



**KEOLIS S.A.**  
**2019 FINANCIAL REPORT**

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KEOLIS S.A.

Limited Company with a capital of €412,832,676

552 111 809 RCS PARIS

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Ordinary Annual General Meeting of 5 May 2020

## KEOLIS S.A. 2019 FINANCIAL REPORT

**3.4** billion  
passengers

**300**  
AOM  
partners

**16**  
countries

**68,500**  
employees



# 1

## MANAGEMENT REPORT

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# 1.1 MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE ORDINARY ANNUAL GENERAL MEETING OF 5 MAY 2020

Ladies and Gentlemen,

We have brought you together at the Ordinary Annual General Meeting, in accordance with legal, regulatory and statutory requirements, to report to you on the activities of our Company during the financial year ended 31 December 2019 and to submit for your approval the consolidated and annual financial statements for the same financial year.

Your statutory auditors will also read their reports to you.

We are happy to assist you with more information or any queries you may have.

Below we review the various items of information as required by regulations.

## 1.1.1 HIGHLIGHTS OF THE FINANCIAL YEAR

### 1.1.1.1 Activity

#### Business activity and development

##### FRANCE

- The revenue performance of the urban networks (at constant scope) and the Ile-de-France region was very solid in 2019 with +3.6% growth compared to 2018 on a like-for-like basis.
- Keolis saw its contracts in Aix-en-Provence, Nevers, Château-Thierry, Châlons-en-Champagne, Dreux and the suburban area of Nancy renewed and notably won contracts in Menton, Antibes Sophia-Antipolis and Moulins. Inter-urban bids led to partial renewals of BreizhGo 35 and Hérault Transport. Keolis also won the first tram contract in Ile-de-France (line T9 - "Bord de l'eau"). This is the first batch put out to tender by Ile-de-France Mobilités as part of the opening-up of Optile to competition.
- The urban networks of Angers, Brest, Saint-Malo, Creil and Toul were not renewed.

##### INTERNATIONAL

- International growth continued in 2019 with the full-year operation of the "Transport for Wales" rail network and the opening of the complete automatic metro network in Doha, Qatar, in December 2019.
- Keolis strengthened its contribution to energy transition with contracts secured for the operation of electric buses in Norway, in Bergen (136 buses), and in the Netherlands, in the provinces of Overijssel, Flevoland and Gelderland (300 buses). The DLR (Docklands Light Railway) automatic metro contract in London, United Kingdom, was extended until 2025.

#### Acquisitions and investments

In France, the Group acquired CarPostal France, which will enable Keolis to significantly strengthen its presence throughout eastern France (Grand Est, Bourgogne-Franche-Comté, Auvergne-Rhône-Alpes and Le Sud Provence-Alpes-Côte d'Azur), where CarPostal France operates six urban networks and seven inter-urban subsidiaries.

#### The Group's financial position

At 31 December 2019, the Group had net financial debt of €2.8 million, made up mainly of external lines of finance put in place in France and various countries, maturing up until 2032.

To manage its liquidity risk, the Group uses bank overdrafts, short term financing facilities and daily liquid investments.

The Group manages its counterparty risk by only borrowing from banks falling within the "Authorised" bank category. This category is defined according to the banks' ratings and their level of participation towards the financing of the Group.

As a result of its operational, financial and investment activities, the Group is exposed to the following financial market risks:

- interest rate risk;
- foreign exchange risk;
- commodities risk.

To manage this exposure, the Group uses standard, liquid and market-available derivative financial instruments:

- forward and future sales and purchases;
- swaps;
- call options;
- put options in combination with call options to provide symmetric or asymmetric collars.

The Group's interest rate risk exposure results from its financial debt, part of which is subject to variable interest rates. It is therefore exposed to rate rises. The objective of risk management is to protect the Group's net financial income from an increase in interest rates, while taking advantage of any decrease in rates to the greatest possible extent.

The Group also makes investments in foreign entities. To cover the foreign exchange risk engendered by these investments, the Group uses derivative financial instruments to maintain a reference exchange rate defined for the year.

The Group is exposed to the risk of the fluctuation of the price of diesel. This risk is partially hedged in the concession contracts signed with public transport authorities. For the remaining exposure, the Group implements a hedging policy using derivative financial instruments whose objective is to minimise the volatility of Group profits.

### Main risks and uncertainties

The Group conducts its business in a constantly-evolving economic, competitive and technical environment. Identifying and anticipating risks and finding ways of controlling them lie at the heart of its concerns.

The Group's geographical footprint, its status as a market leader and key player in different modes of transport, and the nature of the passenger transportation business all entail both intrinsic and external risks for the Group:

- continuity risks take the form of sudden and serious events which affect business continuity and potentially harm the image and credibility of the Group. This could be the case, for example, with a major passenger accident, a terrorist attack or a widespread data breach;
- performance risks are a threat to the company's results. They arise from operational management issues, such as not winning key contracts abroad, a lack of necessary expertise in the complexity of railway operations, difficulties in recruiting for jobs in production and non-compliance with regulatory requirements such as the prevention of bribery and corruption;
- transformational risks threaten the future of the company and necessitate deep and rapid corrective action. This type of risk can be illustrated by poor use of data, the arrival of new market players with a disruptive model or delays in adopting an energy transition.

The Group has formulated its risk management and internal control framework setting out its risk monitoring and control system, sponsored by the members of the Executive Committee.

### The Group's financial results

The Group's recurring revenue for 2019 amounts to €6,256.7 million, an increase of +€632.6 million, or +11.2%, on 2018.

The exchange rate effect is favourable by -€13.0 million, notably on the US dollar and pound sterling with a negative effect on the Australian dollar and Swedish Crown.

The technical effect is positive at +€11.2 million and is linked to IFRIC 12 impacts.

The scope effect is favourable by €32.0 million of which €22.7 million in France (CarPostal France) and €9.3 million abroad (Open Tour group acquired in 2018 in Belgium).

The portfolio impact of contracts won and lost stands at +€378.1 million, of which +€18.6 million in France (gains in Nancy and Chambéry offset by losses in Angers, Nîmes and Brest (€2.0 million) in City Networks and gains in the French regions of €21.9 million (Antibes-Sophia-Antipolis, Bourg-en-Bresse, Menton-Riviera partially offset by losses at Saint Malo and Creil), discontinuation of activity at Angers airport (€1.5 million), and +€359.8 million internationally: United Kingdom +€319.7 million (start of Wales & Borders in Q4 2018), Germany +€7.6 million (start of the HWN II contract), Denmark +€2.1 million (NT24 contract), KTA +€28.4 million (start of Greensboro, Reno and LV Micro Transit during the year).

The organic growth of existing contracts amounts to +€199.4 million of which +€35.4 million in France (Major City Networks +€24.9 million, City Networks +€12.0 million, French regions +€14.4 million, Ile-de-France +€12.9 million), +€154.3 million from international activity (UK +€4.0 million, Germany +€13.1 million, Sweden +€20.9 million, Denmark +€1.4 million, Norway (€4.6 million), Netherlands +€8.4 million, Belgium +€3.2 million, North America +€57.1 million, Australia +€49.3 million, New Regions +€1.5 million).

Organic growth of revenue including portfolio growth amounts to €577.5 million or +10.3%.

Consolidated recurring EBITDA stands at €326.4 million (excluding IFRS 16), up +€16.4 million, or +5.3%, on 2018.

The foreign exchange impact is negative at (€1.8 million) due to the Swedish Crown and the Australian dollar.

The technical effect is favourable at €5.7 million, with in particular the CVAE (+€1.7 million), IFRIC 12 (+€0.9 million) and the change in accounting method for the component approach in Germany and the Netherlands (+€4.9 million).

The consolidation scope effect improved recurring EBITDA by +€3.3 million of which France by +€2.4 million (CarPostal France), International +€0.9 million (Groupe Open Tours in Belgium).

The portfolio impact of contracts won and lost stands at +€13.2 million, including +€15.7 million internationally (Wales & Borders) and (€2.4 million) in France.

The organic growth of existing contracts was down by (€4.0 million) of which (€4.2 million) in France, of which (€12.7 million) in the French regions, partially offset by the Major City Networks +€4.7 million, Ile-de-France +€1.9 million, City Networks +€1.3 million, +€7.4 million from International activity (with contrasting results depending on the zone, of which mainly (€2.5 million) in New Regions, of which (€1.5 million) timing rebilling of Doha development costs in 2018, North America (€2.1 million), (with KTA -€6.1 million), partially offset by Canada +€3 million and KCS +€1.5 million, UK (€1.9 million), of which M&A and creation of registered office in Cardiff, and Australia (€2.2 million), offset by Sweden €11.1 million (volume, Neokapital negotiation, indexation and action plan) and Germany +€2.2 million. The Corporate holding company represents (€7.3 million) (€3.4 million) relating to higher IT expenses - installation of Office 365 and transformation projects, (€1.0 million) of Bain strategic mission and an increase in the payroll).

Recurring operating profit amounts to €136.1 million, an improvement of +11.5% in relation to 2018.

Net income (Group share) amounts to (€109.7 million) against €49.5 million in 2018. The difference between recurring operating profit and net income (Group share) is explained on the one hand by non-recurring items representing (€74.8 million), including restructuring costs for certain Group entities (mainly in Sweden and the United States, the Netherlands and France) for (€22.4 million), the recognition of losses on contracts for (€11 million) and finally the amortisation of right-of-use assets for (€37.3 million). On the other hand, the net financial income also has an impact on profit for (€116.3 million) and taxation for (€69.1 million). Associates and minority partners contribute €23.9 million and (€9.3 million) to the result respectively.

2019 Free Cash Flow amounts to (€181.5 million). Excluding acquisitions, it amounted to +€155.4 million, i.e. a deterioration of (€267.3 million) compared with 31/12/2018, mainly due to a change in working capital requirements of +€33.5 million, a higher capex amount than in 2018 (€29.8 million) and financial investments that contributed less than in 2018 (€261.8 million), notably due to the reversal of Keolis Lille's property, plant and equipment as part of the termination of its previous public service delegation contract (€98 million).

Net debt amounts to €183.4 million at the end of 2019 compared with €89.1 million at the end of 2018. The increase is essentially due to the external growth policy supported by the Group (the acquisition of CarPostal France had a €54.6 million impact on debt) and by the change in free cash flow.



**1.1.1.2 Consolidated financial statements**

The consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union.

Revenue from ordinary activities amounts to €6,292.0 million.

After taking into account all operating costs, operating profit after income from investments under the equity method amounts to €85.1 million.

Net profit (loss) (Group share) amounts to a loss of €109.7 million for the financial year ended 31 December 2019.

**1.1.1.3 Annual financial statements**

The annual financial statements are prepared according to French accounting rules.

Operating profit (loss), including the share of profit from joint ventures is -€28.7 million.

Net financial income amounts to -€109.4 million.

After an exceptional loss of -€10.1 million and corporation tax income of €0.4 million, the annual financial statements of Keolis show a deficit of €147.8 million.

**1.1.1.4 Subsidiaries and investments**

The table attached to the balance sheet provides all the information concerning the company's subsidiaries and investments.

**1.1.1.5 Notification of major holdings and takeovers**

During the course of the 2019 financial year, Keolis S.A. acquired or took control of:

**Acquisition of companies in France/Shareholding investments**

Name	Date	Percentage
Hello Paris Participations	02/07/2019	50% Keolis SA
CarPostal France SAS	30/09/2019	100% Keolis SA
CarPostal Foncière SCI	30/09/2019	100% Keolis SA
CarPostal Agde SAS	30/09/2019	100% Keolis SA
CarPostal Haguenau SAS	30/09/2019	100% Keolis SA
CarPostal Riviera SAS	30/09/2019	100% Keolis SA
CarPostal Salon-de-Provence SAS	30/09/2019	100% Keolis SA
CarPostal Bassin de Thau SAS	30/09/2019	100% Keolis SA
CarPostal Villefranche-sur-Saône SAS	30/09/2019	100% Keolis SA
Holding Rochette Participations SAS	30/09/2019	100% Keolis SA
CarPostal Loire SAS	30/09/2019	100% Keolis SA
CarPostal Interurbain SAS	30/09/2019	100% Keolis SA
CarPostal GR4 SAS	30/09/2019	48% Keolis SA
Autocars et Transports Grindler	30/09/2019	100% Keolis SA
CarPostal Méditerranée SAS	30/09/2019	100% Keolis SA
CarPostal Bourgogne-Franche Comté SAS	30/09/2019	100% Keolis SA
Autocars TransAzur	30/09/2019	100% Keolis SA
SCI Les Romarins	30/09/2019	50% Keolis SA
CarPostal Dole	30/09/2019	100% Keolis SA



### Establishment of companies in France

Name	Date	Percentage
KLP 40	20/12/2019	100% Keolis SA
KLP 41	20/12/2019	100% Keolis SA
KLP 42	20/12/2019	100% Keolis SA
KLP 43	20/12/2019	100% Keolis SA
KLP 44	20/12/2019	100% Keolis SA
KLP 45	20/12/2019	100% Keolis SA
KLP 46	20/12/2019	100% Keolis SA
KLP 47	20/12/2019	100% Keolis SA
KLP 48	20/12/2019	100% Keolis SA
KLP 49	20/12/2019	100% Keolis SA

### Establishment of companies internationally

Name	Date	Percentage
Keolis Greensboro LLC (USA)	01/01/2019	100% Keolis Transit Services LLC
Orion LLC (Qatar)	13/03/2019	50% RKH Qitarat
Keolis Mass Transit California LLC (USA)	25/07/2019	100% Keolis Rail Services America
Keolis Middle East DMCC (EAU)	23/09/2019	100% Keolis SA

#### 1.1.1.6 Research and development activities

Over the course of the financial year the company did not commit to any spending on research. Several activities relating to the development of new products and services are however fully incorporated into the plans of operational managers, to ensure they are appropriate for the market. Corresponding expenses are not separated in the profit (loss) and have not been subjected to specific monitoring.

#### 1.1.1.7 Foreseeable trends and future prospects

In France, 2020 will be marked by the continuation of bids linked to the opening up of the "Optile Ile-de-France" markets to competition, which will be a major commercial challenge in 2020, by maintaining revenue growth in the main urban networks and by the integration of CarPostal France, which was acquired from Swiss Post in 2019. The completion of targeted acquisitions in the increasingly concentrated inter-urban market will also remain one of the main growth levers in France in the medium term.

Internationally, the Group will increase the commercial development of its bus activity in 2020, notably in Australia, North America and Sweden. 2020 will be marked by the mobilisation of the new bus contracts in Bergen in Norway, and in the provinces of Overijssel, Flevoland and Gelderland in the Netherlands. Profit recovery plans in North America and Continental Europe will continue.

#### 1.1.1.8 Significant events since the end of the financial year

In Australia, on 10 March 2020, the Adelaide Department of Planning, Transport and Infrastructure (DPTI) officially announced the results of the call to tender for metropolitan bus contracts. Keolis Downer Bus & Coachlines had its Hills contract renewed from July 2020 onwards for a duration of 8 years, but did not have its Outer North and Outer South contracts renewed. These two contracts represent an annual business volume of about AUD 65 million. The financial impacts are in the process of being analysed, assets and liabilities will be accordingly revalued in 2020.

The Covid-19 pandemic raging in France and elsewhere in the world and the containment measures and adapted transport plans requested by Governments are leading to the implementation of specific and restrictive action plans. Keolis adapts on a case-by-case basis according to its contracts and the requests of the public transport authorities to operate their transport networks and ensure that they continue to fulfil their public service missions. All the Group's operating entities work with the Corporate Departments and a dedicated Crisis Task Force. All countries and transport methods are expected to be impacted in a similar manner. Impact scenarios are currently being analysed and the consequences will be taken into account in 2020.

## 1.1.2 NON-FINANCIAL INFORMATION

Within the context of the transposition of the European directive on the statement of non-financial performance (Decree no. 2017-1265 of 9 August 2017 enacted to implement Order no. 2017-1180 of 19 July 2017), Keolis SA, as an unlisted company with a total balance sheet and net revenue in excess of €100 million and for which the average number of permanent employees employed during the last financial year exceeded 500, must publish its statement of non-financial performance in its financial report.

This statement of non-financial performance also complies with law No. 2017-399 of 27 March 2017 on the duty of care of parent companies and contracting companies. Thus, the expected duty of care plan is included in this publication.

In accordance with the legal and regulatory provisions in force, the information provided in this chapter is subject to an audit by a third-party body which is independent of the Company, which will vouch for the completeness and accuracy of the information published. The report can be consulted on page 47 of this document.

### 1.1.2.1 Information on supplier and customer payment settlement

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, there follows an analysis by due date of the year-end balance of amounts owed to suppliers and by customers:

#### Invoices received and not paid at year end

(€ thousand)	0 days indicative)	1 - 30 days	31 - 60 days	61 - 90 days	91 days and more	Total (1 day and more)
<b>(A) Overdue payment brackets</b>						
Number of invoices	228	0	0	0	0	554
Total value of invoices (incl. VAT)	11,377	- 219	7	14	- 652	- 850
Percentage of total value of purchases (excl.VAT) for the financial year	14.3%	-0.3%	0.0%	0.0%	-0.8%	-1.1%
Percentage of total revenue (excl. VAT) for the financial year						
<b>(B) Invoices not included in (A) relating to disputed or non-accounted liabilities</b>						
Number of invoices not included						
Value of invoices not included (excl. VAT)						
<b>(C) Reference payment due date used (contractual or legal)</b>						
Due date used to calculate overdue payments	<input checked="" type="checkbox"/> Contractual due date <input type="checkbox"/> Legal due date					

#### Invoices issued but not paid at year end

(€ thousand)	0 days indicative)	1 - 30 days	31 - 60 days	61 - 90 days	91 days and more	Total (1 day and more)
<b>(A) Overdue payment brackets</b>						
Number of invoices	504	0	0	0	0	843
Total value of invoices (excl. VAT)	26,530	7,110	247	913	10,979	19,250
Percentage of total value of purchases (excl.VAT) for the financial year	12.1%	3.2%	0.1%	0.4%	5.0%	8.8%
Percentage of total revenue (excl. VAT) for the financial year	0	0	0	0	0	0
<b>(B) Invoices not included in (A) relating to disputed or non-accounted receivables</b>						
Number of invoices not included						
Value of invoices not included (excl. VAT)						
<b>(C) Reference payment due date used (contractual or legal)</b>						
Due date used to calculate overdue payments	<input checked="" type="checkbox"/> Contractual due date <input type="checkbox"/> Legal due date					

**1.1.2.2 Allocation of profit**

We recommend that you allocate the loss for the financial year, which amounts to €147,816,304.26, to Retained Earnings.

We also recommend that you allocate (€54,777,238.04) from Retained Earnings to Other Reserves, which will thus become (€93,039,066.22). Other Reserves will be reduced to zero euros and Retained Earnings will be changed to (€93,039,066.22).

In accordance with legal requirements, you are requested to note that the amount of the dividend distributed and that of the corresponding dividend tax credit for the previous three financial years were as follows:

Financial year	Dividend	Distributed income eligible for the allowance	Distributed income not eligible for the allowance
2018	Nil		
2017	Nil		
2016	Nil		

**Non tax deductible expenses**

We inform you that there were €350,155.46 of non tax deductible expenses within the meaning of Articles 223 quater and 223 quinquies of the General Tax Code during the past financial year.

**1.1.2.3 Shareholding**

At 31 December 2019, GROUPE KEOLIS S.A.S. owns 100% of the capital.

**1.1.2.4 Employee profit sharing**

At 31 December 2019, employees did not own shares in the Company.

**1.1.2.5 Agreements covered by Article L. 225-38 of the French Commercial Code**

You will be read the statutory auditors' report on agreements made during the financial year and authorised by the Board of Directors pursuant to Article L. 225-38 of the French Commercial Code.

**1.1.2.6 Management and control of the company**

Messrs Xavier Hubert and Jean-Pierre Farandou offered their resignations as directors during the Board of Directors' meeting of 23 October 2019.

Exercising the co-opting right in accordance with the law and Articles of Association, the Board of Directors has appointed Mrs Anne Lieure and Mr Jacques Damas as new directors, replacing Messrs Xavier Hubert and Jean-Pierre Farandou, for the remaining term of the mandates of their predecessors, i.e. until 3 March 2022. These appointments are subject to your ratification.

In a meeting held on 12 February 2020, Mr Patrick Jeantet was appointed director, replacing Mr Arnaud van Troeyen for the remaining term of his predecessor's mandate, i.e. until 3 March 2022.

We hope that you will approve the above proposals and consequently vote in favour of the resolutions to be submitted to you.



## 1.2 STATEMENT OF NON-FINANCIAL PERFORMANCE

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1.2.6.2	Give each person the opportunity to get a job and to develop their career within the company according to their skills	31			

1.2.1 INTRODUCTION

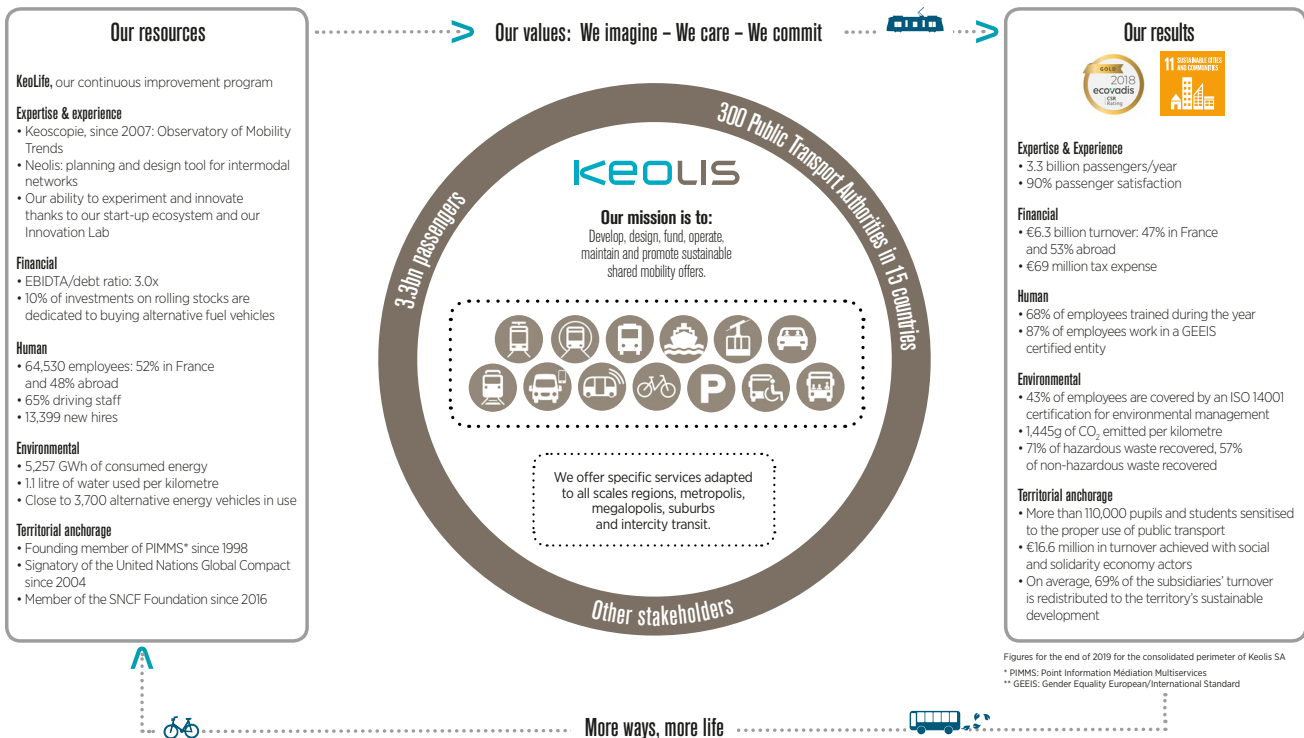
1.2.1.1 Business model

Keolis, a leading public transport operator, operates and maintains urban, suburban and inter-urban transport networks on behalf of over 300 contracting authorities (public transport authorities for mobility, private and public customers) for whom the end customers are passengers. An expert in multimodality, Keolis offers a range of solutions: bus and coach, underground railway, tram, train, transport

for persons with reduced mobility, autonomous shuttles, demand-responsive transport, self-hire bikes, car sharing, car-pooling, river shuttles, parking areas, etc. Offering a range of alternatives to solo car-use, Keolis is committed to sustainable cities and makes an active contribution to UN Sustainable Development Goal 11, "sustainable cities and communities".

Keolis' business model

Every day, we act for a more sustainable mobility which answers each passenger's needs, contributes to the vitality of territories, and stands as a solid alternative to single-occupancy vehicles. Our vision is that of a shared mobility enhancing the public good and offer solutions to present and future challenges: energy transition, new forms of mobility, digitalisation, economic performance. The shared mobility market is growing, driven by the growing population and the opening of new markets.



Keolis is headquartered in Paris. Keolis SA is wholly-owned by GROUPE KEOLIS S.A.S., which in turn is 70% owned by the SNCF (French national railway company) and 30% owned by Caisse de Dépôt et Placement du Québec (CDPQ).

The 64,530 employees of Keolis S.A. and its subsidiaries are divided as follows:

- 33,746 France including 1,650 in Keolis S.A.;
- 6,445 Sweden;
- 4,938 United States;
- 4,887 Australia;
- 4,561 United Kingdom;
- 2,912 Belgium;
- 2,230 Netherlands;
- 1,589 Denmark;
- 1,116 India;
- 1,036 Canada;
- 951 Germany;
- 119 Norway.

All Keolis employees share the values 'We care', 'We imagine' and 'We commit'. Based on the culture and history of Keolis, these values bring all teams together around a shared vision of 'One Keolis'. Translated into Keolis' Corporate Social Responsibility, these become even more meaningful:

- **We care:** Every day, we guarantee the satisfaction of millions of passengers and gain the trust of public transport authorities; we stimulate the 64,530 consolidated Keolis SA employees by respecting our environment, including humans, whether they are our passengers, citizens or employees, over the entire value chain;
- **We imagine:** We invent solutions to take care of people and the planet. We innovate for tomorrow. Keolis is above all a combination of technological and organisational expertise to give transport authorities tailor-made solutions that are constantly scalable: new forms of mobility, alternative energy, etc.;
- **We commit:** We comply with our legal obligations and our contractual commitments as well as those undertaken regarding our shareholders and other partners.

Keolis is engaged in a continuous improvement process called KeoLife. Launched in 2013, this process allows all employees, anywhere in the world, to speak the same business language. It forms a common

framework for all for the roll-out of specific projects, rolled out locally by each subsidiary. It allows them to structure their approach, build their action plan and measure their progress.

KeoLife has seven pillars: safety, customer-passenger satisfaction, partnerships with public transport authorities, economic performance, operating excellence, employee commitment and Corporate Social Responsibility. Each of these pillars is broken down into themes. Self-diagnosis tests help each entity identify its strong and weak points, to determine a level of maturity to be reached, adapted according to the local context. Thus, new entities joining Keolis can immediately benefit from and avail of Group know-how.

Each year, all Keolis Group subsidiaries mobilise during KeoLife Week to participate in local events focusing on one or more pillars of KeoLife.

### 1.2.1.2 Organisation

Keolis contributes to sustainable development through a wide range of initiatives and has integrated these projects into its continuous improvement programme, KeoLife. The different dimensions of Keolis' Corporate Social Responsibility are led by the relevant Departments. The Department for Corporate Social Responsibility is responsible for its overall coordination.

At least once a year, it presents to the Executive Committee work undertaken, new initiatives and topics to be emphasised.

In addition, Keolis engages in dialogue with its internal and external stakeholders to define strategies and recommendations for the entire Keolis Group (see section 1.2.4. Principle 3: Dialogue with our public transport authorities and other stakeholders).

### 1.2.1.3 Materiality of issues

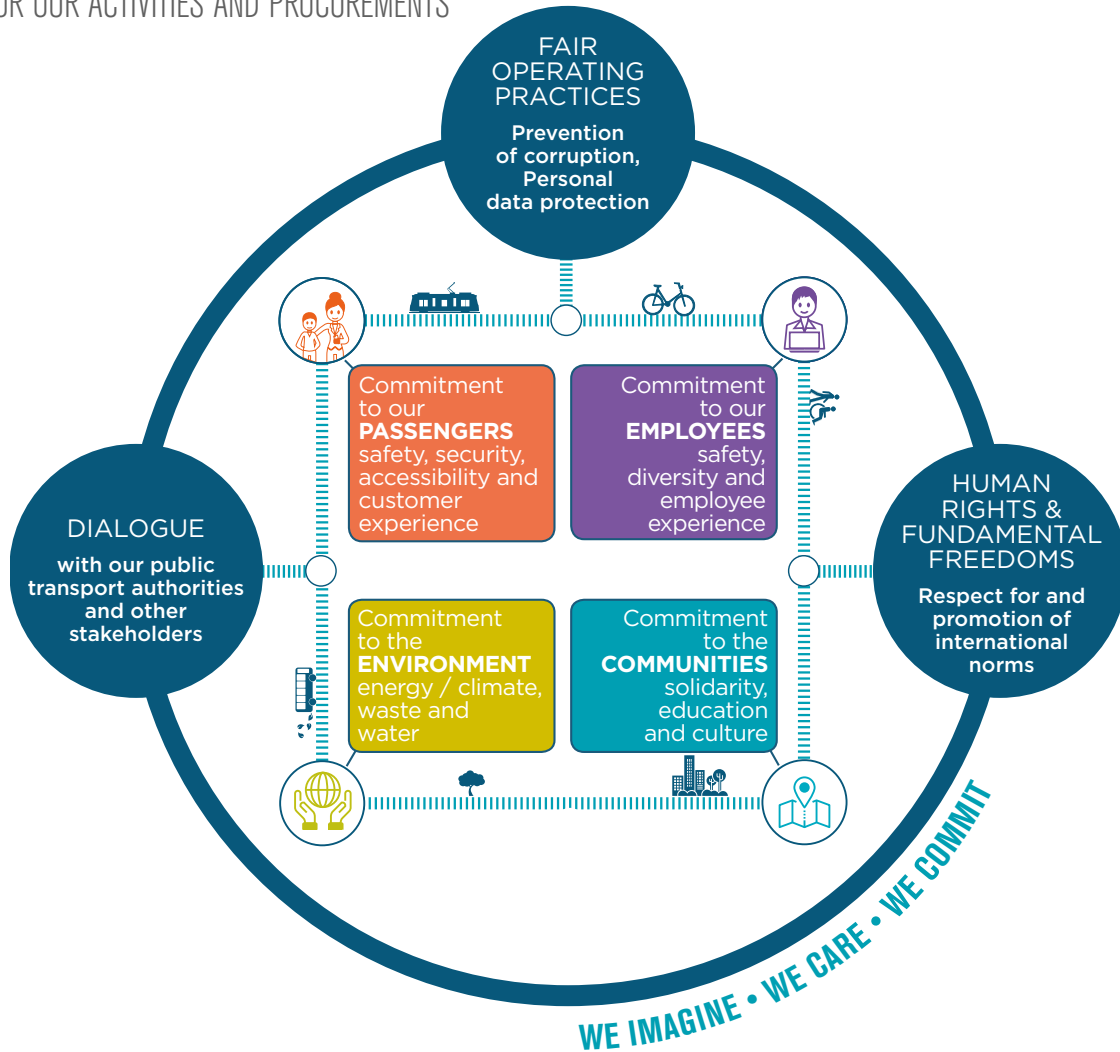
Keolis' Corporate Social Responsibility strategy was developed using the framework of the international standard ISO 26000. This was updated in 2018 following completion of a materiality matrix. Fifty-five subsidiaries (representing 85% of the workforce and 78% of revenue in 2017) were surveyed. They were asked to respond by conferring with colleagues, to mobilise different areas of expertise. It is therefore considered that employees were consulted through this exercise. In parallel, representatives of organisations participating in the annual meeting for external Keolis stakeholders, were consulted under the patronage of the Chairman of the Board of Directors. Also questioned were other organisations that could provide cross-functional expertise on Corporate Social Responsibility or on a specific topic, such as accessibility or human rights, for example. Contextual benchmarks were then added to include the requirements expressed during non-financial assessments, via regulations or the expectations of our shareholders.

This publication is structured based on this strategy. It includes three principles and four commitments, adapted to our activities and purchases:

## KEOLIS' CORPORATE SOCIAL RESPONSIBILITY

3 principles, 4 commitments

FOR OUR ACTIVITIES AND PROCUREMENTS



1

### 1.2.1.4 Summary table

Historically, the Keolis Corporate Social Responsibility strategy was based on ISO 26000. In a continuous improvement process, this has changed over time according to dialogue with stakeholders, regulatory changes, other standards linked to Corporate Social Responsibility and the Group's evolving maturity on this topic.

The United Nations' 17 Sustainable Development Goals (SDG) and their 169 targets, adopted in 2015, provide a framework and a universal action plan to transform our societies by 2030. Keolis contributes to achieving these goals through its very essence and in the way the Group sees its activity. Keolis is fully signed up to SDG 11 'Make cities and human settlements inclusive, safe, resilient and sustainable', and notably goal 11.2 'By 2030, provide access to safe, affordable,

accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons'. The performance indicators used by the Group are listed in this Statement of Non-Financial Performance and therefore provide information on the contribution of Keolis to the SDGs. For more details, see Chapter 1.2.11.1. "Correlation with regulatory obligations and international reference frames".

To make the table easier to read, only the performance indicators are shown but there is greater correspondence with the ISO 26000 benchmark (international reference on Corporate Social Responsibility), SDGs (the UN's Sustainable Development Goals) and the GRI (Global Reporting Initiative) and also included are actions set up as part of each undertaking.

Indicators published for the first time appear in *italics*.

CSR STRATEGY	OUR COMMITMENTS
<b>PRINCIPLE 1</b> <b>Human rights and fundamental freedoms</b>	Respect and promote human rights and fundamental freedoms throughout the value chain, acting in the following areas: diversity and inclusion, employee dialogue and labour relations, elimination of forced or obligatory labour, effective abolition of child labour, accessibility.
<b>PRINCIPLE 2</b> <b>Fair business practices</b>	Fight against corruption Personal data protection and processing with caution
<b>PRINCIPLE 3</b> <b>Dialogue with our public transport authorities and other stakeholders</b>	Stakeholder dialogue Entering into partnerships to achieve progress and engage in dialogue around Corporate Social Responsibility
<b>Commitment for our passengers</b>	Operate and develop passenger transport services safely, reliably and with due attention to persons – with the ultimate aim being a zero accident rate To provide safer transport for our travellers and employees, and ensure service continuity, taking action in the following areas: fraud, crime, sexual assaults and sexist discrimination, damage to property, terrorism and radicalisation. Make shared mobility accessible to all Offer the best experience to customer passengers
<b>Commitment to employees</b>	Protecting employee health and safety with a zero-accident goal Give each person the opportunity to get a job and to develop their career within the company according to with their skills Engage in increasingly constructive employee dialogue Develop everyone's skills and support career progression Promoting employee commitment and well-being
<b>Commitment for the environment</b>	Environmental policy Offer low-energy, low-carbon mobility Increase the waste recovery rate Control water consumption
<b>Commitment for communities</b>	Act in favour of sustainable regional development by being a committed actor in local life and by taking action for the following causes: solidarity, education and culture
<b>Sustainable procurement</b>	Control risks across the entire value chain

**Globally, Keolis, a major player in shared mobility, actively contributes to Sustainable Development**



PERFORMANCE INDICATORS	Results 2019	ISO 26000	SDG Goals	GRI G4
see the indicators "Diversity and inclusion", "Labour relations and employee dialogue", "Accessibility" and "Sustainable procurement".	-	6.3.3 to 6.3.10	8.7/4.5/11.2	-
% of closed professional alerts falling within the scope of Keolis Ethic Line alert	50%	6.6.3/ 6.6.4 /	12.7 / 16.5	15 / 56 to 58 /
% of revenue covered by an ethics whistleblowing system	54%	6.6.5 / 6.6.7		HR3/SO2
Number of data protection officers (Europe)	22	6.4.3/6.7.7	16.10	PR8
Percentage of revenue covered by a data protection officer (Europe)	80.5%			
As this action principle conveys a method rather than an objective, it does not have performance indicator	-	5.3	11.3	24/25
As this action principle conveys a method rather than an objective, it does not have performance indicator	-	5.3	17/17.14	16
Number of passenger deaths due to accidents	0	6.7.3/6.7.4	3/3.6	15
Number of third party deaths due to accidents	28			
Number of physical attacks on passengers	673	6.6.7/ 6.7.4/ 6.7.8	11.2/16.a	15
Number of participants in training for People with Reduced Mobility at the Keolis Institute	537	6.3.7/6.7.3/ 6.7.8	11.2	15
Passenger satisfaction rate	90%	6.7.6	11.2/11.3	PR5
Frequency rate of workplace accidents	38.6 (fr)/ 26.1 (int)			
Number of employee deaths due to a workplace accident (excluding home-work journey)	0	6.4.6	3.5/12.4/8.8/12.6	LA6/LA7
Percentage of women in the total workforce	20.1%	6.3.7/ 6.4.3 /	4.5 / 5.1 / 5.5 / 10.3	10 / 15 / LA1/ LA12
Percentage of employees covered by equality certification	87%	6.8.5		
Percentage of workers with a disability (France)	5.64%			
Rate of cover of employees by an Employee Representative Body	98%	6.3.10/6.4.5	8.8	11/SO1
Conflict rate in France (excluding conflicts relating to national issues)	0.18			
Rate of NAO agreement signed with employee representatives	91%			
% of employees having received training	68%	6.4.7	4.3/8.2	EC1/LA9/LA10
Average length of service in years	8.98			
Rate of absence for sick leave	6.11%	6.4.4	3.4/8.5	LA6
Conflict rate in France (excluding conflicts relating to national issues)	0.18			
Percentage of employees under ISO 14001 certification	43%	6.5	8.4	15
Total energy use in kWh/km	4.79	6.5.4/6.5.5	7.2/7.3/7.a/8.4/9.4/13.3	EN1/EN3/EN5/ EN15/EN16/ EN18
Total Greenhouse gas emissions in gCO <sub>2</sub> e/km travelled	1,445			
Percentage of recovered hazardous waste	71%	6.5.3	8.4/12.4/12.5	EN23
Percentage of recovered non-hazardous waste	57%			
Total water consumption in litres/km	1.1	6.5.4	6.3/6.4/9.4/12.2	EN1/EN8
Average % revenue of subsidiaries redistributed for sustainable regional development (BIOM assessment, France)	66%	6.7.9/ 6.8.8	1.2 / 1.4 / 3.6 / 4.4 / 4.5 / 4.6 / 4.7 / 12.6	SO2
Number of students covered by an awareness initiative	114,278			
Total purchases made from organisations working in the social and supportive economy (France)	16,640,878	6.6.6/ 6.6.7 / 6.8.5 / 6.8.7	8 / 8.3 / 8.4 / 8.7 / 10.2 / 12.6 / 12.7 / 16.b	12/15/EC8/ HR5/HR6
		6.7.5	1.4/8.4/9.1/11/11.2/11.6/ 11.a/12.6	

## 1.2.2 PRINCIPLE 1: HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

As Keolis is a French group which has mainly focused its business development in countries with a Western culture and regulations, until now there have been no cases of serious breaches of human rights and fundamental freedoms for Keolis Group employees, and the risk of such infringements has been very low. There was therefore no dedicated approach in this area.

In the light of recent developments, the risk of human rights and fundamental freedoms breaches has become more critical:

- firstly, because Keolis has extended its portfolio of contracts to areas considered to be at risk for human rights, such as Asia, the Middle East and Africa;
- secondly, because more stringent regulations have been implemented, including the UK's Modern Slavery Act and the French Duty of Care Law (*loi sur le devoir de vigilance*). These regulations now extend beyond the Keolis Group's own business activities to include procurement.

Finally, according to the ILO, in 2016 40.3 million people were victims of modern slavery, of which 24.9 million were in forced labour. Of those 24.9 million people in forced labour, 16 million were exploited by the private sector.

In order to ensure that human rights and fundamental freedoms are upheld and promoted in its actions and value chain, Keolis has set out the following key areas: "Accessibility", "Diversity and Inclusion", "Employee Dialogue and Labour Relations", "Elimination of Forced or Compulsory Labour" and "Effective Abolition of Child Labour".

Accessibility is an important concern for Keolis' passengers. The accessibility approach of Keolis has been the focus of a policy since

2018. This subject is covered in part 1.2.5.3 of this document, "Make shared mobility accessible to all".

Diversity is more specifically related to Keolis's employees. Keolis's Diversity approach is included in the continuous improvement programme, KeoLife, and has been the focus of a policy since 2016. This subject is covered in part 1.2.6.2 of this document, "Give each person the opportunity to get a job and to develop their career within the company according to their skills".

With regard to relations and social dialogue, in compliance with local legal obligations, Employee Representative Bodies are in place in most Keolis subsidiaries. The elements concerning this topic are developed in part 1.2.6.3.: "Engage in increasingly constructive employee dialogue".

Concerning "Elimination of forced or compulsory labour" and the "Effective abolition of child labour", these topics are to be further considered within the framework of purchases made by Keolis. The elements concerning the sustainable procurement approach, which has been reinforced to comply with the French Duty of Care Law, are presented in part 1.2.9. "Control risks across the entire value chain: sustainable procurement".

Risks related to human rights and fundamental freedoms have been incorporated in the Keolis mapping of risks. It is updated at least once a year by the Internal Audit and Control Department.

Finally, Keolis's whistleblowing system, called the 'Keolis Ethic Line', set up to comply with obligations of the so-called 'Sapin 2' Act, also makes it possible to flag up any serious breaches of human rights and fundamental freedoms. This system is described in part 1.2.3. 'Principle 2: Fair business practices' of this document.

## 1.2.3 PRINCIPLE 2: FAIR BUSINESS PRACTICES

Keolis voluntarily established the 'Konformité' programme in 2013 which calls on all employees to work and exercise their duties in compliance with legislation and business ethics. The 'Konformité' programme covers three areas applicable in all subsidiaries: strict compliance with free and fair competition, prevention of corruption and influence peddling and the protection of personal data.

The programme applies to all entities in France and internationally. The international entities are required to adapt it based on local legislation.

### 1.2.3.1 Fight against corruption

On 9 December 2016, France adopted the 'Sapin 2' Act on transparency, the fight against corruption and the modernisation of the economy. A number of stringent international regulations and national laws were already in place, including the UK's Bribery Act and the US Foreign Corrupt Practices Act.

Keolis Group entities also operate in high-risk competitive environments.

Finally, given that it is a subsidiary of the SNCF and that it has public authorities as clients, the Group is subject to a number of requirements.

### Policy

Keolis has for many years asserted its commitment in fair business practice and its rejection of all forms of corruption and influence peddling. It operates a "zero-tolerance" approach, which is not only an objective but an obligation for each of the Group's employees.

### Measures

#### REFERENCE DOCUMENTS

In 2019, we began to enhance our Reference Documents by adding a Keolis Group code of conduct for free and fair competition. The Code reiterates the importance of complying with competition law, and aims to remind employees of what type of conduct to avoid or adopt when confronted with certain potentially risky situations in their professional roles.

The Code applies to all companies controlled by the Group, meaning that every employee must comply with it and apply it to all of their relations with third parties. The Code was circulated to all Keolis employees on 14 October 2019. It will now be disseminated under the responsibility of the heads of the various Business Units (France, International and New Mobility Solutions) to subsidiary executives, managers and employees, who because of their roles need to be aware of the Group's rules. In international subsidiaries, the sharing of the code of conduct is the responsibility of line management.

Each employee can consult all the programme's reference documents in the dedicated space on Keolis' collaborative online platform:

- Guide for Ethical Business Conduct;
- "Konformité at a Glance" brochure;
- code of conduct to prevent corruption;
- code of conduct for free and fair competition.

**RISK MAPPING OF CORRUPTION AND INFLUENCE**

**PEDDLING RISKS**

The mapping of corruption risks was initially drawn up in conjunction with the management teams of the Group departments most exposed to corruption risk:

- Group Purchasing Department;
- France Division;
- International Division.

An analysis of the processes led by these departments revealed 21 risks of corruption Group-wide in 2016. The corruption risk map was presented to the Groupe Keolis Ethics Committee, chaired by the Chairman of the Board of Directors. This was sent to all the entities of Keolis worldwide. It was updated in 2017 to consider the risk rating by the different countries that took part in the process (France, Belgium, Sweden, Norway, Germany, United Kingdom, India and Australia). The corruption and influence peddling risk map is currently being updated with a greater level of detail to take into account the specific nature of the various business activities and geographical locations. The Group aims to complete the new map by 31 March 2020. The map will be based on 25 local or regional maps to ensure that 100% of the business scope is covered.

**PROTOCOLS**

Keolis has also established three protocols that managers must follow. Outside France, these protocols can be adjusted to comply with local laws if they are stricter:

- gifts and hospitality;
- charitable contributions and Sponsorship;
- Business Partners.

**ACTIONS**

Awareness and training initiatives continued in 2019.

The online training module on corruption and influence peddling prevention has now been automatically included in the training programme for all Keolis SA new starters.

**WHISTLEBLOWING SYSTEM**

In accordance with the new requirements of the Sapin 2 Act, the Keolis Group introduced a new whistleblowing system in February 2018 called 'Keolis Ethic Line' (KEL), and began to roll it out in all entities in France.

This system offers a simple and totally secure process for permanent and temporary employees to report events they have personally been made aware of and which fall within the scope of the legal provisions. The process is now open to all entities in France following notification and consultation of Employee Representative Bodies. At 31 December 2019, 122 French subsidiaries were members of the Keolis Ethic Line whistleblowing process.

The Chairman of the Board of Directors sent all Keolis Group employees a letter outlining the anti-corruption code of conduct as well as the new whistleblowing system, KEL.

All French subsidiaries were required to contact Employee Representative Bodies to integrate the code of conduct into internal regulations and introduce the KEL system.

2019	2018	Indicator
50%	75%	% of closed professional alerts falling within the scope of Keolis Ethic Line alert
54%	54%	% of revenue covered by an ethics whistleblowing system

In 2019, two alerts falling within the scope of KEL were closed while two are being processed. Alerts received and admissible concerned matters related to internal fraud and harassment.

Studies are currently under way to consider extending the KEL whistleblowing system to International entities. Tests were carried out by three International entities in 2019 (the North America Platform, Netherlands and Belgium) with the system launch planned for Q1 2020.

Three International subsidiaries have already deployed their own internal process: Keolis Hyderabad (India), Keolis UK (United Kingdom) and KDR Victoria (Australia).

In 2019, the Group stated that all International subsidiaries must have completed implementation of a whistleblowing system by 31 December 2020.

Finally, as an Interest Representative, Keolis joined the Register of Interest Representatives of the Supreme Authority for Transparency in Public Life (*Registre des Représentants d'Intérêt de la Haute Autorité de la Transparence de la Vie Publique*), in accordance with Sapin 2 Act.

**1.2.3.2 Protect and handle carefully all personal data**

A more stringent regulatory environment has been introduced for personal data, particularly in Europe with the entry into force of the General Data Protection Regulation (GDPR), which imposes severe penalties for non-compliance.

The Group processes a large volume of personal data as part of its business activities, including that of employees, passenger, partners, suppliers, etc.

Keolis is committed to carefully protecting and processing all personal data which it is entitled to gain knowledge of as part of its activities. This commitment has its own section in the compliance programme.

**Policy**

Each Group entity must comply with the local legislation applicable to it in terms of personal data processing and protection.

Prior to the new General Data Protection Regulation (GDPR) coming into effect, Keolis began work to implement the project called 'Keolis for Personal Data Protection' (KPDP). Several actions were carried out before the Regulation came into force on 25 May 2018, and after it had taken effect.



Keolis is aware that not all countries are covered by an equivalent of the GDPR, and so in November 2019 circulated a Group Personal Data Protection Policy. The policy reiterates the Group's commitment to protecting personal data, and sets out to general rules and principles which all Group entities must comply with, as well as specific principles for entities subject to GDPR.

#### Actions

Keolis SA appointed a Data Protection Officer (DPO) in July 2018. Recommendations were made to French subsidiaries regarding the appointment of Data Protection Officers, based on their size and scope.

Thus, each of the Major City Networks and City Network subsidiaries appointed a DPO, as did each entity which carries out business-specific data processing (publishing of mobility solutions, parking).

In France, all DPOs and personal data points of contact appointed are offered training. 53 people received training in 2018 and 2019, of which 16 were DPOs.

Other actions were then prioritised, granting particular importance to the inventory of personal data processing, the implementation of data processing registers and the updating of information on websites (Privacy policy and Cookie policy), as well as compliance of data processing, with, among other things, impact studies carried out and a reference framework put in place for personal data retention periods.

Work was carried out with the communities of professions most impacted by GDPR, namely Human Resources, Safety, Information Systems and Marketing. The 'privacy and security by design' approach was therefore strengthened, to factor in compliance from the beginning of projects in terms of GDPR and IT security.

In addition to the 2018 protocol on processing responses to personal data access requests, several new internal protocols were established in 2019:

- managing security loopholes causing personal data breaches;
- a guide to processing data in the context of transport for people with reduced mobility.
- a guide to working relations with the Keolis SA DPO will be written and circulated at the beginning of 2020.

In addition to these protocols:

- a personal data ethical practices sheet was published in March 2019;
- a GDPR audit grid was developed in partnership with the Internal Audit and Control Department;
- Personal data has been incorporated into the '10 essentials' approach led by the Internal Audit and Control Department (see part 1.2.10 Conclusion and outlook).

The tools that Keolis has implemented are shared with subsidiaries. They are responsible for implementing them within their own activities.

The sharing of best practices is encouraged, especially through the KPDP community on Keolis' collaborative platform. A France working group has also been set up, and is open for the sharing of good practices between all Major City Networks and City Networks DPOs.

2019	2018	Indicator
16 (France) 6 (Europe excluding France)	-	Number of Data Protection Officers appointed
62% (France) 99% (Europe excluding France)	-	Share of revenue covered by a Data Protection Officer
56 (France)	-	Number of Personal Data agents appointed

The Group's personal data protection policy requires, among other things, reporting on certain indicators, which could be implemented from 2020:

- number of personal data breaches identified and number of notifications sent to the Supervisory Authority regarding such breaches;
- number of applications to exercise rights made by the persons in question and responses within the time frames set out by the applicable local or supranational legislation;
- number of observations/checks made by the Supervisory Authority.

In 2019, Keolis SA received 16 applications to exercise rights, and responded to all applications within the one-month deadline set out by GDPR.

Additional initiatives were carried out to reinforce the commitment of line management in deploying and effectively applying Keolis procedures. The Keolis Ethics and Compliance Committee continues to convene regularly to discuss subjects of topical interest.

During its meeting of 18 December 2019, the Ethics and Compliance Committee approved the Group's Compliance function policy, which will come into force on 1 January 2020. The policy defines the roles of the various people involved in the Compliance function, both at the Group's registered office and within its entities.

1.2.4 PRINCIPLE 3: DIALOGUE WITH OUR PUBLIC TRANSPORT AUTHORITIES AND OTHER STAKEHOLDERS

1.2.4.1 Stakeholders

Dialogue with stakeholders is a means of preventing threats, explaining constraints and identifying opportunities. Keolis is a regional player which operates a range of transport modes in both urban and non-urban areas, in France and abroad. Keolis deems broad local discussion to be crucial in order to understand and adapt to specific local contexts.

1.2.4.1.1 Stakeholders of the Keolis Group

In November 2019, Keolis brought together its external stakeholders at a collective dialogue event for the ninth consecutive year. Participants included association representatives (representing public transport authorities, passengers, human rights and the environment), trade federations, firms and experts. Keolis designed this stakeholder event in order to receive feedback from these stakeholders about our activities, market positioning, corporate continuous improvement programme and our Corporate Social Responsibility strategy. Some members of the Management Board were also involved. At the 2019 event, discussions focused on sustainable cities and the experiences of Keolis employees.

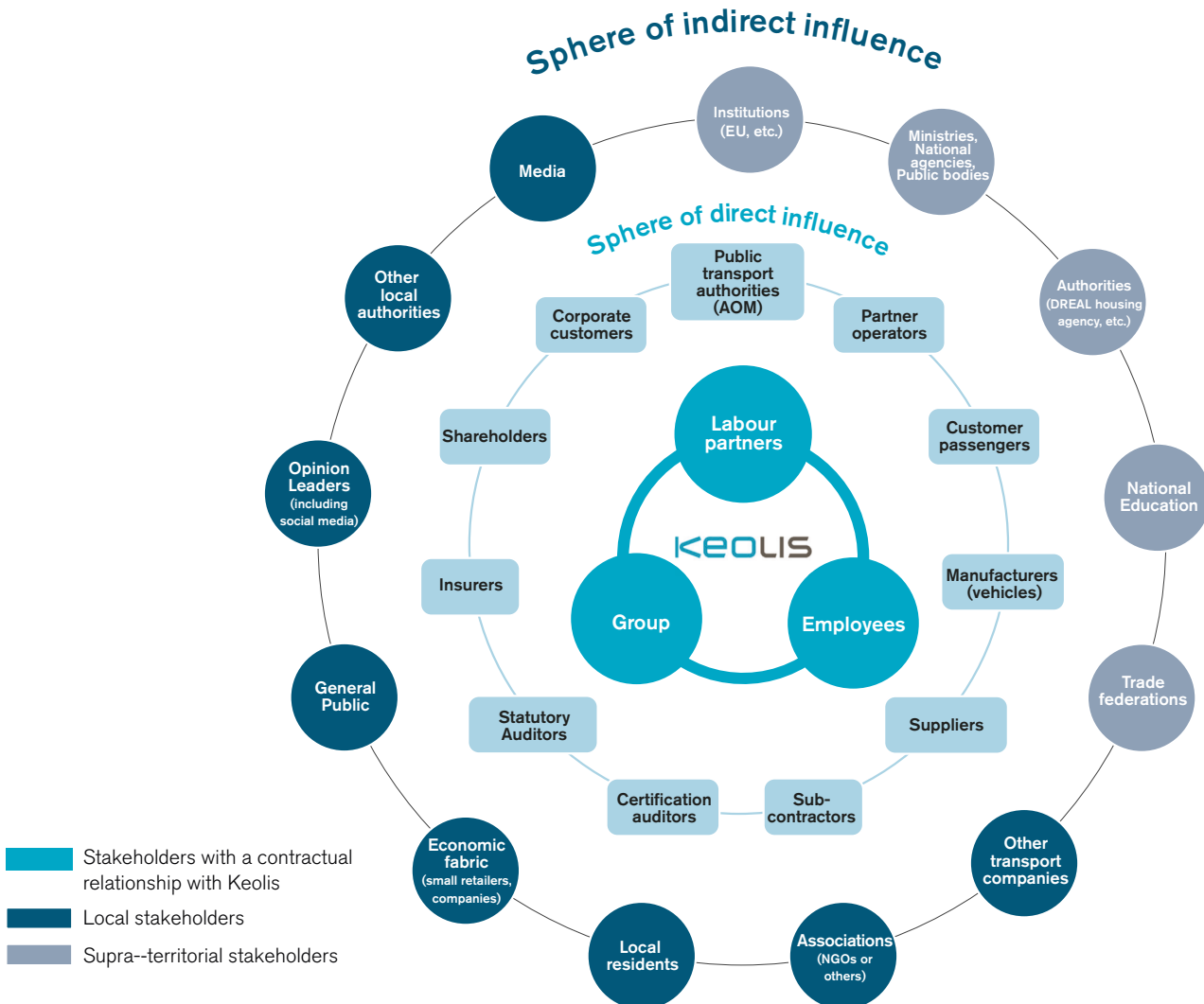
1.2.4.1.2 Local stakeholders

The local stakeholder maps are produced at the subsidiary level. These maps not only identify stakeholders but also help define their expectations. This allows some complaints to be anticipated or certain misunderstandings to be rectified. Depending on their nature, certain projects may also be co-developed with stakeholders.

Keolis also provides its subsidiaries with tools and methods to allow them to formulate this mapping tool and then initiate and engage in dialogue with their stakeholders. They include a mapping model in which stakeholders are divided into three categories: stakeholders with whom there is a contractual tie (including public transport authorities, employees and suppliers), local stakeholders (including associations and local residents), and supra-regional stakeholders (such as institutions and ministries).

Subsidiaries are also supplied with general guidelines for their engagement with stakeholders.

In 2019, the Branding, Communications and Marketing Department prepared a reference catalogue in order to share its expertise with local stakeholders.



#### 1.2.4.2 Partnerships

Keolis has entered into several partnerships to achieve progress and engage in dialogue around Corporate Social Responsibility:

##### AFT - Association Française des Transports (French Transport Association)

Our active partnership with the AFT means that we can benefit from their actions throughout France in two main areas:

Guiding the public towards Keolis' areas of activity during Group information sessions and individual meetings;

Joint funding of vocational training.

##### Partnership with a disabled athlete

Arnaud Assoumani is a disabled athlete who has been sponsored by Keolis since his first world title in 2007. For several years now, this partnership has enabled Keolis to raise awareness about disabilities among its employees through specific meetings and initiatives.

##### CODATU - Association de Coopération pour le Développement et l'Amélioration des Transports Urbains et périurbains (Cooperation for the Development and Improvement of City and Suburban Transport Association)

Through its activities, CODATU aims to promote dialogue between major urban transport stakeholders to leverage all its skills to promote the improvement in transport conditions in towns and cities in the south of France. Keolis has partnered with CODATU to promote viable mobility in growing towns. Every year, Keolis funds a grant and welcomes a student from the master's degree programme on 'Transport and Sustainable Mobility in African cities'. This offers valuable discussions on operating circumstances which vary widely from one country to another.

##### Elioz

Elioz is a French face-to-face and telephone service for the deaf and hearing-impaired, staffed by experienced operators qualified in sign language, real-time transcription of the spoken word and cued speech. The SNCF signed a framework agreement with Elioz in 2017. The service is also available to all of Keolis's French subsidiaries. It was set up by Keolis Caen Mobilités, Keolis Bordeaux Métropole, Ilevia in Lille and Keolis Mobilité Paris.

##### Flexinéo Cmabulle

Keolis and its partner Flexinéo are attempting to make life easier for families through the Cmabulle application and approach, allowing them to share children's travel within communities of trust, and therefore to facilitate organisation of travel to school and outside school. This initiative has received several awards, including:

- 2016 winner of COP 21 "100 projects for the climate";
- 2017 winner of the "New active and digital forms of mobility" call for projects by Société du Grand Paris and Ile-de-France Mobilité;
- 2018 Smart City award by Ville, Rail et Transports.

##### FNE - France Nature Environnement

French federation of environmental and nature protection associations, FNE represents a movement of 3,500 associations, grouped into 80 member-organisations, present throughout France. Since 2013, France Nature Environnement and Keolis have been working together on sustainable mobility. Since 2015, FNE and Keolis have been discussing more particularly the topics of energy, climate and atmospheric pollution in Europe. The partnership was renewed in 2019, and aims to raise the awareness of subsidiaries to environmental issues in conjunction with local policies.

##### SNCF Foundation

Keolis joined the SNCF Foundation in 2016 to enhance its commitment to the community, in three key areas: solidarity, education, culture.

The SNCF Foundation supports projects of diversity, cohesion and citizenship which allow everyone to live together in harmony.

It helps disadvantaged citizens in furthering their education, to acquire basic knowledge: reading, writing, mathematics, digital technology and sciences.

For those who do not usually have the opportunity, it also helps them discover cultural activities, as a spectator or participant.

##### FUB - Fédération des Usagers de la Bicyclette (Bicycle Users Federation)

Keolis is a partner of FUB. Founded in 1980, FUB is an association which promotes cycling as a means of everyday transport, by linking up local associations, lobbying government organisations and running public communication campaigns. The Keolis Group has been part of this partnership for several years, in order to remain attentive to the needs of cyclists and work with local cycle stakeholders.

##### United Nations Global Compact

Global Compact is a voluntary commitment, an international frame of reference, a platform of actions and exchanges; it is the largest global initiative in terms of Social Responsibility with over 13,000 participants in 170 countries. It brings together businesses, organisations, United Nations agencies, the world of work and civil society around ten universally recognised principles to build more stable and inclusive societies. Keolis signed these ten principles in 2004 and publishes its progress in them annually. Since 2018 Keolis has been an Advanced partner of Global Compact France, which is the official local representative body in France.

##### Handeco

A charity founded in 2008 at the initiative of the largest French associations and federations involved in helping people with disabilities. Handeco promotes the use of sheltered work organisations. It provides firms with a purchasing platform on which to share calls for tender for this sector, and publishes a supplier directory.

The partnership with Handeco, set up in 2015, helps spread the commitment to sustainable and supportive purchasing across the Group's entities. Thanks to Ubizz, a partner organisation of Handeco, Keolis has a global view of the purchases made by its subsidiaries from sheltered and adapted work firms.

**Handéo**

Handéo, founded in 2007, is an association which aims to facilitate the daily lives of people with a disability and their families, to improve inclusion in the city. Keolis has been a partner of the association since 2016 under the 'Cap'Handéo Services de mobilité' certification. This is defined by usage quality guidelines and mobility solutions which cover the whole of the customer journey, describing the basic minimum service required to provide safe mobility and make the service offered easier to understand and more accessible for people with a disability.

**Hub Smart Citizen**

Deloitte Développement Durable (Deloitte Sustainable Development) launched Hub Smart Citizen in 2018 to help people live together in harmony, promote a better life balance and monitor citizens' health. Keolis participated in various working groups with other project partners. Keolis launched an inclusive mobility trial in 2019. The outcomes of the trial should be available in 2020.

**Instant System**

A French expert in data and MAAS (Mobility as a Service) solutions for multimodal urban mobility, Instant System is developing an intelligent urban mobility solution via a dynamic carpooling service that complements public transport. Keolis has been a partner of Instant System since 2016.

**PIMMs - Points d'Information Médiation Multi-Services (nationwide network of multiservice information offices)**

The nationwide network of multiservice information offices (PIMMS) are places for local contact and social solidarity where community workers, professionals in social liaison, help people in their dealings with public services. PIMMS also aim to create career development paths for these community workers to help them into sustainable and qualified employment. Keolis is one of the founding members of the PIMMS national union, established in 1998.

**Pôle Emploi**

In 2019, we forged stronger links with Pôle Emploi (the French job centre service) to enable our two networks to work together more

effectively. We held meetings in the Rhône Alpes Auvergne, Ile de France and Nord Pas de Calais regions.

**The Shift Project**

The Shift Project is a recognised public interest association whose mission is to clarify and influence the energy transition debate in Europe. Clarify: by forming working groups on the trickiest and most decisive issues for transition, which provide answers at the right level. Influence: by promoting the recommendations made by these working groups to political and economic decision makers. In 2018, The Shift Project asked Keolis to help produce an action tool to give regional stakeholders the ability to significantly grow low-carbon mobility within their regions. A guide on low-carbon mobility in medium-density areas is due to be published at the beginning of 2020.

**VdF – Villes de France**

Villes de France is a pluralist association of elected representatives of small to mid-sized towns in France, which covers the living environment of nearly one half of the French population (32 million people).

The association represents and defends the interests of towns and inter-municipal areas around which the regions are structured, and provides solid links between urban centres and rural areas. The Keolis-Villes de France partnership forms part of a general move towards decentralisation. It aims to promote discussions between small to mid-sized towns on travel and parking.

**Wheeliz**

Keolis and Wheeliz entered into a partnership in 2016 to round out the transport solutions for people with reduced mobility (TPRM). Wheeliz is the first French website for the rental of adapted vehicles between individuals. These modifications involve the driver's controls or access ramps for wheelchairs. This partnership opens the way for new possibilities, such as getting away for a weekend, going on holiday, proposing a simple and accessible offering to tourists, and potentially absorbing excess demand when the TPRM service is saturated. A number of Keolis subsidiaries have been involved in this partnership: Aix-en-Provence, Bayonne, Bordeaux, Caen, Le Mans, Pam 75, Pam 94, Rennes.

**1.2.5 COMMITMENT TO OUR PASSENGERS**

**1.2.5.1 Operate and develop passenger transport services safely, reliably and with due attention to people – with the ultimate aim being a zero accident rate**

Improving the operational safety of transport services to avoid accidents is directly connected with the meaning of the Group's values: 'We care', 'We imagine' and 'We commit'.

There is a very real risk of serious or fatal accidents to third parties especially for modes involving a high degree of sharing the highway: buses, cars, tramways and where the public area may also be a source of danger (underground railway stations, train stations, passenger areas). Vigilance is also required for vulnerable third parties: pedestrians, cyclists, drivers of other vehicles, passengers in the public spaces under our management.

**Policy**

The Group's ambition is 'Zero Accidents'; this is a milestone and ultimate goal. This is the objective of the Group's safety policy, which was revised in 2019. It is based on 10 fundamentals which involve developing a safety culture and checks and audits, as well as the management of emergencies, which each subsidiary must adapt to its context and specificities, with the Group's support.

The professionalism of all the employees is contributing to achieving this goal, in particular by highlighting the safety of the passenger customers and third parties who share the space with different transport modes.

This important goal was reached for our passengers within the scope of activities in 2019. This is partly the fruit of the actions in recent years to organise and structure the safety management processes.



## Measures

Keolis' network of HSE experts, who are local safety managers, is an essential aspect of supporting operational and maintenance activities worldwide.

The Group's internal control programme has been digitalised in order to evaluate the operation of these safety processes. It is designed to make it easier to check safety measures: checks of vehicles, equipment, verifications that procedures are being applied. It gives managers an instant overview of the local, regional and national situation through automatically populated dashboards. It will be deployed more widely to the Group's subsidiaries in 2020.

Likewise, other safety management processes have been digitised in order to facilitate the control tasks of the Group's managers. Experiments on driving audits using this type of digital support were performed for bus services in Lyon. The positive feedback from field teams led to its deployment to the network's team leaders and on different modes (tramway, underground railway) in 2020. This solution will affect around 250 team leaders in Lyon.

It is essential to monitor driver behaviour in order to check the adequacy of their knowledge and skill levels which continue to be a major issue for our business. Although Keolis did not design or build the transport systems, it is responsible for training the operators in order to provide completely safe transportation services. Several actions have been tested and implemented. For example:

- Keolis must ensure that employees are able to perform safety tasks. Recruitment tests include a psycho-technical assessment to evaluate how candidates behave in the different situations in the same context, they will have to manage as a driver (of a bus, tram, underground railway or train) or as a traffic controller at the Centralised Control Station). These tried and tested assessments are part of a raft of tests designed by the SNCF. This collaboration and transfer of best practices is organised in France and abroad: e.g. Melbourne and Gold Coast (Australia), Hyderabad (India). These tests provide data for a psychologist who after an interview, decides whether to validate the aptitudes, or not, or recommend specific monitoring during qualifying training. Between 200 and 400 assessments are performed in France and over 200 abroad;
- In June, Keolis Deutschland presented a new train driver simulation game, "ZUSI 3", with the slogan "From player to engine driver", in cooperation with Aerosoft and Carsten Hölscher. ZUSI 3 permits anyone to enter a virtual cabin and to drive a train in a very realistic way. The 'Pro version' of the simulator is used to provide training and refresher courses for drivers. Keolis Deutschland has used it for training trainee drivers since September 2018 but it is also used for on-going vocational training for experienced drivers because of the possibility to have different levels of difficulty.

This game could also be an attractive lever for recruiting future drivers. It is particularly suitable for people who aspire to become train drivers because the different options allow beginners to plunge easily into this universe;

- Keolis Narbonne received six new Citaro Buses at the end of 2018 which are fitted with ignition interlock breathalyser devices. Thus, before drivers begin their shift, they have to blow into a breathalyser device for the vehicle to start.

Keolis Narbonne wants to show its passengers that safety is an essential part of 'mobility', by getting ahead of the law (in 2019, this type of equipment is only compulsory in coaches). This initiative will now apply for each fleet renewal of the Keolis Narbonne park.

As previously stated, recruitment, training and verifying processes are an essential basis for preventing and reducing the risk of accidents. For example, each new driver in the Keolis Transit America (USA) subsidiary receives 120 hours of training and 40 hours of accompaniment.

In France, compulsory periodic training (FCO) provides refresher driver training (currently 35 hours every 5 years) with a driver-specific organisation and themes. Teaching methods are going to be transformed by the inclusion of driving simulators (Keolis Regional institutes will be equipped with 3 new immersive simulators in 2020) to make training courses more dynamic and interactive. Driving time and rest time are managed to guarantee passenger safety.

However, the open environment where we work is subject to the dangers connected with mobility especially in urban areas. Several initiatives were set up in 2019 inspired by technological monitoring in 2018 or previous tests (Keolis Transpole in Lille, Bird View 360° system in 2017). The actions are designed to provide support and assistance to drivers so that they are better informed of dangerous situations or that they can warn vulnerable people against putting themselves in dangerous situations. Two examples illustrate this:

- the first is in Bordeaux which is aimed to make the trams or tram tracks more visible. A 'lighted gong' system has been set up. Simultaneously with the noise of the gong, a flashing light at the front of the tram warns vulnerable people of its arrival so that they react in time. The independence assessments performed show a very positive perception of this.

Other innovations have been set up and assessed: a safety sign with a 'rhinoceros' emblem along the tram track; a permanently lit 'panel' sign projected by the tram itself designating the danger zone which must be avoided.

These innovations have been shared with the Melbourne (Australia) network which faces similar situations because of the track layout, with 80% of the network shared with roads causing almost 1,000 collisions per year.

There are also tram safety campaigns using the rhino symbol, for example in Bordeaux and Besançon;

- the effectiveness of Advanced Driver Assistance Systems (ADAS) has been assessed for road transport modes: these systems, which have come from the world of cars, enable the detection of third parties close to the vehicle, and their course and the risk of collision to be measured. The driver is then able to take action to avoid a collision. The assessment by the IFSTTAR (*Institut français des sciences et technologies des transports, de l'aménagement et des réseaux* - French Institute for Transport Sciences and Technologies, Planning and Networks) showed that further development is still required for large vehicles in order to be totally effective. For coach drivers, the simplest solution using radar systems appears to be the best adapted for helping them when manoeuvring. This equipment which must provide real added value for drivers will continue to be tested during 2020.



2019	2018	2017	2016	Indicator
0	1	0	10	Number of passenger deaths due to accidents
28	32	29	28	Number of third party deaths due to accidents

The safety statistics show that again in 2019 the most frequent fatal accidents occurred with third parties including vulnerable third parties, who are de facto unprotected.

Several actions will be undertaken in 2020. For example, a system designed to reduce the risk of major and serious accidents (for passengers or third parties) via a handbrake security application was tested in 2019 for older buses and coaches which are not fitted with alarm systems in the event of the driver's oversight. Thus, drivers are immediately warned if they leave their seats without putting the handbrake on. A first fleet of 20 buses will be fitted in 2020 and will be enlarged to non-equipped buses and coaches in France.

A similar system is being tested to prevent young passengers remaining in a parked coach especially if they have fallen asleep and the driver has not performed the necessary checks. A button has been fitted to the back of the coach which drivers must push when the vehicle has been switched off, compelling drivers to check their vehicles otherwise they will receive a message on their portable telephones. The operating management centre will receive an alert if there is no action from the driver. This system was tested on a vehicle in 2019. It will be deployed more widely to school buses in France in 2020.

### 1.2.5.2 Operate and develop services with due regard for personal safety, protecting assets and ensuring continuity of service

The prevention of petty crime and the security of areas are the basic components of the quality of service which the users of public transport systems operated by the Keolis Group expect. This is a major requirement of the concessionary authorities and a legitimate expectation of passengers and employees in a sensitive context where security and protection are at the heart of societal preoccupations.

All the Keolis Group's commercial entities are committed to operating and developing safe passenger transport and mobility systems for people, protecting goods and property and guaranteeing the continuity of the public transport service. Keolis undertakes to combat:

- fare evasion;
- petty crime;
- sexually-motivated violence and sexist discrimination;
- damage to property;
- terrorism and radicalisation.

This contributes to making transport networks more attractive, with the permanent goal of creating customer loyalty and attracting new passengers.

Security risks, particularly related to terrorism, are included in the Keolis Group risk mapping. It was also deemed appropriate to include them in the group Corporate Social Responsibility strategy.

A Group security policy has been developed for all managers with goals which define Keolis' commitments in this area. It is the cornerstone of a global system which is being completed. It was signed by the President of the Board of Directors and the Group Safety-Security, Environment and Corporate Social Responsibility Director in January 2020.

2019 was devoted to structuring the fundamentals of the Group security function.

## Policy

### THE IMPLEMENTATION OF FUNDAMENTAL TOOLS

A security manual is now available for all the Group's networks. It contains:

- common measures;
- concise summarising memos;
- more complete thematic files with adapted tools and supports.

Because the French networks are subject to the OIV (operator of vital importance) classification under the military programming law, their physical and logic (cyber protection) security has been subject to specific processing.

The government has also notified the large French networks (Lille, Lyon, Rennes, Bordeaux) of their OSE classification (Essential Service Operator) under the law transposing the European OSE directive on cyber security. No European network has been notified at this stage.

### CRISIS CELL AND MANAGEMENT

There has been a major overhaul of the organisations and the tools in this area, by drawing on the lessons learned from major terrorist attacks. This reform concerns:

- the transfer of the Group's obligations to the Security and Antifraud Department (SLAF) and the review of its *modus operandi* (the systematisation and standardisation of lessons learned, training, review of circulation lists and the schedules, renewal of equipment, etc.);
- the development of new tools (Teams, dedicated videoconferencing, OneDrive);
- the finalisation of an exercise programme for the members of the Management Boards of the City Networks and Major City Networks in France; and which it is planned to extend to international networks from 2020;
- writing a guide on the behaviour to be adopted in the event of risks and threats.

### REINFORCING SECTOR PROFESSIONALISM

These new tools, which are pillars of actions for services, were accompanied by a policy favouring this business sector which on average represents 5% of the company's personnel (agents of security, fare evasion and mediation) comprising:

- the appointment of a "business partner" Human Resources Manager within the Group Human Resources Department;
- centralising the recruitment of managers of decentralised departments;
- the professionalisation of managers through tutorials and coaching;



- harmonisation of recruitment by networks with the involvement of the Security and Antifraud Department;
- consolidation of the young manager nursery (see part 1.2.6.4 Develop everyone's skills and support career progression);
- "circular" training inside the networks (by expert managers from other networks).

The business sector's steering role is reinforced inside the security committee, notably via a quarterly meeting of the Security and Antifraud managers of the Major City Networks and City Networks.

#### **A CLEAR FRAMEWORK OF REFERENCE**

As part of the Group's '10 essentials' internal audit programme (see part 1.2.10 Conclusion and outlook) each business division was required to define key control points in 2019. Six control points relating to 'essential security' have therefore been identified. All subsidiary managers will have a clear framework of reference for the essential points to be deployed and managed. Subsidiaries will be the subject of an audit campaign by order of priority, namely:

- following an incident/event;
- to accompany a Director to take up his or her functions;
- recurrently, as part of a triennial programme

#### **THE REINFORCEMENT OF OPERATIONAL PARTNERSHIPS**

The involvement of institutional partners (Police Nationale, Police Municipale, Gendarmerie, Regional Public Finance Department, High Court, Prison Integration and Probation Department) or non-institutional partners (associations involved in conflict mediation or in combatting addictions such as drugs, or which help people in precarious situations in the community) reduces acts which harm users, personnel or the continued operation of services.

The Group has launched a global uniformity initiative for partnership actions by developing agreements on a larger territorial scale, from the regional (Ile-de-France region, for example) to the national (with the General Policing Department (*Direction générale de la gendarmerie nationale*) or the National Agency for the Automated Processing of Contraventions (*Agence nationale de traitement automatisé des infractions*)).

These agreements which are mainly established locally in France are developing abroad in order to fix coordination methods. This dynamism and desire for collective involvement now has a national anchorage for harmonising practices.

#### **FURTHERING INTERNATIONAL DEVELOPMENT**

There were numerous actions in 2019 to increase interactivity with international networks:

- recruitment of someone from the international nursery (see part 1.2.6.4 Develop everyone's skills and support career progression) into the fare evasion and security business sector;
- creation of a correspondents network;
- translation of all the business sector tools and support;
- specific investigations into international networks;
- circulation of French network memo sheets to international networks and exchanges on networks between managers (Manchester in the United Kingdom/Lille, Almere in the Netherlands/Lyon);

- audits of international networks to establish an overview of the situation and compare practices (Boston in the United States, Hyderabad in India, Manchester, Almere).

An annual meeting of the Security and Fare evasion managers will be held in 2020 to share practices and discuss needs and expectations. The two spheres (France and international) of the Security and Fare evasion community will be amalgamated.

#### **Actions**

##### **FIGHTING AND PREVENTING FARE EVASION**

Authorised and accredited ticket inspectors are present on Keolis transport networks to guide passengers, dissuade fare evasion and punish any use of transport without a ticket or the right type of ticket. In addition, they can fine antisocial behaviour that occurs as defined within the framework of transport regulations (smoking in a station, putting feet on seats, parking that disrupts operations, unauthorised activation of alarms, etc.). Their presence prevents fare evasion and dissuades acts of delinquency. They are authorised to intervene during serious events to reduce their impact and assist victims.

The challenges and the levers for advancement are mapped.

A network of correspondents inside the reporting lines will permit the circulation of information, tools or instructions, best practice or alerts, in a standardised format.

This security policy is based on the following principle: 'prevention whenever possible, repression whenever necessary'.

An action plan was implemented in 2019 to accurately identify the challenges for each reporting line (regional managements, International Division platforms) and define an adapted objectives contract.

Furthermore, Keolis has a sustained policy of innovation and is shaping its security strategy on its networks using human and technical systems to fight criminal behaviour using deterrent methods or preventative methods.

The SLAF's Management sits on the Group's Innovation Committee and is engaged inside working groups to develop innovative solutions to reduce risks and facilitate the detection of criminal acts or to optimise the presence of its human control and security teams on the basis of predictive mapping.

Pilot projects ("POC") are also being developed (in the Courriers d'Ile de France, Lille, Besançon, Dijon networks) assisted by start-ups.

The fields being explored are: reducing fare evasion involving access control portals in stations, perimetric and peripheral detection (with tracking), real-time bus video display, as well as measuring fare evasion on buses and use of behavioural sciences.

There were over 22 million controls in 2019 in the Major Networks and Major City Networks which established an offence and resulted in a fine.

##### **FIGHTING AND PREVENTING PETTY CRIME (ANTISOCIAL AND VIOLENT BEHAVIOUR)**

A guide was circulated to all the Group's networks after a test period with three major French city networks (Lille, Lyon and Bordeaux) in response to the numerous assaults against the company's staff who are in contact with passengers and to stop the operational loss due to the absence of staff who have been assaulted. The goal is to reduce the number of assaults on staff and the resulting sick leave by 10% in 2020.

In 2019, 673 assaults on passengers were recorded and 669 assaults on staff which resulted in sick leave were registered in 12 subsidiaries of the Major Networks and Major City Networks.

Several attempts to draft a security target's contract for transport were unsuccessful despite the encouragement of the Savary Act of 2016 for French networks.

In a different measure, Keolis continued its in-depth action in support of preventing reoffending through inclusion actions via a community service project in association with the prison integration and probation department. 14,107 hours of community service were therefore worked inside 10 French networks in 2019.

**FIGHTING SEXUAL HARASSMENT AND SEXUALLY-MOTIVATED VIOLENCE**

Apart from the importance this subject has for Keolis' teams, the Group's French subsidiaries have to inform the public transport authorities of the actions they have carried out. The Savary Act requires them to compile a report of sexual assaults recorded in the public transport system, and include an action plan to combat this type of behaviour.

Internationally we have identified cultural concerns in some countries such as India, the Middle East or the United Kingdom. A survey of the international networks enabled a map of the existing actions to be established. It was circulated at the registered office and to the French networks as part of sharing best practices.

In France, specific actions for combating violence against women have been strengthened across the networks. They have received the support of the State and were relayed by France during its presidency of the G7.

Large thematic campaigns were launched especially inside the Major City Networks. The biggest campaign was in the Lille network where the message was spread during a week's campaign of internal and external versions of messages, posters and face-to-face communication in underground railway stations.

Several French networks contributed to women's safety audit leaflet supervised by the Ecological Transition and Solidarity Ministry.

Lastly, the most significant action in 2019 involved an experiment with, and then the generalisation in certain French networks of, the practise of stopping buses on request after 10 pm. A thematic file and a best practice memo sheet were circulated throughout the Group's networks.

A guide was prepared and is being circulated to provide managers with a Group doctrine and share conclusions on the size of the phenomenon and the way it manifests itself. It also collates the networks' best practices.

Several indicators are monitored such as the number of incivilities and petty crimes against women. 263 acts were recorded across 10 French networks in 2019. The number of communication actions carried out and training courses given as well as the number of assistance mechanisms deployed are also recorded.

**PROTECTION OF PHYSICAL PROPERTY AND CONTINUITY OF PUBLIC TRANSPORT SERVICE**

Vandalism causes a financial loss because of the repairs required, as well as a commercial loss due to the immobilisation of vehicles or the temporary stoppage of the network.

€5.3 million of damage was identified across 10 French networks (compared with almost €5.8 million in 2018).

This cost is exacerbated in France by the waves of urban violence that affect certain cities or agglomerations (Bordeaux, Dijon, Montargis, Quimper) but also because of actions committed during the 'yellow vests' social movement.

The precise knowledge of these costs forms an integral part of the targets for 2020.

The physical property protection strategy is combined with a 'logical property' (cyber protection) strategy which covers the application of directives on the protection of data but also information systems against intrusions, defacing of websites, predation of data or any act of malevolence by hackers.

**FIGHT AGAINST TERRORISM AND RADICALISATION**

Keolis has developed a crisis management approach consisting of a crisis unit and a crisis management process. Classroom training sessions are organised on this topic for managers in subsidiaries and Group directors taking part in the Group's 'on-call' system.

The internal policy has been reinforced to become global, and is embodied in the recruitment strategy as well as initial training and vocational training. The internal policy also deals extensively with vigilance and the detection of deviant behaviour by using an analysis grid in the form of a radicalisation barometer which has recently been supplied to the RH teams and managers. It is in the process of being translated for circulation to the International Division.

The agreements signed by French networks (Lille, Bordeaux) to carry out exercises with the RAID intervention units in 2018 are being duplicated with the forces of the national gendarmerie.

2019	2018	Indicator
673	862	Number of physical attacks on passengers *

\* This data covers 12 large French subsidiaries.

Several projects have begun over the French and international scopes to finalise the global structuring strategy for the security function:

- a better knowledge of security issues and the costs of security, especially through an accurate mapping of security costs and expenses in 2020;
- defining a "purchasing" policy dedicated to security and fare evasion.

### 1.2.5.3 Make shared mobility accessible to all

80 to 90% of frailties are invisible. 30 million people in France are in a position of permanent frailty: disability in the broad sense (problems with vision, hearing, memory, etc.), illiteracy, disorientation...

When a public transport authority selects Keolis to operate its public transport network, it entrusts Keolis with much more than just the management of vehicles and infrastructure. It also assigns a public service mission to the Group. Keolis perceives this role as being at the service of all passengers and providing them with equal access to its transport networks.

This ambition, which is part of its corporate social responsibility commitments, implies that mobility needs to be reinvented to take into consideration all situations of disadvantage, whether permanent or temporary, which anyone could face one day.

#### Policy

To meet this challenge, Keolis makes universal accessibility a permanent requirement and a reflex for each of its employees. The 'Group Accessibility Policy' signed in 2018 bears witness to this, in which it commits to:

- raise employees' awareness to the issues of accessibility;
- change the way disability is viewed;
- support public transport authorities via its experts, spread all over territories;
- convince local government that the purpose of this approach is to enable everyone to get around, smoothly and simply, every day;
- share best practices within the Group but also with our sub-contractors and suppliers.

Keolis is continuing its actions in France and abroad to accompany the deployment of this policy.

#### Actions

Keolis is again supporting the 'Cap'Handéo Services for mobility' label this year by participating in the writing committee for a new benchmark as part of the transformation of the label into a services certification:

- a certification for on-demand transport and individual accompaniment;
- a public transport certification.

The Cap'Handéo label, launched in 2016 in partnership with Handéo, deals with the five types of disability: hearing, sight, motor, intellectual and mental. It is issued by an independent expert to public transport networks that offer adapted services to people with disability. Keolis Montargis, Keolis PMR Rhône and Keolis Caen Mobilités, and the sub-contractor Synergihp de Chambéry are labelled. The aim is to increase the number of subsidiaries bearing this certification.

Keolis is also continuing its efforts concerning digital and telephone accessibility and passenger information:

- digital accessibility: the roll out from the factory to the site (site model) 100% Keolis Web Passenger accessible is continuing. Several subsidiaries chose this solution for their web support in 2019: Moulins, Vitré, Bourgogne, Oise...;

- telephone accessibility/communication: the partnership with Elioiz is continuing. This call centre proposes different types of communication: French sign language, real-time transcription of the spoken word and cued speech. Four subsidiaries are equipped: Paris, Lille, Bordeaux and Caen;

- passenger information: information in the event of travel disruption is a basic expectation of our passengers, notably the most vulnerable. Two periods of work affected tramlines C and A in Bordeaux during the summer of 2019. The information on these disruptions and the proposed solutions was provided in French sign language with subtitles on the website throughout the period of the works.

Consultation and co-construction are also major challenges for deploying an inclusive transport offer which is accessible to the greatest number. Several actions were therefore deployed in this vein:

- in Caen, the subsidiary is coordinating user workshops to improve the mobile application's functionalities. These workshops are attended by people with disabilities (notably visual), the application's developer Kislo Digital, and the Group's experts. Two workshops were held in 2019 and the third is already planned for the beginning of 2020;

- Keolis has forged links with local disabled people's associations and the Social Action Community Centre in Amiens in order to exchange views on the accessibility to the network. The last Community Accessibility Committee meeting for Amiens Métropole was therefore held in the subsidiary's premises in December 2019. Other actions and exchanges of views on digital accessibility and raising awareness among field staff are planned...

In addition, other actions have been set up to make staff aware of different vulnerabilities:

- Keolis' Training Institute offers six training courses on receiving, assisting and sales skills in relation to disabled passengers. 5 out of 6 are dedicated to driving staff and 1 to field staff in contact with facilities:

- initial training for interurban drivers for PRM,
- receiving and taking charge of PRM for the dedicated services of the urban subsidiaries,
- knowing and implementing the right gestures and movements for the PRM activity,
- encourage PRM accessibility in the urban environment,
- taking charge of PRM in the interurban,

- understanding the disability. This creates a better understanding of the expectations and needs of vulnerable people and to adapt accordingly. This module has been delivered to 933 people since 2015 including to 164 employees in 2019 inside all the units of the Keolis Institute (Lille, Rennes, Lyon, Bordeaux, Ile de France);

2019	2018	2017	Scope	Indicator
537	445	674	France	Number of participants in training on Persons with Reduced Mobility at the Keolis Institute

- in France, Arnaud Assoumani is a disabled athlete (sponsored by Keolis) who raises awareness on disability amongst the subsidiaries' employees. This was the case of Keolis Armor in November 2019;
- several sessions per year are organised in Bordeaux for all new bus drivers: "Taking care of people with reduced mobility in our network". This one-day training course combines theory with role play, and enables exchanges with the network's disabled passengers. There were 15 sessions in 2019 and 152 agents trained;
- field staff on the Yarra Trams network in Melbourne (Australia) have been trained in non-verbal communication and are equipped with tools which enable them to communicate with passengers who have difficulty in communicating orally (aphasia, deafness, mental handicap, tourists who don't speak English, etc.). The subsidiary has been officially accredited with the "Communication Access Symbol" since 10 December 2019, International Human Rights Day, by SCOPE (an organisation which represents disabled people and their families). This pictogram which is worn by employees informs people with communication difficulties that they can count on the help of staff who have been trained and possess specific communication tools.

All staff in contact with passengers possess this tool (notably on a tablet) which uses images associated with transport, the tram, city of Melbourne, an alphabet for showing letters, etc. The tool can also be downloaded from the website.

The network's passenger assistance services have also developed:

- a new assistance service for vulnerable passengers on the Rennes STAR network was set up in the autumn of 2019: "STARmeguide". A journey can be made on the network assisted by a STAR guide from stop to stop. This service is designed for people with reduced mobility or disabled people (suffering from a mental, cognitive, psychic problem, or with spatial positioning, memorisation or communication problems) who require assistance when using the bus or metro.

Finally, the subsidiaries have campaigns to promote their accessibility offers to customers.

For example, in Wales, a promotional video was filmed with a leading para-Olympian: Nathan Stephens. This film "Plan your journey" which was released for Disability Awareness Day in July 2019 shows the general public how to organise their journeys on the Welsh network, ask for assistance and travel in complete safety in the vehicles.

**1.2.5.4 Ensure that passengers have an appropriate, pleasant and human experience**

Under the impact of a fast-changing public transport market – increasingly individual and flexible solutions for citizens, digitisation, new mobilities – Keolis is repositioning itself within its trade and asserting its status as an operator and integrator of all forms of everyday transport. Keolis wishes to offer the best experience to its passengers and encourage them to reduce their reliance on private car use.

**Policy**

To do this, it has deployed the 'Thinking like a passenger' program to its teams worldwide. Designed with and for the subsidiaries, this programme makes it possible to design and manage transport networks adapted to the specific characteristics of each community and which meet the individual needs of each citizen. This concrete and collaborative programme is based on three promises as well as tangible evidence:

- Collective Design enables a better understanding of the expectations and experiences of passengers and the public transport authorities in order to build tomorrow's mobility with them;
- Smart Choices concerns the design of multimodal networks and services combining digital and human resources;
- Richer Experience is the promise to go further to encourage citizens to travel.

**Actions**

Keolis is continuing its 'Thinking like a Passenger' action to help public transport authorities increase the portion of shared mobility solutions.

**1.2.5.4.1 Collective Design**

In the first promise, 'Collective Design', Keolis commits to work with all the stakeholders in the regions to imagine the world of tomorrow's mobility together. In an increasingly complex market, Keolis is positioning itself as a partner which public transport authorities can trust and not merely an operator satisfying a single set of specifications. Keolis advises public transport authorities on how to decipher the impact of emerging trends in their regions, choose technological solutions and start-ups, adapt pricing or define modal strategies and investment in the customer experience which are the best fit for the region.

New surveys and studies were enhanced inside Keoscopie, Keolis' mobility observatory in 2019. The observatory is in touch with the new uses and lifestyles as well as the challenges and changes in the regions, and carries out in-depth studies on different topics to clarify the impact on mobility of the social and demographic changes on the region. This innovative approach has enabled tailored mobility policies to be built in recent years which are in phase with the demands of citizens and new systems of mobility.

The surveys and studies carried out in 2019 enabled certain topics to be investigated further and new ones to be explored:

**ACCESSIBILITY**

Keoscopie monitors the mobility needs of French people. There have been several studies in recent years to obtain a better understanding of French people who suffer from invisible vulnerabilities: illiteracy, disorientation, physical and sensorial weaknesses in the broad sense, etc.

In 2019, two qualitative studies focused on the theme of the ageing population and the democratic transition:

- the first, on frailty due to age highlighted the mechanisms which “minimise” or “invisibilise” this type of weakness but also on how to improve the recognition of specific difficulties which elderly people encounter when travelling on public transport (inattentive staff, the digital barrier, “traumatising” experiences such as being pushed or shoved, a fall, the lack of toilets, etc.);
- the second, which was devoted to an important part of the journey which is waiting at the stop, explored the experiences of the oldest passengers (fears connected with insecurity, the fear of falling, etc.) and more broadly underlined how important the location of the stop and its fittings (protection against bad weather, rain wind and sun included, the hustle and bustle of the surrounding environment, etc.).

### LIFESTYLES

Keoscopie monitors the changes in the lifestyles of French people in order to be able to optimise the planning of mobility services. Besides analysing ticketing data, Keoscopie performed a series of studies in 2019 of the lifestyles of 5,500 French people aged 15 to 85 and representative of the urban population. The studies explored the potentialities, methods and the still fairly limited practice of home working (which is only compatible with the job of 42% of French people and practised occasionally by 26% of them). This innovative survey method deepened the knowledge of French people's travelling habits. The results highlighted a great variety of travelling needs for each individual or certain sometimes underestimated reasons: for example, every week, 28% of French urban dwellers travel for a medical reason.

### DIGITAL

Technology is not only transforming travelling but also lifestyles and ways of consuming. Two years after the first survey, Keoscopie again asked French people in 2019 about their uses, opinions and expectations with respect to digital. The survey confirms that although technology is widely seen as facilitating daily life (69% of the respondents considered that digital simplifies their journeys and saves time), a large number also consider digital to be a cause of concern (73% of respondents are afraid that one day they will be surpassed, 2 out of 3 are worried about the lack of control over their personal data) and it is still seen as a real obstacle to overcome or brake on mobility (1 out of 3 sometimes requests “human” assistance for their digital practices and 7% are completely “disconnected”).

In 2019, Keoscopie also sought to identify the impact of e-commerce on mobility and the regions. The survey confirms the broad uptake of this new method of consumption (70% of French urban dwellers made at least one online purchase during the year) and the reconfigurations it is starting to induce.

### REGIONS

Travelling which is unconnected to work or studying is on the increase. Keoscopie has exploited mobile telephone operators' anonymised mobile phone trace data for several years which provides an exhaustive data record of journeys in order to understand mobility inside regions through observing journeys which are not made for work or studying alone.

In 2019, Keoscopie highlighted the results of a survey performed on a new scope of 9 large cities, 7 average cities and 15 small towns in the Centre, Brittany and Pays de la Loire regions of France.

The survey also confirmed, irrespective of the region's profile, the number of journeys made which are unrelated to work or studies between agglomerations, the large number of visitors, or the regional nature of the journeys with a preponderant share of ‘excursionists’ visiting the region for day trips rather than as tourists spending the night there.

Keoscopie also devoted a study in 2019 on average sized cities. The respondents were citizens in 5 cities (Cherbourg, Alès, Châlons-en-Champagne, Nevers, Tarbes) who satisfied specific criteria (people without cars, or with one vehicle for 2, young adults or over 75's, etc.) in order to understand their mobility considerations and their city. These French people, who are often overlooked by surveys, highlighted the poor image public transport systems have in their region (a weak offer, unsuitable to needs, the high price of a ticket compared to the service offered, a disappointing quality of service, etc.).

### INTERNATIONAL

Keoscopie has been conducting international surveys since 2017 to have a better understanding of local contexts and to support the Group's development. A three-part online survey was carried out in 2019 with 6,600 people spread over 37 metropolises and 15 countries. It emphasised:

- mobility practices and expectations notably concerning the complementarity of modes and the market's practices;
- the very fragmented lifestyles which the inhabitants of these metropolises' have;
- practices related to digital.

#### **1.2.5.4.2 Smart Choices**

In the second promise, Smart Choices, Keolis designs multimodal mobility offers and quality services using its in-depth knowledge of the regions and changes in citizens' expectations and behaviour. Keolis therefore designs or improves transport networks to make other both more efficient and more attractive to citizens. Keolis is committed to MaaS (Mobility as a Service) by proposing ever richer and more varied transport offers and by placing intermodality at the heart of the design and operation of networks.

- The first condition for the success of MaaS is to make an efficient mobility offer available to citizens which promotes the synergy between the different modes. They must not only exist together individually but also coherently and in complementarity in order to dissuade citizens from solo driving use.

Keolis extends its expertise to designing and operating multimodal and intermodal networks to all kinds of regions. For example, in Newcastle in Australia after successfully commissioning the tram line, Keolis manages a resolutely multimodal network which, in addition to the tram, integrates the bus network, ferries, on demand transport and a self-drive shuttle. Keolis is also developing multi and intermodality on smaller regions by combining regular operating methods with more flexible solutions which are adapted to small flows. For example, in Bourg en Bresse in France the urban, interurban and school bus network is supplemented by self-hire bikes, on-demand transport, car sharing and carpooling. Cmaubulle there propose an offer of school and extra school journeys between parents.

Numerous dynamic on-demand application based transport services were launched worldwide in 2019. In France, these new services now supplement existing networks in Orléans, Tours, Lyon and Aix-en-Provence. In Sydney in Australia, dynamic on-demand transport provides an effective response to the problem of the first and last kilometres. It optimises evening services in Lille.

- The second essential condition for a Maas offer is: to possess a complete, simple and intuitive application. In order for citizens to be encouraged to give up solo driving they must be able to easily access a transport offer in a region, know the different possibilities for journeys which combine several transport modes/means and be able to buy tickets easily and simply. For example, an application has been available in Lille since 2019 which enables passengers to plan their journeys by taking all the modes/means which are available in the region into account in real-time. The travel card entitles people to unlimited travel in complete freedom on the network (bus, metro, tram) as well on the SNCF network on regional trains which travel between 39 stations on the Lille Metropolis region. The application enables passengers to make reservations, buy tickets and receive personalised notifications in real time. Thus, the Keolis essential criteria for success of the Maas are satisfied: integrated pricing, a choice of shared modes and a rich and simple user experience via the application.

Keolis also promotes shared mobility over solo driving by facilitating ticketing on its networks by smart phones and payment cards becoming transport tickets. Following on the success of Openpayment in Dijon in 2018, Keolis is helping public transport authorities to deploy ticket purchase and validation solutions. Solutions like SMS, NFC, QR code, OpenPayment tickets or payments by validator, were all set up in 2019 in about 20 subsidiaries in France, combining the purchase of the journey with a dematerialised ticket. Varied solutions have been set up which take the technical and financial constraints of the public transport authorities into account as well as requirements of the citizens in each region. The goal remains the same: offer solutions which simplify purchasing and validation in order to win new passengers.

Keolis also made innovations in 2019 regarding passenger information. For example, in Chambéry in 2019, 17 principal stops on the network, busy interchanges and stops (not equipped with Passenger Information Terminals) were fitted with 'Epapers', making Grand Chambéry the first French agglomeration to operationally deploy this technology. 'Epapers' are ultralow consumption screens powered by solar panels or public lighting. Passengers can consult the times of the next buses on them in real-time.

Two 'rudders' were positioned at interchanges with multiple connections between different transport modes in Lyon in July 2019. The 'rudder' is a new system developed by the Lyon start-up vOOg which enables passengers to easily find directions. Made in France from recyclable materials, this 100% mechanical low-tech object with a pivotable head-high face is an innovation in the passenger information field. Its intuitive rotating face can be rotated 360° and enables pedestrians to accurately visualise the route to follow by putting them physically in line with their final destination. It also lists the whole mobility range: bus stops and metro stations, tram stops, carpooling, taxi or bikes.

### 1.2.5.4.3 Richer Experience

The third promise, Richer Experience, aims at proposing a quality passenger experience using a strongly rooted passenger culture and effective communication tools.

- Keolis is continuing to roll out the Keolis Signature Service action which aims to improve the relationship of staff in contact with passengers. This initiative enables customers (passengers and public transport authorities) and employees to identify the areas where the customer relationship can be improved together. 5 new subsidiaries chose to commit to the Keolis Signature Service action in 2019 (Lyon and Besançon in France, Manchester and Nottingham in the United Kingdom, Hyderabad in India). In total, 11 subsidiaries in France and abroad have set up this initiative and six subsidiaries are candidates for 2020. Worldwide, 1,270 staff members have been trained in the visible service actions to be adopted towards passengers.
- There are regular commercial actions and advertising campaigns to promote shared mobility.
- "Without my car" operations in Lille and Dijon have been very successful. The purpose of these operations is to remove the reluctance to use alternative mobility and encourage new mobility behaviour to combat road congestion.

Keolis Dijon Mobilités action is part of the public transport authority's overall mobility policy to promote global alternatives to cars. 110 volunteers therefore "abandoned" their car for one month. The participants received individual support from Keolis Dijon Mobilités' teams. The volunteers gave up their cars in exchange for free bus & tram, Divia Vélodi or Divia vélo subscriptions as well as the benefits of carpooling, car sharing, and bicycle couriers. They also attended workshops (bike coaching, refresher cycling courses) or free tests of cargo bikes, bikes and electric scooters. Nine families decided to sell their cars at the end of this operation. Two extended their car park subscription by one month and 96% of the participants said that they were satisfied with this experience.

The same principle in Lille with the participation of numerous partners. Decathlon supplied bikes and scooters. Citiz, the carpooling operator, offered rental credit of €100 with the registration and subscription to the service. Cmaubulle provided parents with personalised solutions for accompanying their children to school. Happy Moov offered 4 free journeys by bike taxi and Auchan offer 4 home deliveries for purchases of more than €60 made on the store's website.

- Work was undertaken with the Public Transport Authority in Boston in the United States to increase use and revenues. Keolis set up numerous actions to promote the network and encourage new passengers to use it: price promotions, weekend tickets with unlimited travel at attractive prices, advertising campaigns targeting new arrivals to Boston, geolocalised campaigns via Facebook... The results speak for themselves: a 21% increase in use, and revenues up 25% in a year.



2019*	2018	Indicator
90	92	Passenger satisfaction rate (%)
93	94	Recommendation rate (%)

\* At constant scope, i.e. for the 13 networks which participated in the study in 2018 and 2019.

The proof of the success of the 'Thinking like a Passenger' action, the KeoPulse worldwide passenger satisfaction barometer again recorded very good results again in 2019. This second wave included 15 Keolis networks (the 13 present in 2018, plus those of Nancy and Cardiff) and two non-Keolis networks, as a benchmark (Grenoble and Toulouse). In all, 23,000 passengers on 4 continents were surveyed. It shows that 88% of the passengers in bus networks are satisfied with the service they receive from the staff (an increase of 3 points compared to 2018). 87% of passengers feel safe when travelling on our buses (i.e. 2 points more than in 2018). 93% of passengers say they have confidence in our underground railway networks.

## 1.2.6 COMMITMENT TO OUR EMPLOYEES

Keolis considers its 64,530 employees as its first source of added value. That is why the Group strives to offer every employee working conditions and a working experience conducive to their well-being.

The Keolis Group's workforce, which has increased by 6% compared with 2018, comprises 65% drivers and 15% part-time employees. This breakdown has remained stable over the years.

### 1.2.6.1 Maintain the health and safety of employees with the aim of a zero accident rate

Keolis provides mobility services. Three in four employees are involved in the operation of passenger transport (sales staff, drivers, ticket inspectors). In this respect, they are exposed to health and safety risks in the workplace (attacks, musculoskeletal disorders, tripping, etc.). Maintenance staff are exposed to other risks (electrocution, tripping, etc.).

Accordingly, health and safety at work for employees and partners working at all sites and covered areas placed under the local authority of the subsidiaries is a major challenge for the Keolis Group. This challenge is reflected in its values: 'We care', 'We imagine' and 'We commit':

- We care: our ambition is still "Zero Accidents" and involves reducing the number and duration of accidents;
- We imagine: we implement innovations and apply technological developments to our organisation and processes to improve safety;
- We commit: we ensure that action plans and initiatives are identified and implemented.

### Policy

Revised in 2019, the safety policy continues to rely on the 10 main areas comprising it, and on the delegation of management locally through the reporting line of the various Business Units. The revision of the safety policy confirms this approach (see section 1.2.5.1), which is adapted to the Group's decentralised organisation in France and abroad, and applies in different environments from a regulatory, organisational and corporate history perspective.

The 10 areas are detailed in the Group's safety framework. It determines four levels of maturity enabling the subsidiaries to develop their improvement action plan. The Group still seeks to achieve and maintain at least the level 2 "shared practices". A dedicated self-diagnosis enables the subsidiaries to determine their level of maturity and to build the appropriate improvement plans. The maturity level assessment is associated with the annual safety management cycle,

which notably aims to ensure that the initiatives benefit from the necessary budgetary allocations.

In 2019, all international subsidiaries and the 'regions' concerned presented their main safety actions during budgetary reviews.

Lastly, still related to the 10 areas of the safety policy, the Safety Management Framework was established at Group level. Prepared by the Safety Department, this document aims to define the distribution of roles and responsibilities, together with the internal management processes.

The risk-based approach has also been improved. As part of the Group's "10 essentials" internal audit programme (see part 1.2.10 Conclusion and outlook), various transversal departments were required to define key control points in 2019. As such, 10 control points related to employee safety and health at work can be monitored and assessed by the subsidiaries. In so doing, they can develop coverage plans suited to their specific environment and activity.

### Actions

Since the end of 2018, the Group has set itself the goal of reducing the cost of workplace accidents by €10 million per year by 2021.

To this end, three priorities have been identified:

- developing the safety culture;
- preventing risks and managing workplace accidents;
- combating fraud and abuse in workplace accident statements, and claims against third parties responsible for workplace accidents.

For example, the Keolis Dijon Mobilités and Keolis Lyon subsidiaries have undertaken to develop the safety culture through two programmes aimed at training managers and raising their awareness, while also establishing a number of practices to prompt them to drive a change in the behaviour of their teams. 'Seeing' and 'Speaking up' are examples of practices enabling the head of a team to identify risky situations and to interact with the persons involved. The goal is to secure their commitment and to correct working practices and methods of working for greater safety. The maintenance and especially operations businesses are affected (80% of workplace accidents).

In Dijon, more than 40 managers were trained. In Lyon, an initial pilot phase was conducted to approve the training and support provided to managers in 6 units (about 80 managers), and to approve some 12 coaches who will subsequently roll out the approach across the entire structure in 2020 and 2021.

This type of safety culture development strategy was also implemented in Australia with an equivalent model (implementation in Gold Coast in 2019). The Melbourne and Keolis Downer Bus (Newcastle) subsidiaries



in Australia rolled out part of the same programme in their respective scopes. At the end of 2019, Keolis Hyderabad (India) selected a local partner to support them with this type of approach in 2020. There are also plans for internal coach training.

Regarding the prevention of professional risks, each subsidiary must identify the professional risks to which each of its employees may be exposed. Prevention and reduction measures are established to limit the occurrence and severity of accidents. In France, the Document Unique d'Evaluation des risques et de Prévention (Single Document for Risk Assessment and Prevention), commonly called the 'Single Document', sets out these measures. It is revised at least annually, or as and when necessary. Internationally, the "risk register" has the same purpose and fills the same role. Locally, the subsidiaries deal with risks (including psychosocial risks) that could affect the physical or mental health of employees. With this type of risk, and more particularly for those resulting from attacks, a guide has been developed for the heads of operations, safety and anti fare evasion.

It should be noted that the reduction of occupational diseases is focused on the main risks, such as musculoskeletal disorders and asbestos, in particular. Occupational diseases account for a very low portion of the professional situations that actually occur. The programmes are thus managed locally.

A first phase of digitalisation led at the end of 2018 has made it possible to set up a workplace accident registration and analysis tool within France. In 2019, the functionalities of this tool were supplemented by a module for the digitalisation of the Single Document, and a root-cause analysis module. They now compare the identified risks with the accidents that occur to check and strengthen protective measures. Thanks to this first phase of digitalisation in 2019, we already have

a greater ability to analyse the circumstances and consequences of accident situations.

This summary will make it possible to target the Group's actions, to prioritise actions implemented locally, and will also enable subsidiaries to compare themselves to sites with a similar activity.

Internationally, prevention processes are also highly developed and focus on the major or most frequent risks. In Melbourne, Yarra Tram developed rules for working in an electrical environment, in order to formalise employee safety measures applicable to employees and any external workers. Called the 'Yellow Book', these rules aim to reduce the risk of accidents in such an environment.

The teams of Manchester (KAM), London (KAD) in England, and Wales & Border (KAW) in Wales have implemented 'life-saving rules' that provide a visual, clear reminder of the essential safety rules to follow under all circumstances. In Boston (KCS), United States, training for compliance with safety regulatory requirements (Testing & Observations - FRA) was provided to more than 50 managers. They were trained to remind employees of the checks to be conducted.

Lastly, the highlight of the Group's safety sector coordination efforts this year was the International Committee, which meets every two years. The committee met in Lille between 11 and 13 June 2019. It gathered more than 80 people from the occupational health & safety community (directors, safety managers or officers) working in the Group's subsidiaries. 15 countries were thus represented. The programme covered the Group's main challenges and shared the best practices implemented in the subsidiaries.

All of these actions show the Group's and subsidiaries' determination to ensure the safety of employees and external workers at its sites and controlled locations.

2019	2018	2017	2016	Indicator
38.6 (France)	42.30 (France)	46.06 (France)	44.21 (France)	Frequency rate of workplace accidents
26.1 (International)	28.50 (International)			
4.63 (France)	4.61 (France)	4.49 (France)	4.29 (France)	Severity rate of workplace accidents
2.8 (International)	2.71 (International)			
0	1	-	-	Number of employee deaths due to a workplace accident (excluding home-work journey)

In France, the 2019 figures show an 8.4% decline in accident frequency, which can be linked to the various actions undertaken in recent years in France and abroad. The number of days lost due to attacks represents 25.2% of the total figure in France (vs. 16.1% in 2018).

**1.2.6.2 Give each person the opportunity to get a job and to develop their career within the company according to their skills**

Keolis considers that stereotypes are the main obstacle to integration. Moreover, in addition to French and international regulatory requirements, the fight against all forms of discrimination when hiring and throughout an employee's career is a matter of respect for human rights and fundamental freedoms. Lastly, the Public Transport Authorities have expressed their expectations in this regard.

Throughout its businesses and subsidiaries, Keolis implements policies aimed at reinforcing its commitment not to allow any discriminatory practices.

**Policy**

The Keolis Differentiation and Commitment policy is based on this principle of non-discrimination.

It comprises six commitments aimed at combating all forms of discrimination, whether based on considerations of gender, origin, age, disability, sexual orientation, etc. The policy thus acts in favour of persons likely to be discriminated against by:

- encouraging their recruitment;
- facilitating their employability;
- guaranteeing fair rules in their career;
- contribute to changing the way women are considered in the areas of public transport and associated professions;

- developing local partnerships;
- considering work-life balance.

The purpose of this policy is to give each person the opportunity to get a job and to develop their career within the company in line with their skills.

Furthermore, through its KeoLife continuous improvement programme, Keolis enables each subsidiary to measure its level of maturity in order to adapt an anti-discrimination action plan.

## Actions

### COMBATTING DISCRIMINATION

To enhance the anti-discrimination action plans, Keolis provides its subsidiaries in France and abroad with adaptable and customisable tools.

Since 2018, Keolis has been developing operational tools to combat discrimination during all HR processes (recruitment, career development, mobility, etc.). These 'essentials' are available in French and English so that the Group policy can apply to all on a worldwide basis. At the request of the subsidiaries, two areas have been developed: disability and gender equality.

To support this approach, an online training module called "Vivre Ensemble La Diversité" (Living together with diversity) is available in seven European countries (France, Norway, Belgium, United Kingdom, Sweden, Germany and Netherlands).

At the same time, local training and awareness-raising initiatives are implemented by subsidiaries during KeoLife Week or dedicated

events. As such, in June 2019, Keolis Bordeaux Métropole, Keolis Lyon, Keolis SA and Keolis Ile de France invited outside organisations (Klesia, Handéo, etc.) and Arnaud Assoumani, a disabled athlete and Keolis partner, to raise awareness of the fight against discrimination.

Through its subsidiaries, Keolis continues to develop partnerships with organisations based in their regions to integrate people for whom access to employment is more difficult.

Keolis also works with regional units specialised in re-training employees, the French Ministry of Defence and the national police force, with the aim of providing new opportunities to people over the age of 50 and people seeking a career change.

At the same time, Belgium has set up several initiatives geared towards the integration of young people in difficulty and so-called precarious populations, such as refugees.

In May 2019, Keolis Nederland (Netherlands) obtained the second level of certification as a social entrepreneur for its strategy of integrating people in vulnerable situations on the job market by helping them find long-term, quality jobs. Among the actions carried out as part of this approach, the Dutch subsidiary of Keolis offers adapted working conditions and works in collaboration with social entrepreneurship partners.

Keolis also addresses diversity and inclusion in its "Designing Experiences" Employer Brand launched in September 2019 (see part 1.2.6.4 Develop everyone's skills and support career progression). 25 ambassadors represent Keolis employees on social networks. In November 2019, they embodied the wealth and diversity of our employees' profiles in a national recruitment campaign.

### GENDER EQUALITY

2019	2018	2017	Indicator	
20.12%	20.09%	19.83%	Keolis S.A. and subsidiaries	
22.21%	22.32%	22.24%	France	
11.84%	12.23%	12.35%	Sweden	
26.25%	26.09%	24.49%	United States	
18.35%	16.95%	16.78%	Australia	
18.68%	16.90%	16.53%	UK	
15.59%	15.64%	13.50%	Belgium	Percentage of women in the total workforce by country
16.82%	16.50%	15.69%	Netherlands	
16.05%	16.33%	16.81%	Denmark	
9.41%	8.84%	10.18%	India	
25.58%	26.69%	26.73%	Canada	
19.98%	20.84%	19.81%	Germany	
31.09%	31.06%	30.33%	Norway	
37.87%	37.24%	35.90%	France	Percentage of female managers in the total number of managerial employees
28.09%	23.06%	24.30%	International	Percentage of female managers in the total number of managerial employees
17.62%	17.83%	17.50%	Keolis SA	
19.36%	19.64%	19.50%	France	Percentage of women in the total number of drivers
15.49%	15.51%	14.80%	International	

2019	Indicator
33%	% of women on the GROUPE KEOLIS S.A.S. Supervisory Board
12.5%	% of women on the GROUPE KEOLIS S.A.S. Executive Committee
50%	% of women on the Keolis SA Board of Directors

Keolis has been carrying out actions in gender equality for over 10 years.

Since 2016, Keolis has been assisting its subsidiaries to obtain the Gender European Equality and International Standard (GEEIS), which is awarded to companies that undertake action to promote gender equality. Additionally, Keolis is the first transport group to obtain this recognition.

To further support this development, Keolis has implemented a certification kit that includes instructions, a standardised action plan, a presentation template for the audit, and turnkey actions and events. These shared tools are aimed at harmonising the practices of subsidiaries and encouraging the sharing of experience.

In 2019, 87% of Keolis employees were working in an entity with gender equality certification. Belgium and India underwent their follow-up audits in 2019.

In parallel, the subsidiaries continued to implement actions in favour of gender equality in the Group.

In 2019, Keolis Hyderabad (India) renewed its self-defence workshops for female employees. This action is part of a global employee safety policy, particularly for women. Moreover, a gender equality committee was set up in January 2019 to change mentalities.

As part of an annual survey of local commitment, Keolis Hyderabad polls its employees to assess its diversity policy.

The group also promotes its commitments to gender equality outside the company. Keolis is a founding member of the gender equality think tank Arborus. In 2019, within this think tank, it participated in working groups held in Paris, New York and Brussels. Moreover, GEEIS trophies were awarded at an event organised at the United Nations on 16 September 2019.

Keolis also ensures that it enforces equal pay between men and women across the organisation. In France, category pay grids are applied in all subsidiaries to prevent any risk of inequality between holders of the same job.

In addition to internal studies carried out regularly to measure the pay gap between men and women, the five Group entities subject to the equal pay index for women and men, which requires a minimum score of 75, published their results on 1 March 2019:

- Keolis SA and Transpole (Lille) achieved a score of 88/100;
- Keolis Lyon and Keolis Rennes achieved a score of 90/100;
- Keolis Bordeaux Métropole achieved 100/100.

**DISABILITY**

2019	2018	2017	2016	Indicator
1,902	1,554	1,470	1,422.79	France
5.64%	4.68%	-	-	
In number of employees			In beneficiary units	
				Total number of workers with disability
				Percentage of workers with a disability

Every subsidiary in France and internationally must comply with its own local legislation in terms of disability.

In 2018, Keolis set up tools to help them implement actions to encourage recruitment and inclusion of people with disability. Available to all countries, these tools are in line with the International Labour Organization (ILO).

In France, a video and four comic strips aimed at raising awareness internally were given to Human Resources managers in subsidiaries. A booklet presenting the policy and another explaining the process for declaring disability were published.

Outside France, Human Resources managers have access to a booklet presenting Keolis' general policy for disability as well as a video raising awareness about the issue.

Keolis Lyon signed a disability agreement with its social partners. This agreement led to a complete diagnostic in 2018 and action plans were implemented in 2019.

This year, Keolis renewed its partnership with the Paralympic athlete, Arnaud Assoumani. The subsidiaries of Lyon, Rennes and Quimper

held an awareness-raising conference for their employees as well as a network accessibility test.

Keolis Downer – Gold Coast (Australia) also renewed its PIDD (Person with Intellectual and Development Disabilities) programme in 2019, which has existed since 2015, in partnership with the 'Australian Special Olympics' international association. This association encourages people with intellectual disability to do sport. In 2019, several people with Down Syndrome took part in a work placement in the company's general services department. This programme allows participants to gain a first professional experience, raises the awareness of employees to intellectual disability, and enables people with a disability to join the workforce.

At the European Disability Employment Week held from 18 to 24 November 2019, the Keolis Ile et Vilaine sector (Keolis Armor, Keolis Ille-et-Vilaine and HANDISTAR) organised an awareness-raising day focused on disability in the workplace on Thursday 21 November 2019. Workshops hosted by teams in the sector and the provision of interactive terminals enabled about 100 people to understand different types of disability (whether sensory, physical or mental).

#### 1.2.6.3 Engage in increasingly constructive employee dialogue

As a transport Group serving its customers, Keolis' development relies on the professionalism of its employees, together with their motivation and commitment. The quality of employee dialogue within each entity is thus an essential performance driver for the Group; it is a prerequisite to successfully accomplish the mobility projects defined by public transport authorities.

##### Policy

As from 2010, a European Group Committee was established to ensure the best possible representation of Keolis employees operating in European Union Member States.

Twice a year, this European Group Committee brings together employee representatives from the German, Belgian, British, Danish, French, Dutch and Swedish subsidiaries to discuss all transnational issues concerning the Group's activities at the European level (employment situation, organisation, governance, Corporate Social Responsibility, calls for tenders, business issues, collective programs and their follow-up) as well as the financial statements, budgetary outcomes and strategic directions defined.

It currently brings together 15 members of seven different nationalities (determined based on the country's actual workforce) and has an operating budget tailored to its needs.

A France Group Committee has also been set up to represent all employees working in the Group's French subsidiaries. It meets twice a year and comprises 13 representatives appointed by the trade unions representing the Group.

In particular, this body is informed of regulatory developments affecting labour relations in France (e.g. reform of the Staff Representative

Bodies, changes in the rules relating to social protection, training reform, etc.), changes in activities, organisational issues, employment trends and Keolis' economic, financial and social situation.

Lastly, each subsidiary has representative bodies according to the national rules applicable to it. The organisation, prerogatives and obligations with respect to these bodies vary widely from one country to another.

However, to foster even more constructive employee dialogue, Keolis provides the staff representatives of its entities with significant resources that go beyond those required by law.

##### Actions

In France, in view of the orders issued on 22 September 2017, the years 2018 and 2019 were particularly marked by significant and widespread negotiations aimed at providing all subsidiaries in this country with a Social and Economic Committee before 31 December 2019.

As Keolis began this social project immediately after the legal texts were published, this target has been achieved.

All the subsidiaries concerned are thus covered by this new and single body, which replaces all previous Works Councils, Staff Representatives and Health, Safety and Working Conditions Committees. 91.5% of French subsidiaries have established their Social and Economic Committee by a company-level agreement.

Lastly, Keolis ensures that all the subsidiaries have the tools they need to develop labour relations to the best of their ability. The Group is thus regularly involved in trade associations (French National Passenger Transport Federation, French Union for Public Transport, and International Union for Public Transport) and leads the Human Resources community of the Group's collaborative platform to develop social expertise, share experiences and disseminate cross-disciplinary practices.

2019	2018	Indicator	
98%	98%	Keolis SA	Rate of cover of employees by an Employee Representative Body
0.18	0.17	France	Conflict rate (excluding conflicts relating to national issues)
91%	-	France	Rate of NAO agreement signed with social partners

#### 1.2.6.4 Develop everyone's skills and support career progression

Attracting and retaining talent is a challenge for Keolis. Training, including that of young and future managers, is a fundamental component of economic performance and employee retention.

##### Policy

##### RECRUITMENT

To attract top talent and foster their loyalty, Keolis rolled out its new Employer Brand in 2019. This initiative should help the Group stand out for candidates by reflecting who we are, what our mobility vision is and what experience we offer our employees. Co-developed with more than 2,000 employees around the world, it is embodied by our employees and underpinned by four themes:

- our businesses are meaningful: at Keolis we are proud to be useful and to perform a public service;

- meeting people enhances our lives: at Keolis, we encourage team spirit and collaboration;
- we can develop: working at Keolis means discovering new possibilities;
- we are agile: the Keolis experience means being agile and mobile.

Thanks to the diversity of its locations, subsidiaries and businesses, anyone can build a career at Keolis while benefiting from support and training.

##### TRAINING

Keolis' training policies aim to maintain the employability of employees in their position as well as their well-being at work at each stage of their career, to meet regulatory requirements, particularly in terms of safety, and to help attract and retain new employees. Beyond this, Keolis provides substantial training resources to support its employees in dealing with the changes underway in the mobility sector (digital, new mobility solutions, energy transition, etc.) and further its strategic development objectives.

Keolis is committed to developing the skills of each employee according to their area of expertise to foster their career development, facilitate internal mobility and master key skills for Keolis' growth. Training has therefore been designed according to a logical career path and is aimed at all managerial and non-managerial employees.

By way of example, in addition to regulatory training, Keolis offers more than 10 training courses for drivers on subjects ranging from eco-driving to accessibility, customer relations, etc., notably through the Keolis Institute.

Indeed, Keolis has an internal training institute - the Keolis Institute - aimed at all managerial and non-managerial employees. In 2019, the Keolis Institute provided more than 300,000 hours of training to 13,000 interns. The Keolis Institute's training catalogue is regularly updated and includes 236 different programmes.

Keolis intends to accelerate the reinforcement of the company culture, through the development of a common level of know-how in

all countries in which it operates, and the support provided in setting up in new markets.

In 2018, Keolis launched an online training portal with a range of foundation training courses available on the arrival of a new employee: presentation of Keolis, regulatory framework for mobility, office tools, etc.

**Actions**

In 2019, 3.94% of payroll was invested in training, representing more than three times the French legal obligation.

Major efforts have been made to develop distance learning with new Group programmes on topics such as passenger risks, absenteeism management and introduction to operations, as well as programmes specific to France, such as the impact of the Savary Act or Okapi tools (the Group's operating app). By the end of 2019, approximately 11% of the training programmes were available in digital format, with a target of 21% in 2021.

2019	2018	2017	2016	Indicator
1,658,504	1,497,289	1,321,701	1,021,132	Total number of training hours
43,678	39,466	37,418*	34,118	Total number of employees having received training
68%	63%	63%	60%	% of employees having received training

**YOUNG GRADUATES**

Created in 2008, the Keolis Graduate Program, is aimed at training our future managers in operations, maintenance, marketing, safety and fare evasion. The courses range from 12 to 24 months. They are divided into periods of practical learning and immersions in subsidiaries to enable young graduates to gain a better understanding of transport professions. In 2019, Keolis hired 33 new graduates. Overall, more than 100 former young graduates still work in the Group in management and business expertise positions.

Keolis also offers VIE (Volunteer for International Experience) positions that allow young Europeans under 28 years of age to take up international positions for a period of 12 to 24 months. In 2019, Keolis welcomed 30 VIEs in 10 countries.

In addition to young graduate training and VIE positions, Keolis maintains special relationships with partner schools in order to facilitate the integration of young graduates into the job market. In 2019, Keolis signed a partnership with the Ecole Nationale des Travaux Publics de l'Etat (ENTPE - National School of Public Works of the State) to strengthen its relationship with this school, which offers training courses particularly related to Keolis' businesses. As part of this partnership, two days were focused on a Business Game, the 'K in Keolis'. The students put themselves in the shoes of a private operator and design an innovative, high-performance and sustainable transport offering that they will then have to defend before the Organising Authority. This simulation allows students to discover the public transport professions and to envisage themselves in our organisations.

**CAREER MANAGEMENT**

The Talent Review, which takes place every year from April to September, is an essential part of career management for managers within the Keolis Group. In 2019, this process, which involves sharing views on the future of employees between HR and managers, was extended to 3,160 people in 16 countries, i.e. 35% more than in the previous year, thus making it possible to broaden the appreciation of the potential and performance of the Group's managers and experts.

**1.2.6.5 Promoting employee commitment and well-being**

Well-being at work meets the emergence of new labour requirements, which is expressed in new employee expectations.

The Group operates in a competitive environment, with calls for tenders and other high-stake projects (launch of a new network, implementation of a new ticketing system) being sources of pressure.

Keolis has a strong conviction: operational performance and successful projects closely rely on strong commitment from its employees and their wellbeing.

These factors of attractivity and retention are key components of its employer brand and should help Keolis stand out when addressing local authorities as part of new contract bids or contract renewals.

#### Actions

With this in mind, the KeoPeople approach has been under development since the end of 2018. As an integral part of the KeoLife corporate programme, it aims to ensure that the Group values – “We imagine”, “We care”, “We commit” (see section 1.2.1.1 Business model) – are implemented in the different operating entities, in practices and in managerial attitudes.

Following an analysis conducted in 2018 on surveys carried out by the subsidiaries, Keolis developed a commitment survey in 2019. This survey aims to measure employee commitment and the ownership of the Group’s managerial policy (KeoPeople) at each level of the company. Conducted among all Group employees, it will provide an annual commitment indicator made up of 22 questions as of 2020. The survey will be rolled out in the first half of 2020 through a Group platform.

2019	2018	2017	Indicator	
8.98	-	-	Keolis SA	Average seniority (years)
6.11%	5.88%	6.03%	Keolis SA	Rate of absence for sick leave
0.18	0.17	-	France	Conflict rate in France (excluding conflicts relating to national issues)

#### 1.2.7 COMMITMENT FOR THE ENVIRONMENT

By its definition, public passenger transport is a more environmentally-friendly alternative to solo driving. To reinforce this fact, a certain degree of exemplarity is expected from operators, by elected representatives and by citizens.

In this regard, Keolis has made the control of the environmental impacts of its activities a strong commitment of the Keolis Group’s Corporate Social Responsibility (CSR) strategy.

Environmental analyses highlight the following risks: energy/carbon, waste, and water.

Depending on the local context, other environmental risks may appear as significant (example: soil pollution, noise, floods, drought, etc.). The subsidiaries with ISO 14001 certification must regularly update their environmental analysis.

#### Policy

Consequently, the Keolis Group’s environmental policy, revised in March 2019, sets out the following commitments:

- improve its energy and carbon efficiency;
- increase the waste recovery rate;
- control water consumption.

They are completed by three commitments that are more general:

- conform with its obligations to comply with regulatory requirements and other contractual or voluntary commitments towards its stakeholders;
- protect the environment by controlling the environmental impacts of its activities;
- prevent pollution.

It is aimed at all its activities (operation, maintenance, commercial, administration).

The Keolis Group’s environmental approach applies to all its activities and is integrated into the continuous improvement programme, KeoLife. It is managed by the Safety Security Environment and CSR Department. It coordinates the Environment experts of Keolis Group subsidiaries. Environmental risks have been included in Keolis’ mapping of risks, which is updated at least once a year by the Internal Audit and Control Department.

A simple self-assessment is provided to all operational subsidiaries in which the Keolis Group has a controlling interest. It specifically highlights major environmental impacts: energy/carbon, waste, water. Local risks are identified and monitored by the subsidiaries.

In addition, the activities with ISO 14001 certification undergo internal controls and audits, the frequency of which is defined by the entities. The subsidiaries concerned are audited each year by an independent expert, or at least every three years (depending on sampling rules).

2019	2018	2017	2016	Indicator
27,973	25,555	21,673	18,693	Number of employees under ISO 14001 certification
43%	42%	35%*	33%	Percentage of employees under ISO 14001 certification

In 2019, new subsidiaries are certified ISO 14001, such as Wales & Borders in Wales, which was integrated into the consolidation scope of Keolis, and Bus Verts and Grand Tarbes in France. Several subsidiaries also extended the scope of application of their ISO 14001 certification: Keolis Lyon, Keolis Tours, Planche, Montargis in France, Keolis Commuter Services in Boston (USA). Lastly, Hyderabad (India) increased the number of employees performing a certified activity by extending the network operated. The increase in absolute value

is more marked than in the percentage of employees, given the total increase in the workforce.

At Keolis, while accident management mainly targets the safety of people, it also covers major and catastrophic accident situations that may harm the environment. Furthermore, the Keolis Ethic Line whistleblowing system (see section 1.2.3 Principle 2: Fair business practices) also makes it possible to identify possible serious damage to the environment.

The Group Internal Audit and Control Department has asked several cross-functional departments to define key control points. They are set out in a programme called "The 10 essentials" (see part 1.2.10 Conclusion and outlook). They identified five control points relating to the environment. All subsidiary managers will have a clear frame of reference of the essential points to be deployed and managed.

### Actions

Resource consumption is directly linked to the development of Keolis business. Until now, environmental performance has been assessed with respect to the number of kilometres travelled. There is work under way to measure this by also measuring it against the number of passengers transported.

2019	2018	2017	2016	Data
1,161,846,529	1,083,044,893	1,033,298,008	987,357,341	Kilometres travelled (all modes)
83%	88%	90%	90%	Percentage of buses, coaches and trolley buses
9%	9%	8%	8%	Percentage of trams and underground railways
8%	3%	2%	2%	Percentage of trains

The increase in the number of kilometres travelled between 2018 and 2019 is mainly due to the inclusion of the Welsh subsidiary Wales & Borders in the consolidation scope.

For its part, waste performance is assessed independently of the kilometres travelled.

#### 1.2.7.1 Offer low-energy, low-carbon mobility

Energy consumption is the main environmental impact of our activities. Keolis assists the public transport authorities with the energy transition of their local areas.

The improvement of energy efficiency is thus one of the goals of the Keolis Group's environmental policy. Furthermore, the regulatory context for energy efficiency and lowering of the carbon intensity of the energy mix has been reinforced, in particular in the transport sector.

An Energy committee meets at regular intervals. It is made up of representatives of the Keolis Group divisions concerned. These meetings make it possible to share targets, initiatives and results.

In 2018, a plan to prioritise energy saving actions was sent to all Keolis Group subsidiaries. This tool was developed in consultation with 14 subsidiaries from five different countries (United States, France, Netherlands, United Kingdom, Sweden). It allows subsidiaries to establish their own action plan in terms of energy saving by identifying actions to implement and prioritising their local deployment.

During the international committee meeting of all the Group's Environment experts, a workshop was organised to identify the barriers to and drivers of these priority actions.

To improve its energy performance and its carbon efficiency, the Keolis Group is focusing primarily on three main areas:

#### 1.2.7.1.1 Improvement of behaviour

Eco-driving remains a major contributor to reducing the fuel consumption of vehicles. It enables a 5% reduction in fuel consumption. Simulator training, offered in particular by the Keolis training institute increases the awareness of bus, coach and tram drivers of the benefits of eco-driving. In 2019, 224 people took the "Discovering the principles of eco-driving" course at the Keolis Institute. Eco-driving is also included in the mandatory periodic training of drivers (FCO). Some subsidiaries have set up reward systems based on driver performance. For example, in Dijon, five bus drivers received at a ceremony, an award and a voucher for a locavore grocery.

Today, 3,607 vehicles are fitted with an eco-driving assistance system. For example the KD Bus network in Australia has fitted out more than 500 new vehicles.

The Purchasing Department has also included technical specifications relating to eco-driving equipment in new vehicle orders.

The Keolis Group also advocates raising driver awareness of eco-actions, such as turning off the engine when at a stop or in parking zones.

#### 1.2.7.1.2 Measuring and controlling the energy efficiency of entrusted assets

The environmental approach of the Keolis Group includes as a minimum the monitoring and control of the energy consumption for buildings and commercial vehicle traction.

Actions may be implemented locally, such as optimising the schedule of underground railway/tram, changing lighting on buildings and on rolling stock, installing solar panels or switching off stations when they are not in use. These are some of the initiatives proposed in the energy action plan launched in 2018.

2019	2018	2017	2016	Indicator
4.79	4.75	4.67	4.71	Total energy consumption (traction and site) in kWh/km
4.50	4.45	4.41	4.45	Traction energy consumption (all methods) in kWh/km
3.84	3.80	3.80	3.86	Traction energy consumption of buses, coaches and trolley buses in kWh/km
4.81	4.66	4.80	4.70	Traction energy consumption of trams and underground trains in kWh/km
11.3	23.8	27.5	26.5	Traction energy consumption of trains in kWh/km

In 2019, the traction energy consumption of commercial vehicle fleets represented 5,233 GWh while that of sites was 337 GWh, amounting to a total of 5,570 GWh. Traction energy consumption is significantly higher than site energy consumption (94% since 2016). Traction energy consumption per kilometre (all modes) remains unchanged because of the high proportion "buses/coaches/trolley buses" which has remained stable in the last few years.

Conversely, the drop in train energy consumption per kilometre is due to the consolidation into the Group scope of the Wales subsidiary, which has a greater energy efficiency than the other subsidiaries that use rail diesel.

Greenhouse gas emissions (GHG) produced by the Keolis Group's activities are proportional to the energy consumption of commercial

vehicles, the leading source of emissions, and to energy use by buildings (heating, lighting). The emission factors used mainly come from the Base Carbone® a database of the French environment and energy management agency (ADEME) and from the International Energy Agency. They take into account the upstream and combustion phases of the various energy sources used for CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. They are expressed carbon equivalent (CO<sub>2</sub>e). Full details of these factors are available on request from communication@keolis.com.

The task of measuring and reducing GHG emissions are mainly carried out by subsidiaries either on a voluntary basis or in compliance with regulations. This is because reduction action plans must be defined and assessed locally, mainly due to the quantity and variety of contracts, and types of network operated.

2019	2018	2017	2016	Indicator
1,445	1,410*	1,332*	1,325*	Total greenhouse gas emissions in g CO <sub>2</sub> e/km(traction and sites)
1,345	1,314*	1,259*	1,258*	Traction greenhouse gas emissions (all modes) in g CO <sub>2</sub> e/km
1,058	1,055	1,045	1,049	Bus, coach and trolley bus greenhouse gas emissions in g CO <sub>2</sub> e/km
1,874	1,649	1,434	1,376	Tram and underground rail greenhouse gas emissions in g CO <sub>2</sub> e/km
3,815	8,195	9,219	8,941	Train greenhouse gas emissions in g CO <sub>2</sub> e/km

Greenhouse gas emissions from sites represent 116,561 tonnes of CO<sub>2</sub>e, and emissions from commercial traction account for 1,562,798 tonnes of CO<sub>2</sub>e, making a total of 1,679,359 tonnes of CO<sub>2</sub>e. Traction greenhouse gas emissions are substantially higher than emissions from sites, i.e. 93%.

The increase in greenhouse gas emissions per kilometre is linked to underground railway emissions, in particular from the Hyderabad (India) subsidiary, which doubled its activity between 2018 and 2019 with the opening of several kilometres of lines (the electricity emission factor in India is very carbon-intensive). At the same time, emissions per kilometre for trains dropped as a result of the consolidation of Wales and Borders (Wales), which is more energy-efficient.

The comparison of energy efficiency and carbon efficiency would be more accurate if consumption and emissions were compared not only to the kilometres travelled but also the number of passengers transported. This is because it is logical that high-capacity passenger transport modes consume more energy because they transport higher loads. Conversely, their energy and carbon balance is much better than the sum of passenger cars that would be needed to transport an equivalent number of passengers.

#### 1.2.7.1.3 Supporting public transport authorities in their initiatives to improve the environmental performance of their fleets

On many contracts, the public transport authority owns the fleets of vehicles that are made available to operators. Nevertheless, public transport authorities are increasingly including environmental requirements into the specifications given to applicants who bid to operate and manage public passenger transport.

The Keolis Group deploys its strategy to support public transport authorities, all the while taking current legal developments into account. For example, Keolis analyses the constraints linked to each contract, rolls out its offering and then capitalises it to share its experience with other contracting authorities.

At Keolis, the energy transition approach implements an overall and systemic approach that takes the following into account, on a case-by-case basis:

- current or future regulations in the Country, town or region;
- desired or expected objectives in terms of pollution (CO<sub>2</sub>, NO<sub>x</sub>, particle emissions, as well as noise);
- a global approach that takes into account the entire energy production cycle (from well to wheel), vehicle and equipment manufacturing, operation and deconstruction and/or recycling,
- a local approach that focuses on emissions produced in urban areas or in the region, as close as possible to inhabitants, during the operation of vehicles;
- pre-existing performance, state and age of the vehicle fleet and scheduled changes;
- the technical feasibility of building a service adapted to transport demand: vehicle autonomy, access to energy sources (bio-fuel, electricity, hydrogen, etc.), service robustness requirements, presence of suitable depots or the possibility of modification, pooling of infrastructures, complementarity with other modes of transport, topography of lines, vagaries of the weather, etc.;
- economic feasibility.

Keolis thus supports the energy transition by contributing its practical experience as a day-to-day operator, over and above theoretical approaches. Issues such as operational robustness (reliability of equipment, performance in fall-back mode, etc.), the efficient deployment of the necessary infrastructure (depots, reloading, etc.), the quality of service to users and, of course, the overall economy of the system, must remain at the heart of the approach because, ultimately, they are the expression of what the purpose of a public transport system serving passengers should be.

For several years, Keolis has invested in a range of solutions to reduce the environmental impacts of its activities, often as a forerunner in the field. The solutions implemented are adapted to the local context and to the fleet to be treated: energy recovery and savings systems, alternative energies.



In this field, the Keolis Group is particularly active, uses the entire range of alternative energies: biodiesel, bioethanol, biogas, diester, NGV, electric, LPG, hybrid. At the end of 2019, Keolis operated 3,694 vehicles running on alternative energy. Several actions undertaken in 2019 were aimed at increasing the proportion of vehicles with alternative energy sources in the coming years. For example, in France:

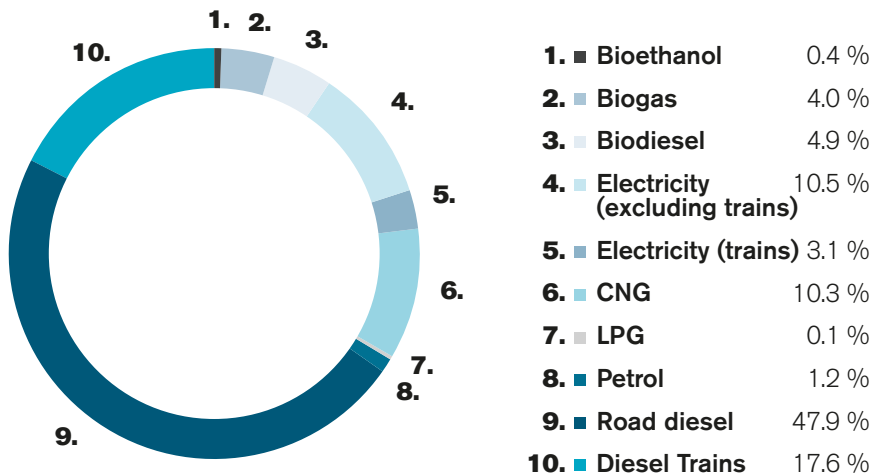
- since September 2019, Keolis Seine Val-de-Marne has been using HVO biofuel as a replacement for diesel for the fleet of shuttles that connect the carparks at Paris-Orly airport for the Aéroports de Paris Group;
- two fully-electric bus rapid transit (BRT) lines were inaugurated in Amiens and Bayonne-Anglet-Biarritz in 2019;
- two NGV stations have been installed in the Drôme Ardèche region;

- Keolis Nord has switched to gas.

At the international level:

- in the United States, Keolis operates the electric car fleets of Greensboro (North Carolina), Foothill (South California) and Reno (Nevada);
- the Group won several contracts with large fleets of electric or alternative energy vehicles in 2019, in particular in the Netherlands (259 fully electric new buses), in Norway (a network of 136 primarily electric buses in the city of Bergen) and in Sweden (contract for biodiesel buses running between Gothenburg and Boras), where the Group operates more than 1,700 buses, all running on alternative energy sources.

The Group's traction energy mix is broken down as follows:



In November 2019, Keolis organised the “Keolis Nouvelles Energies Tour” a circuit of six stages intended to assist the public transport authorities in their energy transition. The guests, mainly elected officials and technicians from local communities as well as Group employees, exchanged views with the Group's alternative energy experts, and tested a full-scale diesel alternative energy vehicle fleet (NGV, electric, etc.) brought together for the occasion.

Keolis is continuing its actions in this field through active technological intelligence with manufacturers and equipment suppliers to identify and possibly develop solutions to optimise the environmental performance of the vehicle fleet.

Enedis and Keolis also signed a partnership in November 2019 aimed at sharing their respective expertise in order to assist public transport authorities who wish to switch their bus fleets to electricity. This partnership will make it possible to innovate and optimise charging systems of electric buses and to facilitate their integration into the public distribution network that is managed by Enedis.

In addition to technological innovations, Keolis provides its operational know-how. It therefore advises and guides its public transport authority clients on traffic layout, with for example the introduction of designated right-of-way, priority at traffic lights or slowing down at intersections. All these initiatives help contribute to energy transition.

**1.2.7.2 Increase the waste recovery rate**

Keolis' activities generate hazardous and non-hazardous waste. Over and above the regulatory context, the increase in the waste recovery rate eases pressure on primary resources.

Keolis' s activities generate:

- hazardous waste (used oil, soiled rags, hydrocarbon sludge, paint waste, Waste Electrical and Electronic Equipment, etc.);
- non-hazardous waste (spare parts packaging, broken windscreens, etc.).

One of the three specific targets of the Keolis Group's environmental policy is to increase the waste recovery rate. To this end, the Group provides its subsidiaries with specific tools that will enable them to improve their waste management. They determine rules for sorting, recycling or eliminating waste depending on their local context (regulations in force, systems available nearby).



2019	2018	2017	2016	Indicator <sup>(1)</sup>
71%	69%	67%*	70%	Percentage of recovered hazardous waste
57%	61%*	58%*	53%*	Percentage of recovered non-hazardous waste

(1) The consolidation scope is over the calendar year from 1 January to 31 December. If this is not the case, rules for estimation or consolidation on a deferred timescale are proposed to subsidiaries in the set of indicators. In 2019, these environmental data were established based on data covering 89% of the workforce of Keolis SA, represented by 118 subsidiaries.

In 2019, the Group produced 6,338 tonnes of hazardous waste and 14,153 tonnes of non-hazardous waste: all totalling 20,491 tonnes.

The Keolis Group is continuing its efforts to improve its waste recovery rate.

### 1.2.7.3 Control water consumption

At the global level, water resources are becoming increasingly scarce. In 2015, the United Nations Organisation explained in its annual report that at the current rate "the world would face a global water shortage of 40%" by 2030.

Locally, Keolis can be one of the major consumers of water, mainly for cleaning vehicles and watering the grass areas of tram lines. Water consumption is heavily impacted by the contractual targets of vehicle cleanliness and greening of tram lines.

Controlling water consumption is one of the three specific objectives of the environmental policy of Groupe Keolis S.A.

Locally, the Keolis Group subsidiaries use drinking water but also recycled and/or rain water to wash vehicles. Thus, in 2019, 123 facilities were equipped with a recycled water vehicle washing system and 120 with a rainwater collection system.

In India for example, where water is a particularly precious resource, in particular during the summer heatwaves, Keolis Hyderabad has set up two systems for treating domestic and industrial wastewater. In 2019, 23,000m<sup>3</sup> of water was thus treated and reused. Recycled water is used for the maintenance of green spaces and for rinsing in two depots and a building. To encourage this type of initiative, Keolis gave a prize to its Indian subsidiary during the 2019 KeoLife Week.

2019	2018	2017	2016	Indicator <sup>(1)</sup>
1.1	1.3	1.4	1.0	Total water consumption in litres/km

(1) The consolidation scope is over the calendar year from 1 January to 31 December. If this is not the case, rules for estimation or consolidation on a deferred timescale are proposed to subsidiaries in the set of indicators. In 2019, these environmental data were established based on data covering 89% of the workforce of Keolis SA, represented by 118 subsidiaries.

In 2019, water consumption was 1,172,704m<sup>3</sup>. The repair of a leak in the Australian subsidiary in Melbourne contributed significantly to the reduction in water consumption between 2018 and 2019.

## 1.2.8 COMMITMENT TO COMMUNITIES

### 1.2.8.1 Be a committed stakeholder in sustainable regional development

Keolis contributes to the dynamism of the regions where it operates. This also applies with respect to employment, since the majority of employees in subsidiaries are locals. Many of these subsidiaries are also engaged in partnerships in favour of the integration of populations excluded from employment.

Keolis plays a role that goes far beyond its mobility remit. It notably acts to promote education, solidarity and culture.

#### Policy

Keolis has incorporated an "Actor within the community" chapter into its KeoLife continuous improvement programme.

Its aim is to standardise practices by allowing each subsidiary to build its own binding and reasoned partnership strategy. The main guidelines of these strategies are shared by Keolis and its subsidiaries: be consistent with the 'Konformité' programme (see section 1.2.3. Principle 2: "Fair business practices"), allow each subsidiary to build its own approach and allow Keolis to promote (internally and externally) the subsidiaries' partnership actions.

Keolis also joined the SNCF Foundation in 2016. For Keolis' subsidiaries, the SNCF Foundation is a lever to support actions by local structures or associations in one of the following three areas: solidarity, education and culture.

#### Actions

The Keolis Group started up a partnership in 2015 with Biom Work to enable subsidiaries to measure their contribution to sustainable development in the region in the areas of employment, public services and environmental conservation. The result is expressed as a percentage of the revenue redistributed over the region. 18 Keolis Group subsidiaries have taken part in this assessment so far, eight of which in 2019. The result is that on average, 69% of the revenue of these French subsidiaries is acknowledged as being of public utility. In 2019, Keolis renewed the framework agreement concluded with Biom Work, thus inciting Group subsidiaries to have their contribution to the sustainable development of their region assessed.

2019	2018	2017	2016	Indicator
66	66	71	70	Average revenue in% of subsidiaries redistributed for sustainable regional development (BIOM assessment, France)

The change in subsidiary revenue redistributed for sustainable regional development is due to the assessment of new subsidiaries that have recently committed to a Corporate Social Responsibility approach.

### 1.2.8.1.1 Education

The Keolis Group raises the awareness of its young passengers and future citizens:

- by speaking in primary, secondary and high schools;
- by organising class visits to depots;
- by contributing to awareness initiatives or publications.

There are several aims to these actions:

- improve knowledge about public transport;
- increase awareness about safety, fighting fare evasion and antisocial behaviour;
- highlighting public transport as a way of reducing a region's impact on the environment.

2019	2018	2017	2016	Indicator
114,278	97,501*	59,122	64,155	Number of students covered by an awareness initiative in their school

The increase in the number of student participants in awareness initiatives in 2019 is due to the action of the Manchester network, which hired a community liaison officer and set up a dedicated plan. This raised the number of student participants by more than 200% (i.e. nearly 7,000 students). Moreover, Keolis Rennes dedicated more employees to awareness-raising assignments and extended the scope of its interventions to new educational levels. Also in Caen, for the arrival of the new tram, there were specific interventions at the request of schools. Lastly, Keolis Quimper carried out a massive awareness-raising campaign for first-year junior secondary school students in the urban area on safety issues.

### 1.2.8.1.2 Solidarity

Since 2010, Keolis takes part in the annual awards programme known as 'Actions for solidarity' (*Coups de coeur solidaires*). These awards have been organised since 2016 under the aegis of the SNCF Foundation, and enable Keolis to shine a light on the commitment of its employees to associations working to support disadvantaged or underprivileged people. The relevance and eligibility of submissions are assessed according to the following criteria: the target audience, social and partnership dimensions, viability and originality, and the creation of social bonds. The jury, comprising members of different Keolis business departments, convened in June and decided to reward the voluntary work of several employees who had submitted their entry this year:

- three associations presented by Keolis Lyon employees: *Urban Arts Academy* with its "Urban Arts course", which enables beneficiaries of all ages to benefit from introductory courses, the association *Fragile X France* with a project aimed at taking in young people

during a weekend to offer them activities and outings, and the *Handichien* association whose endowment will be used to finance the purchase and training of two puppies that will become guide dogs for persons with reduced mobility;

- two associations presented by Keolis Bordeaux Métropole employees: *Baria* which helps people fighting obesity, and *Parrainage 33* an association that supports and assists single-parent or vulnerable families thanks to a local sponsorship programme;
- two associations presented by Transpole employees in Lille: *Lille Métropole Basket Club* whose endowment will go to supporting the development of actions based on basketball for better health, and *Moteur Art et Action* whose endowment will be used to develop art workshops in three hospitals in the region;
- three associations presented by Keolis Caen Mobilité employees: *Cadet Roussel*, whose endowment will finance a pair of clowns "Nez à Nez" for children on admission in the Caen teaching hospital, *BAT Paris* which organises charity sports tournaments in order to raise funds for cancer research, and *Reves* whose endowment will benefit critically ill children (who are not expected to live very long) to realise their dreams and rise above their illness;
- the *Energies Jeunes* association which has a national reach and aims at developing autonomy and discipline in children from secondary schools in priority education neighbourhoods. It is supported by an employee from head office;
- the association Art'o enables elderly people in nursing homes to enjoy sessions with animals. It is presented by an employee of Keolis Mont Jura;
- two associations presented by Keolis Gironde: *Les Sarments Solidaires*, with the project of collecting and selling organic vine stalks in bundles or bags and to donate the profit to charities, and the association *Ombre et lumière 33* which has a project to fight against individualism and develops solidarity practices through its support to young people and people with disabilities and the socialisation of isolated women;
- the association *Pyrhando*, which helps disabled adults to take part in the 10<sup>th</sup> crossing of the Pyrénées. It is supported by an employee of Keolis Côte Basque Adour.

These associations received grants from the SNCF Foundation to help to conduct their initiatives and projects aimed at disadvantaged members of the population.

Employees of Keolis Commuter Services (KCS), operator of the Boston public transport authority, work with disadvantaged towns and school sectors to select beneficiaries of Keolis scholarships and to distribute the funds based on merit and on their financial needs. Since the beginning of this programme in 2016, the total amount of scholarships awarded has reached \$100,000 for 100 students, 60% of which are taking courses in science, technology, engineering and mathematics. So for the fourth year running, Keolis Commuter Services announced in October 2019 that it was granting \$25,000 under its "Keolis Scholars" programme. 25 students from Boston, Brockton, Lawrence, Lynn and Worcester will receive the \$1,000 scholarship to finance part of their university studies or a vocational training course.



### 1.2.8.1.3 Culture

Keolis supports local initiatives that encourage access to and dissemination of culture, especially reading.

For example, it has entered into a national partnership with "Premier Chapitre" a tool available for smartphones that can be used to know what local libraries are offering. Users have free access to the first chapter of a selection of books, which they can read at their stop, in their bus or metro. Then, if they want, they can reserve the book directly via the application and borrow it from the library. 15 subsidiaries deployed the tool in 2019 and the same number are currently giving it consideration.

In the same spirit, in the summer of 2019, Keolis Tours installed a public bookcase in its agency. Anyone can leave or borrow a book as in a library. The aim is to make as many people as possible want to read and to improve the quality of transportation for users. To avoid waste, the bookcase was built from a recycled bus shelter, and can now give a new lease on life to old books. Lastly, Keolis Bordeaux Métropole renewed its partnership with the city of Gradignan in favour of *Lire en Poche*. This renowned festival, which is organised each year, is based on pocket format books and is attended by many "pocket book" authors. Pocket books are given to subscribers and in exchange the books are displayed on the network's communication media.

Subsidiaries, who are more in tune with the specific characteristics of each region, roll out actions that are tailored to the local culture. For example, in Wales, the Keolis Amey Wales network recognises the importance of the Welsh language and has made a commitment to provide all written and oral communication in English and Welsh. The network will offer the possibility of communicating either in English or in Welsh for all requests for information or contacts on social networks, as well as ticket offices manned by Welsh speaking employees. In the coming months, KAW will implement its Welsh language plan. The aim

is to improve the commitment to Welsh culture and local communities, all the while ensuring that Welsh is not overshadowed by English.

As part of their partnership programme with associations, each year, employees at Keolis Downer in Melbourne (Australia) choose eight organisations that work locally in favour of diversity and inclusion. The partners are given three months of free advertising in the front and rear of 50 trams. In 2019, the partnership with the association "The Torch" was showcased during a grand ministerial event organised at the subsidiary's depot in the presence of the Minister for Public Transports of the State of Victoria. The Torch works to reduce the rate of repeat offences by former prisoners through art workshops that open new horizons to them after their release from prison. The tram will display paintings of two indigenous artists, Jeffrey Jackson and Kim Kennedy, both of whom are beneficiaries of the programmes offered by The Torch.

Lastly, Keolis Group subsidiaries and their employees are always enthusiastic about covering major cultural events, by deploying appropriate and significant measures. In Lyon, for example, during the Women's World Cup, employees were heavily mobilised to direct supporters, safety and security measures were reinforced during the Lyon festival of Lights or during the Lille Flea Market to ensure calm and smooth travel. In Rennes, during the book festival, there were books inside buses so visitors could start reading on board.

In Tarbes, during the Spring of Poets, the subsidiary organised a competition on the theme of beauty.

Adapting the offering (fares, diverting routes to serve event venues, extending service hours, etc.), exceptional mobilisation of employees, adapting passenger information, customising stations and vehicles (lamination) are all measures implemented to enable everyone to access and enjoy cultural and sporting events taking place in the region.

## 1.2.9 CONTROLLING RISK OVER THE ENTIRE VALUE CHAIN: SUSTAINABLE PROCUREMENT

The Keolis Group's purchases exceed €2 billion per annum. Purchases are divided into two types: framework agreements (contracts that cover the entire scope of the Group, France and International) and local contracts. Risk control means differ between the two types of purchasing but also for purchasing families identified as being the highest risk. In addition, regulatory requirements are increasing and becoming more defined, notably with the Duty of Care Law and the Sapin 2 Act that broadens these requirements over the entire value chain.

### Policy

With its Sustainable Purchasing approach, Keolis is able to reinforce the spread of its Corporate Social Responsibility strategy within its sphere of influence. The aim is to control risk over the entire value chain.

The Purchasing Charter defines the general principles relating to purchasing in Keolis (France and International) and determines rules regarding ethics and behaviour applicable to all internal and external actors involved in the Purchasing process. All managers and employees (operatives) acting on behalf of Keolis or one of its subsidiaries must be familiar with, comply with and promote its principles in the interests of fairness and transparency. In accordance with Keolis

Group's CSR commitments, all employees involved in purchasing must promote Sustainable Development with their business partners. This means passing on these concerns to suppliers and sub-contractors, encouraging suppliers to develop a social and environmental progress plan, and ensuring they comply with national laws, regulations and international agreements concerning the protection of individuals (employees, sub-contractors, product or service users) and the environment.

The Keolis purchasing process is largely based on:

- purchase classification;
- breakdown of purchasing families: global central suppliers market and domestic local suppliers market;
- monitoring and quarterly recording of purchasing actions and savings.

This policy includes a Sustainable Purchasing approach based on four main focuses defined in relation with the CSR strategy and the different policies of Keolis:

- business ethics: ensure compliance with the regulatory framework and business ethics (free competition, equal treatment, transparency of relations, anti-corruption and anti-money laundering);

- control of CSR risks in purchasing: reinforce the purchasing process for better consideration of CSR risks in purchasing;
- supplier assessment: assess suppliers on the issues of CSR in terms of regulatory compliance, safety, the environment, human rights and fundamental freedoms, and in terms of factoring in the product life cycle in the total cost of ownership (TCO);
- local establishment: encourage local economy and proximity relations (relations with SMEs and very small companies, the social and supportive economy and consideration of local issues).

A larger Sustainable Purchasing committee was held in December 2019. This brought together buyers and CSR experts from the registered office and its French subsidiaries to share up-to-date information in terms of sustainable purchasing, give visibility to current sustainable purchasing projects and share the sustainable purchasing roadmap. Every Purchasing Department France committee address sustainable purchases.

**Actions**

In 2018, following the entry into force of the law on the Duty of Care and the fight against corruption (known as the Sapin 2 Act), the Keolis Purchasing Department, in association with other departments (Legal, Internal Audit, Health, Safety, Environment & Corporate Social Responsibility and Human Resources) has mandated an external service provider (Ecovadis) to draw up a CSR mapping of risks related specifically to purchasing. This was carried out on a French scope representing €1 billion in expenditure and 15,000 active suppliers. In addition to purchasing-related risks, Ecovadis' evaluation method assessed risks related to Ethics, Environment, Safety, Human Rights and fundamental freedoms. The results of the map led to the identification of high-risk purchasing families for which prevention and mitigation actions were implemented.

In 2019, Keolis rolled out its Supplier Relations charter. This charter formalises the Keolis Group's willingness to strengthen the consideration of all economic and sustainable development issues in its relations with its Suppliers. By having its Suppliers read and sign this charter, Keolis expects them to promote and respect human rights in their sphere of influence and be proactive in preventing occupational risks and improving safety. It was first brought into negotiations and written into framework agreements and is gradually being sent out to purchasing staff within the Keolis Group. This charter is available on the www.keolis.com website in seven languages.

Keolis also ensures that the Group Purchasing Department incorporates CSR-related analysis criteria when choosing suppliers, in particular with regard to families identified as being major risks in the Purchasing-CSR risk matrix. For these families, these criteria are analysed by the Group's Sustainable Purchasing Performance Manager (for instance: tyre, power, rolling equipment purchases) with

support from the prescribers and the Security, Safety, Environment and CSR Department.

Specific clauses are systematically written in to framework agreements to encourage suppliers to respect Keolis' commitments as well as international and national standards on ethics, health safety, corruption, data protection and protection of the environment. Where appropriate, specific attention is also paid to the product life-cycle in terms of energy consumption, the circular economy (recycling, reuse and waste processing) and risk of pollution. There are also several clauses relating to waste processing and care for the environment written into framework agreements on sensitive products (vehicle manufacturers, batteries, tyres, lubricants, etc.).

To achieve better control of supplier risk and as part of regulations on undeclared labour, Keolis has introduced an online supplier monitoring solution to collect documents and monitor their updates throughout the duration of contracts (taxation and welfare contributions, detailed list of foreign workers, etc.) and e-certificates.

In the interests of transparency and continuous improvement, Keolis wishes to ensure that its business partners share and respect its social, environmental and ethical goals. Assessing its suppliers' CSR performance responds to this goal but also to the legal duty of care to which Keolis is bound. That is why the Purchasing Department created a solution for evaluating its active suppliers, Ecovadis. These assessments measure suppliers' level of maturity and help introduce Sustainable Development (environment, safety, ethics and sustainable purchasing) issues when talking with suppliers. The first campaign was launched in November 2019 with the view to progressively widen the scope of suppliers assessed.

In October 2019, Keolis set up a platform for exchanging goods called e-Deal. This new online platform has been open to all staff in France and Belgium since 1 October. As a vector for circular economy, e-Deal provides the means to give a second life to used professional equipment, thereby fitting in with the CSR approach taken by Keolis.

Regarding the social and supportive economy (SSE), Keolis is a partner of the Handeco association (see 1.2.4 Principle 3 "Dialogue with our public transport authorities and other stakeholders"). This partnership gives French subsidiaries access to information on players in the sheltered and adapted work sector, to an online directory of companies and a dedicated purchasing platform on which requests for proposals can be posted.

Furthermore, temporary employment companies under framework agreements also promote disability and access to work by offering, whenever possible, assignments to people out of work. In 2019, 76,764 hours were dedicated to these activities.

In 2019, the Keolis Group thereby spent approximately €16 million on purchases from organisations working in the social and supportive economy (SSE) in France.

2019	2018	2017	Indicator
16,640,878	16,363,744*	22,275,902	Revenue (in euros) generated with players in the SSE (France)

On a local level, several subsidiaries include environmental criteria in their purchasing.

The Keolis subsidiary that runs the Melbourne tram network, KDR Victoria (Australia), updated its purchasing policy in 2019 to include CRS issues and a purchasing procedure that covers the processing of ethical and environmental matters as well as modern slavery.



### 1.2.10 CONCLUSION AND OUTLOOK

Various actions were taken to improve the non-financial performance of Keolis. For instance:

- work will continue in 2020 for Purchasing, including a revision of the mapping of CSR risks specific to Purchasing across the Group (France and international);
- climate, human rights and fundamental freedoms will be more formally integrated in the next update of the Keolis KeoLife continuous improvement programme;
- For Ethics, the rollout of the Keolis Ethic Line whistleblowing system will continue in the countries in which Keolis operates.

Tying in with KeoLife, the '10 essentials' approach being implemented aims to both improve consideration and understanding at Group level of the reality of the risks in the subsidiaries, and allow for the introduction of shared risk management tools. This means all managers in subsidiaries will have a clear summary of the essential points to implement and control, thereby reinforcing and harmonising level 1 internal control measures.

### 1.2.11 METHOD

The list provided in point 1.2.11.3 gives definitions for each set of quantitative data and the reporting scope when smaller than that stated in point 1.2.11.2.

New quantitative data that has been added appears *in italics* in the list below. The data for these items is only available for 2019.

Some items of data published in the 2018 Keolis SA financial report and reproduced in this publication have been adjusted to account for corrections/additions supplied after the publication of last year's report. These are indicated in the rest of this publication by an asterisk appended to the updated figure. Where relevant, significant differences are explained in the main text.

Quantitative data frequently appears alongside information of a qualitative nature to provide additional details as to the applicable policy and/or the variation between years Y and Y-1.

Food waste, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food are not significant social challenges for Keolis. If applicable, this topic may be covered at a local level, for example by providing a company canteen to employees.

#### 1.2.11.1 Correlation with regulatory obligations and international frames of reference

2019 is the sixth consecutive financial year in which non-financial data is published in the Keolis SA financial report. The entity concerned is Keolis SA, a non-listed company for which the balance sheet total or net revenue is more than €100 million and in which the average number of permanent employees throughout the financial year exceeds 500.

This statement of non-financial performance also complies with law No. 2017-399 of 27 March 2017 on the duty of care of parent companies and contracting companies. Thus, the expected duty of care plan is included in this publication. As such, certain elements of the duty of care plan, in particular monitoring of measures implemented, were

In 2019, the Group's Internal Audit and Control Department solicited various transversal departments to define the key control points for each of the 10 focus areas, with around 60 in total. Of these 10 focus areas, several cover risks identified as being major under the present Statement of Non-Financial Performance:

- safety;
- human resources;
- environment;
- prevention of corruption and competition law;
- safety and crisis management;
- personal data.

In 2020, this level 1 internal control programme will be rolled out in France then internationally. It will fuel the drive for continuous improvement.

controlled by an independent third party body as part of the annual review of the Statement of Non-Financial Performance. Keolis consists of over 300 subsidiaries and participations in 16 countries. As the law pertaining to the duty of care applies to contracting companies, only the subsidiaries in which Keolis SA is a majority shareholder are concerned.

The duty of care plan targets three themes: human rights and fundamental freedoms, health and safety and the environment, for their own activities and purchases. These themes are detailed in the various sections of the present Statement of Non-Financial Performance.

To cater to the expectations of our stakeholders, this statement of non-financial performance also incorporates the principles of the international standard GRI (Global Reporting Initiative), first level "In accordance – core".

Keolis signed the United Nations Global Compact in 2004. Since 2018, Keolis has reinforced its commitment by joining the 'GC advanced' club, the highest reporting level of the initiative. The responses to the 21 criteria required by the Global Compact frame of reference are included in this publication, which now represents our communication on progress (COP).

As the SDG are interconnected, when, for instance, Keolis offers energy-efficient and low-carbon mobility the Group is responding:

- to target 7.3 to double the global rate of improvement in energy efficiency, and 7.2 to increase substantially the share of renewable energy in the global energy mix;
- and equally to target 8.4 to improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation;
- but also to target 13.3 to improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning;

- and target 7.a, in particular, to promote investment in energy infrastructure and clean energy technologies;
- and lastly to target 9.4 to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

Inversely, Keolis contributes for example to the achievement of the SDG 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" through various actions. Where Keolis works to preserve the health and safety of its employees and conduct more constructive employee dialogue, it is taking part in target 8.8 pertaining to the protection of labour rights, the promotion of safe and secure working environments and the protection for all workers. It is also responding to target 8.4 to improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, through its responsible purchasing actions and its entire environmental policy (which undertakes to offer energy-efficient and low-carbon mobility, increase its waste recovery rate and control water consumption).

**1.2.11.2 Scope and period**

Non-financial data is consolidated on the same scope as Keolis SA's financial data, excluding EFFIA S.A.S. and Keolis Santé, which are consolidated in GROUPE KEOLIS S.A.S. and excluding Technical Assistance contracts and subsidiaries in which Keolis is not the majority shareholder.

The reporting scope for labour data, kilometres covered and traction energy consumption covers the calendar year, from 1 January to 31 December, and concerns the entire Keolis SA workforce. For other data, the scope is given in the text.

**1.2.11.3 List of quantitative information, performance indicators and definitions**

This list is provided in order of appearance of the said indicators in the previous chapters of this statement of non-financial performance.

Indicators published for the first time appear in *italics*.

**Workforce:** Workforce registered at 31 December.

**Breakdown of workforce by geographical zone:** Breakdown by country of workforce registered at 31 December.

**Percentage of closed professional alerts falling within the scope of KEL alert:** Percentage of alerts received in compliance with the criteria defined in the Keolis Ethic Line whistle-blowing system that were processed and for which a decision was made by the KEL Committee (France).

**Percentage of revenue covered by an ethics whistleblowing system:** Percentage of revenue of subsidiaries that have set up a whistleblowing system, KEL or another local tool.

**Number of Data Protection Officers appointed:** Number of Data Protection Officers appointed for France and Europe excluding France, within the meaning defined by the GDPR.

**Number of Personal Data Correspondents:** Number of contact persons in the subsidiaries where a mutualised DPO was appointed for personal data matters, appointed in RD subsidiaries where a DPO has not been appointed, in order to organise that subsidiary's compliance with GDPR and act as the personal data contact person.

**Share of revenue France covered by a data protection officer:** Percentage of revenue from French subsidiaries that have appointed a data protection officer.

**Number of passenger deaths due to accidents:** Number of people killed when using passenger transport services provided by the Group due to an operational accident (regardless of the responsibility of the company)

**Number of third party deaths due to accidents:** Number of people killed in an accident with passenger transport services provided by the Group due to an operational accident, regardless of the responsibility of the company and regardless of whether the situation could have been avoided.

**Bodily harm to passengers:** Number of acts of physical violence committed against our passengers, declared to the police and qualified as a crime (complaints filed by victims). Including acts of violence with or without total incapacity to work. (Scope: major city networks and city networks France).

**Number of participants in training on reduced mobility at the Keolis Institute:** Number of Keolis Group employees who attended at least one of the six modules given by Keolis' internal learning institute (KI) on the reception, assistance and commercial skills for passenger clients with a handicap.

**Passenger satisfaction rate:** Proportion of passengers who declare their satisfaction with their shared transport network.

**Recommendation rate:** Proportion of passengers who would recommend their shared transport network to their entourage.

**Frequency rate of workplace accidents:** Frequency of workplace accidents declared per quarter leading to at least one day of leave. This rate represents the average number of workplace accidents leading to leave by a Group of employees having worked one million hours over the relevant period. NB: this rate includes violent behaviour. It does not account for all ongoing dispute proceedings.

**Severity rate of workplace accidents:** Severity of accidents. Calculated by assessing the total number of leave days due to workplace accidents, excluding the day of the accident itself. This represents the number of days compensated for 1,000 hours worked, in other words the number of days lost due to temporary invalidity for 1,000 hours worked.

**Number of employee deaths due to a workplace accident (excluding home-work journey):** Number of Keolis Group employees killed in a workplace accident while working on its behalf, regardless of the responsibility of the company and regardless of whether the situation could have been avoided.

**Percentage of women in the total workforce:** Percentage of women registered in the total workforce of the Keolis Group and breakdown by country.

**Percentage of female managers in the total number of managerial employees in France:** Percentage of female managers in the total number of managers in France.

**Percentage of female managers in the total number of managerial employees internationally:** Percentage of female managers in the total number of managers internationally (excluding France).

**Percentage of women in the total number of drivers:** Percentage of female driver employees in the total number of drivers in Keolis Group.

**Percentage of women in the management bodies of Keolis:** Number of women out of the total number of members in the Keolis Group's decision-making bodies.



**Total number of workers with a disability (number of employees - France):** Number of workers with a disability registered as at 31 December, listed as part of the mandatory annual statement of the employment of workers with a disability submitted to the Agefiph in France.

**Percentage of workers with a disability (number of employees - France):** Percentage of workers with a disability registered on 31 December out of the total number of Keolis Group employees.

**Rate of cover of employees by an Employee Representative Body:** Percentage of employees with the possibility of being represented by an Employee Representative Body, as defined as such in the country of operation of the subsidiary concerned.

**Conflict rate (France):** Number of strike days per employee in the year, excluding stopping work for national movements.

**Rate of compulsory annual negotiation agreements signed with employee representatives (France):** Percentage of subsidiaries that concluded a compulsory annual negotiation agreement with the unions out of all of the subsidiaries subject to this obligation.

**Total number of training hours:** Total number of hours of training undertaken by employees.

**Total number of employees having received training:** Total number of employees who followed at least one training course during the year.

**Percentage of employees having received training:** Percentage of employees who followed at least one training course during the year.

**Rate of absence for sick leave:** Number of hours of absence for sick leave/number of contractual hours, in proportion to the employee's start and leave dates in the company (including therapeutic half-time)

**Number of employees exercising an ISO 14001 certified activity:** Number of employees registered in the workforce at 31 December exercising an ISO 14001 certified activity (i.e. the number of employees concerned by the area of application assessed by the certification body).

**Percentage of employees under ISO 14001 certification:** Percentage of employees exercising an ISO 14001 certified activity as a proportion of the total Keolis Group workforce.

**Traction energy consumption for commercial vehicle fleets (in kWh):** Quantity of energy purchased within the framework of commercial services (dead mileage included), expressed in kilowatt hours (kWh). The vehicles concerned are those operated/owned by the company used for commercial services, on behalf of others (passengers, public transport authorities, other transport providers, corporate customers). The indicator incorporates all means of transport (bus, coach, metro, tram, trolleybus and train).

**Energy consumption of company facilities (in kWh):** Quantity of energy consumed or purchased on the sites, excluding traction energy, expressed in tonnes of oil equivalent (TOE).

**CO<sub>2</sub> emissions from commercial transport and company facilities:** Greenhouse gases emitted by the corresponding use of energy, expressed in tonnes of CO<sub>2</sub> equivalent.

**Percentage of recovered hazardous waste:** Percentage of hazardous waste recovered over the year in question, regardless of the type of processing. Recovery is a type of waste processing activity defined as such in the regulations applicable to the production site.

**Percentage of recovered non-hazardous waste:** Percentage of non-hazardous waste recovered over the year in question, regardless of the type of processing. Recovery is a type of waste processing activity defined as such in the regulations applicable to the production site.

**Water consumption in litres/km:** Volume of drinking water purchased by the subsidiary over the period in question charged to buildings, processes and maintenance of tracks (including planted tram lines) compared to the number of kilometres travelled (all means).

**Average of % of revenue of subsidiaries redistributed for sustainable regional development (BIOM assessment):** Percentage of revenue of subsidiaries assessed by BIOM redistributed for sustainable regional development on average.

**Number of students covered by an awareness initiative:** Number of students covered by an awareness initiative in a school carried out by one or several employees from the subsidiary concerned.

**Revenue (in euros) generated with players in the SSE (France):** Total purchases made over the year from organisations working in the social and supportive economy, expressed in euros excluding VAT.



## 1.2.12 REPORT FROM ONE OF THE STATUTORY AUDITORS, APPOINTED TO BE THE INDEPENDENT THIRD-PARTY BODY, ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE IN THE GROUP MANAGEMENT REPORT

### Financial year ended 31 December 2019

At the Annual General Meeting of Keolis S.A.,

In our capacity as statutory auditor for Keolis S.A., (hereafter “the entity”) appointed third-party independent body (TPIB), accredited by COFRAC under number 3-1060 rev. 2 (level of accreditation available on [www.cofrac.fr](http://www.cofrac.fr)), we present our report on the consolidated statement of non-financial performance for the financial year ended 31 December 2019 (hereafter the “Statement”), presented in the group management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### Responsibility of the entity

It is the responsibility of the Board of Directors to prepare a Statement which complies with the legal and regulatory provisions, and which includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in relation to these risks as well as the results of these policies, including key performance indicators.

The Statement was prepared applying the entity’s procedures (hereafter the “Frame of Reference”), the significant sections of which are available on demand from the company’s registered office.

### Independence and quality control

Our independence is defined by article L. 822-11-3 of the French Commercial Code and the profession’s code of ethics. In addition, we have put in place a quality control system with documented procedures and policies which aim to ensure respect for professional ethical rules, professional standards, and the applicable legal and regulatory texts.

### Responsibility of the statutory auditor appointed TPIB

Our role is to formulate, on the basis of our work, a reasoned opinion expressing a moderate assurance on:

- the compliance of the Statement with article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to item 3 of parts I and II of article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and the actions relating to the main risks, hereafter the “Information”.

Our role is not, however, to comment on:

- respect by the entity for other applicable laws and regulations, notably in the area of the vigilance plan;
- the compliance of products and services with applicable regulations.

### Nature and scope of work

Our work, described below, was carried out in accordance with articles A. 2251 et seq of the French Commercial Code which sets out the methods to be used by the third-party independent body, and in line with the professional standards of the Compagnie nationale des commissaires aux comptes (national association of statutory auditors) and international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

We have carried out work enabling us to assess whether the Statement complies with regulatory provisions, and to assess the fairness of the Information:

- we have made ourselves familiar with the activity of all of the companies included in the scope of consolidation, with the report on the main employee and environmental risks linked to this activity, as well as with the ensuing policies and their results;
- we have assessed the appropriate nature of the Frame of Reference with regard to its relevance, completeness, reliability, neutrality and comprehensibility, taking into account, where applicable, good practise of the sector;
- we have checked that the Statement covers every category of information mentioned in section III of article L. 2251021 with regard to employee and environmental matters;
- we have checked that the Statement includes the reasons justifying the absence of information required by the 2<sup>nd</sup> paragraph of section III of article L. 225-102-1;
- we have checked that the Statement presents the business model and the main risks linked to the overall activity of the entities included in the scope of consolidation, including, when relevant and proportionate, the risks created by its business relationships, products or services as well as the policies, actions and results, including key performance indicators;
- we have checked, when relevant in relation to the main risks or policies presented, that the Statement presents the information stipulated in item II of article R. 225-105;
- we have assessed the process for selecting and validating the main risks;
- we have made enquiries regarding the existence of internal control and risk management procedures;
- we have assessed the consistency of the results and key performance indicators chosen in relation to the main risks and policies presented;
- we have checked that the Statement covers the scope of consolidation, namely all of the businesses included in the scope of consolidation pursuant to article L. 233-16 with the limits specified in the Statement;
- we have assessed the collection process put in place by the entity, focusing on the comprehensiveness and truthfulness of the Information;



- for the key performance indicators and the other quantitative results that we consider to be most significant (the list of which is in the appendix) we have implemented the following:
  - analytical procedures which consist of checking the correct consolidation of data collected and the correlation of changes,
  - detailed tests based on surveys, checking the correct application of definitions and procedures and comparing the data of supporting documents. This work has been carried out on a selection of contributing entities, namely Keolis Rennes S.A., Keolis Bordeaux Métropole S.A., Keolis Amiens, Keolis CIF, Keolis Trois Frontières, Keolis Normandie Seine, Keolis Littoral, Loisirs et Voyages, Keolis Belgium, Keolis Rail Service Virginia, Keolis Amey Docklands Ltd, KDR Victoria Pty Ltd, and Keolis Hyderabad, and covers about 22% of the consolidated data of key performance indicators and results selected for these tests considering the representative share of the workforce of these subsidiaries;
- we have consulted the documentary sources and carried out interviews to corroborate the qualitative information (actions and results) which we have considered to be the most important, included in the appendix;
- we have assessed the overall consistency of the Statement with our knowledge of all of the companies included in the scope of consolidation.

We believe that the work we have carried out, exercising our professional judgement, enables us to draw a conclusion expressing moderate assurance; a higher level of assurance would have required more extensive verification.

### Means and resources

Our work required the expertise of seven people and took place between mid-September 2019 and the end of April 2020 over a total of four weeks.

To assist us in our work, we called on the services of our specialists in the area of sustainable development and CSR. We carried out about fifteen interviews with around twenty people responsible for the preparation of the Statement, representing departments of general resources, communication, compliance, human resources, health and safety, security, environment and procurement.

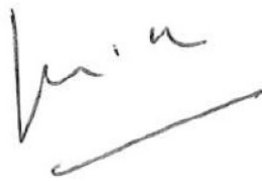
### Conclusion

On the basis of our work, we found no material anomalies likely to suggest that the consolidated statement of non-financial performance does not comply with the applicable regulations or that the Information, taken as a whole, is not presented fairly and in accordance with the Frame of Reference.

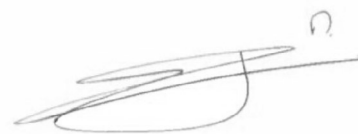
Neuilly-sur-Seine, 24 March 2020

One of the statutory auditors  
PricewaterhouseCoopers Audit

Françoise Garnier Bel  
Associate



Pascal Baranger  
Director of the Sustainable  
Development Department



**Appendix: List of information which we considered to be most important**

**Key performance indicators and other quantitative results:**

- Workforce on 31/12/2019 including women, disabled workers and employees covered by a 14001 certification;
- Gender equality certification and wage equality index notes;
- Number of employees having received training;
- Frequency rate of workplace accidents, number of employee deaths;
- Membership of Keolis Ethic Line and revenue generated with players in the SSE;
- Number of deceased passengers due to accidents;
- Total number of kilometres and CO<sub>2</sub> emissions of which total energy consumption (sites and traction);
- Volume of water consumed and volume of water treated and re-used in India;
- Percentage of recovered hazardous and non-hazardous waste;
- Number of students benefiting from awareness-raising initiative;
- Share of revenue covered by a DPO and number of DPOs;
- Number of attacks against users and number of attacks against staff leading to a stoppage;
- Number of incidents of antisocial behaviour and of offences against women;
- % of revenue of subsidiaries redistributed for the Sustainable Development of the region (BIOM);
- All results of the Keoscopie survey on passenger experience, including satisfaction and recommendation rates.

**Qualitative information (actions and results):**

- "The 10 essentials" internal audit programme;
- Corruption and GDPR: enrichment of reference documents (code of conduct, GDPR policy, etc.), holding of ethics and compliance committee meetings, locally deployed whistle-blowing procedures, network of DPOs and established internal procedures;
- Passenger safety: digitisation of safety management, driver behaviour tests, driver training and support, visibility and signage;
- Passenger security: group security policy and provision of essential tools, revision of crisis management cell, adaptation of the HR policy of the safety division, management of the network of safety correspondents, campaigns to fight sexual harassment;
- Shared mobility: Cap'Handéo label, Elioz partnership, Keolis Web Passenger, information in French sign language in Bordeaux and training in non-verbal communication in Melbourne, CCAS (municipal social action centre) link in Amiens, Arnaud Assoumani sponsorship, "STARmeguide" in Rennes, "Plan your journey" film in Wales;
- Traveller experience: analysis of Keoscopie and its results, "without my car" in Lille and Dijon;
- Employee commitment: safety policy, roll-out of safety culture in Melbourne and Hyderabad, Single Document, digital monitoring of accidents, partnerships for conversion, 25 diversity ambassadors, self-defence workshops in Hyderabad, participation in Arborus, Disability week, Social and Economic Committee, training policy, 'K in Keolis', Commitment Barometer;
- Environment: international committee meeting, development of environmentally-friendly driving equipment, local actions on sites audited to reduce energy and water consumption, use of alternative energies, hydrogen bus rapid transit lines (BRT) in Pau, "Keolis New Energies Tour", Enedis partnership;
- Regions: "Coups de cœurs solidaires" (Solidarity Favourites), KCS scholarship;
- Procurement: Sustainable Procurement committee meeting, supplier relationship charter, selection and assessment of suppliers on CSR grounds, e-Deal, Handeco.

## 1.3 APPENDIX 1 - REPORT ON CORPORATE GOVERNANCE

### 1.3.1 GENERAL MANAGEMENT METHODS

We inform you, in accordance with article 148 of the decree of 23 March 1967, that your Board of Directors has decided that only one person would exercise the positions of Chairman of the Executive Board and CEO.

Following the resignation of Mr Jean-Pierre Farandou from his functions, Mrs Kathleen Wantz O'Rourke was appointed Chairwoman and CEO, following a meeting of the Board of Directors on 23 October

2019. She will take up her position from 1 November 2019 onwards, for the duration of her mandate as director, i.e. until 3 March 2022.

At a meeting on 12 February 2020 Mr Patrick Jeantet was appointed Chairman and Chief Executive, replacing Kathleen Wantz O'Rourke, with the appointment taking effect on 12 February 2020, and lasting for the duration of his mandate as director, i.e. until 3 March 2022.

### 1.3.2 MANDATES AND FUNCTIONS EXERCISED BY EACH OF THE EXECUTIVE OFFICERS

Below is the list of the mandates and functions exercised in every company by every executive officer during the financial year:

<b>Jean-Pierre Farandou</b>	Chairman and Chief Executive and Director	Keolis S.A. (until 31/10/2019)
	Chairman and sole member of the Executive Board	GROUPE KEOLIS S.A.S. (until 31/10/2019)
<b>Isabelle Balestra</b>	Director	Keolis S.A.
	Director	Keolis Lille
	Director	Transpole
	Director	Keolis Lyon
<b>Bruno Danet</b>	Director	Keolis S.A.
	Chairman and Director	Institut Keolis
	Manager	Keolis Bordeaux
	Director	Keolis Bordeaux Métropole
	Permanent representative of Keolis SA, director	Keolis Rennes
<b>Xavier Hubert</b>	Director	Keolis S.A. (until 30/09/2019)
	Director	Keolis Rennes (until 30/09/2019)
	Director	Keolis Orléans Val-de-Loire (until 15/03/2019)
<b>Arnaud van Troeyen</b>	Director	Keolis S.A.
	Member of the Strategy Committee	Keolis Santé (until 11/01/2019)
	Member of the Supervisory Board	Keolis Deutschland GmbH & Co. KG
	Board Member	Keolis Sverige AB (since 29/10/2018)
	Director	Keolis Norge AS (since 29/10/2018)
	Member of the Supervisory Board	Keolis Mobilities B.V.
	Supervisor	Shanghai Keolis Public Transport Operation Management Co (since 29/10/2018)
	Board Member	Keolis Danmark A/S (since 29/10/2018)
	Director	Keolis Aarhus Letbane A/S (since 29/10/2018)
Supervisor	Keolis Wuhan Public Transportation Operation and Management Co Ltd (since 29/10/2018)	

<b>Kathleen Wantz O'Rourke</b>	Chairwoman and Chief Executive	Keolis S.A. (since 01/11/2019)
	Director	Keolis S.A.
	Executive Board Member and Chairwoman of the Executive Board	GROUPE KEOLIS S.A.S. (since 01/11/2019)
	Director	Transpole
	Director	Keolis Downer (since 12/12/2018)
	Director	KDR Victoria (since 12/12/2018)
	Director	KDR Gold Coast (since 12/12/2018)
	Director	Nexans
	Director	Trust Management Institute
<b>Laurent Agnesina</b>	Director	Keolis S.A. (since 14/02/2019)
<b>Marc Hinfray</b>	Director	Keolis S.A.
<b>Pascale Nicolas</b>	Director	Keolis S.A. (since 14/02/2019)
<b>Jacques Damas</b>	Director	Keolis S.A. (since 31/10/2019)
	Director	Keolis Lyon
	Director	Transpole
	Member of the Strategy Committee	Hello Paris Participations (since 02/07/2019)
	Director	Thalys International
	Manager	Keolis Commuter Services LLC
	Director	La Société de Transports Abidjanais sur Rail SAS (since 28/10/2019)
	Director	Thi Factory
<b>Anne Lieure</b>	Director	Keolis S.A. (since 23/10/2019)
	Director	Keolis Rennes
	Director	Keolis Bordeaux Métropole
	Director	Transports de l'Agglomération de Metz Métropole
	Director	

**1.3.3 LIST OF CONVENTIONS CONCLUDED DIRECTLY OR THROUGH THIRD PARTIES, BETWEEN ON THE ONE HAND ONE OF THE EXECUTIVE OFFICERS OR ONE OF THE SHAREHOLDERS WITH A FRACTION OF THE VOTING RIGHTS HIGHER THAN 10%, AND ON THE OTHER, ANOTHER COMPANY IN WHICH THE COMPANY OWNS, DIRECTLY OR INDIRECTLY, MORE THAN HALF OF THE CAPITAL, WITH THE EXCEPTION OF AGREEMENTS RELATING TO ORDINARY TRANSACTIONS AND CONCLUDED UNDER NORMAL CONDITIONS**

Nil.

**1.3.4 SUMMARY TABLE OF THE OUTSTANDING DELEGATIONS GIVEN BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN THE AREA OF CAPITAL INCREASES, PURSUANT TO ARTICLES L. 225-129-1 AND L. 225-129-2 OF THE FRENCH COMMERCIAL CODE, AND THE USE MADE OF THESE DELEGATIONS DURING THE FINANCIAL YEAR**

Nil.

## 1.4 APPENDIX 2 – TABLE OF RESULTS OF THE LAST FIVE FINANCIAL YEARS

(Art. 133, 135 and 148 of the decree on commercial companies)

Information	2019	2018	2017	2016	2015
<b>1 – Capital at the end of the financial year</b>					
a) Share capital	412,832,676	412,832,676	412,832,676	346,851,276	46,851,276
b) Number of ordinary shares outstanding	34,402,723	34,402,723	34,402,723	28,904,273	3,904,273
c) Number of future shares to create					
▪ by conversion of bonds					
▪ by exercise of subscription rights					
<b>2 – Transactions and income for the financial year</b>					
a) Revenue excluding taxes	219,064,768	213,017,821	206,126,031	200,348,991	196,787,773
b) Income before tax, employee profit sharing, allocations to amortisations and provisions	15,192,886	25,281,903	24,876,154	(8,566,084)	13,568,616
c) Income tax (tax credit)	(376,601)	(13,245,548)	(18,017,119)	(17,212,644)	(15,388,189)
d) Employee profit sharing due in respect of the financial year					
e) Income after tax, employee profit sharing, allocations to amortisations and provisions	(147,816,304)	(2,123,353)	(70,781,999)	(4,172,555)	37,599,518
f) Earnings distributed					
<b>3 – Earnings per share</b>					
a) Income after tax, but before allocations to amortisations and provisions	0.45	1.12	1.25	0.30	7.42
b) Earnings after tax and allocations to amortisations and provisions	(4.30)	(0.06)	(2.06)	(0.14)	9.63
c) Dividend paid for each share (Net dividend)					
<b>4 – Staff</b>					
a) Average number of employees	1,628	1,591	1,511	1,480	1,408
b) Payroll	110,467,341	104,693,079	105,422,972	98,964,303	92,565,343
c) Amounts paid in respect of fringe benefits (social security, social work, etc.)	50,196,160	48,492,894	48,950,895	45,765,523	43,295,106

# 2

## CONSOLIDATED FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 31 DECEMBER 2019

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## 2.1 KEY FIGURES FOR THE GROUP

(€ million)	Note	31/12/2019	Impact IFRS 16	31/12/2019 excluding IFRS 16	31/12/2018
<b>Revenue</b>		<b>6,256.7</b>	-	<b>6,256.7</b>	<b>5,624.1</b>
▪ Revenue France		2,958.2	-	2,958.2	2,860.9
▪ Revenue International		3,298.5	-	3,298.5	2,763.2
Revenue net of sub-contracting		6,069.8	-	6,069.8	5,425.1
<b>Recurring EBITDA</b>	<b>2.3.4.4</b>	<b>588.6</b>	<b>262.2</b>	<b>326.4</b>	<b>311.9</b>
<b>EBITDA</b>	<b>2.3.4.4</b>	<b>561.9</b>	<b>262.2</b>	<b>299.7</b>	<b>299.9</b>
Recurring operating profit	2.3.4.3	136.1	18.5	117.6	123.5
Operating profit before investments under equity method	2.3.4.3	61.2	18.5	42.8	99.1
Operating profit after investments under equity method		85.1	17.8	67.4	120.7
Profit after tax from continuing operations		(100.4)	(17.5)	(82.9)	58.5
<b>Net income (Group share)</b>		<b>(109.7)</b>	<b>(17.5)</b>	<b>(92.2)</b>	<b>49.5</b>
<b>Total equity</b>		<b>609.4</b>	<b>(17.7)</b>	<b>627.1</b>	<b>658.2</b>
<i>of which attributable to equity shareholders</i>		531.0	(17.7)	548.7	589.3
<b>Net cash flows from operating activities</b>		<b>542.7</b>	<b>260.2</b>	<b>282.5</b>	<b>258.8</b>
<b>Capital expenditure</b>		<b>(228.8)</b>	-	<b>(228.8)</b>	<b>(164.4)</b>
<b>Net financial debt (cash surplus)<sup>(1)</sup></b>		<b>8.8</b>	-	<b>8.8</b>	<b>89.1</b>

(1) In the case of an excess cash position, figures are shown in brackets.



## 2.2 CONSOLIDATED FINANCIAL STATEMENTS

### 2.2.1 INCOME STATEMENT

(€ million)	Note	31/12/2019 <sup>(1)</sup>	31/12/2018
Revenue		6,256.7	5,624.1
Other income from operations		35.7	31.0
<b>Revenue from ordinary activities</b>		<b>6,292.4</b>	<b>5,655.1</b>
Sub-contracting		(186.8)	(199.0)
Purchases consumed and external expenses		(1,995.6)	(1,903.2)
Taxes		(27.6)	(24.5)
Staff costs, incentive schemes, profit-sharing	2.3.4.1	(3,485.7)	(3,249.1)
Other operating income	2.3.4.2	3.2	50.8
Other operating expenses		(11.8)	(20.1)
Net provisions on current assets		0.4	1.9
Net depreciation, amortisation and other provisions		(456.6)	(197.7)
Income on recurring fixed asset disposals		(0.6)	2.3
Share of reversal of grant		4.7	7.0
<b>Recurring operating profit</b>		<b>136.1</b>	<b>123.5</b>
Other non-recurring income		8.8	5.4
Other non-recurring expense		(62.5)	(21.4)
Depreciation and provisions on contractual rights	2.3.4.3	(21.8)	(8.5)
Profit/(loss) on non-recurring fixed asset disposals		0.6	-
<b>Operating profit before investments under equity method</b>	<b>2.3.4.3</b>	<b>61.2</b>	<b>99.1</b>
Profit/(loss) from associates	2.3.4.5	23.9	21.6
<b>Operating profit after investments under equity method</b>		<b>85.1</b>	<b>120.7</b>
Net cost of financial debt	2.3.4.6	(2.7)	(4.5)
Other financial income	2.3.4.6	10.6	9.9
Other financial charges	2.3.4.6	(124.2)	(20.0)
<b>Net total</b>		<b>(116.3)</b>	<b>(14.7)</b>
<b>Profit before tax</b>		<b>(31.2)</b>	<b>106.0</b>
Taxation	2.3.4.7	(69.1)	(47.5)
<b>Profit after tax from continuing operations</b>		<b>(100.4)</b>	<b>58.5</b>
<b>Profit for the year</b>		<b>(100.4)</b>	<b>58.5</b>
Profit attributable to non-controlling interests		(9.3)	(9.1)
<b>NET INCOME (GROUP SHARE)</b>		<b>(109.7)</b>	<b>49.5</b>

(1) The financial statements for the year ended 31 December 2019 have been prepared in accordance with IFRS 16 (see Note 2.3.2.2).

2

## 2.2.2 STATEMENT OF COMPREHENSIVE INCOME

<i>(€ million)</i>	31/12/2019 <sup>(1)</sup>	31/12/2018
<b>Profit for the year</b>	<b>(100.4)</b>	<b>58.5</b>
Actuarial gains (losses) on defined benefit pension schemes	59.7	6.7
Unrealised gains (losses) relating to the revaluation at fair value of non-consolidated investments	0.0	0.1
Tax on actuarial gains (losses) on defined benefit pension schemes	(13.9)	(2.3)
Share of other comprehensive income of companies accounted for by the equity method that cannot be recycled	0.0	0.0
<b>Items which will not be recycled in income</b>	<b>45.8</b>	<b>4.5</b>
Foreign exchange translation differences and other	6.8	(9.8)
Unrealised gains (losses)	5.8	(14.3)
<i>Financial hedging instruments</i>	5.8	(14.4)
<i>Change in fair value of assets</i>	0.0	0.1
Tax on items that may be reclassified to profit or loss	(0.7)	3.2
Share of other comprehensive income of companies accounted for by the equity method that can be recycled	1.5	(0.0)
<b>Items which will be recycled in profit/loss</b>	<b>13.4</b>	<b>(20.9)</b>
<b>Gains/(losses) recognised directly in equity</b>	<b>59.2</b>	<b>(16.4)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(41.1)</b>	<b>42.1</b>
Of which attributable to equity shareholders	(52.4)	37.1
Of which share of non-controlling interests	11.2	5.0

(1) The financial statements for the year ended 31 December 2019 have been prepared in accordance with IFRS 16 (see Note 2.3.2.2).

## 2.2.3 STATEMENT OF FINANCIAL POSITION

**Assets**

(€ million)	Note	31/12/2019 <sup>(1)</sup>	31/12/2018
Goodwill	2.3.5.1	290.8	301.7
Other intangible assets	2.3.5.2	199.6	220.9
Right-of-use assets	2.3.5.4	1,359.6	0.0
Property, plant and equipment	2.3.5.3	670.4	754.0
Investments under the equity method	2.3.5.5	41.4	38.1
Non-current financial assets	2.3.5.6	477.3	282.5
Deferred tax asset	2.3.4.7	67.1	109.2
<b>Non-current assets</b>		<b>3,106.2</b>	<b>1,706.4</b>
Inventories and work in progress	2.3.5.7	142.4	124.1
Trade receivables	2.3.5.8	640.6	564.8
Other receivables	2.3.5.8	586.2	585.7
Current financial assets	2.3.5.6	18.6	21.6
Cash and cash equivalents	2.3.5.9	437.4	334.9
<b>Current assets</b>		<b>1,825.2</b>	<b>1,631.0</b>
<b>TOTAL ASSETS</b>		<b>4,931.4</b>	<b>3,337.4</b>

**Liabilities**

(€ million)	Note	31/12/2019 <sup>(1)</sup>	31/12/2018
Share capital	2.3.5.10	412.8	412.8
Reserves and premiums	2.3.5.10	227.8	127.0
Net income (Group share)	2.3.5.10	(109.7)	49.5
<b>Equity attributable to Group</b>		<b>531.0</b>	<b>589.3</b>
Reserves attributable to non-controlling interests		69.1	59.9
Profit for the year attributable to non-controlling interests		9.3	9.1
<b>Equity</b>		<b>609.4</b>	<b>658.2</b>
Non-current provisions	2.3.5.14	148.3	192.3
Lease commitments - non-current	2.3.5.4	1,137.1	0.0
Non-current financial debt	2.3.5.11	382.7	325.7
Deferred tax liability	2.3.4.7	76.0	100.5
<b>Non-current liabilities</b>		<b>1,744.2</b>	<b>618.5</b>
Current provisions	2.3.5.14	56.3	50.8
Lease commitments - current	2.3.5.4	249.0	0.0
Current financial debt	2.3.5.11	102.8	108.4
Bank borrowings	2.3.5.9	353.0	198.3
Trade payables and other liabilities	2.3.5.15	1,816.6	1,703.1
<b>Current liabilities</b>		<b>2,577.8</b>	<b>2,060.7</b>
<b>TOTAL LIABILITIES</b>		<b>4,931.4</b>	<b>3,337.4</b>

(1) The financial statements for the year ended 31 December 2019 have been prepared in accordance with IFRS 16 (see Note 2.3.2.2).

## 2.2.4 STATEMENT OF CHANGES IN EQUITY

	Reserves and other					Sub-total	Equity
	Share capital	Reserves	Items which will be recycled in profit/loss		Other unrealised gains/losses, net, not reclassifiable to profit or loss		
			Foreign exchange translation difference	Other unrecognised gains/losses, net			
<b>At 31 December 2017</b>	<b>412.8</b>	<b>242.7</b>	<b>(12.0)</b>	<b>0.3</b>	<b>(28.3)</b>	<b>202.7</b>	<b>615.5</b>
Attributable to Keolis S.A. shareholders	412.8	182.5	(14.3)	0.4	(28.1)	140.4	553.3
Attributable to minority shareholders in subsidiaries	-	60.2	2.3	(0.1)	(0.2)	62.2	62.2
Dividends paid to Keolis S.A. shareholders	-	(0.3)	-	-	-	(0.3)	(0.3)
Capital increase by incorporation of receivables	-	-	-	-	-	-	-
Other changes	-	(0.7)	-	-	-	(0.7)	(0.7)
<b>Operations attributable to Keolis S.A. shareholders (A)</b>	<b>-</b>	<b>(1.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.0)</b>	<b>(1.0)</b>
Dividends paid to minority shareholders in subsidiaries	-	(3.1)	-	-	-	(3.1)	(3.1)
Capital increase subscribed by minority shareholders	-	4.8	-	-	-	4.8	4.8
Change in shareholdings in connection with the gain/loss of control of subsidiaries	-	-	-	-	-	-	-
Change in shareholdings in subsidiaries without gaining/losing control	-	(0.0)	-	-	-	(0.0)	(0.0)
<b>Operations attributable to minority shareholders in subsidiaries (B)</b>	<b>-</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>1.7</b>
Profit for the year	-	58.5	-	-	-	58.5	58.5
Gains/losses recognised directly in equity	-	-	(9.8)	(11.1)	4.5	(16.4)	(16.4)
<b>Comprehensive income (C)</b>	<b>-</b>	<b>58.5</b>	<b>(9.8)</b>	<b>(11.1)</b>	<b>4.5</b>	<b>42.1</b>	<b>42.1</b>
<b>Change in the year (A+B+C)</b>	<b>-</b>	<b>59.2</b>	<b>(9.8)</b>	<b>(11.1)</b>	<b>4.5</b>	<b>42.7</b>	<b>42.7</b>
Attributable to Keolis S.A. shareholders	-	48.4	(7.9)	(9.0)	4.5	36.1	36.1
Attributable to minority shareholders in subsidiaries	-	10.7	(1.9)	(2.1)	(0.0)	6.7	6.7
<b>AT 31 DECEMBER 2018</b>	<b>412.8</b>	<b>301.9</b>	<b>(21.8)</b>	<b>(10.8)</b>	<b>(23.9)</b>	<b>245.4</b>	<b>658.2</b>
Attributable to Keolis S.A. shareholders	412.8	231.0	(22.2)	(8.6)	(23.6)	176.5	589.3
Attributable to minority shareholders in subsidiaries	-	70.9	0.4	(2.2)	(0.3)	68.9	68.9
Dividends paid to Keolis S.A. shareholders	-	(2.0)	-	-	-	(2.0)	(2.0)
Capital increase by incorporation of receivables	-	-	-	-	-	-	-
Application component method Germany	-	(1.3)	-	-	-	(1.3)	(1.3)
Correction CB Germany	-	(1.5)	-	-	-	(1.5)	(1.5)
Tax risks (IFRIC 23)	-	(2.1)	-	-	-	(2.1)	(2.1)
Removal Kisio Digital (sold to KeoMotion)	-	1.8	-	-	-	1.8	1.8
Other changes	-	0.6	(0.0)	(0.4)	(1.0)	(0.8)	(0.8)
<b>Operations attributable to Keolis S.A. shareholders (A)</b>	<b>-</b>	<b>(4.5)</b>	<b>(0.0)</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>(5.9)</b>	<b>(5.9)</b>

	Reserves and other						Equity
	Share capital	Reserves	Items which will be recycled in profit/loss		Other unrealised gains/losses, net, not reclassifiable to profit or loss	Sub-total	
			Foreign exchange translation difference	Other unrecognised gains/losses, net			
Dividends paid to minority shareholders in subsidiaries	-	(5.0)	-	-	-	(5.0)	(5.0)
KCS capital increase	-	4.3				4.3	4.3
Change in shareholdings in connection with the gain/loss of control of subsidiaries	-	-	-	-	-	-	-
Change in shareholdings in subsidiaries without gain/loss of control of subsidiaries	-	(0.1)	-	-	-	(0.1)	(0.1)
Other changes		(0.7)	-	(0.2)	0.0	(0.9)	(0.9)
<b>Operations attributable to minority shareholders in subsidiaries (B)</b>	<b>-</b>	<b>(1.5)</b>	<b>-</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(1.7)</b>	<b>(1.7)</b>
Profit for the year	-	(100.4)	-	-	-	(100.4)	(100.4)
Gains/losses recognised directly in equity	-	-	8.3	5.1	45.8	59.3	59.3
<b>Comprehensive income (C)</b>	<b>-</b>	<b>(100.4)</b>	<b>8.3</b>	<b>5.1</b>	<b>45.8</b>	<b>(41.1)</b>	<b>(41.1)</b>
<b>Change in the year (A+B+C)</b>	<b>-</b>	<b>(106.5)</b>	<b>8.3</b>	<b>4.5</b>	<b>44.9</b>	<b>(48.8)</b>	<b>(48.8)</b>
Attributable to Keolis S.A. shareholders	-	(114.2)	6.8	3.8	45.4	(58.3)	(58.3)
Attributable to minority shareholders in subsidiaries	-	7.8	1.4	0.8	(0.5)	9.5	9.5
<b>AT 31 DECEMBER 2019<sup>(1)</sup></b>	<b>412.8</b>	<b>195.4</b>	<b>(13.6)</b>	<b>(6.3)</b>	<b>21.0</b>	<b>196.6</b>	<b>609.4</b>
Attributable to Keolis S.A. shareholders	412.8	116.7	(15.4)	(4.8)	21.7	118.2	531.0
Attributable to minority shareholders in subsidiaries	-	78.7	1.9	(1.4)	(0.8)	78.4	78.4

(1) The financial statements for the year ended 31 December 2019 have been prepared in accordance with IFRS 16 (see Note 2.3.2.2).

## 2.2.5 STATEMENT OF CASH FLOWS

(€ million)	Note	31/12/2019 <sup>(1)</sup>	31/12/2018
<b>Operating profit before investments under equity method</b>		<b>61.2</b>	<b>99.1</b>
Non-cash items		500.7	200.8
<b>EBITDA</b>	<b>4.4</b>	<b>561.9</b>	<b>299.9</b>
Elimination of provisions on current assets		3.2	(1.9)
Changes in working capital		(9.5)	(33.4)
Tax paid		(12.9)	(5.8)
<b>A) Net cash from operating activities</b>		<b>542.7</b>	<b>258.8</b>
Capital expenditure		(228.8)	(164.4)
Sale of intangible assets and property, plant and equipment (sale price)		37.7	24.0
Investment grants received		28.9	4.4
Change in financial assets for concessions (IFRIC 12)		(23.8)	85.5
Financial investments		(273.2)	(137.4)
Proceeds from disposal of financial assets		22.0	1.2
Cash flows on changes in reporting scope		(24.9)	20.4
<b>B) Net cash from investing activities</b>		<b>(462.0)</b>	<b>(166.3)</b>
<b>Free cash flow</b>		<b>80.7</b>	<b>92.5</b>
Dividends paid		(6.9)	(3.4)
Net dividends received		23.8	21.6
Change in equity (other transactions with shareholders)		4.4	4.7
New borrowings	5.11	186.5	103.6
Borrowings repaid	5.11	(23.2)	(173.1)
Interest received		5.2	3.8
Interest paid		(9.0)	(8.6)
Change in other financial debts	5.11	(0.0)	0.2
Repayment of lease commitments	5.4	(269.9)	-
Net interest paid on lease commitments	5.4	(39.3)	-
Other		(2.5)	(7.8)
<b>C) Net cash from financing activities</b>		<b>(131.0)</b>	<b>(59.0)</b>
<b>D) Foreign exchange translation differences</b>		<b>(1.9)</b>	<b>(6.8)</b>
<b>Change in cash and cash equivalents (A+B+C+D)</b>		<b>(52.1)</b>	<b>26.9</b>
Cash and cash equivalents at beginning of period	5.9	136.5	109.6
Cash and cash equivalents at end of period	5.9	84.4	136.5
<b>Change in cash and cash equivalents</b>		<b>(52.1)</b>	<b>26.9</b>

(1) The financial statements for the year ended 31 December 2019 have been prepared in accordance with IFRS 16 (see Note 2.2.)

## 2.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 1 GENERAL INFORMATION

KEOLIS S.A. and its subsidiaries ("the Group") develop transport service solutions tailored to local conditions: automatic metros, trams, trains, buses, coaches, river and sea ferries, self-hire bikes. Keolis S.A. exports its multi-modal expertise to 16 countries around the world.

KEOLIS S.A., the Group's holding company, is a public limited company registered and domiciled in France, with its registered office located at 20/22 rue Le Peletier 75320 PARIS Cedex 09.

The Group's consolidated financial statements for the financial year ended 31 December 2019 were approved by the Board of Directors on 18 March 2020.

The Group's financial statements are fully consolidated in those of GROUPE KEOLIS S.A.S, which the SNCF fully consolidates.

The consolidated financial statements are prepared in euros (€), the Group's functional currency, and, unless otherwise stated, are presented in millions of euros (€M).

The Group has chosen not to manage rounding discrepancies; consequently, some small differences may appear.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Accounting guidelines

The Group's consolidated financial statements as at 31 December 2019 have been prepared in accordance with IFRS (standards and interpretations) published by IASB as adopted by the European Union and rendered mandatory from 1 January 2019. They are available at this site:

[https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en)

In the absence of borrowing or equity instruments traded on a regulated market, the Group has chosen not to publish information on earnings per share (IAS 33), or information about operating segments (IFRS 8).

### 2.2 Changes in accounting principles

#### Change in estimate at 31 December 2019: valuation of the provision for pension and post-employment commitments

When urban public transport service concession contracts include an employee takeover commitment clause, the Group is committed to its employees only for the period covered by the contract. The Group has decided to limit the duration of the subsequent commitments of the employees concerned to the residual duration of the public service contract as of 31 December 2019. This change in estimate therefore has no effect on the pension expense recognised in financial year 2019.

The impact of the change in the estimate of pension commitments amounts to €78.9 million before tax, of which €5.3 million is offset against the corresponding intangible assets and €73.6 million is recognised in equity pursuant to IAS 19R.

The effect on the long-service awards led to a positive impact of €2.5 million on profit before tax.

#### Application of standards, amendments to standards and interpretations with mandatory application at 1 January 2019

##### IFRS 16 – LEASES

In accordance with IFRS 16, lease agreements are now recognised as assets through the recognition of a right-of-use asset and as liabilities through the recognition of a liability corresponding to the present value of future payments.

##### Scope of application

Within the Group, contracts falling within the scope of IFRS 16 mainly concern property leases, leases of transport equipment (rail and road) and, more incidentally, vehicles as well as some industrial equipment.

##### Application procedures

The Group has applied IFRS 16 "Leases" from 1 January 2019 using the simplified retrospective approach without restatement of the previous financial year. For purposes of comparison with the previous year, the financial statements as at 31 December 2019 are also presented before application of IFRS 16.

The term of the contracts considered also includes the period covered by renewal options when the lessee is reasonably certain to exercise the option and the periods covered by termination options if the lessee is reasonably certain not to exercise them.

If there are options to purchase that the Group is reasonably certain to exercise, the depreciation and amortisation period corresponds to the economic life of the assets. In the absence of a purchase option, the depreciation and amortisation period is the shorter of the economic life of the right-of-use asset and the term of the contract.

The amortisation of right-of-use assets is calculated on a straight-line basis over the term of the contract.

The Group has elected to measure the assets related to the right-of-use at an amount equal to the lease agreements. Consequently, the Group's equity is not impacted by the cumulative effect of the initial application as at 1 January 2019.

For contracts that Keolis entered into or modified before 1 January 2019, the Group has chosen to apply the grandfathering clause, which makes it possible to maintain the qualification applicable under IAS 17.

##### Creation of an asset for train running capacity, reconstituted by major overhaul operations

When a train is made available, it has a mileage potential, recognised on the assets side of the balance sheet as a separate component from the physical components. At the end of this number of kilometres, the train is no longer allowed to run. Once major overhauls have been completed, the potential mileage is replenished.

A return liability is recorded as an offsetting entry, with the initial value being the valuation of the mileage potential.

##### Simplification measures and exclusions from the scope of IFRS 16

Rentals corresponding to an asset with a low unit value or a short-term lease (less than 12 months) have been expensed directly.

At 31 December 2019, the Group had not capitalised the following rental expenses:

(€ million)	31/12/2019
Short-term rentals	8.9
Rentals on low-value assets	19.5
Variable rentals	7.1
<b>INELIGIBLE RENTALS</b>	<b>35.5</b>

##### Transition

Contracts with a residual term of less than 12 months from 1 January 2019 do not give rise to the recognition of an asset and a liability.



The reconciliation between the lease liability in respect of rentals recognised in the opening balance at 1 January 2019 and the lease agreements recognised as off-balance sheet items as presented at 31 December 2018 is as follows:

(€ million)

<b>Commitments given under operating leases 31 December 2018</b>	<b>1,770</b>
Effects related to shifts in availability date	(312)
Other effects	14
<b>Lease commitments before discounting</b>	<b>1,472</b>
Effect of discounting	(215)
<b>Amount of debt as at 1 January 2019</b>	<b>1,257</b>
Impact of the component method (Germany)	20
Other impacts	(2)
<b>BALANCE SHEET AMOUNT OF IFRS 16 IMPACT</b>	<b>1,275</b>

The discount rate used to measure the debt is the lessee's marginal borrowing rate at the transition date. This rate corresponds to the interest rate that the lessee would obtain at the inception of the lease agreement, in order to borrow over a similar term, with a similar guarantee and economic environment, the funds necessary to acquire an asset with a value equivalent to the right-of-use asset.

It is based on the Group's marginal borrowing rate plus a spread to take into account each country's specific economic environment. These discount rates are determined by taking into account the residual terms of the contracts.

## IFRS 16 - RECONCILIATION BETWEEN PUBLISHED DATA AND DATA UNDER PREVIOUS STANDARDS

### Consolidated statement of financial position

#### ASSETS

(€ million)	31/12/2018 before IFRS 16	IFRS 16 impacts	01/01/2019 after IFRS 16
Goodwill	301.7	-	301.7
Other intangible assets	220.9	-	220.9
Right-of-use assets	-	1,413.8	1,413.8
Property, plant and equipment	754.0	(138.3)	615.6
Investments under the equity method	38.1	-	38.1
Non-current financial assets	282.5	-	282.5
Deferred tax asset	109.2	-	109.2
<b>Non-current assets</b>	<b>1,706.4</b>	<b>1,275.4</b>	<b>2,981.8</b>
Inventories and work in progress	124.1	-	124.1
Trade receivables	564.8	-	564.8
Other receivables	585.7	-	585.7
Current financial assets	21.6	-	21.6
Cash and cash equivalents	334.9	-	334.9
<b>Current assets</b>	<b>1,631.0</b>	<b>-</b>	<b>1,631.0</b>
<b>TOTAL ASSETS</b>	<b>3,337.4</b>	<b>1,275.4</b>	<b>4,612.8</b>

## ■ LIABILITIES

<i>(€ million)</i>	31/12/2018 before IFRS 16	IFRS 16 impacts	01/01/2019 after IFRS 16
Share capital	412.8	-	412.8
Reserves and premiums	127.0	(2.2)	124.8
Net income (Group share)	49.5	-	49.5
<b>Equity attributable to Group</b>	<b>589.3</b>	<b>(2.2)</b>	<b>587.1</b>
Reserves attributable to non-controlling interests	59.9	-	59.9
Profit for the year attributable to non-controlling interests	9.1	-	9.1
<b>Equity</b>	<b>658.2</b>	<b>(2.2)</b>	<b>656.1</b>
Non-current provisions	192.3	(3.3)	189.0
Lease commitments - non-current	-	1,147.9	1,147.9
Non-current financial debt	325.7	(83.2)	242.5
Deferred tax liability	100.5	-	100.5
<b>Non-current liabilities</b>	<b>618.5</b>	<b>1,061.4</b>	<b>1,679.9</b>
Current provisions	50.8	-	50.8
Lease commitments - current	-	264.4	264.4
Current financial debt	108.4	(36.5)	71.9
Bank borrowings	198.3	-	198.3
Trade payables and other liabilities	1,703.1	(11.7)	1,691.5
<b>Current liabilities</b>	<b>2,060.7</b>	<b>216.2</b>	<b>2,276.9</b>
<b>TOTAL LIABILITIES</b>	<b>3,337.4</b>	<b>1,275.4</b>	<b>4,612.8</b>

## ■ CONSOLIDATED INCOME STATEMENT

(€ million)	31/12/2019 before IFRS 16	Impact IFRS 16	31/12/2019 after IFRS 16
Revenue	6,256.7	-	6,256.7
Other income from operations	35.7	-	35.7
<b>Revenue from ordinary activities</b>	<b>6,292.4</b>	<b>-</b>	<b>6,292.4</b>
Sub-contracting	(186.8)	-	(186.8)
Purchases consumed and external expenses	(2,257.8)	262.2	(1,995.6)
Taxes	(27.6)	-	(27.6)
Staff costs, incentive schemes, profit-sharing	(3,485.7)	-	(3,485.7)
Other operating income	3.2	-	3.2
Other operating expenses	(11.8)	-	(11.8)
Net provisions on current assets	0.4	-	0.4
Net depreciation, amortisation and other provisions	(212.8)	(243.7)	(456.6)
Profit/(loss) on recurring fixed asset disposals	(0.6)	-	(0.6)
Share of reversal of grant	4.7	-	4.7
<b>Recurring operating profit</b>	<b>117.6</b>	<b>18.5</b>	<b>136.1</b>
Other non-recurring income	8.8	-	8.8
Other non-recurring expense	(62.5)	-	(62.5)
Depreciation and provisions on contractual rights	(21.8)	-	(21.8)
Profit/(loss) on non-recurring fixed asset disposals	0.6	-	0.6
<b>Operating profit before investments under equity method</b>	<b>42.8</b>	<b>18.5</b>	<b>61.2</b>
Profit/(loss) from associates	24.6	(0.7)	23.9
<b>Operating profit after investments under equity method</b>	<b>67.4</b>	<b>17.8</b>	<b>85.1</b>
Net cost of financial debt	(2.7)	-	(2.7)
Other financial income	10.6	-	10.6
Other financial charges	(83.5)	(40.6)	(124.2)
<b>Net financial income</b>	<b>(75.7)</b>	<b>(40.6)</b>	<b>(116.3)</b>
<b>Profit before tax</b>	<b>(8.3)</b>	<b>(22.9)</b>	<b>(31.2)</b>
Taxation	(74.6)	5.4	(69.1)
<b>Profit after tax from continuing operations</b>	<b>(82.9)</b>	<b>(17.5)</b>	<b>(100.4)</b>
<b>Profit for the year</b>	<b>(82.9)</b>	<b>(17.5)</b>	<b>(100.4)</b>
Profit attributable to non-controlling interests	(9.3)	-	(9.3)
<b>NET INCOME (GROUP SHARE)</b>	<b>(92.2)</b>	<b>(17.5)</b>	<b>(109.7)</b>

## ■ CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	31/12/2019 after IFRS 16	IFRS 16 impact	31/12/2019 before IFRS16
Operating profit before investments under equity method		61.2	18.5	42.8
Non-cash items		500.7	243.7	256.9
EBITDA	4.4	561.9	262.2	299.7
Elimination of provisions on current assets		3.2	-	3.2
Changes in working capital		(9.5)	(2.0)	(7.4)
Tax paid		(12.9)	-	(12.9)
<b>A) Net cash from operating activities</b>		<b>542.7</b>	<b>260.2</b>	<b>282.5</b>
Capital expenditure		(228.8)	-	(228.8)
Sale of intangible assets and property, plant and equipment (sale price)		37.7	-	37.7
Investment grants received		28.9	5.2	23.8
Change in financial assets for concessions (IFRIC 12)		(23.8)	-	(23.8)
Financial investments		(273.2)	-	(273.2)
Proceeds from disposal of financial assets		22.0	-	22.0
Cash flows on changes in reporting scope		(24.9)	-	(24.9)
<b>B) Net cash from investing activities</b>		<b>(462.0)</b>	<b>5.2</b>	<b>(467.2)</b>
Free cash flow		80.7	265.4	(184.7)
Dividends paid		(6.9)	-	(6.9)
Net dividends received		23.8	-	23.8
Change in equity (other transactions with shareholders)		4.4	-	4.4
New borrowings	5.11	186.5	-	186.5
Borrowings repaid	5.11	(23.2)	43.8	(67.1)
Interest received		5.2	-	5.2
Interest paid		(9.0)	-	(9.0)
Change in other financial debts	5.11	(0.0)	-	(0.0)
Repayment of lease commitments	5.4	(269.9)	(269.9)	-
Net interest paid on lease commitments	5.4	(39.3)	(39.3)	-
Other		(2.5)	-	(2.5)
<b>C) Net cash from financing activities</b>		<b>(131.0)</b>	<b>(265.4)</b>	<b>134.4</b>
<b>D) Foreign exchange translation differences</b>		<b>(1.9)</b>	<b>-</b>	<b>(1.9)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(52.1)</b>	<b>0.0</b>	<b>(52.1)</b>
Cash and cash equivalents at beginning of period	5.9	136.5	-	136.5
Cash and cash equivalents at end of period	5.9	84.4	-	84.4
Change in cash and cash equivalents		(52.1)	-	(52.1)

**IFRIC 23**

On 7 June 2017, the IFRS Interpretations Committee published IFRIC 23 "Uncertainty over Income Tax Treatments", which is mandatory from 1 January 2019.

IFRIC 23 clarifies the application of the recognition and measurement provisions of IAS 12 "Income Taxes" when there is uncertainty about the treatment of income taxes.

The Group has elected to apply IFRIC 23 on a simplified retrospective basis by recognising the cumulative effect of the initial application of the interpretation as an adjustment to opening equity without restating comparative information.

€2.5 million have been recognised in equity in respect of tax risks arising prior to 1 January 2019, of which €2.1 million is equity attributable to the Group. No significant risks have been identified for the year 2019.

**Standards, amendments to standards and interpretations not subject to early application**

The Group has not applied the following standards to its 2019 consolidated financial statements:

Standard or interpretation	Summary description	Expected impact	Date of application (annual period starting on or after)
<b>Annual improvements (2015-2017 cycle) to IFRS</b>	<p>IAS 12 "Income taxes" – An entity should account for all the tax consequences of dividend payments in the same way (§52B deleted and §57A added)</p> <p>IAS 23 "Borrowing Costs" – An entity should treat any borrowings made to obtain an asset as part of the funds that it has borrowed generally from the time the asset is ready for its intended use or sale (§14 amended)</p> <p>IFRS 11 "Joint Arrangements" – An entity does not remeasure previously held interests in a joint operation when it obtains joint control (addition to §B33CA)</p> <p>IFRS 3 "Business Combinations" – An entity remeasures previously held interests in a joint operation when it obtains control (addition to §42A)</p>	Currently being measured	IASB: 12/12/2017 EU: Not adopted Group: pending adoption
<b>Amendment to IFRS 3 "Business Combinations"</b>	The purpose of this amendment is to clarify the definition of "business" and to simplify the analysis of whether an acquisition constitutes a business combination or an acquisition of individual assets.	Currently being measured	IASB: 01/01/2020 with possible anticipation on 01/01/2019 EU: Not adopted Group: pending adoption
<b>Amendment to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"</b>	This amendment provides a more precise definition of the term "significant" as used in IAS 1 and IAS 8.	Currently being measured	IASB: 01/01/2020 with possible anticipation on 01/01/2019 EU: Not adopted Group: pending adoption

**2.3 Use of Management estimates in the application of the Group's accounting standards**

In order to draw up the Group's accounts in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', management must make estimates and assumptions, notably based on ongoing action plans for certain operations, affecting the amounts stated in the financial statements. Management has to revise such estimates in the light of changes in the circumstances on which they were based or further to new information. Management also has to exercise judgement in how accounting methods are applied. As a result, future estimates may be different from those adopted as of 31 December 2019.

The estimates and assumptions primarily concern the lengths of contractual relations, asset impairment tests, deferred tax assets and financial instruments, as well as provisions, in particular provisions for pensions, litigation and losses on contracts and recognition of amounts to be received and penalties to be paid arising from contractual relationships.

Finally, in the absence of standards or interpretations applicable to a specific transaction, Group management must use its best judgement to define and implement accounting methods that provide the most relevant and reliable information, to ensure that the financial statements:

- present a true and fair view of the Group's financial position and cash flows;
- reflect the economic reality of the transactions.

**2.4 Accounting principles**

**2.4.1 General measurement method**

The assets and liabilities in the Group's consolidated financial statements are measured and recognised according to various measurement bases authorised by IFRS, primarily the historical cost basis of accounting, with the exception of derivative financial instruments and financial assets held for trading purposes or classified as AFS (available for sale), which are measured at fair value.



### 2.4.2 Methods of consolidation

Subsidiaries are recognised in the consolidated statements from the date on which control thereof reverted to the Group. They are derecognised from the date on which the Group ceased to control them. The income and expenses of the companies are included in the Group's income statement from the date that control was taken, up to the date on which the Group lost control.

#### **FULLY-CONSOLIDATED SUBSIDIARIES**

All the Group's subsidiaries are companies it controls directly or indirectly. The Group's consolidated financial statements include the assets, liabilities, income and expenses of these companies.

Control exists when Keolis S.A. has power over the entity, is exposed or has rights to variable returns, and has the ability to affect those returns. In ascertaining whether there is control, account is taken of the established rules of governance and the rights held by the other shareholders in order to ensure that they are merely protective in nature. Potential voting rights, whether immediately exercisable or convertible, including those held by another entity, are also analysed to determine those conferring substantive rights in the assessment of power, in accordance with IFRS 10 "Consolidated Financial Statements".

#### **ASSOCIATES AND JOINT VENTURES CONSOLIDATED UNDER THE EQUITY METHOD**

Entities in which the Group exerts significant influence without exercising control are associates. Significant influence is presumed when the Group holds upwards of 20% of the voting rights.

Under the equity method, investments in associates or joint ventures are capitalised in the consolidated balance sheet at their cost of acquisition. The Group's share of income of associates or joint ventures is recognised in profit or loss, whereas its share of post-acquisition movements in reserves is recognised in reserves. Post-acquisition movements are posted in adjustment to the value of the investment. The Group's share of an associate's or a joint venture's losses is recognised up to the limit of the carrying amount of the investment as well as any possible long-term share. Additional losses are not booked as provisions, unless the Group is legally or implicitly required to support the said associate or joint venture.

#### **NON-CONTROLLING INVESTMENTS**

A non-controlling investment is the share of interest in a subsidiary which is not directly or indirectly attributable to the parent company. Non-controlling investments are recognised at fair value on the takeover date.

#### **YEAR-END CLOSING TIMING DIFFERENCES**

For companies whose financial year does not end on 31 December, interim financial statements as at 31 December are established.

#### **TRANSACTIONS ELIMINATED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

Transactions between consolidated companies which have an impact on their balance sheet or income statement are eliminated. Losses on transactions between consolidated companies that are indicative of value impairment are not eliminated. IAS 12 "Income Taxes" applies to temporary differences resulting from the elimination of profits and losses on intra-group transactions.

### 2.4.3 Translation of transactions and financial statements of foreign companies

#### **TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES**

The financial statements of consolidated foreign subsidiaries, whose functional currency is different from the euro, are translated on the following bases:

- assets and liabilities are translated at the official exchange rates prevailing at the year-end date;
- income and expenses are translated at the average rate for the period, unless exchange rates fluctuate significantly;
- goodwill and fair value adjustments recognised on the acquisition of companies whose functional currency is not the euro are considered to be the assets and liabilities of such companies: they are therefore expressed in the companies' own functional currency and translated at the closing rate for each period;
- the resulting foreign exchange translation differences are recognised in consolidated equity under the item "foreign exchange translation reserves".

#### **TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS**

The functional currency of Group companies is their local currency. Transactions denominated in foreign currency are translated by the subsidiaries into their functional currency at the rate of exchange prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated into euros at the last official year-end exchange rate. The corresponding exchange differences are recorded in net financial income.

### 2.4.4 Business combination

The Group has applied IFRS 3 (Revised) since 1 January 2010.

A business combination is understood to involve the obtaining of control. Upon acquisition of control, the acquirer recognises the fair value of the acquired assets and liabilities of the acquired entity and also assesses the goodwill or profit from them.

Non-controlling interests are recognised according to the following options for each combination:

- either based on their share in the fair value of the assets and liabilities acquired (the so-called partial goodwill method);
- or at fair value of the shareholding (the so-called complete goodwill method).

Acquisition costs are expensed in the financial year.

For a takeover in several stages, the investment held prior to the establishment of control is revalued at its fair value on the date of takeover and any profit or loss arising therefrom is recognised under operational profit after gains or losses from disposals.

Commitments linked to earn-out clauses are measured at their fair value on the acquisition date.

Adjustments to the cash consideration during the twelve months after the date of acquisition must be analysed in order to determine:

- if the adjustment is linked to new factors occurring since the acquisition of control: counterpart in the income statement;
- if the adjustment is the result of new information collected enabling fine-tuning of the valuation on the takeover date: counterpart in goodwill.

A subsequent change of debt corresponding to additional consideration beyond the twelve-month period is booked in profit for the year.

After the acquisition of control, purchases/disposals without loss of control are treated as transactions between shareholders and therefore directly through equity.

### 2.4.5 Goodwill

Goodwill on acquisition represents the excess of the cost of an acquisition over the share acquired by the Group of the fair value of the acquired assets and liabilities of the acquired entity on the date of acquisition.

The goodwill recognised for an associate is included in the value of the capital holding in it under "Investments under the equity method", in the statement of financial position.

Corrections or adjustments may be made to the fair value of assets, liabilities and contingent liabilities acquired in the twelve months following the acquisition, when new information arises affecting facts and circumstances which were in evidence at this date of acquisition. Goodwill is then corrected with retroactive effect. Beyond that date, any change in assets acquired and liabilities assumed is recognised in the income statement.

If the information is a result of events occurring after the date of acquisition, the changes are recognised in profit for the year.

As goodwill cannot be amortised, it undergoes impairment tests every year or at more frequent intervals when events or changes in circumstances indicate possible loss in value (see 2.4.11).

Goodwill is allocated to cash generating units or groups thereof which are likely to benefit from synergies resulting from aggregation as described in note 2.4.11.

Negative goodwill is recognised in the income statement on the date of acquisition.

### 2.4.6 Commitments to repurchase the non-controlling interests in a subsidiary

The Group has given promises to non-controlling shareholders of certain fully consolidated subsidiaries to repurchase their shares.

These purchase commitments (firm or conditional) of non-controlling interests do not transfer risks and benefits. They are recognised in financial debts against a reduction of those earnings attributable to non-controlling interests.

Where the value of the commitment exceeds the amount of earnings attributable to non-controlling interests, the balance is recognised in equity attributable to Group shareholders.

The fair value of non-controlling interest buyout commitments is reviewed at each financial accounting period end. A change in the corresponding financial liability is booked against equity.

### 2.4.7 Concession assets

#### PRESENTATION OF THE IFRIC 12 INTERPRETATION

An arrangement is included in the scope of interpretation of IFRIC 12, where the assets used to carry out the public service are controlled by the grantor. Control is presumed when the two conditions below are met:

- the grantor controls or regulates the public service, i.e. it controls or regulates the services that must be rendered, through the

infrastructure covered by the concession and determines to whom and at what price the service shall be rendered;

- and the grantor controls the infrastructure on termination of the contract, i.e. the right to regain possession of the infrastructure at the end of the contract.

In its public transport activities, the Group is notably the holder of outsourced public service contracts.

In France, the Group operates outsourced public service contracts, mainly in the form of operate and maintain (O&M) contracts whereby the operator is responsible for operating and maintaining facilities owned and funded by local and regional authorities – public transport authorities (PTAs).

Pursuant to the interpretation of IFRIC 12, in this case, the operator cannot include the infrastructure controlled by the grantor in its balance sheet as tangible assets, but either as an intangible asset ("intangible asset model") and/or as a financial asset ("financial asset model"):

- the "intangible asset model" applies where the operator receives a right to charge users for the public service and thus bears a financial risk;
- the "financial asset model" applies where the operator obtains an unconditional right to receive cash or other financial asset, either directly or indirectly through guarantees given by the grantor on the amount of cash payments from the public service. The remuneration is independent of the extent to which the public uses the infrastructure.

Where the service is provided using infrastructure rented from a third party and controlled by the grantor, the Group has recognised payments of fixed and variable fees in the IFRIC 12 asset valuation.

#### FINANCIAL ASSET MODEL

In service concessions, the operator receives an unconditional right if the grantor gives it a contractual guarantee to pay:

- amounts specified or determined in the contract;
- or the shortfall, if any – between the amount received from users of the public service and specified or determinable amounts in the contract.

Financial assets stemming from the application of the IFRIC 12 interpretation are recorded in the statement of financial position under "Non-current financial assets" detailed in Note 5.5. They are recognised at amortised cost and repaid.

The financial income, calculated on the basis of the effective rate of interest, the equivalent of the project's internal rate of return, is recognised as revenue.

#### INTANGIBLE ASSET MODEL

The intangible asset model applies where the operator is paid by users or does not receive any contractual guarantee from the grantor on the amount to be collected. The intangible asset corresponds to the right granted by the grantor to the operator to charge users for the public service.

Intangible assets resulting from the application of the IFRIC 12 interpretation are booked in the statement of financial position under the heading "Other intangible fixed assets" detailed in Note 5.2. These assets are amortised straight-line over the term of the contract.

Within the framework of the intangible asset model, revenues include:

- revenue as and when assets or infrastructures under construction are completed;
- remuneration relating to the provision of services.

#### **MIXED OR BIFURCATION MODEL**

Application of the financial asset model or the intangible asset model is based on the existence of guarantees of payment given by the grantor.

However, certain contracts may include a payment commitment from the grantor which partially covers the investment, with the balance covered through fees charged to users.

In this case, the amount guaranteed by the grantor is recognised as a financial asset and the balance as an intangible asset.

#### **2.4.8 Intangible assets excluding goodwill**

Intangible assets are shown in the statement of financial position at their acquisition cost less the accumulated amortisation and impairments.

Intangible assets mainly consist of patents, licences, trademarks, rights under contracts, pension plan assets, software and service concession intangible assets as defined by IFRIC 12.

In the event of a successful bid, the Group capitalises mobilisation costs, which meet capitalisation criteria, from the point at which it is almost certain that the contract will be awarded. The corresponding contract asset is amortised over the life of the contract.

When the Group completes an acquisition, the contractual relationship between the acquired company and its client (the public transport authority) is assessed at fair value and recognised separately from the goodwill as a contractual right satisfying the qualifying criteria of IAS 38 and IFRS 3 revised.

Where their useful life is defined, intangible assets are amortised on a straight-line basis over periods corresponding to their expected useful life. The amortisation method and useful lives are revised at least each financial year or when necessary. The estimated useful lives are as follows:

- trademarks: between five and fifteen years;
- contractual rights: two to twenty years, corresponding to their estimated useful life, allowing for a contract renewal rate when the Group has a high renewal rate in the Cash Generating Unit (CGU) concerned;
- software: one to five years;
- service concession assets amortised over the term of the contract (see 2.4.7);
- contract assets, amortised over the life of the contract.

Where their useful life is indefinite, intangible assets are not amortised. In particular, authorisations held for an unlimited period cannot be amortised.

#### **2.4.9 Property, plant and equipment**

Expenditure on property, plant and equipment by the Group is recognised as an asset at its acquisition cost where it satisfies the following criteria:

- it is likely that the future economic benefits relating to the asset will fall to the Group;
- the cost of the asset can be reliably measured.

Property, plant and equipment are shown in the statement of financial position at their acquisition cost less the accumulated depreciation and impairments. The cost includes the asset's purchase or production cost and all the costs directly incurred in making it usable.

Items of property, plant and equipment cease to be recognised as assets when they are derecognised (through disposal or retirement), or when no future economic benefit is expected from their use or disposal. Any gain or loss arising from the derecognition of an asset from the statement of financial position (the difference between the net income from disposal and the asset's carrying amount) is recognised in the income statement in the period of its retirement.

Given the nature of the Group's business, the activities of the different subsidiaries do not include holding investment property assets.

#### **SUBSEQUENT EXPENDITURE**

Subsequent expenditure incurred in replacing property, plant or equipment is recognised under PPE only if it satisfies the foregoing general criteria and can be qualified as components.

Otherwise, this expenditure is recognised in the income statement as incurred.

Through its public passenger transport activity, the Group incurs multiyear expenditure on major maintenance and servicing operations on its light rail (underground railway, tramway) and passenger rail rolling stock. These are recognised as assets in the form of a maintenance component, which is subsequently depreciated. Furthermore, expenditure which relates to refurbishments or leads to an increase in productive capacity and modifications bringing new functionality or that extend lifespans are contributions that can be qualified as operator assets.

#### **DEPRECIATION**

The residual values and useful lives of the assets are reviewed and, where applicable, adjusted, annually or whenever lasting changes arise in operating conditions.

To date, the residual values at the end of the useful life are regarded as immaterial.

Land is not depreciated. Other property, plant and equipment items are depreciated using the straight line method. The estimated useful lives are as follows:

Buildings	15 to 20 years
Equipment and tooling	5 to 10 years
Furniture and office equipment	5 to 10 years
Vehicle equipment:	
<i>Cars</i>	5 years
<i>Coaches and buses</i>	10 to 15 years
Rolling stock	15 to 30 years

#### **GOVERNMENT INVESTMENT GRANTS**

Government grants wholly or partly covering the cost of investing in an asset are recognised as "Trade payables and other liabilities" and systematically written down in the income statement over the useful lives of the assets concerned.



#### 2.4.10 Right-of-use assets

The existence of a lease in a contract is based primarily on the control exercised by the lessee over the right to use an identified asset for a specified period of time. Eligible contracts are then presented in the balance sheet by the recognition of:

- an asset corresponding to the right to use the leased asset during the term of the contract;
- a liability corresponding to the present value of the remaining payments due to the lessor.

#### VALUATION OF THE RIGHT-OF-USE ASSETS

At the effective date of a lease, the right-of-use asset is measured at cost and includes:

- the initial amount of the lease commitment plus, if applicable, any prepayments made to the lessor, net of any lease inducements received from the lessor;
- the initial direct costs incurred by the lessee for the conclusion of the contract;
- the estimated costs of maintaining and dismantling the leased asset in accordance with the terms of the contract.

The right-of-use asset is depreciated over the lease term or over the useful life of the underlying asset when the contract provides for a purchase option that the lessee is reasonably certain to exercise.

#### VALUATION OF THE LEASE COMMITMENT

At the inception of the contract, the lease commitment is recognised in an amount equal to the present value of the rental payments over the term of the contract. The amounts taken into account in the valuation of lease commitments are:

- fixed rentals (including rentals that are fixed in substance, i.e. even if they contain variability in form, they are in substance unavoidable);
- variable rentals based on a rate or index using the rate or index at the effective date of the contract;
- payments to be made by the lessee under a residual value guarantee;
- the penalties to be paid in the event of the exercise of an option to terminate or not renew the contract, if the duration of the contract was determined on the assumption that the lessee would exercise it.

Certain events may lead to a revaluation of the values recorded in the balance sheet. These include the following situations in particular:

- revision of the rental period, the rent or the scope of the leased assets;
- revaluation relating to residual value guarantees;
- revision of the rates or indices on which rents are based...

The discount rate used to measure the lease commitment is the rate implicit in the contract when it is readily determinable or, failing that, the lessee's marginal borrowing rate at the inception of the contract as defined in paragraph 2.2.

The lease term corresponds to the negotiated contractual term. Renewal or termination assumptions are only taken into account if a particular context allows the Group to be reasonably certain:

- to exercise a renewal option, for example, when the leased asset is considered "strategic" or when it has been the subject of "significant" investments while the remaining lease term is significantly short;

- not to exercise the termination option provided for contractually, for example in the event of early termination of the Public Service Delegation contract.

#### 2.4.11 Impairment of capitalised assets and non-financial assets

The Group performs systematic impairment tests annually (or more frequently where value impairment is indicated) of goodwill and other intangible assets that have indefinite useful lives, and therefore cannot be depreciated.

For property, plant and equipment, and intangible assets with finite useful lives, which are therefore depreciated or amortised, an impairment test is only conducted where impairment is indicated.

Cash Generating Units (CGUs) are the smallest group of assets generating cash flows largely independently of other asset groups. Such units or groups of units correspond to activities in France and, internationally, mainly by country.

For testing purposes, the assets are aggregated within CGUs in accordance with IAS 36 "Impairment of Assets".

These tests compare the net carrying amount of assets with their recoverable amount, which is the higher of the fair value less the potential sales costs or the value in use of the asset. In the absence of any fair value observable on an organised market, the recoverable value of the CGUs is determined on the basis of their value in use.

The carrying amount of each asset group tested is compared with its value in use defined as the sum of the net cash flows arising from the latest forecasts for each of the CGUs, drawn up according to the main assumptions and procedures set out below:

- medium-term plan and budgets over a 5-year timeframe, drawn up by Management on the basis of growth and profitability assumptions taking account of past performance, foreseeable developments in the economic environment and the expected development of markets;
- extrapolation of the net cash flow of the last year or the average of cash flows over the five previous years by applying the growth assumptions stated in note 5.1;
- discounted future value of the cash flows arising from these plans at a rate determined using the weighted average cost of capital (WACC) of the Group.

Value impairment is recognised in the income statement, under other non-recurring expense, if the carrying amount of a cash-generating unit or group of such units is greater than its recoverable amount. The value impairment is allocated first to the goodwill apportioned to the CGU or CGU group tested, then to the other assets of the CGU or CGU group in proportion to their carrying amount.

This allocation must not result in the carrying amount of an individual asset being lower than its fair value, value in use or zero.

Impairment losses allocated to acquisition goodwill cannot be reversed, unlike the impairment losses of other property, plant and equipment and intangible assets.

In the event of an impairment loss being reversed, the asset's carrying amount is capped at the carrying amount, net of any depreciation or amortisation without taking into account any value impairment recognised in prior periods. When an impairment loss or a reversal of an impairment loss has been recognised, the depreciation charge is adjusted for future periods so that the adjusted carrying amount of



the asset, less its residual value, if any, is spread systematically over the remaining useful life.

#### 2.4.12 Financial assets

Purchases and sales of financial assets are recognised at their transaction date, the date on which the Group is committed to the purchase or sale of the asset. On initial recognition, financial assets are recognised in the statement of financial position at fair value plus the transaction costs directly attributable to the acquisition or issue of the asset (except for the category of financial assets measured at fair value, for which transaction costs are recognised directly in the income statement).

Financial assets are derecognised from the statement of financial position to the extent that entitlements to future cash flows have expired or have been transferred to a third party, and the Group has transferred virtually all the risks and benefits or the control of such assets. Financial assets, the maturity (or intended holding period) of which exceeds one year, are recognised under "Non-current financial assets".

In applying the standard IFRS 9, the Group determines the classification of financial assets, on the date of initial recognition, into one of the accounting categories provided for, according to the management model applied for these assets and the characteristics of the contractual cash flows ("basic loan" criteria).

#### EQUITY INSTRUMENTS

An equity instrument under the terms of IAS 32 offers its holder a residual right to the assets of an entity after deduction of the liabilities, without the issuer of the instrument being obliged:

- to give them cash or any other financial asset;
- or to exchange financial instruments under terms which would be potentially unfavourable to them.

Equity instruments within the Keolis Group relate to non-consolidated investments. The Keolis Group has irrevocably selected the classification of its equity assets, either in the category of securities whose fair value varies in equity in "Items which will not be recycled in profit/loss - FVOCI" with no option to recycle in profit/loss (this is the case for strategic investments in entities created under public/private partnerships, and historic investments on the date of the first application), or in the category of securities whose corresponding variations in fair value pass in the income statement.

#### DEBT INSTRUMENTS

Debt instruments are defined by standard IAS 32 as being financial instruments that do not come within the definition of equity instruments mentioned above.

The Group analyses the cash flows generated by the instrument and Management's intentions with regard to these investments, in order to determine the classification of the financial instruments according to the following three categories:

- debt instrument valued at amortised cost "hold to collect": this means debt instruments whose cash flows represent interest or repayment of capital on specific dates (compliance with "basic loan" criteria), and that the Management intends to retain to maturity;
- debt instruments valued at the Fair Value by Equity ("Other Items in Comprehensive Income") recycled in profit/loss at the time of the sale "hold to collect and sell": these are debt instruments whose cash flows represent interest or repayment of capital on specific dates (compliance with "basic loan" criteria), and that the Management intends sell in the medium term;

- debt instruments valued at Fair Value in profit/loss "hold to sell": these are
  - either debt instruments whose cash flows represent interest or repayment of capital on specific dates (compliance with "basic loan" criteria), and that the Management intends to sell in the short term,
  - or debt instruments where it cannot be contractually asserted that the cash flows represent interest or repayment of capital on specific dates.

In the case of instruments with a debt component and an equity component, IFRS 9 does not authorise their separation: an analysis of the instrument will lead to its being classified in one of the two categories. For example, loans convertible into shares are classified in the category of debt instruments whose variations in fair value pass in the income statement.

#### IMPAIRMENT OF FINANCIAL ASSETS

When financial assets are first recognised, the Group considers the potential expected credit losses not only on the basis of an objective indication but also with regard to statistics arising from its past experience.

Accordingly, the initial value of a financial asset depends on the level of credit risk at its initial recognition.

Subsequently, a loss of value is recognised on an asset or a group of financial assets not measured at fair value, in the case of a significant increase of credit risk or where there is an objective indication of impairment arising from one or more events that have occurred since the initial recognition of the asset, and where such an impairing event has an impact on the estimated future cash flows from the financial asset or group of financial assets, and if its carrying value is higher than its estimated recoverable value.

The measurement of trade receivables is described in note 2.4.14.

#### 2.4.13 Inventories

Inventories consist mainly of consumables and miscellaneous goods or supplies used for the maintenance and upkeep of vehicles or intended for resale.

These inventories are valued at purchase cost. Impairment is recognised to reduce the purchase cost (determined using the weighted average cost (WAC) method or the First-in, First-out (FIFO) method) to the net realisable value if lower. Pursuant to IAS 2, the net realisable value is the estimated sale price in the normal course of business, less the estimated cost for completion and realisation of the sale.

#### 2.4.14 Trade receivables and other debtors

Trade receivables and receivables from other debtors are initially recognised at their fair value which, in most cases is their nominal value, given the generally short payment times. The carrying amount is subsequently measured where required at the amortised cost using the effective interest rate method, less any impairment allowances.

When the trade debt is first accounted for, the Group considers the potential expected credit losses not only on the basis of an objective indication but also with regard to statistics arising from its past experience.

In view of the low credit risk borne by its customers (mainly public authorities), the Keolis Group applies the simplified method for trade receivables and states that the expected credit loss on recognition of the receivable is negligible.

If there is subsequently an objective indication of impairment or a risk that the Group may be unable to collect all the contractual amounts (principal plus interest) on the date set in the contractual payment schedule, an impairment loss is recognised in the income statement. This allowance is equal to the difference between the carrying amount and the estimated recoverable future cash flows, discounted at the original effective rate of interest.

#### 2.4.15 Cash and cash equivalents

This item includes cash, sight deposits and other short-term deposits as well as other easily convertible liquid instruments with negligible risk of a change in value, maturing less than three months from the date of acquisition.

#### 2.4.16 Income tax

KEOLIS S.A. and its French subsidiaries are part of the tax consolidation scope of its parent company: GROUPE KEOLIS S.A.S. Other tax consolidation systems also exist internationally. The effect of these regimes is recognised in the income statement.

The income tax expense or income includes the current tax expense or income and the deferred tax expense or income. Tax is recognised in profit for the year unless it relates to items that are directly recognised under equity, in which case, the tax is recognised under equity.

Current tax is the estimated amount of tax due on the taxable profit for the period. It also includes adjustments to the amount of tax payable in respect of previous periods.

Deferred tax is calculated for each individual entity using the balance sheet approach, on the temporary differences between the carrying amount of the assets and liabilities and their taxation base, including assets of which the Group has possession under finance lease agreements.

Measurement of deferred tax assets and liabilities depends on whether the Group expects to recover or to pay the carrying amount of the assets and liabilities, under the variable-carry-forward method, using the rates of taxation that were adopted or virtually adopted at the reporting date. A deferred tax asset is only recognised or maintained as an asset to the extent that the Group is likely to benefit from future taxable profits to which the related deductible temporary difference may be imputed.

The deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset in each taxable entity when the latter recovers the asset and settles the liability on the same due date, subject to the following conditions being met:

- legally enforceable right to offset;
- intention to settle;
- schedule of payments.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of certain differences between the values of the Group's proportionate interests in the net assets of subsidiaries, joint ventures and associates and their tax values. This exception applies especially to the income of subsidiaries yet to be distributed, should distribution thereof to shareholders generate taxation; if the Group has decided not to distribute profits retained

by the subsidiary in the foreseeable future, no deferred tax liabilities are recognised.

#### 2.4.17 Financial debt and long-term borrowings

All borrowings are initially recognised at fair value, less the related borrowing costs. Thereafter, they are recognised at amortised cost, using the effective interest rate method, with the difference between the cost and the redemption value recognised in the income statement over the term of the borrowings.

The effective interest rate is the rate used to obtain the original carrying amount of a loan by discounting the future cash inflows or outflows over the loan's term. The original carrying amount of the loan includes the transaction costs of the operation and any issuance premiums.

When a debt is reimbursed early, any non-amortised costs are recognised as expenses.

In the event that a loan is renegotiated, standard IFRS 9 stage 1 lays down that the original interest rate is maintained, and an immediate impact is recognised in the income statement amounting to the difference between the expected contractual flows prior to amendment, and the expected contractual flows after amendment. The Group did not suffer any impact from this section of the standard at 31 December 2019.

#### 2.4.18 Derivative financial instruments

The Group uses derivative financial instruments to manage exposure to financial market risks resulting from its operational, financial and investment activities:

- interest rate risk;
- foreign exchange risk;
- commodities risk.

The derivative financial instruments are measured and recognised at fair value in the balance sheet on the date they are established, then on each financial year end date.

Fair value is measured by using standard valuation methods and is based on the mid-market conditions commonly used in the markets. The market data used is level 2 under the terms of IFRS 13.

The treatment of the gains and losses under the fair value revaluation depends on whether or not the derivative instrument is considered a hedging instrument and the nature of the hedged item.

Certain derivative financial instruments are eligible for one of the three hedge accounting categories defined in IFRS 9:

- fair value hedge;
- cash flow hedge;
- net investment hedge.

They are recognised in accordance with hedge accounting rules.

The criteria to apply hedge accounting are mainly:

- general hedging documentation that describes the Group's exposure to the various financial risks and its hedging strategy;
- a hedging relationship clearly established on the date on which each derivative financial instrument is established;

- the use of effectiveness testing to demonstrate the effectiveness of the hedging relationship prospective to its date of establishment, and at each financial close.

Interest rate, foreign exchange and commodity derivative financial instruments are entered into with first-class bank counterparties in accordance with the Group's counterparty risk management policy. Consequently, the counterparty risk can be regarded as negligible.

Derivative financial instruments qualifying for hedge accounting are currently accounted for as cash flow hedges. The derivative financial instruments that are not eligible are recognised under trading.

Changes in the intrinsic value of derivative financial instruments treated as cash flow hedges are wholly recognised in equity (reclassifiable reserves). The initial time value (premium) is treated as a cost of the hedging with subsequent changes in value recognised in OCI.

Applying standard IFRS 9, the element of contango/backwardation, corresponding to the difference in price between the swap futures (or the exercise price for the options) and the spot price, may be recognised either as a cost of hedging or within financial result: at 31 December 2019 the element of contango/backwardation for all transactions is treated as a cost of hedging.

The change in fair value of derivatives not qualifying for hedge accounting (for example, the asymmetrical collars) is recognised within financial result.

As part of the application of the phase 1 amendment to IFRS 9/IAS 39 relating to the reform of reference rates, which was published in September 2019 and was adopted by the European Union on 15 January 2020, the hedging relationships of interest rate instruments will not be called into question at 31 December 2019. To this end, the Keolis Group has decided to apply the phase 1 amendment in advance on 31 December 2019 and to provide the required information until the end of the uncertainty period.

- Hedging relationships are exposed to the following reference rates:
  - AUD BBSW 3 months (not affected by the reform);
  - EUR Euribor 1 month;
  - EUR Euribor 3 months;
  - USD Libor 1 month.

At 31 December 2019, none of our finance or hedging contracts were subject to an index amendment. The period of uncertainty will cease as soon as the financial instrument contracts have been amended to correspond to the new indices of the Group's debts.

The underlying financing items concerned are the syndicated and bilateral financing held by Keolis SA (on which 8% of the Group's interest rate hedging instruments are backed).

All interest rate hedging instruments are covered by the exemption provided for in the amendment since all these transactions are:

- qualified as Cash Flow Hedges;
- are based on finance contracts that are still outstanding and whose renewal is deemed highly probable;
- despite the change in index, the underlying debt instruments will not be redeemed;
- the change in index on the hedged item will not be a trigger for the disappearance of the hedged item triggering reclassification into P&L;
- none of our finance or hedging contracts were subject to an index change at 31 December 2019.

Outstanding hedging instruments held by Keolis SA according to the type of index are as follows:

- Euribor 1m €7M;
- Euribor 3m €69M;
- USD Libor 1m €27M.

#### **INTEREST RATE RISKS RELATING TO THE VARIABLE RATE PORTION OF FINANCIAL DEBT**

The exposure of the Group to interest rate risk stems from its financial debt. The Group covers this risk by using derivative financial instruments.

The objective of the risk management is to protect the Group's financial income from an increase in interest rates, while taking advantage of a decrease in rates to the greatest extent possible.

The interest rate hedging policy implemented consists in favouring fixed rate derivative financial instruments. The management horizon adopted is usually a rolling five years, but this can be greater if the need to hedge requires it.

The derivative financial instruments used by the Group are standard, liquid and market-available:

- swaps;
- cap calls;
- cap puts to unwind an existing cap or to realise a cap spread;
- floor puts if tied with cap calls to create a symmetrical or asymmetrical collar;
- floor calls, in particular to buy back floors that constitute asymmetrical collars;
- swaption calls;
- swaption puts if tied with calls to constitute swaption collars.

#### **SENSITIVITY ANALYSIS**

The sensitivity of profit to a risk in variations in interest rates is linked:

- to the net debt at variable interest rates after taking into account fair value hedges;
- to liabilities for fair value options;
- to derivative financial instruments not qualifying as hedges in the sense of the standard IFRS 9.

The sensitivity of reclassifiable reserves (equity) to a risk in variations in interest rates is linked to derivatives qualifying as cash flow hedges.

#### **FOREIGN EXCHANGE RISK**

The Group has put in place intra-group loans denominated in foreign currency and recognised in current accounts. In order to cover the resulting foreign exchange risk, the Group uses derivative financial instruments which allow it to fix the exchange rate of these intra-group loans.

The Group also makes net investments in the capital of its foreign subsidiaries in local currency. To cover the foreign exchange risks engendered by these investments, the Group uses derivative financial instruments in limited amounts. Management's objective is to protect the balance sheet values of these investments in local currency. The foreign exchange hedging policy implemented to achieve this objective consists of maintaining a reference exchange rate defined for the year.

The derivative financial instruments used by the Group are standard, liquid and market-available:

- forward and futures sales and purchases;
- foreign exchange swaps;
- call options;
- put options in combination with call options to provide symmetric or asymmetric collars.

**COMMODITIES PRICE RISKS**

Due to their transportation activities as operators of light vehicle fleets (coaches and buses), the Group's subsidiaries must make substantial and regular purchases of diesel. The Group is consequently exposed to a risk in the fluctuation of the price of diesel, a risk which is partially hedged in the concession contracts signed with public authorities. For the remaining exposure, the Group implements a hedging policy using derivative financial instruments whose objective is to minimise the volatility of Group profits.

For this purpose, the Group uses standard, liquid and market-available derivative financial instruments, namely:

- swaps;
- cap calls;
- cap puts to unwind an existing cap or to realise a cap spread;
- floor puts if tied with cap calls to create symmetrical or asymmetrical collars;
- floor calls, in particular to buy back floors that constitute asymmetrical collars.

**2.4.19 Provisions**

**PROVISIONS FOR PENSION AND POST-EMPLOYMENT COMMITMENTS (IAS 19 REVISED)**

The Group offers its employees various fringe benefits while they are in employment or after employment. These benefits arise under the legislation applicable in certain countries and under contractual arrangements concluded by the Group with its employees, and are either defined contribution plans or defined benefit plans.

**(a) Defined contribution plans**

Defined contribution plans are characterised by payments to organisations that discharge the employer from any subsequent obligation, with the organisations taking responsibility for paying employees their entitlements. Hence, once the contributions are paid, no liability is reported in the Group's financial statements.

**(b) Defined benefit plans**

Defined benefit plans refer to plans providing post-employment benefits other than defined contribution plans. The Group has a duty to accrue provisions for the benefits to be paid to serving members of its staff, and to pay the benefits of former members of its staff. In substance, the actuarial and investment risks lie with the Group.

These plans mainly concern the following:

- pension commitments: pension annuity plans, retirement gratuities, other retirement commitments and additional pension benefits;
- other long term benefits: long service awards.

**DESCRIPTION OF COMMITMENTS UNDER DEFINED BENEFIT PLANS**

Apart from ordinary, statutory schemes, the Group provides, according to country and local legislation, retirement gratuity schemes (France), defined benefit pension schemes (United Kingdom and Canada) and pensioners' health benefit schemes (Canada and USA).

In France, retirement gratuities paid to the employee on leaving employment are determined according to the national collective labour agreement or the company agreement applying in the business. The following are the two main collective labour agreements applied within the Group:

- "Convention collective des transports publics urbains" (CCN\_3099) – the national collective labour agreement for urban public transport;
- "Convention collective des transports routiers" (CCN\_3085) – the national road-haulage collective labour agreement.

These schemes are partly financed by insurance policies. Their value is measured over the average term of the policies (20 years) except in the case of KEOLIS S.A., which is measured using actual retirement ages.

Annual actuarial evaluations of the commitments of the defined benefit schemes are carried out each year end primarily by independent actuaries.

Commitments for pensions, additional pension benefits and retirement gratuities are measured using a method that takes account of the projected final end-of-career salaries (termed the Projected Unit Credit Method) on an individual basis, which is based on assumptions of discounting rates and expected long-term yields from the funds invested for each country, and on assumptions regarding life expectancy, staff turnover, trends in pay, annuity revaluations and the discounted value of payable sums. The specific assumptions for each plan take local economic and demographic factors into account.

The value entered in the statement of financial position under provisions "pensions and other employment benefits" is the difference between the discounted value of the future obligations and the fair value of the pension plan assets intended to cover them. Where the result of this calculation is a net commitment, an obligation is recognised as a liability in the statement of financial position.

When bids are won in France or abroad, the asset representing pension rights and all other employee benefits recognised at the start of the franchise is determined on the basis of the amount of pension liabilities and other employee benefits due over the estimated life of the contract.

Actuarial gains/losses relating to post-employment benefits resulting from experience and changes in actuarial assumptions are recognised directly in equity in the year in which they are incurred and are offset against the increase or decrease of the obligation. They are set out in the statement of comprehensive income.



In the income statement, the cost of service earned during the financial year is included in the operating profit.

The interest cost in respect of the discounting of pensions and similar obligations, and the income relating to the expected yields from the pension plan assets, are recognised under financial income and expense.

In France, long service awards are valued on the same basis as pension commitments, with the exception of the recognition of actuarial gains and losses. Actuarial gains and losses are recognised in the income statement.

#### Other types of provisions:

provisions are accrued where at the end of the reporting period:

- there is a present legal or implicit obligation from the Group towards third parties arising from a past event;
- there is a probability that an outflow of resources embodying economic benefits will be required to settle this obligation;
- and when a reliable estimate can be made of the amount.

In the context of its activity, the Group is generally subject to a contractual obligation to carry out multiyear major maintenance and servicing operations on facilities managed under a public service agreement. The resulting maintenance and repair costs are analysed in accordance with IAS 37 on provisions and, where applicable, provisions are accrued for major maintenance and servicing and also for lossmaking contracts where the unavoidable costs incurred to meet the contractual obligation are greater than the economic benefits of the contract.

In cases of restructuring, an obligation is accrued in so far as the restructuring has been announced and is the object of a detailed formalised plan or has been started prior to the reporting date.

Provisions due in more than one year are discounted whenever the impact is material.

#### 2.4.20 Payments in shares and similar payments

The Group has no share option plans or share purchase warrants for the benefit of its members of staff.

#### 2.4.21 Trade payables and other accounts payable

Trade payables and other accounts payable are measured at their fair value at initial recognition, which in most cases is their nominal value, and thereafter at the amortised cost. Short-term payables are recognised at their nominal amount unless discounting at the market rate would have a material impact.

In the event of long payment delays, the suppliers' debt is discounted.

Other payables include deferred revenues, corresponding to income received for services not yet provided, and investment grants not yet posted in the income statement.

#### 2.4.22 Revenue and other business income

Revenue and other business-related income are measured at the fair value of the consideration received or accrued.

They are measured net of discounts and commercial benefits given, where the service has been provided. No income is recognised where

there exists significant uncertainty as to the recoverability of the consideration receivable or the costs incurred or to be incurred in relation to the service, and where the Group remains involved in managing the income.

The revenue from urban passenger transport companies is recognised according to the terms of the contract signed with the public transport authority, taking account of all additional clauses and any vested rights (indexation clauses, etc.).

The same applies for revenue from intercity passenger transport companies, and other activities not under contract, recognised according to the services provided.

Revenues include fees from value added services arising from the Group's knowhow. These activities (excluding transportation) mainly relate to the management of car parks, airports and bike rental.

Other business-related income covers fees for services consisting mainly of revenues classified by the Group as incidental, as well as the remuneration of concession financial assets.

#### 2.4.23 Other operating expenses

Since they are a recurrent feature of the activity, losses or gains on sales of transport equipment are recognised on a separate line and included in recurring operating profit.

#### 2.4.24 Recurring operating profit

Recurring operating profit corresponds to the whole of the expenses and income arising from the Group's recurring operating activity before financing activities, the earnings of associates, activities discontinued or being sold and taxation.

As of financial year 2019, the CICE no longer exists: the tax credit no longer appears in Other Operating Income. It has been replaced by a reduction in statutory welfare contributions.

#### 2.4.25 Operating profit

Operating profit includes recurring operating profit and all transactions not directly related to the normal conduct of business, but that cannot be directly attached to any other item in the income statement.

Income and expenses, charges to depreciation and provisions on non-recurring items include all non-recurring operations where costs are significant: this applies in particular to offensive bids, restructuring costs, disposal gains or losses on assets other than transport equipment, the amortisation of contractual rights and start-up costs in a new country or zone, and to other items that are by their nature non-recurring.

Effects of changes in scope recognised directly in income include:

- direct acquisition costs in the case of a takeover;
- effects of revaluations, at fair value on the acquisition date, of non-controlling interests previously acquired in the case of an acquisition in stages;
- subsequent earn-outs;
- profit or loss from divestments of holdings which lead to a change in the method of consolidation as well as, where applicable, the revaluation effects of retained non-controlling interests.

### 2.4.26 EBITDA calculation

EBITDA is calculated based on operating profit, plus or minus the profit or loss on asset disposals, the amounts representing depreciation and amortisation, increases and reversals of provisions and the share of subsidy income.

Recurring EBITDA corresponds to EBITDA less material non-recurring items.

### 2.4.27 Financial income

Financial expenses include interest on borrowings and financial debt calculated using the effective interest rate method, the cost of early loan repayments or of cancelling credit lines, the financial interest not directly attributable to the operating margin and the financial cost of discounting non-current liabilities.

Financial income includes income from deposits of cash or cash equivalents and dividends received from non-consolidated companies.

Other financial income and expense include net foreign exchange gains and losses, bank commissions on credit transactions booked as an expense and their rebilling as income, changes in the fair value of derivative financial instruments when they are to be recognised in the income statement and are recognised respectively as financial income or expenses on transactions, with the exception of changes in the fair value of hedging derivatives which are recorded on the same line as the transaction hedged within operating profit. Therefore, any change in the fair value of derivatives, when they are not eligible for hedge accounting, and the change in value of the ineffective portion for cash flow hedging are recognised in the financial result.

All interest on borrowings is recognised as a financial expense as and when incurred.

## 3 HIGHLIGHTS OF THE 2019 FINANCIAL YEAR

### France

A good year in terms of revenue from urban networks (at constant scope) and in Île-de-France.

First full year of operation of the Nancy and Chambéry networks won at the end of 2018.

Keolis saw its contracts in Aix-en-Provence, Épinal and Nevers renewed and notably won those in Menton, Antibes Sophia-Antipolis and Moulins.

Win of the first tramway contract in Île-de-France (line T9 - "Bord de l'eau"), the first batch put out to tender by Ile-de-France Mobilités as part of the opening up of Optile to competition.

Keolis continued its development in France with the acquisition of CarPostal France, thereby strengthening Keolis' territorial presence in the inter-urban market throughout eastern France (Grand Est, Bourgogne-Franche Comté, Auvergne-Rhône-Alpes and Le Sud Provence Alpes Côte d'Azur).

### International

International growth continued in 2019 with the full-year operation of the "Transport for Wales" rail network and the opening of the complete automatic metro network in Doha, Qatar, in December 2019.

Keolis strengthened its contribution to energy transition with contract wins for the operation of electric buses in Norway, in Bergen (136 buses), and in the Netherlands, in the provinces of Overijssel, Flevoland and Gelderland (300 buses). Signature of the extension, until 2025, of the DLR (Docklands Light Railway) automatic metro contract in London, United Kingdom.

On 17 June 2019, Groupe Keolis S.A.S. signed an amendment to the syndicated loan contract initially signed on 12 July 2013. The principal features of this amendment are:

- a borrowing envelope unchanged at €900 million;
- maturity extended to 27 July 2024.

By virtue of the principle of debt continuity, none of the nominal sum was reimbursed when the amendment was concluded.

At 31 December 2019, the amount drawn was €580 million and the undrawn balance stood at €320 million. The syndicated credit facility is available to Groupe Keolis S.A.S. and Keolis SA.

## 4 NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 4.1 Staff costs

(€ million)	31/12/2019	31/12/2018
Wages and social charges	(3,145.9)	(2,922.8)
Taxes on remuneration	(66.5)	(83.1)
Other staff expenses <sup>(1)</sup>	(273.2)	(243.2)
<b>TOTAL</b>	<b>(3,485.7)</b>	<b>(3,249.1)</b>

(1) Other staff expenses include incentive schemes and profit sharing.

(number of people)	31/12/2019	31/12/2018
Managers	3,402	2,696
Supervisory and technical staff	11,207	9,025
Clerical and manual employees, drivers	51,925	50,554
<b>TOTAL</b>	<b>66,534</b>	<b>62,275</b>

Workforce is presented in number of people for the financial years 2018 and 2019. In 2018, the number of people was 62,275.

### 4.2 Other operating income

Other operating income mainly comprises the CICE, representing €57.7 million in 2018.

### 4.3 Operating profit

(€ million)	31/12/2019	31/12/2018
<b>Recurring operating profit</b>	<b>136.1</b>	<b>123.5</b>
Costs of offensive bids	(0.7)	(1.6)
Income on non-recurring fixed asset disposals	0.6	0.0
Amortisation of contractual rights and others	(21.8)	(8.5)
Other non-recurring items	(53.0)	(14.4)
▪ of which reorganisation expenses	(17.0)	(8.7)
▪ of which provisions for contract losses	(9.4)	0.0
▪ of which other	(26.6)	(5.7)
<b>Total non-recurring items</b>	<b>(74.8)</b>	<b>(24.4)</b>
<b>OPERATING PROFIT BEFORE INVESTMENTS UNDER EQUITY METHOD</b>	<b>61.2</b>	<b>99.1</b>



#### 4.4 Calculation of EBITDA

(€ million)	31/12/2019	31/12/2018
<b>Operating profit</b>	<b>61.2</b>	<b>99.1</b>
Net depreciation, amortisation and other provisions	456.6	197.7
Depreciation and provisions on non-recurring items	48.8	12.4
▪ of which amortisation of contractual rights and trademarks	21.8	8.5
▪ of which allocations and reversals for other provisions	27.0	3.9
Share of reversal of investment grant	(4.7)	(7.0)
Income on non-recurring fixed asset disposals	(0.6)	0.0
Income on fixed asset disposals	0.6	(2.3)
<b>EBITDA</b>	<b>561.9</b>	<b>299.9</b>
Non-recurring income and expense <sup>(1)</sup>	26.7	12.1
<b>RECURRING EBITDA</b>	<b>588.6</b>	<b>311.9</b>

(1) Non-recurring income and expense include significant offensive bid costs, major restructuring expenses and other significant exceptional items.

#### 4.5 Share of net profit from investments under the equity method

(€ million)	31/12/2019	31/12/2018
Govia (UK)	24.0	20.8
First/Keolis Transpennine (UK)	0.1	0.6
Other associates (France)	(0.7)	(0.4)
Other associates (International excluding UK)	0.5	0.6
<b>TOTAL ASSOCIATES AND JOINT VENTURES</b>	<b>23.9</b>	<b>21.6</b>

#### 4.6 Net financial income

(€ million)	31/12/2019	31/12/2018
Net cost of financial debt	(2.7)	(4.5)
▪ of which cost of gross financial debt	(8.7)	(8.8)
▪ of which income from cash and cash equivalents	5.9	4.3
Other financial income	10.6	9.9
▪ of which revaluation of securities	0.0	2.1
Other financial charges	(83.5)	(20.0)
▪ of which foreign exchange impact	(2.6)	(3.0)
IFRS 16 financial expenses	(40.6)	0.0
<b>FINANCIAL INCOME/(EXPENSE)</b>	<b>(116.3)</b>	<b>(14.7)</b>

#### 4.7 Taxation

The tax charge breaks down as follows:

(€ million)	31/12/2019	31/12/2018
<b>Current tax expense</b>	<b>(66.5)</b>	<b>(52.8)</b>
Tax payable for the period	(69.2)	(52.1)
Adjustment recognised during the period in respect of prior years' current tax payable	2.8	(0.7)
<b>Deferred tax income</b>	<b>(2.7)</b>	<b>5.4</b>
Deferred tax for the period	6.0	9.1
Impairment loss on deferred tax asset	(8.7)	(3.7)
<b>TAX EXPENSE FOR THE YEAR</b>	<b>(69.1)</b>	<b>(47.5)</b>

In 2018 and 2019, the Group decided to reconcile its effective rate starting from a rate of 34.43%.

The reconciliation between the legal rate of taxation in France and the effective rate is as follows:

	31/12/2019		31/12/2018	
	In%	In € million	In%	In € million
Profit after tax from continuing operations		(100.4)		58.5
Neutralisation of Income from associates		(23.9)		(21.6)
Neutralisation of taxation		69.1		47.5
<b>Profit before tax and before share of income from associates</b>		<b>(55.1)</b>		<b>84.4</b>
<b>Theoretical tax using the legal rate of French taxation</b>	<b>34.43%</b>	<b>19.0</b>	<b>34.43%</b>	<b>(29.1)</b>
French/foreign taxation rate differentials	-2.88%	(1.6)	-0.30%	0.3
Taxation rate differential for the French subsidiary versus 34.43%	3.47%	1.9	0.00%	-
Effect of reduced rates and changes in tax rates	0.00%	-	-3.67%	3.1
Adjustment in respect of tax for prior financial years	5.04%	2.8	0.85%	(0.7)
Other permanent differences	-39.38%	(21.7)	2.62%	(2.2)
Tax credit (CICE in 2018)	0.13%	0.1	-20.51%	17.3
Effect of direct taxation (CVAE)	-31.30%	(17.2)	19.14%	(16.2)
Unrecognised deferred tax assets	-94.98%	(52.3)	23.69%	(20.0)
<b>Effective rate of taxation</b>	<b>-125.47%</b>	<b>(69.1)</b>	<b>56.25%</b>	<b>(47.5)</b>

Unrecognised deferred tax assets in 2019 mainly relate to North America, Germany, France and the Netherlands.

Deferred tax included within non-current assets and liabilities breaks down as follows:

(€ million)	31/12/2019	31/12/2018
<b>Deferred tax assets</b>	<b>67.1</b>	<b>109.2</b>
Less than one year	15.4	11.2
More than one year	51.7	94.5
<b>Deferred tax liabilities</b>	<b>76.0</b>	<b>(100.5)</b>
Less than one year	16.7	(12.5)
More than one year	(59.3)	(89.6)

Unused losses amounted to €819.1 million at 31 December 2019 of which €756.3 million were not recognised, taking into account assumptions on the usability of these losses within available time limits, which would represent a deferred tax asset of €231.8 million.

At each financial year end, the Group assesses for each tax entity the probability of its having taxable profits against which to offset its deferred tax assets or to use available unrecognised tax credits. In making this assessment, the Group takes account of, among other factors, past and present taxable profit, and the companies' prospects for making future taxable profits.

The change in the net deferred taxes recorded in the statement of financial position breaks down as follows:

<i>(€ million)</i>	Net position
<b>Opening balance on 1 January 2019</b>	<b>8.7</b>
Recognised in equity	(15.1)
Recognised in profit for the year	(2.1)
Effect of changes in consolidation scope	1.3
Foreign exchange translation differences and other movements	(1.8)
<b>Closing balance on 31 December 2019</b>	<b>(9.0)</b>

<i>(€ million)</i>	Net position
<b>Opening balance on 1 January 2018</b>	<b>3.5</b>
Recognised in equity	0.1
Recognised in profit for the year	5.2
Effect of changes in consolidation scope	(1.9)
Foreign exchange translation differences and other movements	1.8
<b>Closing balance on 31 December 2018</b>	<b>8.7</b>

Net deferred taxes by type are as follows:

<i>(€ million)</i>	31/12/2019	31/12/2018
Purchase accounting asset revaluations	(44.0)	(46.8)
Employee benefits	19.8	34.4
Tax losses	20.1	34.5
Other	(4.9)	(13.4)
<b>CLOSING BALANCE ON 31 DECEMBER</b>	<b>(9.0)</b>	<b>8.7</b>



## 5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 5.1 Goodwill

#### Changes in carrying amount

(€ million)	France	Continental Europe	Australia	North America	Total
<b>At 1 January 2019</b>	<b>122.1</b>	<b>114.7</b>	<b>31.6</b>	<b>33.2</b>	<b>301.7</b>
Acquisitions	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Impairment loss for the period <sup>(1)</sup>	0.0	0.0	0.0	(10.3)	(10.3)
Foreign exchange translation differences and other	0.0	(2.4)	0.4	1.3	(0.7)
<b>At 31 December 2019</b>	<b>122.1</b>	<b>112.3</b>	<b>32.1</b>	<b>24.3</b>	<b>290.8</b>
<i>Of which gross value</i>	<i>122.6</i>	<i>112.3</i>	<i>32.3</i>	<i>44.9</i>	<i>312.0</i>
<i>Of which accumulated amortisation and impairment charges</i>	<i>(0.5)</i>	<i>(0.0)</i>	<i>(0.2)</i>	<i>(20.6)</i>	<i>(21.3)</i>

(1) Impairment losses over the period amount to €10.3 million. The impairment of assets in North America reflects both the change in development strategy in the US and the difficulties encountered in the taxi business linked to the impact of regulatory changes.

(€ million)	France	Continental Europe	Australia	North America	Total
<b>At 1 January 2018</b>	<b>115.7</b>	<b>104.9</b>	<b>34.1</b>	<b>32.7</b>	<b>287.4</b>
Acquisition <sup>(1)</sup>	6.9	10.2	(0.7)	0.0	16.4
Disposals	(0.1)	0.0	0.0	0.0	(0.1)
Impairment loss for the period	0.0	0.0	0.0	(0.0)	(0.0)
Foreign exchange translation differences and other	(0.5)	(0.3)	(1.8)	0.5	(2.1)
<b>At 31 December 2018</b>	<b>122.1</b>	<b>114.7</b>	<b>31.6</b>	<b>33.2</b>	<b>301.7</b>
<i>Of which gross value</i>	<i>122.6</i>	<i>114.7</i>	<i>31.8</i>	<i>43.2</i>	<i>312.4</i>
<i>Of which accumulated amortisation and impairment charges</i>	<i>(0.5)</i>	<i>0.0</i>	<i>(0.2)</i>	<i>(10.0)</i>	<i>(10.7)</i>

(1) The additional goodwill recognised in 2018 corresponds in particular to the acquisition of the Tram group in January 2018 for France and the acquisition of the Andrews group in August 2018 for Continental Europe.

#### Impairment testing

The main assumptions made for impairment tests are as follows:

##### CASH FLOWS

Cash flows are from the main strategic plan drawn up over 5 years and approved by the management bodies. Beyond this time-frame, the flows are extrapolated by applying a long-term growth rate which is close to the long-term inflation expected by the Group, within the limit of the duration of the contract or to perpetuity. The discounting of flows is carried out using rates appropriate to the nature of the activities (see paragraph below).

##### DISCOUNT RATE

The discount rate used is based on the average cost of capital reflecting current market assessments of the time value of money and the risks specific to the tested asset.

The average weighted cost of capital has been determined by a combination of two methods: the "Capital Asset Pricing Model" (CAPM)

method and the average weighted cost of capital method for comparable listed companies. Taking into account these factors, the costs of capital used to discount future cash flows are as follows:

	WACC	
	31/12/2019	31/12/2018
<b>KEOLIS</b>	<b>4.81%</b>	<b>4.27%</b>
United Kingdom	5.00%	4.54%
Sweden	4.40%	4.15%
Canada	4.40%	4.38%
Denmark	4.40%	4.35%
Netherlands	4.40%	4.27%
Belgium	5.10%	4.31%
Australia	5.90%	4.31%
Norway	4.40%	3.95%
United States	5.50%	4.96%
Germany	4.40%	3.64%
France	5.00%	4.27%

These discount rates are rates after tax applied to cash flows after tax. Use thereof results in recoverable amounts identical to those obtained by using pre-tax rates applied to non-taxed cash flows, in accordance with IAS 36.

**LONG-TERM GROWTH RATES**

The growth rates applied to the main cash-generating units or groups thereof are as follows:

	Infinite growth rates	
	31/12/2019	31/12/2018
<b>KEOLIS</b>	<b>2.00%</b>	<b>2.00%</b>
United Kingdom	2.00%	2.21%
Sweden	2.00%	2.11%
Canada	2.00%	2.21%
Denmark	2.00%	2.00%
Netherlands	2.00%	1.89%
Belgium	2.00%	2.00%
Australia	2.00%	2.32%
Norway	2.00%	1.89%
United States	2.00%	2.21%
Germany	2.00%	2.00%
France	2.00%	2.00%

**SENSITIVITY OF RECOVERABLE AMOUNTS**

Sensitivity tests on groups of cash-generating units were carried out by varying the long-term growth rates or the WACC (weighted average cost of capital).

A 0.5 point fall in the perpetual growth rate leaves a positive margin between the value in use and the carrying amount for all of the cash

generating units with the exception of the “North America” CGU for which an impairment has been booked for the period.

A 0.5 point increase in the discount rate leaves a positive margin between the value in use and the carrying amount for all of the cash generating units with the exception of the “North America” CGU for which an impairment has been booked for the period.



## 5.2 Other intangible assets

(€ million)	Software	Trademarks	Contractual rights	Concession assets	Contract assets <sup>(1)</sup>	Other	Total
<b>At 1 January 2019</b>	<b>55.3</b>	<b>2.8</b>	<b>85.9</b>	<b>(0.0)</b>	<b>28.7</b>	<b>48.2</b>	<b>221.0</b>
Acquisitions	19.3	0.0	0.0	0.0	8.4	10.5	38.2
Assets disposed of and scrapped	(0.9)	0.0	0.0	0.0	0.0	(1.1)	(2.0)
Net depreciation, amortisation and impairment	(28.7)	(2.9)	(9.5)	0.0	(9.9)	(8.1)	(59.0)
Change in reporting scope	0.3	0.0	(0.1)	0.0	0.0	1.8	1.9
Foreign exchange translation differences and other	8.1	0.1	0.7	0.0	0.7	(10.1)	(0.4)
<b>At 31 December 2019</b>	<b>53.4</b>	<b>0.0</b>	<b>77.0</b>	<b>(0.0)</b>	<b>27.9</b>	<b>41.3</b>	<b>199.7</b>
<i>Of which gross value</i>	<i>197.4</i>	<i>5.7</i>	<i>137.5</i>	<i>0.0</i>	<i>50.6</i>	<i>90.9</i>	<i>482.0</i>
<i>Of which cumulative depreciation, amortisation and impairment losses</i>	<i>(144.0)</i>	<i>(5.7)</i>	<i>(60.5)</i>	<i>0.0</i>	<i>(22.7)</i>	<i>(49.6)</i>	<i>(282.4)</i>

(€ million)	Software	Trademarks	Contractual rights	Concession assets	Contract assets <sup>(1)</sup>	Other	Total
<b>At 1 January 2018</b>	<b>33.4</b>	<b>3.1</b>	<b>94.7</b>	<b>0.0</b>	<b>22.3</b>	<b>58.3</b>	<b>211.8</b>
Acquisitions	16.4	0.0	0.0	0.2	7.6	16.5	40.7
Assets disposed of and scrapped	(1.2)	0.0	0.0	3.0	0.0	(0.0)	1.8
Net depreciation, amortisation and impairment	(23.0)	(0.4)	(8.0)	(2.5)	(0.8)	(8.7)	(43.4)
Change in reporting scope	3.2	0.0	0.7	0.0	0.0	7.5	11.4
Foreign exchange translation differences and other	26.4	0.1	(1.5)	(0.7)	(0.4)	(25.3)	(1.3)
<b>At 31 December 2018</b>	<b>55.3</b>	<b>2.8</b>	<b>85.9</b>	<b>(0.0)</b>	<b>28.7</b>	<b>48.3</b>	<b>221.0</b>
<i>Of which gross value</i>	<i>175.2</i>	<i>5.6</i>	<i>136.8</i>	<i>0.0</i>	<i>41.3</i>	<i>84.7</i>	<i>443.5</i>
<i>Of which cumulative depreciation, amortisation and impairment losses</i>	<i>(120.0)</i>	<i>(2.7)</i>	<i>(50.8)</i>	<i>0.0</i>	<i>(12.6)</i>	<i>(36.4)</i>	<i>(222.5)</i>

(1) See: Note 2.3.2.4.8 for the definition of contract assets.

## 5.3 Property, plant and equipment

(€ million)	Land & Developments	Buildings	Equipment and tooling	Transport equipment	PPE under construction	Other	Total
<b>At 1 January 2019</b>	<b>37.8</b>	<b>81.5</b>	<b>43.0</b>	<b>499.6</b>	<b>20.6</b>	<b>71.5</b>	<b>754.0</b>
Acquisitions	3.4	10.4	10.4	65.1	29.1	56.1	174.5
Assets disposed of and scrapped	(0.5)	(2.6)	(0.9)	(29.8)	(0.0)	(0.9)	(34.9)
Net depreciation and amortisation	(1.6)	(10.8)	(10.5)	(83.6)	0.0	(17.9)	(124.3)
Change in reporting scope	0.1	0.3	0.4	23.7	0.1	1.2	25.7
Foreign exchange translation differences and other movements	1.4	3.0	0.5	(107.5)	(20.5)	(1.6)	(124.6)
<b>At 31 December 2019</b>	<b>40.6</b>	<b>81.8</b>	<b>42.8</b>	<b>367.6</b>	<b>29.3</b>	<b>108.3</b>	<b>670.4</b>
<i>Of which gross value</i>	<i>52.0</i>	<i>182.1</i>	<i>129.2</i>	<i>1,031.5</i>	<i>29.3</i>	<i>255.7</i>	<i>1,679.7</i>
<i>Of which cumulative depreciation, amortisation and impairment losses</i>	<i>(11.3)</i>	<i>(100.3)</i>	<i>(86.4)</i>	<i>(663.9)</i>	<i>0.0</i>	<i>(147.4)</i>	<i>(1,009.3)</i>

(€ million)	Land & Developments	Buildings	Equipment and tooling	Transport equipment	PPE under construction	Other	Total
<b>At 1 January 2018</b>	<b>37.8</b>	<b>77.9</b>	<b>36.3</b>	<b>508.8</b>	<b>39.8</b>	<b>70.1</b>	<b>770.6</b>
Acquisitions	2.2	6.4	15.2	101.3	14.5	23.0	162.6
Assets disposed of and scrapped	(0.1)	(0.8)	(1.4)	(17.3)	(0.9)	(1.1)	(21.6)
Net depreciation and amortisation	(1.4)	(11.2)	(8.9)	(117.0)	0.0	(20.7)	(159.3)
Change in reporting scope	0.0	0.2	0.1	10.9	(0.0)	2.3	13.5
Foreign exchange translation differences and other movements	(0.7)	9.1	1.7	12.9	(32.8)	(2.0)	(11.8)
<b>At 31 December 2018</b>	<b>37.8</b>	<b>81.5</b>	<b>43.0</b>	<b>499.6</b>	<b>20.6</b>	<b>71.5</b>	<b>754.0</b>
<i>Of which gross value</i>	<i>47.5</i>	<i>175.9</i>	<i>121.4</i>	<i>1,297.1</i>	<i>20.6</i>	<i>211.2</i>	<i>1,873.8</i>
<i>Of which cumulative depreciation, amortisation and impairment losses</i>	<i>(9.8)</i>	<i>(94.4)</i>	<i>(78.5)</i>	<i>(797.5)</i>	<i>0.0</i>	<i>(139.7)</i>	<i>(1,119.8)</i>

## 5.4 Right-of-use assets

### ASSETS

(€ million)	Land and buildings	Railway transport equipment	Road transport equipment	Other equipment	Total
<b>At 1 January 2019<sup>(1)</sup></b>	<b>380.8</b>	<b>508.8</b>	<b>504.6</b>	<b>19.6</b>	<b>1,413.8</b>
New contracts	7.6	45.8	143.1	2.3	198.7
Assets disposed of and scrapped	-	(0.1)	(0.1)	0.0	(0.2)
Net depreciation, amortisation and impairment	(66.0)	(65.7)	(152.3)	(5.8)	(289.8)
Change in reporting scope	(0.1)	-	29.5	-	29.4
Foreign exchange translation differences and other	6.8	6.4	(5.5)	0.0	7.7
<b>At 31 December 2019</b>	<b>329.2</b>	<b>495.1</b>	<b>519.3</b>	<b>16.0</b>	<b>1,359.6</b>
<i>Of which gross value</i>	<i>398.8</i>	<i>584.7</i>	<i>854.2</i>	<i>22.5</i>	<i>1,860.2</i>
<i>Of which cumulative depreciation, amortisation and impairment losses</i>	<i>(69.6)</i>	<i>(89.6)</i>	<i>(334.9)</i>	<i>(6.4)</i>	<i>(500.6)</i>

(1) The right-of-use assets amounting to €1,414 million of which €1,255 million of operational leases and €138 million of finance leases correspond to the 1st application of IFRS 16 on 1 January 2019.

### LIABILITIES

(€ million)	IFRS 16 lease liabilities > 1 year	IFRS 16 lease liabilities < 1 year	Total
<b>At 1 January 2019</b>	<b>1,147.9</b>	<b>264.4</b>	<b>1,412.3</b>
New liabilities	188.8	9.9	198.7
Repayments of lease obligations	(22.7)	(247.2)	(269.9)
Change in reporting scope	29.3	(0.5)	28.9
Accrued interest on lease obligations	-	3.1	3.1
Foreign exchange translation differences and other	(206.2)	219.3	13.0
<b>At 31 December 2019</b>	<b>1,137.1</b>	<b>249.0</b>	<b>1,386.1</b>

## 5.5 Investments under the equity method

The Group holds several investments in joint ventures and associates notably in the United Kingdom, consolidated under the equity method. The changes in the value of these investments during the financial year can be explained by the items below:

<i>(€ million)</i>	31/12/2019	31/12/2018
<b>At 1 January</b>	<b>38.1</b>	<b>36.2</b>
Net profit attributable to Group	23.9	21.6
Impairment	0.0	0.0
Income from investments under equity method	23.9	21.6
Changes in fair value impacting equity	0.0	(0.0)
Foreign exchange translation difference	1.7	(0.1)
Dividends paid	(22.3)	(21.4)
Changes in consolidation scope & other	0.1	1.7
<b>At 31 December</b>	<b>41.4</b>	<b>38.1</b>

The financial elements relating to significant joint ventures are presented below at 100% of their values.

<i>(€ million)</i>	31/12/2019				31/12/2018			
	Govia & subsid's	First/Keolis Transpennine	Other	Total associates	Govia & subsid's	First/Keolis Transpennine	Other	Total associates
Non-current assets	703.3	0.0	NA	NA	55.1	0.0	NA	NA
Net WCR	(348.9)	7.1	NA	NA	38.4	6.7	NA	NA
Current assets	936.9	12.8	NA	NA	887.2	12.6	NA	NA
<b>Total assets</b>	<b>1,640.2</b>	<b>12.8</b>	<b>NA</b>	<b>NA</b>	<b>942.3</b>	<b>12.6</b>	<b>NA</b>	<b>NA</b>
Equity	98.6	7.2	NA	NA	88.8	6.7	NA	NA
of which net profit	68.5	0.1	NA	NA	59.4	1.4	NA	NA
Current liabilities	1,285.8	5.7	NA	NA	848.8	5.9	NA	NA
Non-current liabilities	255.7	(0.0)	NA	NA	4.7	(0.0)	NA	NA
<b>Total liabilities</b>	<b>1,640.2</b>	<b>12.8</b>	<b>NA</b>	<b>NA</b>	<b>942.3</b>	<b>12.6</b>	<b>NA</b>	<b>NA</b>
<b>Net assets</b>	<b>98.6</b>	<b>7.2</b>	<b>NA</b>	<b>NA</b>	<b>88.8</b>	<b>6.7</b>	<b>NA</b>	<b>NA</b>
Reconciliation of financial data with value of investments under the equity method								
<b>Group share of net assets</b>	<b>34.5</b>	<b>3.2</b>	<b>3.7</b>	<b>41.4</b>	<b>31.1</b>	<b>3.0</b>	<b>4.0</b>	<b>38.1</b>
Goodwill								
Other								
<b>NET BOOK VALUE OF INVESTMENTS UNDER THE EQUITY METHOD</b>	<b>34.5</b>	<b>3.2</b>	<b>3.7</b>	<b>41.4</b>	<b>31.1</b>	<b>3.0</b>	<b>4.0</b>	<b>38.1</b>

With regard to Govia's activities in the UK, operating companies are required under contract to retain a level of liquidity such that the public service can be guaranteed in the event of the operator's insolvency. This requires the operator to maintain a Liquidity Maintenance Ratio. The required amount is equal to a certain number of weeks of direct costs relating to the activity until the end of the franchise. This requirement means that the majority of the cash held by Govia under operational

companies cannot be qualified as transferable to the Go-Ahead group, the majority shareholder in Govia. As such, the net cash position at year end is presented in net working capital requirement.

However, the net assets held by the Keolis Group in the UK in Govia, amounting to €34.5 million at 31 December 2019, are fully available.



**5.6 Current and non-current financial assets**

At 31 December 2019 (€ million)	Equity instruments measured at		Debt instruments measured at			Financial assets for concessions	Total
	“Fair value” through profit/loss	“Fair value” through “OCI” not recyclable in P&L	amortised cost through profit/loss	“Fair value” through Profit/loss	Derivative assets		
Gross value	0.8	16.0	391.0	0.2	0.7	87.1	495.9
Impairment	-	-	-	-	-	-	-
<b>NET VALUE</b>	<b>0.8</b>	<b>16.0</b>	<b>391.0</b>	<b>0.2</b>	<b>0.7</b>	<b>87.1</b>	<b>495.9</b>
Due in less than 1 year			17.8		0.7		18.6
Due in more than 1 year	0.8	16.0	373.2	0.2	(0.1)	87.1	477.3

**5.7 Inventories**

(€ million)	31/12/2019	31/12/2018
Gross inventories	144.6	127.3
Impairment	(2.2)	(3.2)
<b>NET INVENTORIES</b>	<b>142.4</b>	<b>124.1</b>

**5.8 Trade and other receivables**

(€ million)	31/12/2019	31/12/2018
Trade receivables	643.3	563.7
Advances and down payments on orders	9.4	12.7
Impairment of accounts receivable	(12.0)	(11.6)
<b>Trade receivables</b>	<b>640.6</b>	<b>564.8</b>
Receivables from staff and welfare agencies	7.0	5.1
Central government and local authorities	291.3	326.2
Prepaid expenses	63.6	43.8
Other <sup>(1)</sup>	229.2	211.6
Impairment of other debtors	(4.8)	(1.1)
<b>Other receivables</b>	<b>586.3</b>	<b>585.6</b>
<b>TOTAL</b>	<b>1,226.9</b>	<b>1,150.4</b>

(1) Other receivables for 2019 include €71 million representing the Australian Department for Transport's guarantee on extra holiday rights; these rights appear under liabilities as payables to staff.

## 5.9 Cash and cash equivalents

### Analysis by type

(€ million)	31/12/2019	31/12/2018
Cash	436.7	333.8
Short term investments	0.7	1.1
Total recognised as assets	437.4	334.9
Including cash to be kept available locally <sup>(1)</sup>	48.6	43.9
Bank overdrafts and current account liabilities	(353.0)	(198.3)
Net cash and cash equivalents	84.3	136.6

(1) In the United Kingdom, the operating companies are required by contract to maintain a certain level of liquidity such that the public service can be guaranteed in the event of the operator's insolvency. This requires the operator to maintain a "Liquidity Maintenance Ratio" or "Financial Ratio". The required amount is equal to a certain number of weeks of direct costs relating to the activity, or an amount sufficient to meet the "Financial Ratio", and must be maintained until the end of the franchise.

Cash equivalents include highly liquid short-term investments that are easily convertible into a known amount of cash and present no significant risk of loss of value.

The Group takes the view that its UCITS classified by the AMF (French financial markets authority) as "euro money-market" meet the criteria necessary to classify them as cash equivalents.

No transaction of this type was conducted on 31 December 2019. As a reminder, no transaction of this type was conducted on 31 December 2018.

## 5.10 Equity

### Share capital and share premium

At 31 December 2019, the share capital was €412.8 million, made up of 34,402,723 shares with a par value of €12. No dilutive instruments were issued during the financial year ended 31 December 2019.

The Group's borrowing contracts do not include any mandatory gearing ratio clauses.

### Treasury shares

At 31 December 2019, Keolis S.A. did not hold any of its own shares and was not involved in any call or put options on Keolis S.A. shares.

### Distributable reserves and earnings

At 31 December 2019, KEOLIS S.A. had reserves and distributable income of €54.8 million. The loss for the financial year amounts to €147.8 million.

### Non-controlling interests

The main non-controlling interests are mainly held by the following subsidiaries: Keolis Downer, KDR Victoria Pty Ltd, Keolis Commuter Services LLC and Australian Transit Enterprises.

### Foreign exchange translation reserve

The following were the main exchange rates against the euro used for the 2019 and 2018 financial years:

	2019		2018	
	Average rate	Closing rate	Average rate	Closing rate
Pound Sterling	0.877771	0.850800	0.884706	0.894530
Australian Dollar	1.610881	1.599500	1.579678	1.622000
Danish Crown	7.466064	7.471500	7.453168	7.467300
Swedish Crown	10.589081	10.446800	10.258258	10.254800
Norwegian Crown	9.851086	9.863800	9.597493	9.948300
Dollar US	1.119475	1.123400	1.180955	1.145000
Canadian Dollar	1.485477	1.459800	1.529365	1.560500
Indian Rupee	78.836140	80.187000	80.733238	79.729800

### 5.11 Financial debt and long-term borrowings

In 2019, a financing line was set up:

- at the level of KSA: an amortisable variable-rate loan of €20 million, set up and drawn down on 17 December 2019 for a period of 8 years, to finance rolling stock. This loan is fully hedged by a back-to-back hedging derivative financial instrument.

#### Financial debt breakdown by type

##### AT 31 DECEMBER 2019

<i>(€ million)</i>	Amounts in the statement of financial position	Maturity	Interest rates
Owed to non-controlling shareholders (put option)	-	2020	
Derivatives	2.0	2020	-
Loans	23.5	2020	Fixed rates
Loans	77.3	2020	Variable rates
<b>Sub-total, less than 1 year</b>	<b>102.8</b>		
Owed to non-controlling shareholders (put option)	-		-
Employee profit sharing	0.5	2021-2023	Fixed rates
Derivatives	(0.1)		-
Loans	57.4	2021-2031	Fixed rates
Loans	324.8	2021-2032	Variable rates
<b>Sub-total, more than 1 year</b>	<b>382.7</b>		
<b>TOTAL</b>	<b>485.4</b>		

##### AT 31 DECEMBER 2018

<i>(€ million)</i>	Amounts in the statement of financial position	Maturity	Interest rates
Finance leasing	1.3	2019	Variable rates
Finance leasing	35.2	2019	Fixed rates
Owed to non-controlling shareholders (put option)	0.0	2019	-
Derivatives	0.8	2019	-
Loans	8.2	2019	Fixed rates
Loans	62.9	2019	Variable rates
<b>Sub-total, less than 1 year</b>	<b>108.4</b>		
Owed to non-controlling shareholders (put option)	0.0	2019	-
Finance leasing	3.6	2020-2033	Variable rates
Finance leasing	79.5	2020-2033	Fixed rates
Employee profit sharing	0.5	2019-2021	Fixed rates
Derivatives	0.0		-
Loans	83.0	2020-2030	Fixed rates
Loans	159.0	2020-2031	Variable rates
<b>Sub-total, more than 1 year</b>	<b>325.7</b>		
<b>TOTAL</b>	<b>434.1</b>		

## Breakdown of financial debt and lease obligations by maturity

**MATURITY**

(€ million)	2020	2021	2022	2023	2024	2025 to 2030	> 2030	Total
Lease obligations	264.8	225.5	187.4	143.7	110.6	295.3	158.8	<b>1,386.1</b>
Financial debt	102.8	44.0	200.0	13.2	52.5	73.0	0.0	<b>485.4</b>

**STATEMENT OF CHANGES IN FINANCIAL DEBT AND LEASE OBLIGATIONS**

(€ million)	31/12/2018	Impact of first application of IFRS 16	Increase	Decrease	Change in reporting scope	Foreign exchange impact	Other	31/12/2019
Owed to non-controlling shareholders (put option)	-	-	-	-	-	-	-	-
Lease obligations (including finance lease liabilities)	-	264.4	49.9	(284.1)	-	1.5	217.3	249.0
Finance leasing	36.6	(36.6)	-	-	-	-	-	-
Derivatives	0.8	-	-	-	-	0.0	1.2	2.0
Loans	71.1	-	35.4	(20.3)	0.0	0.4	14.2	100.8
<b>Sub-total, less than 1 year</b>	<b>108.4</b>	<b>227.8</b>	<b>85.2</b>	<b>(304.4)</b>	<b>0.0</b>	<b>1.9</b>	<b>232.8</b>	<b>351.8</b>
Owed to non-controlling shareholders (put option)	-	-	-	-	-	-	-	-
Lease obligations (including finance lease liabilities)	-	1,147.9	188.8	(22.7)	29.6	12.1	(218.6)	1,137.1
Finance leasing	83.2	(83.2)	-	-	-	-	-	-
Employee profit sharing	0.5	-	-	-	-	-	(0.0)	0.5
Derivatives	-	-	-	-	-	-	(0.1)	(0.1)
Loans	242.0	-	151.4	(3.4)	-	3.7	(11.4)	382.3
<b>Sub-total, more than 1 year</b>	<b>325.7</b>	<b>1,064.7</b>	<b>340.2</b>	<b>(26.1)</b>	<b>29.6</b>	<b>15.8</b>	<b>(230.1)</b>	<b>1,519.8</b>
<b>TOTAL</b>	<b>434.1</b>	<b>1,292.6</b>	<b>425.5</b>	<b>(330.5)</b>	<b>29.6</b>	<b>17.8</b>	<b>2.6</b>	<b>1,871.6</b>

**MANDATORY FINANCIAL RATIOS**

The contracts held by Keolis S.A. do not contain mandatory financial ratios.

The Group's contracts and those of its subsidiaries include cross acceleration clauses. If the Group or, under certain conditions, its largest subsidiaries do not comply with their commitments, lending institutions may claim default and early reimbursement of a major portion of the Group's debt.

Taking account of the spread of this financing among various subsidiaries and the quality of the Group's liquidity resources, the existence of these clauses does not create a material risk to the Group's financial situation.

In 2014 the Group introduced monitoring of these financial ratios relating to the financing of the Group and its subsidiaries in order to anticipate any adverse change to the ratios.

## 5.12 Assets and liabilities by category

31/12/2019			Financial instruments				Fair value				
Balance sheet item and instrument class (€ million)	Non-current	Current	Net book value of class in statement of financial position	At fair value through equity	Loans, receivables, debt at amortised cost	At fair value through profit/loss	Qualified as hedging	Level 1	Level 2	Level 3	Net financial debt
Receivables from SNCF Réseau	-	-	-	-	-	-	-	-	-	-	-
Receivables from SNCF	-	-	-	-	-	-	-	-	-	-	-
Receivables from Caisse de la dette publique	-	-	-	-	-	-	-	-	-	-	-
Collateral cash asset		0.0	0.0	-	0.0	-	-	-	0.0	-	0.0
Debt instruments	373.3	17.8	391.1	-	391.0	0.2	-	0.0	391.2	-	391.1
Financial assets for concessions	87.1	-	87.1	-	87.1	-	-	-	87.1	-	
<b>Sub-total of loans and receivables</b>	<b>460.5</b>	<b>17.8</b>	<b>478.3</b>	<b>-</b>	<b>478.1</b>	<b>0.2</b>	<b>-</b>	<b>0.0</b>	<b>478.3</b>	<b>-</b>	<b>391.2</b>
Pension assets	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	16.8	-	16.8	16.0	-	0.8	-	-	7.7	9.2	
Other assets at fair value, recognised in profit and loss	-	-	-	-	-	-	-	-	-	-	-
Positive fair value of hedging instruments	(0.1)	0.0	(0.0)	-	-	-	(0.0)	-	(0.0)	-	(0.0)
Positive fair value of trading derivatives	-	0.7	0.7	-	-	0.7	-	-	0.7	-	0.7
Cash and cash equivalents		437.4	437.4	-	-	437.4	-	(0.0)	437.4	-	437.4
Total current and non-current financial assets	477.3	455.9	933.1	16.0	478.1	439.1	(0.0)	0.0	924.1	9.2	829.2
Bond borrowings	-	-	-	-	-	-	-	-	-	-	-
Bank borrowings	382.3	100.0	482.2	-	482.2	-	-	-	482.2	-	482.2
<b>Sub-total of borrowings</b>	<b>382.3</b>	<b>100.0</b>	<b>482.2</b>	<b>-</b>	<b>482.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>482.2</b>	<b>-</b>	<b>482.2</b>
of which:											
▪ <i>measured at amortised cost</i>	382.3	100.0	482.2	-	482.2	-	-	-	482.2	-	482.2
▪ <i>subject to fair value hedge accounting</i>	-	-	-	-	-	-	-	-	-	-	-
▪ <i>measured according to the "fair value" option</i>	-	-	-	-	-	-	-	-	-	-	-
Negative fair value of hedging instruments	(0.1)	1.8	1.7	-	-	-	1.7	-	1.7	-	1.7
Negative fair value of trading derivatives	-	0.2	0.2	-	-	0.2	-	-	0.2	-	0.2
<b>Financial debt and long-term borrowings</b>	<b>382.2</b>	<b>102.0</b>	<b>484.2</b>	<b>-</b>	<b>482.2</b>	<b>0.2</b>	<b>1.7</b>	<b>-</b>	<b>484.2</b>	<b>-</b>	<b>484.2</b>
Bank loans and overdrafts	-	353.8	353.8	-	353.8	-	-	(0.0)	353.8	-	353.8
Debts relating to commitments to purchase non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES</b>	<b>382.2</b>	<b>455.8</b>	<b>838.0</b>	<b>-</b>	<b>836.1</b>	<b>0.2</b>	<b>1.7</b>	<b>(0.0)</b>	<b>838.0</b>	<b>-</b>	<b>838.0</b>
<b>GROUP NET FINANCIAL DEBT</b>	<b>8.9</b>	<b>(0.1)</b>	<b>8.8</b>	<b>-</b>	<b>445.1</b>	<b>(438.0)</b>	<b>1.8</b>	<b>(0.0)</b>	<b>8.8</b>	<b>-</b>	<b>8.8</b>

31/12/2018			Net book value of class in statement of financial position	Financial instruments				Fair value			Net financial debt
	Non-current	Current		At fair value through equity	Loans, receivables, debt at amortised cost	At fair value through profit/loss	Qualified as hedging	Level 1	Level 2	Level 3	
<b>Balance sheet item and instrument class</b> <i>(€ million)</i>											
Other loans and receivables	186.2	18.3	204.6	204.6				0.0	204.5	0.0	204.6
Financial assets for concessions	78.3	0.0	78.3	78.3				0.0	78.3	0.0	
<b>Sub-total of loans and receivables</b>	<b>264.5</b>	<b>18.3</b>	<b>282.8</b>	<b>0.0</b>	<b>282.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>282.8</b>	<b>0.0</b>	<b>204.6</b>
Pension assets	0.0										
Assets available for sale	17.9	0.0	17.9	17.9				0.0	9.1	8.8	
Assets at fair value, recognised in profit and loss	0.0	0.1	0.1			0.1		0.0	0.1	0.0	0.1
Positive fair value of hedging instruments	0.0	1.9	1.9				1.9	0.0	1.9	0.0	1.9
Positive fair value of trading derivatives	0.0	1.4	1.4			1.4		0.0	1.4	0.0	1.4
Cash and cash equivalents		334.8	334.8			334.8		1.0	333.8	0.0	334.8
<b>TOTAL CURRENT AND NON-CURRENT FINANCIAL ASSETS</b>	<b>282.4</b>	<b>356.5</b>	<b>638.9</b>	<b>17.9</b>	<b>282.8</b>	<b>336.2</b>	<b>1.9</b>	<b>1.1</b>	<b>629.0</b>	<b>8.8</b>	<b>542.8</b>
Bank borrowings	241.9	70.4	312.3		312.3			0.0	312.3	0.0	312.3
Finance leasing	83.2	36.6	119.7		119.7			0.0	119.7	0.0	119.7
<b>Sub-total of borrowings</b>	<b>325.1</b>	<b>106.9</b>	<b>432.0</b>	<b>0.0</b>	<b>432.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>432.0</b>	<b>0.0</b>	<b>432.0</b>
of which:											
▪ <i>measured at amortised cost</i>	325.1	106.9	432.0		432.0			0.0	432.0	0.0	432.0
▪ <i>subject to fair value hedge accounting</i>	0.0	0.0	0.0		0.0			0.0	0.0	0.0	0.0
▪ <i>measured according to the "fair value" option</i>	0.0	0.0	0.0			0.0		0.0	0.0	0.0	0.0
Negative fair value of hedging instruments	0.0	0.6	0.6				0.6	0.0	0.6	0.0	0.6
Negative fair value of trading derivatives	0.0	0.1	0.1			0.1		0.0	0.1	0.0	0.1
<b>Financial debt and long-term borrowings</b>	<b>325.1</b>	<b>107.7</b>	<b>432.8</b>	<b>0.0</b>	<b>432.0</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>432.8</b>	<b>0.0</b>	<b>432.8</b>
Bank loans and overdrafts	0.0	199.1	199.1		199.1			0.0	199.1	0.0	199.1
Debts relating to commitments to purchase non-controlling interests	0.0	0.0	0.0	0.0				0.0	0.0	0.0	
<b>TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES</b>	<b>325.1</b>	<b>306.8</b>	<b>631.9</b>	<b>0.0</b>	<b>631.1</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>631.9</b>	<b>0.0</b>	<b>631.9</b>
<b>GROUP NET FINANCIAL DEBT</b>	<b>138.8</b>	<b>- 49.7</b>	<b>89.1</b>	<b>0.0</b>	<b>426.5</b>	<b>- 336.2</b>	<b>- 1.3</b>	<b>- 1.1</b>	<b>90.2</b>	<b>0.0</b>	<b>89.1</b>

### 5.13 Risk management and financial derivatives

The Group uses derivative financial instruments to manage exposure to financial market risks resulting from its operational, financial and investment activities:

- interest rate risk;
- foreign exchange risk;
- commodities risk.

As at 31 December 2019, the Group held derivative financial instruments:

- eligible for hedge accounting and recognised as cash flow hedges (CFH);
- or non-eligible for hedge accounting and recognised under trading.

Fair value is measured by using standard valuation methods and is based on the mid-market conditions commonly used in the markets. The market data used is level 2 under the terms of IFRS 13.

The impacts on performance and the financial position of derivative financial Instruments are presented in the table below:

Underlying asset	Hedge accounting	Fair value (excl. premium) at 31/12/2018	Changes in equity (reclassifiable reserves)		Latent financial income	Fair value (excl. premium) at 31/12/2019	Premium to be amortised at 31/12/2019
			Changes <sup>(1)</sup>	Reclassified <sup>(2)</sup>	Changes <sup>(3)</sup>		
Interest rates	CFH	(0.5)	(1.7)	0.5	(0.0)	(1.8)	0.0
Interest rates	Trading	-	-	-	-	-	-
<b>Total interest rates</b>		<b>(0.5)</b>	<b>(1.7)</b>	<b>0.5</b>	<b>(0.0)</b>	<b>(1.8)</b>	<b>0.0</b>
FX	CFH	1.8	(0.5)	-	(1.3)	-	(2.3)
FX	Trading	1.2	-	-	(0.7)	0.5	-
<b>TOTAL CURRENCY</b>		<b>3.0</b>	<b>(0.5)</b>	<b>-</b>	<b>(2.0)</b>	<b>0.5</b>	<b>(2.3)</b>
Commodities	CFH	(7.9)	9.2	(1.7)	(0.1)	(0.5)	(1.6)
Commodities	Trading	(0.2)	-	-	0.1	(0.0)	-
<b>Total commodities</b>		<b>(8.1)</b>	<b>9.2</b>	<b>(1.7)</b>	<b>0.0</b>	<b>(0.6)</b>	<b>(1.6)</b>
<b>TOTAL</b>		<b>(5.6)</b>	<b>6.9</b>	<b>(1.2)</b>	<b>(2.0)</b>	<b>(1.8)</b>	<b>(3.8)</b>

(1) Share of changes in fair values which have impacted the equity account (reclassifiable reserves) for the financial year.

(2) Reclassifications from equity (reclassifiable reserves) have an impact on financial income.

(3) Share of change in fair value that impacts financial income for the financial year.

The derivative financial instruments are recognised in the statement of financial position at their fair value at the following amounts:

(€ million)	31/12/2019			31/12/2018		
	Non-current	Current	Total	Non-current	Current	Total
<b>Derivative assets</b>						
Cash flow hedges	(0.1)	0.0	(0.0)	-	1.9	1.9
Fair value hedges	-	-	-	-	-	-
Transaction hedges	-	0.7	0.7	-	1.4	1.4
Net foreign investment hedges	-	-	-	-	-	-
<b>TOTAL DERIVATIVE INSTRUMENTS - ASSETS</b>	<b>(0.1)</b>	<b>0.7</b>	<b>0.7</b>	<b>-</b>	<b>3.3</b>	<b>3.3</b>
<b>Derivative liabilities</b>						
Cash flow hedges	(0.1)	1.8	1.7	-	0.7	0.7
Fair value hedges	-	-	-	-	-	-
Transaction hedges	-	0.2	0.2	-	0.1	0.1
Net foreign investment hedges	-	-	-	-	-	-
<b>TOTAL DERIVATIVE INSTRUMENTS - LIABILITIES</b>	<b>(0.1)</b>	<b>2.0</b>	<b>1.9</b>	<b>-</b>	<b>0.8</b>	<b>0.8</b>

The following table presents, by type of risk, the economic connection between derivative instruments and the items hedged:

2019	FV of derivatives	Change in FV of derivatives	Change in FV of hedged item	Ineffectiveness of hedging
<b>CFH</b>				
Interest rates	(1.8)	(1.2)	1.1	(0.1)
FX	-	(1.8)	1.8	-
Commodities	(0.5)	7.4	(7.4)	-
<b>Trading</b>				
Interest rates	-	-	-	-
FX	0.5	(0.7)	-	-
Commodities	(0.0)	0.1	-	-
<b>2018</b>				
<b>CFH</b>				
Interest rates	(0.5)	(0.2)	0.2	
FX	1.8	1.8	(1.8)	
Commodities	(7.9)	(9.8)	9.8	
<b>Trading</b>				
Interest rates	-	-		
FX	(1.2)	0.1		
Commodities	(0.2)	(0.2)		



The impact on reclassifiable equity (other comprehensive income) is as follows:

	Reclassified Equity
<b>At 1 January 2018</b>	<b>2.4</b>
<b>Recycled in Profit &amp; Loss</b>	<b>(3.8)</b>
<b>Change in effective value on cash flow hedge instruments</b>	<b>(5.3)</b>
Interest rate hedging	(1.6)
Foreign exchange hedging	-
<i>Including future transactions hedged</i>	1.8
Price risk hedging	(5.5)
<b>Change in cost of hedging</b>	<b>(5.2)</b>
Interest rate hedging	(1.6)
Foreign exchange hedging	(3.6)
Price risk hedging	-
<b>At 31 December 2018</b>	<b>(11.9)</b>
<b>At 1 January 2019</b>	<b>(11.9)</b>
<b>Recycled in Profit &amp; Loss</b>	<b>(1.2)</b>
<b>Change in effective value on cash flow hedge instruments</b>	<b>5.6</b>
Interest rate hedging	(1.7)
Foreign exchange hedging	-
<i>Including future transactions hedged</i>	-
Price risk hedging	9.2
<b>Change in cost of hedging</b>	<b>1.3</b>
Interest rate hedging	0.0
Foreign exchange hedging	1.3
Price risk hedging	-
Exchange difference	(0.1)
<b>At 31 December 2019</b>	<b>(6.3)</b>

### Breaking of hedging relationships

A hedging relationship is broken from the point that the conditions ensuring its effectiveness are no longer fulfilled under the standard IFRS 9, or when the related derivative instrument reaches its settlement date, is cancelled or sold, or when the item hedged is cancelled or sold. Furthermore, the Group may at any time decide to end a hedging relationship. In this case, the hedging relationship no longer applies.

	Balance of hedging reserves on maintained hedging relationships	Balance of hedging reserves on terminated hedging relationships	Hedging reserves reclassified as the hedged element has impacted profit	Hedging reserves reclassified as the hedged element is no longer realisable
<b>2019</b>				
<b>CFH</b>				
Interest rates	(3.3)	-	0.5	-
FX	(2.3)	-	-	-
Commodities	(0.7)	-	(1.7)	-

	Balance of hedging reserves on maintained hedging relationships	Balance of hedging reserves on terminated hedging relationships	Hedging reserves reclassified as the hedged element has impacted profit	Hedging reserves reclassified as the hedged element is no longer realisable
<b>2018</b>				
<b>CFH</b>				
Interest rates	(2.1)		1.3	
FX	(1.8)		-	
Commodities	(8.0)		(5.1)	

### Management of interest rate risk

The exposure of the Group to interest rate risk stems from its financial debt. The Group covers this risk by using derivative financial instruments.

Derivative financial instruments eligible for hedge accounting are recognised under cash flow hedges. The derivative financial instruments that are not eligible are recognised under trading.

The market environment of negative interest rates has created an asymmetric position between the floored debt and certain hedging derivative instruments. This asymmetry, which creates inefficiency under application of IFRS 9, led to these instruments being reclassified as trading.

The breakdown of the Group's net debt is as follows:

(€ million)	At 31 December 2019	At 31 December 2018
<b>Financial debt and long-term borrowings restated for commitments to purchase minorities</b>	<b>485.4</b>	<b>434.1</b>
<b>Cash and cash equivalents</b>	<b>(84.3)</b>	<b>(136.6)</b>
Accrued interest receivable	(1.6)	(0.8)
Loans and receivables	(421.4)	(162.5)
Deposits and guarantees	31.9	(41.3)
Derivative assets	(0.7)	(3.3)
Employee profit sharing	(0.5)	(0.5)
<b>NET FINANCIAL DEBT</b>	<b>8.8</b>	<b>89.1</b>

Net financial debt is an internal Keolis indicator. It does not include the lease obligations created by application of IFRS 16 (including finance lease liabilities which were entirely reclassified as lease obligations,

applying IFRS 16) and commitments to purchase non-controlling interests.

The Group is exposed to interest rate variability on the variable rate portion of its net financial debt.

The interest rate breakdown of financial debt and borrowings before and after derivative instruments (hedging and trading) is as follows:

(€ million)	Initial debt structure		Structure after hedging	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Fixed rates	81.4	185.6	206.4	331.2
Variable rates	404.1	248.4	279.1	102.9
<b>TOTAL BORROWINGS AND DEBT</b>	<b>485.4</b>	<b>434.1</b>	<b>485.4</b>	<b>434.1</b>

### Analysis of sensitivity

Based on the debt structure at 31 December 2019, a change in the interest rate curve of +/- 50 basis points over the residual maturity of the debt (maximum 8 years) would impact the cost of financial borrowings as follows:

(€ million)	+50 bp Income	+50 bp Reclassified	- 50 bp Income	+50 bp Reclassified
Variable rate financial instruments (after taking into account FV hedges)	(2.6)	-	2.6	-
Liabilities for fair value options	-	-	-	-
Derivatives not qualifying as hedges	-	-	-	-
Derivatives qualifying as cash flow hedges	0.0	1.5	(0.0)	(1.5)
<b>ANALYSIS OF SENSITIVITY</b>	<b>(2.6)</b>	<b>1.5</b>	<b>2.6</b>	<b>(1.5)</b>

Interest rate derivatives are recorded in the statement of financial position at fair value for the following amounts:

(€ million)	Fair value in the balance sheet as at 31/12/2019					Fair value in the balance sheet as at 31/12/2018				
	Cash flow hedge	Fair value hedge	Trading	Hedge of a net investment in a foreign operation	Total	Cash flow hedge	Fair value hedge	Trading	Hedge of a net investment in a foreign operation	Total
Fixed-rate receiver swaps	-	-	-	-	-	-	-	-	-	-
Fixed-rate payer swaps	0.0	-	-	-	0.0	0.1	-	-	-	0.1
Interest rate options	0.0	-	-	-	0.0	-	-	-	-	-
<b>Derivative assets</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>
Fixed-rate receiver swaps	-	-	-	-	-	-	-	-	-	-
Fixed-rate payer swaps	1.8	-	-	-	1.8	0.6	-	-	-	0.6
Interest rate options	-	-	-	-	-	-	-	-	-	-
<b>Derivative liabilities</b>	<b>1.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.8</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.6</b>
<b>INTEREST RATE NET POSITION</b>	<b>(1.8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.8)</b>	<b>(0.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.5)</b>

The nominal amounts of derivative financial instruments are detailed below:

(€ million)	31/12/2019		31/12/2018	
	Net long term debt	Net short term debt	Net long term debt	Net short term debt
Fixed-rate receiver swaps	-	-	-	-
Fixed-rate payer swaps	107.5	12.5	106.2	12.3
Index swaps	-	-	-	-
Interest rate options	20.0	-	5.0	-

All of the interest rate hedging instruments held at 31 December 2019 mature between 2020 and 2027.

### Foreign exchange risk management

The Group has put in place intra-group loans denominated in foreign currency and recognised in current accounts. In order to cover the resulting foreign exchange risk, the Group uses derivative financial instruments which allow it to fix the exchange rate of these intra-group loans.

Derivative financial instruments held by the Group are considered as trading instruments within the meaning of IAS 39.

Derivative financial instruments are recorded in the statement of financial position at their fair value for the following amounts:

	Fair value in the balance sheet as at 31/12/2019					Fair value in the balance sheet as at 31/12/2018				
	Cash flow hedge	Fair value hedge	Trading	Hedge of a net investment in a foreign operation	Total	Cash flow hedge	Fair value hedge	Trading	Hedge of a net investment in a foreign operation	Total
(€ million)										
Currency swaps	-	-	0.7	-	0.7	-	-	1.4	-	1.4
<b>Derivative assets</b>	<b>-</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>1.4</b>
Currency swaps	-	-	0.2	-	0.2	-	-	-	-	-
Forward purchase of currencies	-	-	-	-	-	-	-	0.1	-	0.1
Forward sale of currencies	-	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-	-
<b>Derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>
<b>NET POSITION ON CURRENCIES</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>-</b>	<b>1.2</b>

The derivative financial instruments mainly hedge transactions in the following currencies: AED, AUD, CAD, DKK, GBP, QAR, SEK, USD.

All of the foreign exchange hedging derivatives held at 31 December 2019 mature in 2020.

The Group covers this risk by using derivative financial instruments. In 2019, Keolis hedged 76% of exposed diesel volumes.

Commodity derivatives eligible for hedge accounting are recognised under cash flow hedges as described by IAS 39. The derivative financial instruments that are not eligible are recognised under trading.

### Management of risk of fluctuations in commodities prices

Within the scope of its activities, the Group is exposed to a risk of fluctuation in the price of certain commodities, in particular diesel.

Derivative financial instruments are recorded in the statement of financial position at their fair value for the following amounts:

	Fair value in the balance sheet as at 31/12/2019				Fair value in the balance sheet as at 31/12/2018			
	Cash flow hedge	Fair value hedge	Trading	Total	Cash flow hedge	Fair value hedge	Trading	Total
(€ million)								
Swaps on petroleum products	1.1	-	-	1.1	0.2	-	-	0.2
Tunnels - assets	-	-	-	-	-	-	-	-
<b>Derivatives on commodities - assets</b>	<b>1.1</b>	<b>-</b>	<b>-</b>	<b>1.1</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>0.2</b>
Swaps on petroleum products	1.7	-	-	1.7	8.2	-	0.2	8.3
<b>Derivatives on commodities - liabilities</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>8.2</b>	<b>-</b>	<b>0.2</b>	<b>8.3</b>
<b>NET POSITION ON COMMODITIES</b>	<b>(0.5)</b>	<b>-</b>	<b>-</b>	<b>(0.5)</b>	<b>(7.9)</b>	<b>-</b>	<b>(0.2)</b>	<b>(8.1)</b>

At 31 December 2019, commodity price derivatives represent a volume of 132,865 tonnes:

Volumes in tonnes	Maturity	
	less than 1 year	maturing in 1 to 5 years
Swaps and tunnels on diesel reference	69,506	63,359

### Counterparty risk

The transactions generating a potential counterparty risk for the Group are as follows:

- cash deposits;
- derivative financial instruments;
- trade receivables.

In 2013, the Group established and implemented a counterparty risk procedure for bank counterparties relating to its investments and derivative financial instruments. This procedure is based on the principles set out below:

- Definition of three categories within which the Group's bank counterparties are divided:
  - Authorised Banks,
  - Banks under supervision,
  - Non-authorised Banks;

These categories are defined based on criteria specific to banks (rating) or Keolis (Group financing);

- cash investments and derivative financial instruments are only undertaken with counterparties that belong to the "Authorised Banks" category;
- the portfolio of cash investments complies with weighting restrictions;
- the "fair value at risk" (fair value in favour of the Group) of the portfolio of derivative financial instruments is monitored regularly so as to spread the risk over various counterparties;
- The banks and categories are monitored regularly.

If a bank that is a Group counterparty is removed from the "Authorised Bank" category, the portfolio of derivative financial instruments is restructured so as to comply once again with the category criteria.

At 31 December 2019:

- all the investments made and all the derivative financial instruments held by the Group were established with bank counterparties in the "Authorised Banks" category;
- the analysis of "fair values at risk" indicates that there is no major counterparty risk to report.

Finally, the credit and debit valuation adjustment calculations for the counterparty risk, as required by IFRS 13, indicate that the counterparty risk related to the valuation of the Group's portfolios of derivative financial instruments is negligible.

### Liquidity risk

On 17 June 2019, Groupe Keolis SAS obtained approval for the first extension of the maturity of the syndicated loan. Maturity is therefore extended to 27 July 2024.

A further extension could be requested and granted in 2020 to postpone maturity until 27 July 2025.

The €900 million syndicated credit facility is available to Groupe Keolis S.A.S. and Keolis S.A. At 31 December 2019, the available, confirmed and undrawn syndicated credit facility is €320 million.

In 2019, three lines of financing were put in place:

- at the level of Keolis SA: an amortisable variable-rate loan of €20 million, set up and drawn down on 17 December 2019 for a period of 8 years, to finance rolling stock. This loan is fully hedged by a back-to-back hedging derivative financial instrument;
- for GKSAS: a €40 million fixed-rate bullet loan, set up and drawn down on 9 December 2019 for a period of 4 years, to finance the acquisition of a new company;
- at the level of GKSAS: a variable-rate syndicated loan of €200 million, put in place and drawn for €186.41 million on 28 November 2019, in order to finance the acquisition of a new company.

The following table shows the reimbursement schedule of the Keolis S.A. lines (excluding the syndicated credit line), and the profile of the corresponding forecast interest charges after taking into account interest rate hedging derivatives.

(€ million)	< 1 an	2 years	maturing in 3 to 5 years	> 5 years
Financial debt	13.3	13.3	27.2	14.2
Debt expense	(0.7)	(0.6)	(1.0)	(0.2)
▪ of which interest rate hedges	(0.4)	(0.3)	(0.5)	(0.1)

The forecasted interest charges on the debt are calculated on the gross debt on the basis of the interest rate on 31 December 2019, to which is added the Group's interest margin.

The Group ensures that it has sufficient resources to meet its financial obligations. To do so, each year the Group prepares a table of projected cash flows several years into the future to identify financing requirements and their seasonality.



## 5.14 Provisions

## Analysis by type

(€ million)	31/12/2019			31/12/2018		
	More than one year	Less than one year	Total	More than one year	Less than one year	Total
Pensions	73.9	5.1	79.0	139.1	4.6	143.7
Other employee benefits	23.7	1.8	25.6	24.4	1.7	26.0
Employment and tax risks	11.6	32.8	44.4	9.9	37.0	46.9
Losses on contract termination and loss-making contracts	7.6	-	7.6	0.4	(0.4)	-
Major repairs and refurbishment	6.2	8.9	15.1	10.8	7.0	17.8
Other	25.3	7.8	33.0	7.8	0.9	8.7
<b>TOTAL</b>	<b>148.3</b>	<b>56.3</b>	<b>204.7</b>	<b>192.3</b>	<b>50.8</b>	<b>243.1</b>

## Movements during the financial year

(€ million)	01/01/2019	Charge	Reversals	Newly consolidated companies	Other movements	31/12/2019
Pensions	143.7	5.1	(5.2)	1.1	(65.7)	79.0
Other employee benefits	26.0	3.7	(5.2)	-	1.0	25.6
Employment and tax risks	46.9	14.7	(10.7)	-	(6.5)	44.4
Losses on contract termination and loss-making contracts	-	7.6	-	-	(0.0)	7.6
Major repairs and refurbishment	17.8	6.4	(3.2)	-	(5.9)	15.1
Other	8.7	14.9	(3.4)	4.2	8.7	33.0
<b>TOTAL</b>	<b>243.1</b>	<b>52.4</b>	<b>(27.7)</b>	<b>5.3</b>	<b>(68.4)</b>	<b>204.7</b>

(€ million)	01/01/2018	Charge	Reversals	Newly consolidated companies	Other movements	31/12/2018
Pensions	146.2	6.4	(8.2)	6.2	(6.9)	143.7
Other employee benefits	27.6	0.5	(0.8)	1.0	(2.2)	26.0
Employment and tax risks	32.5	18.9	(9.0)	-	1.5	43.9
Major repairs and refurbishment	20.3	2.6	(12.5)	-	1.1	11.4
Other	9.8	10.1	(2.2)	0.3	0.3	18.1
<b>TOTAL</b>	<b>236.3</b>	<b>38.5</b>	<b>(32.7)</b>	<b>7.5</b>	<b>(6.2)</b>	<b>243.1</b>

## Pensions and similar benefits

The amount of commitments recognised in the statement of financial position breaks down as follows:

(€ million)	31/12/2019	31/12/2018
<b>Commitments recorded in the statement of financial position</b>		
Pensions and other post-employment benefits	79.0	143.7
Other employee benefits	25.6	26.0
<b>TOTAL</b>	<b>104.5</b>	<b>169.7</b>
Of which:		
▪ Non-current	96.7	162.0
▪ Current	7.8	7.8

## Pensions and other post-employment benefits

### ACTUARIAL ASSUMPTIONS

The following are the main actuarial assumptions adopted in evaluating pension commitments under the defined benefit schemes:

(per cent)	At 31 December 2019			At 31 December 2018	
	France	United Kingdom	Canada	France	Canada
Discount rate	0.38	1.90	2.90	1.26	3.65
Rate of increase in salaries	2.3-6.7	3.20	N/A	2.4-6.8	N/A
Expected rate of return on assets	0.38		3.65	1.26	3.25

The plan assets break down as follows:

(€ million)	At 31 December 2019			At 31 December 2018	
	France	United Kingdom <sup>(1)</sup>	Canada	France	Canada
Equities	0.0	-	-	0.1	0.4
Bonds	0.2	-	-	0.3	5.2
Real estate	0.0	-	-	-	-
Other	0.0	-	0.2	0.1	0.1

(1) Detailed information not yet available.

The sensitivity to discount rates is as follows, in relation to the assumptions adopted:

(€ million)	Commitment at 31/12/2019	Service cost 2020	Financial cost 2020
Discount rate less 0.25%	84.3	7.3	0.1
Discount rate (basic assumption)	79.0	6.8	0.3
Discount rate plus 0.25%	79.2	6.7	0.5

### COMMITMENTS RECORDED IN THE STATEMENT OF FINANCIAL POSITION

The commitments recognised in the statement of financial position break down as follows:

(€ million)	At 31 December 2019	At 31 December 2018
Present value of non-financed liabilities	72.5	135.6
Present value of financed liabilities	7.1	14.4
<b>Present value of total liabilities</b>	<b>79.6</b>	<b>150.0</b>
Fair value of pension scheme assets	(0.6)	(6.3)
Asset ceiling (Canada)	0.0	0.0
<b>PRESENT VALUE OF NET LIABILITIES RECOGNISED</b>	<b>79.0</b>	<b>143.7</b>

**ANALYSIS OF CHANGES IN LIABILITIES AND ASSETS**

The net present value of the liabilities comprises:

(€ million)	At 31 December 2019	At 31 December 2018
<b>Net present value of liabilities at 1 January</b>	<b>150.0</b>	<b>153.4</b>
Service cost	9.4	9.8
Interest cost	2.3	1.5
Benefits paid	(7.8)	(8.9)
Employee contributions	0.0	0.0
Changes in pension schemes	1.2	0.0
Actuarial gains and losses	(71.4)	(7.2)
Foreign exchange translation difference	0.3	(0.3)
Effect of changes in consolidation scope	8.6	6.2
Effect of reductions and pension scheme settlements	(13.0)	(4.5)
<b>NET PRESENT VALUE OF LIABILITIES AT 31 DECEMBER</b>	<b>79.6</b>	<b>150.0</b>

The fair value of the assets comprises:

(€ million)	At 31 December 2019	At 31 December 2018
<b>Fair value of pension plan assets at 1 January</b>	<b>6.3</b>	<b>7.1</b>
Expected return on assets	0.1	0.2
Actuarial gains/(losses) on pension fund returns	0.6	(0.6)
Employer contributions	0.0	0.1
Employee contributions	0.0	0.0
Benefits paid	(0.5)	(0.7)
Foreign exchange translation difference	0.1	(0.2)
Effect of changes in consolidation scope	0.0	0.2
Effect of reductions and pension scheme settlements and asset ceilings	(6.0)	0.2
<b>FAIR VALUE OF PENSION PLAN ASSETS AT 31 DECEMBER</b>	<b>0.6</b>	<b>6.3</b>

The following are the actuarial gains and losses both in the light of experience and due to changes in actuarial assumptions:

(€ million)	At 31 December 2019	At 31 December 2018
Impact of changes in assumptions	12.0	(9.1)
Losses/(gains) in the light of experience	(84.0)	2.5
<b>ACTUARIAL (GAINS)/LOSSES FOR THE FINANCIAL YEAR</b>	<b>(72.0)</b>	<b>(6.6)</b>

The following is the geographical breakdown of the liabilities and assets:

(€ million)	At 31 December 2019			
	France	United Kingdom	Canada	Total
Present value of the liabilities	74.1	5.4	0.0	79.6
Fair value of pension scheme assets	(0.4)	0.0	(0.2)	(0.6)
Franchise Adjustment/Asset ceiling (Canada)	0.0		0.0	0.0
<b>NET PRESENT VALUE OF THE OBLIGATION</b>	<b>73.8</b>	<b>5.4</b>	<b>(0.2)</b>	<b>79.0</b>



**Benefit cost for the financial year**

The cost of benefits recognised in the income statement breaks down as follows:

(€ million)	At 31 December 2019	At 31 December 2018
Service cost	9.4	9.8
Interest cost	2.3	1.5
Expected return on assets	(0.1)	(0.2)
Changes in pension schemes	1.2	(0.0)
Effect of reductions and pension scheme settlements	(7.1)	(4.8)
<b>TOTAL EXPENSE RECOGNISED IN THE INCOME STATEMENT</b>	<b>5.8</b>	<b>6.3</b>

The service cost is recognised within staff expenses.

The interest cost on liabilities and the expected return on the pension scheme assets are recognised as financial expense and financial income respectively.

**Change in the net commitment recorded as a liability in the statement of financial position**

(€ million)	At 31 December 2019	At 31 December 2018
<b>Opening provision at 1 January</b>	<b>143.7</b>	<b>146.3</b>
Change in reporting scope	7.6	6.2
Benefit cost for the financial year	5.8	6.3
Used (Benefits/Contributions paid)	(7.3)	(8.3)
Provision charged to/(reversed from) equity	(72.0)	(6.6)
Foreign exchange translation differences and other changes	1.2	(0.2)
<b>CLOSING PROVISION AT 31 DECEMBER</b>	<b>79.0</b>	<b>143.7</b>

The cumulative movements in charges/(reversals) recognised directly in equity are as follows:

(€ million)	At 31 December 2019	At 31 December 2018
<b>Cumulative opening balance of charges/(reversals)</b>	<b>45.3</b>	<b>51.9</b>
Actuarial (gains)/losses for the financial year	(72.0)	(6.6)
Foreign exchange translation difference	0.0	
<b>CUMULATIVE CLOSING BALANCE OF CHARGES/(REVERSALS)</b>	<b>(26.6)</b>	<b>45.3</b>

Changes for the current financial year and for the three previous ones:

(€ million)	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Present value of liabilities	79.6	150.0	153.4	141.3
Fair value of pension scheme assets	(0.6)	(6.3)	(7.1)	(7.1)
Franchise Adjustment/Asset ceiling (Canada)	0.0	0.0	0.2	0.0
<b>Surplus (deficit) of the pension scheme</b>	<b>79.0</b>	<b>143.8</b>	<b>146.4</b>	<b>134.1</b>
Adjustments related to experience	2.5	0.8	(0.7)	2.2

## Other employee benefits

### DESCRIPTION OF COMMITMENTS AND ACTUARIAL ASSUMPTIONS

Other staff benefits consist of long-service awards for employees employed in France and healthcare expenses for employees in the USA who have taken early retirement. These schemes are not funded by external assets (e.g. insurance policies). The obligations arising from

defined benefit schemes are measured using the same methods and assumptions as for the pension schemes.

The actuarial gains and losses arising from both experience and due to changes in actuarial assumptions are immediately recognised in the income statement for the financial year.

### ANALYSIS OF CHANGES IN OBLIGATIONS

#### Other staff benefits

(€ million)	01/01/2019	Charge	Reversals	Var° scope	Foreign exchange translation differences and other	31/12/2019
France – long service awards	16.8	2.3	(0.8)	(0.3)	(3.2)	14.8
USA – healthcare expenses of retired employees	9.2	0.5	0.0		1.1	10.8
<b>TOTAL</b>	<b>26.0</b>	<b>2.8</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>(2.2)</b>	<b>25.6</b>

The change in the United States relates to the provision for healthcare expenses recorded in connection with the Boston contract gain offset by the recognition of an intangible asset amortised over the term of the contract.

## 5.15 Trade and other liabilities

(€ million)	31/12/2019	31/12/2018
Customers: advances and deposits received	64.8	63.4
Trade payables	699.3	660.9
Payables to PPE suppliers	34.9	49.1
Payables to staff	542.2	527.1
Central government and local authorities	128.2	100.8
Deferred income	179.8	149.2
Other	167.4	151.7
<b>TOTAL</b>	<b>1,816.6</b>	<b>1,702.2</b>

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### OTHER COMMITMENTS NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION AND CONTRACTUAL COMMITMENTS

(€ million)	31/12/2019	31/12/2018
Unutilised credit lines	43.9	43.9
Guarantees given to secure debt	(49.1)	15.1
Guarantees given for operating commitments	1,754.1	1,055.0
Securities provided	0.0	0.1
<b>TOTAL COMMITMENTS MADE AND GUARANTEES GIVEN, EXCLUDING OPERATING LEASES</b>	<b>1,705.0</b>	<b>1,070.2</b>

The amount of path access entitlements within the "Guarantees given for operating commitments" is €668.3 million at 31 December 2019 compared to €98.6 million at 31 December 2018.

The amount of commitments relating to operating leases is not significant at 31/12/2019 due to the application of IFRS 16 (see note 2.2).

**7 DISPUTES**

The estimates and underlying assumptions relating to current disputes are continuously re-examined. In particular, current disputes and litigation, especially with tax administrations or relating to appeals on tenders or on warranty claims, have been examined by the management with its advisers and lawyers for the purpose of assessing the risk they entail to the measurement of assets or liabilities.

The impact of changes in accounting estimates is recognised during the period of the change where they only affect that period, or during the period of the change and subsequent periods where the latter are also affected by the change.

Risks are measured at fair value and, if necessary, a provision is made in the accounts (see 5.13).

**8 RELATED-PARTY TRANSACTIONS**

Keolis S.A. is wholly-owned by GROUPE KEOLIS S.A.S., itself 69.69% owned by SNCF Participations and 30.00% by the Caisse de Dépôt et Placement du Québec.

SNCF is a public establishment of an industrial and commercial nature whose capital is wholly owned by the French State.

**8.1 Transactions with GROUPE KEOLIS S.A.S. and Groupe EFFIA**

Transactions with Groupe Keolis S.A.S. correspond essentially to general management services.

Transactions with the EFFIA Group correspond to sub-contracting.

**8.2 Transactions with joint ventures and associates**

Transactions with joint ventures and associates are carried out under normal market conditions.

**8.3 Remuneration of the Group's key managers**

The key managers in the Group are defined as being the executive officers of Keolis S.A. and the members of the Executive Committee. Remuneration and other short-term benefits paid to these directors amounted to €4.7 million for 10 people in 2019 compared to €5.6 million for 11 people in 2018.

There are no attendance fees allocated to members of the Group's management or executive bodies.

There are no outstanding advances or credit facilities extended to members of the Group's management or executive bodies.

**9 POST-BALANCE SHEET EVENTS**

In Australia, on 10 March 2020, the Adelaide Department of Planning, Transport and Infrastructure (DPTI) officially announced the results of the call to tender for metropolitan bus contracts. Keolis Downer Bus & Coachlines had its Hills contract renewed from July 2020 onwards for a duration of 8 years, but did not have its Outer North and Outer South contracts renewed. These two contracts represent an annual business volume of about AUD 65 million. The financial impacts are in the process of being analysed, assets and liabilities will be accordingly revalued in 2020.

The Covid-19 pandemic raging in France and elsewhere in the world and the containment measures and adapted transport plans requested

by Governments are leading to the implementation of specific and restrictive action plans. Keolis adapts on a case-by-case basis according to its contracts and the requests of the public transport authorities to operate their transport networks and ensure that they continue to fulfill their public service missions. All the Group's operating entities work with the Corporate Departments and a dedicated Crisis Task Force. All countries and transport methods are expected to be impacted in a similar manner. Impact scenarios are currently being analysed and the consequences will be taken into account in 2020.

## 10 CONSOLIDATION SCOPE

## 10.1 Subsidiaries

Name	Country	Method of consolidation	% of shareholding
Aerobag	France	Fully consolidated (FC)	100.00
Aerolis	France	Fully consolidated (FC)	100.00
Aéroport Angers Marcé	France	Fully consolidated (FC)	100.00
Airelle	France	Fully consolidated (FC)	100.00
Autocars Delion SAS	France	Fully consolidated (FC)	100.00
Autocars Eschenlauer	France	Fully consolidated (FC)	100.00
Autocars Striebig	France	Fully consolidated (FC)	100.00
Cars de Bordeaux	France	Fully consolidated (FC)	100.00
Compagnie du Blanc Argent	France	Fully consolidated (FC)	99.43
GEP Vidal	France	Fully consolidated (FC)	100.00
Holding Striebig	France	Fully consolidated (FC)	100.00
Institut Keolis	France	Fully consolidated (FC)	100.00
Interhone	France	Fully consolidated (FC)	100.00
Keolis	France	Fully consolidated (FC)	100.00
Keolis Abbeville	France	Fully consolidated (FC)	99.02
Keolis Agen	France	Fully consolidated (FC)	100.00
Keolis Alès	France	Fully consolidated (FC)	100.00
Keolis Alpes Maritimes	France	Fully consolidated (FC)	100.00
Keolis Amiens	France	Fully consolidated (FC)	100.00
Keolis Angers	France	Fully consolidated (FC)	100.00
Keolis Armor	France	Fully consolidated (FC)	100.00
Keolis Arras	France	Fully consolidated (FC)	100.00
Keolis Artois	France	Fully consolidated (FC)	100.00
Keolis Atlantique	France	Fully consolidated (FC)	100.00
Keolis Auch	France	Fully consolidated (FC)	100.00
Keolis Aude	France	Fully consolidated (FC)	100.00
Keolis Autocars Planche	France	Fully consolidated (FC)	100.00
Keolis Baie des Anges	France	Fully consolidated (FC)	100.00
Keolis Bassin d'Arcachon	France	Fully consolidated (FC)	100.00
Keolis Bassin de Pompey	France	Fully consolidated (FC)	100.00
Keolis Beaune	France	Fully consolidated (FC)	100.00
Keolis Besançon Mobilités	France	Fully consolidated (FC)	100.00
Keolis Blois	France	Fully consolidated (FC)	100.00
Keolis Bordeaux	France	Fully consolidated (FC)	99.99
Keolis Bordeaux Métropole	France	Fully consolidated (FC)	100.00
Keolis Boulogne sur Mer	France	Fully consolidated (FC)	100.00
Keolis Bourgogne	France	Fully consolidated (FC)	99.50
Keolis Brest	France	Fully consolidated (FC)	100.00
Keolis Bus Verts	France	Fully consolidated (FC)	100.00
Keolis Caen	France	Fully consolidated (FC)	100.00
Keolis Caen Mobilités	France	Fully consolidated (FC)	100.00

Name	Country	Method of consolidation	% of shareholding
Keolis Calvados	France	Fully consolidated (FC)	100.00
Keolis Camargue	France	Fully consolidated (FC)	100.00
Keolis Centre	France	Fully consolidated (FC)	100.00
Keolis Châlons-en-Champagne	France	Fully consolidated (FC)	99.24
Keolis Chambéry	France	Fully consolidated (FC)	100.00
Keolis Charente Maritime	France	Fully consolidated (FC)	99.98
Keolis Château Thierry	France	Fully consolidated (FC)	100.00
Keolis Châteauroux	France	Fully consolidated (FC)	100.00
Keolis Châtelleraut	France	Fully consolidated (FC)	100.00
Keolis Chaumont	France	Fully consolidated (FC)	100.00
Keolis Chauny-Tergnier	France	Fully consolidated (FC)	100.00
Keolis Chauny-Tergnier-La Fère scolaire	France	Fully consolidated (FC)	100.00
Keolis Cherbourg	France	Fully consolidated (FC)	100.00
Keolis CIF	France	Fully consolidated (FC)	99.99
Keolis Conseil et Projets	France	Fully consolidated (FC)	100.00
Keolis Côte Basque – Adour	France	Fully consolidated (FC)	100.00
Keolis Côte d'Azur	France	Fully consolidated (FC)	100.00
Keolis Côte d'Opale	France	Fully consolidated (FC)	100.00
Keolis Creil	France	Fully consolidated (FC)	100.00
Keolis Dijon	France	Fully consolidated (FC)	100.00
Keolis Dijon Mobilités	France	Fully consolidated (FC)	100.00
Keolis Drôme Ardèche	France	Fully consolidated (FC)	100.00
Keolis Drouais	France	Fully consolidated (FC)	100.00
Keolis en Cévennes	France	Fully consolidated (FC)	99.19
Keolis Épinal	France	Fully consolidated (FC)	100.00
Keolis Eure et Loir	France	Fully consolidated (FC)	100.00
Keolis Flandre Maritime	France	Fully consolidated (FC)	100.00
Keolis Fouache	France	Fully consolidated (FC)	100.00
Keolis Garonne	France	Fully consolidated (FC)	100.00
Keolis Gascogne	France	Fully consolidated (FC)	100.00
Keolis Gironde (ex SNCOA)	France	Fully consolidated (FC)	100.00
Keolis Grand Bassin de Bourg-en-Bresse	France	Fully consolidated (FC)	100.00
Keolis Grand Nancy	France	Fully consolidated (FC)	100.00
Keolis Grand Tarbes	France	Fully consolidated (FC)	100.00
Keolis Ille et Vilaine	France	Fully consolidated (FC)	100.00
Keolis Languedoc	France	Fully consolidated (FC)	100.00
Keolis Laval	France	Fully consolidated (FC)	100.00
Keolis Laval Mobilités	France	Fully consolidated (FC)	100.00
Keolis Lille	France	Fully consolidated (FC)	100.00
Keolis Littoral	France	Fully consolidated (FC)	100.00
Keolis Lorient	France	Fully consolidated (FC)	100.00
Keolis Lyon	France	Fully consolidated (FC)	100.00
Keolis Manche	France	Fully consolidated (FC)	100.00
Keolis Maritime	France	Fully consolidated (FC)	99.00
Keolis Maritime Brest	France	Fully consolidated (FC)	100.00
Keolis Marmande	France	Fully consolidated (FC)	100.00



Name	Country	Method of consolidation	% of shareholding
Keolis Métropole Orléans	France	Fully consolidated (FC)	100.00
Keolis Mobilité Paris	France	Fully consolidated (FC)	100.00
Keolis Mobilité Roissy	France	Fully consolidated (FC)	100.00
Keolis Mobilité Val de Marne	France	Fully consolidated (FC)	100.00
Keolis Montargis	France	Fully consolidated (FC)	100.00
Keolis Montluçon	France	Fully consolidated (FC)	100.00
Keolis Morlaix	France	Fully consolidated (FC)	96.00
Keolis Narbonne	France	Fully consolidated (FC)	100.00
Keolis Narbonne Mobilités	France	Fully consolidated (FC)	100.00
Keolis Nevers	France	Fully consolidated (FC)	100.00
Keolis Nîmes	France	Fully consolidated (FC)	100.00
Keolis Nord	France	Fully consolidated (FC)	99.99
Keolis Normandie Seine	France	Fully consolidated (FC)	100.00
Keolis Obernai	France	Fully consolidated (FC)	100.00
Keolis Oise	France	Fully consolidated (FC)	100.00
Keolis Orléans	France	Fully consolidated (FC)	100.00
Keolis Orly Airport	France	Fully consolidated (FC)	100.00
Keolis Orly Rungis	France	Fully consolidated (FC)	100.00
Keolis Oyonnax	France	Fully consolidated (FC)	100.00
Keolis Pays d'Aix	France	Fully consolidated (FC)	100.00
Keolis Pays de Montbéliard	France	Fully consolidated (FC)	100.00
Keolis Pays des Volcans	France	Fully consolidated (FC)	100.00
Keolis Pays Nancéien	France	Fully consolidated (FC)	100.00
Keolis Pays Normands	France	Fully consolidated (FC)	100.00
Keolis PMR Rhône	France	Fully consolidated (FC)	100.00
Keolis Porte de l'Isère	France	Fully consolidated (FC)	100.00
Keolis Pyrénées	France	Fully consolidated (FC)	95.16
Keolis Quimper	France	Fully consolidated (FC)	100.00
Keolis Rennes	France	Fully consolidated (FC)	100.00
Keolis Réseau Départemental Sud Oise	France	Fully consolidated (FC)	100.00
Keolis Riom	France	Fully consolidated (FC)	100.00
Keolis Roissy Airport	France	Fully consolidated (FC)	100.00
Keolis Roissy Services Aéroportuaires	France	Fully consolidated (FC)	100.00
Keolis Saint Malo	France	Fully consolidated (FC)	100.00
Keolis Saintes	France	Fully consolidated (FC)	100.00
Keolis Saintes Mobilités	France	Fully consolidated (FC)	100.00
Keolis Seine Essonne	France	Fully consolidated (FC)	100.00
Keolis Seine Maritime	France	Fully consolidated (FC)	100.00
Keolis Seine Sénart	France	Fully consolidated (FC)	100.00
Keolis Seine Val-de-Marne	France	Fully consolidated (FC)	100.00
Keolis Somme	France	Fully consolidated (FC)	100.00
Keolis Solutions	France	Fully consolidated (FC)	100.00
Keolis Sud Allier	France	Fully consolidated (FC)	100.00
Keolis Sud Lorraine	France	Fully consolidated (FC)	100.00
Keolis Touraine	France	Fully consolidated (FC)	100.00
Keolis Tours	France	Fully consolidated (FC)	100.00

Name	Country	Method of consolidation	% of shareholding
Keolis Tours Access	France	Fully consolidated (FC)	100.00
Keolis Travel Services	France	Fully consolidated (FC)	100.00
Keolis Trois Frontières	France	Fully consolidated (FC)	100.00
Keolis Urbest	France	Fully consolidated (FC)	100.00
Keolis Val de Maine	France	Fully consolidated (FC)	100.00
Keolis Val de Saône	France	Fully consolidated (FC)	100.00
Keolis Val d'Oise	France	Fully consolidated (FC)	100.00
Keolis Val Hainaut	France	Fully consolidated (FC)	96.32
Keolis Vélizy	France	Fully consolidated (FC)	100.00
Keolis Versailles	France	Fully consolidated (FC)	100.00
Keolis Vesoul	France	Fully consolidated (FC)	100.00
Keolis Vichy	France	Fully consolidated (FC)	100.00
Keolis Voyages	France	Fully consolidated (FC)	100.00
Keolis Westeel	France	Fully consolidated (FC)	100.00
Keolis Yvelines	France	Fully consolidated (FC)	100.00
Les Cars du Bassin de Thau	France	Fully consolidated (FC)	100.00
Les Coccinelles	France	Fully consolidated (FC)	100.00
Les Courriers Catalans	France	Fully consolidated (FC)	100.00
Les Courriers Du Midi	France	Fully consolidated (FC)	100.00
Les Kangourous 2	France	Fully consolidated (FC)	100.00
Loisirs et Voyages	France	Fully consolidated (FC)	100.00
Monts Jura Autocars	France	Fully consolidated (FC)	100.00
Ormont Transports	France	Fully consolidated (FC)	100.00
Pacific Car	France	Fully consolidated (FC)	100.00
Phocéens Cars	France	Fully consolidated (FC)	100.00
Réseau en Vosges	France	Fully consolidated (FC)	70.00
Santa Azur	France	Fully consolidated (FC)	100.00
SAP Cariane Provence	France	Fully consolidated (FC)	100.00
SATRVAM	France	Fully consolidated (FC)	100.00
SCAC	France	Fully consolidated (FC)	100.00
SCAC Bagnis	France	Fully consolidated (FC)	100.00
SEA Albert-Picardie	France	Fully consolidated (FC)	50.96
Société d'Exploitation de l'Aéroport Dole Jura	France	Fully consolidated (FC)	51.00
Société Rennaise Transports et Services	France	Fully consolidated (FC)	100.00
Société Transports Robert	France	Fully consolidated (FC)	100.00
Sodetrav	France	Fully consolidated (FC)	100.00
STEFIM	France	Fully consolidated (FC)	100.00
TPR	France	Fully consolidated (FC)	100.00
Train Bleu St Marcellin	France	Fully consolidated (FC)	100.00
TRAM	France	Fully consolidated (FC)	100.00
Transévry	France	Fully consolidated (FC)	55.62
Transkeo	France	Fully consolidated (FC)	51.00
Transpole	France	Fully consolidated (FC)	100.00
Transport Daniel MEYER	France	Fully consolidated (FC)	100.00
Transports de la Brière	France	Fully consolidated (FC)	60.10
Transports Evrard	France	Fully consolidated (FC)	100.00

Name	Country	Method of consolidation	% of shareholding
Voyages Autocars Services	France	Fully consolidated (FC)	100.00
Voyages Chargelègue	France	Fully consolidated (FC)	100.00
Voyages Dourlens	France	Fully consolidated (FC)	100.00
Voyages Monnet	France	Fully consolidated (FC)	100.00
Keolis Deutschland GmbH & Co. KG	Germany	Fully consolidated (FC)	100.00
Keolis Deutschland Verwaltung	Germany	Fully consolidated (FC)	100.00
Schloemer Verkehrsbetrieb GmbH	Germany	Fully consolidated (FC)	100.00
Striebig Deutschland	Germany	Fully consolidated (FC)	100.00
Striebig GmbH	Germany	Fully consolidated (FC)	100.00
Australian Transit Enterprises Pty Ltd	Australia	Fully consolidated (FC)	51.00
Hornibrook Bus Lines Pty Ltd	Australia	Fully consolidated (FC)	51.00
Hornibrook Transit Management Pty Ltd	Australia	Fully consolidated (FC)	51.00
KD Hunter Pty Ltd	Australia	Fully consolidated (FC)	51.00
KDR Gold Coast Pty Ltd	Australia	Fully consolidated (FC)	51.00
KDR Victoria Pty Ltd	Australia	Fully consolidated (FC)	51.00
Keolis Australia Pty	Australia	Fully consolidated (FC)	100.00
Keolis Downer	Australia	Fully consolidated (FC)	51.00
Keolis Downer Bus and Coachlines Property Pty Ltd	Australia	Fully consolidated (FC)	51.00
Keolis Downer Bus and Coachlines Pty Ltd	Australia	Fully consolidated (FC)	51.00
Link SA Pty Ltd	Australia	Fully consolidated (FC)	51.00
Path Transit Pty Ltd	Australia	Fully consolidated (FC)	51.00
South West Transit Pty Ltd	Australia	Fully consolidated (FC)	51.00
Southlink Pty Ltd	Australia	Fully consolidated (FC)	51.00
Autobus Dony	Belgium	Fully consolidated (FC)	100.00
Autobus Dujardin	Belgium	Fully consolidated (FC)	100.00
Autobus Lienard	Belgium	Fully consolidated (FC)	100.00
Cardona-Deltenre	Belgium	Fully consolidated (FC)	100.00
Cars Gembloutois	Belgium	Fully consolidated (FC)	100.00
CINTRA	Belgium	Fully consolidated (FC)	100.00
CINTRAL	Belgium	Fully consolidated (FC)	100.00
Compagnie des Autobus Liégeois	Belgium	Fully consolidated (FC)	100.00
De Turck BVBA	Belgium	Fully consolidated (FC)	100.00
Eltebe	Belgium	Fully consolidated (FC)	100.00
Eurobus Holding	Belgium	Fully consolidated (FC)	100.00
Eurobussing Brussels	Belgium	Fully consolidated (FC)	100.00
Eurobussing Wallonie	Belgium	Fully consolidated (FC)	100.00
Flanders Bus	Belgium	Fully consolidated (FC)	100.00
Garage du Perron	Belgium	Fully consolidated (FC)	100.00
Gino Tours	Belgium	Fully consolidated (FC)	100.00
Heyerick	Belgium	Fully consolidated (FC)	100.00
Joye	Belgium	Fully consolidated (FC)	100.00
Keolis Vlaanderen	Belgium	Fully consolidated (FC)	100.00
Modern Toerisme NV	Belgium	Fully consolidated (FC)	100.00
Nice Traveling SPRL	Belgium	Fully consolidated (FC)	100.00
NV Aotocars De Boeck	Belgium	Fully consolidated (FC)	100.00
NV Autobusbedrijf Bronckaers	Belgium	Fully consolidated (FC)	100.00



Name	Country	Method of consolidation	% of shareholding
NV Autobussen De Reys	Belgium	Fully consolidated (FC)	100.00
Open Tours – Les Voyages Belges NV	Belgium	Fully consolidated (FC)	100.00
Picavet	Belgium	Fully consolidated (FC)	100.00
Reniers & C°	Belgium	Fully consolidated (FC)	100.00
SADAR	Belgium	Fully consolidated (FC)	100.00
Satracom	Belgium	Fully consolidated (FC)	100.00
Sophibus	Belgium	Fully consolidated (FC)	100.00
SPRL Taxis Melkior	Belgium	Fully consolidated (FC)	100.00
SPRL Voyages F. Lenoir	Belgium	Fully consolidated (FC)	100.00
STACA (KBO)	Belgium	Fully consolidated (FC)	100.00
T.C.M. Cars	Belgium	Fully consolidated (FC)	100.00
Transports Penning	Belgium	Fully consolidated (FC)	100.00
Trimi	Belgium	Fully consolidated (FC)	100.00
Van Rompaye NV	Belgium	Fully consolidated (FC)	100.00
Voyages Doppagne	Belgium	Fully consolidated (FC)	100.00
Voyages Nicolay	Belgium	Fully consolidated (FC)	100.00
Keolis Canada Inc	Canada	Fully consolidated (FC)	100.00
Keolis Grand River LP	Canada	Fully consolidated (FC)	100.00
Keolis China	China	Fully consolidated (FC)	100.00
Keolis Wuhan	China	Fully consolidated (FC)	100.00
Keolis Danmark	Denmark	Fully consolidated (FC)	100.00
Etablissement Abu Dhabi	United Arab Emirates	Fully consolidated (FC)	100.00
Keolis España	Spain	Fully consolidated (FC)	100.00
Keolis America Inc.	United States	Fully consolidated (FC)	100.00
Keolis Commuter Services LLC	United States	Fully consolidated (FC)	60.00
Keolis Rail Service America	United States	Fully consolidated (FC)	100.00
Keolis Rail Service Virginia	United States	Fully consolidated (FC)	100.00
Keolis Transit America	United States	Fully consolidated (FC)	100.00
Keolis Hyderabad Mass Rapid Transit System Private Limited	India	Fully consolidated (FC)	100.00
Kilux	Luxembourg	Fully consolidated (FC)	100.00
Keolis Norge AS	Norway	Fully consolidated (FC)	100.00
Keolis Mobilities BV	Netherlands	Fully consolidated (FC)	100.00
Keolis Nederland BV (ex-Syntus)	Netherlands	Fully consolidated (FC)	100.00
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited – the Operating Entity	United Kingdom	Fully consolidated (FC)	64.00
Keolis Amey Wales Cymru Limited – the Operating Delivery Partner	United Kingdom	Fully consolidated (FC)	60.00
Keolis UK	United Kingdom	Fully consolidated (FC)	100.00
Keolis-Amey Docklands Ltd	United Kingdom	Fully consolidated (FC)	70.00
KeolisAmey Metrolink	United Kingdom	Fully consolidated (FC)	60.00
Nottingham Trams Ltd	United Kingdom	Fully consolidated (FC)	80.00
Keolis Asia Pte.Ltd.	Singapore	Fully consolidated (FC)	100.00
CSG Commuter Security	Sweden	Fully consolidated (FC)	100.00
Keolis Nordic	Sweden	Fully consolidated (FC)	100.00
Keolis Spår AB	Sweden	Fully consolidated (FC)	100.00
Keolis Sverige	Sweden	Fully consolidated (FC)	100.00

## Newly consolidated companies in 2019

Name	Country	Method of consolidation	% of shareholding
Keolis Moulins	France	Fully consolidated (FC)	100.00
Keolis Menton Riviera	France	Fully consolidated (FC)	100.00
Keolis Sophia Antipolis	France	Fully consolidated (FC)	100.00
CarPostal Riviera	France	Fully consolidated (FC)	100.00
CarPostal Salon-de-Provence	France	Fully consolidated (FC)	100.00
Autocars TransAzur	France	Fully consolidated (FC)	100.00
CarPostal Bassin de Thau	France	Fully consolidated (FC)	100.00
CarPostal Agde	France	Fully consolidated (FC)	100.00
CarPostal Méditerranée	France	Fully consolidated (FC)	100.00
Autocars et Transports Grindler	France	Fully consolidated (FC)	100.00
CarPostal Interurbain	France	Fully consolidated (FC)	100.00
CarPostal Crolles Grésivaudan	France	Equity method (EM)	48.00
CarPostal Dole	France	Fully consolidated (FC)	100.00
CarPostal Bourgogne-Franche Comté	France	Fully consolidated (FC)	100.00
Holding Rochette Participations Montverdun	France	Fully consolidated (FC)	100.00
CarPostal Loire Montverdun St-Etienne	France	Fully consolidated (FC)	100.00
Keolis Territoires Nancéiens	France	Fully consolidated (FC)	100.00
Keolis Nevers Mobilités	France	Fully consolidated (FC)	100.00
CarPostal Haguenau	France	Fully consolidated (FC)	100.00
CarPostal France Siège	France	Fully consolidated (FC)	100.00
CarPostal Foncière St-Priest	France	Fully consolidated (FC)	100.00
CarPostal Villefranche	France	Fully consolidated (FC)	100.00
TRAM in process of allocating	France	Fully consolidated (FC)	100.00
Hello Paris	France	Equity method (EM)	50.00
Hello Paris Services	France	Equity method (EM)	50.00
Hello Paris Participations	France	Equity method (EM)	50.00
Keolis Ouest Val-de-Marne	France	Fully consolidated (FC)	100.00
Keolis Middle East DMCC	United Arab Emirates	Fully consolidated (FC)	100.00

Companies removed from the consolidation scope in 2019

Name	Country	Method of consolidation	% of shareholding
Aéroport de Troyes Barberey	France	Non-consolidated (NC)	0.00
Aerosat	France	Non-consolidated (NC)	0.00
Keolis Alençon	France	Non-consolidated (NC)	0.00
Keolis Montélimar	France	Non-consolidated (NC)	0.00
Kisio Digital	France	Non-consolidated (NC)	0.00
Les Transports Dunois	France	Non-consolidated (NC)	0.00
SFD	France	Non-consolidated (NC)	0.00
Var Tour	France	Non-consolidated (NC)	0.00
Autobus de Genval	Belgium	Non-consolidated (NC)	0.00
LIM Collard-Lambert	Belgium	Non-consolidated (NC)	0.00
Le Cinacien	Belgium	Non-consolidated (NC)	0.00
Pirnay	Belgium	Non-consolidated (NC)	0.00
Ramoudt Tours	Belgium	Non-consolidated (NC)	0.00
SPRL Bertrand	Belgium	Non-consolidated (NC)	0.00
Zuun Cars BVBA	Belgium	Non-consolidated (NC)	0.00
Prometro	Portugal	Non-consolidated (NC)	0.00

10.2 Joint ventures and associates

Name	Country	Method of consolidation	% of shareholding
Albatrans	France	Equity method (EM)	36.20
CTCOP	France	Equity method (EM)	50.00
Orgebus	France	Equity method (EM)	50.00
RDK France	France	Equity method (EM)	50.00
Scodec	France	Equity method (EM)	35.00
TICE	France	Equity method (EM)	19.00
Trans Pistes	France	Equity method (EM)	40.00
Transports de l'agglomération de Metz Métropole	France	Equity method (EM)	25.00
Netlog	Germany	Equity method (EM)	33.00
Shanghai Keolis Public Transport Operation Management Co.	China	Equity method (EM)	49.00
Wuhan Tianhe Airport Transport Center Operation and Management Co. Ltd	China	Equity method (EM)	40.00
RDK LLC (Qatar)	Qatar	Equity method (EM)	50.00
RKH Qitarat LLC	Qatar	Equity method (EM)	32.50
First/Keolis Holdings Limited	United Kingdom	Equity method (EM)	45.00
First/Keolis Transpennine	United Kingdom	Equity method (EM)	45.00
First/Keolis Transpennine Holding Ltd	United Kingdom	Equity method (EM)	45.00
Govia	United Kingdom	Equity method (EM)	35.00
Govia Thameslink Railway Limited	United Kingdom	Equity method (EM)	35.00
London Midland	United Kingdom	Equity method (EM)	35.00
London&South Eastern Railway – LSER	United Kingdom	Equity method (EM)	35.00
New Southern Railway	United Kingdom	Equity method (EM)	35.00
Southern Railway Ltd	United Kingdom	Equity method (EM)	35.00
Thameslink Rail Limited	United Kingdom	Equity method (EM)	35.00



## 2.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Financial year ended 31 December 2019)

To Shareholders.

### Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of KEOLIS SA for the financial year ended 31 December 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the annual financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*Code de déontologie*) for statutory auditors.

### Observation

Without calling into question the opinion expressed above, we draw your attention to the following points set out in note 2.2 of the appendix to the consolidated financial statements regarding:

- accounting changes in relation to the first application of IFRS 16 "Leases" on 1 January 2019;
- the methods for changing the estimation of the duration of employee post-retirement commitments.

### Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters which, in our professional judgment, were of major importance for the audit of the consolidated financial statements for the financial year.

#### Change in accounting method:

Note 2.2 of the appendix to the consolidated financial statements sets out the accounting changes occurring during the financial year and relating to the application of IFRS 16 on 1 January 2019. As part of our assessment of the accounting rules and methods followed by your company, we checked that these accounting changes and their presentation were appropriate.

#### Accounting estimates:

- the group carries out impairment tests on goodwill and indefinite life assets and also assesses whether there is any indication of impairment on non-current assets, as described in notes 2.4.11 and 5.1 to the financial statements. We have examined the methods used to carry out this impairment test as well as the corresponding cash flow forecasts and assumptions, and have verified that the notes to the consolidated financial statements provide appropriate disclosures;
- notes 2.2 and 2.4.19 specify the valuation methods for provisions for pensions and other employee benefits. An evaluation of these provisions was carried out by independent actuaries. Our work consisted in examining the data and assumptions used and verifying that note 5.14 to the consolidated financial statements provides appropriate disclosures;
- notes 2.3 and 2.4.19 specify the methods used to take into account the risks relating to ongoing litigation and contracts. Our work consisted in examining the procedures used by the Company to identify and assess these risks and the accounting treatment applied and in assessing the resulting estimates.

The assessments made are in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on elements of these consolidated financial statements in isolation.

### Specific verifications

As required by law we have also made specific checks, in accordance with professional standards applicable in France, on information pertaining to the Group presented in the management report of the management board.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance provided for in Article L.225-102-1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of this code, the information contained in this statement has not been verified by us for accuracy or consistency with the consolidated financial statements and must be the subject of a report by an independent third party.

### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

### Statutory auditors' responsibilities for the audit of the consolidated financial statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit

And furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion;
- the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

2

Neuilly-sur-Seine and Paris-La Défense, 27 February 2020

The statutory auditors

PricewaterhouseCoopers Audit

Françoise Garnier-Bel



ERNST & YOUNG AUDIT

Jérôme Guirauden





## CONSOLIDATED FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 31 DECEMBER 2019

2.4 Statutory Auditors' report on the consolidated financial statements

# 3

## ANNUAL FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 31 DECEMBER 2019

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## 3.1 BALANCE SHEET AT 31/12/2019

### 3.1.1 BALANCE SHEET ASSETS

Item	Amount gross	Alloc. to Prov.	Net 31/12/2019	Net 31/12/2018
Uncalled subscribed capital				
<b>Intangible assets</b>				
Preliminary expenses	35,273	35,273		
Development costs				
Concessions, patents and related rights	136,573,206	97,356,580	39,216,626	40,537,672
Goodwill				
Other intangible assets	8,011,537		8,011,537	9,129,895
Advances, down payments for intangible assets				
<b>Property, plant and equipment</b>				
Land	9,677,358	1,553,583	8,123,775	8,164,931
Buildings	43,836,254	14,653,483	29,182,771	30,310,918
Technical facilities, equipment, machinery	3,665,162	1,979,047	1,686,115	1,530,655
Other property, plant and equipment	18,259,847	16,251,079	2,008,768	1,924,716
PPE under construction	1,847,885		1,847,885	4,352,098
Advances and down payments				
<b>Financial assets</b>				
Shareholdings under the equity method				
Other shareholdings	1,303,752,912	297,902,280	1,005,850,632	1,003,109,750
Receivables from shareholdings	661,131,440	51,144,196	609,987,244	330,153,971
Other long-term investments	188,361	7,622	180,738	180,738
Loans	477,430		477,430	570,978
Other financial assets	1,852,378		1,852,378	1,771,259
<b>Fixed assets</b>	<b>2,189,309,042</b>	<b>480,883,144</b>	<b>1,708,425,898</b>	<b>1,431,737,580</b>
<b>Inventories and work in progress</b>				
Raw materials, supplies				
Production in progress (goods)				
Production in progress (services)				
Semi-finished and finished goods				
Goods				
Advances and down payments on orders	113,501		113,501	113,621
<b>Receivables</b>				
Trade receivables and related accounts	78,068,328	878,364	77,189,964	64,274,017
Other receivables	312,442,174	38,801,557	273,640,617	232,526,367
Subscribed called non paid-up capital				
<b>Miscellaneous</b>				
Marketable securities	235,051	29,600	205,451	235,051
of which treasury shares				
Cash	1,843,609		1,843,609	2,072,625
<b>Accruals</b>				
Prepaid expenses	207,054		207,054	560,666
<b>Total current assets</b>	<b>392,909,717</b>	<b>39,709,522</b>	<b>353,200,196</b>	<b>299,782,348</b>
Loan issue expenses to spread				
Bond repayment premiums				
Foreign exchange translation difference, assets	4,950,363		4,950,363	6,416,606
<b>GENERAL TOTAL</b>	<b>2,587,169,122</b>	<b>520,592,665</b>	<b>2,066,576,457</b>	<b>1,737,936,534</b>



## 3.1.2 BALANCE SHEET LIABILITIES

Items	2019 financial year	2018 financial year
Share capital or individual capital (of which paid: 412,832,676)	412,832,676	412,832,676
Additional paid-in capital		
Revaluation reserves <sup>(1)</sup>	1,845,363	1,853,874
Legal reserve	4,685,128	4,685,128
Statutory or contractual reserves		
Regulated reserves		
Other reserves	54,777,238	56,900,591
Retained earnings		
<b>Net profit/(loss) for the financial year</b>	<b>(147,816,304)</b>	<b>(2,123,353)</b>
Investment grants	494,963	742,445
Regulated provisions	2,042,422	1,805,808
<b>Equity</b>	<b>328,861,486</b>	<b>476,697,168</b>
Income from issues of equity investments		
Conditional advances		
Licensors' rights		
<b>Other equity</b>		
Provisions for contingencies	8,542,206	7,482,943
Provisions for charges	8,225,365	3,035,720
<b>Provisions</b>	<b>16,767,571</b>	<b>10,518,663</b>
<b>Financial debt</b>		
Convertible bond issues		
Other bond issues		
Bank borrowings <sup>(2)</sup>	274,634,756	220,732,282
Miscellaneous financial debt and long-term borrowings	406,995,358	234,208,371
Customer advances and down payments		
<b>Operating liabilities</b>		
Trade payables and related accounts	38,932,146	37,031,600
Tax and social security debts	57,243,689	52,632,942
<b>Other liabilities</b>		
Liabilities on fixed assets and related accounts	8,795,123	11,359,908
Other liabilities	929,653,705	691,025,144
<b>Accruals</b>		
Deferred income		
<b>Liabilities and accruals</b>	<b>1,716,254,778</b>	<b>1,246,990,247</b>
Unrealised gains on foreign exchange transactions	4,692,622	3,730,455
<b>GENERAL TOTAL</b>	<b>2,066,576,457</b>	<b>1,737,936,534</b>
<i>(1) Revaluation reserves included in capital</i>	1,845,363	1,853,874
<i>(2) Of which overdrafts (short-term borrowings for cash requirements), bank credit balances, CCP postal cheque account</i>	274,634,756	220,732,282
<i>Amounts payable after one year</i>	54,710,174	47,604,167
<i>Amounts due within one year</i>	219,924,582	173,128,115

## 3.2 INCOME STATEMENT AT 31/12/2019

Items	2019 financial year	2018 financial year
Sales of goods		
Sales of services	219,064,768	213,017,821
<b>Net revenue</b>	<b>219,064,768</b>	<b>213,017,821</b>
Production held as inventory		
Capitalised production	3,496,266	3,182,489
Operating grants		
Reversals of imp., prov. (and amortisation), transfers of charges	2,007,993	3,813,587
Other income	10,610,011	10,260,408
<b>Operating revenue</b>	<b>235,179,038</b>	<b>230,274,304</b>
Stock purchases (including customs duties)	1,107	2,148
Change in inventory of goods		
Purchases of raw materials and other supplies	336,328	163,731
Change in inventory purchases (raw materials and supplies)		
Other purchases and operating expenses	79,155,730	74,072,972
Taxes and similar payments	9,194,217	9,519,947
Wages and salaries	110,467,341	104,693,079
Welfare contributions	50,810,180	48,936,766
Operating allowances:		
On fixed assets: allocations to depreciation and amortisation	22,581,826	19,785,620
On fixed assets: allocations to impairments		
On current assets: charges to impairments	1,539,927	
Allocations to provisions	2,807,472	662,768
Other charges	4,834,308	3,481,614
<b>Operating expenses</b>	<b>281,728,436</b>	<b>261,318,645</b>
<b>Operating profit/(loss)</b>	<b>(46,549,398)</b>	<b>(31,044,341)</b>
<b>Joint ventures</b>		
Profit allocated or loss transferred	21,734,053	17,190,749
Loss incurred or profit transferred	3,886,086	3,931,543
<b>Financial income</b>	<b>73,364,888</b>	<b>116,675,985</b>
Financial income from shareholdings	23,590,474	30,705,911
Other marketable and receivables from capitalised assets		
Other interest and similar income	7,956,715	10,344,055
Reversal of provisions charged and expense transfers	25,200,426	57,578,353
Foreign exchange gains	16,617,273	18,047,666
Net gains on sales of marketable securities		

Items	2019 financial year	2018 financial year
<b>Financial expense</b>	<b>182,761,811</b>	<b>109,097,367</b>
Depreciation, amortisation and provisions	155,523,990	78,412,426
Interest and similar expenses	5,567,179	10,123,559
Foreign exchange losses	21,670,641	20,561,382
Net expenses on sales of marketable securities		
<b>Financial income/(expense)</b>	<b>(109,396,923)</b>	<b>7,578,618</b>
<b>Recurring profit before tax</b>	<b>(138,098,354)</b>	<b>(10,206,517)</b>
<b>Exceptional gains</b>	<b>11,620,277</b>	<b>5,727,724</b>
Exceptional gains on operations	611,594	1,631,129
Exceptional gains on equity transactions	8,004,877	1,045,673
Reversal of provisions charged and expense transfers	3,003,806	3,050,922
<b>Exceptional losses</b>	<b>21,714,828</b>	<b>10,890,108</b>
Exceptional losses on operations	4,752,844	4,989,664
Exceptional losses on equity transactions	6,740,980	3,004,015
Exceptional depreciation, amortisation and provisions	10,221,003	2,896,429
<b>Exceptional income</b>	<b>(10,094,551)</b>	<b>(5,162,384)</b>
Employee profit-sharing		
Corporate income tax	(376,601)	(13,245,548)
<b>TOTAL INCOME</b>	<b>341,898,255</b>	<b>369,868,762</b>
<b>TOTAL CHARGES</b>	<b>489,714,559</b>	<b>371,992,115</b>
<b>PROFIT OR LOSS</b>	<b>(147,816,304)</b>	<b>(2,123,353)</b>

## 3.3 APPENDIX

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### 1 SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

The following events occurred during the financial year:

#### Subscription to capital increases

In accordance with the regulations relating to the conditions for exercising the profession of public passenger transport, Keolis S.A. subscribed in 2019 to capital increases with its subsidiaries for a total amount of €74,341 thousand.

#### Return to better fortunes obtained

Following the subsidies granted by Keolis S.A. prior to the financial year with a financial recovery clause, the right of collection was recorded for an amount of €604 thousand on 31/12/2019.

Designation of subsidiaries ( <i>€ thousand</i> )	Return to better fortunes obtained
KEOLIS MARITIME BREST	78
KEOLIS TOURRAINE	232
KEOLIS PMR RHÔNE	200
KEOLIS CÔTE D'AZUR	21
KEOLIS COTE D'OPALE	43
KEOLIS SAINT MALO	30
<b>TOTAL</b>	<b>604</b>

### Change in the estimate of the life expectancy of the Shuttles.

During the financial year, the life expectancy of the Shuttles was changed from 5 to 3 years. The shortening of the duration is mainly due to the regular release of new, more efficient models on the market, which makes the old models obsolete, both in terms of the hardware and software used.

This new term is applied to models acquired during the 2019 financial year. On the old models, the duration has been modified from 01/01/2019 without correction of previous years.

### CICE

As of FY 2019, the Competitiveness and Employment Tax Credit (CICE) no longer exists. It has been replaced by a reduction in welfare contributions.

## 2 ACCOUNTING PRINCIPLES, RULES AND METHODS

These annual financial statements are prepared in accordance with the rules laid down by the general chart of accounts in accordance with regulation ANC N°2014-03 dated 5 June 2014, amended by the regulation ANC 2015-06, of the French Accounting Standards Authority (*Autorité des Normes Comptables*) and principles generally accepted in the profession.

General conventions were applied in compliance with the prudence principle, in accordance with the basic assumptions of:

- continuity of operations;
- consistency of accounting methods from one financial year to another;
- independence of financial years.

The underlying method used to value the items in the accounts is the historical cost method.

In preparing the financial statements, the adjustments to the general accounting plan PGC (articles 111-1 and 831-1/1) were not used.

The main accounting policies used are described below:

### 2.1 Fixed assets

#### 2.1.1 Intangible assets

Intangible assets are valued either at their acquisition cost (purchase price and incidental expenses) or, when they are produced, at their production cost or at their revalued value, in accordance with legal provisions.

This item mainly concerns the cost of acquired computer software, which is amortised on a straight-line basis over 3 years for IT projects and office-related software.

Intangible assets in progress correspond to expenditure incurred in the implementation of IT projects and therefore include all expenditure that can be directly attributed to the projects and that is necessary for the creation, production and preparation of the asset so that it will be able to function according to management's intended use.

### OTHER INTANGIBLE ASSETS

Other intangible assets are valued at their acquisition cost. The amortisation methods and durations are as follows:

Tax depreciation period	Duration	Method
IT software	3 to 5 years	Straight-line

### 2.1.2 Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost (purchase price and incidental expenses) or production cost.

The depreciation methods and durations are as follows:

Property, plant and equipment	Duration	Method
Buildings	15 to 20 years	Straight-line
Equipment and tooling	5 to 10 years	Straight-line
Office equipment and furniture	5 to 10 years	Straight-line
Automotive equipment - New vehicles		Straight-line
Tourist vehicles	5 years	Straight-line
Utility vehicles (-3.5 t C.T.P.)	5 years	Straight-line
Coaches and buses	10 to 15 years	Straight-line
Used vehicles	2 to 14 years	Straight-line
Autonomous shuttles	3 years	Straight-line

### 2.1.3 Financial assets

#### **EQUITY INVESTMENTS AND OTHER LONG-TERM INVESTMENTS**

These are recorded at acquisition cost. If this value is greater than the asset value an impairment is recognised for the difference. For each of the shareholdings, the asset value is determined on the basis of a panel of valuation methods (discounted cash flows, revalued net worth).

#### **TECHNICAL LOSS FROM MERGERS**

Following the adoption of regulation ANC 2015-06, the technical loss resulting from mergers and TUPs involving financial fixed assets are allocated to an account for "merger loss on financial assets". They correspond to the negative difference between the net assets received and the net carrying amount of the absorbed company's securities. For each investment, the asset value is determined based on the future cash flows which their business activity could generate. An impairment is recognised where applicable, which cannot be reversed.

#### **OTHER FINANCIAL ASSETS**

These appear in the balance sheet at their acquisition cost. Where relevant, an impairment is recorded when their value in use falls below their acquisition cost.

#### **RECEIVABLES FROM SHAREHOLDINGS AND CURRENT ACCOUNTS**

Receivables from shareholdings and current accounts are recorded at their nominal value.

When equity investments are fully impaired and the subsidiary's net equity is negative, an impairment loss is recognised for receivables from shareholdings and current accounts up to the amount of the risk of the loss of these receivables in the event of disposal or discontinuation of the subsidiary's activity.

## 2.2 Receivables and payables

Receivables are recorded at their nominal value.

Where applicable, an impairment is recognised whenever there is a risk of non-recovery.

Receivables and payables in foreign currency are converted at the closing exchange rate of the financial period. The difference resulting from this adjustment is recognised in the year's income statement under "Foreign exchange gains" or "losses". A provision is booked for unrealised losses on foreign exchange transactions; unrealised gains do not appear in the income statement.

At 31/12/2019, the amount of foreign exchange translation differences on assets was €4,950 thousand and the amount of foreign exchange translation differences on liabilities was €4,693 thousand.

## 2.3 Marketable securities

They are recorded at their acquisition cost. If necessary, an impairment is recognised for each line of securities of the same type, in order to reduce their value to the average closing rate or to their probable trading value for unlisted securities.

## 2.4 Cash

Cash in foreign currency is converted at the last exchange rate of the financial year, with the difference resulting from this adjustment being recognised in the profit or loss for the financial year, foreign exchange losses or foreign exchange gains.

## 2.5 Provisions for contingencies and charges

A provision for contingencies and charges is recorded when the company has a legal or implicit obligation to a third party arising from a past event, whose amount can be reliably estimated and where it is probable that its settlement will cause an outflow of resources without compensation of at least an equivalent amount.

## 2.6 Employee benefits

Employee benefits relate to payments due on retirement and long service awards.

Evaluations of these obligations are carried out annually using the projected unit credit method.

The main actuarial assumptions used for the assessment of employee benefits are:

Tax depreciation period	Coefficient
Discount rate	0.38
Long-term expected inflation rate	1.90
Rate of increase of payrolls used to calculate payments due on retirement	6.07%
Average turnover rate	6.24%
Type of retirement	At the initiative of the employee
Mortality table	INSEE TD/TV 2013–2015

## 2.7 Results of joint ventures

The results of companies in which Keolis S.A. holds an interest are recorded under the headings "Profit allocated or loss transferred" and "Loss incurred or profit transferred".

## 2.8 Tax status

The company's results are incorporated within a group tax regime. The parent company of the tax group is GROUPE KEOLIS S.A.S. Convention dictates that the company calculates the tax charge as if it were taxed separately.

The savings achieved by the tax group regime from carried forward tax losses are taken by the parent company in its income statement. However, they are subsequently reallocated to the subsidiary as and when it generates future profits.

# 3

## USE OF ESTIMATES IN THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

For the preparation of the annual financial statements, the management of Keolis S.A. may have to make estimates and use assumptions that affect the carrying amount of assets and liabilities, income and expenses as well as information relating to unrealised assets and liabilities. Actual future results may differ materially from these estimates.

The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They thus serve as a basis for exercising the judgement required to determine the carrying amounts of assets and liabilities, which cannot be obtained directly from other sources. Actual values may differ from estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. In particular, current disputes and litigation or with employees have been examined by management with its advisers and lawyers for the purpose of assessing the risk they entail to the measurement of assets or liabilities.

The impact of changes in accounting estimates is recognised during the period of the change where they only affect that period, or during the period of the change and subsequent periods where the latter are also affected by the change.

# 4

## FINANCIAL INSTRUMENTS

The first application of regulation No. 2015-05 of 2 July 2015 relating to forward financial instruments and hedging transactions, as of 1 January 2017, does not have a significant impact on Keolis SA's financial statements.

Keolis SA uses derivative financial instruments to manage exposures to financial risks resulting from its operational, financial and investing activities:

- interest rate risk;
- foreign exchange risk;
- raw materials risk.

At the end of the financial year, unrealised gains are not recognised in the accounts. Unrealised losses are accounted for except when

they relate to instruments qualified as hedging and falling within one of the following two cases:

- to hedge underlying items in the balance sheet which have not been revalued;
- to hedge future cash flows expected in a future financial year, under the principle of matching the accounting impact in the same financial year.

The gains and losses realised are reported in the same income statement as the income and expenses on the hedged item.

Interest rate, foreign exchange and commodity derivative financial instruments are entered into with first-class bank counterparties in accordance with the Keolis Group's counterparty risk management policy. Consequently, the counterparty risk can be regarded as negligible.

#### 4.1 Interest rate risks relating to variable-rate borrowings

An amortisable variable-rate loan of €20 million was set up by Keolis S.A. and drawn down on 12 December 2019 for a period of 8 years to finance rolling stock. This loan is fully hedged by a back-to-back hedging derivative financial instrument.

At 31 December 2019, the available, confirmed and undrawn syndicated credit facility is €320 million. This credit line is available to Groupe Keolis S.A.S. and Keolis S.A.

A short-term financing line was drawn down for €30 million in December 2019, maturing in January 2020.

The breakdown of debt between fixed and variable rates, excluding the derivatives portfolio and including the derivatives portfolio, is as follows:

Breakdown excluding derivatives (€ million)	31 December 2019	31 December 2018
Variable rates	326.3	102.2
Fixed rates	6.7	10.0

Breakdown with derivatives (€ million)	31 December 2019	31 December 2018
Variable rates	264.9	38.8
Fixed rates	68.1	73.4

#### 4.2 Foreign exchange risk

Keolis SA has put in place intra-group loans denominated in foreign currency and recognised in current accounts. In order to cover the resulting foreign exchange risk, Keolis S.A. uses derivative financial instruments which allow it to fix the exchange rate of these intra-group loans.

The derivative financial instruments used by Keolis S.A. are standard, liquid and available on the markets:

- forward and futures sales and purchases;
- foreign exchange swaps.

Loans and borrowings are revalued at the closing date at the closing rate. Revaluation differences, whether positive or negative, are recognised in financial income. Symmetrically, the change in value of the derivative financial instruments taken out to hedge these intra-group loans and borrowings is also recognised in financial income.

Nominal amounts outstanding at 31 December 2019 are detailed below:

Financial hedging instruments	Nominal	Maturity
AED/EUR forward seller swaps	AED 2.0M	2020
CAD/EUR forward seller swaps	45.5 M CAD	2020
DKK/EUR forward seller swaps	14.6 M DKK	2020
GBP/EUR forward seller swaps	21.3 M GBP	2020
QAR/EUR forward buyer swaps	1.0 M QAR	2020
SEK/EUR forward buyer swaps	713.2 M SEK	2020
USD/EUR forward seller swaps	115.6 M USD	2020

#### 4.3 Raw materials price risks

Due to their transportation activities as operators of light vehicle fleets (coaches and buses), Keolis S.A. Group's subsidiaries must make substantial and regular purchases of diesel. Keolis S.A. is consequently exposed to a risk in the fluctuation of the price of diesel, a risk which is partially hedged in the concession contracts signed with public authorities. For the remaining exposure, Keolis S.A. implements a hedging policy using derivative financial instruments whose objective is to minimise the volatility of Keolis S.A. profits.

For this purpose, Keolis S.A. uses standard, liquid and market-available derivative financial instruments, namely:

- buyer swaps;
- cap calls;
- cap puts to unwind an existing cap or to realise a cap spread;
- floor puts if tied with cap calls to create a symmetrical or asymmetrical collar;
- floor calls, in particular to buy back floors that constitute asymmetrical collars;



At 31 December 2019, commodity price derivatives represented a volume of 132,865 tonnes:

Volumes in tonnes	Maturing in less than one year	Maturing in 1 to 5 years
Swaps and tunnels on diesel reference	69,506	63,359

## 5 NOTES ON THE BALANCE SHEET ASSETS

### 5.1 Fixed assets

Figures expressed in € thousand	At 31/12/2018	Acquisitions	Transfers and corrections +/-	Disposals	At 31/12/2019
Start-up and development expenses	35				35
Concessions, Patents and Licenses	121,998	12,934	6,166	4,525	136,573
Other intangible assets item <sup>(1)</sup>	9,130	4,937	(6,055)		8,012
<b>Total 1 Intangible</b>	<b>131,163</b>	<b>17,871</b>	<b>111</b>	<b>4,525</b>	<b>144,620</b>
Land	9,719	183		224	9,677
Buildings on own land	39,376		2,516	1,932	39,961
Buildings not on own land	1,848				1,848
Building facilities, fixtures and fittings...	2,028				2,028
General facilities and fixtures and fittings	4,352	93			4,445
Technical facilities, equipment, machinery	2,734		1,165	233	3,665
Transport equipment					
Office and IT equipment, furniture	12,757	1,068		10	13,815
Recoverable packaging and miscellaneous					
<b>Total 2 Tangible</b>	<b>72,814</b>	<b>1,344</b>	<b>3,681</b>	<b>2,399</b>	<b>75,439</b>
Property, plant and equipment under construction <sup>(1)</sup>	4,352	1,288	(3,792)		1,848
<b>Total 3 Property, plant and equipment</b>	<b>4,352</b>	<b>1,288</b>	<b>(3,792)</b>	<b>0</b>	<b>1,848</b>
Advances					
<b>TOTAL</b>	<b>208,329</b>	<b>20,503</b>	<b>0</b>	<b>6,924</b>	<b>221,907</b>

<sup>(1)</sup> Intangible assets in progress relate mainly to the design, development and deployment of new operating, prepayment and maintenance tools. These are carried out by internal and external teams. Property, plant and equipment in progress relate mainly to real estate constructions.

## 5.2 Table of depreciation and amortisation

Depreciation of intangible and tangible fixed assets is calculated on a straight-line or declining balance basis, depending on the nature of the assets and their expected useful life.

Figures expressed (€ thousand)	At 31/12/2018	Charge	Decreases or reversals	At 31/12/2019
Start-up and development expenses	35			35
Concessions, Patents and Licenses	81,461	20,379	4,483	97,357
<b>Total intangible</b>	<b>81,496</b>	<b>20,379</b>	<b>4,483</b>	<b>97,392</b>
Land	1,500			1,500
Buildings	12,941	2,164	451	14,653
General facilities and fixtures and fittings	3,697	120		3,817
Technical facilities, equipment, machinery	1,203	842	66	1,979
Transport equipment				
Office and IT equipment, furniture	11,487	948	1	12,434
Recoverable packaging and miscellaneous				
<b>Total tangible</b>	<b>30,828</b>	<b>4,074</b>	<b>518</b>	<b>34,383</b>
<b>TOTAL</b>	<b>112,324</b>	<b>24,453</b>	<b>5,001</b>	<b>131,775</b>

## 5.3 Financial assets

Figures expressed (€ thousand)	Gross value at 31/12/2018	Acquisitions and transfers	Disposals and transfers	Gross value at 31/12/2019	Provisions	Net Value at 31/12/2019
Shareholdings valued under the equity method						
Other shareholdings	1,553,620	538,870	127,605	1,964,884	349,046	1,615,838
Other long-term investments	188			188	8	181
Loans and other financial assets	2,342	213	206	2,330		2,330
<b>TOTAL</b>	<b>1,556,150</b>	<b>539,083</b>	<b>127,811</b>	<b>1,967,402</b>	<b>349,054</b>	<b>1,618,349</b>

### Shares

The main acquisition of the financial year is the CARPOSTAL FRANCE Group for an amount of €12,814 thousand.

The main capital subscriptions of KEOLIS SA in its subsidiaries are:

- Keolis Deutschland GmbH & Co: €35,000 thousand;
- Keolis Nederland B.V.: €17,000 thousand;
- Keolis America INC.: €6,322 thousand;
- Keolis Monts Jura: €4,000 thousand;
- Société des Autocars de Provence: €2,000 thousand;
- Keolis Mobilité Roissy: €1,985 thousand;
- SCAC – Keolis Bouches du Rhône: €1,100 thousand.

The main decreases for the financial year were due to disposals and liquidations:

- Blue Technologie: €3,033 thousand;
- Kisio Digital: €1,687 thousand;
- SFD: €1,184 thousand;
- Les Transports Dunois: €651 thousand.

### Receivables from shareholdings:

The main increases for the financial year:

- Effia Holding: €202,601 thousand;
- Keomotion: €72,220 thousand;
- Keolis America Inc.: €44,323 thousand;
- Transpole: €22,500 thousand;
- Keolis Métropole Orléans: €6,300 thousand;
- Keolis Canada Inc.: €1,754 thousand.

The main decreases for the financial year:

- Groupe Keolis SAS: €15,000 thousand;
- Keolis Caen Mobilités: €2,336 thousand;
- Keolis CIF: €1,006 thousand.

## 5.4 Receivables

### 5.4.1 Maturity schedule of receivables

Figures expressed (€ thousand)	Gross amount	At one year or more	More than one year
<b>Total fixed assets:</b>			
Receivables from shareholdings	661,131	4,302	656,829
Loans	477	51	426
Other financial assets	1,852		1,852
<b>Total current assets:</b>			
Trade receivables	77,103	77,103	
Doubtful receivables	965	965	
Advances and down payments on orders	114	114	
Personnel and related accounts	435	435	
Social entities	385	385	
State: miscellaneous taxes and duties	7,244	7,244	
Group and associates	299,778	299,778	
Sundry debtors	4,601	4,601	
Prepaid expenses	207	207	
<b>TOTAL</b>	<b>1,054,292</b>	<b>395,185</b>	<b>659,107</b>

### 5.4.2 Trade receivables and related accounts

Receivables (€ thousand)	Gross amount	Alloc. to Prov.	Net 31/12/2019	Net 31/12/2018
Trade receivables and related accounts	78,068	878	77,190	64,274
Other receivables	312,442	38,802	273,641	232,526
Subscribed called non paid-up capital				
<b>TOTAL</b>	<b>390,510</b>	<b>39,680</b>	<b>350,831</b>	<b>296,800</b>

Of which Group receivables:

Group receivables (€ thousand)	31/12/2019	31/12/2018
Receivables parent companies	324	581
Receivables consolidated affiliate companies	35,189	32,853
Invoices to issue Group	29,579	21,520
<b>TOTAL</b>	<b>65,092</b>	<b>54,954</b>

## 5.5 Breakdown of income to be received

Item (€ thousand)	31/12/2019	31/12/2018
<b>Accrued income</b>	<b>38,891</b>	<b>28,276</b>
<b>Receivables from shareholdings</b>	<b>4,302</b>	<b>1,762</b>
Accrued interest - Receivables from shareholdings	4,302	1,762
<b>Trade receivables and related accounts</b>	<b>31,324</b>	<b>21,828</b>
Clients – Invoices to issue	1,745	308
Group clients – Invoices to issue	29,579	21,520
<b>Other receivables</b>	<b>3,123</b>	<b>4,686</b>
Suppliers - Credit notes receivable	145	195
Return to better fortunes	604	1,185
Tax and social security receivables	0	408
Dividends receivable	0	524
Other accrued income	2,374	2,374
<b>Banks, financial institutions</b>	<b>142</b>	<b>0</b>
Bank - Accrued interest receivable	142	0
<b>TOTAL</b>	<b>38,891</b>	<b>28,276</b>

## 5.6 Breakdown of deferred income and expenses

Item (€ thousand)	31/12/2019	31/12/2018
<b>Prepaid expenses</b>	<b>207</b>	<b>561</b>
<b>Operating income/expenses</b>	<b>207</b>	<b>561</b>
SNCF Foundation	0	500
Other	207	61
<b>TOTAL</b>	<b>207</b>	<b>561</b>

## 6 NOTES ON THE BALANCE SHEET LIABILITIES

### 6.1 Equity

		Balance at 01/01/2019
<b>Situation at the beginning of the financial year</b>		
Equity before distributions of prior year retained profits		476,697,168
Distributions of prior year retained profits		
<b>Equity after distributions of prior year retained profits</b>		<b>476,697,168</b>
<b>Change during the financial year</b>		
	<b>Negative</b>	<b>In addition</b>
Changes in capital		
Distributions of prior year retained profits		
Equity after distributions of prior year retained profits		
Changes in share premium		
Changes in reserves		(2,123,323)
Changes in investment subsidies	247,482	
Changes in regulated provisions		236,614
Other changes	8,511	
Profit for the financial year	(2,123,353)	(147,816,304)
<b>Balance</b>	<b>(1,867,360)</b>	<b>(149,703,043)</b>
<b>SITUATION AT THE END OF THE FINANCIAL YEAR</b>		
		<b>BALANCE AT 31/12/2019</b>
Equity before appropriation		328,861,486

### Share capital

The share capital is made up of 34,402,723 shares with a par value of €12.

### Allocation of net income for the previous financial year

The Annual General Meeting of 14 May 2019 allocated the profit from the 2018 financial year amounting to (€2,123,353) as follows:

Allocations (€)	2019
Legal reserve	
Other reserves	2,123,353
Dividends paid	
Other transfers	
Retained earnings	

### Regulated provisions and investment subsidies

Regulated provisions €1,645 thousand relating to special depreciation allowances, including €237 thousand which were allocated over the financial year.

## 6.2 Provisions

### 6.2.1 Provisions for contingencies

(€ thousand)	At 31/12/2018	Charge	Reversals	At 31/12/2019
Provisions for litigation	1,066	2,659	133	3,592
Provisions for customer guarantee				
Provisions for losses on futures markets				
Provisions for penalty fines				
Provisions for foreign currency losses	6,417	4,950	6,417	4,950
<b>TOTAL</b>	<b>7,483</b>	<b>7,609</b>	<b>6,550</b>	<b>8,542</b>

### 6.2.2 Provisions for charges

(€ thousand)	At 31/12/2018	Charge	Reversals	At 31/12/2019
Staff-related provisions	3,036	8,244	3,054	8,226
Tax provisions				
Provisions for fixed asset renewals				
Provisions for major maintenance				
Provision for tax and welfare contributions on staff leave				
Other provisions for contingencies and charges				
<b>TOTAL</b>	<b>3,036</b>	<b>8,244</b>	<b>3,054</b>	<b>8,226</b>

### REVERSALS OF PROVISIONS USED

Reversals of provisions used represent a total of €2,539 thousand, including €55 thousand for provisions for litigation.

### 6.2.3 Provisions for impairment

Impairment of assets was recorded for an amount of €388,816 thousand at 31/12/2019, compared to €256,387 thousand at 31/12/2018.

(€ thousand)	At 31/12/2018	Charge	Reversals	At 31/12/2019
Provisions on intangible assets				
Provisions on property, plant and equipment	53			53
Provisions on investments under the equity method				
Provisions on equity investments	220,181	84,015	6,293	297,902
Provisions on other financial assets <sup>(1)</sup>	183	50,969		51,152
<b>Total provisions on fixed assets</b>	<b>220,417</b>	<b>134,984</b>	<b>6,293</b>	<b>349,107</b>
Doubtful receivables	238	1,540	900	878
Other receivables	35,732	15,588	12,488	38,831
<b>Total provisions on current assets</b>	<b>35,970</b>	<b>17,128</b>	<b>13,388</b>	<b>39,709</b>
<b>TOTAL</b>	<b>256,387</b>	<b>152,112</b>	<b>19,681</b>	<b>388,816</b>

(1) At 31/12/2019, the receivables of €144,802 thousand vis-à-vis the company KEOMOTION were impaired by €59,911 thousand, the unimpaired amount of the receivables, i.e. €84,811 thousand, corresponds to the value of its assets.

### 6.3 Liabilities and accruals maturity schedule

Liabilities and accruals (€ thousand)	Gross amount end of fin. yr.	Less than 1 year	Over 5 years
Convertible bond issues			
Other bond issues			
Bank borrowings <sup>(1)</sup> :	274,635	219,924	54,711
Miscellaneous financial debts and long-term borrowings	406,995	622	406,373
Trade payables and related accounts	38,932	38,932	
Personnel and related accounts	25,470	25,470	
Social security and other social entities	24,486	24,486	
State and other public authorities:			
Income tax			
Value added tax	5,521	5,521	
Guaranteed bonds			
Other taxes and related accounts	1,767	1,767	
Liabilities on fixed assets and related accounts	8,795	8,795	
Group and associates	924,254	924,254	
Other liabilities	5,400	5,400	
Payables on securities borrowed or provided as collateral			
Deferred income			
<b>TOTAL</b>	<b>1,716,255</b>	<b>1,255,171</b>	<b>461,084</b>
Loans taken out during the financial year	50,000		
Borrowings repaid during the financial year	63,372		

(1) Including €176,462 thousand in bank credit balances.

### 6.4 Trade liabilities

#### 6.4.1 Trade payables and related accounts

(€ thousand)	At 31/12/2019	At 31/12/2018
Group Suppliers	7,709	7,610
Non-Group Suppliers	2,413	4,273
Suppliers, invoices not yet received	28,810	25,147
<b>TOTAL</b>	<b>38,932</b>	<b>37,030</b>

## 6.5 Accrued liabilities

Item (€ thousand)	31/12/2019	31/12/2018
<b>Accrued expenses</b>	<b>78,854</b>	<b>76,786</b>
<b>Financial debt and long-term borrowings</b>	<b>72</b>	<b>21</b>
Accrued interest on borrowings	72	21
<b>Financial debt and long-term borrowings</b>	<b>622</b>	<b>774</b>
Accrued interest on intra-group borrowings	622	774
<b>Trade payables related accounts</b>	<b>28,810</b>	<b>25,147</b>
Suppliers - Invoices not yet received	28,810	25,147
<b>Debts on fixed assets</b>	<b>7,237</b>	<b>10,728</b>
Suppliers - Invoices not yet received	7,237	10,728
<b>Other liabilities</b>	<b>2,616</b>	<b>2,310</b>
Clients - Credit notes to be issued	2,616	2,310
<b>Tax and social security debts</b>	<b>39,440</b>	<b>37,710</b>
Staff	25,400	23,541
Social entities	13,777	13,939
Other taxes	263	230
<b>Accrued interest on overdraft</b>	<b>57</b>	<b>96</b>
Accrued interest on credit institutions	57	96
<b>TOTAL</b>	<b>78,854</b>	<b>76,786</b>

## 6.6 Exchange differences on receivables and payables in foreign currencies

Keolis SA has intra-group loans or borrowings denominated in foreign currencies. These loans and borrowings are revalued at the closing rate of 31/12/2019 for each currency.

At 31/12/2019, Keolis SA recorded:

- €4,950 thousand of foreign exchange translation differences on assets;
- €4,693 thousand of foreign exchange translation differences on liabilities.

## 7 NOTES ON THE INCOME STATEMENT

### 7.1 Breakdown of revenue

The company generates most of its revenue in France.

The revenue generated outside France amounts to €15,360 thousand.



**7.2 Details of other operating income and expense**

<b>Other income</b> ( <i>€ thousand</i> )	<b>At 31/12/2019</b>	<b>At 31/12/2018</b>
Gain on Diesel hedge	1,462	3,595
Year-end supplier rebate	8,020	6,397
Other	1,128	268
<b>TOTAL</b>	<b>10,610</b>	<b>10,260</b>

<b>Other expenses</b> ( <i>€ thousand</i> )	<b>At 31/12/2019</b>	<b>At 31/12/2018</b>
Fees for concessions, patents, etc.	2,969	1,729
Losses on irrecoverable receivables	420	499
Hedging loss Diesel	1,058	518
Other	387	736
<b>TOTAL</b>	<b>4,834</b>	<b>3,482</b>

**7.3 Transfer of expenses**

<b>Nature of transfers</b> ( <i>€ thousand</i> )	<b>Amount</b>
Reimbursement collecting body training	865
Reimbursement of pension benefits	57
Insurance	2
<b>TOTAL</b>	<b>924</b>

**7.4 Exceptional income and expense**

<b>Type of expense</b> ( <i>€ thousand</i> )	<b>Amount</b>
Staff-related expenditure	4,729
NBV Property, plant and equipment	1,881
NBV Intangible assets	40
NBV Financial assets	4,820
Fines	24
<b>TOTAL</b>	<b>11,494</b>

<b>Nature of income</b> ( <i>€ thousand</i> )	<b>Amount</b>
Proceeds from disposal of property, plant and equipment	1,645
Proceeds from disposals of financial assets	6,112
Share of investment grant	247
Return to better fortunes <sup>(1)</sup>	604
Miscellaneous	8
<b>TOTAL</b>	<b>8,616</b>

(1) See details of return to better fortune clauses obtained.

## 7.5 Income tax

### 7.5.1 Breakdown of tax between profit from ordinary activities and exceptional items

Breakdown (€ thousand)	Profit before tax	Tax rate	Tax due	Net profit after tax
Current	(138,098)	0%	0	(138,098)
Exceptional	(10,095)	0%	0	(10,095)
Employee profit sharing	0	0%	0	0
Tax credits other			(377)	377
<b>ACCOUNTING INCOME</b>	<b>(148,193)</b>		<b>(377)</b>	<b>(147,816)</b>

### 7.5.2 Impact of tax provisions on profit for the year

In financial year 2019, the company recognised €237 thousand in respect of accelerated depreciation allowances.

Tax credits (Patronage and family) had a positive impact of €377 thousand on profit for the 2019 financial year.

The change in tax revenue is due to the abolition of the Competitiveness and Employment Tax Credit, replaced by a reduction in welfare contributions.

### 7.5.3 Deferred and unrealised tax position

Items (€ thousand)	Amount
<b>Tax due on:</b>	
Regulated provisions:	
Provisions for price increases	
Provisions for price fluctuations	
Provisions for investments	
Special depreciation allowance	(237)
Investment grants	247
<b>Total increases</b>	<b>10</b>
<b>Prepaid tax on:</b>	
Temporarily non-deductible expenses (to be deducted the following year):	
Paid holidays	
Employee profit sharing	
Social solidarity contribution	798
To be deducted later:	
Provisions for foreign currency losses	4,950
Other	
<b>Total relief</b>	<b>5,748</b>
<b>NET DEFERRED TAX POSITION</b>	<b>(5,738)</b>
<b>Tax due on:</b>	
Foreign exchange translation difference - Assets	(4,950)
Foreign exchange translation difference - Liabilities	4,693
<b>Credit to be charged to:</b>	
Deficits carried forward	
Long-term capital losses	
<b>NET UNREALISED TAX POSITION</b>	<b>(257)</b>

## 8 OTHER INFORMATION

### 8.1 Transactions with related parties

No disclosures are made concerning related party transactions insofar as these transactions were undertaken according to normal market conditions.

### 8.2 Financial commitments

An amortisable variable-rate loan of €20 million was set up by Keolis S.A. and drawn down on 12 December 2019 for a period of 8 years to finance rolling stock. This loan is fully hedged by a back-to-back hedging derivative financial instrument.

At 31 December 2019, the available, confirmed and undrawn syndicated credit facility is €320 million. This credit line is available to Groupe Keolis S.A.S. and Keolis S.A.

At 31 December 2019, the portfolio of deposits and guarantees granted by Keolis S.A. breaks down as follows:

- Bank guarantees (deposits and guarantees): €478.27 million
- Parent company guarantee: €1,280.79 million

### 8.3 Pension and long service award commitments

#### 8.3.1 Retirement payments

The amount of retirement payment liabilities at 31 December 2019 stands at €37,967 thousand.

No provisions have been set aside for this sum in the annual financial statements and it appears under financial commitments.

#### 8.3.2 Long-service awards

The amount provided for in the annual financial statements relating to long service awards is €1,190 thousand at 31 December 2019.

### 8.4 Information on leasing

Items (€ thousand)	Land	Buildings	Equipment tooling	Other fixed assets	Total
<b>Original value</b>	<b>63</b>	<b>527</b>			<b>590</b>
<b>Depreciation</b>					
Cumulative previous financial years		13			13
Current financial year		26			26
<b>TOTAL</b>	<b>0</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>39</b>
<b>Net value</b>	<b>63</b>	<b>488</b>	<b>0</b>	<b>0</b>	<b>551</b>
<b>Royalties paid</b>					
Cumulative previous financial years		30			30
Current financial year		42			42
<b>TOTAL</b>	<b>0</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>72</b>
<b>Royalties payable</b>					
At one year or more		42			42
In more than one year and less than 5 years		166			166
More than five years		197			197
<b>TOTAL</b>	<b>0</b>	<b>405</b>	<b>0</b>	<b>0</b>	<b>405</b>
<b>Residual value</b>		<b>190</b>			<b>190</b>
Amount expensed during the financial year					42

### 8.5 Contractual obligations

Keolis S.A. grants financing bodies a commitment to continue to lease and therefore to pay rent in the event of the subsidiary's default. In return, the financing bodies undertake to keep the vehicles concerned available to the Group.

Most of the operating leases taken out by Keolis S.A. subsidiaries for vehicles (buses and coaches) are signed with financing bodies for terms not exceeding 8 years; the residual value is equal to the projected market value at the end of the lease period. Rents excluding VAT outstanding at 31 December 2019 amounted to €218.3 million.

### 8.6 Average workforce

Headcount	Employees
Managers	1,437
Supervisory and technical staff	162
Employees	29
<b>TOTAL</b>	<b>1,628</b>

The average workforce is equal to the arithmetic mean of the workforce at the end of each quarter of the calendar year:

- the workforce employed on a part-time basis is therefore not taken into account in proportion to its presence;
- the workforce does not take into account staff made available (temporary staff and staff on secondment or loan).

### 8.7 CPF Information

The personal training account (CPF) is financed by the payment of the single contribution to the approved joint collecting bodies, which thus assume its management.

### 8.8 Remuneration of administration, management or supervisory bodies

Remuneration made to management bodies is not disclosed, as this would indirectly reveal individual remuneration.

### 8.9 Identity of the consolidating company

The company is part of a group whose consolidating company is GROUPE KEOLIS S.A.S., registered and domiciled in France under SIRET No. 49432127600037, whose registered office is located at 20/22 rue Le Peletier - 75009 PARIS.

The consolidated financial statements of GROUPE KEOLIS S.A.S. are prepared in accordance with Articles L 233-16 to L 233-28 of the French Commercial Code. They are available at [www.keolis.com](http://www.keolis.com).

The accounts of the company are fully consolidated into the consolidated accounts of GROUPE KEOLIS S.A.S.

### 8.10 Information regarding subsidiaries and investments

See details attached.

## DETAILED INFORMATION CONCERNING SHAREHOLDINGS WITH AN INVENTORY VALUE EXCEEDING 1% OF THE CAPITAL OF THE COMPANY REQUIRED TO BE PUBLISHED

### A - Subsidiaries (at least 50% of the capital held by the Company)

Companies or groups of companies	Equity		Percentage of capital held as a% at 31 Dec. 2019	Gross value of securities held at 31 Dec. 2019 €k	Net carrying amount of securities held at 31 Dec. 2019 €k	Loans and advances made by the company and not repaid - credit at 31 Dec. 2019 €k	Amount of deposits and guarantees provided by the Company at 31 Dec. 2019 €k	Revenue excluding tax for the financial year ended 31 Dec. 2019	Net profit or loss (-) for the financial year ended 31 Dec. 2019	Dividends received by the Company during the 2019 financial year
	Capital	Other equity								
<b>1) FRENCH SUBSIDIARIES</b>										
Keolis Châlons-en-Champagne Chemin des Grèves - BP 68 - 51000 Chalons-en-Champagne	148	2,456	99.24	861	861	- 3,462	-	7,750	559	-
Keolis Oyonnax Rue de la Tuilerie - 01100 Arbent	90	65	99.98	90	90	31	-	2,191	18	-
Keolis Château Thierry 5 rue Vallée - 02400 Château-Thierry	67	91	100.00	67	67	- 169	-	2,264	24	-
Keolis Chauny-Tergnier 150 avenue Jean Jaurès - 02300 Chauny	45	201	100.00	45	45	- 285	-	2,008	42	-
Keolis Montluçon Rue des Canaris - 03100 Montluçon	197	310	100.00	197	197	- 992	-	4,472	28	-
Keolis Sud Allier 14 boulevard Alsace Lorraine - 03300 Cusset	243	2,375	100.00	23,379	3,821	1,150	-	8,204	- 484	-
Keolis Vichy Boulevard Alsace Lorraine - 03300 Cusset	300	657	100.00	660	660	- 602	-	106	- 27	-
Keolis Alpes Maritimes 840 Avenue Emile Hugues - 06140 Vence	6,439	2,836	99.79	8,201	-	1,781	-	26,458	- 491	-
Keolis Garonne ZI de Bonzom - 09270 Mazères	760	- 13	100.00	2,330	2,330	309	-	7,383	- 244	-
Keolis Aude Pech Loubat - 11000 Narbonne	2,503	- 1,310	100.00	3,577	1,619	657	-	11,927	82	-
Keolis Narbonne Mobilités Avenue de Pech Loubat - 11000 Narbonne Cedex	870	- 770	100.00	870	155	- 86	-	-	- 4	-
Keolis Cote d'Azur 59, rue de la Buffa - 06000 Nice	289	767	100.00	289	289	- 970	-	1,609	65	-
Keolis Baie des Anges 742 route de Grenoble - 06200 Nice	8,395	- 8,096	100.00	11,880	-	- 931	-	12,282	- 158	-
Keolis Camargue 20, rue de la Villette - 69328 Lyon	58	148	99.97	2,889	208	- 191	-	-	-	-
Société Transports Robert 31 avenue José Nobre - BP 57 - 13500 Martigues	838	- 313	99.96	1,621	-	697	-	5,918	- 784	-
Société Autocars de Provence 289 rue des Roseaux - 13320 Bouc Bel Air	2,428	- 3,330	99.97	3,222	-	2,107	-	12,115	- 1,840	-
Keolis Pays d'Aix Rue des roseaux - Quartier du verger - 13320 Bouc Bel Air	10,010	- 8,975	100.00	10,010	10,010	- 7,422	-	38,601	- 150	-
SCAC 398 Avenue du Mistral - ZI ATHELIA - 13600 La Ciotat	5,899	- 4,869	100.00	6,547	1,078	- 964	-	1,804	- 176	-
Keolis Calvados 19, chemin de Courcelle - BP 127 - 14128 Mondeville	1,100	5,140	100.00	1,152	1,152	- 5,823	-	3,976	573	1,031
Keolis Bus Verts 19 chemin de Courcelles - 14120 - Mondeville	1,100	7,166	100.00	1,100	1,100	- 13,904	-	31,486	1,376	990
Keolis Pays Normands ZI la Madeleine, rue de l'Île du Marais Carentan - 50500 Carentan	276	1,359	100.00	1,268	1,268	- 1,803	-	8,082	370	-
Keolis Caen 15 rue de la Geôle - 14000 Caen	1,065	2,813	100.00	2,251	2,251	- 5,002	-	372	18	-
Keolis Littoral 2 avenue du Pont Neuf - 17300 Rochefort	4,259	2,066	100.00	4,258	4,258	- 1,680	-	19,375	2,800	-
Keolis Saintes Rue des Perches - ZI Charriers - 17100 Saintes	140	181	100.00	139	139	- 401	-	- 2	- 2	-

Companies or groups of companies	Equity		Percentage of capital held as a% at 31 Dec. 2019	Gross value of securities held at 31 Dec. 2019 €k	Net carrying amount of securities held at 31 Dec. 2019 €k	Loans and advances made by the company and not repaid - credit at 31 Dec. 2019 €k	Amount of deposits and guarantees provided by the Company at 31 Dec. 2019 €k	Revenue excluding tax for the financial year ended 31 Dec. 2019	Net profit or loss (-) for the financial year ended 31 Dec. 2019	Dividends received by the Company during the 2019 financial year
	Capital At 31 Dec. 2019	Other equity								
Compagnie du Blanc Argent Gare de Romorantin - 41200 Romorantin	279	2,880	99.41	4,139	4,139	- 3,242	-	4,517	452	-
Keolis Centre 86 rue du village d'En Haut - 18230 Saint Doulchard	6,051	- 6,420	100.00	6,153	-	556	-	100	- 32	-
Keolis Bourgogne 17, rue du Bailly - ZI Dijon Saint Apollinaire - 21000 Dijon	153	6,507	99.50	1,917	1,917	- 6,722	-	14,250	891	600
Keolis Beaune 17, rue du Bailly - ZI Dijon Saint Apollinaire - 21000 Dijon	60	73	100.00	60	60	- 111	-	2,142	16	-
Keolis Dijon 49, rue des ateliers - 21000 Dijon	1,206	1,811	100.00	1,414	1,414	- 4,023	-	- 1	166	-
Keolis Dijon Mobilités 49, rue des ateliers - 21000 Dijon	1,200	1,319	70.00	830	830	- 9,820	-	78,066	169	-
Monts Jura Autocars 4, rue Berthelot - 25000 Besançon	6,329	- 3,452	100.00	14,196	14,196	869	-	22,445	- 1,048	-
Keolis Pays Montbéliard CD 126 La Chamotte - 25420 Voujeaucourt	546	544	100.00	542	542	- 1,746	-	61	100	-
Keolis Urbest 4 rue Berthelot - 25000 Besançon	640	777	100.00	801	801	- 1,319	-	-	44	-
Keolis Drôme Ardèche 26, rue Laurent de Lavoisier - 26800 Portes-lès-Valence	573	4,285	100.00	3,507	3,507	- 3,223	-	15,554	279	-
Keolis Eure 2 rue Lakanal - ZI n° 2 - 27031 Evreux	467	6,889	100.00	1,555	1,555	- 2,863	-	15,742	696	-
Keolis Eure et Loir Les Fenots - 28100 Dreux	538	4,500	100.00	2,363	2,363	- 4,025	-	14,795	420	-
Keolis Drouais Les Fenots - 28100 Dreux	82	255	100.00	82	82	- 741	-	5,436	45	-
Keolis Quimper 1 Rond Point de Quistinidal - 29000 Quimper	259	532	100.00	257	257	- 4,163	-	14,229	109	-
Keolis Brest 7 rue Ferdinand de Lesseps - 29806 Brest	8,456	- 7,003	100.00	8,448	1,670	- 3,231	-	25,412	1,139	-
Keolis Morlaix ZI de Kérvin - 29600 St Martin des Champs	59	150	96.00	57	57	- 375	-	5,838	43	-
Keolis Maritime Brest 1 rue Eperon - Port de Commerce - BP 80713 - 29200 Brest	8	- 48	100.00	8	-	- 1,016	-	9,986	98	-
Keolis en Cévennes 389 chemin du Viguet - 30100 Alès	97	26	99.19	95	0	- 139	-	-	- 1	-
Keolis Alès 389 chemin du Viguet - 30100 Alès	120	281	100.00	120	120	- 2,791	-	11,121	77	-
Sté des Transports en Commun Nimois 388 rue Robert Bompard - 30000 Nîmes	750	789	100.00	1,090	1,090	- 7,528	-	494	10	-
Keolis Auch 7 Place de la Libération - 32000 Auch	218	- 3	100.00	221	221	- 143	-	2,046	61	-
Les Cars de Bordeaux 8, rue d'Artagnan - 33000 Bordeaux	264	1,580	49.97	379	379	- 287	-	9,603	160	-
Keolis Gironde ZA les Artignons Issac - 33160 Saint Médard en Jalles	684	11,181	90.65	6,658	6,658	- 9,867	-	19,889	760	906
Autobus d'Arcachon 1431 bd de l'Industrie - 33260 La Teste de Buch	217	1,060	100.00	2,931	2,931	- 344	-	2,927	- 42	-
Keolis Bordeaux Métropole 12 boulevard Antoine Gautier - 33000 Bordeaux	5,000	27,575	100.00	5,000	5,000	- 40,825	-	241,758	5,188	-
Keolis Bordeaux 12 Boulevard Antoine Gautier - 33000 Bordeaux	10,000	1,482	100.00	18,058	11,484	- 12,974	-	-	150	-

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	Capital At 31 Dec. 2019	Other equity								
Keolis Narbonne Avenue de Pech Loubat - 11100 Narbonne	408	- 455	100.00	408	200	- 740	-	12,979	- 167	-
Les Courriers Du Midi 9, rue de l'Abrivado - BP 85121 - 34073 Montpellier Cedex 3	2,039	1,612	100.00	5,117	5,116	- 650	-	23,084	- 648	-
Keolis Languedoc 927, avenue Joliot Curie - 30000 Nîmes	90	2,164	99.98	899	899	- 1,849	-	1,818	- 795	-
Cars du Bassin de Thau 21 av. de la Méditerranée - Lieudit Etang d'Ingril - 34110 Frontignan-La Peyrade	278	187	100.00	278	278	- 771	-	3,256	- 894	-
Keolis Armor 26, rue du Bignon - CS 27403 - 35135 Chantepie	1,505	11,266	78.21	12,755	12,755	- 9,141	-	44,893	759	997
Société Rennaise de Transports & Services Handistar 26 rue Bignon - 35135 Chantepie	43	173	100.00	44	44	- 1,184	-	4,025	12	-
Keolis Saint Malo Rue des Rougeries BP 70548 - 35405 Saint Malo Cedex	461	- 37	100.00	461	461	- 1,133	-	6,674	21	-
Keolis Rennes Rue Jean Marie Huchet - CS94001 - 35040 Rennes	6,198	- 77	100.00	6,196	6,196	- 30,985	-	136,371	2,838	-
Keolis Châteauroux 6 allée de la Garenne - ZI - 36000 Châteauroux	170	220	100.00	169	169	- 668	-	5,911	31	-
Keolis Touraine Impasse de Florence - 37700 St Pierre des Corps	6,087	- 2,597	100.00	7,472	1,639	- 1,109	-	14,321	497	-
Keolis Tours Avenue de Florence - 37700 Saint Pierre des Corps	1,910	2,080	100.00	1,906	1,906	- 11,806	-	63,710	242	-
Train Bleu St Marcellin 3 impasse Claude Charon - 38160 St Marcellin	274	- 173	99.97	594	594	28	-	1,266	- 29	-
Voyages Monnet Route de Grenoble - 38590 St Etienne de St Geoirs	537	- 1,807	100.00	2,505	-	1,276	-	-	- 32	-
Keolis Porte d'Isère Avenue du Lemand - 38090 Villefontaine	300	1,556	100.00	300	300	- 3,642	-	10,959	402	-
Sté d'exploitat de l'aéroport Dole Jura 33 place de la Comédie - 39000 Lons Le Saunier	50	- 122	51.00	26	26	100	-	2,643	- 15	-
Keolis Gascogne 215 Route de Benquet - ZA de la Téoulière - 40280 Saint Pierre du Mont	135	720	52.89	594	594	151	-	5,955	280	-
Keolis Blois 9 rue Alexandre Vezin - 41000 Blois	1,118	- 698	100.00	1,117	1,117	- 1,770	-	11,361	96	-
Keolis Atlantique 3, rue de la Garde - ZI Bois Briand - 44300 Nantes	2,076	7,897	100.00	9,926	9,926	- 2,052	-	37,118	827	-
Transports de la Brière 7, rue Pierre Vergniaud - Penhoet - 44600 Saint - Nazaire	92	372	59.80	1,221	1,221	- 84	-	2,460	- 58	-
Keolis Voyages 3, rue de la Garde-Zone de Bois Briand - 44300 Nantes	8	61	100.00	7	7	- 19	-	3,094	- 21	-
Keolis Montargis 16 rue de la Baraudière - 45700 Villemandeur	163	244	100.00	163	163	- 1,112	-	4,642	29	-
Keolis Orléans Val de Loire 64 rue Pierre Louget- 45800 Saint Jean de Braye	802	2,427	100.00	802	802	- 5,266	-	1,956	398	-
Keolis Agen Rue Georges Clemenceau - 47240 Bon Encontre	224	250	100.00	224	224	- 1,347	-	8,196	58	-

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	Capital At 31 Dec. 2019	Other equity								
Keolis Marmande Impasse Doumayne - ZA de Girauflat - 47200 Marmande	135	143	100.00	135	135	- 189	-	1,428	- 50	-
Keolis Val de Maine Rue du Bois Rinier - ZI Saint Barthélémy - 49124 Saint Barthélémy d'Anjou	35	17	100.00	35	-	- 147	-	604	7	-
Société de Gestion de l'Aéroport d'Angers Marcé Aéroport d'Angers-Marcé - 49140 Marcé	8	- 487	100.00	8	-	35	-	70	285	-
Keolis Angers Rue du Bois Rinier - 49124 Saint Barthélémy d'Anjou	922	2,472	100.00	921	921	- 6,527	-	33,561	207	-
Keolis Manche La Fosse Yvon - 50440 Beaumont Hague	497	3,056	100.00	3,102	3,102	- 3,798	-	5,431	456	-
Keolis Cherbourg 491 rue de la Chasse aux Loups - 50110 Tourlaville	299	366	100.00	382	382	- 2,304	-	10,016	58	-
Keolis Chaumont Rue du Vieux Moulin - 52000 Chaumont	149	278	100.00	149	149	- 544	-	3,862	28	-
Keolis Laval Mobilités Centre JM Moron - rue Henri Batard - BP 0909 - 53009 Laval Cedex	369	229	100.00	368	368	- 720	-	-	3	-
Keolis Laval Centre JM Moron - rue Henri Batard - BP 0909 - 53009 Laval Cedex		613	100.00	369	369	- 1,648	-	12,660	71	-
Keolis Sud Lorraine 1 rue de la Sablière - 54136 Bouxières Aux Dames	2,575	4,627	100.00	2,576	2,576	- 1,192	-	30,774	563	-
Keolis Bassin de Pompey (created 2013) 3 rue de la Sablière - 54136 Bouxières Aux Dames	95	241	100.00	95	95	- 131	-	1,930	97	-
Keolis Lorient Boulevard Yves Demaine - 56323 Lorient Cedex	489	329	100.00	563	482	- 1,144	-	-	342	-
Keolis Maritime Lorient 1 rue Yves Montand - 56260 Larmor-Plage	10	1,051	99.00	10	10	- 1,044	-	-	2	-
Keolis 3 Frontières 5 rue de l'Abbé Grégoire - 57050 Metz	1,976	7,073	100.00	5,869	5,869	- 6,314	-	29,348	- 146	-
Keolis Nevers 120 route de Marzy - 58000 Nevers	324	208	100.00	324	324	- 2,296	-	6,930	86	-
Trans Val-de-Lys ZA de la nouvelle énergie - Rue de l'énergie prolongée - 59560 Comines	1,101	4,925	100.00	2,027	2,027	- 5,422	-	27,577	799	2,798
Keolis Val Hainaut 36, rue Ernest Macarez - 59300 Valenciennes	165	5,322	96.32	3,222	3,222	- 6,208	-	5,177	661	-
Keolis Lille Château Rouge - 276 avenue de la Marne - 59700 Marcq en Baroeuil	65,484	- 72,979	100.00	65,981	-	- 12,264	-	28	2,079	-
Transports Evrard 304 avenue du Tremblay- ZI de Vaux - 60100 Creil	1,320	579	100.00	8,450	1,821	4,452	-	10,446	- 1,276	-
Keolis Oise 21, avenue Felix Louat - 60300 Senlis	183	5,737	100.00	4,027	-	6,914	-	19,993	- 1,249	-
Keolis Arras Rue Mongolfier ZI Est - 62000 Arras	581	400	100.00	669	669	- 3,932	-	14,190	74	-
Keolis Artois Gohelle 59 avenue Van Pelt - 62300 Lens	908	1,811	99.99	677	677	- 3,554	-	-	95	-
Caron Voyages Resurgat 1 - 64 Boulevard industriel - 62230 Outreau	2,160	- 1,319	100.00	2,465	- 0	- 789	-	3,316	-	-
Voyages Dourlens ZAL n° 3 - rue de Belle Vue - 62700 Bruay La Buisserie	1,097	- 722	100.00	1,407	344	- 902	-	1,920	- 14	-



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	Capital At 31 Dec. 2019	Other equity								
Voyages Fouache 1321 route Nationale - 62117 Brebières	400	1,659	100.00	4,301	4,301	- 729	-	4,276	80	-
Keolis Boulogne sur Mer 46/48 Rue des Canoniers - 59000 Lille	359	230	100.00	559	559	- 621	-	-	-	-
Westeel Voyages 2, rue F. Jiolat - 62430 Sallaumines	3,325	2,993	100.00	5,520	5,520	- 6,417	-	20,149	31	-
Loisirs et Voyages ZI de l'Industrie - 63600 Ambert	914	1,170	100.00	4,254	1,145	- 571	-	9,381	- 926	-
TPR Chemin de la Saligue - 64140 Lons	567	413	100.00	2,296	2,296	- 31	-	6,842	125	-
Keolis Pyrénées Quartier Lasbats - Route de Pau - 65420 Ibos	1,367	2,292	95.16	2,626	2,626	- 2,165	-	13,206	301	-
Keolis Grand Tarbes Centre Kennedy - Rue Jean Loup Chretien - 65000 Tarbes	179	165	100.00	747	747	- 932	-	5,106	20	-
Les Courriers Catalans 7 rue Jean Perrin - 66000 Perpignan	2,160	- 1,641	100.00	3,401	600	- 471	-	-	- 18	-
Transports GEP Vidal 7, rue Jean Perrin - 66000 Perpignan	1,515	- 1,077	100.00	2,528	2,528	1,487	-	4,164	- 36	-
Compagnie des Transports de Perpignan 20-22 rue Le Peletier - 75009 Paris	85	- 9	100.00	78	78	-	-	-	-	-
Holding Striebig 198 avenue de Strasbourg - 67170 Brumath	2,540	- 2,576	100.00	11,495	2,214	162	-	-	- 14	-
Keolis Obernai 7 rue de la Gare - 67210 Obernai Cedex	31	36	100.00	31	31	- 101	-	807	3	-
Autocars Striebig 198 avenue de Strasbourg - 67170 Brumath	1,400	- 76	100.00	2,289	- 4	2,266	-	15,900	- 434	-
Autocars Eschenlauer Route de Dresenheim - 67620 Soufflenheim	300	1,869	90.97	1,600	-	- 507	-	5,989	2	-
Autocars Planche 69 rue du Champ du Garet - 69400 Arnas	5,195	12,490	100.00	15,632	15,632	- 12,585	-	37,045	1,419	1,000
Keolis PMR Rhône ZI La Bandonnière - 4, rue Maurice Audibert - 69800 Saint-Priest	1,639	- 239	100.00	1,639	1,639	- 1,349	-	4,302	47	-
Interhôte Alpes 69, rue du Champ du Garet - BP 80157 - Arnas - 69655 Villefranche sur Saône	40	2,319	100.00	38	38	- 2,351	-	-	7	-
Keolis Lyon 19, boulevard Vivier Merle - 69212 Lyon Cedex 03	56,346	- 28,832	100.00	56,398	56,398	- 75,620	-	422,595	8,467	-
Keolis Val de Saône 30, rue de Guerlande - Zone Verte - 71880 Chatenay le Royal	953	1,644	99.27	1,006	311	- 1,701	-	11,261	96	-
Keolis Mobilité Paris 58 avenue des Terroirs de France - 75012 Paris	766	- 479	100.00	766	766	778	-	12,714	- 440	-
Institut Keolis 20-22 rue Le Peletier - 75009 Paris	37	9,819	100.00	37	37	- 9,409	-	21	2,005	-
Keolis Seine Maritime 55/57, le Nid de Verdier - 76400 Fécamp	185	8,610	100.00	5,631	5,631	- 7,314	-	16,792	1,153	1,005
Les Courriers de l'Île-de-France 34, rue de Guivry - 77980 Le Mesnil-Amelot	344	37,843	99.99	560	560	5,698	-	101,821	2,669	-
Airelle 1 à 9 avenue Francois Mitterand - Immeuble Le Jade - 93200 Saint Denis	6,108	- 11,395	100.00	6,104	-	4,507	-	-	- 28	-
Keolis Roissy Airport Rue de Paris Lieu-dit La Maladrerie - 77990 Mesnil Amelot	5,384	- 9,417	100.00	5,384	-	2,087	-	7,466	- 3,860	-
Keolis Mobilité Roissy 34 rue de Guivry - 77990 Le Mesnil Amelot	2,409	- 1,742	100.00	2,409	-	1,319	-	12,319	- 1,332	-

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	Capital At 31 Dec. 2019	Other equity								
Keolis Roissy Services Aéroportuaires Rue de Paris - Lieu-dit La Maladrerie - 77990 Le Mesnil Amelot	572	113	100.00	572	572	- 926	-	9,295		-
Cie des Transports Collectifs de l'Ouest Parisien 18, rue de la Senette - 78755 Carrières sous Poissy	40	4,106	50.00	20	20	- 165	-	15,007	713	253
Keolis Versailles 12 avenue du Général de Gaulle - Les Manèges - 78000 Versailles	680	18,190	99.90	2,960	2,960	- 5,164	-	33,579	1,935	-
Keolis Yvelines 12 avenue du Général de Gaulle - Les Manèges - 78000 Versailles	358	273	99.68	959	959	2,345	-	7,046	309	-
Keolis Somme ZI du Frier - 80290 Poix de Picardie	219	75	99.99	219	142	- 437	-	1,932	128	-
Société d'Exploitation de l'Aéroport Albert Picardie Rue Henri Potez - 80300 Meaulte	50	- 239	50.96	26	-	318	-	-	- 20	-
Keolis Abbeville Place de la Gare - 80100 Abbeville	162	148	99.02	186	186	- 305	-	-	-	-
Keolis Littoral Place de la Gare - 59820 Gravelines	2,822	- 2,223	100.00	2,824	987	- 159	-	5,061	315	-
Société Départementale des Transports du Var 175 Chemin du Palyvestre - 83400 Hyères	336	525	95.08	5,805	-	2,898	-	16,136	- 1,655	-
Keolis Châtelleraut 6 rue Le Prince Ringuet - 86100 Châtelleraut	113	196	100.00	111	111	- 1,055	-	3,942	42	-
Keolis Epinal ZAC de la Magdeleine - 88000 Epinal	141	2,187	100.00	141	141	- 1,482	-	5,825	669	-
Keolis Seine Senart 19, rue Charles Mory - 91210 Draveil	47	11,860	100.00	5,783	5,783	- 6,051	-	15,323	1,176	-
Transports Daniel Meyer 123 rue Paul Fort - 91310 Montlhéry	240	29,562	100.00	39,039	39,039	1,632	-	36,512	2,571	-
Keolis Seine Val-de-Marne 172 avenue François Mitterrand - 91200 Athis Mons	230	8,002	100.00	5,594	5,594	5,185	-	36,686	328	-
Keolis Seine Essonne 110, route Nationale 191 - La belle Etoile - 91540 Menecy	3,003	- 1,028	100.00	5,705	5,705	5,655	-	13,071	- 107	-
Keolis Orly Airport 1 à 3 avenue François. Mitterrand - 93200 Saint Denis	282	805	100.00	759	759	- 60	-	9,840	- 904	-
Société & Exp. Francilienne Inter Modalité (STEFIM) 1 à 3 avenue François Mitterrand - Immeuble Le Jade - 93200 Saint Denis	40	- 1,928	100.00	40	-	2,064	-	712	35	-
Autocars Delion 12 rue Jean Perrin - 92000 Nanterre	482	1,312	100.00	2,557	2,557	516	-	9,249	380	-
Keolis Travel Services 12 rue Jean Perrin - 92000 Nanterre	1,057	- 3,511	100.00	1,057	-	2,629	-	3,300	- 78	-
Voyages Autocars Services 52 rue Jean Lemoine - 93230 Romainville	5,136	- 7,317	100.00	7,092	-	4,719	-	7,371	- 2,460	-
Pacific Cars 20 rue du Baillly - 93210 La Plaine Saint-Denis	1,300	- 3,480	100.00	4,581	-	2,140	-	4	- 230	-
Keolis Val d'Oise 1, chemin Pavé - 95340 Bernes sur Oise	128	3,386	99.99	130	130	- 502	-	6,186	499	-
Aérobag Rue de Paris - lieu-dit La Maladrerie - Mesnil Amelot 77990	8	- 3,919	100.00	8	-	3,962	-	3,649	46	-
Aerolis Lieu-dit La Maladrerie - Rue de Paris au Mesnil Amelot (77990)	10,939	- 6,079	100.00	12,457	12,457	- 6,267	-	31,889	2,065	-

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	Capital At 31 Dec. 2019	Other equity								
Keolis Conseil & Projets 20 rue de la Villette - Immeuble le Bonnel - 69003 Lyon	8	962	100.00	8	8	-2,991	-	3,617	206	-
Kisio Solutions 20-22 rue Le Peletier - 75009 Paris	7,235	-6,960	100.00	7,235	7,235	5,434	-	2,133	-1,139	-
SCI Héron Verdier 55/57 Le Nid de Verdier - 76400 Fécamp			100.00	228	228	-	-			
REV (Réseau en Vosges) 3 place Gambetta - 88300 Neufchâteau	10	-2	70.00	7	-	-11	-	-	-24	-
Keolis Amiens 45 rue Dejean - 80000 Amiens	654	1,245	100.00	654	654	-7,559	-	36,088	144	-
Keolis Creil ZI du Marais sec - rue du pont de la brèche sud - Villers Saint-Paul 60780	250	1,126	83.97	210	210	-1,319	-	4,831	342	-
Voyages Chargélègue 20 rue Grand rue Vasles - 79340 Menigoute	1,291	-1,526	100.00	1,772	-	186	-	-	35	-
TRANSKEO 266 avenue du Président Wilson - Immeuble Le Stadium - 93200 Saint Denis	1,500	1,639	51.00	765	765	-2,596	-	16,588	536	-
Les Coccinelles 33 rue Ernest Renan - 94200 Ivry sur Seine	35	2,385	100.00	4,205	4,205	-	-	4,079	136	-
Keolis Val de Marne 41 rue Le Corbusier - 94000 Créteil	1,037	-876	100.00	1,037	-	685	-	3,222	-238	-
Keolis Côte Basque Adour Chemin de Marouette - 64100 Bayonne	600	356	100.00	600	600	-3,057	-	29,869	74	-
Keolis Chauny-Tergnier - La Fère Scolaire 150 avenue Jean Jaurès - 02300 Chauny	10	54	100.00	10	10	-616	-	1,730	32	-
Transpole 276 avenue de la Marne - 59700 Marcq en Baroeul	5,000	4,737	100.00	5,000	5,000	-58,099	-	310,856	2,077	-
Keolis Saintes rue des Perches - ZI des Charriers - 17100 Saintes	125	47	100.00	125	-	-2,300	-	4,437	44	-
Keolis Caen Mobilités 15 rue de Geôle - 14000 Caen	1,100	1,146	100.00	1,100	1,100	-5,498	-	64,350	305	-
Keolis Besançon Mobilités 5 rue Edouard Branly - 25000 Besançon	931	287	100.00	931	931	-5,699	-	36,344	453	-
Keolis Chambéry 18 avenue des Chevaliers Tireurs - 73000 Chambéry	500	42	100.00	500	500	-3,058	-	24,364	42	-
Keolis RIOM 5 rue Joaquin Perez Carretero - 63200 RIOM	75	-83	100.00	75	75	-6	-	2,755	-69	-
Keolis Métropole Orléans 64 rue Pierre Louguet - 45800 Saint Jean de Braye	800	-494	100.00	800	800	-6,534	-	66,535	-494	-
Keolis Tours Access Impasse de Florence - 37700 Saint Pierre des Corps	50	1	100.00	50	50	-165	-	2,021	1	-
Keolis Grand Nancy 59 rue Marcel Brot - 54000 Nancy	1,200	565	100.00	1,200	1,200	-6,400	-	59,463	-298	-
Keolis Grand Bassin de Bourg-en-Bresse 8 rue Jean Gutenberg - 01000 Bourg En Bresse	200	9	100.00	200	200	-1,040	-	10,311	9	-
TRAM 10 rue Emile Léonard - 06300 Nice	700	1,514	100.00	6,902	6,902	-832	-	7,603	-572	-
SATRVAM 74 chemin de l'Arbre Inférieur - 06000 Nice	264	-18	100.00	743	549	-	-	-	-7	-
Phocéens Cars 62 avenue de l'Arbre inférieur - 06000 Nice	700	1,744	100.00	3,441	3,441	-416	-	3,506	-6	-
KLP01 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-

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	Capital	Other equity								
Keolis Moulins 140 route de Lyon - 03400 Yzeure	150	- 49	100.00	150	150	1,308	-	1,364	- 49	-
Keolis Menton Riviera Gare routière avenue de Sospel - 06500 Menton	275	- 44	100.00	275	275	267	-	4,450	- 45	-
Keolis Sophia Antipolis 205 rue Henri Laugier - 06600 Antibes	625	128	100.00	625	625	- 3,507	-	10,606	128	-
Hello Paris Participations 266 avenue du Président Wilson - Immeuble Le Stadium - 93200 Saint Denis	1	-	100.00	0	0	20	-	2,511	3	-
Carpostal France 8 allée du Piémont Technoland - 69800 St Priest			100.00	12,814	12,814	30,957	-	22,684	- 1,055	-
KLP31 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP32 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP34 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP35 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP37 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP38 20-22 rue Le Peletier - 75009 Paris	250	-	100.00	250	250	-	-	-	-	-
KLP39 20-22 rue Le Peletier - 75009 Paris	250	-	100.00	250	250	-	-	-	-	-
KLP40 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP41 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP42 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP43 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP44 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP45 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP46 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP47 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP48 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP49 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
KLP14 20-22 rue Le Peletier - 75009 Paris	10	-	100.00	10	10	-	-	-	-	-
<b>2) Foreign subsidiaries</b>										
Keolis Nordic * c/o Advokatfirman Vinge KB - Box 1703 - 111 87 Stockholm - Sweden (in SEK)	100	410,576	100.00	46,034	46,034	13,889	-	-	43,444	-
Keolis Spain Via Augusta, 291 - 08017 Barcelona - Spain	4,508	- 510	100.00	20,445	3,997	- 3,925	-	-	-	-

Companies or groups of companies	Equity		Percentage of capital held as a% at 31 Dec. 2019	Gross value of securities held at 31 Dec. 2019	Net carrying amount of securities held at 31 Dec. 2019	Loans and advances made by the company and not repaid - credit at 31 Dec. 2019	Amount of deposits and guarantees provided by the Company at 31 Dec. 2019	Revenue excluding tax for the financial year ended 31 Dec. 2019	Net profit or loss (-) for the financial year ended 31 Dec. 2019	Dividends received by the Company during the 2019 financial year
	Capital	Other equity								
Keolis Canada inc * 1 place Ville Marie - H3B 4M7 Montréal - Canada (en CAD)	29,569	- 40,899	100.00	20,892	20,892	29,015	-	105,563	- 2,160	-
Keolis UK * Evergreen Buiding North - 160 Euston Road - NW1 2DX Londres - United Kingdom (in GBP)	2,000	73,645	100.00	3,059	3,059	- 24,451	-	325	15,926	-
Keolis Bus Danmark 2/4, Thorvald Borgs Gade - 2300 Copenhagen - Denmark (in DKK)	1,800	216,544	100.00	21,680	21,680	1,960	-	980,311	19,669	-
Striebig Deutschland lundelbrunnstrasse 6 - 76887 bad bergzabern - Germany	60	72	100.00	1,000	1,000	-	-	864	67	-
Keolis Deutschland GmbH & Co. KG Rheinstrasse 4E - 55116 Mainz - Germany	145,051	124,396	100.00	145,736	86,000	- 85,924	-	213,013	- 33,805	-
Keolis Deutschland Verwaltungsgesellschaft GmbH KG Postfach-103255 - 40023 Düsseldorf - Germany	26	- 184	100.00	26	-	-	-	-	- 167	-
Keolis Vlaanderen Oosterring 17 - 3600 Genk - Belgium	7,349	14,114	100.00	22,708	22,708	-	-	-	1,113	-
Keolis America * c/o National Corporate Research, 615 South Dupont Highway Dover, Kent County 19901 Delaware - USA (in USD)	142,405	- 54,847	100.00	120,064	120,064	101,341	-	7,555	- 6,682	-
Keolis Australia * 140 William Street - VIC 3000 Melbourne (in AUD)	32,020	36,777	100.00	22,616	22,616	117	-	700	7,906	-
Keolis Tramway d'Alger * 2 impasse Bossuet - Alger - Algeria (in DZD)				198	-	-	-			
Eurobus Holding SA 62 av. de Navagne - 4600 Visé - Belgium	25,000	39,079	100.00	131,453	131,453	-	-	489	2,889	-
Keolis Hyderabad Mass Rapid Transit System Private Limited Cyber Tower - Q3 L4 - 500081 Hyderabad - India (in INR)	3,500	89,799	100.00	50	50	-	-	966,610	25,749	-
Kilux Weiswampach - Grand Duché - Luxembourg	13	153	100.00	20	20	-	-	452	20	-
KIBEL 62 av. de Navagne - 4600 Visé - Belgium	37,671	35,796	100.00	81,708	81,708	- 160,414	-	2,512	2,124	-
SYNTUS 5 Visbystraat - 7418 Be Deventer - Netherlands	272	- 8,863	100.00	39,248	39,248	- 35,751	-	246,621	- 10,722	-
Keolis Nederland 5 Visbystraat - 7418 Be Deventer - Netherlands	18	50	100.00	588	520	- 0	-	92	- 150	-
RDK 54 quai de la rapée - 75012 Paris	60	517	50.00	30	30	703	-	980	517	-
Keolis Aias 61 Robinson Road - 068893 Singapore (in SGD)	2,627	- 79	100.00	1,740	1,740	33	-	-	- 39	-
Keolis Middle East 54 quai de la rapée - 75012 Paris	50	- 676	50.00	12	12	785	-	-	- 676	-

**B - Shareholdings (at least 10% to 50% of the capital held by the Company)**

(€ thousand)

Companies or groups of companies	Equity		Percentage of capital held at 31 Dec. 2019	Gross value of securities held at 31 Dec. 2019 €k	Net carrying amount of securities held at 31 Dec. 2019 €k	Loans and advances made by the company and not repaid - credit at 31 Dec. 2019 €k	Amount of deposits and guarantees provided by the Company at 31 Dec. 2019 €k	Total revenue (excl. tax) for the financial year ended 31/12/19	Net profit or loss (-) for the financial year ended 31 Dec. 2019	Dividends received by the Company during the 2019 financial year
	Capital at 31 Dec. 2019	Other equity								
<b>1) FRENCH SUBSIDIARIES</b>										
T.I.C.E 352 rue des Champs Elysées - 91026 Evry	182	1,153	19.00	35	35	-	-	-	-	-
Scodec Voyages SCOP La Tuilerie du Vignault - 79140 Cerisay	338	617	35.00	111	111	92	-	-	-	-
Trans Pistes 37-39 rue d'Athènes - 13127 Vitrolles	80	-96	40.00	32	-	-	-	150	-	-
Transports de l'Agglomération de Metz Metropole 10 rue des intendants Joseph et Ernest Joba - 57000 Metz	2,000	6	25.00	500	500	-	-	-	-	-
Keolis Velizy 12 avenue du Général De Gaulle - 78000 Versailles	359	12,610	40.36	310	310	-3,884	-	17,870	1,600	-
Keolis PAYS DES VOLCANS 14, avenue de la Gare - 63260 Aigueperse	904	420	45.97	416	416	23	-	4,812	-152	-
Transbusevry 266 avenue du Président Wilson - 93200 Saint Denis	415	386	31.08	138	138	-	-	-	-899	-
Compagnie des Autobus de Monaco 3, avenue du Président Kennedy 98000 Monaco	-	-	10.00	366	366	-	-	-	-	41
<b>2) FOREIGN SUBSIDIARIES</b>										
Goldinq Holdings Pty Ltd (created 2013) Level 2,7 Bay Street -Southport Qld 4215 - Australia	-	-	-	5,964	5,964	-	-	-	-	-
Wuhan Tianhe Airport Transport Center Operation and Management Co., Ltd * 47 Huang Xia He Road - District of Jaang An - Wuhan - China (IN CNY)	1,739	-	-	85	85	-	-	-	-	-
Shanghai KEOLIS Public Transport Operation Management Co.* 5F Building No.1 - 909 Gullin Road - 201 103 Shanghai - China (IN CNY)	10,000	10,860	49.00	724	724	-	-	212,807	9,632	-
STAR* Abidjan plateau - Avenue Nogue Immeuble Brodway - 011450 Abidjan - Côte d'Ivoire (IN CFA BEAC)	1,000	-	25.00	0	0	-	-	-	-	-
Grandinq GP 333 Bay Street c/o Plenary GRP 4920 M5H2R2 Canda	-	-	10.00	1,875	1,875	-	-	-	-	1,378

\* Subsidiaries presented in foreign currency for equity, revenue and net profit.

**9 SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR**

The Covid-19 pandemic raging in France and elsewhere in the world and the containment measures and adapted transport plans requested by Governments are leading to the implementation of specific and restrictive action plans.

Keolis adapts on a case-by-case basis according to its contracts and the requests of the public transport authorities to operate their transport

networks and ensure that they continue to fulfil their public service missions. All the Group's operating entities work with the Corporate Departments and a dedicated Crisis Task Force. All countries and transport methods are expected to be impacted in a similar manner. Impact scenarios are currently being analysed and the consequences will be taken into account in 2020.

## 3.4 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(Financial year ended 31 December 2019)

To Shareholders

### Opinion

In compliance with the assignment entrusted to us by your annual general meeting, we have audited the accompanying annual financial statements of KEOLIS SA for the financial year ended 31 December 2019.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the annual financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*Code de déontologie*) for statutory auditors.

#### Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. As part of our assessment, we inform you that our assessments made by us focused on the appropriateness of the accounting principles used and the reasonableness of the significant estimates made by the management relating particularly to the following matters:

- the present value of the technical loss from mergers (note 2.1.3);
- the asset value of equity investments and the recoverable value of current accounts and receivables relating to these investments (note 2.1.3);
- risks related to ongoing litigation (note 2.5).

The assessments made are in the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on elements of these annual financial statements in isolation.

### Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

### Information given in the management report and in the other documents provided to the Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the annual financial statements.

We attest the fair presentation and the consistency with the annual financial statements of the information relating to the payment terms required by Article D.441-4 of the French Commercial Code (*Code de commerce*).

We certify that the information required by Article L.225-37-4 of the French Commercial Code has been included in the section of the management report of the Board of Directors devoted to corporate governance.

### Other information

In accordance with French law, we have verified that the required information concerning the identity of those holding shares and voting rights has been properly disclosed in the management report.

### Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.



The annual financial statements were approved by the Board of Directors.

### Statutory auditors' responsibilities for the audit of the annual financial statements

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit.

And furthermore:

- identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate

to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine and Paris-La-Défense, 18 March 2020

The statutory auditors

PricewaterhouseCoopers Audit

Françoise Garnier-Bel



ERNST & YOUNG AUDIT

Jérôme Guirauden









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