CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2020

Consolidated statement of comprehensive income

Notes	(x EUR million) unaudited	For the three month period ended 30 September 2020	2019	For the nine month period ended 30 September 2020	2019
	Continuing operations				
8	Revenue	360.7	444.2	1,068.2	1,241.0
	Third party costs	(127.0)	(175.6)	(397.7)	(499.2)
	Net revenue own services[1]	**233.7**	**268.6**	**670.5**	**741.8**
	Other income	8.1	1.6	18.6	8.8
	Personnel expenses	(140.5)	(163.6)	(450.3)	(483.2)
	Depreciation	(26.7)	(27.4)	(82.7)	(85.5)
	Amortisation	(0.5)	(0.7)	(1.5)	(2.5)
	Impairments	-	(0.1)	(3.3)	(0.3)
	Other expenses	(39.5)	(38.6)	(127.4)	(122.5)
	Results from operating activities (EBIT[1])	**34.6**	**39.8**	**23.9**	**56.6**
	Finance income	0.7	6.4	1.0	8.6
	Finance expenses	(19.4)	(10.6)	(45.0)	(41.7)
	Net finance income/(expenses)	**(18.7)**	**(4.2)**	**(44.0)**	**(33.1)**
	Share of profit/(loss) of equity-accounted investees (net of income tax)	(0.1)	2.7	3.8	4.2
	Profit/(loss) before income tax	**15.8**	**38.3**	**(16.3)**	**27.7**
12	Income tax (expense)/gain	(12.8)	(5.5)	(31.5)	(10.9)
	Profit/(loss) for the period from continuing operations	**3.0**	**32.8**	**(47.8)**	**16.8**
10	Profit/(loss) for the period from discontinued operations	(34.7)	7.7	(96.2)	(71.7)
	Profit/(loss) for the period	**(31.7)**	**40.5**	**(144.0)**	**(54.9)**
	Attributable to:				
	Owners of the company (net result)	(32.2)	37.3	(145.3)	(48.7)
	Non-controlling interests	0.5	3.2	1.3	(6.2)
	Earnings per share (Euro)				
	Basic and diluted earnings per share	(0.35)	(0.46)	(1.66)	(0.60)
	Basic and diluted earnings per share from continuing operations	0.04	0.48	(0.56)	0.28
	Profit/(loss) for the period	(31.7)	40.5	(144.0)	(54.9)
	Defined benefit plan actuarial gains/(losses)	(3.2)	0.1	(9.7)	(6.1)
	Total items that will not be reclassified to profit or loss	**(3.2)**	**0.1**	**(9.7)**	**(6.1)**
	Foreign currency translation differences of foreign operations	(13.3)	18.9	(33.3)	31.2
	Foreign currency translation differences of equity-accounted investees	-	0.6	(0.9)	0.6
	Net change in fair value of hedge of net investment in foreign operations	4.0	(6.4)	4.0	(8.5)
	Total items that may be reclassified subsequently to profit or loss	**(9.3)**	**13.1**	**(30.2)**	**23.3**

Other comprehensive income/(loss) for the period	**(12.5)**	**13.2**	**(39.9)**	**17.2**
Total comprehensive income/(loss) for the period	**(44.2)**	**53.7**	**(183.9)**	**(37.7)**
Attributable to:				
Owners of the company	(44.3)	49.3	(184.8)	(33.1)
Non-controlling interests	0.1	4.4	0.9	(4.6)
Total comprehensive income/(loss) attributable to owners of the company arising from:				
Continuing operations	(10.4)	39.8	(90.8)	34.5
Discontinued operations	**(33.9)**	9.5	**(94.0)**	**(67.6)**

[1] Non-GAAP performance measure. Reference is made to the glossary of the annual report 2019.

Consolidated statement of financial position

Notes	(x EUR million) unaudited	30 September 2020	31 December 2019
	Assets		
13	Property, plant and equipment	533.5	564.3
14	Right-of-use assets	138.1	160.5
15	Intangible assets including goodwill	280.4	288.6
16	Investments in equity-accounted investees	34.1	76.9
	Other investments	30.3	30.9
12	Deferred tax assets	29.9	50.5
	Total non-current assets	**1,046.3**	**1,171.7**
	Inventories	30.1	29.7
17	Trade and other receivables	464.0	485.7
	Current tax assets	10.5	14.8
	Cash and cash equivalents	322.3	201.1
		826.9	**731.3**
10	Assets classified as held for sale	41.9	153.3
	Total current assets	**868.8**	**884.6**
	Total assets	**1,915.1**	**2,056.3**
18	**Equity**		
	Total equity attributable to owners of the company	497.5	597.3
	Non-controlling interests	9.6	10.6
	Total equity	**507.1**	**607.9**
	Liabilities		
19	Loans and borrowings	237.2	687.5
14	Lease liabilities	116.1	134.7
	Employee benefits	76.4	72.2
11	Provisions	14.7	17.8
	Deferred tax liabilities	2.5	1.8
	Total non-current liabilities	**446.9**	**914.0**
	Bank overdraft	1.5	2.6
19	Loans and borrowings	506.9	-
14	Lease liabilities	20.3	22.9
17	Trade and other payables	319.8	361.3
11	Provisions	9.4	3.4
	Current tax liabilities	44.6	26.1
	Other taxes and social security charges	26.7	37.9
		929.2	**454.2**
10	Liabilities classified as held for sale	31.9	80.2
	Total current liabilities	**961.1**	**534.4**
	Total liabilities	**1,408.0**	**1,448.4**
	Total equity and liabilities	**1,915.1**	**2,056.3**

Consolidated statement of changes in equity

For the nine month period ended 30 September

Notes	(x EUR million) unaudited	Share capital	Share premium	Translation reserve	Reserve for own shares	Equity component of convertible bond	Retained earnings	Unappro-priated result	Total	Non-controlling interest	Total equity
	Balance at 1 January 2020	**4.2**	**431.3**	**(101.2)**	**(160.8)**	**38.0**	**494.3**	**(108.5)**	**597.3**	**10.6**	**607.9**
	Profit or (loss)	-	-	-	-	-	-	(145.3)	(145.3)	1.3	(144.0)
	Other comprehensive income	-	-	(29.8)	-	-	(9.7)	-	(39.5)	(0.4)	(39.9)
	Total comprehensive income/(loss) for the period	-	-	**(29.8)**	-	-	**(9.7)**	**(145.3)**	**(184.8)**	**0.9**	**(183.9)**
18	Issue of ordinary shares	0.4	81.3	-	-	-	(0.9)	-	80.8	-	80.8
	Share-based payments	-	-	-	-	-	4.2	-	4.2	-	4.2
	Share options exercised			-	2.2		(2.2)	-	-	-	-
	Addition to/(reduction of) reserves	-	-	-	-	-	(108.5)	108.5	-	-	-
	Transactions with non-controlling interests	-	-	-	-	-	-	-	-	0.7	0.7
	Dividends to shareholders	-	-	-	-	-	-	-	-	(2.6)	(2.6)
	Total contributions by and distributions to owners	**0.4**	**81.3**	-	**2.2**	-	**(107.4)**	**108.5**	**85.0**	**(1.9)**	**83.1**
	Balance at 30 September 2020	**4.6**	**512.6**	**(131.0)**	**(158.6)**	**38.0**	**377.2**	**(145.3)**	**497.5**	**9.6**	**507.1**

Notes	(x EUR million) unaudited	Share capital	Share premium	Translation reserve	Reserve for own shares	Equity component of convertible bond	Retained earnings	Unappro-priated result	Total	Non-controlling interest	Total equity
	Balance at 31 December 2018 as previously reported	**4.2**	**431.2**	**(117.6)**	**(354.0)**	**38.4**	**720.3**	**(51.0)**	**671.5**	**33.7**	**705.2**
18	Reclassification adjustment reserve for own shares	-	-	-	193.0	-	(193.0)	-	-	-	-
	Restated balance at 1 January 2019	**4.2**	**431.2**	**(117.6)**	**(161.0)**	**38.4**	**527.3**	**(51.0)**	**671.5**	**33.7**	**705.2**
	Profit or (loss)	-	-	-	-	-	-	(48.7)	(48.7)	(6.2)	(54.9)
	Other comprehensive income	-	-	21.7	-	-	(6.1)	-	15.6	1.6	17.2
	Total comprehensive income/(loss) for the period	**-**	**-**	**21.7**	**-**	**-**	**(6.1)**	**(48.7)**	**(33.1)**	**(4.6)**	**(37.7)**
	Share-based payments	-	-	-	-	-	4.7	-	4.7	-	4.7
	Share options exercised	-	-	-	0.2	-	(0.2)	-	-	-	-
	Addition to/(reduction of) reserves	-	-	-	-	-	(51.0)	51.0	-	-	-
	Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-
	Dividends to shareholders	-	-	-	-	-	-	-	-	(2.6)	(2.6)
	Total contributions by and distributions to owners	**-**	**-**	**-**	**0.2**	**-**	**(46.5)**	**51.0**	**4.7**	**(2.6)**	**2.1**
	Restated balance at 30 September 2019	**4.2**	**431.2**	**(95.9)**	**(160.8)**	**38.4**	**474.7**	**(48.7)**	**643.1**	**26.5**	**669.6**

Consolidated statement of cash flows

For the nine month period ended 30 September

Notes	(x EUR million) unaudited	2020	2019
	Continuing operations		
	Cash flows from operating activities		
	Profit/(loss) for the period	(47.8)	16.8
	Adjustments for:		
	Depreciation and amortisation	84.2	88.0
	Impairments	3.3	0.3
	Share of (profit)/loss of equity-accounted investees (net of income tax)	(3.8)	(4.2)
	Net gain on sale of property, plant and equipment	(1.7)	(2.7)
	Gain on termination of lease	-	(0.9)
	Equity-settled share-based payments	4.2	4.7
	Change in provisions and employee benefits	(1.1)	(4.6)
	Income tax expense/(gain)	31.5	10.9
	Income tax paid	(7.8)	(18.9)
	Finance income and expense	44.0	33.1
	Interest paid	(24.7)	(28.5)
	Operating cash flows before changes in working capital[1]	**80.3**	**94.0**
	Decrease (increase) in working capital:		
	• Change in inventories	(2.5)	(4.8)
	• Change in trade and other receivables	7.7	(101.4)
	• Change in trade and other payables	(21.2)	55.6
	Net cash generated from operating activities	**64.3**	**43.4**
	Cash flows from investing activities		
	Capital expenditures on property, plant and equipment	(59.9)	(58.0)
	Acquisition of and other additions to intangible assets	(0.8)	(1.9)
	Proceeds from sale of property, plant and equipment	4.8	6.0
	Disposal of intangible assets	0.1	4.4
16	Dividends received	53.8	2.5
15, 16	Acquisitions, net of cash acquired	(4.4)	-
	Net cash (used in)/from investing activities	**(6.4)**	**(47.0)**
	Cash flows from operating activities after investing activities[1]	**57.9**	**(3.6)**

	Cash flows from financing activities		
18	Proceeds from the issue of ordinary shares	81.7	**-**
18	Transaction costs on issue of shares	(0.9)	-
19	Proceeds from issue of long-term loans	57.3	(59.2)
	Transaction costs from repayment long-term loans	(0.7)	-
	Repayment of borrowings	(32.5)	(0.9)
	Dividends paid	(2.6)	(2.6)
	Payments of lease liability	(17.8)	(18.1)
	Net cash from/(used in) financing activities	**84.5**	**(80.8)**
	Net cash provided by/(used for) continuing operations	**142.4**	**(84.4)**
	Discontinued operations		
	Cash flows from operating activities	(7.8)	(13.9)
	Cash flows from investing activities	2.2	(23.0)
	Cash flows from financing activities	9.4	42.8
	Net cash provided by/(used for) discontinued operations	3.8	5.9
	Total net cash provided by/(used for) operations	**146.2**	**(78.5)**
	Effect of exchange rate fluctuations on cash held	(20.5)	6.7
	Cash and cash equivalents at 1 January	201.8	225.9
	Cash and cash equivalents at 30 September	**327.5**	**154.1**
	Presentation in the statement of financial position		
	Cash and cash equivalents	322.3	146.1
	Bank overdraft	(1.5)	(1.3)
	Cash and cash equivalents (classified as held for sale)	6.7	9.3

[1] Non-GAAP performance measure. Reference is made to the glossary of the annual report 2019.

Notes to the condensed consolidated interim financial statements

1 General

Fugro N.V., hereinafter referred to as 'Fugro', 'the group', or 'the company', has its corporate seat and principal office at Veurse Achterweg 10, 2264 SG Leidschendam, the Netherlands. Fugro is the world's leading Geo-data specialist, collecting and analysing comprehensive information about the Earth and the structures built upon it. Adopting an integrated approach that incorporates acquisition and analysis of Geo-data and related advice, Fugro provides solutions. With expertise in site characterisation and asset integrity, clients are supported in the safe, sustainable and efficient design, construction and operation of their assets throughout the full lifecycle. Employing approximately 9,300 talented people in 61 countries, Fugro serves clients around the globe, predominantly in the energy and infrastructure industries, both offshore and onshore.

2 Basis of preparation

These condensed consolidated interim financial statements of Fugro as at and for the three and nine month periods ended 30 September 2020 include Fugro and its subsidiaries (together referred to as the 'group') and the group's interests in equity-accounted investees. The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, ´Interim Financial Reporting´. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of Fugro N.V. as at and for the year ended 31 December 2019, which have been prepared in accordance with IFRS as endorsed by the European Union. The annual report 2019 (including the consolidated financial statements as at and for the year ended 31 December 2019) is available at www.fugro.com.

The Board of Management and Supervisory Board authorised these condensed consolidated interim financial statements for issue on 29 October 2020. The condensed consolidated interim financial statements have been reviewed, not audited.

3 Going concern

Management made an assessment of the company's ability to continue as a going concern. In performing this assessment, management considered factors that could indicate the presence of material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Factors considered included: operating losses, the maturity of the revolving credit facility and convertible bonds in 2021, postponement of the refinancing on 28 February 2020, compliance with debt covenants and the ability to repay debt. In addition, management considered Covid-19 and the deteriorated oil and gas market which increased uncertainty.

Fugro responded decisively by taking measures to ensure business continuity and significantly reduce cost and capital expenditure to protect liquidity and profitability. In addition, in June of this year, Fugro and the involved banks agreed to extend the revolving credit facility from 2 May 2021 to 1 September 2021. Liquidity is around EUR 400 million in cash and available facilities at 30 September 2020. It should be noted that the revolving credit facility, with EUR 505.6 million drawn as at 30 September 2020 (on a nominal basis, excluding accrued interest), is due on 1 September 2021. Furthermore, the subordinated unsecured convertible bonds amounting to EUR 150.9 million as at 30 September 2020 (on a nominal basis, excluding accrued interest), are due on 26 October 2021.

On 19 October 2020, Fugro announced its intention to raise EUR 250 million in an equity offering consisting of circa EUR 53.3 million private placement with a number of cornerstone investors and a circa EUR 196.7 million rights issue. Subject to customary conditions, which among others include the absence of material adverse changes to Fugro's business and/or financial position until the placement, the cornerstone investors have further committed to take up their rights in full, which means they have committed EUR 113 million to the EUR 250 million equity offering. The EUR 137 million portion of the equity raise that is not committed by the cornerstone investors is underwritten. The net proceeds of the equity offering will be used to reduce Fugro's debt and to provide sufficient liquidity to address the upcoming maturity of the subordinated unsecured convertible bonds due 26 October 2021. The subordinated unsecured convertible bonds due 2024 are envisaged to remain outstanding.

Fugro and its lenders have agreed, conditional upon the equity offering proceeding, a new EUR 225 million[1] super senior revolving credit facility and a EUR 200 million term loan, both maturing in December 2023. The cornerstone placement and rights issue will need to be approved in the extraordinary general meeting of shareholders on 30 November 2020. The terms of the rights issue (including the price for the new shares) will be announced following the extraordinary general meeting. Fugro has entered into a volume underwriting commitment with Barclays, ING and Rabobank (in cooperation with its partner Kepler Cheuvreux), and ABN AMRO, BNP Paribas, Credit Suisse and HSBC, subject to customary conditions. ABN AMRO will act as the subscription, paying and listing agent for the rights issue. The envisaged new revolving credit facility and term loan are backed by a comprehensive security package. The revolving credit facility is expected to have an initial coupon of Euribor+4.25% and depending on leverage can vary between Euribor+2.75% and Euribor+5.50%. The term loan has an initial coupon of Euribor+5.50% and will gradually increase in bi-annual steps in the second and third year towards Euribor+8.00%. Dividend payments are restricted. Until mid-2022 no dividends will be paid. After that date, dividends may only be paid if net leverage is equal to or less than 2 times (post-IFRS 16). Covenants apply on the solvency ratio (>=33.33%), net leverage (equal to or less than 3.25:1) and interest coverage (at least 2.50:1).

Fugro 'stress tested' its going concern assessment and considered all available information about the future, at least twelve months after the reporting period. Management performed sensitivity analyses on the existing debt covenant requirements in the agreement related to the sale and lease back of two geotechnical vessels. This analysis was completed with satisfactory results, except for the consolidated EBITDA floor. Fugro received a waiver for the consolidated EBITDA floor, prior to 30 September 2020. Fugro does not anticipate to meet this target as of 31 December 2020 and expects to receive a waiver again, would this covenant still apply at the time, as was also obtained as of 30 September 2020.

Sensitivity furthermore applies to the existing covenants related to the revolving credit facility, especially for the solvency. Fugro does not anticipate to meet the solvency target from the first quarter of 2021 onwards, if the announced rights issue would not be successful. A breach of existing covenants of the revolving credit facility would trigger structural improvements as well as good faith renegotiation of the coupon. These structural improvements would create a substantial security package over shares and bank accounts of the material subsidiaries and certain vessels of the Dutch material subsidiaries. These structural improvements apply similarly to the new revolving credit facility and the term loan to be in place after completion of the refinancing.

---

[1] With an automatic EUR 25 million incremental top-up if all newly issued shares are successfully placed with investors in the rights issue and subsequent rump placement.

Furthermore, cross-default clauses exist for both the two geotechnical vessels and for the revolving credit facility, as well as a cross-acceleration mechanism for the convertible bonds. A possible breach of covenants would only apply in the event that the announced comprehensive refinancing plan, as explained above, would fail. This is deemed unlikely by management. The envisaged new debt covenants, to be in place after completion of the refinancing as explained above, have also been considered by management and included in the aforementioned going concern assessment. No issues were noted.

The aforementioned sensitivity analyses are inherently judgmental and could be affected by amongst others developments in relation to Covid-19, the oil and gas and offshore wind market. Consequently, actual results may differ from the current expectations. Should a covenant breach become likely in future periods, management anticipates to receive a waiver and expects a continuation of the revolving credit facility and vessel leases.

As explained above, the revolving credit facility (EUR 505.6 million) and subordinated unsecured convertible bonds (EUR 150.9 million) must be repaid within 11 and 13 months respectively after the reporting date. Fugro has taken decisive action outside the normal course of business and made significant progress to refinance the group. The comprehensive refinancing plan was agreed with the cornerstone investors and lenders. The refinancing is subject to shareholder approval on 30 November 2020. The price of new shares will be determined following the shareholder approval. The strong support of cornerstone investors and banks strengthens management in its assessment of the high likelihood of successfully completing the refinancing plan. The timing and success of the refinancing is however not fully within the control of Fugro. For this reason, management in its judgement concluded that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. This uncertainty would materialise in the event that the refinancing plan as announced earlier and explained above would fail and no alternative solution would be found, which is deemed unlikely by management.

Based on the aforementioned facts and circumstances that are known at this moment, management has concluded that the use of the going concern assumption is appropriate. As a result, these condensed consolidated interim financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

4 Significant accounting policies

The accounting policies in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the year ended 31 December 2019, unless stated otherwise.

5 New standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for these condensed consolidated interim financial statements and have not been early adopted by the group. These new standards are either not material for Fugro and/or not applicable. Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the condensed consolidated interim financial statements of the group.

6 Estimates, judgements and uncertainties

The group's estimates, judgements, uncertainties and assumptions regarding the future were disclosed in the basis of preparation of the annual consolidated financial statements 2019. This assessment included impairment of non-financial assets, impairment of financial assets, leases, deferred tax, employee benefits and provisions. In preparing these condensed consolidated interim financial statements, management has updated these judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The nature, amount and impact of any changes in estimates of amounts reported in the 2019 annual financial statements are disclosed in the notes below.

7 Segment information

Information about reportable segments for the nine months ended 30 September, unless stated otherwise

(x EUR million)	E-A		AM		APAC		MEI		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Segment revenue	502.4	581.8	277.0	331.9	241.8	273.8	137.8	164.3	1,159.0	1,351.8
Of which inter-segment revenue	44.3	60.5	15.6	19.6	24.1	19.6	6.8	11.1	90.8	110.8
Revenue	458.1	521.3	261.4	312.3	217.7	254.2	131.0	153.2	1,068.2	1,241.0
Impairments	-	(0.1)	(0.8)	-	(2.5)	(0.2)	-	-	(3.3)	(0.3)
Result from operating activities (EBIT)	33.1	61.4	(9.7)	(9.2)	(5.7)	(2.4)	6.2	6.8	23.9	56.6
Reportable segment profit/(loss) before income tax	2.2	41.7	(14.1)	(13.3)	(10.2)	(6.1)	5.8	5.4	(16.3)	27.7
Non – current assets										
30 September 2020 and 31 December 2019	554.0	616.6	171.8	213.1	196.4	204.5	124.1	137.5	1,046.3	1,171.7

8 Disaggregation of revenues

Revenue is specified by businesses and market segment as follows:

Revenue by businesses

(x EUR million)	Nine months ended 30 September 2020	Nine months ended 30 September 2019
Marine	751.1	896.3
Land	317.1	344.7
Total	**1,068.2**	**1,241.0**

Revenue by market segment

(x EUR million)	Nine months ended 30 September 2020	Nine months ended 30 September 2019
Oil and gas	459.2	644.2
Infrastructure	247.7	286.9
Renewables	238.7	174.9
Nautical	74.8	81.6
Other	47.8	53.4
Total	**1,068.2**	**1,241.0**

9 Seasonality of operations

Adverse weather conditions are generally experienced during the winter months. Accordingly, Fugro's revenue in the months November up to and including February is generally lower than in the remainder of the year in most jurisdictions (ignoring current market developments).

10 Disposal group classified as held for sale and discontinued operations

Seabed Geosolutions has been presented as a disposal group held for sale and a discontinued operation since 30 June 2019. The unanticipated delay in the planned divestment was caused by circumstances beyond the control of the company (i.e. Covid-19 and deteriorated oil and gas market). As part of Fugro's Path to Profitable Growth strategy, Fugro took action to respond to the change in circumstances and continues to pursue divestment of its stake in Seabed Geosolutions, which is still being actively marketed at a price that is reasonable given the change in circumstances. Fugro has continued its efforts to divest Seabed's business and had several meetings and negotiations with certain interested potential buyers. Fugro closely monitors the progress on this planned divestment and still considers it is highly probable that substantially all Seabed's business will be sold within one year.

As described above, Seabed Geosolutions business continues to be classified as a disposal group held for sale and a discontinued operation as of 30 September 2020. The consolidated statement of comprehensive income below presents the discontinued operations on a stand-alone basis.

(x EUR million)	Nine months ended 30 September 2020	Nine months ended 30 September 2019
From discontinued operations		
Revenue	60.3	111.3
Third party costs	(48.4)	(81.1)
Other income	6.0	-
Personnel expenses	(15.3)	(21.0)
Depreciation and amortisation	-	(9.4)
(Impairment)/Reversal of impairment	(75.6)	(61.4)
Other expenses	(19.0)	(8.8)
Results from operating activities (EBIT)	**(92.0)**	**(70.4)**
Finance expenses	(2.8)	(0.6)
Income tax gain/(expense)	(1.4)	(0.7)
Profit/(loss) for the period from discontinued operations	**(96.2)**	**(71.7)**
Basic and diluted earnings per share from discontinued operations	(1.10)	(0.88)

Upon the classification as held for sale in 2019, an impairment loss of EUR 61.4 million (in the caption 'loss from discontinued operations') was recognised on the Seabed Geosolutions disposal group. This impairment was fully allocated to goodwill. Upon remeasurement of the disposal group to fair value less cost of disposal, further impairment losses were recognised. The cumulative impairment loss for the nine months of 2020 amounts to EUR 75.6 million. This impairment was allocated to intangible assets (EUR 12.7 million) and property, plant and equipment (EUR 58.3 million). This valuation could be subject to further adjustment if the outlook would further deteriorate or improve in future periods. Finally, an additional impairment of EUR 4.6 million (cumulative and for the nine months of 2020) was recognised with respect to the right-of-use assets.

The cumulative amount recognised in other comprehensive income for foreign currency translation differences in respect of discontinued operations amounts to a gain of EUR 2.2 million for the nine months of 2020 (nine months 2019: EUR 4.1 million).

The assets and liabilities comprising the disposal group classified as held for sale are as follows:

(x EUR million)	30 September 2020	31 December 2019
Assets classified as held for sale		
Property, plant and equipment[1]	18.2	73.3
Right-of-use assets	3.1	7.4
Intangible assets	2.6	14.1
Inventories	0.8	1.8
Trade and other receivables	10.2	51.2
Current tax assets	0.3	2.2
Cash and cash equivalents	6.7	3.3
Total assets classified as held for sale	**41.9**	**153.3**
Liabilities classified as held for sale		
Loans and borrowings	-	16.8
Provisions	2.3	-
Employee benefits	1.1	1.1
Lease liabilities	3.2	6.1
Trade and other payables	23.2	53.7
Other taxes and social security charges	0.6	0.6
Current tax liabilities	1.5	1.9
Total liabilities classified as held for sale	**31.9**	**80.2**

[1] Property, plant and equipment includes an amount of EUR 1.6 million relating to an aircraft in Australia classified as held for sale at 30 September 2020.

The cash flows associated with discontinued operations are as follows:

(x EUR million)	Nine months ended 30 September	Nine months ended 30 September
	2020	2019
Cash flows from discontinued operations		
Net cash (used in) / from operating activities	(7.8)	(13.9)
Net cash (used in) / from investing activities	2.2	(23.0)
Net cash (used in) / from financing activities	9.4	42.8
Net increase in cash and cash equivalents from discontinued operations	**3.8**	**5.9**

11 Provisions and contingencies

In the nine months of 2020, an amount of EUR 13.4 million has been added to the restructuring provision and EUR 8.7 million has been paid for restructuring costs. The current portion of provisions amounts to EUR 9.4 million as at 30 September 2020 (31 December 2019: EUR 3.4 million), of which EUR 6.7 million is related to restructuring.

12 Taxes

Effective tax rate

Current income tax expense is based on the estimated taxable profit for the interim periods, adjusted for significant non-deductible items in the interim periods. The group's consolidated effective tax rate for continuing operations for the nine months of 2020 is 193.3% negative (nine months of 2019: 39.3% positive). The decrease in the negative effective tax rate is mainly driven by changes in geographical composition of taxable income and losses, certain unrecognised tax losses and deferred tax asset impairment. The income tax recognised in other comprehensive income for the defined benefit actuarial gains & losses and foreign currency translation differences amounts to EUR 2.4 million benefit (nine months of 2019: EUR 0.6 million benefit) and EUR 2.6 million cost (nine months of 2019: EUR 1.8 million benefit) respectively. No further income tax has been recognised in other comprehensive income. A deferred tax asset for net operating losses was impaired for an amount of EUR 21.2 million in the Americas region, following adverse actual outcomes against business plan and a history of operating losses. After this impairment, no carrying amount remains. This asset could be subject to further adjustment if the outlook would improve in future periods.

13 Property, plant and equipment

Acquisitions and disposals

In the nine months of 2020, the group invested in assets with a cost value of EUR 59.9 million (nine months of 2019: EUR 80.4 million including discontinued operations for EUR 21.8 million). Assets with a carrying amount of EUR 1.7 million were disposed of in the nine months of 2020 (nine months of 2019: EUR 3.3 million), resulting in a net gain on disposal of EUR 1.7 million (nine months of 2019: net gain of EUR 2.7 million), which forms part of other income in the consolidated interim statement of comprehensive income.

14 Leases

Depreciation of right-of-use assets during the nine months of 2020 was EUR 21.0 million (nine months of 2019: EUR 23.2 million). Additions to right-of-use assets during the nine months of 2020 were EUR 8.5 million (nine months of 2019: EUR 12.8 million including discontinued operations for EUR 3.9 million). The group recognised lease expenses from short-term leases of EUR 73.8 million and variable lease payments of EUR 0.6 million in the nine months ended 30 September 2020 (nine months 2019: EUR 90.6 million and EUR 1.0 million respectively). There were no material rent concessions during the nine months of 2020.

15 Intangible assets including goodwill

(x EUR million)	Goodwill	E&E (Finder)	Software	Other	Total
Carrying amount at 1 January 2020	**268.0**	**16.6**	**1.2**	**2.8**	**288.6**
Changes in carrying amount:					
Additions (*)	0.4	0.5	0.1	0.2	1.2
Amortisation			(0.8)	(0.6)	(1.4)
Effect of movements in foreign exchange rates	(7.4)	(0.3)	(0.1)	(0.2)	(8.0)
Total changes	**(7.0)**	**0.2**	**(0.8)**	**(0.6)**	**(8.2)**
Carrying amount at 30 September 2020	**261.0**	**16.8**	**0.4**	**2.2**	**280.4**

(*) On 3 March 2020, Fugro acquired a 100% share in Orex SC, which includes a 66.5% share in Labomosan SA in exchange for a cash consideration of EUR 6.5 million. The purchase price allocation of this individually immaterial acquisition resulted in goodwill of EUR 0.4 million.

The group's annual goodwill impairment test is based on value-in-use calculations. The methodology and key assumptions used to determine the recoverable amount for the different CGUs were disclosed in the consolidated annual financial statements 2019 together with the headroom and sensitivity analysis. The group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. During 2020, the Covid-19 pandemic and deteriorated oil and gas market indicated a potential impairment of goodwill. The market capitalisation of the group was below the book value of its equity. Due to the aforementioned impairment triggers and ongoing economic uncertainty, management performed an impairment test as at 30 September 2020. This test did not result in an impairment. The goodwill allocated to CGU's as at 30 September 2020 was as follows:

(x EUR million)	Growth rate first year	Growth rate long-term	Pre-tax discount rate	Long-term EBIT margin %	Goodwill 30 September 2020
Europe-Africa	(1.1%)	1.5%	13.0%	7.1%	115.2
Americas	3.9%	1.5%	12.7%	8.4%	67.6
Asia Pacific	9.2%	1.5%	13.1%	5.7%	28.5
Middle East & India	0.0%	1.5%	13.1%	9.5%	49.7
Total					**261.0**

The goodwill allocated to CGU's as at 31 December 2019 was as follows:

(x EUR million)	Growth rate first year	Growth rate long-term	Pre-tax discount rate	Long-term EBIT margin %	Goodwill 31 December 2019
Europe-Africa	4.5%	2.0%	11.8%	9.3%	118.3
Americas	5.2%	2.0%	11.4%	9.8%	69.4
Asia Pacific	0.9%	2.0%	11.7%	6.4%	29.3
Middle East & India	3.5%	2.0%	11.8%	9.3%	51.0
Total					**268.0**

The goodwill sensitivity analysis as at 30 September 2020 is as follows:

		Change required in each key assumption for headroom to equal zero			
(x EUR million)	**Headroom**	**Growth rate first year**	**Growth rate long-term**	**Pre-tax discount rate**	**Long-term EBIT margin %**
Europe-Africa	62.8	(7.0%)	(2.8%)	1.8%	(1.9%)
Americas	43.9	(12.3%)	(2.6%)	1.8%	(1.9%)
Asia Pacific	50.8	(13.9%)	(6.8%)	4.0%	(2.9%)
Middle East & India	16.6	(6.6%)	(2.0%)	1.3%	(2.5%)
Total	**174.1**				

Total headroom decreased significantly from EUR 550.0 million as at 31 December 2019 to EUR 174.1 million as at 30 September 2020. The changes beyond those in the above table to assumptions used in the goodwill impairment test would, in isolation, lead to an impairment loss being recognised for the nine months 2020.

16 Investments in equity accounted investees

Global Marine Holdings LLC (GMH), in which Fugro holds a 23.6% equity interest, sold its 100% share in Global Marine Group (GMG). The sale was completed in the first quarter of 2020. In addition, GMH completed the sale of a 30% stake in Huawei Marine Networks to Hengtong Optic-Electric Co Ltd. The carrying amount of investments in equity accounted investees was reduced by EUR 49.9 million as a result of payments of dividends from the proceeds of the two divestments. GMH currently owns a 19% investment in Huawei Marine Networks, which is under a two-year put-option agreement.

On 13 February 2020, Fugro acquired a 49% interest in Sea-Kit International Limited in exchange for cash consideration and is accounted for as an (individually immaterial) associate.

17 Trade and other receivables, trade and other payables and cash & cash equivalents

Trade and other receivables amounting to EUR 464.0 million include unbilled revenue on (completed) contracts and trade receivables for the amount of EUR 162.0 million and EUR 235.5 million respectively as at 30 September 2020. Trade and other payables amounting to EUR 319.8 million include trade payables and advance instalments to work in progress for the amount of EUR 85.9 million and EUR 40.8 million respectively as at 30 September 2020. As at 30 September 2020, the cash and cash equivalents include EUR 10.4 million (31 December 2019: EUR 15.2 million) of Angolan kwanza's in Angola where exchange controls apply.

18 Shareholders' equity

On 19 February 2020, Fugro raised EUR 81.7 million through an accelerated bookbuild offering of new depositary receipts. The proceeds were used to refinance its capital structure. At 30 September 2020, the number of outstanding ordinary shares was 92,923 thousand (31 December 2019: 84,572 thousand) and the weighted average number of outstanding shares was 91,067 thousand.

Reserve for own shares

Fugro purchases and sells own shares in relation to the share option scheme. Own shares which have been repurchased are held in treasury and are deducted from and presented within equity in a separate 'reserve for own shares' on a cost basis. Own shares are recorded at cost, representing the market price paid on the acquisition date. When reissued under the share option scheme, shares are removed from the reserve for own shares on a first-in, first-out (FIFO) basis. The difference between the cost and the cash received is recorded in retained earnings.

Up to 31 December 2019, shares reissued under the share option scheme were deducted from the reserve for own shares. However, these deductions were erroneously not made on a FIFO cost basis. The accounting policy on own shares has also been changed and the new policy was disclosed above. There are elements of both an error and a change in accounting policy, which could not be individually quantified. Accordingly, one retrospective reclassification adjustment between the reserve for own shares and retained earnings amounting to EUR 193.0 million was made on 1 January 2019. There is no impact on total equity or result. The information presented in the statement of financial position as of 1 January 2019 remains unchanged and was therefore not re-presented.

19 Loans and borrowings

(x EUR million)	30 September 2020	31 December 2019
Bank loans	505.9	425.1
Subordinated unsecured convertible bonds in EUR 190 million	145.7	175.3
Subordinated unsecured convertible bonds in EUR 100 million	90.0	87.1
Other loans and long-term borrowings	2.5	-
Total loans and borrowings	**744.1**	**687.5**
Presentation in the statement of financial position:		
Non-current	237.2	687.5
Current	506.9	-

The bank loans represent a 5-year multicurrency revolving credit facility (RCF) agreed upon on 3 December 2015. On 30 June 2020, the maturity date was extended to 1 September 2021. The terms and conditions remained materially unchanged, except for the inclusion of a positive pledge that will be triggered under certain conditions. The positive pledge is triggered if the refinancing is not completed by the end of 31 March 2021, or if a covenant breach would occur before that date under the RCF agreement. Refer to note 3 Going concern for more details. The RCF is due to be settled within twelve months after the reporting period. It has been reclassified as a current liability since 1 September 2020.

During the nine months of 2020, the group repurchased EUR 39.1 million (on a nominal basis) of its subordinated convertible bonds due 26 October 2021 at a discount. The consideration paid was allocated to the liability in full (i.e. there was no residual that was assigned to the equity component).

Based on the last four quarters, Fugro complies with all covenant requirements as at 30 September 2020:

(x EUR million)	Nine months ended 30 September 2020
Adjusted consolidated EBITDA	100.2
Operating lease expense	35.8
Net interest expense	10.1
Margin fixed charge cover > 2.5	**3.0**
Net consolidated financial indebtedness (loans and borrowings less net cash)	182.7
Bank guarantees exceeding cap of € 250 million	-
Total	182.7
EBITDA coverage < 3.0	**1.8**
Consolidated net worth	504.2
Balance sheet total	1,784.1
Solvency > 27.5%	**28.3**
Financial indebtedness < EUR 55 million	5.8
Dividend < 60% of the profit	-

Last year, the numbers were as follows:

(x EUR million)	**Nine months ended 30 September 2019**
Adjusted consolidated EBITDA	146.5
Operating lease expense	34.9
Net interest expense	15.5
Margin fixed charge cover > 2.5	**3.6**
Net consolidated financial indebtedness (loans and borrowings less net cash)	317.0
Bank guarantees exceeding cap of € 250 million	-
Total	317.0
EBITDA coverage < 3.0	**2.2**
Consolidated net worth	647.5
Balance sheet total	1,977.0
Solvency > 27.5%	**32.8**
Financial indebtedness < EUR 55 million	19.9
Dividend < 60% of the profit	-

These disclosures for covenant requirements have been prepared on the basis of frozen GAAP (i.e. excluding IFRS 16) and including the discontinued operations. However, the group's primary statements and notes (excluding this disclosure) are prepared in accordance with IFRS as endorsed by the European Union (i.e. including IFRS 16).

In respect of the two additional covenant requirements in the agreement related to the sale and lease back of two geotechnical vessels, the total net debt excluding the liability component of the EUR 100.0 million unsecured convertible bonds should not exceed EUR 530.0 million at the end of each quarter as of 30 September 2020, and the adjusted consolidated EBITDA for the 12 months ended should at least be EUR 125.0 million as per 30 September 2020. Fugro complied with the former, the latter requirement relating the EBITDA floor was waived prior to 30 September 2020.

Refer to note 3 Going concern for more details.

20 Share-based payments

The share-based payments plans of Fugro N.V. can be divided into a long-term incentive plan (LTIP), which includes the annual grant of conditional performance awards (as of 2018 shares only), and a share option scheme, which includes the annual grant of unconditional options. For the nine months of 2020, an expense of EUR 4.2 million (nine months of 2019: EUR 4.7 million) relating to share-based payments has been recognised in profit or loss.

21 Related parties

The key management compensation, based on amounts recognised in the statement of comprehensive income, is as follows:

	Short-term employee benefits	Post-employment benefits	Severance	Share-based Payment (*)	Total nine months ended 2020 (**)
Board of Management	1,019,173	174,251	-	715,639	1,909,063
Senior managers	1,874,192	135,188	-	392,030	2,401,410
Executive Leadership Team (sub-total)	**2,893,365**	**309,439**	**-**	**1,107,669**	**4,310,473**
Supervisory Board	262,788	-	-	-	262,788
Total	**3,156,153**	**309,439**	**-**	**1,107,669**	**4,573,261**

(*) Costs of share-based compensation are based on accounting standards (IFRS 2 expense).
(**) The seven senior managers were part of the Executive Leadership Team during the nine months of 2020. Accordingly, their compensation for the entire nine month period was included in the table above.

(x EUR)	Short-term employee benefits	Post-employment benefits	Severance	Share-based Payment (*)	Total nine months ended 2019 (**)
Board of Management	1,882,186	204,456	-	769,111	2,855,753
Senior managers	1,010,247	85,917	-	321,689	1,417,853
Executive Leadership Team (sub-total)	**2,892,433**	**290,373**	**-**	**1,090,800**	**4,273,606**
Supervisory Board	323,801	-	-	-	323,801
Total	**3,216,234**	**290,373**	**-**	**1,090,800**	**4,597,407**

(*) Costs of share-based compensation are based on accounting standards (IFRS 2 expense).
(**) The six senior managers became part of Fugro's key management personnel as of 1 May 2019, i.e. the date the Executive Leadership Team became effective. Since the senior managers were not a related party in the period 1 January 2019 to 30 April 2019, their compensation for this period was excluded from the table above. The Board of Management and Supervisory Board were a related party during the nine month period ended 30 September 2019 and therefore their compensation was included in the table above.

22 Capital commitments, contingencies and bank guarantees

As per 30 September 2020 and as per 31 December 2019, the group has no material contractual obligations to purchase property, plant and equipment. As per 30 September 2020, Fugro has issued bank guarantees to customers for an amount of EUR 85.2 million (31 December 2019: EUR 113.2 million).

23 Financial risk management and financial instruments

Liquidity risk

As explained above, the RCF is due to be settled within twelve months after the reporting period. It has therefore been reclassified as a current liability since 1 September 2020. The EUR 190 million subordinated unsecured convertible bonds are due less than 13 months after the interim reporting period, i.e. 26 October 2021. The remaining contractual maturities of financial liabilities at the reporting date are as follows. The amounts are gross and undiscounted and include interest payments:

(x EUR million)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Bank loans	505.9	513.1	3.8	509.3	-	-	-
Subordinated unsecured							

convertible bonds in EUR 190 million	145.7	159.9	3.0	3.0	153.9	-	-
Subordinated unsecured convertible bonds in EUR 100 million	90.0	120.3	2.2	2.3	4.5	111.3	-
Other loans	2.5	2.6	1.1	1.5	-	-	-
Lease liabilities	136.4	187.7	15.2	12.6	23.3	41.4	95.2
Trade and other payables	319.8	319.8	319.8	-	-	-	-
Bank overdraft	1.5	1.5	1.5	-	-	-	-
Balance at 30 September 2020	1,201.8	1,304.9	346.6	528.7	181.7	152.7	95.2

Fugro's valuation processes

The group's finance department performs the valuations of financial assets and liabilities required for financial reporting purposes. The key inputs to the valuations are directly reported to the Chief Financial Officer. Changes in fair values in level 2 and level 3 are analysed at each reporting date. The carrying amount of the financial assets and liabilities is a reasonable approximation of fair value except for the following as reported in the table below as at 30 September 2020:

Valuation of financial assets and liabilities (x EUR million)	**Carrying amount**	**Fair value [1]**
Subordinated unsecured convertible bonds	235.7	231.2
Unrecognised gains/(losses)		(4.5)

[1] The subordinated unsecured convertible bonds are classified as level 3 in the fair value hierarchy.

24 Subsequent events

No subsequent events have been identified.

Independent auditor's review report

To: the supervisory board and shareholders of Fugro N.V.

Our conclusion

We have reviewed the condensed consolidated interim financial statements for the three and nine month periods ended 30 September 2020 of Fugro N.V., based in Leidschendam.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the three and nine month periods ended 30 September 2020 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

The condensed consolidated interim financial statements for the three and nine month periods ended 30 September 2020 comprise:

- The consolidated statement of financial position as at 30 September 2020.
- The following consolidated statements for the nine month period ended 30 September 2020: the statements of comprehensive income, changes in equity, and cash flows.
- The statement of comprehensive income for the three month period ended 30 September 2020.
- The notes comprising of a summary of the significant accounting policies and selected explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed consolidated interim financial statements section of our report.

We are independent of Fugro N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to going concern

We draw attention to Note 3 Going concern which indicates that EUR 505.6 million of liabilities drawn under the revolving credit facility and EUR 150.9 million of subordinated unsecured convertible bonds are due within one year of the approval date of the financial statements and the Company requires a refinancing to satisfy these liabilities. These conditions, along with other matters described in Note 3 Going concern, Note 19 Loans and borrowings and Note 6 Estimates, judgements and uncertainties indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Responsibilities of management and the supervisory board for the condensed consolidated interim financial statements

Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.
Our review included among others:

- Updating our understanding of Fugro N.V. and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial statements
- Making inquiries of management and others within the organization
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements
- Obtaining assurance evidence that the condensed consolidated interim financial statements agrees with, or reconciles to, Fugro N.V.'s underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements
- Considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Amsterdam, 29 October 2020

Ernst & Young Accountants LLP

Signed by A.A. van Eimeren