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**EUROTUNNEL HOLDING SAS
CONSOLIDATED ACCOUNTING
STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2021**

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EUROTUNNEL HOLDING SAS: CONSOLIDATED ACCOUNTING STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

INTRODUCTION

This document has been prepared in order to meet the requirements under clause 23 of the Permanent Facility Agreement dated 20 March 2007 as amended on 13 April 2018. These accounting statements consolidate the accounts of Getlink SE's sub-group (the "Eurotunnel Group") which consists of Eurotunnel Holding SAS and its subsidiaries, including most notably The Channel Tunnel Group Limited (CTG) and France Manche SA, concessionaires of the Fixed Link and holders of the Term Loan. The Eurotunnel Group was created following the Getlink Group's internal corporate reorganisation in April 2018.

These accounting statements cover the same scope of consolidation as the "Eurotunnel" segment in the Getlink Group's consolidated reporting and have been prepared on the same basis as the Getlink Group's consolidated financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 30 June 2021.

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SUMMARY CONSOLIDATED ACCOUNTING STATEMENTS

Income statement

<i>€'000</i>	30 June 2021	30 June 2020
Exchange rate €/£	1.157	1.146
Revenue	260,280	311,089
Other income	3,959	–
Operating expenses *	(80,157)	(102,788)
Employee benefits expense	(83,077)	(87,271)
Operating margin (EBITDA)	101,005	121,030
Depreciation	(80,118)	(79,414)
Trading profit	20,887	41,616
Other operating income	409	36
Other operating expenses	(63)	(169)
Operating profit	21,233	41,483
Finance income	3,161	4,061
Finance costs	(140,002)	(124,934)
Net finance costs	(136,841)	(120,873)
Other financial income	1,973	42,097
Other financial charges	(28,301)	(5,294)
Pre-tax loss	(141,936)	(42,587)
Income tax (expense)/income	(3,156)	564
Net loss for the period	(145,092)	(42,023)

* Operating expenses include €8,851,000 in 2021 (2020: €606,000) invoiced by Eurotunnel to ElecLink relating to the interconnector construction project which was eliminated on consolidation in the Getlink Group accounts.

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Statement of financial position

<i>€'000</i>	30 June 2021	31 December 2020
Exchange rate €/£	1.166	1.112
ASSETS		
Intangible assets	2,536	3,614
Concession property, plant and equipment	5,723,912	5,785,347
Total property, plant and equipment (tangible and intangible)	5,726,448	5,788,961
Deferred tax asset	454,727	462,403
Other financial assets: external	58	21
Other financial assets: intragroup	319,769	314,091
Total non-current assets	6,501,002	6,565,476
Trade receivables: external	46,038	53,699
Trade receivables: intragroup	4,467	3,131
Other receivables: external	42,647	43,048
Other receivables: intragroup	738,884	727,883
Cash and cash equivalents	275,661	329,823
Total current assets	1,110,033	1,158,738
Total assets	7,611,035	7,724,214
EQUITY AND LIABILITIES		
Issued share capital	508,621	508,621
Share premium account	894,718	894,718
Other reserves	(1,135,939)	(1,359,253)
Loss for the period	(145,092)	(58,333)
Cumulative translation reserve	238,329	302,176
Total equity	360,637	287,929
Retirement benefit obligations	101,050	150,235
Financial liabilities: external	4,245,554	4,150,123
Financial liabilities: intragroup	1,461,597	1,517,766
Other financial liabilities	30,486	31,120
Interest rate derivatives	1,095,757	1,306,194
Total non-current liabilities	6,934,444	7,155,438
Provisions	4,174	5,420
Financial liabilities	82,964	73,190
Other financial liabilities: external	3,744	3,284
Other financial liabilities: intragroup	44,715	15,933
Trade payables: external	106,648	106,963
Trade payables: intragroup	12,118	25,758
Other payables: external	61,501	50,213
Other payables: intragroup	90	86
Total current liabilities	315,954	280,847
Total equity and liabilities	7,611,035	7,724,214

Intragroup comprises fellow Getlink Group entities not part of the Eurotunnel Group.

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Cash flow statement

<i>€'000</i>	30 June 2021	30 June 2020
Exchange rate €/£	1.165	1.096
Operating margin (EBITDA)	101,005	121,030
Exchange adjustment *	264	(2,801)
Increase in working capital	24,860	44,831
Net cash inflow from trading	126,129	163,060
Other operating cash flows received	12,819	11,458
Net cash outflow from taxation	–	15
Net cash inflow from operating activities	138,948	174,533
Payments to acquire property, plant and equipment	(23,288)	(36,622)
Net cash outflow from investing activities	(23,288)	(36,622)
Dividend paid to Getlink SE	–	–
Fees paid on loans	(523)	(2,978)
SPV Noteholder ongoing fee	(472)	(444)
Interest paid on external loans (CLEF)	(82,799)	(80,755)
Interest paid on loans (Vendor Loan ETH/Getlink)	–	–
Interest received on loans (Funding Loan CTG/Getlink)	–	2,107
Interest paid and repayments on rental contracts	(1,158)	(1,263)
Scheduled repayment of loans	(28,335)	(25,565)
Movement in intercompany loans with Getlink	(66,587)	–
Interest received on cash and cash equivalents	183	694
Net cash outflow from financing activities	(179,691)	(108,204)
(Decrease)/increase in cash in period	(64,031)	29,707

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

Notes to the accounting statements

Eurotunnel Holding SAS (ETH) is a private simplified joint stock company (*Société par Actions Simplifiée*, SAS) registered in France on 21 December 2016 which has been a wholly-owned subsidiary of Getlink SE since April 2018. ETH is the holding company of France Manche SA (FM) and The Channel Tunnel Group Ltd (CTG) (the concessionaires of the Channel Tunnel under the Concession Agreement dated 14 March 1986) and other subsidiaries as set out in note B to the ETH consolidated accounting statements at 31 December 2020. ETH's accounts are fully consolidated in the consolidated accounts of Getlink SE. References to the "Eurotunnel Group" in this document relate to the Eurotunnel Holding SAS and all its subsidiaries. References to the "Getlink Group" in this document relate to the Getlink SE and all its subsidiaries.

The main activities of the Eurotunnel Group are the design, financing, construction and operation of the Fixed Link's infrastructure and transport system in accordance with the terms of the Concession which will expire in 2086. ETH has as its object the holding and the management of all participations and all interests in all companies and groups of French and foreign law, and more generally, all operations of any nature, legal, economic and financial, civil or commercial, related to the object indicated above.

A. Important events

A.1 Activity in the first half of 2021

A.1.1 Covid-19 pandemic

The strict population containment and movement restriction measures put in place in 2020 by the French and British governments in the context of the Covid-19 pandemic have been continued during the first half of 2021.

The public health crisis and the measures taken by the governments have had a very significant impact on the Group's traffic and its internal organisation, and more particularly on Eurotunnel's activities, which continued to experience a very sharp fall in traffic in the first half of 2021, particularly on Passenger Shuttles and in the number of Eurostar passengers.

Faced with this situation, the Group has maintained the various measures which it launched in 2020, aimed at enabling the movement of goods, while ensuring the safety of its customers and staff.

It has also continued to take action to preserve its cash flow by maintaining partial activity arrangements for some of its staff in France and in the United Kingdom. The Group also continued its cost reduction plan aimed at limiting its expenses to the strict minimum and postponing a significant portion of its capital expenditure that it had planned for the first half of 2021, while ensuring that it maintains the expenses necessary for safety and continuity of operations. All of these measures remain in place at the balance sheet date.

The impact of the public health crisis and the measures implemented by the Group on the Group's results and financial position in the first half of 2021 is detailed in note C below.

Despite this unfavourable environment, the various measures taken by the Group during 2020 and the first half of 2021 have enabled it to comply with the covenants relating to the Eurotunnel Term Loan as at 30 June 2021, and to strengthen its liquidity position. At 30 June 2021, the Group's cash and cash equivalents amounted to €549 million.

In October 2020, the Group entered into a waiver agreement with its creditors on its main covenant as at 31 December 2020 and on an option as at 30 June 2021 and 31 December 2021. The Group has not made use of this waiver as at 30 June 2021. The waiver is subject to certain conditions including the holding of a minimum cash balance of approximately €200 million at the level of the Eurotunnel sub-group at the relevant dates. At 30 June 2021, the cash held by the Eurotunnel sub-group amounted to €276 million.

A.1.2 Brexit: the United Kingdom's exit from the European Union

Following the decision of the referendum on 23 June 2016 and the triggering of Article 50 by the UK Government at the end of March 2017, the transition period for the UK's official exit from the European Union ended on 31 December 2020. The new procedures for managing vehicle and goods controls on entry to the EU have been effective since 1 January 2021 at the Coquelles terminal. Truck Shuttle traffic was impacted in the first months of 2021 by the adaptation of its customers to these new administrative rules for crossing the border.

During the first half of 2021, the UK government announced the postponement of the application of the new provisions relating to border controls on entry to the UK. These controls, which will apply at the border from 1 January 2022, will be progressively implemented from 1 October 2021.

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The Group has updated its budget forecasts for 2021 and subsequent years, based on the information available to date and its best assessment of how the situation, particularly health and regulatory issues, could evolve in the short to medium term. On the basis of these forecasts, the Group will have sufficient liquidity to cover the servicing of its debt over the remainder of 2021 and 2022 and the financing of its activities.

The Group has taken this context into account in determining the main estimates and assumptions made in the context of the preparation of its summary consolidated financial statements as at 30 June 2021 as set out in note B.2 below. The indication of impairment identified on the Concession assets led the Group to perform an impairment test on these assets at 30 June 2021, which did not result in the recognition of an impairment at that date.

A.2 Transactional agreement with the French government

On 17 March 2021, the Group entered into a settlement agreement with the French government following a claim for compensation for part of the costs it had incurred in connection with the investments requested by the government for the construction of the works and facilities required to enable the new customs, sanitary and phytosanitary border controls made compulsory by the United Kingdom's exit from the European Union, and also for financial compensation following the social movement of customs officers in March 2019. Under the terms of this agreement, the Group received a settlement indemnity of €22 million during the first half of 2021. In the Group's half-year consolidated financial statements for the six months ended 30 June 2021, this indemnity was recognised for €18.041 million in respect of Brexit-related investments and for €3.959 million in other income in respect of compensation for disruption caused by the industrial action by customs officers.

B. Principles of preparation, main accounting policies and methods

These consolidated accounts consist of the consolidation of the accounts of Eurotunnel Holding SAS and its subsidiaries and have been prepared for the six-month period to 30 June 2021. The summary half-year consolidated accounting 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 the Eurotunnel Group's consolidated accounting statements for the year ended 31 December 2020.

B.1 General principles

The consolidated accounting statements (the income statement, the statement of financial position and the cash flow statement) have been prepared in accordance with the valuation and accounting principles described in the accompanying explanatory notes and the notes to the consolidated financial statements of Getlink SE for the year ending 31 December 2020¹.

These consolidated accounting statements are prepared in the specific context of the Amended Permanent Facility Agreement. They do not constitute a complete set of financial statements prepared in accordance with the IFRS accounting principles.

B.2 Basis of preparation

The summary half-year consolidated financial statements have been prepared using the principles of currency conversion as defined in the annual accounting statements as at 31 December 2020.

The average and closing exchange rates used in the preparation of the 2021 and 2020 half-year accounts and the 2020 annual accounts are as follows:

€/£	30 June 2021	30 June 2020	31 December 2020
Closing rate	1.165	1.096	1.112
Average rate	1.157	1.146	1.126

¹ Except for some accounting treatments elected in the specific case of the first time preparation of ETH consolidated accounts and the corporate reorganisation (common control transaction) and the specific context of the Amended Permanent Facility Agreement.

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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 valuations and estimates are periodically reviewed based on 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 accounting statements as at 30 June 2021 have been established in the context of the uncertainties concerning the Covid-19 pandemic and 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, the evaluation of the Group's deferred tax situation, the valuation of the Group's retirement liabilities and certain elements of the valuation of financial assets and liabilities 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. Impact of the Covid-19 pandemic

As indicated in note A.1 above, the public health crisis related to the Covid-19 pandemic and the measures taken since March 2020 by the French and British governments concerning the confinement of the population and the movement of people within and between the two countries has had a significant impact on the Group's business and results, in particular on those of Eurotunnel, in the first half of both 2020 and 2021.

Eurotunnel

In the first two months of 2020, traffic across Eurotunnel's various businesses was at a similar level to 2019 but from mid-March 2020 onwards, traffic fell sharply due to the containment measures and travel restrictions put in place by governments in response to the first wave of the public health crisis.

In the first half of 2021, the general containment measures imposed in France and the UK, as well as the more stringent border crossing and quarantine restrictions for international travellers, continued to have a significant impact on the activities of Passenger Shuttles and Eurostar. For the months of January and February 2021, compared to the same period in 2020, Passenger Shuttle traffic was down 76% and Eurostar passenger numbers fell by 96%. For the four months of March to June, with travel restrictions in place in both years, 2021 Passenger Shuttle traffic was down by 24% and Eurostar passenger numbers were down by 65%.

The Truck Shuttle business was less affected by the public health crisis in the first half of 2021 than in 2020, in particular because of the exemption from the rules applicable to international travel for certain categories of workers, including lorry drivers. Truck Shuttle traffic in January and February 2021, impacted by the need for its customers to adapt to the new administrative rules for crossing the border for flows entering the European Union following the implementation of Brexit on 1 January 2021, was down by 31% compared to the same period in 2020 and cross-Channel rail freight train traffic was down by 20%. In contrast, for the four months from March to June, Truck Shuttle traffic was up by 15% and cross-Channel freight train traffic by 17%, but the level of traffic for these activities nevertheless remained below 2019 levels, by -11% and -23% respectively.

TRAFFIC EUROTUNNEL	JAN. / FEB. (2 MONTHS)					MARCH TO JUNE (4 MONTHS)					1ST HALF				
	2021	2020	VAR	2019	VAR	2021	2020	VAR	2019	VAR	2021	2020	VAR	2019	VAR
Exchange rate: £1=€1.157															
Truck Shuttle*	182	262	-31%	287	-37%	464	403	15%	523	-11%	646	665	-3%	810	-20%
Passenger Shuttle*	78	325	-76%	314	-75%	174	229	-24%	852	-80%	251	555	-55%	1,166	-78%
Eurostar passengers*	62	1,592	-96%	1,569	-96%	140	401	-65%	3,730	-96%	202	1,993	-90%	5,299	-96%
Rail freight trains	277	348	-20%	389	-29%	596	509	17%	777	-23%	873	857	2%	1,166	-25%

* In thousands.

2019 variance compared to 2021.

Eurotunnel's revenues decreased by €52 million in the first half of 2021 compared to the same period in 2020 at a constant exchange rate. This decrease was mainly concentrated in the first two months of the year where, in 2021, revenue was heavily impacted by the fall in Shuttle Services and Eurostar passenger traffic, whereas in 2020, prior to the onset of the Covid crisis, this traffic was at a relatively normal level. Eurotunnel's revenue for the months of March to June was up by €17 million in 2021 compared to 2020, reflecting the relative improvement in the Truck Shuttle and cross-Channel freight train businesses.

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REVENUE (€M)	JAN. / FEB. (2 MONTHS)					MARCH TO JUNE (4 MONTHS)					1ST HALF				
	2021	2020	VAR	2019	VAR	2021	2020	VAR	2019	VAR	2021	2020	VAR	2019	VAR
Exchange rate: £1=€1.157															
Shuttle	54	95	(41)	97	(43)	135	118	17	200	(65)	189	213	(24)	297	(108)
Railway Network	21	49	(28)	47	(26)	45	47	(2)	108	(63)	66	96	(30)	155	(89)
Other	1	1	-	2	(1)	4	2	2	4	-	5	3	2	6	(1)
Eurotunnel	76	145	(69)	146	(70)	184	167	17	312	(128)	260	312	(52)	458	(198)

2019 variance compared to 2021.

In the first half of 2021, Eurotunnel's EBITDA decreased by €21 million compared to the same period in 2020 at a constant exchange rate. This decrease is concentrated in the first two months of the year whilst the period from March to June 2021 saw an improvement of €31 million (56%) compared to the same period in 2020 (including €8 million invoiced by Eurotunnel in this period relating to the Eleclink project) mainly due to the relative recovery in Truck Shuttle traffic. EBITDA for the first half of 2021 was down by €156 million (-61%) compared to the first half of 2019 (the base year, before the public health crisis).

EBITDA (€M)	JAN. / FEB. (2 MONTHS)					MARCH TO JUNE (4 MONTHS)					1ST HALF				
	2021	2020	VAR	2019	VAR	2021	2020	VAR	2019	VAR	2021	2020	VAR	2019	VAR
Exchange rate: £1=€1.157															
Eurotunnel	15	67	(52)	73	(58)	86	55	31	184	(98)	101	122	(21)	257	(156)
			(78%)		(79%)			56%		(53%)			(17%)		(61%)

In accordance with the recommendations of regulators, the Group has not recognised any impact of the Covid-19 pandemic in the non-current items of its income statement.