexit, regardless of the political and regulatory context.

The Group has taken account of this situation in the determination of the principal estimates and assumptions used in the preparation of its consolidated financial statements at 30 June 2020 as set out in note B.4 below.

A.3 ElecLink project

Following the completion of construction work on the converter stations, manufacturing and cable preparation in 2019, the project's progress in the first half of 2020 was impacted by the health crisis. Investment in the project during the first half of 2020 amounted to €26 million (capitalised expenses), bringing the total investment since the Group took control of ElecLink in 2016 to €751 million as at 30 June 2020, of which €630 million in tangible assets and €121 million in intangible assets (excluding goodwill and deferred tax liabilities of the same amount (€20 million)).

During the period, the Group continued its exchanges with the IGC, the Channel Tunnel Safety Authority, the ad-hoc committee and the working group of their experts to enable the IGC to take a global decision on the authorisation for the installation of the cable in the Tunnel and the commissioning of the interconnection. Additional safety studies and independent experts' reports were submitted in this context. Due to the COVID-19 crisis, the announcement of the decision of the IGC, initially scheduled for April 2020, was postponed. The IGC informed the Group on 8 July 2020 that the health crisis had led to a further delay in its decision-making process. As a result, the Group expects an authorisation from the IGC in the second half of 2020, the Établissement Public de Sécurité Ferroviaire having issued a favourable report as to the continuation of the project. In this context and aware of the impact of the health situation on the progress of the project, the Group now plans to bring the interconnector into service in early January 2022.

In addition, the exemption under Article 17 of the European Union Electricity Regulation granted to ElecLink by the national regulators and the European Commission in 2014 requires that the interconnector becomes operational no later than 31 July 2020.

On 11 June 2020, the national regulators issued an opinion in favour of an initial five-month extension of the deadline for bringing the interconnector into service, taking the deadline to 31 December 2020. This additional time will allow the regulators to examine the request for an extension of ElecLink's exemption in the light of the IGC decision and the resulting timetable for the actual commissioning of the interconnector. ElecLink will therefore need to request a further extension of the deadline for bringing the interconnector into service as soon as the IGC has given its decision. The position of the national regulators should be confirmed by the European Commission before the end of July 2020.

A.4 Litigation relating to the cessation of the maritime activity

During the period, the main disputes and claims relating to the termination of the Group's maritime activities in 2015 were settled.

A settlement agreement was reached in February 2020 putting an end to all claims made by the court-appointed agent of the SeaFrance SCOP, by the AGS and by the various Group companies following the liquidation of the SeaFrance SCOP in July 2015. Under the terms of this agreement, the Group paid a definitive lump-sum settlement of €7 million.

In this context, the Group reversed the provision recorded in its consolidated financial statements relating to the risks associated with the termination of its maritime activity (see note D.4).

In ruling handed down on 30 April 2020, the Paris Maritime Arbitration Chamber again rejected all of DFDS's claims challenging the price paid for their acquisition from the Group of the Rodin and Berlioz vessels in 2017. The Group, assisted by its lawyers, considers it unlikely that DFDS will be able to appeal this decision.

B. Principles of preparation, main accounting policies and methods

B.1 Statement of compliance

The summary half-year consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and applicable on that date. They have been prepared in accordance with IAS 34 and therefore do not contain all the information required for complete annual financial statements and must be read in conjunction with Getlink SE's consolidated financial statements for the year ended 31 December 2019.

B.2 Basis of preparation and presentation of the consolidated financial statements

The summary half-year consolidated financial statements for Getlink SE and its subsidiaries are prepared as at 30 June.

The summary half-year consolidated financial statements have been prepared using the principles of currency conversion as defined in the annual financial statements as at 31 December 2019.

The average and closing exchange rates used in the preparation of the 2020 and 2019 half-year accounts and the 2019 annual accounts are as follows:

€/£	30 June 2020	30 June 2019	31 December 2019
Closing rate	1.096	1.115	1.175
Average rate	1.146	1.145	1.140

B.3 Changes in accounting standards as at 30 June 2020

The standards and interpretations used and described in the annual financial statements as at 31 December 2019 have been supplemented by the standards, amendments and interpretations whose application is mandatory for financial years beginning on or after 1 January 2020.

B.3.1 Texts adopted by the European Union whose application is compulsory

The texts adopted by the European Union, the application of which is compulsory for financial years beginning on or after 1 January 2020, are as follows:

- amendments to IAS 1 and IAS 8 – definition of "material";
- amendments to IFRS 9, IAS 39 and IFRS 7 – interest rate benchmark reform – phase 1;
- amendments to IFRS 3 – definition of a business; and
- temporary amendment to IFRS 16 – COVID-19-related rent concessions.

The application of these texts as well as the latest decisions of the IFRIC has not had a significant impact on the Group's consolidated financial statements.

B.3.2 Other texts and amendments published by the IASB but not approved by the European Union

The following texts concerning accounting rules and methods specifically applied by the Group have not yet been approved by the European Union:

- amendments to IAS 1 – classification of liabilities as current or non-current;
- amendments to IFRS 3 – business combinations – references to the conceptual framework;
- amendments to IAS 16 – proceeds before intended use of property, plant and equipment; and
- amendments to IAS 37 – cost of fulfilling a contract.

The potential impact of these texts will be assessed by the Group in subsequent years.

B.4 Use of estimates and judgements

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The Group's management and Board of Directors periodically review its valuations and estimates based on their experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. In addition, the estimates underlying the preparation of these half-year consolidated financial statements to 30 June 2020 have been established in the context of the uncertainties concerning the COVID-19 pandemic and the final terms and conditions for the implementation of Brexit. Depending on the evolution of these assumptions, actual results may differ from current estimates.

The use of estimations concerns mainly the valuation of intangible and tangible property, plant and equipment (see note F) in particular for the ElecLink project, the evaluation of the Group's deferred tax situation (note I), the valuation of the Group's retirement liabilities (note E) and certain elements of the valuation of financial assets and liabilities (note G.5) as well as the application of IFRS 16 "Leases" in particular for the definition of the lease and the estimation of the remaining term of each lease.

C. Scope of consolidation

C.1 Changes in the scope of consolidation

On 31 March 2020, the registered name of Eurotunnel Project SAS was changed to JV-G-ING SAS and on the same date Getlink SE sold 50% of its shares in the company to a third party. As from this date, the company is consolidated in the Group using the equity method at 50%.

With the exception of this change, the scope of consolidation at 30 June 2020 is the same as that at 31 December 2019.

C.2 Assets held for sale and discontinued operations

Maritime segment MyFerryLink

The Group has applied IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" to its maritime segment since the ending of its maritime activity in the second half of 2015. In 2017, the Group sold its three ferries. The Group was the subject of a number of legal claims following the cessation of its maritime activity that ended in the first half of this year (see note A.4 above). As a result, the provisions previously set aside for the maritime activity were fully reversed at 30 June 2020.

Income statement for the maritime segment

€'000	1st half 2020	1st half 2019	Full year 2019
Operating costs	(41)	(23)	21
Operating margin (EBITDA)	**(41)**	**(23)**	**21**
Other operating income/(charges)	11,968	(34)	582
Operating profit/(loss)	**11,927**	**(57)**	**603**
Net financial income/(charges)	(1)	–	–
Deferred tax	(3,230)	–	–
Net profit/(loss)	**8,696**	**(57)**	**603**
Earnings per share from discontinued activities (€):			
Basic	0.02	n/s	n/s
Diluted	0.02	n/s	n/s

Cash flow statement for the maritime segment

€'000	1st half 2020	1st half 2019	Full year 2019
Net cash flow from operating activities	(6,229)	(93)	512
(Decrease)/increase in cash in period	**(6,229)**	**(93)**	**512**

D. Operating data

D.1 Segment information

The Group is organised around the following four sectors, which correspond to the internal information reviewed and used by the main operational decision makers (the Executive Committee):

- the "Eurotunnel" segment, which includes the Concessionaires' of the cross-Channel Fixed Link and their subsidiaries,
- the "Europorte" segment, the main activity of which is that of rail freight operator,
- the "ElecLink" segment, whose activity is the construction and operation of a 1 GW electricity interconnector running through the Channel Tunnel, and
- the "Getlink" segment which includes the Group's corporate services and the activities of the Group's holding company Getlink SE as well as its direct subsidiaries including the railway training centre CIFFCO.

Information by segment

€'000	Eurotunnel	* Getlink	Europorte	ElecLink	Total of continuing operations	Discontinued operations**	Total
At 30 June 2020							
Revenue	311,089	280	58,111	–	**369,480**	–	**369,480**
EBITDA	120,424	(7,152)	9,788	(339)	**122,721**	–	**122,721**
Trading profit/(loss)	41,009	(8,151)	(593)	(677)	**31,588**	–	**31,588**
Pre-tax result of continuing operations	(43,194)	(49,870)	(1,159)	9,487	**(84,736)**	–	**(84,736)**
Net consolidated result					**(87,516)**	8,696	**(78,820)**
Investment in property, plant and equipment	26,405	1,173	1,298	25,950	**54,826**	–	**54,826**
Property, plant and equipment (intangible and tangible)	5,822,519	9,694	96,211	771,701	**6,700,125**	–	**6,700,125**
External financial liabilities	4,192,269	536,016	11,559	–	**4,739,844**	–	**4,739,844**
At 30 June 2019							
Revenue	456,554	626	65,862	–	**523,042**	–	**523,042**
EBITDA	250,663	(8,400)	13,910	(858)	**255,315**	–	**255,315**
Trading profit/(loss)	175,330	(8,670)	3,186	(1,202)	**168,644**	–	**168,644**
Pre-tax result of continuing operations	37,910	(2,524)	2,402	(1,010)	**36,778**	–	**36,778**
Net consolidated result					**40,662**	(57)	**40,605**
Investment in property, plant and equipment	39,106	1,366	1,060	70,700	**112,232**	–	**112,232**
Property, plant and equipment (intangible and tangible)	5,892,812	5,591	101,572	681,696	**6,681,671**	–	**6,681,671**
External financial liabilities	4,262,354	531,711	12,028	–	**4,806,093**	–	**4,806,093**
At 31 December 2019							
Revenue	957,609	1,208	126,460	–	**1,085,277**	–	**1,085,277**
EBITDA	552,558	(15,856)	23,847	(307)	**560,242**	–	**560,242**
Trading profit/(loss)	394,663	(17,396)	2,228	(992)	**378,503**	–	**378,503**
Pre-tax result of continuing operations	140,067	26,452	746	(10,943)	**156,322**	–	**156,322**
Net consolidated result					**158,337**	603	**158,940**
Investment in property, plant and equipment	102,270	3,153	2,472	136,011	**243,906**	–	**243,906**
Property, plant and equipment (intangible and tangible)	5,876,536	9,568	101,340	746,665	**6,734,109**	–	**6,734,109**
External financial liabilities	4,367,828	533,863	11,559	–	**4,913,250**	–	**4,913,250**

* *The Getlink segment's pre-tax result includes €46 million of unrealised intra-Group exchange losses in the first half of 2020 (1st half 2019: losses of €2 million, 2019 full year: gains of €27 million).*
** *See note C.2 above for details of discontinued operations.*

D.2 Operating costs

Operating costs are analysed as follows:

€'000	1st half 2020	1st half 2019	Full year 2019
Operations and maintenance: subcontracting and spares	49,355	58,317	119,173
Electricity*	17,434	14,091	31,173
Cost of sales and commercial costs	3,616	7,842	12,201
Regulatory costs, insurance and local taxes	26,145	24,713	41,589
General overheads and centralised costs	6,845	7,373	12,985
Sub-total Eurotunnel	**103,395**	**112,336**	**217,121**
Getlink services	2,047	3,155	3,952
Europorte	23,202	26,661	51,520
ElecLink	43	601	119
Total	**128,687**	**142,753**	**272,712**

* *Net of a credit of €3.9 million in the first half and full year of 2019 relating to EDF energy certificates in respect of the operation of the new Truck Shuttles).*

D.3 Other operating income and (expenses)

€'000	1st half 2020	1st half 2019	Full year 2019
Other operating income	37	87	38,082
Sub-total other operating income	**37**	**87**	**38,082**
Net loss on disposal or write-off of assets	(138)	(391)	(3,181)
Other	(353)	(3,913)	(4,365)
Sub-total other operating expenses	**(491)**	**(4,304)**	**(7,546)**
Total	**(454)**	**(4,217)**	**30,536**

D.4 Provisions

€'000	1 January 2020	Charge to income statement	Release of unspent provisions	Provisions utilised	Exchange difference	30 June 2020
Continuing activities	3,530	86	–	(520)	–	**3,096**
Discontinued maritime activity *	11,198	–	(11,198)	–	–	**–**
Total	**14,728**	**86**	**(11,198)**	**(520)**	**–**	**3,096**

* *See note C.2 above.*

The €11.2 million provision as at 31 December 2019 was released during the first half of 2020 (see notes A.4 and C.2 above).

D.5 Impact of the COVID-19 pandemic

As indicated in note A.1 above, the health crisis related to the COVID-19 pandemic and the measures taken by the French and British governments concerning the containment of the population and the movement of people within and between the two countries had a significant impact on the Group's business and results in the first half of 2020, and in particular on those of Eurotunnel.

Eurotunnel

Traffic for Eurotunnel's various activities fell sharply from March onwards due to the health crisis and the impact of government measures:

TRAFFIC EUROTUNNEL	January/February (2 months)			March to June (4 months)			1st half		
Exchange rate: £1=€1.146	2020	2019	VAR	2020	2019	VAR	2020	2019	VAR
Truck Shuttle	262,444	287,069	-9%	402,904	522,552	-23%	665,348	809,621	-18%
Passenger Shuttle	325,459	314,497	3%	229,118	851,606	-73%	554,577	1,166,103	-52%
Eurostar passengers	1,592,388	1,569,447	1%	400,822	3,729,750	-89%	1,993,210	5,299,197	-62%
Rail freight trains	348	389	-11%	509	777	-34%	857	1,166	-27%

Eurotunnel's revenues were down by €146 million in the first half of 2020 compared to the same period in 2019. This decrease mainly concerns the period from March to June and reflects the fall in Shuttle Services and Eurostar passenger traffic over these months:

REVENUE (€M)	January/February (2 months)			March to June (4 months)			1st half		
Exchange rate: £1=€1.146	2020	2019	VAR	2020	2019	VAR	2020	2019	VAR
Shuttle	94.4	96.5	(2.1)	117.7	200.4	(82.7)	212.1	296.9	(84.8)
Railway Network	48.5	46.7	1.8	46.9	107.2	(60.3)	95.4	153.9	(58.5)
Other	1.3	2.0	(0.7)	2.3	3.9	(1.6)	3.6	5.9	(2.3)
Eurotunnel	**144.2**	**145.2**	**(1.0)**	**166.9**	**311.5**	**(144.6)**	**311.1**	**456.7**	**(145.6)**

Eurotunnel's operating and staff costs decreased by €14 million in the first half of 2020. This decrease is mainly due to savings generated by the actions implemented by the Group in its management of the crisis. Faced with the fall in traffic from March onwards, the Group revised its Shuttle capacity and operating plans downwards and, as part of the measures implemented by the French and British governments, introduced furloughing measures covering almost all of its staff in France and approximately one-third of its UK workforce. Operating costs also include additional costs of €2.3 million related to equipment and other measures taken to protect the Group's customers and employees during the crisis.

Constrained by the unavailability of some of its suppliers and employees during the lockdown period, and with a view to optimising its cash management, the Group has reduced its capital expenditure by approximately €80 million (€50 million Eurotunnel, €30 million ElecLink) in the first half of 2020 by postponing certain projects.

Europorte

The impact of the health crisis on Europorte's EBITDA in the first half of 2020 is €6 million due to the drop in traffic in certain sectors, notably the automotive and cement industries.

Group

In the first half of 2020, the Group's EBITDA decreased by €132 million compared to the same period in 2019. This decrease mainly concerns the activity of the Eurotunnel segment and is concentrated in the period from March to June since the declaration of the pandemic and the implementation of lockdown measures:

EBITDA (€M)	January/February (2 months)			March to June (4 months)			1st half		
Exchange rate: £1=€1.146	2020	2019	VAR	2020	2019	VAR	2020	2019	VAR
Eurotunnel and Getlink	63.4	66.2	(2.8)	50.0	176.2	(126.2)	113.4	242.4	(129.0)
Europorte	3.7	4.2	(0.5)	6.1	9.7	(3.6)	9.8	13.9	(4.1)
ElecLink	(0.7)	(0.7)	–	0.4	(0.3)	0.7	(0.3)	(1.0)	0.7
Total Group	**66.4**	**69.7**	**(3.3)**	**56.5**	**185.6**	**(129.1)**	**122.9**	**255.3**	**(132.4)**
			-5%			**-70%**			**-52%**

The objective for 2020 published by the Group in February 2020, which was withdrawn on 18 March 2020, included the assumption of a 3.5% increase in the Group's consolidated EBITDA compared to the 2019 financial year. On this basis, the Group estimates the impact of the health crisis on its consolidated EBITDA for the first half of 2020 at approximately €140 million.

E. Personnel expenses and benefits

E.1 Share-based payments

E.1.1 Free share plans with no performance conditions

Following the approval by the general meeting of shareholders on 30 April 2020 of the plan to issue existing free shares, Getlink SE's Board of Directors decided on 30 April 2020 to grant a total of 448,875 Getlink SE ordinary shares (125 shares per employee) to all employees of Getlink SE and its related companies with the exception of executive and corporate officers of Getlink SE. The vesting period for these shares is one year and is followed by a three-year lock-up period.

During the first half of 2020, 423,250 free shares issued in 2019 were acquired by employees.

Movements on the free share plans

Number of shares	2020	2019
In issue at 1 January	430,000	535,800
Granted during the period	448,875	447,750
Renounced during the period	(7,375)	(25,500)
Acquired during the period	(423,250)	(528,050)
In issue at the end of the period	**448,250**	**430,000**

Assumptions used for the fair value measurement on the grant date

Year of grant	2020
Fair value of free shares on grant date (€)	11.09
Share price on grant date (€)	11.63
Number of beneficiaries	3,593
Risk-free interest rate (based on government bonds):	
1 year	-0.56%
4 years	-0.52%

E.1.2 Free share plan subject to performance conditions

On 30 April 2020, the general meeting of shareholders authorised the Board of Directors to grant free shares to executives and senior staff of Getlink SE and its subsidiaries, which may be acquired at the end of a three-year period subject to the achievement of performance conditions, up to a maximum total of 265,000 ordinary shares of a nominal value of €0.40 each. Under this scheme, the Board approved on 25 May 2020 the grant of 260,000 shares.

Information on the free share plan subject to performance conditions

Date of grant / main staff concerned	Number of shares granted	Conditions for acquiring rights	Vesting period
Ordinary shares granted to key executives and senior staff on 25 May 2020	260,000	Staff must remain as employees of the Group. Internal performance condition for 50% of the attributable volume: based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2020, 2021 and 2022. External performance condition (TSR) for 40% of the attributable volume: based on the relative performance of the TSR of the Getlink SE share compared to that of the GPR Getlink Index over the same 3 year period. CSR internal performance condition for 10% of attributable volume: based on the performance Composite CSR index in 2022 compared to targets.	3 years

Assumptions used for the fair value measurement of free shares with performance conditions on the grant date

The Black & Scholes model was used to measure the fair value of free shares with performance conditions other than for the market performance conditions and the Monte Carlo simulation method was used to determine the vesting percentage linked to the market performance condition. The assumptions used to measure the fair value of the plan on grant date were as follows:

	2020 plan
Fair value on grant date (€)	7.85
Share price on grant date (€)	11.78
Number of beneficiaries	26
Risk-free interest rate (based on government bonds):	
1 year	-0.42%
2 years	-0.44%
3 years	-0.44%

In addition, 775,776 free shares with performance conditions granted in 2017 were acquired by the beneficiaries during the first half of 2020 and the remainder were cancelled due to the non-achievement of the performance conditions.

E.1.3 Charges to income statement

€'000	1st half 2020	1st half 2019	Full year 2019
Free shares with no performance conditions	2,648	2,409	5,192
Preference shares and free shares with performance conditions	2,457	2,243	5,041
Total	**5,105**	**4,652**	**10,233**

E.2 Retirement benefits

At 30 June 2020, the Group reviewed the main assumptions used in its actuarial calculations and updated the amount of its pension obligations in respect of its two defined benefit pension plans in the United Kingdom. €62 million was recognised in the consolidated statement of comprehensive income as of 30 June 2020 in respect of the corresponding actuarial gains and losses.

F. Intangible and tangible property, plant and equipment

Investments for the period

The €26 million investment in the ElecLink project between 31 December 2019 and 30 June 2020 is mainly explained by capitalised expenses relating to the project.

Indications of impairment and impairment tests

The significant decline in Eurotunnel and Europorte revenues in the first half of 2020 as a result of the health crisis (see note D.5 above), as well as the delay in the announcement of the IGC's decision authorising the continuation of work on the ElecLink project, are indications of impairment under IAS 36. Consequently, the Group carried out a value-in-use test of the assets of these three segments at 30 June 2020 in accordance with the accounting rules and methods described in note F to the consolidated financial statements at 31 December 2019 in section 2.2.1 of the 2019 Universal Registration Document.

Concession property, plant and equipment

The valuation test at 30 June 2020 was performed by applying a WACC of 6.14% (5.60% at 31 December 2019) and based on the Group's best estimates at that date of the likely evolution of the health crisis, government measures and the economic situation in Europe and the United Kingdom over the short and medium term. In particular, the test includes the assumption of a gradual recovery in Shuttle and Rail Network traffic and revenues over the second half of 2020 and in 2021, to return to pre-crisis levels by 2022, followed by revenue growth of approximately 2% per year beyond that date.

This test confirms that the recoverable amount of Eurotunnel's Concession assets is higher than their carrying amount at 30 June 2020.

The Group has also carried out sensitivity analyses on changes in its crisis exit projections and other key assumptions (discount rate, long-term revenue growth rate, sterling / euro exchange rate). These analyses did not reveal any probable scenario leading to an impairment of the Concession assets.

Europorte property, plant and equipment

Europorte's assets consist mainly of its fleet of rolling stock.

The valuation test as of 30 June 2020 was performed by applying a WACC of 8.17% (8.09% as of 31 December 2019) and based on the Group's best estimates as of that date of the likely evolution of the health crisis and on the assumption of a relatively rapid recovery in traffic and other Europorte activities in the second half of 2020.

This test confirms that the recoverable amount of Europorte's assets is higher than their carrying amount at 30 June 2020.

ElecLink property, plant and equipment

ElecLink's assets consist of the tangible assets for the construction work and the intangible asset consisting of the operating licence and the exemption. The valuation test carried out by applying a WACC of 8.32% (7.78% at 31 December 2019) incorporates the assumptions that the interconnector is expected to come into operation in early January 2022 and that the contractual conditions of the exemption will be maintained at that date (base case).

This test confirms that the value in use of all the assets of the ElecLink CGU is higher than its carrying amount at 30 June 2020.

In the context of the interconnector construction project detailed in note A.3 above, sensitivity analyses were performed as of 30 June 2020 to measure the impact of downward and upward changes in the assumptions used on value in use, in particular the commissioning date and the level of revenues generated by the interconnector. The results of these sensitivity analyses are presented in the table below.

Accounting value tested:	**€751m**	**Commissioning date**			
€ million		**3 months early**	**Base case**	**3 months late**	**6 months late**
Evolution of other revenues (%)	-5%	776	767	***750***	***732***
	-2.5%	784	775	757	***740***
	Base case	787	**783**	765	***747***
	+2.5%	790	791	773	755
	+5%		799		

In the base case, the WACC that leads to a recoverable amount equal to the carrying amount is 8.64%.

G. Financing and financial instruments

G.1 Financial liabilities

The movements in financial liabilities during the period were as follows:

€'000	31 December 2019 published	31 December 2019 restated*	Reclass-ification	Repayment	Interest, indexation and fees	30 June 2020
Senior Secured Notes	533,863	533,863	–	–	2,153	536,016
Term Loan	4,308,247	4,153,418	(27,010)	–	7,031	4,133,439
Europorte loan	10,627	10,627	–	–	–	10,627
Total non-current financial liabilities	**4,852,737**	**4,697,908**	**(27,010)**	**–**	**9,184**	**4,680,082**
Term Loan	54,431	52,374	27,010	(25,565)	89	53,908
Europorte loans	932	932	–	–	–	932
Accrued interest on loans:						
Term Loan	5,150	4,963	–	–	(41)	4,922
Total current financial liabilities	**60,513**	**58,269**	**27,010**	**(25,565)**	**48**	**59,762**
Total	**4,913,250**	**4,756,177**	**–**	**(25,565)**	**9,232**	**4,739,844**

* *The financial liabilities at 31 December 2019 (calculated at the year-end exchange rate of £1=€1.175) have been recalculated at the exchange rate at 30 June 2020 (£1=€1.096) in order to facilitate comparison.*

G.2 Hedging instruments

In 2007, the Group put in place hedging contracts to cover its floating rate loans (tranches C1 and C2) in the form of swaps for the same duration and for the same value (EURIBOR against a fixed rate of 4.90% and LIBOR against a fixed rate of 5.26%). The nominal value of hedging swap is €953 million and £350 million. These derivatives were partially terminated as part of the refinancing of tranche C in June 2017.

These derivatives have been measured at their fair value as a liability on the statement of financial position as follows:

€'000	31 December 2019	* Changes in market value	Exchange difference	30 June 2020
Contracts in euros	786,682	201,762	–	988,444
Contracts in sterling	268,317	90,300	(18,124)	340,493
Total	**1,054,999**	**292,062**	**(18,124)**	**1,328,937**

* *Recorded directly in equity.*

The amount of negative reserves for hedging instruments changed as follows:

€'000	31 December 2019	Recycling of partial termination June 2017	Change in the ineffective portion	Changes in market value	Exchange difference	30 June 2020
Contracts in euros	990,898	(20,797)	(1,942)	201,762	–	1,169,921
Contracts in sterling	417,516	(7,685)	–	90,300	(27,867)	472,264
Total	**1,408,414**	**(28,482)**	**(1,942)**	**292,062**	**(27,867)**	**1,642,185**

These derivatives generated a net charge to the income statement of €30 million for the first half of 2020 (€28 million for the first half of 2019).

G.3 Other financial assets

€'000	30 June 2020	31 December 2019
G2 notes	320,280	348,019
Other*	44,689	59,746
Total non-current	**364,969**	**407,765**
Accrued interest on G2 notes	192	210
Total current	**192**	**210**

* *Including €19,940,000 held in the DSRA in accordance with the terms of the Senior Secured Notes' Trust Deed and €22,811,000 in guarantees paid to the national networks National Grid and RTE in relation to the ElecLink project at 30 June 2020 (31 December 2019: €19,940,000 and €37,870,000 respectively).*

G.4 Other financial liabilities

€'000	30 June 2020	31 December 2019
Fees on financial operations	29,904	32,306
Lease obligations	13,723	18,047
Total non-current	**43,627**	**50,353**
Fees on financial operations	13,840	16,960
Lease obligations	15,582	17,364
Total current	**29,422**	**34,324**

G.5 Matrix of class of financial instrument and recognition categories and fair value

The table below presents the carrying amount and fair value of financial assets and liabilities. The different levels of fair value are defined in note G.9 to the consolidated financial statements at 31 December 2019.

At 30 June 2020

€'000		Carrying amount							Fair value			
Class of financial instrument	**Note**	**Assets at fair value through profit and loss**	**Financial assets at fair value through equity**	**Securities at amortised cost**	**Receivables at amortised cost**	**Hedging instruments**	**Liabilities at amortised cost**	**Total net carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value												
Other non-current financial assets		–	–	–	–	–	–	**–**	–	–	–	**–**
Financial assets not measured at fair value												
Other current and non-current financial assets	G.3	–	–	364,969	–	–	–	**364,969**	–	–	371,404	**371,404**
Trade receivables		–	–	–	74,775	–	–	**74,775**	–	–	–	**–**
Cash and cash equivalents		511,355	–	–	–	–	–	**511,355**	511,355	–	–	**511,355**
Financial liabilities measured at fair value												
Interest rate derivatives	G.2	–	–	–	–	1,328,937	–	**1,328,937**	–	1,328,937	–	**1,328,937**
Financial liabilities not measured at fair value												
Financial liabilities	G.1	–	–	–	–	–	4,739,844	**4,739,844**	–	560,571	5,376,152	**5,936,723**
Other financial liabilities	G.4	–	–	–	–	–	73,049	**73,049**	–	–	–	**–**
Trade payables		–	–	–	–	–	191,364	**191,364**	–	–	–	**–**

At 30 June 2020, information relating to the fair value of the financial liabilities takes into account the evolution of the yield curves at 30 June 2020 and remains as described in note G.9 to the annual consolidated financial statements at 31 December 2019.

G.6 Net finance costs

€'000	1st half 2020	1st half 2019	Full year 2019
Finance income	813	1,324	2,640
Total finance income	**813**	**1,324**	**2,640**
Interest on loans before hedging: Term Loan and other	(82,907)	(83,587)	(166,541)
Amortisation of hedging costs related to partial termination	(28,482)	(28,476)	(56,884)
Interest on loans: Getlink	(9,972)	(9,972)	(19,943)
Interest on loans: Europorte	(147)	(271)	(416)
Capitalisation of interest on the ElecLink project	12,500	10,176	21,637
Effective rate adjustment	(5,786)	(5,905)	(11,257)
Sub-total	**(114,794)**	**(118,035)**	**(233,404)**
Inflation indexation of the nominal	(3,705)	(16,591)	(26,099)
Total finance costs	**(118,499)**	**(134,626)**	**(259,503)**
Total net finance costs	**(117,686)**	**(133,302)**	**(256,863)**

The inflation indexation of the loan principal estimated at 30 June 2020 reflects the estimated effect of annual French and British inflation rates on the principal amount of the A tranches of the Term Loan as described in note G.1.2 of the annual consolidated financial statements at 31 December 2019.

G.7 Other financial income and (charges)

€'000	1st half 2020	1st half 2019	Full year 2019
Unrealised exchange gains *	34,386	5,553	25,801
Other exchange gains	6,537	3,800	9,116
Interest received on notes owned by the Group	1,626	5,663	10,131
Other	–	–	158
Other financial income	**42,549**	**15,016**	**45,206**
Financial charges arising from financial transactions:			
Costs of refinancing operations	(6)	15	(4)
Cost of acquisition of notes	–	–	(100)
Sub-total	**(6)**	**15**	**(104)**
Unrealised exchange losses *	(34,310)	(4,571)	(24,042)
Other exchange losses	(3,991)	(4,148)	(10,152)
Interest charges on lease contracts	(468)	(644)	(1,163)
Hedging instruments: change in the ineffective portion	(1,942)	–	(5,567)
Other	(16)	(15)	(32)
Other financial charges	**(40,733)**	**(9,363)**	**(41,060)**
Total	**1,816**	**5,653**	**4,146**
Of which net unrealised exchange gains/(losses)	*76*	*982*	*1,759*

* *Mainly arising from the re-evaluation of intra-group debtors and creditors.*

H. Share capital and earnings per share

H.1 Changes in share capital

€	30 June 2020	31 December 2019
550,000,000 fully paid-up ordinary shares each with a nominal value of €0.40	220,000,000.00	220,000,000.00
Category D fully paid-up preference shares each with a nominal value of €0.01	11.27	11.27
Category E fully paid-up preference shares each with a nominal value of €0.01	11.42	–
Total	**220,000,022.69**	**220,000,011.27**

During the first half of 2020, 1,142 category E preference shares issued under the 2019 programme of preference shares convertible into ordinary shares were issued.

The programmes of preference shares convertible into ordinary shares are described in note E.5.3 to the consolidated financial statements at 31 December 2019.

H.2 Treasury shares

The movements in the number of own shares held during the period were as follows:

	Share buyback programme	Liquidity contract	Total
At 1 January 2020	12,779,962	170,000	**12,949,962**
Share buyback programme	150,000	–	**150,000**
Shares transferred to staff (free share scheme)	(1,199,026)	–	**(1,199,026)**
Exercise of stock options	(99,000)	–	**(99,000)**
Net purchase/(sale) under liquidity contract	–	305,000	**305,000**
At 30 June 2020	**11,631,936**	**475,000**	**12,106,936**

Treasury shares held as part of the share buyback programme approved by the general meetings of shareholders and implemented by decisions of the Board of Directors are allocated, in particular, to cover share option plans and the grant of free shares.

H.3 Earnings per share

H.3.1 Number of shares

	1st half 2020	1st half 2019	Full year 2019
Weighted average number:			
– of issued ordinary shares	550,000,000	550,000,000	550,000,000
– of treasury shares	(13,033,238)	(14,519,188)	(14,056,414)
Number of shares used to calculate the result per share (A)	**536,966,762**	**535,480,812**	**535,943,586**
– effect of share options	133,822	236,350	222,284
– effect of free shares	1,200,813	2,312,365	2,286,839
– effect of preference shares	2,962,333	2,700,000	2,896,111
Potential number of ordinary shares (B)	**4,296,968**	**5,248,715**	**5,405,234**
Number of shares used to calculate the diluted result per share (A+B)	**541,263,730**	**540,729,527**	**541,348,820**

The calculations were made on the following bases:

- on the assumption of the exercise of all the options issued and still in issue at 30 June 2020. The exercise of these options is conditional on the criteria described in note E.5.1 to the consolidated financial statements at 31 December 2019;
- on the assumption of the acquisition of all the free shares allocated to staff. During the first half of 2020, 423,250 of the free shares issued in 2019 were acquired by staff and 448,875 new free shares were granted (see note E.1 above). Details of free shares are given in note E.5.2 to the consolidated financial statements at 31 December 2019; and
- on the assumption of the acquisition of all the preference shares and still in issue at 30 June 2020. Conversion of these preference shares is subject to achieving certain targets and remaining in the Group's employment as described in note E.5.3 to the consolidated financial statements at 31 December 2019.

H.3.2 Earnings per share

	1st half 2020	1st half 2019	Full year 2019
Group share: profit/(loss)			
Net result (€'000) (C)	(78,820)	40,605	158,940
Basic earnings per share (€) (C/A)	**(0.15)**	**0.08**	**0.30**
Diluted earnings per share (€) (C/(A+B))	**(0.15)**	**0.08**	**0.29**
Continuing operations: profit/(loss)			
Net result (€'000) (D)	(87,516)	40,662	158,337
Basic earnings per share (€) (D/A)	**(0.16)**	**0.08**	**0.30**
Diluted earnings per share (€) (D/(A+B))	**(0.16)**	**0.08**	**0.29**
Discontinued operations: profit/(loss)			
Net result (€'000) (E)	8,696	(57)	603
Basic earnings per share (€) (E/A)	**0.02**	**–**	**–**
Diluted earnings per share (€) (E/(A+B))	**0.02**	**–**	**–**

H.4 Detail of consolidated reserves by origin

€'000	30 June 2020	31 December 2019
Hedging contracts	(1,642,185)	(1,408,414)
Share options, free and preference shares and treasury shares	(85,629)	(85,531)
Retirement liability	(103,754)	(42,098)
Deferred tax	76,683	80,182
Retained earnings	939,709	780,769
Total	**(815,176)**	**(675,092)**

I. Income tax expense

I.1 Tax accounted for through the income statement

€'000	1st half 2020	1st half 2019	Full year 2019
Current tax:			
Income tax	(168)	(2,505)	(3,049)
Total current tax	**(168)**	**(2,505)**	**(3,049)**
Deferred tax	(2,612)	6,389	5,064
Total	**(2,780)**	**3,884**	**2,015**

The tax charge is determined by applying to the half year's result the estimated effective tax rate based on internal forecasts for the full year. The effective tax rate for the first half of 2020 was 3.3% (first half of 2019: 10.6%) as a result of the impact of the activation of deferred tax in respect of tax losses.

I.2 Changes to deferred tax during the period

€'000	At 31 December 2019 published	At 31 December 2019 restated	2020 impact on: income statement for continued activities	2020 impact on: income statement for discontinued activities	2020 impact on: other compre-hensive income	At 30 June 2020
Tax effects of temporary differences related to:						
Property, plant and equipment	113,702	116,050	(36,657)	–	–	**79,393**
ElecLink goodwill	(20,392)	(20,392)	–	–	–	**(20,392)**
Deferred taxation of restructuring profit	(352,353)	(352,353)	–	–	–	**(352,353)**
Hedging contracts	76,386	76,386	–	–	(5,430)	**70,956**
Other	9,542	8,958	–	(3,230)	1,931	**7,659**
Tax losses	377,753	373,663	34,045	–	–	**407,708**
Net tax assets/(liabilities)	**204,638**	**202,312**	**(2,612)**	**(3,230)**	**(3,499)**	**192,971**

J. Events after the reporting period

Nothing to report.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2020 HALF-YEAR FINANCIAL INFORMATION

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

To the Shareholders,

In compliance with the assignment entrusted to us by the general meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying summary half-year consolidated financial statements of Getlink SE, for the period from 1 January to 30 June 2020.
- the verification of the information presented in the half-year activity report.

These summary half-year consolidated financial statements were prepared under the responsibility of the Board of Directors on 22 July 2020 on the basis of the information available at that date in the evolving context of the COVID-19 crisis and difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-year activity report prepared by the Board of Directors on 22 July 2020 on the summary half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the summary half year consolidated financial statements.

Statutory auditors, Paris La Défense, 22 July 2020,

KPMG Audit *A division of KPMG S.A.*	Mazars
French original signed by	
Philippe Cherqui *Partner*	**Francisco Sanchez** *Partner*

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2020

I declare that, to the best of my knowledge, these summary half-year consolidated financial statements have been prepared in accordance with applicable accounting standards and present fairly the assets, financial situation and results of Getlink SE and of all the companies included in the consolidation, and that this half-year financial report presents fairly the important events of the first six months of the financial year, their effect on the summary half-year consolidated financial statements, the main transactions between related parties, and a description of the main risks and uncertainties for the remaining six months of the financial year.

Jacques Gounon
Chairman of Getlink SE
22 July 2020

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