Financial report 2020

transdev
the mobility company

Transdev, the resilience of a global group in the face of the pandemic

After a good start to the year 2020 in line with the previous year, the Group's activity and results were strongly impacted, from March onwards, by the worldwide spread of the COVID-19 pandemic.

The year 2020 was a difficult period for all of us, a period that required **exceptional measures.** In the face of this unprecedented global health crisis, we all approached the situation together with calm, individual and collective responsibility, and continued to support public transportation authorities and businesses that entrusted us with the daily management of mobility in their territories, while ensuring the day-to-day safety of our employees and passengers.

This global crisis - which is not over - has had a **very strong** human, operational and financial **impact** on the Group's business in all the countries where it operates. In this situation, we must collectively adapt our contracts to the new realities and expectations of our customers and passengers, continue to improve our performance, maintain strong financial discipline and, of course, strengthen our competitiveness. For the Group to continue its transformation, we must continue to demonstrate our resilience and our ability to adapt.

As a number of calls for tenders kept running, we were able to record **many commercial successes** in 2020, particularly in the Paris region, Sweden (Stockholm, start of the Göteborg contract), Germany, the United States (San Diego, Phoenix, Nassau), the Netherlands, Australia, Portugal, etc. Throughout the year, despite the pandemic, we adapted to sanitary constraints and continued to fulfill our public service mission, accompanying our passengers and customers around the world on a daily basis.

To protect our future, we have rapidly launched - in all our geographies – programs **to adapt our organizations** and refocus our priorities to ensure Transdev's recovery from the crisis.

The **transportation** sector will continue to **play a key role tomorrow** to ensure better territorial and social cohesion, contribute to economic recovery for everyone and everywhere, and support the energy transition with clean and shared mobility solutions.

The quality and commitment of **our teams** is paramount. I firmly believe that we will be even more effective by being more diversified and more inclusive, just like our clients and the communities we serve.

Last September in Saint-Etienne, France, we launched the **Academy by Transdev,** our own Apprenticeship Training Center (ATS), which is currently being rolled out across the country. With this ATS, which offers training in mobility professions integrating pre-qualification and certification systems, Transdev is committed to the inclusion of those who are furthest away from employment, particularly our young people. The objective is to train yearly 500 apprentices by 2023.

In these difficult times, the cohesion around the Group's purpose to **"empower freedom to move every day with confidence, thanks to reliable and innovative solutions that serve the common good"** and our strategic trajectory will enable Transdev to emerge stronger from this crisis to pursue its new growth plan.

Our 85,000 employees around the world reflect the world in which we operate. We are women and men serving people and regions, and **mobility** is what we do.

Thierry Mallet, Chairman and Chief Executive Officer of Transdev Group

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the mobility company

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COVID-19 hit public transportation sector

The year 2020 has been a challenging year for the public transportation industry which was placed into an unprecedented situation. Lockdowns, limitations to travel, promotion of teleworking and school closures led to significant ridership decrease and reductions in service levels. During lockdown periods, the COVID-19 pandemic led to a decrease of ridership down to -90% on some urban networks run by Transdev.

During this crisis, Transdev assumed its public service mission obligations and collective responsibility in coordination with local and national health authorities. The Group carried on, supported the communities and enterprises by maintaining a high level of service in agreement with our public transportation authorities and clients.

In addition, many teams' actions have been implemented throughout the Group that have provided direct help and support to the most deprived people at the very heart of our communities.

Activities and geographies hit by the crisis

Most of Transdev business lines have been hit by this pandemic, including its BtoG activities: urban networks, interurban (including school buses) and rail networks (commuting).

Transdev BtoB activities have also suffered, mainly on airport related transportation (aircrew transportation, airport passenger transport & other tarmac activities). Lockdown and necessary sanitary measures led to an unprecedented drop on tourism and charter.

In terms of geographies, all countries in which Transdev operates have faced the pandemic. Countries more severely hit were France, Netherlands, USA, Sweden, Germany and Portugal. On the other hand, despite their share in Transdev revenue, impacts were more limited in Australia and New Zealand, where the effects of COVID-19 have been lower on the economic activity.

Transdev operational response to this crisis

Safety, for both passengers and employees, has been Transdev priority all along this crisis. Transdev teams have been fully mobilized so that our customers can travel in complete safety, while ensuring the continuity of service on all our services in the best conditions.

To limit the spread of the Coronavirus in countries where we operate, our transportation services have been adapted to guarantee a safe and sustainable mobility for everyone. According to local and national health authorities' recommendations, we implemented strict hygiene and disinfection measures.

Transdev took part in the collective challenge presented by the fight against COVID-19 by providing transportation means. Health coaches and medical team transporters were mobilized to enable the transfer of patients with COVID-19.

Financial impacts

Despite the support Transdev received from public authorities and its clients, COVID-19 has had a severe adverse effect on group Financials. Revenue has been impacted by an estimated -700 million euro and EBIT by an estimated -200 million euro (excluding restructuring and impairment), leading to a significant net loss for the financial year 2020.

Partial employment measures, and more generally bail out programs, helped limiting operational losses when volumes of services were reduced, and passenger revenue was heavily impacted. However, impact has been strong on BtoG activities where Transdev is incentivized on ridership and for BtoB or BtoC activities. Indeed, the share of passenger revenue represents on average 20% to 25% of revenue in France. This ratio is higher in other European countries such as the Netherlands, the Czech Republic, Germany or Sweden, where it reaches or exceeds 50%.

Despite this financial loss, state bail out and authorized delayed payments programs, the efforts of our clients to maintain their payments and strong cash management actions (capex and operational expenditures limitations) have led to a short-term limited impact of the Pandemic on Transdev financial debt. Given the strong financial position of the Group at the beginning of the crisis and measures taken during the year, Transdev has not been at risk of breaching its bank financial covenant obligations throughout 2020 and has a lower net financial debt than at the end of 2019.

Perspectives

The public transportation sector has shown, in most of countries, a strong rebound at the end of the COVID-19 first wave. Transdev has recorded in the fall a progressive ridership recovery, sometimes over 80% versus pre-pandemic times.

However, this crisis is not over, and the public transportation sector may see the consequences on its activity over the years to come.

Public transportation sector may face a "new normal" with a potential increase of teleworking and the development of soft mobility modes (walking, bicycles and e-bikes) or the use of private cars. Also, our public transit authorities may suffer a drop in tax revenues or an increase in their costs to support populations.

To limit these long-term impacts, Transdev has implemented numerous actions:

- Transdev is engaged to rebuild confidence in public transportation and get our passengers back on board.
- Transdev has taken, in 2020, strong management actions focusing on cost optimization and adaptation plans to get prepared to the long-term adverse effects of the COVID-19 pandemic. These actions have been mainly directed on activities heavily impacted by COVID-19: airport related activities, BtoB, charter and tourism.
- Transdev has integrated the pandemic risk and its ridership effect in its business development approach, favoring balanced risk and opportunity contracts and rebasing ridership forecasts.
- Transdev is discussing to adapt the service to the new behaviors and needs of its passengers and the financing capacities of its clients.

Nevertheless, the fundamentals of our activities remain strong: The transportation sector will play a key role to ensure better territorial and social cohesion and to support the energy transition with clean and shared mobility solutions to offer a real alternative to the individual passenger car.

As an illustration of this commitment, Transdev commissioned 297 new fossil-free buses, of which 145 full electric buses for the renewal of our Göteborg contract in December 2020. In addition, Transdev has recently won a contract for 406 electric buses with TransMilenio in Bogota, Colombia.

The Group is also venturing in the field of fuel-cell hydrogen powered electric buses, with experimental operations running or planned in France, the Netherlands, Sweden and New Zealand.

Management report on the consolidated financial statements

Key figures – Consolidated financial statements

(€ millions)	Fiscal year 2019 (12 months)	Fiscal year 2020 (12 months)
Revenue	7,415.5	**6,755.6**
EBITDA (Earnings before interest, taxes, depreciation and amortization)	666.1	**521.3**
Current operating result [1]	145.1	**9.5**
Net income (loss)	53.2	**(112.0)**
Net income – Group share	45.7	**(109.2)**
Net financial debt (NFD)	1,864.2	**1,305.9**

[1] Note VI.4.1.2. of the notes to the consolidated financial statements describes the reconciliation of EBITDA to current operating result and operating result.

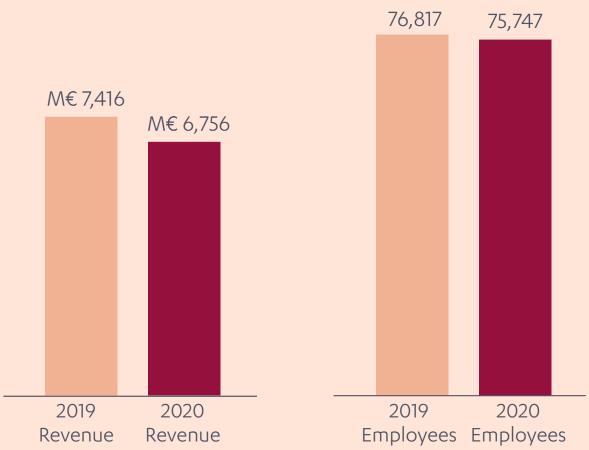
Group keys figures

The Group operates in **17** countries

Annual revenue: **M€ 6,756**

75,747 employees[1]

Revenue - 12 months & Number of employees[1]



[1] Figures do not include the contribution of public-private partnerships. Data on number of employees are stated as a weighted average number of employees and do not include discontinued operations or employees of joint ventures and associates.

Group performance in 2020

The COVID-19 pandemic has confirmed the pertinence of the Group's strategy ("Moving You"), whose key principles have enabled the Company to confirm its resilience during the crisis:

- We have ensured the safety and security of employees and passengers.
- We have continued our public service missions without interruption, in agreement with our clients, the public transport authorities.
- We have maintained our operational performance objectives and adapted our investment strategy to the crisis.

On a financial level, this crisis generated a significant loss for 2020 with a net loss, Group share, of -€109 million. Nevertheless, the Company's financial fundamentals proved to be resilient thanks to the commitment of all our employees and the support of our clients, as well as the asset disposals and financing carried out over the period. At the outset of the crisis, our shareholders chose to waive the payment of dividends based on 2019 results. All of these actions enabled the Company to contain its level of debt as of December 2020 and to meet all its financial obligations.

In terms of business activities, the Group continued to refocus on its core public passenger transportation business (BtoG) by finalizing, early in the year, the divestment from its purely commercial (BtoC) airport service business in Sweden (Flygbussarna).

Furthermore, as a result of the current environment, the Group decided to limit its exposure to the BtoB sector in the United States and France. The estimated loss due to the COVID-19 pandemic thus led to various business restructurings (-€85 million) prompted by excess transportation capacity, primarily in the BtoC and BtoB sectors in various countries. These strategic choices, combined with the effects of the crisis, have resulted in the Group refocusing on the BtoG sector, which now accounts for 93% of its business.

Despite the constraints imposed by its level of indebtedness, the Group continued the development of its operations. The Group was able to arbitrate in favour of zero-emission investments and tenders and, for example, submitted a 100% electric offer in the Bogotá bid, which helped it win the contract.

Against a general environment of declining revenues due to COVID-19, the Group sharply reduced its Net Financial Debt (NFD), thus providing Transdev with sufficient room for manoeuvre to invest and deal with the effects of the pandemic.

The Group's Current Operating Result (COR) totaled +€9.5 million, including COVID-19-related operating losses (estimated at -€200 million), the favorable impact of lower fuel prices and the reduced cost of claims in the United States, which were partly due to lower service volumes as a result of the pandemic.

Business development and activities

In 2020, the Group also had major business gains and winbacks in all our markets; some significant examples are described below.

France
- In the Ile-de-France region, Transdev renewed its bus network operating contracts in the Marne-la-Vallée, Sénart and Melun Val de Seine areas.
- The interurban contracts in the Gironde and Oise regions were renewed.

Germany
- In Germany, the Group was awarded the bus operations contract in Frankfurt am Main for a term of eight years. This contract, which comprises two batches, A and G, provides for 50% electric buses in batch A.

Colombia
- Transdev and its Colombian partner Fanalca were awarded a 15-year contract in Bogotá for an electric bus service. As a result, the Group, in conjunction with its Colombian partner, will operate the largest fleet of electric buses in South America.

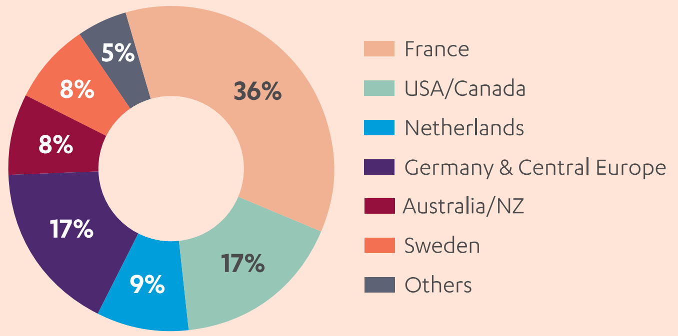
United States
- In the United States, Transdev renewed the contracts to operate the San Diego bus network for ten years and the Phoenix bus network for seven years.
- The contract with Nassau County, New York, was extended for two years.

Group activities and results in 2020

The Group's consolidated revenue, which totaled €6,756 million in 2020, was very adversely affected by the reductions in service and ridership due to COVID-19 (-€700 million) and a foreign exchange impact of -€49.5 million.

These external effects aside, revenue increased due to the full-year impact of the BtoG acquisitions in 2019 in Sweden, the Czech Republic, Canada and New Zealand, which were partly offset by the impact of the divestment of BtoC and BtoB activities.

Breakdown of 2020 revenue By location



At year-end 2020, EBITDA was of €521.3 million, i.e., a margin rate of 7.8% of revenue, down compared to 2019 (9%) due to the significant direct and indirect impacts of the COVID-19 pandemic.

Current Operating Result (COR) totaled €9.5 million at year-end versus €145.1 million in 2019.

The cost of the Net Financial Debt totaled €42.0 million for the fiscal year.

At year-end 2020, Net Financial Debt amounted to €1,305.9 million, which was down compared to 2019 (€1,864.2 million), favorably impacted by the refinancing solutions implemented in 2020, the disposals of Flygbussarna and group's joint venture in Asia, the improved collection times for trade receivables, and government measures that deferred the payment of certain social contributions.

Foreseeable trends and outlook

The 2020-2025 strategic plan reaffirms Transdev's positioning as a global integrator of mobility solutions capable of responding to daily needs of today and tomorrow.

This plan incorporates the key elements of the Group's strategy, Moving You.

The plan focuses on allocating resources to energy transition, types of customers and geographical areas that are priorities for the Group's development.

Recent developments and subsequent events

This information is provided in the group consolidated and statutory financial statements.

Research and development

We believe that the mobility sector will rapidly evolve through the development of increasingly personalized solutions, in particular thanks to the contribution of digital tools.

- Electric mobility, as confirmed by the execution of contracts that make the Group the leading private operator of electric buses in Europe and an internal Center of Expertise.
- New on-demand mobility solutions, in particular in the B2B market (transportation services using digital technologies for private companies).
- "Mobility as a Service", which covers all means of information and mobile phone ticketing and facilitates access to a range of transportation offers proposed by various operators.
- Autonomous vehicles.

In 2020, the Group's innovation activities continued to expand due to:

- a new MaaS reference alongside with Compte Mobilité Mulhouse: Moovizy Saint-Etienne.
- our continuing partnerships with start-ups that offer new services to our clients.
- the management of autonomous vehicles.

Key factors

The Group's business is influenced by key factors of a technical, contractual and economic nature. The principal factors are:

- The ability to adapt to health, contractual and regulatory changes, as well as external threats (in particular cyber-attacks, the number of which increased during the year and for which the Group is deploying a program to deal with this risk).
- The ability to meet the increasing demands of passenger customers and public transport authorities in terms of new services, as well as sustainable development and innovation.
- The ability to conduct its business in densely populated, extended and increasingly complex territories: increased operating complexity and widespread use of intermodal transportation.

In the specific context of the COVID-19 pandemic, the Group has demonstrated its ability to constantly adapt to changes in the health regulations enacted by the public authorities in the various geographical areas we serve, by adjusting the services in conjunction with our public transport authority clients.

To mitigate and manage its exposure to the risks of fluctuation in interest rates, foreign exchange rates and commodity prices, Transdev uses derivative instruments, some of which qualify as hedge accounting. Additional information on these instruments is presented in note VI.9.4 to the consolidated financial statements.

Management report on the statutory financial statements

Key figures – statutory financial statements

(€ thousands)	Fiscal year 2019	Fiscal year 2020
Revenue	83,089	81,190
Operating result	(4,594)	(5,871)
Financial result	146,549	(310,306)
Extraordinary result	(71,969)	16
Net income (loss)	**94,592**	**(294,140)**

Business activities of the company

The spread of COVID-19, which the World Health Organization declared a pandemic on March 11, 2020, has had and continues to have a major impact on public transportation use. The Group's priority has been to ensure the continuity of public transportation services while ensuring the safety of its passengers and employees.

The level of business deteriorated in fiscal year 2020. As a result, the Group quickly implemented measures to adjust expenses, shut down certain of its activities and endeavored to shore up its liquidity.

To accelerate its transformation in the context of the pandemic, the Group announced a reorganization and staff reductions at the Group's head office, including the implementation of a forward-looking strategic workforce plan.

The Transdev Group's operating result was -€5.9 million, compared to -€4.6 million in 2019. Financial result totaled -€310 million and consisted primarily of changes in impairment of investments, the net finance costs on the debt of Transdev Group and dividends paid by the subsidiaries.

Additional details on changes in the business and financial position, as well as the activity and results of Transdev Group's subsidiaries and the companies it controls, are provided in the section of the management report on the consolidated financial statements.

After taking into account the tax consolidation bonus, net result is a loss of -€294.1 million for the fiscal year.

On May 12, 2020, the maturity of our €1,019 million loan was extended to July 2025.

Foreseeable trends and outlook

The 2020-2025 strategic plan reaffirms Transdev's positioning as a global integrator of mobility solutions capable of responding to daily needs of today and tomorrow. This plan incorporates the key elements of the Group's strategy, Moving You.

The plan focuses on allocating resources to energy transition, types of customers and geographical areas that are priorities for the Group's development.

New investments and disposals during the fiscal year

During fiscal year 2020, the Company carried out acquisitions and capital increases for a total of €97 million, of which:

- €25 million (USD 30 million) relate to the capital increase of Transdev North America;
- €20 million relate to the capital increase of Transdev Group Innovation;
- €52 million relate to the acquisition of Transdev SA's share in Transdev BNG Connexxion Holding BV (TBCH);

Existing branches

The secondary establishment the Company had opened within the territorial jurisdiction of the Nanterre Commercial Court Registry is in the process of being closed.

Post-closing events

None.

Research and development activities

Transdev Group engages in research and development activities within its new business lines.

Miscellaneous information

In fiscal year 2020, the total amount of lavish expenses within the meaning of Article 39-4 of the French General Tax Code *(Code général des impôts)* totaled €192,756.

Report on corporate governance

Information concerning corporate officers and executive management

As of the date of this report, the Board of Directors is comprised of the 13 directors listed below, including one independent director and two directors who represent employees.

Directors	Date appointed/reappointed	Date term of office expires
Ms. Anne-Marie Couderc *(Independent director)*	15/03/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Mr. Thierry Mallet *(Chairman and Chief Executive Officer since 9 September 2016)*	15/03/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
La Caisse des dépôts et consignations, represented by Ms. Audrey Girard	15/03/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Ms. Delphine Pons	15/03/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Mr. Jean-Michel Fenaut *(Director representing employees)*	01/07/2020	01/07/2024
Ms. Anja Kühler *(Director representing employees)*	18/06/2020	18/06/2024
Mr. Pierre Aubouin	09/01/2017	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2020
Ms. Carole Abbey	29/01/2021	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2020
Mr. Olivier Sichel	09/01/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Mr. Ludger Rethmann *(Vice-Chairman of the Board of Directors)*	09/01/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Dr. Werner Kook	09/01/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Mr. Jean-Louis Hurel	09/01/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022
Ms. Sophie Barbier	09/07/2020	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2023
Mr. Egbert Tölle *(Board observer)*	09/01/2019	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2022

Ms. Virginie Fernandes resigned from her position as director on January 8, 2021. On January 29, 2021, the Board of Directors provisionally appointed Ms. Carole Abbey to the board to replace Virginie Fernandes for the remainder of Ms. Fernandes' term of office. This provisional appointment must be ratified by the shareholders' meeting that will be convened to approve the financial statements for the fiscal year ended December 31, 2020.

The terms of office of Ms. Carole Abbey and Mr. Pierre Aubouin will expire at the conclusion of the general shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2020. Therefore, at the general shareholders' meeting, the shareholders will be asked to renew their terms of office for a term of four years, which will expire at the conclusion of the general shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2024.

On June 18, 2020, Ms. Anja Kühler was appointed as the second director representing employees.

On July 9, 2020, Ms. Sophie Barbier was appointed as a new director by the General shareholder's meeting.

As the Company is not listed and is exclusively controlled by the Caisse des dépôts et consignations, no directors are concerned by the obligations to disclose remuneration as set out in Article L. 225-102-1 of the French Commercial Code *(Code de commerce),* as amended by Order no. 2014-863 of July 31, 2014.

In addition, the table below lists the offices and positions held by the various corporate officers in all companies.

MR. THIERRY MALLET

Transdev Group SA	Chairman and Chief Executive Officer Director Chair of the Strategic Committee Chair of the Investment Committee
Transdev SA	Chairman and Chief Executive Officer Director
Transdev Ile-de-France	Chairman and Chief Executive Officer Director
RATP Dev Transdev Asia (until October 2, 2020)	Director
Transdev Sverige AB	Chairman Board Member
Transdev Northern Europe	Chairman Board Member
TBC Holding	Director Class A Chairman
Transdev North America	Director
Transdev Australasia Pty	Director
HIME (SAUR)	Director

MR. PIERRE AUBOUIN

ADL Participations SAS	Member of the Supervisory Board
Alicorne SAS (01/01/2020 au 26/03/2020)	Member of the Supervisory Committee
Cibair	Member of the Executive Committee
Mobilité Agglomération Rémoise SAS	Chairman of the Board of Directors
Transdev Group SA	Director Member of the Audit Committee Deputy member of the Investment Committee
Rhônexpress	Chair of the Supervisory Committee
Gestionnaire d'infrastructure CDG Express	Chairman of the Board of Directors
Geopost Urban Logistics (LUDEV)	Member of the Strategy Committee
Aéroports de la Côte d'Azur	Board Observer

MR. OLIVIER SICHEL

Transdev Group SA	Director
CDC	Deputy Chief Executive Officer
La Poste	Member of the Board of Directors Member of the Audit Committee Member of the Strategic Committee and of the Investment Committee
La Banque Postale	Member of the Supervisory Board Member of the Strategy Committee Member of the Appointments Committee Member of the Risk Committee
CDC Habitat	Member of the Supervisory Board
Agence nationale de la cohésion des territoires	Representative of Caisse des Dépôts et Consignations Director
Fondation digital new deal	Chairman of the Board of Directors
Assia Inc	Member of the Board of Directors

MS. DELPHINE PONS

SA Société du parc du Futuroscope	Member of the Supervisory Board
SA Compagnie du Mont Blanc	Director
Transdev Group	Director Member of the Appointments and Remuneration Committee Member of the Strategy Committee

MS. SOPHIE BARBIER

Transdev Group SA (since July 9, 2020)	Director
Compagnie des Landes	Member of the Supervisory Board
Novethic	Member of the Strategy Committee

MS. AUDREY GIRARD-GRILLO

Transdev Group SA (since April 14, 2020)	Standing Representative of the Caisse des dépôts et consignations in its capacity as director Member of the Audit Committee
Hôpital Européen Marseille	Director
Association HAP (Hôpital Paul Desbief) Marseille	Ex-officio member
Fondation Hôpital Ambroise Paré Marseille	Ex-officio member

MS.ANNE-MARIE COUDERC

Transdev Group SA	Independent director Member of the Audit Committee Member of the Strategy Committee
Plastic Omnium	Independent director MMember of the Appointments Committee Member of the Remuneration Committee
Ramsay Générale de Santé	Independent director Chair of the Compensation Committee Member of the Audit Committee
Air France/KLM	Chair of the Board of Directors Chair of the Appointments and Governance Committee
Air France	Chair of the Board of Directors
Ayming	Member of the Supervisory Board

MR. JEAN-MICHEL FENAUT

Transdev Group SA	Director representing employees

MS. ANJA KÜHLER

Transdev Group SA (since June 18, 2020)	Director representing employees

DR. WERNER KOOK

Transdev Group SA	Director Member of the Investment Committee Member of the Strategy Committee MMember of the Appointments and Remuneration Committee
Transdev Verkehr GmbH	Chairman
Niederrheinische Verkehrsbetriebe Aktiengesellschaft Niag	Chief Executive Officer
Rethmann Group	Chief Representative Rethmann Group
BDI-Verkehrsausschuss	Member
IHK-Fachausschuss Verkehr und Logistik	Member
Bundesfachkommission Verkehr, Logistik, Infrastruktur, Wirtschaftsrat Deutschland	Chairman
RHENUS SE & Co. KG	Chief representative
VDV-Landesgruppe NRW	Member of the Board

MR. LUDGER RETHMANN

Transdev Group SA	Director Vice-Chairman of the Board of Directors
Board of RETHMANN SE & Co. KG	Member
Board of REMONDIS SE & Co. KG	Chief Executive Officer
Supervisory board SARIA SE & Co. KG	Member
Advisory board Deutsche Bank SE	Member
Advisory board Kirchoff Group	Member
Supervisory board of the Clinic Group Lünen/Werne	Member

MR. JEAN-LOUIS HUREL

Transdev Group SA	Director Chair and Member of the Audit Committee Deputy member of the Investment Committee
RETHMANN France SAS	Chairman
ENSCR (Ecole Nationale Supérieure de Chimie de Rennes)	Director

MS. CAROLE ABBEY

Transdev Group SA (since January 28, 2021)	Director Member of the Audit Committee Member of the Strategy Committee Chair and Member of the Appointments and Compensation Committee Member of the Investment Committee
CDC Habitat	Standing Representative of the Caisse des dépôts et consignations Member of the Supervisory Board Member of the Audit and Risk Committee Member of the Strategy Committee
SCET	Standing Representative of the Caisse des dépôts et consignations in its capacity as director Member of the Audit and Risk Committee Member of the CNR
Tonus Territoires	Director
AVIVA France	Independent director
SICOVAM Holding	Standing Representative of the Caisse des dépôts et consignations in its capacity as director
Bpifrance SA	Director Member of the Audit and Risk Committee
ICADE	Representative of the Caisse des dépôts et consignations in its capacity as director
Compagnie Des Alpes	Representative of the Caisse des dépôts et consignations in its capacity as director
BPIFRANCE Participations	Director Member of the Investment Committee

MR. EGBERT TÖLLE

Transdev Group SA	Board Observer
Board REMONDIS SE & Co. KG	Member
REMONDIS Group International	Chief Executive Officer

MS. VIRGINIE FERNANDES

Transdev Group SA (until January 8, 2021)	Director Member of the Audit Committee Member of the Strategy Committee Chair and Member of the Appointments and Compensation Committee Member of the Investment Committee
BPIFRANCE Investissement	Member of the Audit and Risk Committee Member of the Appointments and Compensation Committee Member of the Investment Committee
BPIFRANCE Participations	Director Member of the Investment Committee
Compagnie des Alpes	Standing Representative of the Caisse des dépôts et consignations Director Member of the Strategy Committee Member of the Appointments and Compensation Committee
ICADE	Standing Representative of the Caisse des dépôts et consignations Director Member of the Strategy and Investment Committee Member of the Appointments and Compensation Committee
La Poste	Director Member of the Strategy and Investment Committee
SFIL	Director

Statutory auditors

The terms of office of ERNST & YOUNG AND OTHERS, principal statutory auditor, and AUDITEX, alternate statutory auditor, were renewed for six years by the General shareholders' meeting of March 24, 2016.

The term of office of MAZARS, the principal statutory auditor, was renewed for six years during the general shareholders' meeting of March 24, 2017.

No renewal therefore needs to be proposed.

Powers and/or authority delegated to the board of directors

In respect of capital increases

There are no delegations of powers or authority to the Board of Directors.

Agreements within the scope of article L.225-38

During the past fiscal year, the following agreements were entered into, either directly or via an intermediary, between the Company and the Chief Executive Officer, any deputy managing directors, one of the corporate officers, one of the shareholders who holds more than 10% of the voting rights in a Company, or, if the shareholder is a company, the company which controls it within the meaning of Article L. 233-3, as well as agreements entered into between the Company and any other business, if the Chief executive officer, any of the deputy managing directors or any of the corporate officers of the Company is the owner, partner with unlimited liability, manager, director, member of the supervisory board or, in general, an officer of that company, other than agreements relating to day-to-day transactions that are entered into under normal conditions:

Caisse des Dépôts et Consignations and Rethmann France concluded an amendment to the shareholders' agreement, following prior approval granted by the Board of Directors on July 28, 2020, with the directors representing Caisse des Dépôts et Consignations and the Rethmann Group not taking part in the vote.

In addition, the following agreements approved in previous years continued in 2020:

- A shareholders' agreement between Caisse des Dépôts et Consignations and Rethmann France, which was witnessed by Rethmann SE&CO KG and Transdev Group and approved by the Board of Directors on December 21, 2018, has been signed on January 9, 2019.
- An investment protocol signed by Caisse des Dépôts et Consignations, the Company, Rethmann France, Rethmann SE&CO KG and Transdev GmbH, which establishes the terms for (i) the Rethmann Group's acquisition of a stake in the Company, (ii) Transdev GmbH's purchase of Rhenus Veniro shares and (iii) the capital increase of Transdev Group paid up on June 8, 2019.
- A corporate officer's agreement that defines the conditions under which Mr. Thierry Mallet performs his duties in his capacity of Chairman and CEO, which was entered into in 2016.

Agreements entered into between senior managers or significant shareholders of the company and a subsidiary

The Investment Protocol was approved by Transdev Group's Board on December 21, 2018 and signed that same date between Caisse des Dépôts et Consignations, Transdev Group, Transdev GmbH, Rethmann SE&CO KG and Rethmann France (the Investment Protocol) as well as the agreements entered into pursuant to the Investment Protocol on January 9, 2019, continued during 2020.

1. Transdev GmbH's purchase of Rhenus Veniro's shares on 9 January 2019 Rhenus SE sold and Transdev GmbH purchased:
   (i) all limited partner shares in Rhenus Veniro; and
   (ii) all securities of Rhenus Veniro Verwaltungs, representing 100% of the capital and voting rights of Rhenus Veniro Verwaltungs. Rhenus Veniro Verwaltungs held all general partner shares in Rhenus Veniro, which together with the limited partner shares referred to in sub-section (i) above, represent all securities of Rhenus Veniro, i.e. 100% of the capital and voting rights of Rhenus Veniro.
2. Two transition services agreements between Rhenus Veniro, Rethmann Services and Rethmann SE, which respectively establish the nature, duration and compensations terms of the services provided by the Rethmann Group to the companies of the Rhenus Veniro Group;
3. Management agreements between Rhenus Veniro and NIAG;
4. Transdev GmbH's assumption of the obligations under warranties Rethmann SE furnished to companies of the Rhenus Veniro group.

Employee shareholding

As of December 31, 2020, the Company's employees did not hold any of its shares. In accordance with Article L225-129-6 of the French Commercial Code (Code de commerce), a resolution proposing that the shareholders approve a capital increase meeting the requirements of Part III, Title III, Chapter II, section 4, of the French Labor Code (Code du travail) (Article L3332-18 et seq.), with the cancellation of preferential subscription rights in favor of employees who are members of a corporate savings plan, was submitted to the general shareholders' meeting held on March 20, 2018, which rejected the proposal.

A resolution proposing a capital increase in consideration for cash was again submitted to the extraordinary and ordinary general meeting of shareholders held on January 9, 2019 and was rejected by the shareholders' meeting.

Directors' fees

Transdev Group's general meeting of shareholders held on March 20, 2020 voted to set the total gross annual amount of directors' fees to be paid to the Board of Directors in 2019 at €60,000. This amount is to be divided among the directors. Of this amount, €45,000 was paid during the fiscal year.

We propose that you grant a gross annual amount of €60,000 in directors' fees for fiscal year 2021.

Statement of non-financial performance

The statement of non-financial performance is provided in Appendix 2 to this report.

Vigilance plan

The Company's vigilance plan and the report on its effective implementation are included in the statement of non-financial performance.

Proposed appropriation of income for 2020

We propose that you appropriate the income (loss) for fiscal year 2020, i.e., –€294,139,626.03 to the retained earnings account.

Dividends distributed by the Company in the last three fiscal years:

2017	None
2018	None
2019	None

Amount of loans granted by the company that are ancillary to its main business

(Article L511-6 3 bis, par. 2, of the French Monetary and Financial Code (Code monétaire et financier))

None.

Information on Transdev Group SA payment periods

	Invoices **received** not paid at closing date and overdue					Invoices **issued** not paid at closing date and overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total for 1 day or more	1 to 30 days	31 to 60 days	61 to 90 days	91 day or more	Total for 1 day or more
A°) Overdue										
Number of invoices					7					221
Total including VAT for related invoices (in thousand of euros)	-	7	-	4	11	7,008	10,695	78	12,557	30,339
As a percentage of purchases/net sales (including VAT)	0%	0%	0%	0%	-	16%	25%	0%	29%	70%
B°) Invoices excluded from (A) relating to disputed or unrecorded invoices										
Number of invoices excluded					11					2
Total including VAT for related invoices (in thousand of euros)					88					53
C°) Payment term used:	Contractual payment term					Contractual payment term				

The number of invoices is calculated based on the number of occurences; an occurence corresponds to the number of overdue invoices in the accounts "accounts payables-goods and services" and "payables related to acquisition of fixed assets" for invoices received and "accounts receivables" and "receivables on disposal of tangible and intangible fixed assets" for invoices issued.
The total including VAT for related invoices corresponds to the year-end balance of the above mentionned invoices.
Invoices exclued from (A) correspond to doubtful customers accounts.
N/A : not applicable as long as revenue from the company is made of other revenue only (no net sales).

After the statutory auditors have read their reports to you, we will request that you approve the Company's consolidated and statutory financial statements and the appropriation of income.

If you agree with these proposals, we request that you approve the resolutions submitted to you for a vote.

Appendix 1
Results (and other key figures) of the company during the last five fiscal years

(€ thousands)	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020
I - Capital at the end of the period					
Share capital	1,137,120	1,137,120	1,137,120	1,206,036	1,206,036
Number of ordinary shares issued	118,203,700	118,203,700	118,203,700	125,367,560	125,367,560
II - Transactions and results for the period					
Revenue, excluding taxes	-	-	76,604	69,004	67,898
Income before taxes, employee profit sharing and allowances/ reversals of depreciation, amortization and provisions	319,974	167,195	117,666	4,806	17,225
Corporate income tax	27,768	24,381	23,400	24,631	22,203
Employee profit sharing owed for the period	-	-	-	-	-
Income after taxes, employee profit sharing and depreciation, amortization and provisions	47,850	155,040	(129,135)	94,592	(294,140)
Income distributed	20,000	-	-	-	-
III - Income per share (in euros)					
Income after taxes, employee profit sharing but before depreciation, amortization and provisions	2.94	1.62	1.19	0.23	0.31
Income after taxes, employee profit sharing and depreciation, amortization and provisions	0.40	1.31	(1.09)	0.75	(2.35)
Dividend paid per share	0.17	-	-	-	-
IV - Workforce					
Average number of employees during the period	335	347	353	310	297
Payroll during the period	27,072	29,513	32,056	25,546	28,355
Amounts paid as employee benefits during the period (Social security, benefit programs)	13,226	13,933	15,450	11,850	13,303

Appendix 2
Statement of non-financial performance

1. Transdev, a global group resilient in the face of the pandemic

Because mobility is essential to meet, work, study... or simply to live, Transdev empowers freedom to move every day, thanks to reliable and innovative solutions that serve the common good.

As the primary factor in social and territorial cohesion, social and professional inclusion, autonomy and freedom, mobility is at the heart of the challenges facing our societies and the attractiveness of their territories. Mobility facilitates access to employment, education and training, but also influences educational choices and the ability to take control of one's surroundings. This is even more true for people living in sparsely populated rural or peri-urban areas, where a growing proportion of the population now lives.

Transdev has been particularly involved in these subjects in order to deploy fair and open mobility for all, whatever the territory.

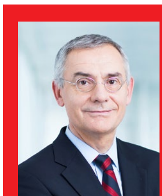
We are actively involved in the energy transition and the reduction of the social divide, connecting and reconnecting communities to each other and to rural and urban territories, providing responses adapted to the needs of our clients and passengers.

Public transit is a key element of the environmental policy of the future. Our role is to work alongside communities to meet the threefold objectives of health safety, ecological transition and social issues. Public transit and daily mobility must therefore be the backbone of the ecological and solidarity-based recovery that is necessary to restart economies that have been severely affected by the current pandemic crisis.

We share and act for the collective, in order to create opportunities and to contribute to the well-being of society and to progress for all. We care about people and the environment, in order to provide reliable and sustainable mobility. We dare to take up challenges and step out of our comfort zone to always offer the best solutions and innovations in response to the challenges of today and tomorrow. We are proud to provide daily mobility for an average of 11 million people on 5 continents.

Our 83,000 employees are passionate about their work and committed to passengers and regions every day. They are convinced that each and every one of them can contribute to social cohesion and help transform daily mobility. Training, attracting and retaining talent, growing them and maintaining their commitment is fundamental to our sustainable growth.

We are a team of people serving people and local areas, and mobility is what we do.



*"At the core of our transformation, our culture and our dynamism of an international Group is our purpose: **'We empower freedom to move every day thanks to safe, reliable and innovative solutions that serve the common good'**, which is both the glue that binds us all and our compass that guides our decisions."*

Thierry Mallet,
Transdev Group CEO

Our value creation

at the service of local communities

OUR RESOURCES

PEOPLE

83,000
employees

70%
drivers

- In **17 countries**
- **94%** on permanent contracts
- **58,000** drivers
- **+150** business lines
- **23%** women
- An **ecosystem of players in the fields of employment and training** with whom we partner in order to play our role as an employer in the local areas we serve.

NATURE

- **Our energy consumption: a greater use of sustainable resources in order to reduce our vehicles' emissions:**

10%
biodiesel

7%
CNG* and biogas

7%
Electric

- Green innovation: use of **hydrogen**
- **Commitments to reduce the environmental impact of our activities:** reducing our greenhouse gas (GHG) emissions by 30% by 2030

* *Compressed natural gas*

INDUSTRIAL AND COMMERCIAL

42,403
vehicles operated

662
electric buses and coaches

- **17** modes of transportation
- **54%** clean vehicles
- **€3 billion** product and services purchasing budget
- **A commitment to contribute to the energy transition:** We will increase our part of alternative fleet by 50% by 2030

FINANCIAL

Committed long-term shareholders (Caisse des Dépôts and Rethmann)

€902M
of shareholders' equity

€1.3 bn
of net financial debt*

* *Including lease liabilities*

OUR PURPOSE

We empower freedom to move every day thanks to safe, reliable and innovative solutions that serve the common good.

OUR VALUE CREATION

FOR OUR PASSENGERS

We are proud to provide about 11 million passenger trips everyday.

- An **offer in line with the demands of society** that respects the environment and practices fairness
- **A public transportation offer for all**, which reduces congestion in cities, simplifies the daily lives of citizens and contributes to **providing improved equity and access to local communities**
- Priority given **to the Safety and Security of our passengers** with enhanced protective measures against health risks to protect our passengers during their daily journeys

Covid-19 impact

In 2020, Transdev was severely impacted nd carried transported daily 6.2 million people. Transdev put in place health and safety measures in response to the global pandemic.

FOR THE PLANET

A tailored public transportation offer that increases the use of mass transit and helps to reduce road congestion, by offering innovative sustainable mobility solutions.

- **A growing alternative fleet:** electric, biogas, hybrid, hydrogen and other vehicles
- Drivers trained in **energy efficient driving**
- A **circular economy approach: 56%** of waste is recovered
- **Controlling our greenhouse gas (GHG) emissions: 2%** reduction in our emissions in 2019

49%
of entities covered by the Environmental Management System

16%
of entities ISO 14001 certified in 10 countries

FOR OUR CLIENTS, LOCAL COMMUNITIES AND PUBLIC INSTITUTIONS

As a trusted partner of public transit authorities, Transdev builds its transportation offers to meet and anticipate the challenges facing local areas.

- **€8.2 million paid in corporate income tax***
- France's external expenditure is estimated at **€ 1.2 billion**, of which **30%** on purchasing categories that consume a lot of labor of local work "(transport, industrial, technical and interim)
- In France, **the Transdev Foundation supports 323 local initiatives** that promote the integration of vulnerable people and social mobility, and the Foundation has **awarded €3.3 million in grants** since 2002.
- **Tailored, integrated and inclusive mobility solutions**
- **A responsible and continuous dialogue** with our ecosystem of stakeholders: clients, communities, national and local institutions

18,800
new hires in 2020

**In addition to corporate income tax, Transdev pays social security contributions and other levies and taxes.*

FOR OUR EMPLOYEES

Our employees, who are Transdev ambassadors, are responsible for the excellence of our services on a daily basis.

- **96% Safety Management System compliance rate** rail activities (heavy rail, tram and LRT) and Safety Management System compliance rate other modes (buses and coaches, ToD, ferries)
- **Deployment of the drivers@transdev program** to make our driving professions more attractive, build driver loyalty and think about the future of the profession
- **More ambitious objectives in terms of commitment, diversity and inclusion** with roadmaps deployed in all countries where we do business and **a target of 50% women among the Group's top 100 managers (top executives) by 2025**

29%
of women among the Group's 100 top managers; 2 of our 6 key countries are headed by women

9
Key countries have deployed our Engagement program

€3.8 bn
in payroll

Our business model

1. OUR BUSINESS

Transdev possesses global expertise derived from over 150 business lines. Each day, 58,000 drivers serve our local government clients.

Trains, trams, buses, high-quality bus service, ambulances, school transportation, ferries, shuttles, funicular, carpooling, carsharing, bicycles, parking lots, transportation of persons with reduced mobility, electric and autonomous vehicles... are representative of the broad range of everyday modes, transportation systems and infrastructures that we operate all over the world. In addition to our role as an operator, we are committed to offer all kind of mobility solutions at the service of our customers, delivering hassle-free and truly innovative mobility with a strong human dimension.

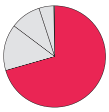
Our activities

Public authorities and local governments

Public Transit

- Buses and coaches (13 countries)
- N°1 tram operator worldwide (9 countries, 21 tram networks and 2 tram-trains)
- Transportation on-demand

70.6%

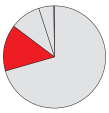


€4.8 bn*

Rail

- Metro lines and Regional rail transport (5 countries, 32 networks)

14.7%

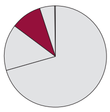


€1 bn*

Other modes

- Parking lots
- Ferries (4 countries)
- Bike sharing
- Paratransit and ambulance services in France, USA and the Netherlands
- Transport services for healthcare institutions

9.7%



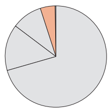
€0.7 bn

Business

BtoB

- Airport Services
- Tourism
- Businesses
- Campuses/schools
- Healthcare institutions

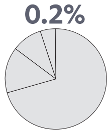
4.8%



€0.3 bn

Other

0.2%



€0.01 bn

Digital and Technologies

- Mobility-as-a-service
- Transportation on-demand and shared mobility
- Autonomous Transportation Systems

Zero emissions

*2020 revenue

Our mobility solutions

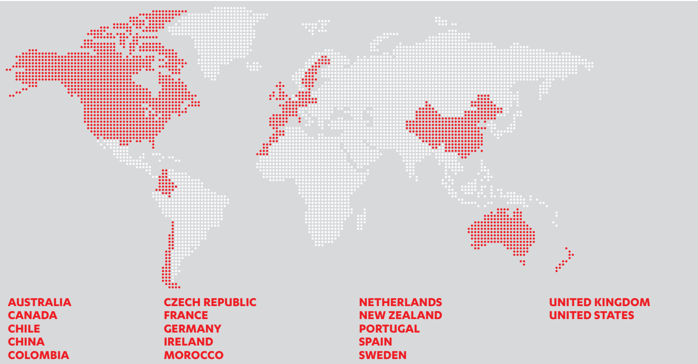
- Meet the expectations of our customers that are public transit authorities at the national, regional and municipal levels, as well as of our private customers, with respect, transparency and integrity;
- Are adapted to the specificities of populations and territories;
- Are in line with the demands of society as a whole (ease of use, respect for the environment and the health requirements and fairness).

TRANSDEV IN 2020

17 countries	**83,000** employees
6.2M passenger trips per day	**42,403** vehicles operated
662 electric buses and coaches	**17** transportation modes
+150 different business lines	**70%** drivers
23% women	**94%** on permanent contracts
€9.5 M in current operating result	
€6.8 BN revenue	
9% decrease in revenue in 2020	**€1.3 BN** net financial debt*
521 M€ EBITDA	**-109 M€** net result Group share

* Including lease liabilities

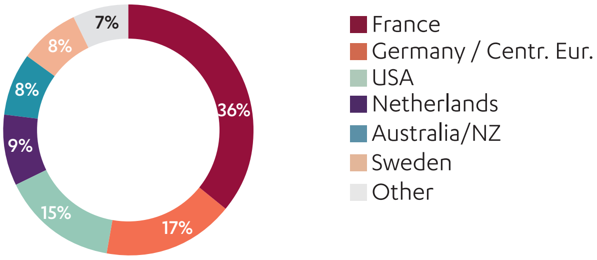
Our geographical presence



In order to meet the specific demands of populations and territories, our teams are locally based in seventeen countries, enabling them to offer solutions tailored to the communities we serve.

Our revenue by territory

Distribution of 2020 revenue by country



2. RESPONDING TO LOCAL CHALLENGES AT THE LOWEST COST

Our business model consists in imagining, building, organizing and operating appropriate mobility solutions for everyone, in a highly regulated global passenger transportation market that is open to competition in measures that vary considerably by country and transportation mode.

Over 75% of our activities involve contracts to manage transportation services on behalf of local authorities - B2G activities (cities, metropolitan areas, departments, regions or national governments). We also work for other private groups and associations.

If a market is open to competition, access to it is usually decided through a competitive bidding procedure. When the specifications are prepared, the public transit authority (the client) will determine the specific needs to be met. The bidder whose bid best meets these requirements in terms of understanding local specificities and that offers the most favorable price will be awarded the contract. Therefore, each contract is a unique response to a local demand in terms of transportation modes, and also takes into account the number of vehicles involved (see the section entitled "Financing the vehicle fleet"), the frequency of service, pricing and the commitments the bidder may make on future developments in the use of the transport system.

Compensation

When Transdev contracts with government agencies, its customers are public transit authorities. In such case, two forms of collaboration are possible:

- **Gross contracts:** the public transit authority undertakes to pay us a predetermined amount based on a volume of service (in hours or kilometers, for example). All passenger revenue is remitted to the public transit authority. In certain cases the contract may provide for variable compensation tied to increases in ridership. Apart from such variable compensation, Transdev does not bear the risk of passenger revenue; however, Transdev generally bears the costs necessary to provide a proper level of service in accordance with the contract
- **Net contracts:** under these contracts, we generally receive a grant from the public transit authority in an amount agreed upon when the contract is signed. All or part of the profits generated from passenger revenue accrue to Transdev (directly, or indirectly under a bonus/penalty system), which assumes the risks in connection with revenue and cost management. The grant is intended to cover the difference between projected revenue and projected costs.

Overall, our business is equally divided between these two types of contracts, although this allocation may vary significantly by country and activity.

We create value in all our activities by:

- meeting all needs of our customers, whether they are passengers, public transit authorities or businesses;
- developing new solutions for future needs and markets;
- focusing on operational excellence in order to provide the best possible service at all times at the lowest cost.

Cost control

Our most significant cost items are:

- financing the fleet;
- employee payroll;
- energy and fuel costs;
- financial resourcing.

Financing the fleet

For contracts with public transit authorities (depending on geographical area and transportation modes), the fleet is provided:

- by the public transit authority; or
- by Transdev. In this case, two situations are possible:
  - we own the equipment;
  - we lease the equipment from a third party, in which case Transdev is not exposed to residual value risk.

In all cases, the equipment must comply with the specifications established by the public transit authority.

Employee payroll

Ordinarily, Transdev directly employs all teams that provide its services.

Energy and fuel costs

Our vehicles are fuelled primarily by diesel, electricity, hydrogen and gas.

Financial resources

We rely on a combination of financing, such as:

- our capital: Transdev's parent company, Transdev Group, is jointly owned 66% by Caisse des Dépôts and 34% by Rethmann France;
- bonds;
- bank loans and a Schuldschein placement;
- asset financing consisting primarily of operating leases;
- resources generated by operating working capital;
- profits from its operations.

Innovation and attention paid to customers and passengers

Our aim is to be a trusted partner of our customers, public transit authorities and private actors, a partner able to implement safe, efficient and innovative mobility solutions that meet the health requirements as well as the evolving expectations in a constantly changing environment.

A year with lasting impacts

The public transportation sector is at the dawn of a global transition that is both technological and sustainable. However, the global pandemic has disrupted the inception of the new market that was taking shape. The COVID-19 crisis and the resulting "new normal" will significantly impact public transportation in the medium and long term.

1. THE "NEW NORMAL"

Mobility operators have been hard hit by the sudden collapse in ridership during the various lockdowns. For the year 2020, Transdev records a loss of around 40% of trips compared to 2019. A lasting decline in ridership over a long period and in the most geographic areas is possible; areas with high population growth may recover quickly. This decrease will most directly affect senior passengers and persons who are not dependant on public transportation.

The societal shift towards widespread adoption of remote working and expansion of home delivery services, arising out of the crisis, are likely to be permanent. In the area of mobility, alternatives to public transportation, such as electric bicycles or cars, have been encouraged and foresee enduring changes in mobility habits.

2. THE CHALLENGES OF ECOLOGICAL TRANSITION AND COMMUNITY EQUITY IN A TENSE ECONOMIC CONTEXT

As a direct consequence of the lockdown measures imposed in most European Union, the United States and Latin America countries, tax revenues fell in 2020. For public transportation, depending on the markets, the impact may be a drop of 10% to 30% in resources in 2020 and 2021. Facing climate challenge nonetheless, ambitious recovery plans aimed at a real modal shift, in favor of cleaner mobility systems, will be able to stop this trend. Such an investment will be essential to enable operators, including Transdev, to play their role in global climate emergency context:

- a role of supporting ecological transition in the regions with high-quality mobility solutions that reduce emissions per passenger;
- a development leveraging role for populations in peri-urban areas thanks to shared and inclusive mobility offers, offering access mobility to citizens in an area, with or without a private car.

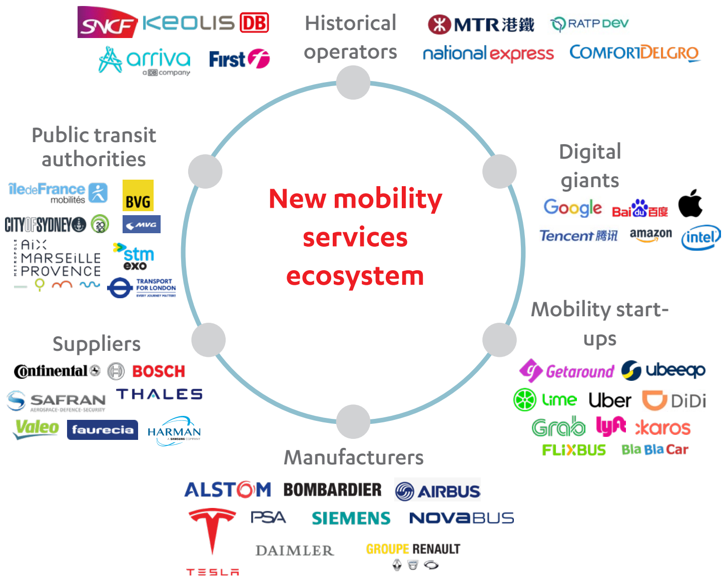
3. THE GLOBAL PANDEMIC IS ACCELERATING THE ALREADY CLEAR TREND TOWARD SAFE, GREEN, INCLUSIVE AND FLEXIBLE OFFER

The lockdown measures imposed during the crisis resulted in a reduction of greenhouse Gases, thereby highlighting the impact of human activities on the environment. Research has shown that people living in polluted cities are vulnerable to respiratory diseases.

The growing environmental awareness in Europe has become a major political issue. The European Green Deal offers prospects for transforming the public transportation sector and the various national recovery plans will position public transportation as an environmental protection tool.

The success of the ecological transition will depend on our ability to make a commitment and offer a range of services that meet the demands of passengers and local authority clients. These adjustments to the offer will require improved management of public transportation data in order to foster the vitality of local areas. Data on user behavior is essential for developing a public transportation offer that is more innovative (autonomous transportation, on-demand transportation, etc.) and more inclusive.

4. OUR COMPETITIVE ENVIRONMENT



Traditional competitors have been heavily impacted but are reacting gradually.

Digital giants are consolidating the market: Intel has acquired Moovit, Amazon has taken over ZOOX (autonomous vehicles), Google is considering a possible purchase of Lyft.

Transportation modes that have been active are refocusing: Lime took over Jump thanks to its shareholders Uber and Google, FlixMobility abandoned its rail projects in France. The B2C positioning of **Uber, Lyft and Lime** has been hard hit.

Manufacturers have been badly affected by the crisis and are accelerating their transition to a greener offer.

Like manufacturers, **suppliers** have been heavily impacted by the crisis but will benefit from the stimulus plans announced.

Public transit authorities and municipal transit authorities are facing drastic budget cuts despite the rescue plans that have been announced.

All the players in the ecosystem have been affected. Public transportation is an essential service, whose model, although weakened by the crisis, has begun an accelerated transition to meet climate challenges. To do so, public transportation companies must find a second wind by:

- Obtaining government assistance;
- Showing resilience by continuously adapting their offer to changing needs and lifestyles;
- Innovating and making an even greater commitment to preserving jobs and maintaining service, which are the key to social cohesion in the territories they serve.

5. ACCELERATING THE TRANSITION TO SUSTAINABLE MOBILITY IS AT THE CORE OF OUR STRATEGIC PLAN

The COVID-19 crisis has led to a "total rethink" (McKinsey). The fundamentals of the business have been called into question, although public transportation remains a priority sector for our public transit authorities.

- To reduce congestion and emissions in cities;
- To promote development for populations in peri-urban areas.

Transdev, as a corporate citizen, is fully aware of its ability to engage in this mission and has many assets. Thanks to adapted mobility networks and good infrastructure management, Transdev has the opportunity to reduce its carbon footprint as well as local pollutants that have a direct impact on public health:

- By adapting urban infrastructure (BRTs, areas with low emissions, urban tolls);
- By committing to the energy transition (clean energies, Zero program);
- By limiting our environmental impacts in all our activities (eco-driving, green depots);
- By improving the customer experience to accelerate the reduction use of the private car (transport on demand, vehicle autonomous) including in sparsely populated areas;
- By innovating and designing a new mobility paradigm (Mobility as a Service, carsharing).

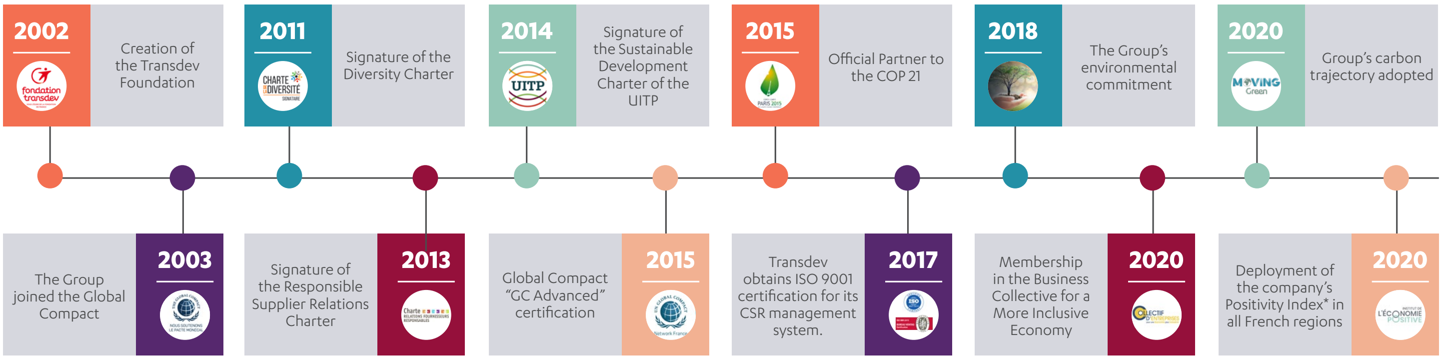
Finally, the sector creates jobs and enables millions of people to reach their jobs. This mission is particularly important, since the COVID-19 crisis has highlighted social inequalities – with front-line workers at risk – and exposed the direct impact that poor management of common resources can have.

In this context, and in the service of our purpose "We empower freedom to move every day thanks to safe, reliable and innovative solutions that serve the common good" our strategy is adapting to the new challenges created by the pandemic:

Customers	Clients & Communities	Innovation	Performance	Teams
Regain the confidence of our passengers	**Assist our clients in managing new risks**	**Open up to partners to continue innovating**	**Restore profitability through financial discipline**	**Associate our teams in a sustainable, digital and collaborative company**
▪ Study and understand our passengers' new expectations ▪ Address all categories of passengers ▪ Adapt our services offer	▪ Excel in the relationship with our public transit authorities ▪ Optimize service to ensure continuity of service	▪ Promote incremental innovation for operations ▪ Build and inhabit our local ecosystems ▪ Build partnerships to shape tomorrow's mobility	▪ Ensure compliance with commitments ▪ Apply selectivity in choosing new projects ▪ Manage the risks and opportunities created by the energy transition	▪ Place diversity and inclusion at the core of our businesses, at all levels ▪ Ensure that digital tools are in place ▪ Develop areas of collaboration within the Group ▪ Provide each employee with the means to act

2. Transdev, a sustainability driven group

A longstanding CSR commitment



** Positivity Index first calculated in 2015*

In 2020, Transdev joined the Business Collective for a More Inclusive Economy, which brings together leading French companies in their sectors. We have also made a commitment to UN Women to combat violence against women in public transportation.

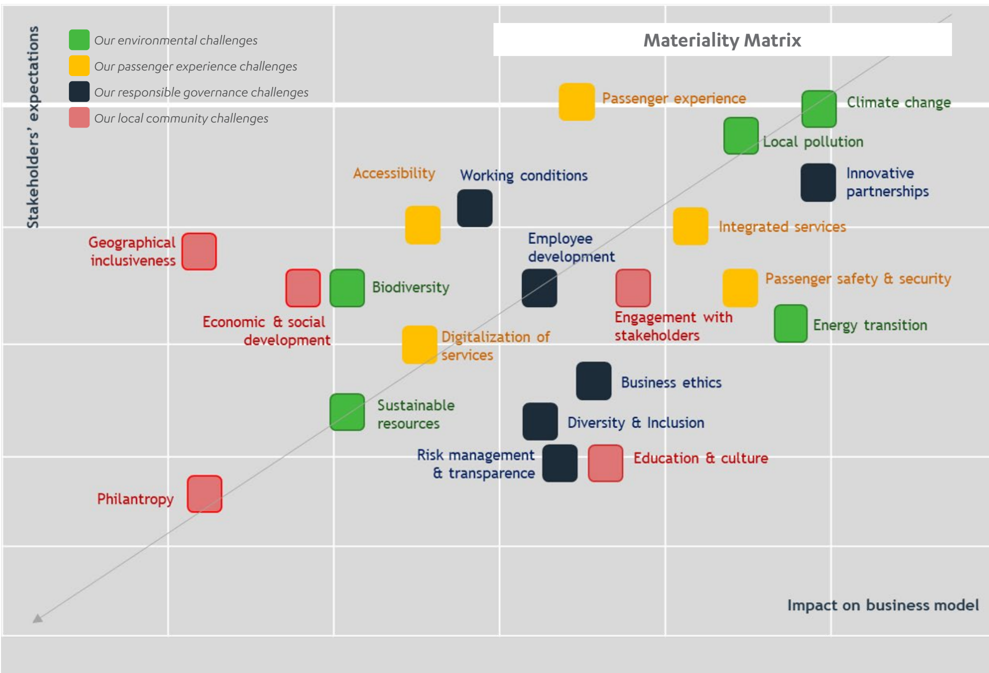
Transdev is accelerating its environmental commitment by formalizing the MOVING Green strategy that will be deployed throughout the Group starting in 2021.

In 2020, Transdev reaffirmed its support for the ten principles of the United Nations Global Compact. The Group has been GC Advanced-certified since 2015 and has undertaken to report annually on the implementation of 21 advanced criteria and best practices related to our strategy, governance, stakeholder engagement and contribution to the UN Sustainable Development Goals (SDGs).

Stakeholders' expectations

In all areas where we operate, as well as nationally and internationally, we interact with our ecosystem: public transit authorities, associations representing the public transit sector, local governments, our passengers, our shareholders, our employees and their representatives, our partners and subcontractors, our suppliers, our insurers, local residents, associations and local players in employment and education, opinion leaders and think tanks.

Our materiality analysis has enabled us to map the issues we face in relation to the expectations of our ecosystem. Our priorities: providing safe, attractive and integrated mobility services that meet the mobility needs and customer experience expectations of our passengers, taking into account local and global environmental issues ensuring an ethical, responsible and inclusive corporate governance that works for and with our employees and partners, contributing to social cohesion and economic vitality are at the core of the Transdev Group's focus.



In 2018, Transdev carried out a materiality analysis with its stakeholders (public transit authority clients, players in the mobility sector, employees and passengers) in four countries where the Group does business present (France, USA, Germany and Australia).

Exchange and dialogue

In the context of 2020, Transdev's priority has been to put in place the conditions for accelerating and intensifying dialogue with all stakeholders. The involvement of employee representative bodies has been very active at all levels of the company and has ensured the success of operational strategies when it came to facing the current health crisis.

Transdev also took part in the dialogue by sharing best practices and working with national organisations such as UTP in France, APTA in the United States, and UITP at the international level, as well as with experts in mobility, territorial planning or cross-sectoral industrial communities.

Management of our non-financial performance

Our key challenges	Our environmental challenges	Our local community challenges	Our passenger experience challenges	Our governance challenges vis-à-vis our employees	Our ethical governance and compliance challenges
Stakeholder expectations	▪ Climate change ▪ Local pollution ▪ Energy transition ▪ Sustainable resources ▪ Biodiversity	▪ Collaboration with local actors ▪ Philanthropy ▪ Geographical coverage ▪ Education & culture (living together)	▪ Inter- & multimodality ▪ Customer experience ▪ Digitalization of transportation services ▪ Transportation accessibility ▪ Safety and security of passengers	▪ Working conditions ▪ Training and Social dialogue ▪ Diversity and equal opportunities	▪ Business ethics ▪ Risk management and transparency ▪ Innovative partnerships
Main risks **(Risk of negative impact of our operations)**	Accidental ground pollution Gradual ground pollution Gradual air pollution Contractual non-compliance in environmental matters	CSR claims against a supplier Global Pandemic	Serious train accidents Serious bus accidents Terrorist attacks Personal Data Breach Global Pandemic	Terrorist attacks Low employee commitment (including psychosocial risks and absenteeism) Poor skills planning Workplace accidents Global Pandemic	Active bribery of a public official or a regulatory authority, passive bribery of private individuals Influence peddling Personal Data Breach Failure to respect human rights in the supply chain Failure to respect freedom of association Discrimination and harassment Global Pandemic
Main SDGs to which these challenges relate	9 Industry, innovation and infrastructure 11 Sustainable cities and communities 13 Climate action	8 Decent work and economic growth 10 Reduced inequalities 11 Sustainable cities and communities	3 Good health and well-being 10 Reduced inequalities 11 Sustainable cities and communities	3 Good health and well-being 8 Decent work and economic growth 5 Gender equality 10 Reduced inequalities	16 Peace, justice and strong institutions 17 Partnerships for the goals

Transdev's contribution to the UN's Sustainable Development Goals aims to act in local areas to promote social cohesion and sustainable development.

In 2020 we added the risk of a pandemic, which has become very significant for the Group given our responsibility for the safety of our employees and passengers.

We also included the previously identified personal data protection risk in our matrix of significant non-financial risks.

CSR dashboard

Our environmental commitment

Our Risks	Our Policies	Our KPIs	Our Commitments
Accidental / Gradual ground pollution	Environmental policies + Our actions and programs in support of the energy and ecological transition and to combat climate change	Rate of entities that experienced accidental pollution during the period	Decrease compared to year "N-1"
Contractual non-compliance in environmental matters		Low-emission fleet rate*	Increase our low emission fleet rate in which we are targeting 50% increase in the alternative fleet in 2030 (Ref year 2017)
		Pollutant emissions*/100 km travelled	Decrease compared to year "N-1"
Gradual air pollution		GHG emissions/100 km travelled	Reduce the carbon intensity of our fleet by 30% by 2030

*Low-emission fleet definition: Euro VI standards, hybrids, CNG biogas, electric, biodiesel, hydrogen

Transdev, the economic and social partner of local areas

Our Risks	Our Policies	Our KPIs	Our Commitments
CSR claims against a supplier	Responsible Procurement policy	Percentage of master contracts > 1 M € that incorporate the Suppliers' Charter	Incorporation of the Suppliers' Charter into all contracts with a value over € 1M.

Our priorities: health, safety and security for all

Our Risks	Our Policies	Our KPIs	Our Commitments
Serious train, bus accidents	Health and safety policy	Major accident rate	The health and safety of our employees, our passengers and the communities we serve is our priority. Each day, we do everything possible to achieve our goal of zero accidents.
Workplace accidents		Workplace accident frequency rate	Decrease compared to year "N-1"
		Workplace accident severity rate	
Assault of an employee or passenger Terrorist attacks	Security policy	Frequency rate of workplace accidents due to assault	The security of our employees, our passengers and the communities we serve is our priority. All human, technical and organizational measures we put in place are aimed at ensuring a safe travel and working environment.
		Severity rate of workplace accidents due to assault	
		Share of countries covered by a national security officer relative to the total number of countries in the consolidation scope	100% of countries covered by a national security officer

To address pandemic risk, which materialized in 2020, Transdev has deployed the "Back on Track" system. This system is not the subject of a separate policy but, over the long run, the health risk will be covered by the Group's Health and Safety policy.

The men and women of the Group are at the heart of our sustainable performance

Our Risks	Our Policies	Our KPIs	Our Commitments
Absenteeism and low employee commitment (including psychosocial risks)	Commitment Policy + Talent Management and Learning Programs + Group Diversity and inclusion Program	Absenteeism rate	100% of employees covered by a commitment survey in 2022 At least 80% of employees who have received one training course/year 50% of Top Executives are women by 2025
		Employee turnover rate	
		Commitment Policy deployment rate	
Poor skills planning		Percentage of employees who received at least one training course during the year	
		Percentage of employees who had an annual interview	100% of employees who have had an annual interview (target for Group managers)

Transdev is committed to a robust ethical process

Our Risks	Our Policies	Our KPIs	Our Commitments
Failure to respect human rights*	Fundamental rights Policy + Data Privacy Policy	Annual percentage of projects approved by the Group Engagement Committee for which human rights risks have been assessed and treated	100% of projects approved by the Group Executive Committee
Personal Data Breach		Share of countries covered by a personal data protection officer compared to the total number of countries in the consolidation scope	100% of countries covered
Corruption		Percentage of managers trained in anti-corruption measures every 3 years	100% of managers trained at least every 3 years

* Failure to respect human rights in the supply chain (forced labor and child labor), failure to respect freedom of association, discrimination, harassment

To address the health crisis: our “Back on Track” system

From the outset of the crisis, the Group activated its crisis management system at the various levels of the organization. A Group crisis unit monitors and coordinates the actions of the countries’ crisis systems.

All countries in which we do business have been impacted, our staff has mobilized to support our clients, protect our passengers and employees, and meet the challenges of generalized lockdowns followed by partial lifting of restrictions.

Our no. 1 challenge: sharing with the entire organization the massive amounts of information generated by governments, health authorities, public transit authority and all business sectors, dealing with different timetables, different laws, defining plans and involving suppliers specific to the territories.

In each network, our teams have made every effort to implement recommendations from health authorities, and to adapt services to needs of our customers. Countries and the group coordinated exchanges and circulation of information in support of operations. *“The Transdev way to go #backontrack”* framework:

- Ensuring the safety of our employees and our passengers;
- adapting our services;
- adapting our work methods and ensuring business continuity.

Management of our operations in this crisis context

1. ASSISTING OUR CLIENTS IN MANAGING THE CRISIS

To address this unprecedented situation, Transdev has worked in partnership with its clients to make the best operational decisions, assist them in providing specific services required by the situation and develop technical, financial and legal solutions to ensure the continuity of public services in the short and medium term.

Transdev has assisted its clients to set up on-demand services for specific populations, model ridership, temporarily replace permanent lines, and adopt contactless payment and passenger counting to adapt services to social distancing requirements and/or ridership.

2. ENSURING SAFETY & SECURITY ON BOARD VEHICLES AND REGAINING THE CONFIDENCE OF OUR PASSENGERS

In accordance with local recommendations, Transdev has put in place measures to ensure passenger safety. Clear communication, via both local and social media, and effective signs visible throughout the customer journey that share the measures we have taken, remind passengers of the steps they can take to stop the spread of the virus and reassure them.

Examples of key measures include introducing contactless payment and adapting boarding and alighting procedures. In this crisis context, Transdev has paid particular attention to the tone of its messages in order to reassure passengers.

3. ENSURING THE SAFETY OF OUR EMPLOYEES

At the same time, in order to react quickly and adapt operating conditions to protect our employees, our teams have mapped the risk of exposure for each individual.

In close collaboration with its clients, Transdev has developed measures to limit risk, particularly for staff in contact with passengers, such as drivers and staff who carry out cleaning and disinfection operations.

Each operation has made the necessary changes to vehicles to protect the safety of drivers, assure the supply chain of personal protective equipment in a context of unprecedented tension, and provide specific training to ensure these new practices are implemented. Particular attention has been paid to the risk of tension with passengers.

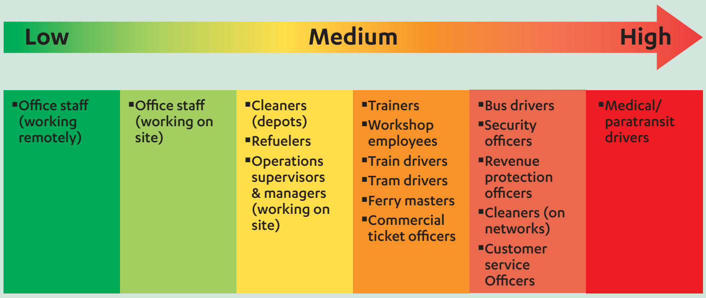
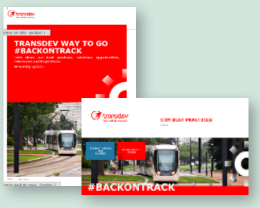


Chart: Transdev heat map by employee group

The operations support teams were also supported in the implementation of home working. Several training programs have been launched to facilitate the use of digital tools and to raise awareness of cybersecurity risks. The IT teams have adapted workstations to allow teleworking.

At the head office, the MyOrg@work application was set up and deployed to help teams to practice physical distancing while maintaining ties.

Home working: an impediment and an opportunity for enhanced teamwork



A guide and specific focuses
Teams around the world have shared their expertise, solutions and best practices, focused in depth on specific issues and compiled the associated operational recommendations in a guide that continues to be updated and that is available to Group managers in English and French.

A web radio
Since the end of April, our teams have shared their best practices, situations and operational and strategic challenges during live broadcasts.

3. Our environmental sustainability commitment

CHALLENGES	RISKS	SDG
▪ Climate change ▪ Local pollution ▪ Energy transition ▪ Sustainable resources ▪ Biodiversity	▪ Accidental & Gradual ground pollution ▪ Gradual air pollution ▪ Regulatory non-compliance	9 Industry, innovation and infrastructure 11 Sustainable cities and communities 13 Climate action

The impacts of human activities on the environment, highlighted by the COVID-19 crisis and the increase in extreme weather events observed in 2020, have heightened environmental concerns and led to a radical shift in priorities, a movement that continues to grow worldwide.

In 2020, Transdev was aware of its role in combating climate change and accelerating transition towards sustainable and decarbonated mobility, which resulted in the formalization of "Moving Green", Transdev's new environmental strategy. the Strategy will be deployed in 2021.. Transdev thus reaffirms its commitment to act in conjunction with its clients to promote the ecological and energy transition.

Our commitments and tools for meeting climate challenges

1. OUR COMMITMENT TO ENCOURAGE CITIZENS TO USE PUBLIC TRANSIT AND TO OFFER AN ENVIRONMENTALLY FRIENDLY FLEET

A commitment for the planet

Since our first official commitment to promote the ecological transition in 2018, our CO_2 emissions have fallen by 9%. To reinforce our objectives and the sustainability of our actions, we have renewed the environmental targets to be achieved by 2030 (compared to 2017):

- Reduce the carbon intensity of our fleet by 30%;
- Increase the share of our alternative fleet by 50% (included in our low emission fleet).

Transdev's new environmental commitments, as expressed in the "Moving Green" plan, respond to changing market concerns and the increasingly "green" demands of local and national governments, and are in line with the CO_2 objectives of the Paris Agreement.

A commitment to our customers

Transdev strives to offer its customers an offer tailored to the needs of the local areas it serves in order to increase public transportation use. Our activity enable us to reduce our carbon footprint, but also to reduce road traffic and the massive emissions it generates. Our first commitment to the environment is to attract passengers:

- **By improving the customer experience:**
  - seamless travel: multimodal options;
  - comfortable conditions (quality impact of energy efficient driving).
- **By adapting our offer to passengers' needs:**
  - increasingly flexible solutions for the first and last kilometers (on-demand transportation);
  - we adjust our capacities in real time to daily changes in customer needs (Flowly).
- **By developing a new mobility paradigm through Mobility as a Service (MaaS):**
  - customer-centric offers;
  - promoting green mobility.
- **By reducing the environmental impacts of all our activities.**

2. OUR COMMITMENT ALONGSIDE LOCAL GOVERNMENTS IN FAVOR OF THE ENERGY TRANSITION

Community-based anchors and a return to local roots with a strong commitment to the energy transition have emerged as major expectations of citizens and our clients.

As a mobility operator, we support the public transit authorities with which we work to help them achieve the ecological transition in their territories.

5^{th} edition of the Living Lab

Since 2016, Transdev has brought its clients together to discuss the challenges of the ecological and energy transition, in particular issue of zero-emission mobility. Over 500 attendees from 24 countries, including 300 from local governments, participated in this year's Living Lab. That year's exchanges and discussions were held in December 2020, and focused on energy transition strategies, technical choices and deployment methods adapted to local contexts and innovative technologies (hydrogen, smart grid).

3. GREATER ACCOUNTABILITY OF OUR FUTURE LEADERS

Our success depends on our ability to engage individually and collectively in building a culture of responsibility that takes into account the challenges of climate change.

In 2020, we launched several training initiatives within the Group:

Raise awareness: a first module to raise awareness of the environmental challenges faced by transportation was designed and deployed in 2020 on the Group's e-learning platform : MyMobileLearning@Transdev. This five-part module covers the link between the environment and the future of mobility.

Anchoring the corporate culture: a second module is in preparation that will enable the 6,000 Group employees who have registered (as of today) to acquire a greater understanding of the environmental protection potential of transportation.

Acquiring in-depth expertise: to enable our community to become more proficient on issues concerning the energy transition at work, the environment is a component of the "Gaining Clients For Life" training program, which has been developed to meet our objectives of assisting our clients in meeting the new challenges of sustainable mobility.

Covid-19 impact

FOCUS ON COVID-19 ACTIONS

In connection with the Back on Track system, the environment was the subject of a specific web radio broadcast organized with the countries where we operate and experts, focusing on 3 main themes:

- What are our environmental challenges and what are Transdev's tools for action?
- How can the ecological transition be financed?
- What issues have arisen during the crisis?

Formalizing our commitment at the core of the Group's environmental policy

Controlling our environmental impacts requires analyzing the significant risks inherent in our due diligence duty and our compliance to Directive 2014/95/EU of the European Parliament. This in-depth study highlighted our main environmental risks:

- gradual air pollution: climate and air quality issues;
- gradual and accidental ground pollution in the areas where we operate;
- compliance with our contractual obligations.

We have adopted an approach that aims to preserve ecosystems in the long term by focusing on the following main areas:

- **Minimizing our environmental impact** by implementing our Environmental Management Policy, Transdev is committed to continuous improvement. The application of our policy and compliance with our commitments are monitored and verified annually; *(number of entities in compliance with Transdev's EMS criteria, % of the environmental policy deployed in each country, % of ISO 14001 certified sites.)*
- **Ensuring compliance:** Through its continuous improvement approaches, experiments and pilot initiatives, Transdev complies with environmental regulatory requirements or seeks to exceed them and provide environmentally friendly mobility; *(number of instances of non-compliance/number of contracts)*
- **Making a commitment through effective communication:** we promote the highest level of environmental excellence and sustainable development in our business practices (responsible driving, route optimization, etc.) and through our communications aimed at passengers, in particular through multimodal information systems that provide passengers with all information they need to complete their journey door to door using various transportation modes. *(changes in GHG emissions kg/100km traveled)*

Our expertise at the service of the green conversion

1. ACCELERATED MIGRATION TO ENERGY RESILIENCE

Our multi-energy expertise

Reducing economic and energy dependence on fossil fuels and accelerating the energy transition are priorities for Transdev. Our commitment is reflected in the assistance we provide to public transit authorities in converting their vehicle fleets.

The ZE Team

To meet the challenges of the rapidly changing e-bus market, Transdev has created a specific, centralized unit, the "Zero Emissions" team that provides expert assistance to our subsidiaries around the world.

The ZE team is made up of about ten experts with cutting edge knowledge in the field of electro-mobility and who focus on this activity worldwide, enabling us to offer the latest technologies to our clients. The ZE team leads the community of "Zero Emissions" correspondents identified in each country of the Group.

2. THE ECOLOGICAL OPPORTUNITIES OF THE EUROPEAN GREEN PACT

To tackle climate change and environmental degradation, Europe needs a new growth strategy. The "Green Pact," its roadmap, aims to make the European Union economy sustainable. This requires converting climate and environmental challenges into opportunities in all policy areas and ensuring a just and inclusive transition for all. The Green Pact for Europe proposes an action plan to:

- promote efficient use of resources by moving towards a clean and circular economy;
- restore biodiversity and reduce pollution.

The plan sets out the necessary investments and available financing instruments. It explains how to ensure a just and inclusive transition. These investments are reflected in the environmental roadmaps of the member states.

THE EXAMPLE OF GOTHENBURG IN SWEDEN

This year, Transdev started five contracts in December bus operation in Gothenburg, Sweden, for a period of 10 years, generating annual revenue of around 840 million Swedish kronor. These contracts require the commissioning of 297 new zero-emission buses (buses electric and buses powered exclusively with biofuels). To finance this fleet of buses, Transdev has set up its first green financing for a total amount of 117 million euros on 10 years.

3. THE PROMISE OF GREEN HYDROGEN

Fuel cell electric vehicles offer significant advantages over diesel vehicles, including the fact that they emit only water. In 2020, Transdev continued to increase its fleet of hydrogen vehicles, such as in the Netherlands, where 4 buses were put into service in the HWGO concession in June 2020. This transition will continue in 2021 on the Auckland (New-Zealand) network, the Toulouse Blagnac airport (France) network and in Auxerre (France).

Transdev actively participates in projects that aim to meet the challenges to wider deployment:

- Technological challenges, particularly fuel cell reliability;
- Infrastructure challenges, such as the need to build electrolyzers to produce "green" hydrogen;
- Economic challenges, such as the high cost of vehicles and their maintenance.

4. THE CIRCULAR ECONOMY AT THE SERVICE OF THE ECOLOGICAL TRANSITION IN LOCAL AREAS

The control and management of our of waste, whether or not hazardous, is a requirement in our networks and to meet this obligation different bins are available. In order to track the waste until its end of life, we also monitor the treatment of our waste using tracking slips for hazardous and non-hazardous waste, in accordance with regulations.

We have developed master contracts that enable our entities to take advantage of our national networks of suppliers, thereby ensuring a standardized level of waste treatment, as for exemple, for the treatment of our waste oils, aerosols, soiled rags, etc.

In 2020, we set up a master contract with a player in the social and solidarity-based economy, to recover and recondition all our computers and telephone equipment in France.

Our Key Performance Indicators

KPIs		2019	2020
Rate of entities that experienced accidental pollution during the period		1.6%	2.3%
GHG emissions kg/100 km travelled*		85.6	84.9
Low-emission** fleet rate*		45.2%	54%
Pollutant emissions*** g/100 km travelled*	CO	64,0	50
	NOx	1099.1	954.6
	PM	6.9	5.3
	HC	19.8	13.4

**Low-emission fleet definition: Euro VI standards, hybrids, CNG biogas, electric, biodiesel, hydrogen*
*** Figures are based on the fleet in operation on December 31, 2019 and 2020*
**** Diesel only 2019 pollutant emissions have been recalculated on the basis of the pollutant emission factors used in 2020.*

The performance indicators presented above have been sized in line with the significant impacts of our business.

As a public transportation operator, we operate a fleet equipped primarily with internal combustion engines, which have two impacts:

- an impact on global warming through a significant carbon footprint (GHG);
- an impact on air quality by generating pollutants: carbon monoxide (CO), nitrogen oxide (NOx), micro-particles (MPs) and hydrocarbons (HCs). This is why we monitor these indicators very closely on a per-kilometer basis in order to reduce our impact to the largest extent possible.

Transdev, which is committed to the energy transition, has set itself the goal of increasing its low-emission fleet each year, well aware that operating more environmentally friendly vehicles has a direct impact on our carbon footprint, as well as on improving the air quality of the local areas in which we operate.

This commitment has been achieved this year with a steady decrease in our carbon footprint for the third consecutive year, corresponding to a global decrease of 9% since 2017. This decrease is reflected in our local impact with the reduction of all our local pollutants. This decrease is the result of the evolution of our fleet towards more sustainable energies, biofuels, and not the progressive development of our zero-emission fleet.

The increase of our accidental pollution corresponds to 2 to 4 more pollution out of a of less than 10 total; they have been treated.

Our initiatives

The deployment of Flowly

Flowly is a start-up "made in Transdev" that accurately and continuously measures the mobility flows of our passengers. The innovative solution deployed uses Wi-Fi sensors installed on board vehicles that collect passive signals emitted by passengers' smartphones. This patented technology filters and aggregates only the data of passengers who are on board or at stops. The data are processed in full compliance with personal data protection rules because they are entirely anonymized and passengers can opt out of the data collection process. In addition, Flowly has become a data aggregation platform because, in addition to the data collected using its own sensors, the solution incorporates a variety of data produced by business tools: laser counting cells, stereoscopic cameras, ticketing tools.

The knowledge of passenger flows thus obtained enables Transdev to provide physical distancing on board vehicles by monitoring the number of passengers on board trams and buses each day and, in conjunction with the local authority, to adjust its transportation offer accordingly. Finally, for the last three months, this ridership information has been made available to passengers so that they can best plan their journey depending on the number of passengers on board.

The launch of Movizy2

In the city of Saint-Etienne, Transdev and Société des Transports de l'Agglomération Stéphanoise (STAS) have launched the Moovizy 2 application. This second version offers an increasingly global approach to traffic and mobility conditions (buses, trams, trolley buses, self-service bikes, car-sharing, taxis, trains and carpooling). Multimodal and intermodal route planning finds the best ways to get around, regardless of the destination or preference (fastest, cheapest, or most environmentally friendly).

Assisting our clients to develop alternative energy fleets on a regional scale: the example of Ile-de-France

Transdev implements concrete solutions adapted to local areas and assists Île-de-France Mobilités to implement its strategy to accelerate the energy transition of vehicles and depots.

- ***Deployment of electric bus systems***

  We conceive the operation of electric buses as a system that integrates the charging devices, the range and the capacity of the vehicles. The ongoing conversion of the Argenteuil depot will make it possible to operate over 40 electric buses in 2021.

- ***Development of the CNG sector***

  Transdev actively supports the development of the gas sector in the Île-de-France region. We have begun the conversion of our bus depots with the aim of operating 18 biogas depots by 2021.

- ***Experimenting with new fuels***

  To reduce the emissions of existing fleets, we are testing new fuels, such as B100 (biodiesel made from vegetable or animal oils, including used oils), at the Montereau depot. In addition, an experiment is under way in the south of the Ile-de-France region, with five hydrogen-powered buses on line B, which links Yerres and Créteil.

Biodiversity

NATURE 2050

To support its clients on the preservation of biodiversity in France, The Transdev Group is a partner since 2016 of CDC Biodiversité, a subsidiary of Groupe Caisse Depots, through the "Nature 2050" program entirely dedicated to actions in favor of biodiversity.

reforestACTION

Transdev France also partners with Reforest'Action on actions to regenerate natural ecosystems and preserve biodiversity.

Biodiversity has not been identified as a significant risk (from the Directive point of view) in our assessment of the extra-financial risks of Transdev. It is therefore not the subject of a Group policy.

4. Transdev, the economic and social partner of local communities

CHALLENGES	RISKS	SDG
TERRITORIES ▪ Collaboration with local actors ▪ Philanthropy ▪ Geographical coverage ▪ Education & culture (living together)	▪ CSR claims against a supplier	8 Decent work and economic growth 10 Reduced inequalities 11 Sustainable cities and communities
PASSENGERS ▪ Inter- & multimodal options ▪ Customer experience ▪ Digitalization of transportation services ▪ Transportation accessibility	▪ Safety & security (next section)	3 Good health and well-being 8 Decent work and economic growth

Transdev plays a major role in the economic and social development of the local areas the Group serves. As a mobility integrator, our actions enable the million passengers who use our lines each day to access employment, training, social interaction and leisure activities. The intrinsic aim of our business is to implement our clients' public mobility policies, thereby providing citizens with freedom of movement under optimal quality and safety conditions. The year 2020, which was marked by the health crisis due to the COVID-19 pandemic, has put our corporate mission to the test: "Transdev enables each person to travel each day in complete confidence thanks to safe, efficient and innovative solutions for the common good."

The customer experience is at the core of our actions

We recognize the importance of the customer experience, which is directly tied to our operational performance, and the role it plays in encouraging modal shift, a key element in the success of the public mobility policies adopted by our public authority clients, and which has become critical during this health crisis.

1. ENSURING THE CONTINUITY OF PUBLIC SERVICES

When the state of emergency was decreed in France in March 2020, we immediately recognized the major role we needed to play to ensure the continuity of public services, in particular by enabling access to health care centres by both health professionals and citizens.

- In Mulhouse, France, when the Grand Est Region was the French region most affected by the pandemic, the Soléa network set up night services enabling healthcare staff to travel to healthcare centres, on a door-to-hub basis, seven days a week, using adapted vehicles.
- In Toulouse, the 68 vehicles used to transport persons with reduced mobility were redeployed to provide door-to-door on-demand services to the 35 municipalities of the Toulouse metropolitan area in order to ensure the continuity of essential mobility services under the best possible health conditions.

In addition to our specialized healthcare activities, our primary reflex has been to propose effective alternatives in line with ongoing health challenges in all local areas where we operate, while we wait for citizens' broader expectations regarding their public transportation networks to become clearer.

2. INNOVATION THAT CONTRIBUTES TO PROVIDING ASSISTANCE TO FRAGILE POPULATIONS

Wherever possible, we have set up dedicated offers to support the most vulnerable groups, both by distributing essential goods during lockdown periods and by providing assistance for COVID-19-related healthcare.

- In Detroit, USA, we implemented the "Get a Ride, Get a Test" program through our IntelliRide on-demand transportation service to transport individuals who have been in contact with a person who has tested positive for COVID-19 from their homes to test centers, while maintaining the physical distancing standards of a quarantine and enabling them to access care.
- In Pittsburgh, USA, we set up an IntelliRide food distribution service in partnership with the Allegheny County Department of Social Services to distribute essential goods to at-risk populations under lockdown. The same service was later duplicated in Denver, Colorado.
- Similar services have been deployed in other North American cities, such as Lansing, Michigan, to provide basic necessities, hot meals and mobility services to hospitals and clinics.

Transportation service for healthcare workers
Soléa network, Mulhouse

COVID-19 Testing Center in Detroit
IntelliRide, Detroit

3. PROVIDING A RAPID AND HIGH-QUALITY PASSENGER EXPERIENCE ADAPTED TO THE CONTEXT

To ensure the continuity of our operations under optimal safety conditions, and to reassure our passengers, we have adapted our services to the crisis context. As a result, from the earliest days of the crisis, our business units integrated the following procedures into our operating plans:

- Mobility hubs, stations and stops, and vehicle interiors adapted to meet physical distancing restrictions, including, if necessary, by making changes to the offer in order to comply with the desired maximum number of passengers per vehicle;
- Hydroalcoholic gel distributed in stations and on board vehicles and specific ventilation protocols implemented;
- In-depth cleaning and systematic disinfection of vehicles and network operation centers;
- Specific communication aimed at our passengers to promote measures to stop the spread of the virus, including the use of masks;
- Greater use of digitization tools, in particular automatic and contactless payment and post-payment;
- Increased attention to our staff's compliance with measures to stop the spread of the virus, and awareness-raising concerning their role in maintaining our passengers' confidence and confidence in public mobility services;
- Providing tools to measure body temperature if necessary.

After experiencing a 70% drop in the use of our networks during the most critical period of the crisis, and with a slow recovery in which ridership is still 20% below that of the pre-crisis period, our Group, more than ever, is committed and working to convey an attractive image of public mobility services, and thus actively participates to achieve the modal shift on which our cities and local areas are depending to meet their environmental and sustainable development objectives.

Covid-19 impact

FOCUS ON COVID-19 ACTIONS

In partnership with the Regional Health Agency (ARS), the Red Cross and the Ile-de-France Region, Transdev converted one of its unused tourist buses into a "LaboMobile" for performing COVID-19 tests. This fully electric bus, which is accessible for persons with reduced mobility, was fitted out to accommodate patients wishing to be tested, in compliance with strict health standards. Since November 2020, the "LaboMobile" has been visiting the municipalities of the Ile-de-France region and screening between 200 and 400 persons each day.

Transdev at the service of maintaining employment in local areas

Our response has focused on our employees in order to enable them to carry out the company's various activities under optimal safety conditions and, whenever possible, to maintain and develop jobs despite the significant drop in ridership.

As a major employer in the cities and local areas where we do business, we recognize the challenges of maintaining jobs during periods of crisis. Whenever possible, we have taken steps to meet with our local government clients in order to develop job maintenance plans, both to support the economic fabric of local areas during the crisis and to ensure that skills are safeguarded.

- In Canada, negotiations with the public transit authorities have made it possible to safeguard jobs despite the absence of national mechanisms to support this activity. This also avoided incurring hiring and training costs when service was fully resumed.
- In France, social dialogue and the inclusion of the social partners have made it possible to adapt working conditions under the "Partial Unemployment" mechanism set up by the government, thereby limiting the loss of skills and preserving local jobs.

Our fundamental role in regional development

1. OUR EXPERTISE AT THE SERVICE OF OUR CLIENTS

We assist our local government clients by providing expertise and continuous innovation that enable them to convert mobility systems into effective tools for regional, economic and social development.

- In Bogotá, Colombia, Transdev operates the "TransMiCable" cable car transportation service that links Ciudad Bolivar, an underprivileged neighborhood in the mountains, with Bogota. Our team of social mediators coordinates the community that has arisen around their public service and organizes, in partnership with local associations, venues for discussions on issues concerning health, safety in public spaces and assistance in the use of mobility services.
- In France, United States, Netherlands, Germany, Australia, Chile and Portugal, we assist our clients to electrify their networks, including by deploying new technologies such as hydrogen propulsion, thereby actively participating in the development of new economic sectors, particularly in areas that have suffered due to deindustrialization. This is the case of the Tadao network, in Lens (France), where a hydrogen sector and associated high-quality bus service were set up with the support of the European Union and the Hauts-de-France Region, in connection with a project to revitalize the area's economy.

TransMiCable Service in Bogota and neighborhood beautification community project

2. SHARING THROUGH BUSINESS ASSOCIATIONS

In addition to the assistance and advisory activities pursuant to our contracts, Transdev is actively involved in networking in order to share with the community of decision-makers on urban issues the experience we have accumulated from our geographically widespread operations and the diversity of transportation modes we operate.

- In Australia and New Zealand, our Group experts co-facilitated the UITP Energy Transition Workshops, which aim to provide support to interested local authorities, whether or not clients, for their network electrification projects.
- In North America, Transdev is a dynamic participant in the networks of the American Public Transit Association and its Canadian counterpart, which enables us to actively share our expertise with local authorities.
- Our participation in UITP bodies at a global level also provides a forum for sharing our knowledge and offers an opportunity to continuously challenge our vision of the market, in order to propose the services best adapted to the needs of local authorities in terms of public mobility policies.

3. A FOUNDATION TO SUPPORT LOCAL INITIATIVES

The Transdev Foundation, which was created in 2002 under the aegis of the Fondation de France, carries out public interest missions and citizen actions in France that encourage the integration or reintegration of vulnerable people in neighborhoods targeted by city policies or in isolated areas. It is active in the cities and local areas served by the transit networks the Group operates. It supports projects that contribute to social mobility in six priority action areas: employment, education, culture, health, sports and social mediation.

The employees of Transdev's transit networks, in France, are actively involved and committed as project sponsors. Through its corporate philanthropy approach, the Foundation also endeavors to strengthen the commitment and sense of belonging of Group's employees.

The Transdev Foundation

- **Since the creation of the Foundation in 2002:**
  - **323** supported projects
  - Grants totaling **€3 million** were awarded
- **In 2020:**
  - **32** projects were studied in France
  - Grants totaling **€283,300** were awarded
- **110** contact persons
- **200** sponsors from all the Group's transit networks committed to working with the associations

Our Responsible Procurement policy

Transdev contributes to the vitality of local communities in its role as an economic actor and through its supplier relations. The launch of the Group's Responsible Procurement policy in 2019 has promoted responsible procurement practices in order to control the risk of CSR claims being made against its suppliers. In 2020, in the context of the global pandemic, Transdev's Procurement organisation has been able to provide appropriate responses to urgent operational needs, such as the disinfection of rolling stock and obtaining additional supplies of personal protective equipment (PPE), including masks and cleaning supplies, and has affirmed its CSR commitments by deploying its policy in most of the countries in which the Group operates.

Beyond the mere purchase and supply of goods and services, we endeavor to maintain lasting relationships with our suppliers on the basis of our principal commitments:

- Raising awareness among our suppliers and subcontractors to sustainable initiatives;
- Ensuring they undertake to comply with our ethical principles;
- Taking into account their commitment to responsible business;
- Assessing the relationship with our suppliers;
- Monitoring implementation of our policy.

Our Responsible Procurement policy incorporates the Transdev Supplier Charter, which is based on the Code of Conduct that suppliers undertake to sign for any contract over €100,000. It defines the scope of the collaboration, regardless of country or area of expertise, and sets out the applicable ethics and sustainable development standards. By accepting the Charter, suppliers undertake to respect the Group's expectations in this area. It reflects our various policies concerning ethics, compliance, human rights, labor, the environment, preventing corruption, money laundering and the financing of terrorism, etc. Its goal is to encourage suppliers to follow these principles when they work with Transdev. For 2020, we provide data on only one procurement indicator, the rate of contracts over €1 million with the Transdev Supplier Charter attached,, in order to focus on the sets of purchases that have the greatest impact on the Group's business.

Procurement, actively committed to our CSR approach

The French and Australian Procurement Departments actively contribute to the development of CSR policy locally.

In France, a Responsible Procurement dashboard will be deployed in 2021 and will measure the impact of the actions implemented. In Australia, the Procurement policy is currently under review following an assessment of supply chain risks and opportunities. The aim is to cover the concept of sustainability more adequately and to mobilize suppliers and other stakeholders in accordance with the risks and opportunities present, in order to ensure that sustainability impacts are assessed and addressed appropriately. As a first step, Transdev Australasia has already amended its general terms and conditions of purchase and model contracts to include termination rights in the event of prohibited acts.

Over the next two years, the Group's Responsible Procurement policy will be adapted for each country, with the aim of dealing with suppliers who act in compliance with social principles, safety and security rules and the labor laws, as well as to preserve the planet.

This process involves 4 steps:

1. We will communicate and explain our ethical principles to our suppliers and subcontractors;
2. We will carefully select our suppliers and subcontractors;
3. We will manage a panel of suppliers; assess the potential risks associated therewith and take action when necessary;
4. We will conduct our relationships with our suppliers in a ethical manner and pursuant to the Group's policy.

Our Responsible Procurement policy aims at:

1. Awareness raising and circulation of the Suppliers' Charter;
2. Incorporation of the Suppliers' Charter into contracts with a value over € 1M managed by the Procurement Department.
3. Measuring the compliance of suppliers and subcontractors with the CSR requirements set out in the contracts.

SUPPLIERS AND DIVERSITY

In our Transdev USA operations, our diverse suppliers are identified as DBEs (disadvantaged business enterprises). We confirm suppliers' DBE certifications during our vendor onboarding process and run monthly spending reports on all our DBEs, including minority-owned (MBE), small business (SBE), woman-owned (WBE), veteran-owned small business (VSB), lesbian, gay, bisexual, transgender (LGB), and historically under-utilized businesses (HUB). In 2020, we spent a total of $27,061,850 with all our DBEs which makes 10% of the external addressable spend of the current year.

As a member of the Business Collective for a More Inclusive Economy, Transdev is committed and contributes to reflection on issues in relation to inclusive procurement.

Our Key Performance Indicator

KPIs	2019	2020
Percentage of master contracts > €100,000 that incorporate the Suppliers' Charter (France)	N/A	78%

In 2020, in 4 countries (Australia, Portugal, Sweden and France), 78% of supplier contracts incorporate the Transdev CSR Supplier Charter. In 2021, we will continue the rolling out of our kpi consolidation to the other countries of the Group. Our level of requirement makes it possible to raise awareness of our ecosystem of suppliers to sustainable procurement and our ethical principles.

5. Our priorities: health, safety and security for all

CHALLENGES	RISKS	SDG
▪ Safety and security of passengers ▪ Working conditions	▪ Serious train accidents ▪ Serious bus accidents ▪ Terrorist attacks ▪ Workplace accidents	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH

Ensuring the health, safety and security of employees, passengers and the communities that we operate in are the indispensable basis for the trust our clients, passengers and employees place in us. Therefore, safety and security are naturally at the top of our responsibilities.

"Safety first" is Transdev's number one priority and is the foundation on which, day after day, we build a relationship of trust, respect and partnership with our clients, passengers and teams.

To strive for excellence in health and safety performance and culture, we focus on the following strategic pillars:

- Development and deployment of the Transdev Group Health and Safety Policy;
- Strengthen Transdev's safety governance and compliance;
- Drive safety performance;
- Promote a positive and proactive wellbeing and safety culture.

> *"**Safety first**" is also a deep personal commitment of all Transdev employees and of each and every one of us in all our daily actions."*
>
> *Thierry Mallet, - Transdev Group Health & Safety Policy*

Our Health and Safety Policy

Transdev's health and safety policy states our commitment and approach to the management of health and safety, including management and employees accountabilities. Transdev Group designed safety management system from many years of experience being a professional transport operator.

1. TRANSDEV SAFETY MANAGEMENT SYSTEM (SMS)

Transdev SMS provides a structured management approach to identify, monitor and control health and safety risks in our activities. Our operations are required to comply with the Group's SMS requirements in the following areas: organization, leadership and commitment, planning (including identification of hazards and risk assessment), communication and consultation, documentation and monitoring, measurement, analysis and evaluation of safety performance. The SMS is consistent with the ISO 45001 standard. Regular audits are conducted to ensure that the SMS is effectively implemented.

Transdev 10 safety principles

Resulting from the collaborative work of the health and safety community, the ten principles have been integrated into various media (posters, flyers, cards and video) and made available to our teams in countries that use them during safety walks and campaigns.

Ten Safety Principles is a global initiative where grass roots participation to identify non-negotiables for Transdev operations. Transdev employees and managers uses ten safety principles to guide their behaviors and decision-making.

2. A DEDICATED ORGANIZATION: THE GROUP SAFETY DEPARTMENT

The Group Safety Department defines the policy and monitors its implementation and promotes a proactive safety culture. On a bi-annual basis, a consolidated safety report by country is produced, as well as a Group report with key indicators and highlight improvements. Safety performance trends are assessed with the country management and action plans are put in place to correct non-conformities.

3. HEALTH & SAFETY COMMUNITY

The Group Safety Department coordinates the internal health and safety community. The convenes them periodically to exchange best practices and provide feedback on safety events. In 2020, the Community came together to share good health and safety practices across the operations on a global basis and partnership with Industries, Union and PTAs with the aim to minimize the risk of covid-19 contamination for our employees, subcontractors and passengers.

Covid-19 impact

FOCUS ON COVID-19 ACTIONS

The Group Health and Safety initiated the Back on Track project and contributed through 2020, and monitored the operational implementation in partnership with the health and safety community to ensure the protection of our employees and passengers.

4. SAFETY LEADERSHIP & CULTURE

Safety leadership is recognized to promote positive and proactive safety culture, drive strong safety performance and continuous improvement in our SMS. There are two key safety leadership programs; health and safety leadership certification and safety walks.

Health and Safety Leadership Certification

In 2017, a Health and Safety leadership certification for all managers within the Group and Countries. The goal of the Health and Safety certification is to enable managers:

- To understand Transdev's key health and safety principles;
- To conduct safety walks in the field.

SAFETY WALKS

In 2019, the Group deployed safety walk initiative. These safety walks are to ensure executives and managers at all levels demonstrate visible commitment and create a dialogue with operational staff in the field to better understand their safety challenges, affirm our safety commitment and support identified safety problems.

5. SAFE DRIVING PROGRAM

In our operations, there are training and technological initiatives to assist drivers to adapt their driving styles and focusing on safe driving techniques, such as gentle acceleration, braking smoothly, safe driving distance. The safety outcomes of this initiatives are to reduce in the frequency of accidents.

Our Key Performance Indicators

KPIs	2019	2020
Workplace accident frequency rate *(Number of workplace accidents with medical leave/total annual hours worked x 1,000,000)*	22.22	18.06
Workplace accident severity rate *(Number of days lost due to a workplace accident/ total annual hours worked x 1,000)*	1.68	1.63
Major accidents rate *(1 fatality (without suicide/natural death) and/ or 3 injured and hospitalized/total annual kms x 1,000,000)*	0.03	0.02
Number of major accidents	*54*	*36*

Our safety performance is assessed based on three key performance indicators (see above). In 2020, the Group's results in terms of frequency and severity of workplace accidents have been increasingly accurate. Furthermore, our Safety Policy in line with the Moving You strategy continues to have a positive impact, as shown by Transdev's safety figures which remain at relatively low rates with respect to industry standards.

Health and Safety at Transdev

10
Group Safety Principles

A Group Safety Depatment and monitoring of the safety performance

SAFETY WALKS

A Safety Management System (SMS) compatible with
ISO 45001

3,725
managers who obtained Health & Safety certification

Our initiatives

External Certification for COVID-19 Protocol - In July 2020, our Spanish Light Rail entity, Tram BCN, granted the seal of quality for hygiene and control that certifies all protocols to prevent the spread of COVID-19 are applied properly. The certification company, Applus, carried out the week-long audit of the physical protocols and measures regarding hygiene, technical and organisational issues, equipment and access control. After an exhaustive analysis, Applus has granted TRAM certification showing that all of these protocols are applied properly and effectively to prevent the spread of COVID-19 in its facilities.

"Think Twice. Look Twice" - In 2020, Transdev Luas launched a safety campaign with a simple reminder to all who drive, walk, or cycle near Luas to "Think Twice. Look Twice" before crossing Luas tracks. The campaign has received coverage on national news, radio, and online news sites, featuring a shocking compilation of CCTV footage showing the dangers of not making sure the tramway is clear before crossing. The basic rules of the road and safe cross code that prevent serious accidents from happening should be adhered to by everyone, but distraction and being in a hurry can often put people's safety at risk. https://youtu.be/IvnjQxRhyFQand monitoring of safety performance

Our security policy and actions

Protecting our passengers and employees from malicious acts that, in particular, threaten their physical integrity, and ensuring their sense of security is an essential mission. Awareness of these security risks and the importance of the issues at stake require a comprehensive and truly professional handling of security issues.

1. AN ORGANIZATION DEDICATED TO SECURITY, SUPPORTED BY A DEPLOYMENT OF HUMAN AND TECHNICAL RESOURCES

We have outsourced security services to private companies to bolster our security systems in numerous networks. For example, in the Greater Paris area, we are continuing our efforts to enhance mobile security in the networks by deploying a total of nearly 170 external security agents.

To increase operational efficiency, we are also expanding circulation of best security practices through our network of country security officers. We endeavor to pioneer innovative solutions: for example, we were the first to experiment in France, in Nantes and Seine-Saint-Denis with an "on-demand stops" system that protects the most vulnerable passengers on night bus routes, and which led to the development of a ministerial guide on the subject in France.

In France, as soon as the implementing decree for the mobility policy law is published, we will equip our ticket inspectors with body-worn cameras.

2. A PROACTIVE SECURITY CO-PRODUCTION STRATEGY IN COLLABORATION WITH THE POLICE FORCES

Enhanced security agreements signed

In all countries where we operate, we make it a point of honor to develop a partnership strategy with the police authorities. This action is usually reflected in enhanced security agreements signed with the police forces.

For example, in accordance with the security continuum advocated by the Ministry of the Interior in France, in the Bouches-du-Rhône department (France), Transdev is a signatory of the first departmental public passenger transportation security and delinquency and radicalization prevention objectives contract, provided for by the Savary Act.

In the Netherlands, Transdev is a signatory to the national agreement on security in the public transportation sector applicable from 2020 to 2025. This agreement provides for a comprehensive and fully transparent collaboration between institutions (Security and Justice Ministry, Infrastructure and Water Management Ministry, police forces) and stakeholders (12 public transit authorities, 3 regional metropolitan areas and 11 public transportation companies). The main objectives are to promote cooperation, information exchanges and sharing, and innovations in the public transportation security field. T his c ontract recognizes security as a matter of national concern and effectively excludes any competition in this area.

Technological innovations in the area of security

Using an intelligence system, we monitor progress in security technologies and innovations, as well as the mobility security legislative and regulatory framework. For example, in France, the TVO and Rouen networks are experimenting with a **real-time video alert system on circulating buses.** If an alert is triggered by the driver or passengers, the **video protection** images from the bus are transmitted in real time to the control center (PCC). In addition to enhancing the sense of security for all those on board the vehicle, this innovation enables law enforcement to react more responsively and efficiently.

Covid-19 impact

THE HEALTH CRISIS AND SECURITY

The COVID-19 health crisis has obliged us to enhance the health measures on board our vehicles in order to continue providing high-quality and safe transportation services to our passengers, as well as to our employees. After lockdowns were lifted, we noted that the requirement to wear masks on board our vehicles was often a source of tension for our employees who were in direct contact with passengers (mainly drivers and ticket inspectors), but also between passengers. This particular context of increased rude behavior has also offered our networks an opportunity to strengthen and improve their relationships with law enforcement agencies.

3. A STAFF TRAINING AND AWARENESS-RAISING POLICY FOCUSING ON SECURITY ISSUES

Staff awareness and training in security issues is an essential prerequisite for proper operational handling of this type of incident. For example, in order to effectively address issues of gender harassment in our transit networks, we have launched awareness and information campaigns aimed at our passengers and staff, such as in the Rouen network.

An increasing number of our networks have established partnerships with law enforcement agencies to provide training to their employees. In France, the Autobus de l'Etang network has developed a training program in partnership with the national police, which specifically focuses on the profession of controller and inspector. In early October, the ticket inspectors of the Autobus de l'Etang network attended the first training session. They learned how to use body-worn cameras and recover incident reporting data, and received training on providing assistance to assault victims. National police officers provided instruction on the criminal law in force and the legal framework applicable to actions that may be taken when persons are caught in the act of committing an offense, as well as legitimate self-defense actions.

In addition, **an online training project on incorporating security into the operational management** of our activities is being finalized and will be deployed in early 2021. This training tool will reinforce the Security Policy and aims to raise awareness of security issues among all Group employees.

4. A GROUP SECURITY MANAGEMENT SYSTEM (SMSU)

This **SMSu** will enable a better controlled and more standardized management of all particularities of security risk, as well as a more rigorous evaluation of the performance of protection and intervention systems, in order to achieve our objectives. Backed by a network of country security officers, our SeMS will be the tool used to monitor the Group's security performance.

Although the COVID-19 health crisis has forced us to delay deployment of the SMSu, we have consolidated our security community. A security officer has now been appointed in each of the countries where we do business.

Fight against terrorism and prevention of radicalization

In relation to the police forces, we adapt our policies of vigilance and awareness of the directives of the national security services, depending on the threat level.

In all the countries where we are established, we grant the most great importance to the quality of the recruitment of all our agents, and particularly of our drivers, in direct contact with passengers.

Our Key Parformance indicators

KPIs	2019	2020
Frequency rate of workplace accidents due to assault *(Number of workplace accidents due to assault/ total annual hours worked x 1,000,000)*	2.27	2.07
Severity rate of workplace accidents due to assault *(Number of days lost due to physical assault/total annual hours worked x 1,000)*	0.06	0.38
Share of countries covered by a national security manager/total number of countries vers the company is located	N/A	100%

In 2019, we defined a new indicator on breaches of the physical integrity of passengers per million kilometers. Due to the impact of COVID-19 on our activities, this indicator will be deployed from from 2021.

In 2020, the reduction in the level of service and the number of visitors reduced the probability of an accident at work due to an assault. Of plus, the human presence has been enhanced to ensure that passengers comply with government-imposed health measures, which has resulted in a significant drop in the number of assaults on our drivers. To the strengthening of the human presence on our networks, has been added a overall effort to maintain in working order and modernize our technical security equipment (cctv in buses and bus stations, pedestrian cameras).

The implementation of compulsory health measures, such as wearing mask in public transit, however has sometimes been a source conflicts and physical attacks against our employees responsible for reminding recalcitrant travelers of the rules of knowing how to travel, but also between passengers.

These findings encourage us to continue our efforts to secure our networks and training of our staff.

Our initiatives

Since 2018, Transdev Australasia has established an aggression risk and security management policy applicable to all our staff in contact with passengers and operating on all transportation modes. The Maybo training program has been implemented in many entities. This module enables employees to acquire and develop key skills to understand and analyse a potential conflict situation, to learn conflict de-escalation mechanisms and techniques, and to apply them appropriately, depending on the situation.

Since 2019, on the Dublin tram network in Ireland, security officers have been equipped with body-worn cameras, which are a very effective deterrence and conflict defusing tool. The images they record can also be used as evidence.

In France, the Autobus de l'Etang network in Vitrolles has implemented the "Safe Control" approach. This new approach, which has been deployed at the departmental level, harmonizes practices and methods to combat fraud and rude behavior on the urban and interurban networks of the Bouches-du-Rhône department.

In the context of the health crisis, and following the decision to allow passengers to board buses through the back door, ***Transdev Netherlands*** equipped its vehicles with a silent alert system. Three warning buttons have been installed in the driver's booth, which can be activated to signal a passenger who has not paid their fare or a passenger who refuses to wear a mask, or to report that the bus is full and cannot take on additional passengers. If the driver presses any of these buttons, an alert is immediately sent to the traffic management center. In the event of an emergency, the inspectors can request the involvement of the police and/or the security agents. Concerning the refusal to wear masks, the information collected via this alert system also makes it possible to accurately map security incidents on the network in order to schedule more frequent controls in those areas.

6. The people of the Group are at the heart of our sustainable performance

CHALLENGES	RISKS	SDG
▪ Working conditions ▪ Training and Social dialogue ▪ Diversity and equal opportunities	▪ Low employee commitment (including psychosocial risks and absenteeism) ▪ Poor skills planning	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Each day, the men and women of Transdev, through the quality of the service they provide and the welcome they extend to passengers in the local areas we serve, lay the foundation for a long-term performance and earn the trust of our customers.

Aware of the need to engage in joint efforts focusing on the essential challenges of protecting teams, passengers and the company, our employees, managers, social partners and senior management have mobilized their energy to define a framework, dialogue and communicate as much as necessary on the actions and adaptations to be implemented.

In this difficult economic and unprecedented social context, Transdev has remained committed to its HR roadmap in order to implement the necessary conditions for individual and collective performance and to anticipate and manage changes in the job market in the local areas we serve, so as to develop employees and continue to promote an inclusive culture.

Employees and its representatives consultation, the cornerstone of our resilience

The success of the Group's business depends on the management of large teams in the field and the diversity of the men and women who make up these front line teams. The crisis has further confirmed social dialogue as a key element of the Group's Human Resources strategy. For the Group, social dialogue has been crucial to its resilience in the face of a difficult economic and social situation because it is essential to explain and carry out the necessary adjustments, in order to continue to serve our customers and passengers under the best possible conditions, and to offer our teams a framework that most closely corresponds to the aspirations of each individual.

Management, the labor unions, HR and employees, who comprise the key social dialogue players, interact via a dialogue structured at various levels of the company and which, despite the crisis, has led to the signature of Group-wide and company-wide collective bargaining agreements that benefit employees and the company's performance despite the crisis.

1. AN AGILE SOCIAL DIALOGUE THAT IS UP TO THE CHALLENGE OF AN UNEXPECTED CRISIS SITUATION

The exceptional health crisis that began in February 2020 has led to a different way of organizing social dialogue at Transdev, in the face of a situation that has had a major impact on all Group employees. For example, meetings and discussions are held weekly, or more frequently if necessary, at the contractual, regional, country and Group levels.

The Group's central employee representative bodies were also able to meet regularly by videoconference: 5 French Group Works Council meetings, 4 European Works Councils meetings and 2 National Health, Safety and Working Conditions Committee meetings were held in 2020 to maintain ongoing social dialogue during the crisis and address the operational points requiring the commitment of all the teams during the crisis.

Covid-19 impact

FOCUS ON COVID-19 ACTIONS

Starting in February, videoconference meetings between Group management and the national union delegates were held every two days during the first two months of the crisis, and then bi-weekly. These meetings made it possible to deal as effectively as possible with the difficult context, both in terms of health risks and the situation faced by employees who had to be placed on reduced hours due to the shutdown or sharp cutbacks in some of our activities during the crisis. Meetings between staff representatives and management were organised in the same way for each of our contracts.

2. ORGANIZATION OF SOCIAL DIALOGUE WITHIN TRANSDEV

In June 2012, a **European Works Council** was set up to provide the most comprehensive representation possible for the employees of the Transdev companies doing business in the Member States of the European Union. About three times a year, this European Works Council brings together the employee representatives of the German, Spanish, Portuguese, Dutch, British and French subsidiaries to discuss all transnational issues concerning the Group's activities at the European level. It is consulted on transnational issues that impact the Group (employment, significant changes in the Group's organization, transfers of production, investments made for the Group as a whole, etc.) and, once a year, on the Group's strategic orientations, long-term plans drawn up and the follow-up thereto. Each year, the members of the European Works Council receive proper training.

A **French Group Works Council** was set up in June 2015 to represent all employees of the Group's French subsidiaries. It meets about three times a year and is composed of 22 employee representatives appointed by the labor unions that are representative at Group level, and who are chosen from among their elected representatives to the bodies of the relevant subsidiaries. In particular, this French Group Works Council is informed of the probable development of activities, investment projects, employment trends, the Group's economic, financial and employment situation and the consolidated financial statements of Transdev and its subsidiaries. It is also systematically consulted on the Group's strategic orientations, as well as on any transaction that may impact the economic and employment situation or the organization of the Transdev Group.

Each of our subsidiaries in France has **local representative institutions** (Social and Economic Committees, which replace the former Works Councils, Health, Safety and Working Conditions Committees and employee representatives), which are key to the social dialogue within the Group and form the information and consultation forums on important issues, in close proximity to the field and local concerns.

In addition, under the Group Agreement "on the exercise of labor union rights and social dialogue within the Transdev Group," which was concluded in June 2015 and amended in February 2019 to perpetuate constructive employment relations and organize the smooth exercise of labor union rights within the Group, **national labor union delegates and national coordinating labor union delegates** have been designated. They have been provided with human and financial resources.

Finally, in addition to these resources, the Group agreement of February 2019 supplemented the social dialogue organization by setting up a National Social Dialogue Oversight Committee, which meets twice a year to plan the schedule of social negotiations at the Group level and to oversee them in conjunction with the representative labor unions. This agreement also harmonized the framework for setting up **Social**

and Economic Committees in the subsidiaries, while allowing the local entities room for negotiation, thereby permitting adjustments to local contexts.

Group-wide agreements in France

Collective bargaining is preferably positioned as close as possible to the level at which problems are encountered in the field. In addition to this local social dialogue, the Group has taken up a number of collective issues in order to deal with them from a national perspective.

Apart from the agreements to set up the European Works Council and the French Group Works Council, and from the Group agreement of June 2019 referred to above organizing and establishing the structure for the social dialogue, the Group has concluded a number of agreements with its representative labor unions, in addition to the set of collective bargaining company-wide agreements concluded by its subsidiaries at the local level:

- An agreement on the inter-generational contract;
- An agreement that sets up a national Health, Safety and Working conditions Committee, whose purpose is to collectively reduce the risks of physical injury to employees by exchanging information on issues and sharing best practices in the field of occupational health and safety;
- An agreement on the reimbursement of medical expenses;
- An agreement setting up a Group savings plan;
- An agreement setting up a Group retirement savings plan.

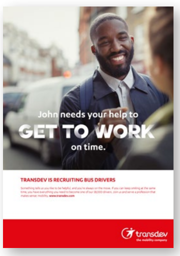
All these agreements, and their application at the level of the Group's subsidiaries, are intended to improve the health, safety and working conditions of the employees.

In addition to its role in the negotiation of collective bargaining agreements, social dialogue is also a tool for identifying and dealing, as early and effectively as possible, with individual difficulties encountered by the companies.

Our responsibility as an employer in the communities we serve

To make Transdev an employer of choice, recruitment relies on our teams in the local areas and a positive employer image:

- Our business is meaningful;
- Our employees are at the heart of our organization;
- We make our teams accountable;
- We are a learning organization;
- We prepare the solutions of the future;
- We are an international local company.



1. A FORWARD-LOOKING RECRUITMENT POLICY FOCUSED ON LOCAL AREAS

Despite the difficulties created by the crisis, Transdev has reinforced in the territories in which it operates its commitment to promote access to employment for young people, in particular by expanding its policy of recruiting young people on work placement contracts.

In France, taking advantage of the possibility offered to companies since 2019 to create their own apprenticeship training centers, **Académie by Transdev was launched in September 2020** to train a new generation of drivers. With 5 local apprenticeship training center created and 90 apprentices hired between September and December 2020, over 250 apprentices in 2022, then 500 apprentices per year in 2023 and subsequent years, Transdev has chosen to look resolutely towards the future by opening up access to the mobility professions through apprenticeships. By offering training courses that offer preliminary qualifications starting in 2021, Académie by Transdev is committed in each territory it operates to the inclusion of persons who have the greatest difficulty finding work.

Priority given to the field through the Drivers@Transdev program Transdev is faced with a worldwide shortage of drivers and a demographic imbalance in the driver population. Indeed, 50% of our drivers are over 50 and will retire within the next 10 to 15 years. Throughout the world, the operational teams are working to make our businesses more attractive in the field, innovating in terms of recruitment, and developing the conditions for retaining employees. A community and a web platform have been created in order to share best practices and make progress in these three areas.

2. RECRUITMENT CLOSELY TAILORED TO LOCAL NEEDS

Transdev is not only an operator in the field, but is also a local employer and, in that capacity, develops partnerships with local organizations (training, schools, guidance, job coaching, etc.) to favor recruitment of employees already living in the area.

THE BUSINESS COLLECTIVE FOR A MORE INCLUSIVE ECONOMY AND THE REGIONAL PLATFORMS

The **Business collective for a more inclusive economy** in France, which was created on December 18, 2018, is a voluntary and discretionary initiative that brings together companies that wish to promote social and societal progress.

In 2020, the Transdev Group joined the Collective and, with the other member companies, is mobilized and committed to pursuing the following priorities:

1. Promote access to employment and secure of career paths, particularly for young people and populations in the most vulnerable situations;
2. Developing inclusive procurement.

Transdev is particularly involved in the **Territorial Platform** system, an innovative system that focuses on local areas and aims to accelerate career transitions and inter-company career paths, often in the very short term.

In the countries, where it operates, the Group is committed to enabling the most vulnerable populations to benefit from access to employment and training.

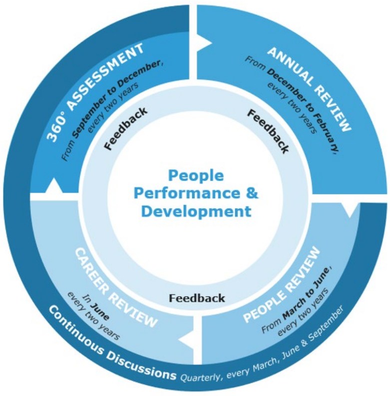
In **Netherlands**, the application of social return on investment (SROI) criteria in public contracts (procurement or calls for bids) is aimed primarily at providing greater opportunities for people experiencing difficulty finding work. The social return requirements of local authorities are usually included as a contractual obligation and the performance of companies operating public services is measured on a scale of 1 to 4. In 2020, Transdev's first rating on this scale placed it at the second level, and it aims to reach the highest level within the next three years.

In **Australia**, in connection with our Reconciliation Plan, Transdev forges strong partnerships with local Aboriginal employment services and industry leaders to address the inequalities faced by Aboriginal and/or Torres Strait Islander people.

Employee development

1. TALENT MANAGEMENT

The development of each individual's talents is a key challenge for the Group's performance and employee motivation. A specific multi-stage process will be deployed to ensure employee development.



The Annual Interview is an opportunity for employees to discuss the work and achievements of the past year with their direct manager. It is used to determine individual objectives for the coming year and the means required to achieve them. It also offers the possibility of updating the employee's career development actions.

A **People Review** is conducted every two years to identify talent within the Group, share their expectations and determine their development potential. It is the basis for the succession plans in all countries where Transdev does business.

The Career Interview, which is also held every two years, is an opportunity to discuss possible opportunities and means for individual development.

Ongoing Discussions with the employees' direct managers provide the framework for this system: they help to monitor objectives and achievements, make any necessary adjustments, and validate the suitability of development actions planned.

From 2021, Transdev will implement the 360° evaluation. The 360 ° evaluation made by the manager, the team and the peers, will allow the employee to prepare his or her annual interview and complete his or her Individual Development plan with his or her direct manager. It takes place every two years and is based on the **we@transdev** management model skills. Through we@transdev, the Group defines the managerial skills it expects. It is a pragmatic and business-oriented model, whose skills must be mastered by all managers for themselves and their teams.

The Group is committed to ensuring that each employee has the opportunity to meet with their manager at least once a year to discuss their performance, development needs and professional aspirations.

The objective the Group monitors is the % of annual interviews conducted among the top managers and the Group's top executives.

In 2020, this percentage increased by 6%, from 83% to 89% of employees that have had an annual interview.

2. INTERNATIONAL MOBILITY AND DEVELOPMENT OF OUR EXPERTS

To ensure our operations have the skills they need, meet the demands of our clients and take into account the carreer aspirations of our employees based on their skills, the Group deploys policies and systems with an international outlook.

This approach, which is aimed at all employees who have the desire, ambition or possibility of pursuing an international career, is based on three focuses:

Managing the international mobility of our employees in accordance with the company's needs and individual aspirations

- Encouraging international career paths, thus encouraging employee development;
- Ensuring the management and HR community systematically takes into account employees' international mobility wishes and thus manage and anticipate individual international mobility projects;
- Providing a high degree of transparency concerning employment opportunities within the Group that are open to international mobility in order to ensure equal opportunities and promote diversity;
- Securing our ability to mobilize the talent required by our operations and customers around the world;
- Paying particular attention to career continuity, especially when employees return to their home country.

Building a pool of young talent with an international dimension

In 2019, the Group launched *"On The Launch Pad."* Over an 18-month period, this program offers about fifteen talented young individuals from nine different countries, equally divided between men and women, the opportunity to increase their exposure to the Group's international dimension and to acquire a global vision of the mobility sector and the Group's strategy and current endeavors. It offers *learning experiences*, both in the countries where the Group operates and remotely. Participants received methodological support in formalizing a career plan enabling them to better visualize their future with the Group. The first session ended in December 2020. The second will begin in the coming months.

- 44 employees positioned internationally in 2020
- 27 international movements in 2020

Enabling our expertise to be mobilized where and when it is required

e•team @transdev is a Group system for mapping our internal experts in 27 identified fields of expertise. Our employees can position themselves, declare their expertise and communicate their willingness to take part in specific expert support projects.

The Group's experts, who are selected on the basis of their expertise and willingness to cooperate, and who are approved by the field's reference person, join the E-Team, the Group's community of international experts, who are mobilized to promote the mobility solutions offered by Transdev and provide these solutions to our customers.

The ***e•team@Transdev*** initiative, which was launched in July 2018, now includes **212 experts (+14% compared to 2019)** in over **10 countries.**

In 2020, its members carried out nearly **100 support assignments (70 in 2019)**, mostly remotely but also on site, representing over **350 man-days**. Specific development programs (e-learning, language skills, learning expeditions, etc.) are provided to them, which to date represent over **1,300 hours of training.**

3. THE LEARNING APPROACH

The *Learning* approach is linked to *Talent Management*. It aims to develop skills in the most suitable way possible, to enable the continuous comprehension of new operating methods and to strengthen a shared corporate culture.

Our Learning approach is based on four main principles at the Group and country levels:

- Becoming a learning company;
- Promoting responsible management;
- Encouraging independent learning;
- Ensuring successful integration.

Group-wide programs

Development and learning plans are designed in each of the countries where the Group does business. Some programs have been developed at the Group level.

Trans'lead: an international development program for top managers identified during People Reviews that aims to prepare the Group's talents in the following areas: leadership, business and its transformations, and knowledge about the Group. The six-month program is structured around two seminars and alternates training sequences, exploratory visits and group work on strategic projects.

In'Pulse: in order to facilitate the integration of new managers involved in international projects, the bi-yearly In'Pulse seminar, designed for about twenty participants, provides an overview of the Group's strategic challenges and a unique forum to discuss with its top managers. Initially deployed as a three-day face-to-face seminar, In'Pulse now offers five virtual classes in digital format that retain the same dynamic approach to sharing and discovery.

Project Management training: anchored in the project management principles deployed at the Group level, this training program enables project managers located in different countries to adopt a common approach and acquire the essential skills needed to effectively manage their projects. It combines classroom training, digital simulation tools and e-learning modules and prepares participants for a Group certification exam.

Digital learning: whether in the form of stand-alone modules or modules combined as part of broader training programs, e-learning is increasingly used to provide independent learning opportunities and simplify access to training. It is particularly used in programs focusing on certain key topics: health and safety of persons, combating corruption, language skills, IT security, office application skills...

The new ***"Moving Digital"*** learning platform was created in 2020, offering each employee an opportunity to make progress in mastering the applications and develop new uses that facilitate distance working and collaboration.

Our objective is to enable all our employees to receive at least one training course per year.

Engagement and Diversity & Inclusion

1. GROUP'S COMMITMENT POLICY

In late 2019, the Commitment program became a Group policy and its deployment is in progress. Our objective is to deploy this commitment approach every two years, to the maximum extent possible, in each country where the Group operates. Its ultimate aim is to cover all employees. This commitment approach is developed in three stages:

- Commitment is measured by an employee survey with five questions common to all countries;
- Communication and discussion about the results with our teams through feedback channels;
- Designing improvements and implementing action plans with the relevant teams.

We are persuaded that listening to employees is essential to implementing the conditions that fosters performance. Committed employees contribute their talent and motivation to the company's success, in line with its values and objectives, while finding personal fulfillment in their work. Therefore, employee collaboration and commitment contribute directly to:

- the Group's operational performance;
- the quality of service provided;
- reducing absenteeism and turnover.

Covid-19 impact

FOCUS ON COVID-19 ACTIONS

The conditions of employee commitment have changed this year. Teleworking, short-time working arrangements and restructuring work organization in line with health restrictions had generated multiple impacts that have disrupted many work habits. The crisis has conferred a new importance to protecting the workforce and detecting psychosocial risks. In this sometimes anxiety-provoking context, we ensure that the possibilities for time off are not reduced and we have expanded the resources that employees can use to foster cooperation or augment managerial support.
This year, we therefore pay particular tribute to the unwavering commitment of the Group's employees, who have continued to work for the company, its clients and its communities.

Our goal is to cover the entire Group's scope, i.e., 100% of employees, by 2022.

- Commitment surveys conducted in 8 Group countries in 2020
- Nearly 21,500 employees surveyed

2. OUR COMMITMENT TOWARD GREATER DIVERSITY AND INCLUSION

In 2020, due to the COVID-19 pandemic, inclusion is even more crucial for our teams, the communities we serve and society as a whole. They represent an exceptional diversity, which is reflected in our networks. It is our responsibility to convert it into an asset by creating a momentum for inclusion among our front-line teams (drivers, mechanics, customer service representatives, etc.), networks and company headquarters. The Diversity and Inclusion Program, which was launched in late 2018, became a priority program in 2020.

Sharing a common language

A multicultural community of diversity and inclusion stakeholders in all countries where the Group operates has been developing since 2020 to share initiatives and programs implemented in the Group's various countries. The initial discussions have enabled us to agree on definitions of diversity and inclusion that are shared by all.

Thus, for Transdev, diversity is the set of differences that each individual brings to our company, which allows us to think differently and, therefore, to innovate in order to respond to and anticipate market changes.

Inclusion enables each individual to manage their career on the basis of their skills, motivation and performance, allows all forms of expression unless they are hostile to someone else (for example, discrimination, sexism, racism, homophobia, bullying, harassment, etc.) and encourages all employees to be themselves, to do their best and to contribute to the success of the company, in particular through innovation.

Our commitment to gender diversity at the highest level of the company

In 2020, Transdev reached a rate of 29% of women among the top 100 managers; the Group has set a new target: **50% women among Group executives (top executive) by 2025.**

This commitment continues to be supported and embodied by the Group's Executive Committee, which was active, in particular, through a pilot **mentoring** program for the Group's female employees between October 2019 and October 2020. This program was a success and will be renewed in 2021. It will also be deployed in the management committees of the Group's subsidiaries.

Our commitment in all countries where the Group operates

In addition to this quantitative objective of achieving diversity in the Group's management to which each of Transdev's subsidiaries contributes, in each country where we operate, the action plans and initiatives that promote Diversity and Inclusion focus on local issues.

This year, in the **United States**, the Diversity & Inclusion Council was created, comprising 14 members who represent the range of employee diversity. It advocates, coordinates, studies and monitors strategic actions that promote diversity and inclusion.

In **Australia/New Zealand**, Transdev Australasia has rolled out a clear and ambitious roadmap that focuses on six priorities: sexual orientation, gender, age, accessibility, multiculturality and reconciliation with Aboriginal populations. Diversity and Inclusion councils are systematically set up in each business unit, comprising a variety of profiles.

Transdev Australia and New Zealand has received the "Employer of Choice for Gender Equality" award of the Workplace Gender Equality Agency (WGEA) for the second consecutive year. WGEA certification is a program that recognizes cutting edge practices that go beyond compliance with the Gender Equality in the Workplace Act.

In France, Transdev has launched its **Leader au Féminin** program to develop a pool of talent that will occupy key positions in the future (operational fields, network management, response to calls for bids, etc.). The objective is to encourage women to join our operational departments and to offer them a personalized support program throughout their integration.

Ensure equal opportunity

- Internal mobility and promotions are facilitated by our *"People Review"* process, which identifies and rewards talent without discrimination;
- The Group's talent and career development programs include "diversity" objectives and indicators, which are monitored. The International Corporate Volunteer Program (VIE) recruitments, On The Launch Pad Graduate Program, In'Pulse and Trans'Days onboarding programs, Académie by Transdev and Trans'Lead all have identified diversity objectives (men, women, origin, fields, business lines) that are included in these programs' specifications.

Celebrating diversity

Transdev works to raise awareness of diversity and inclusion by coordinating an international community and developing various communication and awareness campaigns, in particular in connection with international celebrations such as International Women's Day, the International Day of Persons with Disabilities, the World Day for Cultural Diversity and Pride Month.

Diversity is also celebrated within each network. In **Umeå, Sweden**, 50% of the workforce is Swedish and the other half comes from 38 different countries. To promote diversity, teams are working on a booklet designed by and for employees to highlight the benefits of such an inclusive workplace.

Our governance in favor of greater diversity and inclusion

The Group's Diversity and Inclusion program is sponsored by the members of the Executive Committee, who are committed to perpetuating an inclusive culture within the Group, setting goals and driving change. The teams at headquarters give the program its vitality through Group initiatives in favor of diversity, and lead a multicultural community of Diversity and Inclusion actors in all the countries where the Group operates. They devise their own Diversity and Inclusion roadmaps depending on their respective challenges, in line with the Group's objectives.

Our partnerships to accelerate change

Diversity and Inclusion is more than a business issue, it is a social issue. This is why the Group, its subsidiaries and networks draw on a variety of partners to ensure their actions are appropriate and collectively pursue goals shared with other organizations.

In **France**, Transdev is a member of the Collective of 35, which brings together leading French companies in their sectors who are committed to promoting a more inclusive economy. The Group attends the meetings of the Collective and participates in two working groups, including one on Employment and Training. In **Australia**, Transdev has established partnerships with territorial councils as part of its reconciliation plan. These councils give indigenous peoples a voice on issues affecting their lands, seas and communities. At the local level, for example, in the Östergötlan region in **Sweden**, teams have worked with DHR, an association of persons with disabilities, and the National Association for the Visually Impaired to raise awareness of the day-to-day challenges persons with disabilities face on public transportation.

Our Key Performance Indicators

KPIs	2019	2020
Absenteeism rate	6.1%	7.3%
Employee turnover rate	20.5%	19.3%
Percentage of employees who received at least one training course during the year	80.2%	70%
Percentage of employees who have had an annual interview *(Top executives and Group's top managers)*	83%	89.3%
Commitment policy deployment rate *(number of countries that have deployed the policy out of all Group countries)*	38%	59%

COVID-19 has had a significant impact on our HR performance indicators. The decline in activity and the shutdown of businesses in countries have decreased the number of departures naturally, which mechanically resulted in a improvement in turnover.

Sickness absences increased significantly during the period as well as absences for "other reasons" (mainly in operational functions linked to fear of contagion, self-containment and quaranting), which have led to an increase in absenteeism. Face-to-face training being non-viable for a large part of the the year and the employees being at a standstill, the training indicators fell despite a proactive policy of maintaining training. Our rate of employees having had an annual interview continues to increase.

For this second year of deployment of our Engagement Program, we continue to make progress towards our goal of coverage of all the countries of the Group and its employees. We can particularly underline the efforts of Germany, the United Kingdom, and Ireland who launched a survey in 2020, despite the constraints imposed by the pandemic.

Our initiatives

My Mobile Learning **-** To take independent learning one step further, a new **web application deployed in 2020, *"My Mobile Learning"***, offers innovative mobile content through dedicated monthly courses.

Each topic is presented by experts from the Group and is based on one of the following priorities, which are tied to Transdev's strategy and objectives: New working methods, Mobility of the future and New technologies.

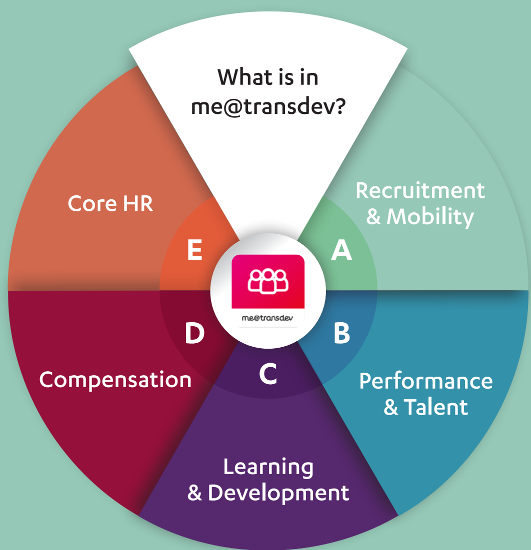
A 3-stage learning process (drawing inspiration, understanding, activating one's knowledge) enables employees to explore a new subject in one month and to put what they have learned into practice in their day-to-day work.

MYMOBILE LEARNING

In October, a **Diversity and Inclusion** module was launched. This module invites employees to discover unconscious biases and stereotypes that can affect their decision-making, describes best practices implemented within Transdev and proposes simple and concrete ways to foster an inclusive work environment.

Beyond merely promoting citizen awareness, the goal is to acquire a common vocabulary and shared responsibility for a more inclusive culture.

me@transdev **-** in 2020, Transdev deployed its new me@transdev employee environment to facilitate employees' career pathways. Inclusion is at the core of me@Transdev.



A
- Job needs
- Job offers
- Sourcing: application & applicant tracking
- Selection
- Hiring & onboarding
- Applicant pool
- Internal & international mobility
- E-teams

B
- 360° Assessment
- Annual Review
- Continuous Discussion
- People Review
- Career Review

C
- Digital & face-to-face training offer
- Training paths
- Individual development plan

D
- Salary review campaign
- Bonus review campaign

E
- Profile & administrative file
- Organisational structure
- Career-related documents

7. Transdev's commitment to a robust ethical process

CHALLENGES	RISKS	SDG
▪ Business ethics ▪ Risk management and transparency ▪ Innovative partnerships	▪ Active bribery of a public official or a regulatory authority, passive bribery of private individuals ▪ Influence peddling ▪ Personal data breach ▪ Failure to respect human rights in the supply chain ▪ Failure to respect freedom of association ▪ Discrimination and harassment	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

Transdev has adopted a code of ethics based on 21 principles, which is deployed in all geographical areas where it does business. It applies to all its employees and managers. This code is supplemented by specific measures that explain the Group's vision and the organization it has set up to implement it.

A review of ethical risks and an analysis of how they are handled prompted the Group to supplement its ethics approach and to set up a global ethics and compliance management system ("ECMS").

This new ECMS, which was approved in July 2019 by the Executive Committee and then by the Audit Committee, is being developed in all countries. It is based on Group requirements, implemented at various levels of the organization, including:

- A network of ethics and compliance country officers, who report functionally to the Group's Risk, Ethics and Insurance Department, and who are tasked with effective deployment of the system;
- Compliance risk mapping;
- Prior due diligence concerning third parties (KYC – Know Your Counterparties);
- Training and awareness-raising of stakeholders;
- The ethics whistleblower system.

The ECMS requires each country to set up an ethics whistleblowing system that protects whistleblowers. Ethics alerts are compiled in a semiannual report submitted to the Group and, for certain types of incidents the Group deems unacceptable (such as bribery or personal data protection breaches), the incident is reported immediately.

The Group has also set up an "alerts and incidents" system that ensures that any serious incident (human, environmental, etc.) is immediately reported and handled appropriately.

The Alerts and Incidents and Ethics Alert systems enable the Transdev Group to identify, handle and monitor any non-financial risk that arises.

The new ECMS periodic monitoring process includes an annual self-assessment exercise, and first- and second-level controls. It was implemented starting in January 2020 and enables the Group and its governing bodies to take stock of all its ethics and compliance systems and, therefore, to assess its vigilance plan.

Our policy to promote respect for fundamental rights

Due to its business model and the location of its businesses, the Transdev Group's exposure to human rights abuses, such as forced labor or child labor, stems primarily from the actions of third parties with which it works (suppliers, subcontractors, etc.). Other issues, such as harassment, discrimination or failure to respect freedom of association, may arise in the Group's activities.

In 2018, the Group adopted a fundamental rights protection policy, which reiterates the Group's operating principles:

- Acceptable working conditions;
- Acceptable working hours, wages, vacations;
- Fair treatment (no harassment or discrimination, respect for privacy);
- Freedom of association,
- Refusal of forced labor and child labor;
- Acceptable impact of our operations on local communities.

These principles, which are in line with the Group's Code of Ethics, are implemented by the Group's employees and managers, and are analyzed in detail in connection with the approval process for significant Group projects (development, acquisition, divestment, organization, etc.) reviewed by the Group's Commitment Committee.

Our Key Performance Indicator

KPIs	2019	2020
Annual percentage of projects approved by the Group Engagement Committee for which fundamental rights risks have been assessed and treated*	19.5%	61.3%

** Failure to respect human rights in the supply chain (forced labor and child labor), failure to respect freedom of association, discrimination, harassment*

In 2020, the frequency of reviews increased, reaching a rate of 61.3%, but not yet the 100% target that Transdev has set for itself. It is therefore necessary to communicate and explain the process internally, to make it easier to understand and systematically ensure upstream validation of the project of the existence and the result of the analysis. After a year additional operation, it appears that the indicator is relevant for projects in new countries at risk, but that it could be optimized in low-risk countries and / or where the Group is strongly implanted.

Note: A large number of projects are on a European scope.

Our personal data protection policy

The Transdev Group manages tens of thousands of employees and millions of passengers each day. This involves handling large quantities of personal data, which must be protected and processed in the best interests of the various stakeholders.

The adoption of the General Data Protection Regulation (GDRP) has been an opportunity for the Group to implement a policy aimed at ensuring optimal and protected management of personal data. In addition to the European regulation, seven principles have been established that provide a common language across all geographical areas. They aim to provide effective protection of data subjects' data and to optimize the management of their data. The Group thus views the GDPR and deploys it internally as a tool for progress, and not merely a regulatory constraint.

The "Data Privacy" process is supported by a network of Data Protection Officers in European countries which will ultimately incorporate representatives from other countries, to ensure that personal data is processed in accordance with the Group's principles, such as data minimization, reliability and security, as well as local laws. Depending on the size and organization of the countries, DPOs or local contacts may be appointed.

The network of country DPOs meets periodically to share experiences, best practices and difficulties encountered, and to work to improve the system.

Effective deployment of the GDPR is monitored on the basis of 12 criteria applicable to each entity and to groups of entities.

At this stage, the main European countries all have a DPO and effectively apply the 12 criteria. Coordination with non-European countries remains an area for improvement.

Our Key Performance Indicator

KPIs	2019	2020
Share of countries covered by a personal data protection officer compared to the total number of countries in the consolidation scope	N/A	87.5%

In 2020, almost all countries have a Data Privacy correspondent. The European network is in place and will be extended to other countries in 2021.

Our combat against tax evasion

To ensure compliance with and respect for the laws in force, our tax governance is based on ethics and transparency.

Tax ethics

The Transdev Group does business in 17 countries. Our tax contribution (payment of taxes) is made in these countries and complies with local and international tax rules.

Our business has local economic impacts, such as job creation. In addition to corporate income tax, we pay other contributions in the countries in which we do business: social security contributions, wage withholding taxes, taxes paid on goods and services (VAT, GST, etc.), local taxes, electricity and diesel taxes, and other local taxes.

When the Group operates in countries where the corporate tax rate is lower than in France, it is able to prove that it is engaged in a genuine business activity and that it has economic substance in those countries.

Tax transparency

The Group maintains a professional and cooperative relationship of confidence with the tax authorities in the countries where it operates and communicates all relevant information in a transparent manner, in compliance with its legal and tax obligations. For example, in 2019, Transdev in Australia obtained an excellent assessment from the Australian tax authorities in a "Top 1000 Streamlined Assurance Review" of the 2015-2018 fiscal years, particularly in the areas of transfer pricing, tax governance, tax risk management and reconciliation of tax and accounting results. The Group's companies ensure that tax returns are filed and payments are made in accordance with the local laws in force. Our tax conduct is consistent with international developments: OECD guidelines, the Base Erosion and Profit Shifting (BEPS) project, the Anti-Tax Avoidance Directive (ATAD), which follows from the BEPS project, etc.

Each year, the Group prepares and publishes the following documents:

- Country-by-country reporting (CBCR) since 2016
- Transfer pricing documentation prepared in accordance with tax authorities and Action 13 of the BEPS project.

Our efforts to fight corruption

The Transdev Group generates a significant share of its revenue from public authorities through calls for bids. It is therefore naturally exposed to the risk of bribery of public officials and influence peddling for example, which, in some cases, could take the form of inappropriate sponsorship actions.

Compliance by all stakeholders is at the core of the Group's ethics approach. Transdev has therefore adopted a principle of zero tolerance for bribery and influence peddling. It has drafted a specific code of conduct, which is supplemented, whenever necessary or of use, by appropriate procedures, in particular concerning sales intermediaries and sponsorships and corporate philanthropy.

The anti-corruption approach is deployed through a network of country Ethics and Compliance officers and focuses on providing training to employees. Each manager in the Group must complete an e-learning course. This course goes over and explains the Group's demanding standards, the procedures in effect, including the ethics whistleblowing system, and the possibility for each individual to contact management and the functional departments if they need help, information or explanations.

In past years, certain Group subsidiaries were investigated by local administrative or judicial authorities. The Transdev Group monitors each of these potential incidents and systematically cooperates with the authorities.

The Group regularly reminds its employees of its commitment to ethics, integrity and the absolute necessity to combat all forms of corruption.

In 2020, the Risk, Ethics and Insurance Department assisted each country to update and expand its mapping of corruption risks, before establishing a consolidated version. Action plans have been identified and implemented. Their implementation will enhance the effectiveness of the system.

Our Key Performance Indicator

KPIs	2019	2020
Percentage of managers trained in anti-corruption measures every 3 years 2018-2019-2020	72%	75%
of which percentage of managers trained during the year	*16%*	*8%*

Anti-corruption training for managers was launched in 2018, a programme that is deployed over a three-year cycle.

As of December 31, 2020, 75% of managers had been trained, of which 8% were trained in 2020 alone.

8. Follow up of our non-financial performance

Methodological note

METHOD USED TO DEVELOP THE BUSINESS MODEL

The business model highlights our methods for creating and preserving value over the long term through our service offers. It reflects the Group's strategic vision.

The business model is the product of the joint efforts, at the Group level, of the Finance Department and the Transformation and Strategy Department.

METHOD USED TO IDENTIFY THE MAIN NON-FINANCIAL RISKS

We implement a global risk management policy throughout the Group intended to identify, assess and prioritize material adverse events that could impact it. Depending on the Group's risk appetite, potential events are handled in order of importance to reduce them to an acceptable level.

This methodology takes into account all risks and activities. It is based on a field viewpoint, which is consolidated, reviewed and adjusted at the Group level.

To analyze non-financial risks, this operating method was applied with an additional level of detail and specific requirements. For each family of risks (environment, social, fundamental rights, etc.), scenarios were defined in conjunction with the relevant experts of the Group and from certain countries in an effort to ensure completeness. These scenarios were compiled into a list shared with all Group contributors to non-financial performance in order to ensure their relevance and consistency.

In each country in which the Group does business, all scenarios were analyzed and evaluated in terms of impact and probability and, if applicable, the control systems in place and additional action plans were discussed. These analyses were then consolidated by the Risk Department into a proposed hierarchy by risk family. These were then reviewed and challenged by the relevant Group experts to arrive at the risks of each family. Lastly, the entire analysis was presented to the Executive Committee for final review.

In 2020, the mapping of non-financial risks was updated. Due to the demands placed on our teams to respond to the Covid crisis, this update was simplified. Not all scenarios were reviewed, but each country updated its general risk map based on the impact of the pandemic.

In addition, with respect to corruption risks, a country-specific exercise was carried out, based on a process analysis.

THE REPORTING SCOPE

The consolidation scope of non-financial information is the same as that used to prepare the consolidated financial statements.

This non-financial information is then consolidated applying the method used to integrate the company into the Group's consolidation scope:

- the non-financial data of fully consolidated companies is included in full during the period they are consolidated;
- the non-financial data of joint activities is included only in proportion to their consolidation rate during the consolidation period;
- the non-financial data of companies consolidated using the equity method (joint ventures and associates) is not included.

The entities included in the environmental scope are fully or partially consolidated entities that engage in a transportation business that is not subcontracted. Legal entities disposed of or acquired during the year of the reporting period are also excluded.

The environmental scope does not include fleet and emission data from Finland.

REPORTING METHODOLOGY

Each department is responsible for its own indicators, which the CSR department centralizes for inclusion in the Statement of Non-Financial Performance.

We use two methods to collect and consolidate data:

- Data may be processed by the sites and then consolidated, for example for HR, environmental, health/safety and security indicators;
- Data may be processed centrally, as is the case for procurement and ethics indicators

The GHG emission factors for electricity consumption by country, road diesel, rail diesel, light marine diesel, heavy marine diesel, vehicle natural gas, liquefied petroleum gas and gasoline are derived from the GHG Protocol Carbon Base.

For the 2019 Statement of Non-Financial Performance, the GHG emissions reporting protocols were changed from the ADEME protocol to the GHG protocol. In addition, the pollutant reporting protocols no longer rely on business data, but on ADEME data taken from the "Overview and evaluation of various urban bus sectors" study for Euro II to VI engines.

Emission factors for Euro 0 and Euro I engines reflect business data from internal studies.

Definition:

- The low emission fleet includes all Euro VI vehicles, hybrids, CNG Biogas, Electric, Biodiesel, Hydogen.

The concept of alternative fleet excludes all vehicles operating with fossil fuel (including Euro VI). Transdev has renewed its environmental commitments in 2020 and foresees an increase of its 50% alternative fleet in 2030.

The following indicators were developed or modified in 2020 in line with the deployment of Transdev policies:

Procurement

- Percentage of master contracts > € 1M that incorporate the suppliers' Charter (Group perimeter).

Security

- The indicator "Number of physical assaults on passengers/million km" will be deployed for 2021.
- The indicator "Share of countries covered by a national security officer" has been defined and is reported on in 2020.

Data Privacy

- Share of countries covered by a personal data protection officer compared to the total number of countries in the consolidation scope;
- The percentage of employees trained in personal data protection risks will be provided for fiscal year 2021.

VERIFICATIONS CARRIED OUT OF OUR SOCIAL, ENVIRONMENTAL AND SAFETY REPORTING SYSTEMS

Each year, definition references are shared with the network of contributors and any changes to be applied by our contributors are made following discussions, prior to the launch of reporting campaigns in order to ensure, to the extent possible, that they properly understand which data is expected and that this information is reliable.

The quality of non-financial information is a priority for the Group and, therefore, our teams are engaged in continuous data quality improvement process. In all countries, optimization initiatives have been deployed by activating all available tools in the information production chain: exhaustive and reliable data sources, modernized data collection architectures, effective use and reporting of information, ensuring data consistency at the Group level.

COMBATING FOOD WASTE AND FOOD INSECURITY, AND ENSURING ANIMAL WELFARE AND RESPONSIBLE, EQUITABLE AND SUSTAINABLE FOOD PRODUCTION

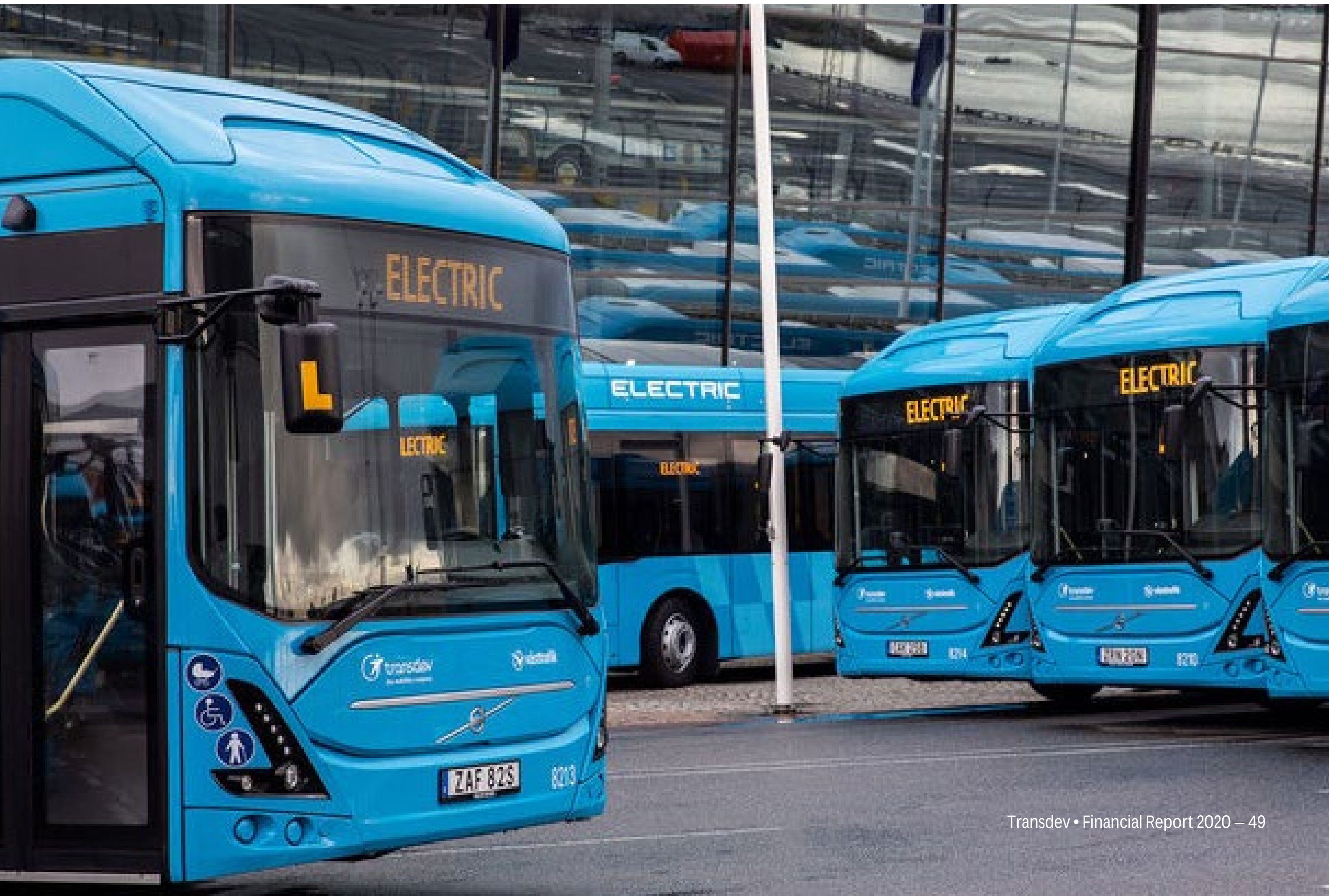
As of the date of this document, we have no knowledge of any actions to combat food waste and food insecurity or to ensure animal welfare. We are aware that these are essential issues but they do not concern our business sector.

We strive to ensure responsible, equitable and sustainable food production through our agreements with our inter-company catering provider, which:

- Offers consumers healthy life choices and encourages them to follow them;
- Promotes local development and equitable, inclusive and sustainable business practices;
- Is a responsible buyer and provides management services that reduce carbon emissions.

The information contained in this document meets the requirements of Order No. 2017-1180 and Implementing Decree No. 2017-1265, which transposed Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014 on the disclosure of non-financial information.

This document is an appendix to the Transdev Group's management report.



Focuses	KPIs	Results 2019	Results 2020	Goal	Trends
Environment	Rate of entities that experienced accidental pollution during the period	1.6%	2.3%	*Decrease compared to year "N-1"*	↘
	Low-emission fleet rate	45.2%	54%	*Reach +50% of alternative fleet by 2030*	↗
	GHG emissions kg/100 km travelled	85.6	84.9	*Reach -30% by 2030*	↗
	Pollutant emissions g/100 km travelled	CO: 64.0 Nox 1099,1 PM: 6.9 HC: 19.8	CO : 50 Nox : 954.6 PM : 5.3 HC : 13.4	*Decrease compared to year "N-1"*	↗
Procurement	Percentage of master contracts > 1 M € that incorporate the Suppliers' Charter	NA	78%	*100%*	
Safety	Workplace accident frequency rate	22.22	18.06	*Decrease compared to year "N-1"*	↗
	Workplace accident severity rate	1.68	1.63	*Decrease compared to year "N-1"*	↗
	Major accident rate	0.03	0.02	*Decrease compared to year "N-1"*	↗
Security	Frequency rate of workplace accidents due to assault	2.27	2.07	*Decrease compared to year "N-1"*	↗
	Severity rate of workplace accidents due to assault	0.06	0.38	*Decrease compared to year "N-1"*	↘
	Share of countries covered by a national security officer relative to the total number of countries in the consolidation scope		100%	100%	
HR	Absenteeism rate	6.1%	7.3%	*Decrease compared to year "N-1"*	↘
	Employee turnover rate	20.5%	19.3%	*Decrease compared to year "N-1"*	↗
	Percentage of employees who received at least one training course during the year	80.2%	70%	*80% of employees*	↘
	Percentage of employees who had an annual interview	83%	89.3%	*100% of employees (target for managers)*	↗
	Commitment policy deployment rate	38%	*59%*	*100% (by 2022)*	↗
Fundamental rights	Annual percentage of projects approved by the Group Engagement Committee for which fundamental rights risks have been assessed and treated	19.5%	61.3%	*100%*	↗
Personal data protection	Share of countries covered by a personal data protection officer compared to the total number of countries in the consolidation scope		87.5%	*100%*	
Anti-corruption efforts	Percentage of managers trained in anti-corruption measures every 3 years (aggregated 2018-2019) *of which percentage of managers trained in 2020*	72% *16%*	75% *8%*	*100% (every 3 years)*	↗

** N/A : this KPI wasn't publish in 2019*

Our contribution to the UN sustainable development goals

SDG	Initiatives/Commitments undertaken by Transdev
1 NO POVERTY	▪ Transdev hires in all the local areas it serves and promotes the inclusion of persons who experience difficulty finding work. ▪ Transdev is committed to initiatives to encourage social inclusion and reduce inequalities in access to transportation.
3 GOOD HEALTH AND WELL-BEING	▪ Transdev deploys a Safety policy and a Security policy in all countries where it operates.
5 GENDER EQUALITY	▪ Transdev deploys a policy to promote respect for fundamental rights. ▪ Transdev is committed to diversity and inclusion through its Group Diversity and Inclusion Program.
7 AFFORDABLE AND CLEAN ENERGY	▪ Transdev deploys an Environmental policy and a Responsible Procurement policy. ▪ Working alongside local authorities, Transdev develops clean mobility solutions focusing on the use of green energies (vehicle natural gas (VNG), hybrid, electric and hydrogen-powered buses). ▪ Transdev develops solutions to facilitate Mobility as a Service (MaaS) intermodal exchanges.
8 DECENT WORK AND ECONOMIC GROWTH	▪ Transdev deploys a Safety policy and a Security policy. ▪ Transdev deploys a policy to promote respect for fundamental rights and a vigilance plan. ▪ Transdev promotes social and economic inclusion by working with local stakeholders. ▪ Transdev deploys an Ethics and Compliance Management System. ▪ Transdev deploys a Responsible Procurement policy.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	▪ Transdev deploys an Environmental Management System. ▪ Transdev develops clean, autonomous and electric mobility solutions.
10 REDUCED INEQUALITIES	▪ Transdev develops integrated and inclusive mobility solutions. ▪ Transdev promotes social ties through the Transdev Foundation. ▪ Transdev develops Learning programs to enhance opportunities for its employees. ▪ Transdev deploys a Diversity and Inclusion program. ▪ Transdev deploys an Ethics and Compliance Management System and a policy to promote respect for fundamental rights.
11 SUSTAINABLE CITIES AND COMMUNITIES	▪ Transdev deploys an Environmental policy and a Security policy. ▪ Transdev deploys clean, autonomous and electric mobility solutions. ▪ Transdev provides efficient and shared on-demand solutions. ▪ Transdev deploys a Responsible Procurement policy.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	▪ Transdev deploys an Environmental policy and a Responsible Procurement policy.
13 CLIMATE ACTION	▪ Transdev deploys an Environmental policy and is committed to a more ecological and cleaner mobility.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	▪ Transdev deploys an Ethics and Compliance Management System and a policy to promote respect for fundamental rights.
17 PARTNERSHIPS FOR THE GOALS	▪ Transdev promotes social ties through the Transdev Foundation and develops local partnerships in the local areas it serves. ▪ Transdev applies an ethics charter and deploys an ECMS policy.

"GC Advanced" cross-reference table

Réseau France

INTEGRATION OF THE 10 PRINCIPLES IN STRATEGY AND OPERATIONS		
The COP describes mainstreaming into corporate functions and business units	"Transdev, a sustainability driven group" "Management of our non-financial performance"	*Chap 2* *Chap 2*
The COP describes implementation of in the value chain of reliable policies and procedures on human rights	"Transdev's commitment to a robust ethical process"	*Chap 7*
RELIABLE POLICIES AND PROCEDURES ON HUMAN RIGHTS		
The COP describes robust commitments, strategies or policies in the area of human rights	"CSR dashboard" "Transdev's commitment to a robust ethical process" "Our contribution to the UN sustainable development goals"	*Chap 2* *Chap 7* *Chap 6*
The COP describes effective management systems to integrate the human rights principles	"CSR dashboard" "Transdev's commitment to a robust ethical process"	*Chap 2* *Chap 7*
The COP describes effective monitoring and evaluation mechanisms of human rights integration	"Transdev's commitment to a robust ethical process" "Methodological note" "Follow up of our non-financial performance"	*Chap 7* *Chap 8* *Chap 8*
RELIABLE POLICIES AND PROCEDURES ON LABOR PRINCIPLES		
The COP describes robust commitments, strategies or policies in the area of labor	"CSR dashboard" "The people of the Group are at the heart of our sustainable performance" "Engagement and Diversity & Inclusion" "Our contribution to the UN sustainable development goals"	*Chap 2* *Chap 6* *Chap 6* *Chap 8*
The COP describes effective management systems to integrate the labor principles	"The people of the Group are at the heart of our sustainable performance" "Employee development"	*Chap 6* *Chap 6*
The COP describes effective monitoring and evaluation mechanisms of labor principles integration	"The people of the Group are at the heart of our sustainable performance" "Methodological note" "Follow up of our non-financial performance"	*Chap 6* *Chap 8* *Chap 8*
RELIABLE POLICIES AND PROCEDURES ON ENVIRONMENTAL PROTECTION		
The COP describes robust commitments, strategies or policies in the area of environmental stewardship	"CSR dashboard" "Our commitments and tools for facing climate challenges" "Our contribution to the UN sustainable development goals"	*Chap 2* *Chap 3* *Chap 8*
The COP describes effective management systems to integrate the environmental principles	"Formalizing our commitment at the core of the Group's environmental policy"	*Chap 3*
The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	"Our environmental sustainability commitment" "Methodological note" "Follow up of our non-financial performance"	*Chap 3* *Chap 8* *Chap 8*
RELIABLE POLICIES AND PROCEDURES IN THE AREA OF ANTI-CORRUPTION		
The COP describes robust commitments, strategies or policies in the area of anti-corruption	"CSR dashboard" "Transdev's commitment to a robust ethical process" "Our efforts to fight corruption" "Our contribution to the UN sustainable development goals"	*Chap 2* *Chap 7* *Chap 7* *Chap 8*
The COP describes effective management systems to integrate the anti-corruption principle	"Transdev's commitment to a robust ethical process" "Our efforts to fight corruption"	*Chap 7* *Chap 7*
The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	"Transdev's commitment to a robust ethical process" "Methodological note" "Follow up of our non-financial performance"	*Chap 7* *Chap 8* *Chap 8*
ACTING TO SUPPORT THE WIDER GOALS OF THE UNITED NATIONS		
The COP describes core business contributions to UN goals and issues	"Management of our non-financial performance" "Our contribution to the UN sustainable development goals"	*Chap 2* *Chap 8*
The COP describes strategic social investments and philanthropy	"A foundation to support local initiatives"	*Chap 4*
The COP describes advocacy and public policy engagement	"Transdev, the economic and social partner of local areas"	*Chap 4*
The COP describes partnerships and collective action	"A longstanding CSR commitment" "Our fundamental role in regional development" "Our commitment toward greater diversity and inclusion"	*Chap 2* *Chap 4* *Chap 6*
GOVERNANCE AND ACCOUNTABILITY LEADERSHIP		
The COP describes CEO commitment and leadership	"Transdev, a global group resilient in the face of the pandemic"	*Chap 1*
The COP describes Board adoption and oversight		
The COP describes stakeholder engagement	"Stakeholders' expectations" "Exchange and dialogue"	*Chap 2* *Chap 2*

9. Vigilance Plan

In accordance with Act No. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and principals, Transdev Group has adopted and implements a plan that includes reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, or threats to the health and safety of persons or of environmental damage, due to its activities and those of the companies it directly or indirectly controls within the meaning of Article L. 233-16(II) of the commercial code, as well as due to the activities of subcontractors or suppliers with whom it maintains an established business relationship, if such activities are related to that relationship.

This initiative is based on:

1. A process for identifying, analyzing and prioritizing risks
2. Established assessment procedures for risk mapping purposes
   - **2.1** Assessment of subsidiaries
   - **2.2** Assessment of subcontractors and suppliers
3. Appropriate actions to mitigate risks or prevent serious harm
   - **3.1** A framework of fundamental rules
   - **3.2** Responsible and accountable governance
   - **3.3** Concrete prevention and monitoring actions
4. A mechanism for reporting and receiving reports on the existence or occurrence of risks
5. A system for monitoring measures implemented and evaluating their effectiveness
   - **5.1** Risks and Compliance
   - **5.2** Non-financial performance
6. Implementation report

This document is an appendix to the Transdev Group's management report.

1. A process for identifying, analyzing and prioritizing risks

The Group's main risks with respect to the duty of vigilance concern:

- Fight against climate change, reducing pollution and implementing energy transition;
- The health, safety and security of passengers and employees (preventing serious bus and train accidents, workplace accidents, incivility and violence in public transportation, terrorist and armed attacks and assaults on employees or passengers);
- Responsible and sustainable procurement;
- Fundamental rights (preventing risks of violations of fundamental rights, including harassment and discrimination);
- Business ethics (combating all forms of corruption, influence peddling, money laundering and terrorist financing).

The mapping methodology used is described in Section 8 of the statement of non-financial performance and additional details are provided in the "Methodological Note" section of the same document.

2. Established assessment procedures for risk mapping purposes

1. ASSESSMENT OF SUBSIDIARIES

Vigilance plan risks were assessed for each country using a bottom-up approach. The methodology developed and used enables each country to apply this analysis within its subsidiaries.

The Group's performance indicators described in the statement of non-financial performance are applied within the various entities to enable each entity to track its performance and changes over time, as well as for reporting purposes.

2. ASSESSMENT OF SUBCONTRACTORS AND SUPPLIERS

This assessment and its results are described in the "Transdev, the economic and social partner of local areas" section of the statement of non-financial performance.

3. Appropriate actions to mitigate risks or prevent serious harm

1. A FRAMEWORK OF FUNDAMENTAL RULES

Transdev has adopted policies, procedures and codes of conduct that are binding on its stakeholders (employees, subcontractors, suppliers, consultants, service providers, etc.). The topics within the scope of the duty of vigilance that are covered by these policies and procedures include:

- Group Health & Safety Policy;
- Group Environmental policy;
- The Anti-Corruption Policy and Code of Conduct;
- The Ethics and Compliance Management System, including the anti-corruption code of conduct;
- The Group Sponsorship and Corporate Philanthropy Procedure;
- The Corporate officers appointment Procedure;
- The sales intermediaries, service providers and lobbyists procedure;
- The Risk Policy;
- The Crisis Management Procedure and Incident Reporting Procedure;
- The Code of Ethics;
- The Procurement Procedure and suppliers' Charter;
- The Internal Control Charter.

These policies, procedures and codes are approved by the Executive Committee and circulated to all employees. In addition, whenever relevant, they are provided to the Group's stakeholders, who are requested to undertake to comply with them. They are regularly reviewed and modified, in accordance with the same approval process.

2. RESPONSIBLE AND ACCOUNTABLE GOVERNANCE

The Group has set up a chain of delegations of authority and signature powers that defines and limits the authority of the holders' powers, and it reminds them of their obligation to comply with, and to take reasonable and necessary measures to ensure that their teams are familiar and comply with all aspects of the statutes and regulations on preventing terrorism, organized crime and money laundering, as well as with the procedures, policies and codes adopted by the Company, in particular on:

- Safety
- Bribery, influence peddling and other conflicts of interests;
- Money laundering and the Financing of Terrorism;
- Fundamental rights;
- Anti-competitive practices;
- Environment.

It has also adopted a review and decision-making procedure for development and operational projects that is implemented by the Country and Group Commitment Committees, as well as by an Investment Committee, which are responsible for examining these projects and operations based on criteria defined by the Group, and which incorporates the issues covered by this vigilance plan and our mitigation & action plans in the event of specifically identified risks. These committees are chaired by the manager responsible for the relevant business scope.

The Group Commitment Committees are managed by the Risks, Ethics and Insurance Department.

3. CONCRETE PREVENTION AND MONITORING ACTIONS

In addition to internal regulations and attentive governance, the Group has implemented risk management measures (Security, Safety and Environmental Management Systems, Training, Audits, Investigations), which are described in greater detail in Sections 3 to 7 of the statement of non-financial performance.

4. A mechanism for reporting and receiving reports on the existence or occurrence of risks

The Group has adopted a reporting and incident management procedure to quickly circulate information on confirmed significant risks, which ensures such information is handled by the ordinary organization or a crisis management structure.

The system, which is managed by the Risk, Ethics and Insurance Department, is on call 24/7.

In addition, various functional reports are used to periodically report incidents by type (Health and Safety, Security, Environment, Fraud, etc.).

Information is periodically cross-referenced between the Risk Department and the relevant functional departments to ensure that information is consistent and that incidents are handled and monitored.

Lastly, an ethical whistleblowing procedure has been set up in all countries where the Group operates. Employees may, in good faith and in a disinterested manner, report a serious non-compliance or danger of which they are personally aware, with respect to the following issues: accounting, finance, banking, corruption, influence peddling or money laundering, anti-competitive practices, discrimination, harassment and, more generally, respect for the fundamental rights, health and physical or mental integrity of any person concerned by our business, and protection of the environment and biodiversity.

This process, managed by the Risk, Ethics and Insurance Department, operates in a manner that protects the rights of the relevant persons. Information has been circulated within the Group about the existence of the whistleblowing system.

The Group has also set up a dedicated e-mail address – "ethics@transdev.com" – that all employees can use to contact the Risk, Ethics and Insurance Department if they have questions or need assistance.

5. A system for monitoring measures implemented and evaluating their effectiveness

1. RISKS AND COMPLIANCE

Every six months, the Executive Committee meets as the Risk Committee to review risk and compliance management within the Group, actions completed and ongoing actions and their results, and decides on additional actions to be taken.

The information necessary for this review is prepared by the Risk Department in conjunction with the countries, the functional departments and the members of the Executive Committee.

Specific preparatory work is carried out on issues in relation to ethics and compliance. Information on the implementation of this system is reported on a semi-annual basis by the country representatives. The contributions are consolidated in the report submitted to the Ethics and Compliance Committee. That committee's analyses and proposals are included in the semiannual risk report.

Each year, the Audit Committee also examines the risks and compliance review presented by the Risk, Ethics and Insurance Department, the engagement plans of the Internal Audit and Internal Financial Control Departments and their reports on their audits, recommendations, and the follow-up to the implementation of the plans and measures adopted.

2. NON-FINANCIAL PERFORMANCE

The report and its conclusions are reviewed annually by the Audit Committee.

6. Implementation report

In 2020, the Group made progress on the various components of the vigilance plan, in particular:

- Preparing a detailed mapping of corruption risks by country;
- Updating the Procedure on sales intermediaries;
- Performing first- and second-level controls of the Group's ethics and compliance requirements.

These advances contribute to improving risk management and ensuring the effective implementation of the plan, across the entire business scope.

Report by one of the Statutory Auditors on the consolidated non-financial statement included on a voluntary basis in the Group management report

FOR THE YEAR ENDED 31/12/2020

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,
In our capacity as Statutory Auditor, we hereby report to you on the non-financial statement for the year ended 31/12/2020 (hereinafter the "Statement"), included in the Group management report in reference to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.
The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105-I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000[1]:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (poor skills planning, fighting corruption, failure to respect human rights in the supply chain, personal data breaches, assaults of an employee or passenger), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities[2] ;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[2] and covers between 29% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 6 people between November 2020 and February 2021 and took a total of 4 weeks.

We conducted some 20 interviews with the people responsible for preparing the Statement, representing in particular CSR, Human Resources, Health and Safety, Environmental, Risks, Ethics and Insurance Departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

[1] *ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information*
[2] *Transdev France, Transdev Le Havre (LiA)*

APPENDIX 1 : INFORMATION CONSIDERED MOST IMPORTANT

Qualitative information (actions and results) relating to the main risks:

- Policy related to the protection of personal data
- "Back on Track" system to address the health crisis

Quantitative indicators including key performance indicators

Social indicators:
Absenteeism rate; Employee turnover rate; Percentage of employees who received at least one training course during the year; Percentage of employees who had an annual interview.

Health and security indicators:
Major accident rate; Workplace accident frequency rate; Workplace accident severity rate.

Safety indicators:
Frequency rate of workplace accidents due to assault; Severity rate of workplace accidents due to assault; Share of countries covered by a national security officer relative to the total number of countries in the consolidation scope.

Environmental indicators:
Rate of entities that experienced accidental pollution during the period; Low-emission fleet rate; Pollutant emissions/100 km travelled; GHG emissions/100 km travelled.

Sustainable purchasing indicator:
Percentage of master contracts > 1 M € that incorporate the Suppliers' Charter.

Corruption indicator:
Percentage of managers trained in anti-corruption measures every 3 years.

Fundamental human rights indicator:
Annual percentage of projects approved by the Group Engagement Committee for which fundamental human rights risks have been assessed and treated.

Personal data protection indicator:
Share of countries covered by a personal data protection officer compared to the total number of countries in the consolidation scope.

Consolidated Financial Statements Transdev Group S.A.

As of December 31, 2020

transdev
the mobility company

Contents

Information on Transdev Group

Transdev Group, the parent company of the Transdev group (hereinafter "Transdev" or the "Group") is a joint stock company *(société anonyme)* incorporated under French law, which has a stated capital of €1,206,035,927.20, and which was registered with the Nanterre Trade and Companies Registry under number 521 477 851 on December 12, 2011. The head office is located at 3 allée de Grenelle, 92 130 Issy-les-Moulineaux, France.

Transdev is a global mobility operator: it designs, sets up and operates passenger transportation systems that incorporate all modes of land and sea travel, combining a range of public transportation services and on-demand mobility solutions, and offering services that facilitate passengers' daily lives. Transdev's approach, which is rooted in long-term partnerships, is to advise and provide support to businesses and public authorities in the pursuit of the safest and most innovative mobility solutions. Its corporate mission is focused on the following objectives: "We empower freedom to move every day thanks to safe, reliable and innovative solutions that serve the common good."

In 2020, the Group generated consolidated revenue of €6.8 billion and did business in 17 countries. It comprises 592 consolidated subsidiaries and has 75,747 employees (average number of full-time equivalent employees). In addition, the Group participates in part state-owned corporations *(sociétés d'économie mixte)* in France, in which the Group holds non-controlling interests.

Caisse des Dépôts is a 66% shareholder in Transdev Group; the remaining 34% of the capital is held by Rethmann France.

I. Consolidated income statement

(€ millions)	December 31, 2019	December 31, 2020	Notes
REVENUE	**7,415.5**	**6,755.6**	**VI.4.1**
Cost of sales	(6,590.4)	(6,068.7)	
Selling costs	(55.9)	(39.3)	
General and administrative expenses	(624.0)	(638.2)	
Other items of current operating result	(0.1)	0.1	
CURRENT OPERATING RESULT	**145.1**	**9.5**	**VI.4.1**
Other operating income and expenses	(9.8)	(67.3)	
OPERATING RESULT	**135.3**	**(57.8)**	**VI.4.1**
Share of net income (loss) of equity-accounted entities	6.7	1.9	
o/w share of net income (loss) of joint ventures	3.3	0.3	VI.8
o/w share of net income (loss) of associates	3.4	1.6	VI.8
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**142.0**	**(55.9)**	
Net finance costs	(45.3)	(42.0)	VI.9.3
Other financial income and expenses	(9.9)	(0.4)	VI.9.3
Income tax expense	(33.5)	(14.0)	VI.12.1
NET INCOME FROM CONTINUING OPERATIONS	**53.2**	**(112.3)**	
Net income (loss) from discontinued operations	-	0.3	
NET INCOME (LOSS)	**53.2**	**(112.0)**	
Share of non-controlling interests	(7.5)	2.8	
SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**45.7**	**(109.2)**	

The accompanying notes are an integral part of the consolidated financial statements.

II. Consolidated statement of comprehensive income

(€ millions)	December 31, 2019	December 31, 2020
NET INCOME (LOSS) FOR THE YEAR	**53.2**	**(112.0)**
Actuarial gains or losses	(4.2)	(0.3)
Related income tax	2.3	(4.9)
Amount net of tax	(1.8)	(5.2)
Fair value adjustments on equity instruments	0.3	(0.6)
Related income tax	-	0.1
Amount net of tax	0.3	(0.5)
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	**(1.5)**	**(5.7)**
o/w attributable to joint ventures	-	-
o/w attributable to associates	*0.1*	-
Fair value adjustments on derivatives used as cash flow hedge	2.0	(0.1)
Related income tax	(0.6)	-
Amount net of tax	1.4	(0.1)
Foreign currency translation		
Translation differences on the accounts of subsidiaries kept in foreign currencies	-	*0.3*
Translation differences on net foreign investment financing	*(0.8)*	*1.0*
Related income tax	0.2	(0.3)
Amount net of tax	(0.6)	0.7
Net foreign exchange gains and losses	(0.6)	1.1
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	**0.8**	**1.0**
o/w attributable to joint ventures	*0.2*	*0.5*
o/w attributable to associates	*0.5*	*(3.5)*
TOTAL OTHER COMPREHENSIVE INCOME [(1)]	**(0.7)**	**(4.7)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**52.5**	**(116.7)**
Attributable to owners of the parent company	45.2	(113.1)
Attributable to non-controlling interests	7.3	(3.6)

(1) The other comprehensive income attributable to activities held for sale as defined in IFRS 5 for the year ended December 31, 2020 totaled €2.4 million.

The accompanying notes are an integral part of the consolidated financial statements.

III. Consolidated statement of financial position

ASSETS *(€ millions)*	December 31, 2019	December 31, 2020	Notes
Goodwill	826.5	812.6	VI.7
Other intangible assets	135.8	105.6	VI.6.1
Property, plant and equipment	1,157.8	1,105.8	VI.6.2
Right-of-use assets	1,073.0	1,048.4	VI.6.3
Investments in equity-accounted companies	73.5	33.5	VI.8.1
Non-current operating financial assets	271.3	342.6	VI.6.4
Other non-current financial assets	71.9	69.1	VI.9.2
Deferred tax assets	41.2	23.2	VI.12.2
TOTAL NON-CURRENT ASSETS (I)	**3,651.0**	**3,540.8**	
Inventories and work in progress	127.3	123.0	VI.4.2
Operating receivables	1,520.0	1,342.7	VI.4.2
Current operating financial assets	37.0	41.7	VI.6.4
Other current financial assets	182.1	63.0	VI.9.2
Current derivative instruments - assets	0.5	0.1	VI.9.4
Cash and cash equivalents	336.3	514.0	VI.9.1
Assets held for sale	22.8	-	
TOTAL CURRENT ASSETS (II)	**2,226.0**	**2,084.5**	
TOTAL ASSETS (I+II)	**5,877.0**	**5,625.3**	

EQUITY AND LIABILITIES *(€ millions)*	December 31, 2019	December 31, 2020	Notes
Capital	1,206.0	1,206.0	
Reserves and retained earnings attributable to owners of the parent company	(213.4)	(327.0)	
Equity and net income attributable to owners of the parent company	**992.6**	**879.0**	**VI.11**
Equity and net income attributable to non-controlling interests	27.5	23.4	VI.11
EQUITY (I)	**1,020.1**	**902.4**	
Non-current provisions	376.8	409.6	VI.10
Non-current financial liabilities	1,020.9	657.4	VI.9.1
Non-current lease liabilities	809.0	840.1	VI.9.1
Provision of rolling stock under concession arrangements - Non-current part	33.6	74.8	VI.6.4
Non-current derivative instruments - liabilities	1.8	1.2	VI.9.4
Other non-current liabilities	64.3	34.8	
Deferred tax liabilities	42.4	34.3	VI.12.2
TOTAL NON-CURRENT LIABILITIES (II)	**2,348.8**	**2,052.2**	
Operating payables	1,976.5	2,148.9	VI.4.2
Current provisions	153.0	187.2	VI.10
Current financial liabilities	73.1	43.7	VI.9.1
Current lease liabilities	268.5	245.5	VI.9.1
Provision of rolling stock under concession arrangements - Current part	6.2	13.2	VI.6.4
Current derivative instruments - liabilities	2.5	3.5	VI.9.4
Overdrafts	25.2	28.7	VI.9.1
Liabilities held for sale	3.1	-	
TOTAL CURRENT LIABILITIES (III)	**2,508.1**	**2,670.7**	
TOTAL EQUITY AND LIABILITIES (I+II+III)	**5,877.0**	**5,625.3**	

The accompanying notes are an integral part of the consolidated financial statements.

IV. Consolidated statement of cash flows

(€ millions)	December 31, 2019	December 31, 2020
Net income (loss) for the year	**53.2**	**(112.0)**
Operating depreciation, amortization, provisions and impairment losses	547.6	669.9
Financial amortization and impairment losses	(0.3)	0.1
Gains (losses) on disposal	(55.8)	(111.7)
Unwinding of discounted provisions, receivables and payables	8.8	6.4
Share of net income (loss) of equity-accounted entities	(6.7)	(1.9)
Dividends received	(2.6)	(5.9)
Net finance costs	45.3	42.0
Income tax expense	33.5	14.0
Other items	(1.4)	(0.1)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL REQUIREMENTS	**621.6**	**500.9**
Income taxes paid	(15.4)	(8.2)
Changes in working capital requirements	(10.4)	394.7
Change in contract costs	(1.1)	(0.9)
I. NET CASH FROM OPERATING ACTIVITIES	**594.7**	**886.5**
Capital investments	(367.8)	(348.6)
Proceeds on disposal of intangible assets and property, plant and equipment	59.0	54.2
Net investments in operating financial assets		
New operating financial assets	(17.1)	(29.4)
Principal payments on operating financial assets	39.9	53.2
Purchase of financial investments	(176.8)	(6.7)
Sale of financial assets	(29.3)	140.0
Dividends received (including dividends received from joint ventures and associates)	6.6	13.1
Non-current financial receivables, cash out	(3.8)	(3.1)
Non-current financial receivables, cash in	1.0	1.7
Net increase / decrease in current financial receivables	(128.7)	95.5
II. NET CASH USED IN INVESTING ACTIVITIES	**(617.0)**	**(30.1)**
Capital increase	70.8	-
Dividends paid	(6.4)	(0.3)
New non-current borrowings [(1)]	527.1	9.2
Principal payments on non-current borrowings [(1)]	(261.3)	(360.5)
Net increase (decrease) in current borrowings [(1)]	(33.4)	(21.8)
Principal payments on lease liabilities	(296.7)	(276.8)
Interest paid	(20.6)	(19.0)
Interest paid on lease liabilities	(24.6)	(23.4)
Transactions between shareholders - acquisitions and divestitures, without change in control	(0.5)	-
III. NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(45.6)**	**(692.6)**
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES AND OTHER	**(3.0)**	**10.4**
NET CASH AT THE BEGINNING OF THE YEAR	**382.0**	**311.1**
Changes in cash, cash equivalents and overdrafts (I+II+III+IV)	(70.9)	174.2
NET CASH AT THE END OF THE YEAR	**311.1**	**485.3**
Cash and cash equivalents	*336.3*	*514.0*
Overdrafts	*(25.2)*	*(28.7)*

[(1)] The reconciliation between the change in net financial debt in the consolidated statement of financial position and the cash flows is presented in note VI.9.1.

The accompanying notes are an integral part of the consolidated financial statements.

V. Statement of changes in equity

(€ millions)	Share capital	Consolidated reserves and retained earnings	Items that may be reclassified to profit or loss: Foreign exchange translation reserves	Items that may be reclassified to profit or loss: Fair value reserves	Items that are not reclassified to profit or loss: Fair value reserves not re-classifiable to profit or loss	Items that are not reclassified to profit or loss: Other unrealized gains/ (losses), not re-classifiable to profit or loss	Equity attributable to equity owners of the parent	Non-controlling interests	Total equity
AS OF JANUARY 1, 2019 RESTATED [(1)]	**1,137.1**	**(219.5)**	**(16.5)**	**(1.5)**	**(1.3)**	**(48.1)**	**850.2**	**50.8**	**901.0**
Parent company capital increase	68.9	-	-	-	-	-	68.9	-	68.9
Third party share in share capital increases of subsidiaries and in changes in consolidation scope	-	-	-	-	-	-	-	1.9	1.9
Third party share in dividend distributions of subsidiaries	-	-	-	-	-	-	-	(4.7)	(4.7)
Transactions between shareholders	-	28.3	-	-	-	-	28.3	(27.8)	0.5
TOTAL TRANSACTIONS BETWEEN SHAREHOLDERS AND OTHER SCOPE CHANGES	**68.9**	**28.3**	**-**	**-**	**-**	**-**	**97.2**	**(30.6)**	**66.6**
Foreign exchange translations	-	-	-	-	-	-	-	(0.6)	(0.6)
Actuarial gains or losses	-	-	-	-	-	(2.2)	(2.2)	0.4	(1.8)
Fair value adjustment on hedge derivatives and assets measured at fair value through other comprehensive income	-	-	-	1.3	0.4	-	1.7	-	1.7
Other changes in comprehensive income	-	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME	**-**	**-**	**-**	**1.3**	**0.4**	**(2.2)**	**(0.5)**	**(0.2)**	**(0.7)**
NET INCOME (LOSS) FOR THE YEAR 2019	**-**	**45.7**	**-**	**-**	**-**	**-**	**45.7**	**7.5**	**53.2**
AS OF DECEMBER 31, 2019	**1,206.0**	**(145.5)**	**(16.5)**	**(0.2)**	**(0.9)**	**(50.3)**	**992.6**	**27.5**	**1,020.1**
Parent company capital increase	-	-	-	-	-	-	-	-	-
Parent company dividend distribution	-	-	-	-	-	-	-	-	-
Third party share in share capital increases of subsidiaries and in changes in consolidation scope	-	-	-	-	-	-	-	0.6	0.6
Third party share in dividend distributions of subsidiaries	-	-	-	-	-	-	-	(0.3)	(0.3)
Transactions between shareholders	-	(0.5)	-	-	-	-	(0.5)	(0.8)	(1.3)
TOTAL TRANSACTIONS BETWEEN SHAREHOLDERS AND OTHER SCOPE CHANGES	**-**	**(0.5)**	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**	**(1.0)**
Foreign exchange translations	-	-	1.9	-	-	-	1.9	(0.8)	1.1
Actuarial gains or losses	-	-	-	-	-	(5.2)	(5.2)	-	(5.2)
Fair value adjustment on hedge derivatives and assets measured at fair value through other comprehensive income	-	-	-	(0.1)	(0.5)	-	(0.6)	-	(0.6)
Other changes in comprehensive income	-	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME	**-**	**-**	**1.9**	**(0.1)**	**(0.5)**	**(5.2)**	**(3.9)**	**(0.8)**	**(4.7)**
NET INCOME (LOSS) FOR THE YEAR 2020	**-**	**(109.2)**	**-**	**-**	**-**	**-**	**(109.2)**	**(2.8)**	**(112.0)**
AS OF DECEMBER 31, 2020	**1,206.0**	**(255.2)**	**(14.6)**	**(0.3)**	**(1.4)**	**(55.5)**	**879.0**	**23.4**	**902.4**

[(1)] Restated amount for an amount of -€33 million, due to the first-time adoption of IFRS 16 and IFRIC 23 as of January 1, 2019.

The accompanying notes are an integral part of the consolidated financial statements.

VI. Notes to the consolidated financial statements

VI.1. Significant events

VI.1.1 Impacts of the COVID-19 health crisis

The spread of COVID-19, which the World Health Organization declared a pandemic on March 11, 2020, has had and continues to have a major impact on public transportation use.

In the face of this unprecedented global crisis, the Transdev group's priorities continue to be the safety of its employees and passengers, as well as ensuring the continuity of its services in all territories where it operates, in conjunction with local and national health authorities.

In 2020, business levels were impacted to varying degrees depending on markets and geographical areas, which resulted in a significant drop in revenue. In response, the Group rapidly initiated negotiations with its clients and implemented measures to adjust expenses and investments, in particular suspending certain activities due to a lack of demand from some of its clients, undertaking restructuring to adapt to changes in demand, and working to shore up its liquidity.

VI.1.1.1 Specific measurements and estimates applied in the context of the health crisis

Particular attention was paid to the recognition of revenue, which was assessed on a case-by-case basis, depending on the progress of negotiations. The Group has determined that it is highly probable that the revenue recognized and the expense reductions will not subsequently require a material adjustment when the uncertainties are resolved. In addition, the Group has exercised its judgment with respect to certain negotiations in progress; it cannot be ruled out that some of these negotiations may produce financial consequences that differ from the estimates made.

Moreover, impairment testing was conducted in a more uncertain context and with less visibility than in previous years on the balance sheet date (see notes VI.1.1.4 and VI.7).

The Group verified the certainty of government and client support measures to which it may be entitled. Depending on their nature, these measures were recognized in revenue (as a setoff against lost revenue), as a reduction in employee expenses (short-time working support measures), or in other operating expenses or tax expense.

Other estimates and assumptions that may impact the amounts reported in these consolidated financial statements are described in note VI.3.

VI.1.1.2 Assessment of financial performance

The Group has not changed its financial performance indicators; the impacts of the pandemic are dispersed throughout the income statement.

The Group's business and results were severely impacted by the effects of the COVID-19 pandemic:

- in 2020, consolidated revenue totalled €6.8 billion, down 8.9% relative to 2019;
- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) totalled €521.3 million, down 21.7% compared with 2019;
- current operating result (COR) totalled €9.5 million (+€145.1 million in 2019);
- operating result after share of net profit (loss) of equity-accounted entities totalled €(55.9) million (+€142 million in 2019);
- consolidated net income – Group share was a loss of €(109.2) million (versus a profit of +€45.7 million in 2019).

The operational performance of the Group's various business lines is described in the management report.

VI.1.1.3 Group financing transactions and liquidity management

In 2020, the Group monitored its cash position, liquidity, investments and working capital requirements more closely. It was also able to take advantage of measures entitling it to defer certain social contributions.

Due to these measures and the Group's solid financial position at the start of the crisis, net financial debt totalled €1.3 billion as of December 31, 2020, down €0.6 billion compared to December 31, 2019.

In 2020, the Group remained in compliance with its financial covenants at all times.

Note VI.9.1 describes the items related to the Group's liquidity, in particular unused credit lines.

VI.1.1.4 Recoverable amount of assets

Recoverable amount of intangible assets, property, plant and equipment, right-of-use assets

Impairment losses were recognized on rolling stock that became surplus due to the pandemic (tourist activities and businesses heavily impacted by the health crisis) (see note VI.6.2).

In addition, due to the downward revision of the future cash flow projections on certain contracts, contractual rights recognized in connection with business combinations and right-of-use assets were impaired during the year (see notes VI.6.1 and VI.6.3).

Recoverable amount of cash generating units (CGUs)

Impairment testing of the goodwill of the cash generating units (CGUs) was performed in accordance with the long-term plan developed in the second half of 2020 and approved by the Group's Strategic Committee on September 28, 2020. This long-term plan was produced for each country.

These projections were made on the basis of the immediate situation, considering the current context of the COVID-19 pandemic and available information. The degree of uncertainty about the various parameters is higher than in prior years due to the difficulties in forecasting business levels after the health crisis ends and in determining whether adaptation measures will enable a return to the levels of business and profitability previously experienced.

Due to this uncertainty, sensitivity analyses are of particular importance (see note VI.7.2).

As of December 31, 2020, based on these tests, no impairment of goodwill was recognized.

Recoverable amount of trade receivables

The Group's exposure to the risk of default by its contracting parties is limited by the diversity and multitude of its clients, which are primarily mobility authorities. However, the impact of the COVID-19 pandemic on the collection of trade receivables was examined.

In the business to government (BtoG) sector, in the vast majority of cases, mobility authorities paid for services provided in a timely manner, in order to ensure the continuity of transportation services (see note VI.9.4.2).

Recoverable amount of deferred tax assets on tax losses

The Group assessed the recoverability of its deferred tax assets in light of the current situation, based on projections of expected tax results, established in accordance with the operational assumptions included in the Group's long-term plan. In addition, the Group reviewed the tax measures adopted in response to the crisis (see note VI.12).

VI.1.1.5 Restructuring

To protect the Group's financial stability in the circumstances created by the pandemic, Transdev announced restructuring measures that include impairment of rolling stock that has become surplus (see note VI.1.1.4), staff reductions, mainly in its airport, tourism and charter businesses in several countries, as well as in certain head offices in the countries in which it operates.

VI.1.2 Major disposals during the fiscal year

Initiated in 2018, the process of divesting business to consumer (BtoC) activities continued in 2020, in particular with the completion of the disposal of the airport bus service in Sweden (Flygbussarna) on March 2, 2021. This activity, which was not a cash-generating unit, had been classified as of December 31, 2019 as a non-current asset held for sale and measured at the lower of its net carrying amount and its estimated fair value less costs to sell. The proceeds from the disposal were recognized in the income statement under "Other operating income and expenses."

In addition, on account of strategic differences with its partner, the Group sold its interest in its joint venture in Asia.

VI.1.3 Commercial operations

France

In the Ile-de-France region, Transdev renewed its bus network operating contracts in the Marne-la-Vallée, Sénart and Melun Val de Seine areas (annual revenue of around €80 million).

In addition, the interurban contracts in the Gironde and Oise regions were renewed.

Germany

In Germany, the Group was awarded the bus operations contract in Frankfurt-am-Main, which includes placing 25 electric buses in service (revenue of €208 million over eight years).

South America

Transdev Colombia and its local partner Fanalca, each of which hold a 50% stake in the partnership, were awarded a 15-year contract in Bogotá for an electric bus service (annual revenue of around €24 million). This means the Group will soon operate the largest fleet of electric buses in South America.

In Brazil, in October 2020, Transdev began providing services under the technical assistance contract for line 6 of the São Paulo metro (term of eight years).

United States

In the United States, Transdev renewed the contracts to operate the San Diego bus network for 10 years (annual revenue of around $95 million) and the Phoenix bus network for seven years (annual revenue of around $112 million). In addition, the contract with Nassau County, New York, has been extended for two years (annual revenue of around $130 million).

VI.1.4 Green financing

For many years, Transdev has been actively involved alongside its public-sector clients in promoting the energy transition in public transportation.

In December of this year, Transdev commenced the performance of five 10-year bus operations contracts in Gothenburg, Sweden, which will generate revenue of around SEK840 million. These contracts require the commissioning of 297 new "zero emission" buses (electric buses and other buses powered exclusively by biofuels).

To finance this bus fleet, Transdev put in place its first green financing for a total amount of €117 million over 10 years.

VI.2 Accounting principles and policies

VI.2.1 General principles applied in preparing the consolidated financial statements

The consolidated financial statements are presented in millions of Euros, unless stated otherwise.

The consolidated financial statements include the financial statements of Transdev Group and those of its subsidiaries included in the scope of consolidation. The financial statements of the subsidiaries are drawn up for the same reference period as those of the parent company, from January 1 to December 31, 2020, in accordance with uniform accounting policies and methods.

The financial statements are presented on a historical cost basis, with the exception of assets and liabilities held for sale measured in accordance with IFRS 5 (lower of the net carrying amount and the net fair value less costs to sell) and assets and liabilities recognized at fair value: derivatives, financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income (in accordance with IAS 32 and IFRS 9).

On March 4, 2021, based on an analysis of the Group's financial position as of December 31, 2020, its liquidity position, the new long-term plan running until 2025 that was approved by the Group's Strategic Committee on November 8, 2020 and the measures taken since the start of the COVID-19 crisis, the Transdev Group's Board of Directors approved the consolidated financial statements as of December 31, 2020 on a going concern basis.

VI.2.2 Accounting standards framework

VI.2.2.1 Basis underlying the preparation of the financial statements

Pursuant to Regulation no. 1606/2002 of July 19, 2002, as amended by European Regulation no. 297/2008 of March 11, 2008, the consolidated financial statements for fiscal year 2020 are prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union and published by the International Accounting Standards Board (IASB). These standards are available on the following European Union website:
https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

The company's financial statements are presented, for comparison purposes, with the financial statements for fiscal year 2019, which were prepared using the same accounting standards framework, taking into account the new texts applicable as of January 1, 2020 (see note VI.2.2.2).

In the absence of IFRS standards or interpretations, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Transdev group refers to other IFRS standards that address similar or related issues, as well as to the conceptual framework.

VI.2.2.2 Standards, amendments to standards and interpretations applicable as of fiscal year 2020

The accounting policies and valuation rules applied by the Group in preparing the consolidated financial statements as of December 31, 2020 are identical to those the Group used as of December 31, 2019, with the exception of the new standards, amendments to standards and interpretations of mandatory application as of January 1, 2020, which are described below:

- Amendments to IAS 1 and IAS 8 standards on materiality;
- Interest Rate Benchmark Reform (Amendments to IFRS 9 and IFRS 7 standards);
- Amendments to IFRS 3 on the definition of a business;
- Amendments to the Conceptual Framework in IFRS standards.

These amendments have not had a material impact for the Group.

The impacts of the amendment to IFRS 16 and the interpretation of the IFRS Interpretations Committee on determining lease terms under IFRS 16 and the useful life of non-removable leasehold improvements under IAS 16 are described in note VI. 2.2.4.

VI.2.2.3 Main texts applicable after December 31, 2020 and not adopted early by the Group

The main texts which became mandatory after December 31, 2020 are listed below:

- amendments to IAS 1 "Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current;"
- amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts, concept of costs that relate directly to the contract;"
- amendments to IAS 16 "Property, Plant and Equipment - Recognition of Pre-Commissioning Revenue;"
- amendments to IFRS 3 "Business Combinations - Reference to the Conceptual Framework;"
- Improvements as a result of the IFRS 2018-2020 annual improvement process.

These texts were not adopted by the European Union as of December 31, 2020. The Group is currently assessing the impacts of the initial application of these texts.

VI.2.2.4 Points for attention with respect to IFRS 16 "Leases"

Interpretation of the IFRS Interpretations Committee on determining the enforceable period of leases and the depreciation of non-removable leasehold improvements

On December 16, 2019, the IFRS Interpretations Committee (IFRS IC) published its final decision on determining the enforceable period of leases and the useful life of non-removable leasehold improvements.

The IFRS IC confirmed that:

- the enforceable period must be determined considering the broader economics of the contract, beyond merely its legal provisions;
- the useful life of leasehold improvements not removable from the leased property must be consistent with the period used to measure the lease liability.

A review of material leases, in particular real property leases, did not result in any adjustments to their terms or to the useful life determined for non-removable leasehold improvements.

Amendment to IFRS 16 on COVID-19-related rent concessions

In May 2020, IFRS 16 was amended to allow lessees to recognize savings on lease payments (cancellation or reduction) that are a direct consequence of the COVID-19 pandemic directly in the income statement if the following three conditions are met:

- the total consideration for the contract (i.e., the lease liability) is substantially the same or lower than the initial liability;
- the reductions in lease payments only affect payments originally due on or before December 31, 2021;
- there are no other substantive changes to the lease.

This amendment did not have a material impact on the Group's financial statements in 2020.

VI.2.3 Principles of consolidation and scope

VI.2.3.1 Principles of consolidation

Controlled entities

The Transdev group fully consolidates all entities over which it exercises control.

Definition of control

Control exists when the Group:

- holds power over an entity, and
- is exposed or has rights to variable returns from its involvement with the entity, and
- has the ability to use its power over the entity to affect the amount of its returns.

Full consolidation method

The Group consolidates a subsidiary in its consolidated financial statements from the date it obtains control of the entity to the date it ceases to control the entity.

Non-controlling interests represent the equity in a subsidiary that is not directly or indirectly attributable to the Group.

Net income and each component of other comprehensive income are allocated between owners of the Company and non-controlling interests. Total comprehensive income of subsidiaries is allocated between owners of the Company and non-controlling interests, even if this results in non-controlling interests having a deficit balance.

Change in ownership interests in consolidated subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in a change of control over the subsidiaries are accounted for as equity transactions, as they are transactions performed by shareholders acting in this capacity.

The effects of these transactions are recognized in equity at their net-of-tax amount and do not therefore impact the Consolidated Income Statement of the Group.

These transactions are presented in the net cash from financing activities in the Statement of Cash Flows.

Investments in joint ventures and associates

Definition

An associate is an entity over which the Group has significant influence. Significant influence is constituted by the power to participate in the financial and operating policy decisions of the entity, without exercising control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties ("joint venturers") that have joint control of the entity have rights to its net assets.

Joint control is the contractually agreed sharing of control of an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Equity method

The results and assets and liabilities of associates or joint ventures are incorporated in the Group's consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with the provisions of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

Under the equity method, the investment in the associate or joint venture is initially recognized at acquisition cost and is adjusted thereafter to reflect the Group's share of the net income and other comprehensive income of the associate or joint venture.

An investment is accounted for using the equity method from the date on which the entity becomes an associate or joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the entity's identifiable assets and liabilities is recognized as goodwill; this goodwill is integrated in the line "Investments in joint ventures" or "Investments in associates". Any excess of the net fair value of the entity's identifiable assets and liabilities over the cost of the investment is recognized in profit or loss.

Presentation of the share of net income of the Group's equity-accounted entities in the consolidated income statement

Pursuant to recommendation no. 2013-01 issued by the French Accounting Standards Authority (Autorité des Normes Comptables, ANC) on April 4, 2013, and if the activities of the equity-accounted entities are in line with the Group's activities, the share of net income of the Group's equity-accounted entities is included in the line "Operating income after share of net profit (loss) of equity-accounted entities".

When a Group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transaction with the associate or joint venture are recognized in the Group's consolidated financial statements solely to the extent of interests held by third parties in the associate or joint venture.

Impairment tests

The requirements of IFRS 9 "Financial Instruments" are applied to determine whether it is necessary to test for impairment with respect to the investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets".

Loss of significant influence or joint control

The equity method is no longer applied from the date the investment ceases to be an associate or a joint venture. If the Group retains a residual interest in the entity and that interest is a financial asset, the financial asset is measured at fair value at the date the investment ceases to be an associate or a joint venture.

If an investment in an associate becomes an investment in a joint venture, or vice versa, the equity method continues to be applied and the change in ownership interest does not trigger remeasurement to fair value.

Investments in joint operations

Definition

A joint operation is a joint arrangement whereby the parties ("joint operators") that have joint control of the arrangement have direct rights to the assets and obligations for the liabilities relating to the arrangement.

Accounting for joint operations

As a joint operator in a joint operation, the Group recognizes the following elements in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output generated by the joint operation;
- its expenses, including its share of any expenses incurred jointly.

As a joint operator, the Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS standards applicable to the particular assets, liabilities, revenues and expenses.

VI.2.3.2 Transactions impacting the consolidation scope

Business combinations and goodwill

Business combinations are accounted for using the acquisition method, as defined in IFRS 3. Under this method, the acquired entity's identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date.

Goodwill generated by a business combination is measured as the excess of the total consideration transferred, the amount of any non-controlling interest and, if applicable, the fair value of any previously held interest over the net of the amounts, on the acquisition date, of identifiable assets acquired and liabilities assumed. This goodwill is measured in the functional currency of the entity acquired and is recognized as an asset in the consolidated statement of financial position.

On the acquisition date, the Group may elect for each transaction to measure non-controlling interests at either fair value (full goodwill) or at the proportionate share in the fair value of the acquired entity's identifiable net assets (partial goodwill).

Pursuant to IFRS, goodwill is not amortized but is subject to impairment tests performed annually, and more frequently if there are indications that call into question the carrying amounts recognized as assets in the consolidated statement of financial position (see note VI.7.2).

If a business combination is made on particularly advantageous terms, negative goodwill is recognized. The corresponding gain is recognized as income on the acquisition date.

Acquisition-related costs are recognized in profit or loss in the periods in which the costs are incurred and the services received.

Pursuant to IFRS 3, the Group has a measurement period in which to finalize recognition of business combinations. This period ends when all necessary information has been obtained and no later than one year from the acquisition date.

When accounting for acquisitions of joint ventures, the Group applies the acquisition method, as defined by IFRS 3 "Business Combinations".

Assets/liabilities classified as held for sale, discontinued operations

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", specifies the accounting treatment applicable to assets held for sale as well as the presentation and information to be disclosed about discontinued operations.

In particular, it requires that assets held for sale be presented separately in the consolidated statement of financial position at the lower of their carrying amount or their fair value, less sale costs, when the criteria under the standard are satisfied.

When the Group is committed to a sale process leading to the loss of control of a subsidiary, all assets and liabilities of that subsidiary that are material for the Group are reclassified as held for sale where the classification criteria set by the standard are met, irrespective of whether the Group retains a residual interest in the entity after sale.

In addition, the standard requires that the results of discontinued operations be presented separately in the consolidated income statement, retrospectively, for all periods presented.

VI.2.4 Translation of foreign subsidiaries' financial statements and foreign currency transactions

VI.2.4.1 Translation of foreign subsidiaries' financial statements

Statements of financial position, income statements and statements of cash flows of subsidiaries whose functional currency is different from the parent company's presentation currency are translated into the currency used to present the consolidated financial statements at the applicable exchange rate, i.e., the year-end rate for consolidated statement of financial position items and the average annual rate for income statement and cash flow statement items. Foreign exchange translation gains and losses are recognized in equity as other comprehensive income.

The exchange rates of the major currencies of non-euro countries used in preparing the consolidated financial statements were as follows:

€1 = X foreign currency

AVERAGE RATE	2019	2020
U.S. Dollar	1.120	1.141
Australian Dollar	1.611	1.655
Swedish Krona	10.588	10.488
CLOSING RATE	**2019**	**2020**
U.S. Dollar	1.123	1.227
Australian Dollar	1.600	1.590
Swedish Krona	10.447	10.034

VI.2.4.2 Foreign currency transactions

In general, the functional currency of the Group's subsidiaries is their local currency. Transactions denominated in foreign currency are translated by the subsidiaries into their functional currencies at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated by the subsidiaries into their functional currencies at the year-end exchange rate. The resulting foreign exchange gains and losses are recorded in income for the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated using the exchange rate on the date that fair value is measured.

Net investments in a foreign operation

Loans to a foreign subsidiary for which payment is neither planned nor probable in the foreseeable future are essentially a portion of the Group's net investment in that foreign operation. Foreign exchange gains and losses on monetary items that are part of a net investment are recognized directly in other comprehensive income as foreign exchange translation adjustments and are released to income on the disposal of the net investment.

Foreign exchange gains and losses on borrowings denominated in foreign currencies or foreign currency derivatives used to hedge net investments in foreign subsidiaries are recognized in other comprehensive income as foreign exchange translation adjustments. Amounts recognized in other comprehensive income are released to income on the sale date of the relevant investment.

VI.3 Use of management estimates in applying accounting standards

Transdev may make estimates and use assumptions that affect the carrying amount of assets, liabilities, revenue and expenses, as well as the disclosures concerning contingent assets and liabilities. The actual future results may be appreciably different from these estimates.

Underlying estimates and assumptions are made based on past experience and other factors considered as reasonable given the circumstances. They act as a basis for making judgments necessary for measuring the carrying amounts of assets and liabilities, which cannot be obtained directly from other sources. Actual values may differ from these estimates.

All of these estimates are based on an organized process for collecting forecast information on future flows, after validation by operating management, and on anticipated market data based on external indicators, which are used in accordance with consistent and documented methodologies. Underlying estimates and assumptions are reviewed on an ongoing basis and the impact of changes in accounting estimates is recognized in the period in which the change is made.

The consolidated financial statements for the period were prepared on the basis of the immediate situation, taking into account the current context of the COVID-19 pandemic. Due to the pandemic, Transdev has paid particular attention to some of its estimates, especially on the recognition of revenue and on the future cash flow projections used for impairment testing, which are described in note VI.1.1.

Besides the specific issues raised by the current health crisis, the Group's key estimates used in preparing its consolidated financial statements concern primarily:

- Determining the recoverable amounts of goodwill, property, plant and equipment, and intangible assets. Note VI.7 presents the future cash flow and discount rate assumptions used to measure the recoverable amounts of these assets. Sensitivity analyses were also performed and are presented in the aforementioned note.
- The measurement of provisions (note VI.10). In determining these provisions, Transdev has used the best estimates of these obligations. In particular, the estimate of provisions for self-insurance and claims in the United States is based on an estimate of litigation settlements and an actuarial valuation, which takes into account factors such as claim ratio (claim frequency and size), the progress of litigation and disputes not yet identified. These factors are based on judgments, which are a source of uncertainty.
- Pending legal or arbitration proceedings (note VI.15). In accordance

with the criteria of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the Group has determined that, as of December 31, 2020, no provision or accrued income should be recognized in connection with ongoing legal or arbitration proceedings when their outcome is considered highly uncertain, or the financial consequences thereof are not quantifiable to date.

- The amounts of deferred tax assets and liabilities, as well as the income tax expense recognized (note VI.12). These balances reflect the Group’s tax position and are based on the best estimates available to the Group of future taxable profits and the outcome of current or upcoming tax audits.
- The determination of the lease terms and of the renewal options used to determine the value of lease liabilities and right-of-use assets in accordance with IFRS 16 “Leases” (see note VI.6.3).

For the purposes of these estimates, the Group used the following methodology for calculating discount rates:

- Application of IAS 36 “Impairment of Assets”: the discount rates used correspond to the weighted average cost of capital, calculated at the end of the second semester of 2020, taking into account the right-of-use assets.
- Application of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”: the discount rates used consist of a risk-free interest rate and a risk premium specific to the underlying assets and liabilities.
- Application of IFRS 16 “Leases”: the discount rates used consist of either the implicit interest rate in the lease or the incremental borrowing rate, which is determined by currency, maturity and country.
- Application of IAS 19 “Employee Benefits”: commitments are measured using a range of market indices, in particular the iBoxx index, and data provided by actuaries of the Group.

VI.4 Operational activities

VI.4.1 Operating result

ACCOUNTING PRINCIPLES

Sales of services (IFRS 15)

Five-step model

IFRS 15 "Revenue from Contracts with Customers" establishes a five-step model for determining when to recognize revenue and in what amount. The general principle of the model is that all companies should recognize revenue on the basis of the transfer of goods or services promised to customers for an amount that corresponds to the consideration they expect to receive in exchange for such goods or services.

The Group's primary business is the public transportation of passengers. It consists of managing a portfolio of multi-year contracts that can have very different characteristics (modes of transportation, start date, term, margin profiles and compensation terms, indexation formulas, etc.). In the vast majority of cases:

- a performance-related system of bonuses/penalties is applied to these contracts. They are calculated and settled over periods ranging from month to year and are approved by the governance bodies of the mobility authorities;
- contracts usually have a revenue per unit of work (kilometres, hours, etc.) that is stable over time, assuming constant modes of transportation.

The customers are the mobility authorities (generally local authorities). Under most contracts, the promise to the customer is to provide an overall service, i.e., a public transportation network management service, in which the identified services are interdependent components. The main costs for providing this overall service are primarily for rolling stock (depreciation, leasing, financing), payroll, energy (electricity, fuel, hydrogen) and maintenance.

The mobility authorities simultaneously receive and consume the benefits of the service as it is provided by the Group. They verify the public service provided as it is delivered (i.e., as kilometres/hours/services progress).

Principal/agent analysis

If a third party is involved in providing goods or services to a customer, an entity must determine whether it is acting on its own behalf (principal: revenue recognized is the gross amount to which the entity expects to be entitled in consideration for the specified good or service provided) or as an agent (agent: revenue recognized is a net amount equal to the commission to which the entity expects to be entitled in consideration for the arrangements made for the specified good or service).

The key principle is that an entity acts as a principal if it obtains control of the promised good or service before it is transferred to the customer. The standard provides three indicators that an entity acts as a principal:

- the entity has primary responsibility for fulfilling the promise, including responsibility for the acceptability of the good or service and its compliance with the customer's specifications;
- the entity bears the risks associated with holding inventory, either before the goods are transferred to the customer or in the event of a return;
- the entity has the discretion to set the prices the customer pays for the goods or services.

The Group most often acts as a principal, in particular regarding access rights to the rail network in Germany and taxes and contributions.

Contract costs

IFRS 15 requires capitalizing the costs of acquiring contracts if both of the following conditions are met:

- these costs must be incremental, i.e., costs the entity would not have incurred if it had not acquired the contract; and
- the entity expects to recover them, i.e., the entity expects that the profit generated by the contract will be sufficient to absorb these costs.

The standard also addresses costs incurred to perform a contract. If the accounting treatment for such costs is not prescribed by another IFRS standard and they come within the scope of IFRS 15, the costs of performing the contract must be recognized as an asset only if they meet the following three conditions: they relate directly to the contract; they generate or enhance the resources of the entity that it will use to satisfy its performance obligations in the future; and the entity expects to recover them. Capitalized costs incurred in the performance of a contract include certain costs sustained after the Group has been selected as a preferred bidder (restricted bid procedure) in call for bids processes but before it receives any payment from customers.

Capitalized contract costs are amortized over the term of the contracts. Impairment is recognized if their carrying amount, less amortization, exceeds the economic benefits expected from the contract.

Concession arrangements (IFRIC 12)

See note VI.6.4 on concession arrangements.

VI.4.1.1. Items comprising revenue and operating result

The items comprising revenue and operating result are shown below:

(€ millions)	2019	2020
Revenue from services	7,365.0	6,720.6
Revenue from sales of goods	38.0	23.5
Revenue from operating financial assets	12.5	11.5
REVENUE	**7,415.5**	**6,755.6**
Employee expenses	(3,954.5)	(3,777.1)
Impairment of operating receivables, net of reversals	(12.2)	3.3
Depreciation, amortization and operating provisions, net of reversals (excluding restructuring and impairment of operating receivables and goodwill)	(518.8)	(521.6)
Gains (losses) on disposals of capital assets	2.7	3.8
Others	(2,787.6)	(2,454.5)
CURRENT OPERATING RESULT	**145.1**	**9.5**
Restructuring costs *(net of provisions and reversals)*	(5.2)	(85.5)
Gains (losses) on disposals of financial assets	32.8	84.9
Impairment losses resulting from impairment tests and provisions for onerous contracts	(0.1)	(62.0)
Others	(37.3)	(4.7)
OPERATING RESULT	**135.3**	**(57.8)**
Share of net income (loss) of equity-accounted entities	6.7	1.9
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**142.0**	**(55.9)**

At year-end 2020, the Group's consolidated revenue from ordinary activities totaled €6,755.6 million. The main geographical areas in which the Group does business are France (€2,474.9 million), Germany (€1,084.0 million), the United States (€1,016.0 million) and the Netherlands (€622.3 million).

VI.4.1.2. Reconciliation of EBITDA to operating result

(€ millions)	2019	2020
EBITDA *(Earnings Before Interest, Taxes, Depreciation, and Amortization)* [(1)]	666.1	521.3
Depreciation and amortization	(528.4)	(520.9)
Operating provisions, net of reversals	(2.6)	2.6
Gains (losses) on disposals of capital assets	2.7	3.8
Others	7.3	2.7
CURRENT OPERATING RESULT	**145.1**	**9.5**
Restructuring costs *(net of provisions and reversals)*	(5.2)	(85.5)
Gains (losses) on disposals of financial assets	32.8	84.9
Impairment losses resulting from impairment tests and provisions for onerous contracts	(0.1)	(62.0)
Others	(37.3)	(4.7)
OPERATING RESULT	**135.3**	**(57.8)**
Share of net income (loss) of equity-accounted entities	6.7	1.9
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**142.0**	**(55.9)**

[(1)] Including impairment related to operating working capital requirements.

VI.4.1.3. Breakdown of net depreciation and amortization, provisions and impairment

The breakdown of the net depreciation, amortization, provisions and impairment expense in fiscal year 2020 is shown below:

(€ millions)	Operating	Financial	Tax	Total
Net provisions for impairment of assets [(1)]	(5.6)	0.1	(69.6)	(75.0)
Provisions for contingent liabilities	(79.0)	(0.1)	-	(79.1)
Current and non-current provisions	**(84.6)**	**-**	**(69.6)**	**(154.1)**
Depreciation, amortization and impairment of property, plant and equipment and intangible fixed assets	(282.3)	-	-	(282.3)
Depreciation, amortization and impairment of right-of-use assets	(300.8)			(300.8)
DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT	**(667.8)**	**-**	**(69.6)**	**(737.2)**

[(1)] Impairment losses on inventories and receivables are recorded in changes in working capital requirements in the Consolidated Statement of Cash Flows.

The provisions for contingent liabilities are described in note VI.10. The impairment tests are described in note VI.7.

VII.4.1.4. Breakdown of restructuring costs

(€ millions)	2019	2020
Restructuring costs	(8.2)	(10.3)
Restructuring provisions, net of reversals	3.0	(75.2)
RESTRUCTURING COSTS	**(5.2)**	**(85.5)**

In fiscal year 2020, restructuring costs include impairment losses on rolling stock (property, plant and equipment and right-of-use assets) that became surplus due to the health crisis, as well as employee expenses.

They concern eight countries, primarily France and the United States.

VI.4.2. Working capital requirements

Net WCR includes "operating" WCR (inventories, trade receivables, trade payables, other operating receivables and payables and tax receivables and payables excluding current taxes), "tax" WCR (current tax receivables and payables) and "investment" WCR (current receivables and payables on fixed asset acquisitions).

ACCOUNTING PRINCIPLES

In accordance with IAS 2 "Inventories", inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion or the estimated costs necessary to make the sale.

Trade receivables and payables are recorded at their nominal amount, unless discounting using the market interest rate has a material impact.

The Group applies the simplified approach for measuring impairment losses on its trade receivables, in accordance with the possibility available under IFRS 9.

Trade payables are measured using the amortized cost of liabilities method.

VI.4.2.1 Changes in working capital requirements by type

Changes in each of these types of WCR in fiscal year 2020 are shown below:

(€ millions)	December 31, 2019	Change in business	Net impairment losses	Change in consolidation scope	Currency impact	Reclassification in assets / liabilities held for sale	Other changes	December 31, 2020
Inventories and work in progress [1]	127.3	(3.2)	(0.5)	-	(1.3)	-	0.7	123.0
Operating receivables (o/w tax receivables, except current tax)	1,442.9	(183.4)	2.7	5.8	(14.2)	(2.0)	(3.4)	1,248.4
Operating payables (o/w tax payables, except current tax)	(1,878.8)	(210.3)	-	(7.0)	13.6	2.9	(6.5)	(2,086.1)
OPERATING WORKING CAPITAL REQUIREMENTS [2]	**(308.6)**	**(396.9)**	**2.2**	**(1.2)**	**(1.9)**	**0.9**	**(9.2)**	**(714.7)**
Tax receivables (current tax)	33.8	(20.1)	-	3.3	(0.3)	-	1.4	18.1
Tax payables (current tax)	(32.9)	20.9	-	(3.3)	0.5	-	(1.0)	(15.8)
TAX AMOUNTS IN WORKING CAPITAL REQUIREMENTS	**0.9**	**0.8**	**-**	**-**	**0.2**	**-**	**0.4**	**2.3**
Other receivables	43.3	31.1	-	1.3	-	-	0.5	76.2
Other payables	(64.8)	17.8	-	(0.1)	(0.1)	-	0.2	(47.0)
INVESTMENTS IN WORKING CAPITAL REQUIREMENTS	**(21.5)**	**48.9**	**-**	**1.2**	**(0.1)**	**-**	**0.7**	**29.2**
NET WORKING CAPITAL REQUIREMENTS	**(329.2)**	**(347.2)**	**2.2**	**-**	**(1.8)**	**0.9**	**(8.1)**	**(683.2)**

[1] Net inventories and work in progress correspond mainly to raw materials and spare parts.
[2] The change in working capital requirements in the Consolidated Statement of Cash Flows is equal to the sum of the "Changes in business" and the "Net impairment losses" of the operating working capital requirements presented above.

VII.4.2.2. Changes in operating receivables

Changes in operating receivables in fiscal year 2020 are shown below:

(€ millions) OPERATING RECEIVABLES	December 31, 2019	Change in business	Impairment losses [1]	Reversal of impairment losses [1]	Change in consolidation scope	Currency impact	Reclassification in assets held for sale	Other changes	December 31, 2020
Trade receivables	1,044.3	(133.1)	-	-	(0.6)	(13.6)	(0.7)	(3.6)	892.7
Impairment on trade receivables [1]	(52.9)	-	(13.9)	17.6	(1.1)	1.3	-	0.1	(48.9)
Trade receivables, net	**991.4**	**(133.1)**	**(13.9)**	**17.6**	**(1.7)**	**(12.3)**	**(0.7)**	**(3.5)**	**843.8**
Other operating receivables	453.9	(50.3)	-	-	7.5	(2.0)	(1.3)	0.1	407.9
Impairment on other operating receivables	(2.4)	-	(1.5)	0.5	-	0.1	-	-	(3.3)
Other operating receivables, net	**451.5**	**(50.3)**	**(1.5)**	**0.5**	**7.5**	**(1.9)**	**(1.3)**	**0.1**	**404.6**
Other receivables	43.3	31.1	-	-	1.3	-	-	0.5	76.2
Tax receivables	33.8	(20.1)	-	-	3.3	(0.3)	-	1.4	18.1
OPERATING RECEIVABLES, NET	**1,520.0**	**(172.4)**	**(15.4)**	**18.1**	**10.4**	**(14.5)**	**(2.0)**	**(1.5)**	**1,342.7**

[1] Impairment losses are recorded in operating income and included in the line "Changes in working capital requirements" in the Consolidated Statement of Cash Flows.

VI.4.2.3. Changes in operating payables

Changes in operating payables in fiscal year 2020 are shown below:

(€ millions) OPERATING PAYABLES	December 31, 2019	Change in business	Change in consolidation scope	Currency impact	Reclassification in liabilities held for sale	Other changes	December 31, 2020
Trade payables	564.7	(112.3)	-	(5.1)	(0.5)	5.6	452.4
Other current operating payables	1,314.1	322.6	7.0	(8.4)	(2.4)	0.8	1,633.7
Other payables	64.8	(17.8)	0.1	0.1	-	(0.2)	47.0
Tax payables	32.9	(20.9)	3.3	(0.5)	-	1.0	15.8
OPERATING PAYABLES	**1,976.5**	**171.6**	**10.4**	**(13.9)**	**(2.9)**	**7.2**	**2,148.9**

VI.5. Employee expenses and benefits

VI.5.1. Employee expenses and workforce

EMPLOYEE EXPENSES

Employee expenses totalled approximately €3,771.1 million in 2020 (€3,954.5 million in 2019). These expenses were favourably impacted by the short-time working measures adopted in response to the COVID-19 pandemic (see note VI.1).

WORKFORCE

DEFINITION

The consolidated full-time equivalent workforce is equal to the number of employees of each subsidiary, calculated as a full-time equivalent for the fiscal year, on the basis of working hours and employment rates. That figure is then consolidated using the consolidation method applied to the company within the consolidation scope:

- Employees of fully consolidated companies are included in full during the consolidation period;
- Employees of joint operations are included only in proportion to their consolidation rate during the consolidation period;
- Employees of companies consolidated using the equity method are not included.

The average consolidated full-time equivalent workforce totals 75,747 employees for continuing operations and is broken down geographically as follows:

AVERAGE NUMBER OF EMPLOYEES	2019	2020
France	31,757	31,625
United States	13,327	12,160
Netherlands	5,685	5,164
Pacific	5,868	5,557
Germany	5,705	6,195
Others	14,476	15,046
TOTAL	**76,817**	**75,747**

VI.5.2. Post-employment benefits and other long-term benefits

Depending on local regulations and collective bargaining agreements, the Group has set up defined-contribution pension plans, defined-benefit pension plans (covering one company or several employers) and other post-employment benefits for its employees.

ACCOUNTING PRINCIPLES

Defined-contribution plans

Defined-contribution plans are plans under which the Group (or a Group entity) pays an agreed contribution to a separate entity, relieving it of any liability for future payments. These obligations are recognized as an expense when due.

Defined-benefit plans

Defined-benefit plans are plans that do not meet the definition of a defined-contribution plan. The net obligations of each Group entity are calculated for each plan based on an estimate of the amount employees will receive in exchange for services rendered during the current and past periods. This amount is then discounted to present value and the fair value of plan assets is deducted.

If the calculation shows a plan surplus, the asset is recognized for the maximum of the total present value of profits, in the form of future repayments or reductions in plan contributions. In such a case, the plan surplus is recognized in non-current financial assets.

Certain obligations of the Group or Group entities may carry repayment rights, corresponding to a commitment by a third party to repay, in full or in part, the expenses related to these obligations. Repayment rights are recognized in financial assets.

For the purpose of financing defined-benefit plans, the Group may make voluntary payments to pension funds. If applicable, such voluntary payments are presented on the consolidated statement of cash flows in net cash generated by the activity, in the same manner as other employer contributions paid.

Employee benefit obligations of the Group are calculated using the projected credit unit actuarial method. This method is based on the probability of personnel remaining with companies in the Group until retirement, foreseeable changes in remuneration, the appropriate discount rate and, in some jurisdictions, on the length of the operated public service contracts. Specific discount rates are adopted for each currency zone. They are determined based on the yield offered by bonds issued by top-quality companies (rated AA) or treasury bonds or equivalent where the market is not liquid, with maturities equivalent to the average term of the plans valued in the relevant regions. This results in the recognition of pension-related assets or provisions in the consolidated statement of financial position, and the recognition of the related net expenses.

Actuarial gains and losses related to post-employment benefits are recognized in other comprehensive income. Costs recognized in the income statement are posted to operating result, with the exception of the net interest expense, which is recognized as financial income.

VI.5.2.1. Breakdown of provisions in the statement of financial position

(€ millions)	France [1]	United States	Australia / New Zealand	Sweden	United Kingdom	Other	Total
Pension plans and early-retirements (except retiree medical coverage)	-	18.1	-	22.4	8.8	8.6	57.9
End-of-career allowances	60.8	-	-	-	-	6.6	67.4
Other post-employment benefits	-	-	0.7	-	-	-	0.7
Total post-employment benefits	**60.8**	**18.1**	**0.7**	**22.4**	**8.8**	**15.2**	**126.0**
Long-service awards	4.7	-	-	-	-	3.2	7.9
Other long-term benefits	-	-	21.4	-	-	15.7	37.1
Total other long-term benefits	**4.7**	**-**	**21.4**	**-**	**-**	**18.9**	**45.0**
PROVISIONS FOR EMPLOYMENT BENEFIT OBLIGATIONS AS OF DECEMBER 31, 2020	**65.5**	**18.1**	**22.1**	**22.4**	**8.8**	**34.1**	**171.0**

[1] The reported "France" activity does not include the activities carried out by the holding company Transdev Group (included in the column "Other").

VI.5.2.2. Defined-contribution plans

In certain subsidiaries, defined-contribution plans have been set up to supplement the basic plans. The Group's expenses for these plans totalled about €55 million (€55 million in 2019).

VI.5.2.3. Defined-benefit plans

Certain companies of the Group have set up defined-benefit pension plans (primarily supplemental pensions and end-of-career allowances) and/or plans that offer other post-employment benefits. They may be financed in part or in full (through plan assets).

Non-financed plans

Non-financed plans are essentially retirement benefit plans, for which rights vest only if the employee is still employed by the Group at the time he/she retires. A provision is recognized, without any obligation to pre-finance it because the payment of these benefits remains uncertain. In some cases, funds have been placed with external organizations (such as insurance companies) but without any future payment obligation.

Financed plans

Financed plans are essentially pension plans in the United States and the United Kingdom. These obligations are pre-financed by contributions paid by the Group's subsidiaries and the employees to external funds that are separate legal entities and whose investments are subject to the fluctuations of the financial markets.

In the United States, defined-benefit plans essentially concern retirement obligations pursuant to a contract, which are managed through a pension fund. All rights acquired (based on salary and number of years of service with the Group) have been frozen; beneficiaries who are still employed cannot acquire additional rights.

In the United Kingdom, the Group's obligations are managed essentially through pension funds. Each fund is managed by a council of trustees, who are representatives of the Group's subsidiaries, employees and retirees, and at times independent consultants. In 2010, all rights acquired (based on salary and number of years of service with the Group) were frozen; beneficiaries who are still employed cannot acquire additional rights.

The main risks to which the Group is exposed through the pension plans in the United Kingdom and North America are plan asset volatility, changes in bond rates and longevity.

Obligations with respect to defined-benefit pension plans and other post-employment benefits

The tables below show the Group's obligations with respect to defined-benefit pension plans and other post-employment benefits. They exclude, by definition, defined-contribution plans and multi-employer retirement plans (see note VI.5.2.4).

Actuarial assumptions

Actuarial assumptions used for the calculations vary according to the country in which the plans are set up.

	As of December 31, 2019	As of December 31, 2020
Discount rate		
Euro zone	0.4%	0.3%
United States	3.2%	2.5%
United Kingdom	2.0%	1.4%
Sweden	1.3%	0.9%
Inflation rate		
Euro zone	1.5%	1.5%
United States	2.5%	2.5%
United Kingdom [1]	3.0%/2.0%	3.0%/2.0%
Sweden	1.9%	1.6%
Rate of salary increases	**2.0%**	**2.0%**

[1] RPI/RCI

Changes in the defined-benefit obligation (DBO) and plan assets

	AS OF DECEMBER 31, 2019			AS OF DECEMBER 31, 2020		
(€ millions)	Non-financed plans	Financed plans	Total	Non-financed plans	Financed plans	Total
Changes in the defined-benefit obligation						
Discounted value of the defined-benefit obligation at beginning of year	**86.6**	**162.4**	**249.0**	**92.4**	**170.7**	**263.1**
Current service cost	4.0	-	4.0	4.3	-	4.3
Interest cost	1.2	5.1	6.3	0.4	3.9	4.3
Benefit obligation assumed on acquisitions	2.1	-	2.1	0.7	-	0.7
Benefit obligation transferred on divestitures	(0.3)	-	(0.3)	(1.5)	-	(1.5)
Curtailments / settlements	-	-	-	(0.5)	-	(0.5)
Actuarial losses (gains)	5.2	13.5	18.7	(1.7)	11.3	9.6
o/w experience actuarial losses (gains)	*(0.9)*	*(3.1)*	*(4.0)*	*(2.7)*	*1.4*	*(1.3)*
o/w demographic assumptions actuarial losses (gains)	*0.2*	*(2.3)*	*(2.1)*	*0.1*	*(0.3)*	*(0.2)*
o/w financial assumptions actuarial losses (gains)	*5.9*	*18.9*	*24.8*	*0.9*	*10.2*	*11.1*
Benefits paid	(7.2)	(7.8)	(15.0)	(6.6)	(7.7)	(14.3)
Plan amendments	0.7	-	0.7	1.3	-	1.3
Other (including foreign exchange translation)	0.1	(2.5)	(2.4)	(0.1)	(8.6)	(8.7)
Discounted value of the defined-benefit obligation at end of year (1)	**92.4**	**170.7**	**263.1**	**88.7**	**169.6**	**258.3**
Changes in plan assets						
Fair value of plan assets at beginning of year	**1.5**	**121.7**	**123.2**	**1.5**	**128.8**	**130.3**
Actual return on plan assets	0.2	16.9	17.1	-	12.2	12.2
o/w interest income on plan assets	*-*	*3.7*	*3.7*	*-*	*2.9*	*2.9*
o/w actuarial gains (losses)	*0.2*	*13.2*	*13.4*	*-*	*9.3*	*9.3*
Employer contributions	0.2	1.9	2.1	-	5.7	5.7
Benefits paid	(0.4)	(7.8)	(8.2)	(0.2)	(7.7)	(7.9)
Other (including foreign exchange translation)	-	(3.9)	(3.9)	-	(7.6)	(7.6)
Fair value of plan assets at end of year (2)	**1.5**	**128.8**	**130.3**	**1.3**	**131.4**	**132.7**
Funding status (a) = (2) - (1)	**(90.9)**	**(41.9)**	**(132.8)**	**(87.4)**	**(38.2)**	**(125.6)**
Asset limit (b)	**0.4**	**-**	**0.4**	**-**	**0.4**	**0.4**
NET OBLIGATION (-a + b)	**91.3**	**41.9**	**133.2**	**87.4**	**38.6**	**126.0**

Plan assets

The actual rate of return on assets in fiscal year 2020 was around 9% (14% in fiscal year 2019).

The average allocation of the Group's plan assets is shown below:

	As of 31 December, 2020
Equities	37.5%
Goverment bonds	1.0%
Corporate bonds	20.8%
Quoted assets	**59.4%**
Insurance contract	15.0%
Real estate	0.7%
Other [1]	24.9%
Non-quoted assets	**40.6%**

[1] *Including Liability Driven Investment (LDI).*

In 2021, the contribution to the funding of defined-benefit plans should be about €5.0 million.

Change in reimbursement rights

Reimbursement rights concern the portion of employee rights in respect of post-employment benefits that correspond to the period worked with their previous employer, or when the operating agreement states that the employees' rights in respect of these commitments are reimbursed by third parties. They totalled €2.8 million as of December 31, 2020 (€3.6 million as of December 31, 2019).

Net cost of post-employment benefits

	2019			2020		
(€ millions)	Non-financed plans	Financed plans	Total	Non-financed plans	Financed plans	Total
Current service cost	(4.0)	-	(4.0)	(4.3)	-	(4.3)
Interest cost	(1.2)	(5.1)	(6.3)	(0.4)	(3.9)	(4.3)
Interest income on plan assets	-	3.7	3.7	-	2.9	2.9
Curtailments / settlements	-	-	-	0.5	-	0.5
Plan amendments	(0.7)	-	(0.7)	(1.3)	-	(1.3)
Other	0.9	(1.0)	(0.1)	2.0	(0.7)	1.3
Net cost of post-employment benefits in the consolidated income statement	**(5.0)**	**(2.4)**	**(7.4)**	**(3.5)**	**(1.7)**	**(5.2)**
Actuarial gains (losses) on assets	0.2	13.2	13.4	-	9.3	9.3
Experience actuarial gains (losses)	0.9	3.1	4.0	2.7	(1.4)	1.3
Actuarial gains (losses) on demographic assumptions	(0.2)	2.3	2.1	(0.1)	0.3	0.2
Actuarial gains (losses) on financial assumptions	(5.9)	(18.9)	(24.8)	(0.9)	(10.2)	(11.1)
Actuarial gains (losses) on reimbursement rights	0.4	-	0.4	-	-	-
Net cost of post-employment benefits in other comprehensive income	**(4.6)**	**(0.3)**	**(4.9)**	**1.7**	**(2.0)**	**(0.3)**
TOTAL	**(9.6)**	**(2.7)**	**(12.3)**	**(1.8)**	**(3.7)**	**(5.5)**

Sensitivity of the discounted value of the obligation and of the current service cost

The Group's actuarial debt is particularly sensitive to discount rates and salary increases.

For example, an increase of 0.5% in the discount rate would reduce the discounted value of the Group's gross obligation by about €15.6 million and the current service cost for the following year by €0.2 million. A drop of 0.5% in the discount rate would increase the discounted value of the Group's obligation by about €16.8 million and the current service cost for the following year by €0.3 million.

In addition, an increase of 0.5% in the salary increase rate would increase the discounted value of the Group's obligation by about €5.4 million.

VI.5.2.4. Multi-employer plans

Pursuant to collective bargaining agreements, certain Group companies participate in multi-employer defined-benefit plans.

General situation

The main multi-employer plans are primarily in the United States, Sweden and the United Kingdom. The corresponding expense recognized in the consolidated income statement is equal to the contributions made during the year. This amount was approximately €7 million in 2020 (approximately €12 million in 2019) and does not include the contribution to the Rail & OV plan in the Netherlands (see below).

Specific situation: Rail & OV plan in the Netherlands

On April 1, 2020, the SPOV *(Stichting Pensioenfonds Openbaar Vervoer)* defined-benefit multi-employer plan in which the Group participated in the Netherlands merged with the *Spoorwegpensioenfond* (SPF) multi-employer fund. The Group's share in this Rail & OV merged fund is around 10%. The retirement pension is based on a percentage of the average reference salary per career for each year of length of service.

In 2020, the Group paid an annual contribution of €28 million to this plan.

This plan is treated as a defined-contribution plan because (i) this multi-employer fund is unable to provide a reliable estimate of the share of the obligation of each employer under this plan and (ii) the Group's share of this fund is small.

VI.6. Contract assets

VI.6.1. Intangible assets excluding goodwill

ACCOUNTING PRINCIPLES

Intangible assets are identifiable non-monetary assets without physical substance. They include mainly access fees paid to local authorities under public service contracts, the value of contracts and portfolios acquired in connection with business combinations, assets constituted under agreements (IFRIC 12), trademarks, patents, licenses, software and operating rights.

Intangible assets (excluding goodwill) are recognized at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses.

If intangible assets have a definite useful life, they are amortized on a straight-line basis over their useful life, unless another systematic amortization basis better reflects the rate of consumption of the asset.

Useful lives are as follows:

	Range of useful lives in number of years [1]
Contractual rights	contract-based
Portfolios	based on a period covering 80% of discounted flows
Purchased software	3 to 10 years

[1] The range of useful lives is due to the diversity of relevant assets.

All intangible assets excluding goodwill are subject to impairment testing annually, as soon as there are indicators that may call into question the value recognized in assets in the consolidated statement of financial position.

The table below shows intangible assets, broken down by asset class and flow:

(€ millions)	**Concession intangible assets**	**Contract costs**	Trademarks	Other intangible assets with indefinite useful life	**Intangible assets with indefinite useful life**	Contracts and portfolios acquired	Software acquired	Other intangible assets with a definite useful life	**Intangible assets with a definite useful life**	**Other intangible assets**
As of January 1, 2019	**3.3**	**2.7**	**34.2**	**-**	**34.2**	**14.5**	**25.3**	**28.6**	**68.4**	**108.6**
Investments	8.2	1.1	-	0.4	0.4	-	14.8	9.7	24.5	34.2
Disposals	-	-	-	(0.2)	(0.2)	-	(0.3)	(2.2)	(2.5)	(2.7)
Impairment losses and amortization	(3.2)	(0.7)	-	(0.4)	(0.4)	(4.5)	(12.7)	(5.3)	(22.5)	(26.8)
Change in consolidation scope	-	-	-	-	-	25.9	0.4	2.2	28.5	28.5
Currency impact	(0.4)	-	(0.3)	0.2	(0.1)	1.0	-	0.1	1.1	0.6
Other movements	-	0.3	(7.0)	-	(7.0)	(0.6)	7.1	(6.4)	0.1	(6.6)
TOTAL AS OF DECEMBER 31, 2019	**7.9**	**3.4**	**26.9**	**-**	**26.9**	**36.3**	**34.6**	**26.7**	**97.6**	**135.8**
o/w gross amounts	*34.6*	*5.6*	*85.4*	*2.4*	*87.8*	*248.3*	*142.2*	*54.3*	*444.8*	*572.8*
o/w cumulated amortization and impairment	*(26.7)*	*(2.2)*	*(58.5)*	*(2.4)*	*(60.9)*	*(212.0)*	*(107.6)*	*(27.6)*	*(347.2)*	*(437.0)*
As of January 1, 2020	**7.9**	**3.4**	**26.9**	**-**	**26.9**	**36.3**	**34.6**	**26.7**	**97.6**	**135.8**
Investments	2.7	0.9	-	-	-	-	7.7	6.8	14.5	18.1
Disposals	-	-	(0.3)	-	(0.3)	-	-	(0.1)	(0.1)	(0.4)
Impairment losses and amortization	(5.8)	(0.6)	-	-	-	(19.1)	(15.4)	(7.3)	(41.8)	(48.2)
Change in consolidation scope	-	-	-	-	-	(5.0)	-	2.3	(2.7)	(2.7)
Currency impact	(0.3)	(0.1)	(0.1)	-	(0.1)	(0.7)	0.1	(0.3)	(0.9)	(1.4)
Other movements	0.8	(0.1)	0.1	-	0.1	-	6.1	(2.5)	3.6	4.4
TOTAL AS OF DECEMBER 31, 2020	**5.3**	**3.5**	**26.6**	**-**	**26.6**	**11.5**	**33.1**	**25.6**	**70.2**	**105.6**
o/w gross amounts	*38.0*	*6.4*	*80.5*	*2.4*	*82.9*	*262.6*	*146.0*	*49.3*	*457.9*	*585.2*
o/w cumulated amortization and impairment	*(32.7)*	*(2.9)*	*(53.9)*	*(2.4)*	*(56.3)*	*(251.1)*	*(112.9)*	*(23.7)*	*(387.7)*	*(479.6)*

As a consequence of the health crisis, contractual rights recognized in connection with business combinations were impaired (see note VI.1.1.4).

VI.6.2. Property, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are accounted for at historical acquisition cost to the Group, less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred to finance the acquisition and construction of installations

Borrowing costs for the purpose of financing the acquisition and construction of specific installations that are incurred during the construction period are included in the cost of these assets, in accordance with IAS 23, Borrowing Costs.

Investment grants for property, plant and equipment

In accordance with the option offered under IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance”, investment grants are deducted from the gross carrying amount of the assets for which they were received. They are recognized as a reduction in the depreciation charge over the useful life of the depreciable asset.

If construction of an asset takes place over more than one period, the portion of the grant not yet used is recorded as a liability in “other liabilities”.

Depreciation and impairment

Property, plant and equipment are recorded by component and each component is depreciated over its useful life. Tangible assets are mainly depreciated on a straight-line basis over their useful life, unless another systematic depreciation basis better reflects the rate of consumption of the asset.

The range of useful lives used for the Group is as follows, by type of fixed assets:

Property, plant and equipment	Range of useful lives in number of years [1]
Buildings	20 to 25 years
Installations, fixtures and improvements	8 to 15 years
General plant assets	10 years
Machinery and equipment	5 to 10 years
Computer equipment	3 to 5 years
Office equipment and furniture	3 to 10 years
Coaches and buses	6.5 to 16 years
Minibuses	6 to 8 years
Locomotive frames / bogies / cabs	24 years
Locomotive engines	18 to 24 years
Heavy lifting equipment for overhaul of rolling stock	8 years

[1] The range of useful lives is due to the diversity of relevant assets and to the ways assets are used.

The carrying amounts of property, plant and equipment are reviewed at year-end to determine if there is any indication that the value of an asset has become impaired.

The table below shows property, plant and equipment, broken down by asset class and flow:

(€ millions)	Rolling stock and other transportation equipment	Plant and equipment	Buildings	Land	Other	Property, plant and equipment
As of January 1, 2019 restated [1]	**569.3**	**95.9**	**82.0**	**67.8**	**120.4**	**935.4**
Investments	210.7	12.2	5.1	0.9	67.2	296.1
Disposals	(45.2)	(0.7)	(2.9)	(0.1)	(2.5)	(51.4)
Impairment losses and depreciation	(149.4)	(16.5)	(11.8)	(0.8)	(24.7)	(203.2)
Change in consolidation scope	137.1	3.2	27.0	8.9	2.8	179.0
Currency impact	5.9	0.3	0.5	0.2	0.4	7.3
Reclassification as assets held for sale	(11.1)	(0.5)	-	-	2.0	(9.6)
Other movements	35.4	(13.6)	4.6	(1.0)	(21.2)	4.2
TOTAL AS OF DECEMBER 31, 2019	**752.7**	**80.3**	**104.5**	**75.9**	**144.4**	**1,157.8**
o/w gross amounts	*2,034.6*	*281.5*	*237.0*	*83.0*	*305.8*	*2,941.9*
o/w cumulated depreciation and impairment	*(1,281.9)*	*(201.2)*	*(132.5)*	*(7.1)*	*(161.4)*	*(1,784.1)*
As of January 1, 2020	**752.7**	**80.3**	**104.5**	**75.9**	**144.4**	**1,157.8**
Investments	218.4	15.6	10.2	1.1	58.1	303.4
Disposals	(44.8)	(3.0)	(5.0)	(5.4)	(2.1)	(60.3)
Impairment losses and depreciation	(175.3)	(17.6)	(11.5)	(2.2)	(28.1)	(234.7)
Change in consolidation scope	8.8	(0.3)	(3.4)	5.4	0.2	10.7
Currency impact	(6.5)	(0.1)	(0.6)	(0.5)	(0.6)	(8.3)
Reclassification as assets held for sale	0.3	-	-	-	-	0.3
Other movements	(33.5)	(4.4)	2.8	(4.4)	(23.6)	(63.1)
TOTAL AS OF DECEMBER 31, 2020	**720.1**	**70.5**	**97.0**	**69.9**	**148.3**	**1,105.8**
o/w gross amounts	*1,841.6*	*273.7*	*231.7*	*77.0*	*318.9*	*2,742.9*
o/w cumulated depreciation and impairment	*(1,121.5)*	*(203.2)*	*(134.7)*	*(7.1)*	*(170.6)*	*(1,637.1)*

[1] Restated amounts due to the first-time adoption of IFRS 16 “Leases”.

An impairment loss on rolling stock that became surplus due to the pandemic was recognized in fiscal year 2020 (see note VI.1.1.4).

VI.6.3. Leases

The Group's leases mainly concern rolling stock and properties (depots and offices).

ACCOUNTING PRINCIPLES

Leases, as defined by IFRS 16 "Leases", are recorded in the consolidated statement of financial position, which leads to the recognition of an asset representing a right-of-use of the asset leased during the lease term of the contract, and the recognition of a liability related to the payment obligation.

Term

The term of the lease is determined for each contract, taking into account, in particular, the useful life of leasehold improvements that are not removable from the leased property. The lease term corresponds mainly to the non-cancellable period of each contract, except in cases where the Group is reasonably certain of exercising the renewal options contractually foreseen.

Lease liabilities

At commencement date, the lease liability is measured at the present value of the lease payments for the term of the lease, which include: the fixed payments; the variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the commencement date of the lease, amounts expected to be payable by the lessee under residual value guarantees, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
Non-lease components, such as management fees, taxes or the provision of a maintenance service are not included.

Right-of-use assets

At commencement date, the right-of-use asset is measured at cost and comprises:
- the amount of the initial measurement of the lease liability, to which is added, if applicable, any lease payments made before the commencement date, less any lease incentives received from the lessor;
- where relevant, any initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs which would not have been incurred if the contract had not been concluded;
- estimated costs for restoration and dismantling of the leased asset according to the terms of the contract.

The right-of-use asset is depreciated over the lease term. The carrying amount is reviewed at year-end to determine if there is any indication that the value of an asset has become impaired.

Exemptions

For short-term leases and leases for which the underlying asset is of low value, the Group uses the two exemptions permitted by the standard (recognition of full lease expenses in operating result).

As of December 31, 2020, right-of-use assets were concentrated primarily in France (€408 million) and in Germany (€288 million). The table below shows right-of-use assets, broken down by asset class and flow:

(€ millions)	Right-of-use - Rolling stock and other transportation equipment	Right-of-use - Real estate	Right-of-use - other	Right-of-use assets
As of January 1, 2019 restated [1]	**799.2**	**274.0**	**17.9**	**1,091.2**
Investments	202.3	63.1	9.7	275.1
Disposals	(3.1)	(7.5)	(0.7)	(11.3)
Impairment losses and depreciation	(211.5)	(68.9)	(9.1)	(289.5)
Change in consolidation scope	22.5	9.2	0.5	32.2
Currency impact	2.0	1.4	0.1	3.5
Reclassification as assets held for sale	-	(5.9)	(0.1)	(6.0)
Other movements	(20.7)	(1.4)	-	(22.1)
TOTAL AS OF DECEMBER 31, 2019	**790.7**	**264.0**	**18.3**	**1,073.0**
o/w gross amounts	*1,739.8*	*344.1*	*28.1*	*2,112.0*
o/w cumulated depreciation and impairment	*(949.1)*	*(80.1)*	*(9.8)*	*(1,039.0)*
As of January 1, 2020	**790.7**	**264.0**	**18.3**	**1,073.0**
Investments	259.2	75.3	6.3	340.8
Disposals	(62.9)	(9.0)	(0.6)	(72.5)
Impairment losses and depreciation	(227.8)	(64.5)	(8.4)	(300.7)
Change in consolidation scope	0.4	-	-	0.4
Currency impact	4.7	(1.0)	(0.4)	3.3
Other movements	3.7	0.4	-	4.1
TOTAL AS OF DECEMBER 31, 2020	**768.0**	**265.2**	**15.2**	**1,048.4**
o/w gross amounts	*1,725.6*	*404.0*	*30.0*	*2,159.6*
o/w cumulated depreciation and impairment	*(957.6)*	*(138.8)*	*(14.8)*	*(1,111.2)*

[1] Restated amounts due to the first-time adoption of IFRS 16 "Leases".

In fiscal year 2020, an impairment loss was recognized on the rights to use rolling stock that became surplus due to the pandemic (see note VI.1.1.4).

Information relating to lease liability is available in note VI.9.1.

The rents resulting from non-capitalized leases are shown below:

(€ millions)	2019	2020
Expense relating to short-term leases	(28.4)	(27.4)
Expense relating to leases of low-value asset	(2.7)	(3.1)
Expense relating to variable lease payments	(2.6)	(7.9)

VI.6.4. Concession activities: current and non-current operating financial assets

Operating financial assets include financial assets recognized as a result of applying IFRIC 12 on concession arrangements.

ACCOUNTING PRINCIPLES

Group assets

A share of the Group's assets is used in connection with concession or public service management contracts granted by public sector customers ("concession grantors") or signed by concessionaires purchased by the Group pursuant to total or partial privatizations. The characteristics of these contracts vary significantly by country. Nevertheless, they generally provide, directly or indirectly, for the concession grantor's involvement on the one hand in determining the service and compensation, and on the other, the return of assets necessary to perform the service at the end of the contract.

IFRIC Interpretation 12 "Service Concession Arrangements" is applicable to concession arrangements comprising a public service obligation and meeting the following criteria: the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied, and the concession grantor controls the residual economic value of the infrastructure at the end of the arrangement. Pursuant to IFRIC Interpretation 12, such infrastructures are not recognized as fixed assets of the operator, but as financial assets ("financial asset model") and/or intangible assets ("intangible asset model"), depending on the compensation paid by the concession grantor.

Financial asset model

The financial asset model applies if the operator has an unconditional right to receive cash or another financial asset from the concession grantor, in compensation for concession services. In the case of concession services, the operator has such an unconditional right if the concession grantor contractually guarantees payment of amounts specified or determined in the contract, or any shortfall, i.e. the difference between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of IFRIC Interpretation 12 are recorded in the consolidated statement of financial position under a separate heading entitled "Operating financial assets". They are recognized at amortized cost. Unless otherwise indicated in the contract, the effective interest rate retained is equal to the weighted average cost of capital of the entities carrying the relevant assets. The portion that matures in less than one year is presented in "Current operating financial assets", and the portion that matures in more than one year is presented in "Non-current operating financial assets". In accordance with IFRS 9 "Financial Instruments," these assets are impaired using a model based on expected credit losses.

Cash flows associated with these operating financial assets are included in the consolidated statement of cash flows in net cash used in investing activities.

Revenue associated with this financial model includes remuneration of the operating financial asset accounted for in Revenue from operating financial assets (excluding principal payments) and also the compensation for the service.

Intangible asset model

The intangible asset model applies if the operator is paid by the users or if the concession grantor makes no contractual guarantee concerning the recoverable amount. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the service as remuneration for the concession services.

Intangible assets resulting from the application of IFRIC Interpretation 12 are recognized in the consolidated statement of financial position under a separate heading entitled "Concession intangible assets". These assets are generally amortized on a straight-line basis over the term of the contract.

Outgoing cash flows, i.e. disbursements, associated with infrastructure construction pursuant to "intangible asset model" concession arrangements are presented in the consolidated statement of cash flows in net cash from investing activities, and incoming cash flows are presented in net cash generated by the activity.

Under the intangible asset model, revenue corresponds to compensation for the service.

Mixed or bifurcation model

The choice of the financial asset or intangible asset model depends on the existence of payment guarantees made by the concession grantor. However, certain contracts may include a payment commitment on the part of the concession grantor covering only part of the investment, with the balance covered by fees charged to users. In such a case, the investment amount guaranteed by the concession grantor is recognized using the financial asset model and the balance is recognized using the intangible asset model.

Investment grants related to concession arrangements

Investment grants received in connection with concession arrangements are generally vested and are therefore not repayable. In accordance with the option offered by IAS 20, these grants are presented as a deduction from intangible assets or financial assets, depending on the model chosen when the concession arrangement is interpreted (IFRIC 12):

- under the intangible asset model, investment grants reduce amortization expense for intangible assets within the scope of the concession over the residual term of the concession arrangement,
- under the financial asset model, investment grants are treated as a method of repaying the operating financial asset.

Assets provided to the Group by concession grantors

Under certain concession arrangements, the rolling stock is provided to the Group in consideration for the payment of lease instalments, in which case the legal form of the arrangement is a lease contract. At the same time, the concession grantor grants the Group unconditional reimbursement rights in an equivalent amount.

Due to the fact that the concession grantors control the use of the rolling stock, the Group cannot apply IFRS 16 to these contracts. Therefore, these future lease payments are treated as the acquisition cost of the concession contract, and their present value is reported in the "Provision of rolling stock under concession arrangements - non-current part" and "Provision of rolling stock under concession arrangements - current part" items of the consolidated statement of financial position. These liabilities are not included in the definition of the Group's "Net Financial Debt" indicator because they are future lease payments for rolling stock that are fully secured by revenues, of the same amount and with the same maturities, to be paid by the concession grantors.

The reimbursement rights, of an equivalent amount, are classified as "Non-current operating financial assets" and "Current operating financial assets" in the consolidated statement of financial position.

These transactions have no impact on the consolidated statement of cash flows throughout the term of the contract.

In the consolidated income statement, amounts paid by concession grantors are set off against the lease instalments the Group pays for the rolling stock provided to it.

(€ millions)	Operating financial assets representing property, plant and equipment restated in accordance with IFRIC 12 [1]	Operating financial assets covering future lease payments [2]	Operating financial assets
As of January 1, 2019	**286.9**	**40.0**	**326.9**
Additions	20.4	-	20.4
Repayments / disposals	(39.7)	(0.2)	(39.9)
Impairment losses	-	-	-
Currency impact	0.9	-	0.9
TOTAL AS OF DECEMBER 31, 2019	**268.5**	**39.8**	**308.3**
o/w gross amounts	*270.3*	*39.8*	*310.1*
o/w impairment	*(1.8)*	-	*(1.8)*
As of January 1, 2020	**268.5**	**39.8**	**308.3**
Additions	29.3	-	29.3
Repayments / disposals	(53.2)	(5.6)	(58.8)
Change in consolidation scope	2.3	5.1	7.4
Impairment losses	(7.0)	-	(7.0)
Currency impact	0.1	(0.1)	-
Other movements	56.3	48.8	105.1
TOTAL AS OF DECEMBER 31, 2020	**296.3**	**88.0**	**384.3**
o/w gross amounts	*305.1*	*88.0*	*393.1*
o/w impairment	*(8.8)*	-	*(8.8)*
o/w < 1 year	*30.2*	*11.4*	*41.6*
o/w > 1 year and < 5 years	*123.7*	*37.6*	*161.3*
o/w > 5 years	*142.4*	*39.0*	*181.4*

[1] These amounts correspond to the unconditional rights to receive remuneration from the concession grantors in respect of the financing of rolling stock on behalf of concession grantors.

[2] These amounts correspond to the unconditional rights to receive remuneration from the concession grantors in respect of lease payments to be made related to rolling stock.

With respect to operating financial assets representing property, plant and equipment restated applying IFRIC 12 (Group assets):

- Cash flows associated with these operating financial assets (new assets and principal repayments) are broken down in the net cash flows associated with investment transactions presented in the consolidated statement of cash flows (see note IV).
- Revenue generated by operating financial assets is reported as revenue, which is broken down in note VI.4.1.

As of December 31, 2020, operating financial assets were concentrated primarily in France (€187.7 million).

VI.7. Goodwill

VI.7.1. Changes during the period and breakdown by cash generating unit

ACCOUNTING PRINCIPLES

A cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows generated by other assets or groups of assets. In light of the Group's business, cash generating units generally coincide with a country.

For the purposes of impairment testing, as of the acquisition date, goodwill is allocated to each cash generating unit or group of cash generating units that should benefit from the business combination.

(€ millions)	France	United States	Germany & Central Europe	Australia and New Zealand	Canada	Northern Europe	United Kingdom & Ireland	Iberia	Netherlands	Goodwill
As of January 1, 2019	**520.9**	**101.1**	**24.2**	**33.2**	**21.5**	**3.6**	**11.7**	**3.3**	**4.1**	**723.6**
Change in consolidation scope	11.4	-	53.3	7.4	9.8	10.1	-	1.7	-	93.7
Currency impact	-	1.9	0.7	0.8	1.8	(0.1)	0.6	-	-	5.7
Impairment losses	-	-	-	-	-	-	-	(0.1)	-	(0.1)
Other movements	3.7	-	-	-	-	-	(0.1)	-	-	3.6
TOTAL DECEMBER 31, 2019	**536.0**	**103.0**	**78.2**	**41.4**	**33.1**	**13.6**	**12.2**	**4.9**	**4.1**	**826.5**
o/w gross amounts	*648.0*	*129.3*	*198.7*	*78.6*	*48.2*	*44.5*	*41.1*	*23.6*	*317.8*	*1,529.8*
o/w cumulated impairment	*(112.0)*	*(26.3)*	*(120.5)*	*(37.2)*	*(15.1)*	*(30.9)*	*(28.9)*	*(18.7)*	*(313.7)*	*(703.3)*
Change in consolidation scope	-	-	0.3	-	-	(0.9)	-	-	-	(0.6)
Currency impact	-	(8.7)	(1.0)	-	(2.2)	1.9	(0.7)	-	-	(10.7)
Impairment losses	-	-	-	-	-	-	-	-	-	-
Other movements	0.2	-	(14.2)	0.6	(0.4)	11.1	-	0.1	-	(2.6)
TOTAL DECEMBER 31, 2020	**536.2**	**94.3**	**63.3**	**42.0**	**30.5**	**25.7**	**11.5**	**5.0**	**4.1**	**812.6**
o/w gross amounts	*648.2*	*118.3*	*183.8*	*79.4*	*44.6*	*57.9*	*38.8*	*23.6*	*317.8*	*1,512.4*
o/w cumulated impairment	*(112.0)*	*(24.0)*	*(120.5)*	*(37.4)*	*(14.1)*	*(32.2)*	*(27.3)*	*(18.6)*	*(313.7)*	*(699.8)*

VI.7.2. Impairment tests

ACCOUNTING PRINCIPLES

Goodwill and other intangible assets with an indefinite useful life are systematically tested for impairment each fiscal year and whenever there is an indication that the cash generating unit ("CGU") may have lost value. Changes in the overall economic and financial context, deterioration in local economic environments and changes in economic performances are among the external indicators of impairment that the Group analyses to determine if impairment tests should be conducted more frequently.

The need to recognize an impairment loss is determined by comparing the carrying amount of a CGU and its recoverable amount. If the recoverable amount calculated is less than the net carrying amount of an asset or group of assets, an impairment loss is recognized. Impairments of fixed assets may be reversed, except impairments of goodwill. If applicable, impairment of goodwill is recognized in the operating result, in "Other operating income and expenses"; it is definitive.

Measuring recoverable amount

Changes in the economic, financial, regulatory, employment and health environment, as well as changes in economic performance, may affect estimates of the recoverable amount, which is defined as the higher of fair value, less costs to sell, and value in use.

Fair value less costs to sell is measured on the basis of available information enabling the best estimate of sale value less the costs necessary to make a sale, under normal competitive conditions between well-informed and consenting parties.

The value in use measured by the Group is equal to the present value of future cash flows from CGUs or groups of CGUs, taking into account their residual value, on the basis of the following factors:

- Projected cash flows are based on the long-term plan prepared during the second semester and presented to the Strategic Committee. Cash flow projections reflect changes in volumes, rates, direct costs and investments during the period, established on the basis of, first, contracts or business activities using historical data and, second, expected changes during the period covered by the long-term plan. This plan covers the year in progress and the next five years. This period corresponds to the average duration of the Group's portfolio of long-term contracts and its short-term business activities.
- Final values are measured on the basis of the present value of projected cash flows for the last year of the long-term plan (2025). These cash flows are estimated for each CGU on the basis of a continuous growth rate that takes factors such as inflation into account.
- A discount rate (weighted average cost of capital) is determined for each asset and cash generating unit. This rate corresponds to a risk-free rate, increased by a risk premium weighted on the basis of specific country risks (see note VI.3). Therefore, the discount rates estimated by management for each cash generating unit reflect current assessments of the market, the time value of money and country risks specific to the CGU only; other risks are included in future cash flows.
- Investments included in cash flow projections are investments that make it possible to maintain the level of economic benefits that the assets should generate in their current condition and to satisfy contractual obligations.
- Restructuring plans not yet implemented are not included in the cash flow projections used to measure value in use.

Goodwill is tested for impairment taking into account the impacts of IFRS 16, in particular including right-of-use assets in the value of capital employed tested, excluding lease payments from future cash flows used to determine value in use, and using a discount rate that takes into account right-of-use assets.

Impairment testing was performed in a more uncertain context than in previous years due to the health crisis (see note VI.1.1.4).

VI.7.2.1 Key assumptions used to measure recoverable amounts

The discount rates and average perpetual growth rates used in 2020 are shown below:

	Determination of the recoverable amount	Discount rates [1]	Perpetual growth rates
France	Value in use	4.6%	1.6%
Germany	Value in use	4.7%	2.0%
United States	Value in use	5.3%	2.2%

[1] After taking into account the right-of-use assets.

As of the measurement date, no material difference was observed between the recoverable amount of all cash-generating units and their carrying amount.

VI.7.2.2. Sensitivity of impairment tests

Recoverable amounts measured within the framework of impairment tests underwent a sensitivity analysis on the basis of a discount rate increased by 0.5%, a perpetual growth rate decreased by 0.5% and operating cash flows decreased by 5%. These assumptions concerning changes are considered reasonable in light of the Group's business activities and the geographical areas where such business activities are conducted.

For the “France” and “Germany and Central Europe” CGUs, these changes would result in the identification of a recoverable amount lower than the carrying amount of the CGUs by €155 million in the event of a 0.5% increase in the discount rate, €141 million in the event of a 0.5% decrease in the perpetual growth rate, and €21 million in the event of a 5% decrease in operating cash flows.

VI.8. Companies accounted for by the equity method and other non-consolidated investments

The main companies consolidated in the consolidated financial statements are presented in note VI.17.

Commitments in connection with the Group's scope are broken down in note VI.13.

VI.8.1. Joint ventures and associates

	Equity value		Share of net income	
(€ millions)	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020
Latin America	11.3	10.4	1.2	4.2
Asia	11.2	-	0.1	1.4
Iberia	8.2	7.3	0.6	(0.9)
France	7.5	2.5	0.9	(5.0)
Germany	6.0	6.1	0.5	0.5
INVESTMENTS IN JOINT VENTURES	**44.2**	**26.4**	**3.3**	**0.3**
Asia	19.9	-	1.5	(0.8)
France	7.5	5.4	1.9	2.1
Other	2.0	1.7	-	0.3
INVESTMENTS IN ASSOCIATES	**29.4**	**7.1**	**3.4**	**1.6**
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**73.6**	**33.5**	**6.7**	**1.9**
o/w share of net income (loss) of equity-accounted entities in continuing operations			*6.7*	*1.9*

All companies consolidated under the equity method, whether joint ventures or associates, conduct business in line with the Group's activities.

Most of the Group's joint arrangements under joint control are joint ventures within the meaning of IFRS 11 and are accounted for using the equity method (see note VI.2.3).

VI.8.2. Non-consolidated investments

The Group's non-consolidated investments totalled €20.6 million as of December 31, 2020 (€20.8 million as of December 31, 2019), and consist primarily of:
- investments in non-controlled concession holders that own public transportation infrastructures (Nottingham City TPS, etc.);
- investments in innovative start-ups (MaaS Global Ltd, etc.);
- investments in certain non-controlled part state-owned corporations *(sociétés d'économie mixte)* in France (Grenoble, Nantes, etc.).

Investments in non-consolidated companies are not considered individually material at the Group level.

The breakdown of non-consolidated investments measured at fair value through profit or loss or equity is presented in note VI.9.2.

VI.9. Financing, financial instruments and financial risk management

Financial assets and liabilities comprise the following main items:
- financial liabilities, lease liabilities, cash and cash equivalents and overdrafts (note VI.9.1);
- other current and non-current financial assets (note VI.9.2);
- derivative instruments (note VI.9.4).

Off-balance sheet commitments are broken down in note VI.13.

VI.9.1. Net financial debt

Net financial debt consists of gross debt (non-current and current financial and lease liabilities and overdrafts) net of cash and cash equivalents, after taking into account the fair value of interest rate and foreign exchange derivatives.

ACCOUNTING PRINCIPLES

Financial liabilities

With the exception of trading liabilities and liability derivative instruments that are measured at fair value, borrowings and other financial liabilities are initially recognized at fair value, less transaction costs, and are subsequently measured at amortized cost using the effective interest rate method (EIR).
The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated term of the financial instrument or, if applicable, over a shorter period, enabling calculation of the net carrying amount of the financial asset or liability.

Cash and cash equivalents

Cash equivalents are held to meet short-term cash commitments. For an investment to be considered a cash equivalent, it must be easily convertible into a known amount of cash and have negligible risk of a change in value, thereby meeting the criteria of IAS 7 "Statement of Cash Flows".
Cash and cash equivalents include all cash balances, certain term deposits, negotiable debt instruments and cash UCITS.

Cash and cash equivalents are measured at fair value in income.
Bank overdrafts repayable on demand that form an integral part of the Group's cash management policy represent a component of cash and cash equivalents for the purposes of the statement of cash flows.

VI.9.1.1. Components of net financial debt

As of December 31, 2020, the Group's main sources of financing were:

- bonds, issued in the form of unlisted private placements, for a total amount of €505 million (€160 million maturing in August 2025, €125 million maturing in August 2026 and €220 million maturing in November 2029);
- a credit facility placed with a syndicate of banks for a total amount of €1,100 million, of which €81 million will mature in July 2024 and €1,019 million in July 2025, with a one-year extension option subject to the lenders' agreement. This credit facility remained available as of December 31, 2020 and carries a financial covenant that must be tested semi-annually (see note VI.9.1.5);
- a Schuldschein placement (a private placement governed by German law) in the amounts of $20.5 million and €68.5 million, which will mature between 2023 and 2027;
- lease agreements.

As of December 31, 2020, the Group's net financial debt is broken down as follows:

(€ millions)	December 31, 2019	December 31, 2020
Non-current financial liabilities	1,020.9	657.4
Current financial liabilities	73.1	43.7
Overdrafts	25.2	28.7
FINANCIAL LIABILITIES (incl. overdrafts)	1,119.2	729.8
Cash and cash-equivalents	(336.3)	(514.0)
Fair value of interest rate and foreign exchange derivatives related to net financial debt	3.8	4.4
NET FINANCIAL DEBT EXCLUDING LEASE LIABILITIES (1)	**786.7**	**220.2**
Lease liabilities	1,077.5	1,085.6
NET FINANCIAL DEBT (1)	**1,864.2**	**1,305.8**

(1) Liabilities related to the provision of rolling stock under concession arrangements are not included in the indicator "Net Financial Debt" (see note VI.6.4 "Concession activities").

For several years, the Group has provided support to mobility authorities to help them achieve the ecological transition in their territories. During the past year, Transdev put in place its first green financing to finance the bus fleet for the Gothenburg contract in Sweden (see note VI.1.4.).

VI.9.1.2 Cash and cash equivalents and overdrafts

A review of the Group's cash and cash equivalents balances at year-end did not disclose any material amounts that were unavailable to the Group.

(€ millions)	Cash	Cash equivalents	Cash and cash equivalents	Overdrafts	Net cash
As of January 1, 2019	**359.2**	**28.0**	**387.2**	**(5.2)**	**382.0**
Change in business	(22.5)	(47.5)	(70.0)	(6.5)	(76.5)
Change in consolidation scope	(0.8)	25.2	24.4	(15.6)	8.8
Currency impact	(1.3)	-	(1.3)	2.0	0.7
Reclassification in assets / liabilities held for sale	(3.8)	-	(3.8)	-	(3.8)
Other movements	0.1	(0.3)	(0.2)	0.1	(0.1)
TOTAL AS OF DECEMBER 31, 2019	**330.9**	**5.4**	**336.3**	**(25.2)**	**311.1**
Change in business	151.3	32.6	183.9	(20.1)	163.8
Change in consolidation scope	0.6	-	0.6	-	0.6
Currency impact	(5.8)	0.1	(5.7)	3.3	(2.4)
Reclassification in assets / liabilities held for sale	(1.3)	-	(1.3)	13.5	12.2
Other movements	-	0.2	0.2	(0.2)	-
TOTAL AS OF DECEMBER 31, 2020	**475.7**	**38.3**	**514.0**	**(28.7)**	**485.3**

VI.9.1.3. Non-current and current financial and lease liabilities

Changes in, and breakdown by type, of current and non-current financial and lease liabilities in fiscal years 2019 and 2020:

(€ millions)	Bonds payable	Syndicated loan	Schuldschein private placement	Other financial liabilities	Total financial liabilities	Total lease liabilities
As of January 1, 2019 restated [1]	**285.3**	**300.0**	**175.5**	**46.7**	**807.5**	**1,078.4**
Cash flows	**219.3**	**40.0**	**(54.1)**	**27.2**	**232.4**	**(296.7)**
Increases / subscriptions	220.0	340.0	-	(32.9)	527.1	-
Repayments	(0.7)	(300.0)	(54.1)	60.1	(294.7)	(296.7)
Non-Cash flows	**-**	**-**	**2.8**	**51.3**	**54.1**	**295.8**
Increases / subscriptions	-	-	-	-	-	275.1
Change in consolidation scope	-	-	-	60.1	60.1	31.4
Currency impact	-	-	2.8	4.2	7.0	3.9
Reclassification in assets / liabilities held for sale	-	-	-	(13.7)	(13.7)	(2.7)
Other movements	-	-	-	0.7	0.7	(11.9)
TOTAL AS OF DECEMBER 31, 2019 [2]	**504.6**	**340.0**	**124.2**	**125.2**	**1,094.0**	**1,077.5**
o/w current part	-	-	*37.4*	*35.7*	*73.1*	*268.5*
o/w non-current part	*504.6*	*340.0*	*86.8*	*89.5*	*1,020.9*	*809.0*
As of January 1, 2020	**504.6**	**340.0**	**124.2**	**125.2**	**1,094.0**	**1,077.5**
Cash flows	**-**	**(340.0)**	**(34.3)**	**1.2**	**(373.1)**	**(276.8)**
Increases / subscriptions	-	-	-	9.2	9.2	-
Repayments	-	(340.0)	(34.3)	(8.0)	(382.3)	(276.8)
Non-Cash flows	**-**	**-**	**(4.7)**	**(15.1)**	**(19.8)**	**284.9**
Increases / subscriptions	-	-	-	-	-	341.0
Change in consolidation scope	-	-	-	0.2	0.2	0.3
Currency impact	-	-	(4.7)	(3.6)	(8.3)	2.3
Reclassification in assets / liabilities held for sale	-	-	-	-	-	0.1
Other movements	-	-	-	(11.7)	(11.7)	(58.8)
TOTAL AS OF DECEMBER 31, 2020 [2]	**504.6**	**-**	**85.2**	**111.3**	**701.1**	**1,085.6**
o/w current part	-	-	-	*43.8*	*43.8*	*245.5*
o/w non-current part	*504.6*	-	*85.2*	*67.5*	*657.3*	*840.1*

(1) Restated amounts due to the first-time adoption of IFRS 16 "Leases".

(2) Amounts before taking into account the fair value of interest rate and foreign exchange derivatives related to net financial debt (see note VI.9.4).

Maturity of non-current and current financial and lease liabilities

(€ millions)	December 31, 2020	As of December 31, 2020, to mature : < 1 year	2 years	3 years	4 years	5 years	> 5 years
Bonds payable	504.6	-	-	-	-	160.0	344.6
Syndicated loan	-	-	-	-	-	-	-
Schuldschein private placement	85.2	-	-	60.2	-	-	25.0
Other current and non-current financial liabilities	111.3	43.8	23.7	0.7	18.1	5.9	19.1
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES (1)	**701.1**	**43.8**	**23.7**	**60.9**	**18.1**	**165.9**	**388.7**
LEASE LIABILITIES	**1,085.6**	**245.5**	**213.5**	**161.9**	**124.4**	**96.6**	**243.7**

(1) Amounts before taking into account the fair value of interest rate and foreign exchange derivatives related to net financial debt (see note VI.9.4).

Breakdown of current and non-current financial and lease liabilities by currency

For financial debts, the primary currency of the financing lines is the euro. Currency swaps between euro lenders and borrowers in the foreign currencies used to finance foreign subsidiaries have been set up (see note VI.9.4.1).

For the vast majority of lease liabilities, leases are denominated in the same currency as that of the lessee.

Breakdown of current and non-current financial and lease liabilities by interest rate

(€ millions)	December 31, 2020	o/w Fixed rates	Floating rates
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES (1)	**701.1**	**655.5**	**45.6**
LEASE LIABILITIES	**1,085.6**	**1,027.7**	**57.9**

(1) Amounts before taking into account the fair value of interest rate and foreign exchange derivatives related to net financial debt (see note VI.9.4).

After interest rate hedging, the share of the gross financial debt and of the lease liability at fixed rates amounts to around 95% (interest rate derivatives are detailed in note VI.9.4.1).

VI.9.1.4. Unused credit lines

The Group has a €1,100 million credit facility, which remained available as of December 31, 2020, of which €81 million matures in July 2024 and €1,019 million matures in July 2025.

VI.9.1.5. Financial covenant

The legal documentation in connection with the opening of a €1,100 million credit facility includes a financial covenant, i.e., an undertaking to comply with a coverage ratio, non-compliance with which could lead to the acceleration of the credit facility. The ratio to be complied with, on a half-yearly basis, is the ratio between adjusted net financial debt and adjusted EBITDA.

The Group complied with this financial covenant throughout fiscal year 2020.

VI.9.2. Other current and non-current financial assets

ACCOUNTING PRINCIPLES

Recognition and measurement of financial assets

Under IFRS 9, all financial assets must be recognized in one of the following three categories: assets at amortized cost, assets at fair value through other comprehensive income, and assets at fair value through profit or loss. The classification of a financial asset in each of these categories depends on the business model applied to it and the characteristics of its contractual cash flows.

Financial assets are initially recognized at fair value, less transaction costs, if the relevant assets are not subsequently measured at fair value through profit or loss. In the case of assets measured at fair value through profit or loss, transaction costs are recognized directly in income.

Assets at amortized cost

This category includes loans to investments, operating financial assets, other loans and receivables and trade receivables. After initial recognition at fair value, these instruments are recognized and measured at amortized cost using the effective interest rate method (EIR). Net gains and losses on loans and receivables consist of interest income and impairment losses.

Assets measured at fair value through profit or loss

This category includes the majority of non-consolidated investments, consisting almost entirely of shares in unlisted companies, and derivative instruments that do not qualify as cash flow hedges.

Net gains and losses on assets measured at fair value through profit or loss consist of interest income, dividends and fair value adjustments.

Assets at fair value through other comprehensive income

This category includes equity instruments not held for trading for which the Group has irrevocably elected, instrument by instrument, and as of initial recognition, to recognize changes in fair value in other comprehensive income.

Other assets at fair value through other comprehensive income mainly correspond to cash flow hedging derivatives.

Impairment of financial assets

IFRS 9 requires a prospective impairment model based on expected credit losses over the life of financial assets for which credit risk has increased materially since initial recognition, taking into account all reasonable and supportable information, including forward-looking information.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights to the cash flows from the financial asset pursuant to a transaction under which nearly all the rights and obligations inherent to ownership of the financial asset are transferred. Any interest created or retained by the Group in financial assets transferred is recognized separately as an asset or liability.

(€ millions)	Non-current financial assets at amortized cost	Non-consolidated investments measured at fair value through profit or loss	Non-consolidated investments measured at fair value through other comprehensive income (non recyclable)	Other non-current financial assets measured at fair value through profit or loss	TOTAL other non-current financial assets	Current financial assets at amortized cost	Other current financial assets measured at fair value through profit or loss	TOTAL other current financial assets
As of January 1, 2019 restated [1]	**7.5**	**12.7**	**12.0**	**21.6**	**53.8**	**22.3**	**26.2**	**48.5**
Additions	2.8	0.1	1.0	1.0	4.9	2.4	-	2.4
Repayments / disposals	(0.3)	(0.1)	(0.8)	(1.8)	(3.0)	126.4	-	126.4
Change in consolidation scope	0.5	0.1	-	0.2	0.8	0.1	-	0.1
Impairment losses	0.1	(0.1)	-	0.1	0.1	0.3	-	0.3
Currency impact	-	0.2	-	0.1	0.3	-	0.5	0.5
Reclassification as assets held for sale	-	0.1	-	0.1	0.2	-	-	-
Other movements	15.0	(4.7)	0.3	4.2	14.8	(0.3)	4.2	3.9
TOTAL AS OF DECEMBER 31, 2019	**25.6**	**8.3**	**12.5**	**25.5**	**71.9**	**151.2**	**30.9**	**182.1**
o/w gross amounts	*25.8*	*15.2*	*13.8*	*25.5*	*80.3*	*153.3*	*30.9*	*184.2*
o/w cumulated impairment	*(0.2)*	*(6.9)*	*(1.3)*	-	*(8.4)*	*(2.1)*	-	*(2.1)*
As of January 1, 2020	**25.6**	**8.3**	**12.5**	**25.5**	**71.9**	**151.2**	**30.9**	**182.1**
Additions	3.7	0.2	-	-	3.9	0.8	-	0.8
Repayments / disposals	(2.4)	(0.3)	-	-	(2.7)	(121.6)	-	(121.6)
Change in consolidation scope	-	(0.3)	-	-	(0.3)	-	-	-
Impairment losses	(0.2)	-	-	-	(0.2)	0.2	-	0.2
Currency impact	(0.8)	(0.2)	-	-	(1.0)	0.5	(2.8)	(2.3)
Other movements	22.6	1.0	(0.6)	(25.5)	(2.5)	1.4	2.4	3.8
TOTAL AS OF DECEMBER 31, 2020	**48.5**	**8.7**	**11.9**	**-**	**69.1**	**32.5**	**30.5**	**63.0**
o/w gross amounts	*48.9*	*15.6*	*13.8*	-	*78.3*	*34.4*	*30.5*	*64.9*
o/w cumulated impairment	*(0.4)*	*(6.9)*	*(1.9)*	-	*(9.2)*	*(1.9)*	-	*(1.9)*

[1] Restated amounts due to the first-time adoption of IFRS 16 "Leases".

In 2020, the change in other current financial assets was due primarily to the repayment of advance payments made in 2019 on rolling stock in Germany.

Non-consolidated investments are described in note VI.8.2.

VI.9.3. Financial result

ACCOUNTING PRINCIPLES

Net finance costs consist of interest payable on borrowings, interest expenses on lease liabilities, income from investments of cash and cash equivalents, gains or losses on interest rate derivatives, whether or not classified as hedges.

Other financial income and expenses primarily include income from financial receivables, dividends, foreign exchange gains and losses, impairment losses on financial assets and the unwinding of discounted provisions.

(€ millions)	2019	2020
Finance costs	(20.5)	(20.9)
Revenues from cash and cash equivalents	0.2	0.4
Net finance costs excluding lease liabilities	**(20.3)**	**(20.5)**
Interest expenses on lease liabilities	(25.0)	(21.5)
NET FINANCE COSTS	**(45.3)**	**(42.0)**
Unwinding of discounted provisions	(8.8)	(6.4)
Others	(1.1)	6.0
OTHER FINANCIAL INCOME AND EXPENSES	**(9.9)**	**(0.4)**

VI.9.4. Management of financial risk – derivative financial instruments

ACCOUNTING PRINCIPLES

The Group uses derivative financial instruments primarily to hedge its exposure to foreign exchange, interest rate and commodities risks resulting from its operating, financial and investment activities. Certain transactions carried out in accordance with the Group's risk management policy that do not meet hedge accounting criteria are recorded as trading instruments.

Recognition and measurement of derivative instruments

Derivative instruments are recognized at fair value in the consolidated statement of financial position. The fair value of derivatives is estimated using standard valuation models that take into account active market data.

Other than the exceptions detailed below, changes in the fair value of derivative instruments are recognized in the consolidated income statement. Net gains or losses on instruments at fair value in the consolidated income statement (trading) correspond to flows exchanged and the change in the value of the instrument.

Hedge accounting

Derivative instruments may be classified as hedges under one of three types of hedging relationship: fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation. Hedge accounting applies if:

- The hedging relationship is precisely defined and documented at the inception date;
- The effectiveness of the hedge is demonstrated at the outset and by regular subsequent verification of the correlation between movements in the market value of the hedging instrument and the hedged item. The ineffective portion of the hedge is systematically recognized in income.

Fair value hedge

A fair value hedge is a hedge of exposure to changes in the fair value of a recognized asset or liability, or an identified portion of such an asset or liability, that is attributable to a specific risk (in particular, interest rate or foreign exchange risk) and could affect net income for the period. Changes in the fair value of the hedging instrument are recognized in income for the period. The change in the value of the hedged item attributable to the hedged risk is also recognized symmetrically in the income statement for the period (and adjusts the value of the hedged item). These two remeasurements offset each other in the same income statement items, for the net amount of the "ineffective portion" of the hedge.

Cash flow hedge

A cash flow hedge is a hedge of exposure to variations in cash flows that are attributable to a specific risk associated with a recognized asset or liability or a highly probable forecast transaction (such as a fuel purchase) and could affect net income for the period. In the case of cash flow hedges, the effective portion of changes in fair value of the hedging instrument is recognized directly in other comprehensive income, and changes in the fair value of the underlying item are not recognized in the consolidated statement of financial position. The ineffective portion of fair value variations is recognized in income. Amounts reco-gnized in other comprehensive income are released to income in the same period or periods in which the asset acquired or liability issued impacts income.

Hedge of a net investment in a foreign operation: see note VI.2.4.2.

VI.9.4.1. Market risks and derivative instruments

Management of commodity risk

To manage changes in fuel prices, a fuel hedging policy has been adopted for contracts with indexation deemed inadequate or to hedge contractual commitments. The Group uses either firm fuel purchase contracts or derivatives whose features (notional amount and maturity) are defined on the basis of projected fuel requirements (based on firm orders or highly probable forecast flows). These derivatives are swaps concluded in local currency that set the future price of fuels.

These derivatives have been analysed in accordance with IFRS 9 "Financial Instruments", and are classified as hedging instruments (cash flow hedges). The impact of these derivatives on performance and consolidated financial position is shown in the table below:

				(€ millions)				
CASH FLOW HEDGE DERIVATIVES				INCOME (LOSS) OF THE YEAR			CONSOLIDATED STATEMENT OF FINANCIAL POSITION	
Nature	Unit	NOMINAL AS OF DECEMBER 31, 2020		Recycling of fair value reserves into income	Income (loss), ineffective part	Total income (loss)	Fair value reserves (net of tax)	Fair value
		Total	< 1 year					
Swaps	Tonne, EUR	-	-	(1.7)	-	(1.7)	-	-
Swaps	Tonne, GBP	2,400	2,400	(1.4)	-	(1.4)	(0.3)	(0.3)
Swaps	Tonne, AUD	949	949	(1.6)	-	(1.6)	-	-
TOTAL		**3,349**	**3,349**	**(4.7)**	**-**	**(4.7)**	**(0.3)**	**(0.3)**

Due to the uncertainties created by the health crisis about business levels (foreseeable volumes) in Europe and the measures to compensate for the effects of the crisis, it was decided to discontinue certain hedges. Thus, as of end-December 2020, Transdev holds short-term and limited fuel derivative contracts.

Management of currency risk

Currency risk associated with the financing of foreign subsidiaries

The Group is financed primarily in euros. Transdev has set up currency swaps between euro lenders and borrowers in the foreign currencies used to finance foreign subsidiaries. These swaps have been analysed in accordance with IFRS 9 and have not been classified as hedging instruments. Accordingly, the reassessment of financing in foreign currencies granted to subsidiaries and changes in the value of swaps are recognized at the same time in income.

The impact of these currency derivatives on income and financial position is shown in the table below:

Nature	*(local currency millions)* NON HEDGE DERIVATIVES - NOMINAL AS OF DECEMBER 31, 2020		*(€ millions)*	
	Total	< 1 year	Income (loss) of the year	Fair value in the consolidated statement of financial position
Swap EUR/CAD	*99.1*	*99.1*	*0.5*	-
Swap EUR/SEK	*283.9*	*283.9*	*0.1*	*(0.3)*
Swap EUR/USD	*14.3*	*14.3*	-	*0.1*
Swap EUR/GBP	*31.2*	*31.2*	*(1.0)*	*(0.7)*
Swap EUR/AUD	*51.8*	*51.8*	*(0.4)*	*(0.8)*
Swap EUR/CZK	*505.3*	*505.3*	*(0.5)*	*(0.7)*
Swap EUR/NZD	*42.0*	*42.0*	*0.1*	*(0.5)*
TOTAL			**(1.2)**	**(2.9)**

Transactional currency risk

The Group has low exposure to transactional currency risk because the Group's business is conducted by subsidiaries that operate in their own countries and in their own currencies. Their exposure to currency risk is therefore naturally limited.

Translation risk

Transdev incurs translation risk as a result of translating the financial information of its subsidiaries in the consolidated financial statements. The main currencies concerned are the U.S. dollar, the Australian dollar and the Swedish krona.

A 10% depreciation of these four currencies against the euro would cause the Group's revenue to fall by approximately €193 million.

Management of interest rate risk

The structure of the Group's financing naturally exposes it to fluctuations in interest rates. Debts with variable interest rates impact financial results in line with fluctuations in interest rates.

The impact of interest rate derivatives on income and financial position is shown in the table below:

	INSTRUMENTS					INCOME (LOSS) OF THE YEAR (€ millions)				CONSOLIDATED STATEMENT OF FINANCIAL POSITION	
			Nominal as of December 31, 2020								
	Nature	Unit	Total	< 1 year	> 1 year < 5 years	Recycling of fair value reserves into income	Income (loss), ineffective part	Income (loss) of non-eligible instruments	Total income (loss)	Fair value reserves (net of tax)	Fair value
Non hedge derivatives	Swaps	EUR	14.7	0.6	14.1	-	-	0.6	0.6	-	(1.2)
TOTAL			**14.7**	**0.6**	**14.1**	**-**	**-**	**0.6**	**0.6**	**-**	**(1.2)**

Assuming a constant debt structure (including lease liabilities) and management policy as of December 31, 2020, a change of 1% in interest rates would have an impact on the cost of non-current and current financial debt and lease liabilities of around €0.9 million, net of interest rate hedging.

VI.9.4.2. Management of credit risk

Credit risk is essentially due to the possibility that customers will be unable to meet their payment obligations. In light of the nature of its business and customers, Transdev considers it unlikely that credit risk will generate a potential material impact.

The aged trial balance of assets overdue but not impaired as of December 31, 2020 is shown below:

		December 31, 2020				Overdue not impaired		
(€ millions)	Note	Gross value	Impairment	Net value	Assets not yet due	Overdue between 0-6 months	Overdue between 6-12 months	Overdue for more than 1 year
Non-current and current operating financial assets	VI.6.4	393.1	(8.8)	384.3	384.3	-	-	-
Trade receivables	VI.4.2	892.7	(48.9)	843.8	694.5	131.0	10.5	7.8
Other operating receivables		307.8	(3.3)	304.5	257.5	24.5	8.5	14.0
Non-current financial receivables	VI.9.2	23.9	(0.2)	23.7	23.7	-	-	-
Current financial receivables	VI.9.2	30.5	(1.9)	28.6	28.2	-	-	0.4
Other non-current financial assets (excl. financial receivables)	VI.9.2	25.0	(0.2)	24.8	24.8	-	-	-
Other current financial assets (excl. financial receivables)	VI.9.2	34.4	-	34.4	34.1	0.1	-	0.2
TOTAL		**1,707.4**	**(63.3)**	**1,644.1**	**1,447.1**	**155.6**	**19.0**	**22.4**

VI.9.5. Carrying amount and fair value of financial assets and liabilities by accounting class

ACCOUNTING PRINCIPLES

Fair value is determined:

- Based on quoted prices in an active market (level 1); or
- Using internal valuation techniques involving standard mathematical calculation methods integrating observable market data (forward rates, interest rate curves, etc.) - valuations produced by these models are adjusted to take into account a reasonable change in the credit risk of the Group or the counterparty (level 2); or;
- Using internal valuation techniques integrating parameters estimated by the Group in the absence of observable data (level 3).

The fair value of loans and receivables is very close to the value in the consolidated statement of financial position.

As of December 31, 2020, the only financial assets and/or liabilities covered by enforceable master netting agreements are derivatives managed pursuant to FBF and ISDA contracts. These instruments are netted only in the event of a default by one of the parties to the contract. Therefore, they are not netted for accounting purposes.

VI.9.5.1. Financial assets

The table below shows the net carrying amount and fair value of the Group's financial assets, grouped according to the categories defined by IFRS 9, as of December 31, 2020:

	As of December 31, 2020						
	Carrying amount on the consolidated statement of financial position		Classes of financial assets				Method of measuring fair value
(€ millions)	Note	Total	Assets measured at amortized cost	Assets measured at fair value through profit or loss	Assets measured at fair value through other comprehensive income - recyclable	Assets measured at fair value through other comprehensive income - non-recyclable	
Non-consolidated investments	VI.8.2	20.6	-	8.7	-	11.9	Level 3
Current and non-current operating financial assets	VI.6.4	384.3	384.3	-	-	-	
Other non-current financial assets	VI.9.2	48.5	48.5	-	-	-	
Non-current and current derivative instruments - assets	VI.9.4	0.1	-	0.1	-	-	Level 2
Trade receivables	VI.4.2	843.8	843.8	-	-	-	
Other current operating receivables	VI.4.2	404.6	404.6	-	-	-	
Other current financial assets	VI.9.2	63.0	32.5	30.5	-	-	Level 1
Cash and cash equivalents	VI.9.1	514.0	-	514.0	-	-	Level 2
TOTAL		**2,278.9**	**1,713.7**	**553.3**	**-**	**11.9**	

VI.9.5.2. Financial liabilities

The table below shows the net carrying amount and fair value of the Group's financial liabilities, grouped according to the categories defined by IFRS 9, as of December 31, 2020:

		As of December 31, 2020				
		Carrying amount on the consolidated statement of financial position	Classes of financial liabilities			Method of measuring fair value
(€ millions)	Note	Total	Liabilities at amortized cost	Liabilities measured at fair value through profit or loss	Liabilities measured at fair value through other comprehensive income - recyclable	
Borrowings and other financial liabilities						
non-current financial liabilities	VI.9.1	657.4	657.4	-	-	
current financial liabilities	VI.9.1	43.7	43.7	-	-	
overdrafts	VI.9.1	28.7	-	28.7	-	Level 2
Lease liabilities	VI.9.1	1,085.6	1,085.6			
Non-current and current derivative instruments - liabilities	VI.9.4	4.7	-	4.2	0.5	Level 2
Non-current and current part of lease payments to be made under concession arrangements		88.0	88.0	-	-	
Trade payables	VI.4.2	452.4	452.4	-	-	
Other operating payables	VI.4.2	1,633.7	1,633.7	-	-	
TOTAL		**3,994.2**	**3,960.8**	**32.9**	**0.5**	

VI.10. Provisions

ACCOUNTING PRINCIPLES

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," provisions are recognized if, at the end of the fiscal year, the Group owes a present (legal or constructive) obligation to a third party as a result of a past event, it is probable that discharging this obligation will result in an outflow of resources representing economic benefits for the company, and the amount of this obligation can be estimated reliably as of the balance sheet date.

In the event of restructuring, an obligation exists if, prior to year-end, the restructuring has been announced and a detailed plan produced or implementation has commenced. No provision is recognized for future operating costs.

Provisions covering outflows after more than one year are discounted if the impact is material. The discount rates used reflect current assessments of the time value of money and specific risks associated with the obligation. The effects of the unwinding of discounted provisions are recorded in the income statement, under the heading "Other financial income and expenses".

VI.10.1. Discount rates

The discount rates used as of December 31, 2020, except for provisions for employee benefit obligations (see note VI.5.2), are shown below:

	As of 31 December 31, 2019	As of 31 December 31, 2020
Euro		
2 to 5 years	0.2%	0.2%
6 to 10 years	1.0%	0.7%
More than 10 years	1.9%	1.7%
U.S dollar		
2 to 5 years	2.9%	1.8%
6 to 10 years	3.5%	2.5%
More than 10 years	4.5%	3.2%

The methodology used to calculate these discount rates is described in note VI.3 entitled "Use of management estimates in applying accounting standards".

VI.10.2. Breakdown of provisions

(€ millions)	Provisions for self-insurance and claims	Provisions for employment benefit obligations	Provisions for litigation	Other provisions for contingent liabilities	Provisions
As of January 1, 2019 restated [1]	**185.8**	**164.1**	**31.7**	**138.6**	**520.2**
Additions during the period	118.4	22.2	23.3	45.2	209.1
Used during the period	(88.4)	(21.2)	(13.4)	(30.0)	(153.0)
Reversal	(1.7)	(1.2)	(4.9)	(19.9)	(27.7)
Actuarial gains (or losses)	-	5.2	-	-	5.2
Unwinding of discount	5.2	3.5	-	0.1	8.8
Change in consolidation scope	(0.9)	1.1	(0.1)	(41.8)	(41.7)
Currency impact	3.0	0.4	0.1	2.6	6.1
Other movements	-	0.4	(1.3)	3.7	2.8
TOTAL AS OF DECEMBER 31, 2019	**221.4**	**174.5**	**35.4**	**98.5**	**529.8**
o/w non-current part	*132.5*	*174.5*	*19.4*	*50.4*	*376.8*
o/w current part	*88.9*	*-*	*16.0*	*48.1*	*153.0*
As of January 1, 2020	**221.4**	**174.5**	**35.4**	**98.5**	**529.8**
Additions during the period	71.2	21.8	15.4	121.7	230.1
Used during the period	(74.5)	(22.9)	(7.2)	(19.3)	(123.9)
Reversal	(6.2)	(3.0)	(6.4)	(11.1)	(26.7)
Actuarial gains (or losses)	-	0.4	-	-	0.4
Unwinding of discount	4.1	2.1	-	0.2	6.4
Currency impact	(16.4)	(1.4)	(0.1)	(0.2)	(18.1)
Other movements	0.2	(0.5)	1.0	(1.9)	(1.2)
TOTAL AS OF DECEMBER 31, 2020	**199.8**	**171.0**	**38.1**	**187.9**	**596.8**
o/w non-current part	*121.6*	*171.0*	*19.5*	*97.5*	*409.6*
o/w current part	*78.2*	*-*	*18.6*	*90.4*	*187.2*

[1] Restated amounts due to the first-time adoption of IFRIC 23.

VI.10.2.1. Provisions for self-insurance and claims

Provisions for self-insurance and claims concern essentially operations in the United States (€176.6 million at year-end 2020), for which Transdev has taken out insurance policies with third-party insurers, but which have deductibles of varying amounts that Transdev must pay. The decrease in outs-tanding claims since 2019 is primarily due to the gradual resolution of claims in connection with activities discontinued in 2019 (BtoC).

VI.10.2.2. Provisions for employee benefit obligations

As of December 31, 2020, provisions for employee benefit obligations totalled €171.0 million, of which €126.0 million were for pension plans and other post-employment benefits, and €45.0 million were for other long-term benefits. Movements in obligations under pension plans and other post-employment benefits are described in note VI.5.2 on employee benefit obligations.

VI.10.2.3. Provisions for litigation

Provisions for litigation include all losses deemed probable in connection with litigation of all types (employment and other disputes) that the Group faces in the course of its business.

VI.10.2.4. Other provisions for contingent liabilities

Other provisions for contingent liabilities include:

- provisions for contractual maintenance obligations (major overhauls) in connection with the Rail business in Germany; and
- provisions for onerous contracts;
- other provisions for contingent liabilities.

VI.11. Equity

VI.11.1. Equity attributable to the owners of the parent company

Stated capital

As of December 31, 2020, Transdev Group's capital totalled €1,206,035,927.20, divided into 125,367,560 shares with a nominal value of €9.62 each, all fully subscribed and paid in, including 123,496,402 ordinary shares and 1,871,158 non-voting preferred shares.

Dividends

Early in the health crisis, the Transdev Group general shareholders' meeting voted to waive the payment of dividends for fiscal year 2019.

Fair value reserves

(€ millions)	Non-consolidated investments measured at fair value through other comprehensive income (non-recyclable)	Commodity derivatives used as cash flow hedge	Interest rate derivatives hedging cash flows	Total	o/w Attributable to owners of the parent company
As of January 1, 2019	**(1.2)**	**(1.5)**	**(0.1)**	**(2.8)**	**(2.8)**
Fair value adjustments	0.3	1.3	0.1	1.7	1.7
Other movements	-	-	-	-	-
As of December 31, 2019	**(0.9)**	**(0.2)**	**-**	**(1.1)**	**(1.1)**
As of January 1, 2020	**(0.9)**	**(0.2)**	**-**	**(1.1)**	**(1.1)**
Fair value adjustments	(0.5)	(0.1)	-	(0.6)	(0.6)
Other movements	-	-	-	-	-
AS OF DECEMBER 31, 2020	**(1.4)**	**(0.3)**	**-**	**(1.7)**	**(1.7)**

Foreign currency translation

The exchange rates of the major currencies of non-euro countries used in preparing the consolidated financial statements are detailed in note VI.2.4.

VI.11.2. Non-controlling interests

A breakdown of changes in non-controlling interests is shown in the statement of changes in equity (see note VI).

VI.12. Taxes

ACCOUNTING PRINCIPLES

Income tax (expense or credit) includes current tax expense (or credit) and deferred tax expense (or credit).

Temporary differences and tax losses generally result in the recognition of deferred tax assets or liabilities.

Deferred tax assets resulting from temporary differences are recognized only if it is probable that:

- Sufficient taxable temporary differences will be available within the same tax entity or the same tax group, and it is likely that they will reverse during the period in which these deductible temporary differences will arise or during the periods in which the tax loss resulting from the deferred tax asset may be carried forward or back;
- The Group will have future taxable profits against which the asset can be set off.

At each year-end, the Group reviews the recoverable amount of deferred tax assets associated with significant tax loss carry-forwards. Deferred tax assets associated with such tax losses are not recognized or are reduced if facts and circumstances specific to each relevant company or tax group so require, in particular if:

- The time frame of projections and uncertainties about the economic environment no longer allow an assessment of the level of probability that they will be used;
- The companies have not begun to use these losses;

- The time frame of foreseeable use exceeds the deferral period authorized by the tax laws and/or a period of about five years from the end of the relevant fiscal year; or
- A set-off against future taxable profits appears uncertain due to the risk of diverging interpretations concerning the application of tax laws.

Deferred tax balances are calculated on the basis of the tax situation of each company or the overall results of all companies within the relevant tax consolidation scope, and the net amount is recognized as an asset or liability in the consolidated statement of financial position by tax entity.

Deferred tax assets and liabilities are adjusted to take into account the effect of amendments to the tax laws and changes in tax rates in force at year-end. Deferred taxes are not discounted.

VI.12.1. Income tax expense

VI.12.1.1. Breakdown of income tax expense

The Group's income tax for fiscal year 2020 is an expense of €(14) million, and breaks down as follows:

(€ millions)	2019	2020
Transdev Group tax group (France)	(16.8)	(6.8)
Netherlands	-	-
United States	2.7	4.6
Germany	(4.7)	(2.5)
Australia	(2.4)	(1.3)
Portugal	(0.3)	0.1
Sweden	(4.5)	(1.3)
Others	(7.5)	(6.8)
INCOME TAX EXPENSE	**(33.5)**	**(14.0)**
Current income tax	*(17.6)*	*(7.4)*
Deferred income tax	*(15.9)*	*(6.6)*

Nearly all French subsidiaries have chosen to join the tax consolidation group headed by Transdev Group (an agreement with a five-year term entered into in 2011 and renewable automatically). Transdev Group is solely liable to the French Treasury for current corporate income taxes calculated on the basis of the overall tax return. Transdev Group, the consolidating company, is entitled to any tax savings that may be generated.

VII.12.1.2. Theoretical and recognized income tax expense

(€ millions)	2019	2020
Net income (loss) from continuing operations (a)	53.2	(112.3)
Income (loss) from joint ventures and associates (b)	6.7	1.9
Income tax expense (c)	(33.5)	(14.0)
Pre-tax income (loss) from continuing operations (d)=(a)-(b)-(c)	80.0	(100.2)
Theoretical tax rate (e) [1]	**34.43%**	**32.02%**
Theoretical income tax -(d) x (e)	**(27.5)**	**32.1**
Tax rate differences [2]	(5.7)	(4.2)
Gain (loss) on disposals	26.9	17.9
Non-basis taxes	2.2	1.1
Tax visibility [3]	(31.9)	(67.6)
Other factors	2.5	6.7
INCOME TAX EXPENSE (effective tax)	**(33.5)**	**(14.0)**

[1] The theoretical tax rate given is the French tax rate (normal rate of 31%, to which is added the social contribution of 3.3%, bringing the total rate to 32,02%).
[2] The differences in tax rates are due to the fact that the Group does business in countries that apply tax rates that are different from the tax rate in France.
[3] Tax visibility includes primarily the movements of unrecognized deferred tax assets.

VI.12.2. Deferred tax assets and liabilities

VI.12.2.1. Changes

Changes in deferred tax assets and liabilities in fiscal years 2019 and 2020 are shown below:

(€ millions)	Deferred tax assets	Deferred tax liabilities	Net deferred tax
As of January 1, 2019 restated [1]	**44.7**	**(16.5)**	**28.2**
Change in business activities recognized in net income	(27.6)	11.7	(15.9)
Change in business activities recognized in equity	1.6	0.1	1.7
Change in consolidation scope	9.0	(24.7)	(15.7)
Currency impact	(0.4)	(0.6)	(1.0)
Reclassification as assets / liabilities held for sale	-	1.4	1.4
Other movements	13.9	(13.8)	0.1
TOTAL AS OF DECEMBER 31, 2019	**41.2**	**(42.4)**	**(1.2)**
As of January 1, 2020	**41.2**	**(42.4)**	**(1.2)**
Change in business activities recognized in net income	(24.5)	17.9	(6.6)
Change in business activities recognized in equity	(4.6)	(0.3)	(4.9)
Change in consolidation scope	-	1.2	1.2
Currency impact	(0.1)	0.9	0.8
Other movements	11.2	(11.6)	(0.4)
TOTAL AS OF DECEMBER 31, 2020	**23.2**	**(34.3)**	**(11.1)**

[1] Restated amounts due to the first-time adoption of IFRS 16 "Leases".

Business movements through equity primarily include tax impacts on fair value adjustments and actuarial gains and losses.

As of December 31, 2020, the amount of deferred tax assets not reflected on the statement of financial position totalled €314.6 million, of which €197.4 million are deferred tax assets generated by tax losses.

VI.12.2.2. Breakdown by type and expiration schedule for deferred tax assets on tax losses (net)

(€ millions)	December 31, 2019	December 31, 2020
Deferred tax assets recognized in net income	30.4	17.1
Deferred tax assets recognized in equity	10.8	6.1
NET DEFERRED TAX ASSETS	**41.2**	**23.2**
Deferred tax liabilities recognized in net income	(42.3)	(34.6)
Deferred tax liabilities recognized in equity	(0.1)	0.3
DEFERRED TAX LIABILITIES	**(42.4)**	**(34.3)**
NET DEFERRED TAX	**(1.2)**	**(11.1)**
Including tax losses	20.4	2.6
o/w expiration < 1 year	-	-
o/w expiration > 1 year and < 5 years	*0.9*	*0.2*
o/w expiration > 5 years	*0.4*	*1.2*
o/w unlimited	*19.1*	*1.2*

VI.12.3. Tax audits

In connection with their ordinary business activities, the entities of the Group in France and abroad are the subject of regular tax audits. In its estimates of risks, the Group takes into account the expenses that could result from the consequences of such tax audits, based on a technical analysis of the positions the Group defends before the tax authorities. The estimates of such risks are revised periodically in light of any developments in the audits and disputes.

VI.13. Off-balance sheet commitments and collateral

VI.13.1. Off-balance sheet commitments made and received

COMMITMENTS AND GUARANTEES GIVEN (*€ millions*)	December 31, 2020	MATURITY < 1 year	between 1 and 5 years	> 5 years
Operating guarantees including performance bonds	795.2	298.7	374.0	122.5
Capital investment and purchase obligations	54.8	47.8	7.0	-
Commitments in connection with operating activities	**850.0**	**346.5**	**381.0**	**122.5**
Seller's warranties of assets and liabilities	18.0	12.2	5.8	-
Commitments in connection with the Group's scope	**18.0**	**12.2**	**5.8**	**-**
Letters of credit	49.3	49.3	-	-
Other financing commitments	5.1	1.8	1.0	2.3
Commitments in connection with financing	**54.4**	**51.1**	**1.0**	**2.3**
TOTAL COMMITMENTS MADE	**922.4**	**409.8**	**387.8**	**124.8**

COMMITMENTS AND GUARANTEES RECEIVED (*€ millions*)	December 31, 2020	MATURITY < 1 year	between 1 and 5 years	> 5 years
Operating guarantees	51.8	21.3	24.2	6.3
Commitments in connection with operating activities	**51.8**	**21.3**	**24.2**	**6.3**
Seller's warranties of assets and liabilities	33.1	8.8	15.6	8.7
Commitments in connection with the Group's scope	**33.1**	**8.8**	**15.6**	**8.7**
Debt guarantees	0.3	0.3	-	-
Commitments in connection with financing (1)	**0.3**	**0.3**	**-**	**-**
TOTAL COMMITMENTS RECEIVED	**85.2**	**30.4**	**39.8**	**15.0**

(1) Excluding unused credit lines (€1.1 billion as of December 31, 2020, see note VI.9.1.4).

Commitments received under unused credit lines are not shown in the table above; they are described in note VI.9.1.4.

Operating guarantees – Commitments made

The Group defines operating guarantees as any commitments not associated with financing transactions that are required under agreements or contracts and, more broadly, that are required in connection with carrying on the business of the Group's companies. These guarantees include bid bonds, advance payment bonds and completion or performance bonds posted in connection with the execution of contracts or concession arrangements.

Investment and purchase obligations – Commitments made

These are irrevocable commitments associated with the acquisition of operating assets.

Letters of credit – Commitments made

Letters of credit are issued by financial institutions to creditors, customers or suppliers of the Group's companies as guarantees in connection with their operating activities. Letters of credit granted are primarily guarantees given to insurers in the United States guaranteeing payment of deductible amounts in the event of claims. Each insurer updates the total amount required, on the basis of an actuarial calculation of claim risk, either annually or upon renewal of the insurance policy.

The table above shows only the portion of letters of credit that exceeds the amount of the provision for self-insurance and claims covering this risk already recognized in the consolidated statement of financial position (see note VI.10.2.1).

VI.13.2. Collateral provided to secure financial liabilities

As of December 31, 2020, collateral provided by the Group totalled €92.3 million and is intended to guarantee financial liabilities. The amount of draw-downs under credit facilities outstanding at year-end 2020 totalled €48.0 million.

VI.14. Other notes

VI.14.1. Related party transactions

VI.14.1.1. Compensation and related benefits paid to principal officers

The Group's principal officers consist of the members of Transdev's Executive Committee and the directors.

The table below presents the compensation and related benefits paid to the members of Transdev's Executive Committee:

(€ thousands)	2019	2020
Short-term benefits excluding employer contributions (1)	4,445.1	5,624.4
Employer contributions (2)	1,440.2	1,930.4
Post-employment benefits (3)	167.4	119.2
TOTAL	**6,052.7**	**7,674.0**

(1) Fixed and variable compensation, employee benefits in kind and termination benefits. Variable compensation comprises amounts due in respect of the prior fiscal year and paid during the next fiscal year.
(2) Except employer contributions related to post-employment benefits.
(3) Current service cost.

Following the departure from the Group of three Executive Committee members in 2020, and in order to provide direct representation, in a decentralized organisation, to the three countries that make the most significant contribution to consolidated revenue, the composition of Transdev's Executive Committee changed in February 2021, and is now configured as follows: it is chaired by the Group CEO and comprises the CEO France, the CEO USA, the CEO Germany and the CEO International Operations, as well as the General Secretary, the Chief Strategy and Transformation Officer, the Chief Financial Officer and the Human Resources Director for Group functions.

Directors' fees paid to Transdev Group directors

Transdev Group's general meeting of shareholders held on March 20, 2020 voted to set the total gross annual amount of directors' fees to be paid to the Board of Directors in respect of 2020 at €60,000. This amount is to be divided among the directors. Of this amount, €45,000 was paid during the fiscal year.

VI.14.1.2. Relationships with companies consolidated under the equity method

Investments in joint ventures and associates are detailed in note VI.8.1. These non-material transactions with joint ventures and associates are concluded on arm's-length terms.

VI.14.1.3. Relationships with Caisse des Dépôts and Rethmann companies and their subsidiaries not affiliated with Transdev

The relationships with Caisse des Dépôts and Rethmann companies and their subsidiaries not affiliated with Transdev are presented in the table below:

	2020	
(€ millions)	Relationships with Caisse des Dépôts companies and subsidiaries not affiliated with Transdev	Relationships with Rethmann companies and subsidiaries not affiliated with Transdev
Receivables		
Operating receivables	-	-
Current financial receivables	7.1	-
Liabilities		
Operating payables	0.4	0.1
Current financial liabilities	25.3	-
Non-current financial liabilities	86.9	-
Revenue	-	-
Operating expenses	(2.6)	(0.6)
Net finance expenses	(1.4)	-

VI.14.2. Statutory auditors' fees

EY and Mazars are the Group's external statutory auditors.

	2020		
(€ millions)	EY network	Mazars network	Other
Certification of accounts	3.2	2.4	0.1
Services other than certification	0.5	0.1	-
o/w Services other than certification required by law	*0.2*	*0.1*	-
o/w other [(1)]	*0.3*	-	-
TOTAL	**3.7**	**2.5**	**0.1**

(1) Legal, tax, employment-related, etc.

VI.15. Pending legal or arbitration proceedings

In the ordinary course of its operations, the Group is involved in a number of legal and arbitration proceedings with third parties or the tax authorities in certain countries. Provisions are recognized in connection with these legal and arbitration proceedings if an obligation (legal, contractual or implicit) is owed to a third party on the balance sheet date, if it is probable that an outflow of funds without consideration will be necessary to extinguish the obligation, and if the amount of such outflow of funds can be estimated with sufficient reliability.

In the year ended December 31, 2020, the main legal proceedings pending concern regional aid for road transportation of passengers in Ile-de-France.

In 2004, Syndicat Autonome des Transports de Voyageurs (SATV) and Société Autocars R. Suzanne petitioned the Ile-de-France Region to cancel its decisions adopted in 1994, 1998 and 2001 creating aid programs, on the grounds that the Region had breached Article 108-3 of the Treaty on the Functioning of the European Union, which requires that all aid programs must be reported to the European Commission before they are implemented. Pursuant to a decision rendered by the European Commission on February 2, 2017, upheld by a ruling of the General Court of the European Union of July 12, 2019, it was recognized that the aid programs adopted to assist operators of bus transportation services in the Ile-de-France Region were compatible with the internal market and, therefore, only the interest for the period of illegality (the period between October 20, 1994 and February 2, 2017) could be recovered by the Region. In a decision rendered on March 18, 2020, pursuant to an appeal against the decision of the Paris Administrative Court of Appeal of November 27, 2015, the Conseil d'Etat ordered the Ile-de-France Region to take the necessary steps, within six months, to ensure that each company that engaged in business on a market open to competition and that received benefits under the illegal aid program paid the interest the company would have paid if it had had to borrow the amount of its grant on the market between the date it was awarded and February 2017 (the date of the European Commission's decision), taking into account, however, the portions of the aid that reduced the operating grants on the grounds of amortization and the resulting deduction of financial interest, if any, which was the case in this matter. Subject to confirmation by the Ile-de-France Region, this decision eliminates this risk concerning interest. Therefore, no provision has been recognized in the Group's financial statements.

VI.16. Recent developments and post-year-end events

None.

VI.17. Main companies consolidated in the consolidated financial statements

As of December 31, 2020, 592 entities were consolidated by the Transdev group (633 as of December 31, 2019), of which:

- 550 companies were fully consolidated;
- 4 companies were consolidated in proportion to the equity share held;
- 38 companies were consolidated using the equity method, of which 27 were joint ventures.

As of December 31, 2020, the main companies of the Group are listed below:

Entity	Country	Address	Consolidation method (1)	Percentage of control as of December 31, 2020	Percentage of interest as of December 31, 2020
FRANCE					
TRANSDEV GROUP	FRANCE	3 ALLEE DE GRENELLE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	100,0
TRANSDEV	FRANCE	3 ALLEE DE GRENELLE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	100,0
TRANSDEV ILE-DE-FRANCE	FRANCE	3 ALLEE DE GRENELLE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	100,0
TRANSDEV URBAIN	FRANCE	3 ALLEE DE GRENELLE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	100,0
COMPAGNIE FRANCAISE DE TRANSPORT INTERURBAIN	FRANCE	3 ALLEE DE GRENELLE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	100,0
TRANSPORTS RAPIDES AUTOMOBILES	FRANCE	241 CHEMIN DU LOUP, 93420 VILLEPINTE	FC	100,0	100,0
SOCIETE DU METRO DE L'AGGLOMERATION ROUENNAISE	FRANCE	15 RUE DE LA PETITE CHARTREUSE, 76000 ROUEN	FC	100,0	100,0
REGIE MIXTE DES TRANSPORTS TOULONNAIS	FRANCE	RUE OCTAVE VIRGILLY, 83100 TOULON	FC	100,0	71,4
TRANSDEV LOCATION DE VEHICULES	FRANCE	3 ALLEE DE GRENELLE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	100,0
TRANSDEV ARTOIS GOHELLE	FRANCE	59 AVENUE ALFRED VAN PELT, 62300 LENS	FC	100,0	100,0
TRANSAMO	FRANCE	12 RUE ROUGET DE L'ISLE, IMMEUBLE AXE SEINE, 92130 ISSY-LES-MOULINEAUX	FC	100,0	95,1
NETHERLANDS					
TRANSDEV CONNEXXION HOLDING B.V.	NETHERLANDS	JAN VAN GOYENKADE 8, AMSTERDAM, 1075 HP	FC	100,0	100,0
CONNEXXION OPENBAAR VERVOER N. V.	NETHERLANDS	WAARDERWEG 48, 2031 BP HAARLEM	FC	100,0	100,0
WITTE KRUIS AMBULANCE B.V.	NETHERLANDS	LAAPERSVELD 75, 1213VB HILVERSUM	FC	100,0	100,0
GERMANY AND CZECH REPUBLIC					
TRANSDEV GMBH	GERMANY	GEORGENSTRAßE 22, 10117 BERLIN	FC	100,0	100,0
BAYERISCHE OBERLANDBAHN GMBH	GERMANY	BAHNHOFPLATZ 9, 83607 HOLZKIRCHEN	FC	100,0	100,0
NORDWESTBAHN GMBH	GERMANY	ALTE POSTSTR. 9, 49074 OSNABRÜCK	FC	100,0	100,0
TRANSDEV REGIO OST GMBH	GERMANY	WINTERGARTENSTRAßE 12, 04103 LEIPZIG	FC	100,0	100,0
BAYERISCHE REGIOBAHN GMBH	GERMANY	BAHNHOFPLATZ 9, 83607 HOLZKIRCHEN	FC	100,0	100,0
TRANSDEV MORAVA	CZECH REPUBLIC	POHRANIČNÍ 504/27, VÍTKOVICE, 703 00 OSTRAVA	FC	100,0	100,0
SWEDEN					
TRANSDEV NORTHERN EUROPE AB	SWEDEN	FREDSFORSSTIGEN 22-24, 168 67 BROMMA	FC	100,0	100,0
TRANSDEV SVERIGE AB	SWEDEN	FREDSFORSSTIGEN 22-24, 168 67 BROMMA	FC	100,0	100,0
SAMBUS AB	SWEDEN	KOKILLGATAN 9, 721 33 VÄSTERAS	FC	100,0	100,0
PORTUGAL AND SPAIN					
TTRANSDEV PARTICIPACÕES SGPS	PORTUGAL	AVENIDA D. AFONSO HENRIQUES, 1462 – 1º 4450-013 MATOSINHOS	FC	100,0	100,0
TRANSDEV DIVISION ESPANA, SLU	SPAIN	CALLE SERRANO, 93 - 28006 - MADRID	FC	100,0	100,0
UNITED KINGDOM AND IRELAND					
TRANSDEV PLC	UNITED KINGDOM	CAVENDISH HOUSE, 91-93 CAVENDISH STREET, KEIGHLEY, WEST YORKSHIRE, ENGLAND, BD21 3DG	FC	100,0	100,0
TRANSDEV IRELAND	IRELAND	RED COW, NAAS RD. CLONDALKIN, DUBLIN 22	FC	100,0	100,0

(1) **FC:** fully consolidated; **EM:** equity method.

Entity	Country	Address	Consolidation method (1)	Percentage of control as of December 31, 2020	Percentage of interest as of December 31, 2020
UNITED STATES AND CANADA					
TRANSDEV NORTH AMERICA INC	UNITED STATES	720 E. BUTTERFIELD RD., SUITE 300, LOMBARD, IL 60148	FC	100,0	100,0
TRANSDEV SERVICES, INC	UNITED STATES	2817 CANAL STREET, NEW ORLEANS, LA 70119	FC	100,0	100,0
TRANSDEV CANADA INC.	CANADA	720, RUE TROTTER, SAINT-JEAN-SUR-RICHELIEU (QUEBEC), J3B 8T2	FC	100,0	100,0
AUSTRALIA AND NEW ZEALAND					
TRANSDEV AUSTRALASIA PTY LTD	AUSTRALIA	LEVEL 8, 469 LA TROBE STREET, MELBOURNE, VICTORIA 3000	FC	100,0	100,0
TRANSDEV MELBOURNE PTY LTD	AUSTRALIA	12/114 WILLIAM STREET, MELBOURNE, VICTORIA 3000	FC	100,0	100,0
HARBOUR CITY FERRIES PTY LTD	AUSTRALIA	SUITE 2 LEVEL 19 9 HUNTER STREET, SYDNEY, NEW SOUTH WALES, 2000	FC	100,0	100,0
CHILE AND COLOMBIA					
TRANSDEV CHILE S.A.	CHILE	HERNANDO DE AGUIRE, 162, OFFIC.1203, PROVIDENCIA SANTIAGO	FC	100,0	100,0
REDBUS URBANO SA	CHILE	AVENIDA EL SALTO 4651, HUECHURABA, SANTIAGO	FC	100,0	100,0
TRANSDEV COLOMBIA SAS	COLOMBIA	AV CL 57R sur 72F 50, BOGOTÁ, CUNDINAMARCA	FC	100,0	100,0
MOROCCO					
TRANSDEV RABAT SALE SA	MOROCCO	8 RUE HAJ MOHAMED ERRIFAI HASSAN, RABAT, 10 000	FC	100,0	100,0

(1) **FC:** fully consolidated; **EM:** equity method.

There was no major acquisition during the 2020 financial year.

The main disposals during the year are described in note VI.1.2.

Statutory auditors' report on the consolidated financial statements

YEAR ENDED DECEMBER 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Transdev Group,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Transdev Group for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 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 Consolidated Financial Statements* section of our report.

Independance
We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from January 1, 2020 to the date of our report.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

- Your Group has carried out impairment tests on goodwill (as described in notes VI.1.1.4, VI.3 and VI.7 to the consolidated financial statements). As part of our assessments, our work consisted in reviewing the methods of implementation of these impairment tests, as well as the assumptions used to make the cash flow projections. We also verified that the appropriate disclosure was made in the aforementioned notes to the consolidated financial statements.
- Other intangible assets with a definite useful life, property, plant and equipment, financial assets, taxes, provisions and employee benefit obligations, and financial instruments are recognized and measured according to the methods described in the notes to the consolidated financial statements (notes VI.6.1 and VI.6.4). As part of our assessments, our work consisted in assessing the data and assumptions on which the judgments and estimates concerning these accounts were based, in reviewing, through sampling, the calculations made by your Group, and in verifying that the various notes to the consolidated financial statements provide the appropriate disclosures.

- As stated in note VI.15 to the consolidated financial statements, in the normal course of its business your Group is involved in legal and arbitration proceedings with third parties or the tax authorities in certain countries. We verified that an appropriate disclosure was made in the notes to the consolidated financial statements in this respect.
- As stated in note VI.1.1 to the consolidated financial statements, the Covid-19 health crisis has impacted your company's activities. These impacts have been assessed on a case-by-case basis in accordance with the negotiations, sometimes still in progress, with the Public Transports Authorities. In particular your Group has evaluated the high likelihood of revenue recognition at the closing date for the less-advanced negotiations. As part of our analyses, our work consisted in assessing the assumptions used for the main contracts on which your estimates are based and in verifying that the various notes to the consolidated financial statements disclose appropriate information.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications, required by laws and regulations, of the information given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by article L. 225-102-1 of the French Commercial Code *(Code de commerce)* is included in the Group's management report, it being specified that, in accordance with the provisions of article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement. This information should be reported on 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 consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Courbevoie and Paris-La Défense, March 9, 2021

The Statutory Auditors
French original signed by

MAZARS

Gilles Magnan

Charles Desvernois

ERNST & YOUNG et Autres

Jean-Christophe Goudard

Statutory financial statements Transdev Group S.A.

As of December 31, 2020

transdev
the mobility company

Contents

I. Statement of financial position

ASSETS (*€ thousands*)	Fiscal Year 2019 Net	Fiscal Year 2020 Gross	Fiscal Year 2020 Depreciation, Amortization	Fiscal Year 2020 Net	Notes
FIXED ASSETS					
Start-up costs	-	-	-	**-**	
Concessions, patents and similar rights	13,200	13,200	-	**13,200**	
Goodwill	-	283	283	**-**	
Other intangible assets	6,042	28,842	23,754	**5,088**	
Intangible asset advances and down payments	-	-	-	**-**	
TOTAL INTANGIBLE ASSETS	**19,242**	**42,325**	**24,037**	**18,288**	III.7.1 & 7.2
Land	-	-	-	**-**	
Buildings	-	-	-	**-**	
Transportation equipment	-	-	-	**-**	
Machinery and equipment	-	-	-	**-**	
Other	3,365	6,139	3,085	**3,054**	
Property, plant and equipment in progress and down payments	36	1	-	**1**	
TOTAL PROPERTY, PLANT AND EQUIPMENT	**3,401**	**6,140**	**3,085**	**3,055**	III.7.1 & 7.2
Equity investments	1,498,765	2,858,392	1,593,300	**1,265,092**	
Loans related to investments	1,144,660	772,128	37,396	**734,732**	
Other long-term securities	-	-	-	**-**	
Other loans	-	-	-	**-**	
Other	2,451	3,391	-	**3,391**	
TOTAL INVESTMENTS	**2,645,876**	**3,633,911**	**1,630,696**	**2,003,214**	III.7.1 & 7.2
TOTAL FIXED ASSETS (I)	**2,668,520**	**3,682,376**	**1,657,818**	**2,024,557**	III.7.1 & 7.2
CURRENT ASSETS					
Inventories and work in progress					
Inventories of raw materials and other supplies	-	-	-	**-**	
Advances and down payments to suppliers	33	7	-	**7**	
Operating receivables					
Trade receivables	21,661	45,265	44	**45,221**	III.7.3 & 7.4
Other	19,918	12,206	-	**12,206**	III.7.3 & 7.4
Marketable securities	17	30,034	-	**30,034**	
Cash and cash equivalents	108,057	185,803	-	**185,803**	
Prepaid expenses	2,055	474	-	**474**	
TOTAL CURRENT ASSETS (II)	**151,740**	**273,789**	**44**	**273,745**	
EXPENSES TO BE APPORTIONED OVER MORE THAN ONE PERIOD (III)	**-**	**-**	**-**	**-**	
BOND REDEMPTION PREMIUMS (IV)	**651**	**585**	**-**	**585**	
UNREALIZED EXCHANGE LOSSES (V)	**3,015**	**1,436**	**-**	**1,436**	III.7.5
GRAND TOTAL (I+II+III+IV+V)	**2,823,926**	**3,958,185**	**1,657,862**	**2,300,323**	

I. Statement of financial position

LIABILITIES *(€ thousands)*	Fiscal year 2019	Fiscal year 2020	Notes
Capital	**1,206,036**	**1,206,036**	
Issue, contribution premiums	**-**	**-**	
Revaluation of assets	**-**	**-**	
Reserves			
Legal reserve	19,573	24,303	
Other reserves	-	-	
Regulated reserves	-	-	
Retained earnings	130,885	220,748	
Income (loss) for the period	94,592	(294,140)	
Investment grants	**-**	**-**	
Regulated provisions	**-**	**-**	
Conditional advances	**-**	**-**	
TOTAL EQUITY (I)	**1,451,086**	**1,156,947**	III.7.6
Provisions for liabilities	13,865	18,345	
Provisions for expenses	4,781	4,740	
TOTAL PROVISIONS (II)	**18,646**	**23,085**	III.7.7
Other bonds	507,465	507,837	III.7.8
Borrowings from financial institutions (1)	465,277	85,847	III.7.8
Various debts	220,094	388,469	III.7.8
Advances and down payments on orders in progress	-	-	III.7.8
Trade payables	29,019	25,757	III.7.8
Tax payables and employee commitments	17,797	23,745	III.7.8
Liabilities to fixed asset suppliers	1,368	1,146	III.7.8
Other liabilities	107,160	81,652	III.7.8
Prepaid income	-	-	III.7.8
TOTAL LIABILITIES (III) (2)	**1,348,181**	**1,114,452**	
UNREALIZED EXCHANGE GAINS (IV)	**6,013**	**5,839**	III.7.5
GRAND TOTAL (I+II+III+IV)	**2,823,926**	**2,300,323**	
(1) Of which bank overdrafts and credit balances on bank accounts:	66	50	
(2) Prepaid expenses and income maturing within one year:	334,999	483,212	

II. Income statement

(€ thousands)	Fiscal year 2019	Fiscal year 2020	Notes
Sales of goods	-	-	
Production sold (goods)	-	-	
Production sold (services)	69,004	67,898	III.8.3
NET SALES	**69,004**	**67,898**	
Inventories of finished goods	-	-	
Operating grants	-	-	
Reversals of provisions, depreciation (and amortization), expense transfers	341	770	
Other revenue	13,744	12,522	
TOTAL REVENUE FROM OPERATIONS (I)	**83,089**	**81,190**	
Supply purchases	-	-	
Changes in inventories	-	-	
Other purchases and external expenses	39,308	31,696	
Taxes	2,847	3,944	
Wages and salaries	25,546	28,355	
Social security contributions	11,850	13,303	
Depreciation and amortization:			
- fixed assets: amortization	*3,023*	*2,626*	
- fixed assets: depreciation	-	-	
- current assets: depreciation	-	*44*	
- liabilities and expenses : depreciation	*3,525*	*5,096*	
Other expenses	1,585	1,997	
TOTAL OPERATING EXPENSES (II)	**87,683**	**87,061**	
OPERATING INCOME (I-II)	**(4,594)**	**(5,871)**	
PROFIT ATTRIBUTED OR LOSS TRANSFERRED (III)	**2**	**2**	
LOSS INCURRED OR PROFIT TRANSFERRED (IV)	**25**	**184**	
Income from equity investments	127,085	28,875	
Income from other marketable securities and non-current asset receivables	-	-	
Other interest and similar income	6,564	3,761	
Reversals of provisions, depreciation (and amortization), expense transfers	174,270	4,998	
Foreign exchange gains	25,006	30,625	
Net revenue from disposals of transferable securities	-	-	
TOTAL FINANCIAL INCOME (V)	**332,925**	**68,259**	
Depreciation, amortization and provisions	102,908	331,570	
Interest and similar expenses	28,005	13,898	
Foreign exchange losses	21,903	33,096	
Net expenses on disposals of transferable securities	33,560	-	
TOTAL FINANCIAL EXPENSES (VI)	**186,376**	**378,564**	
FINANCIAL INCOME (LOSS) (V-VI)	**146,549**	**(310,306)**	III.8.4
CURRENT INCOME (LOSS) BEFORE INCOME TAX (I-II+III-IV+V-VI)	**141,931**	**(316,359)**	
From operations	-	15	
From asset disposals	854	20	
Reversals of provisions, depreciation (and amortization), expense transfers	-	-	
TOTAL EXTRAORDINARY INCOME (VII)	**854**	**35**	
From operations	3	-	
From asset disposals	72,821	19	
Depreciation, amortization and provisions	-	-	
TOTAL EXTRAORDINARY EXPENSES (VIII)	**72,824**	**19**	
EXTRAORDINARY INCOME (LOSS) (VII-VIII)	**(71,969)**	**16**	III.8.5
EMPLOYEE PROFIT-SHARING (IX)	**-**	**-**	
INCOME TAX (X)	**(24,631)**	**(22,203)**	III.8.6
TOTAL REVENUE (I+III+V+VII)	**416,870**	**149,485**	
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**322,278**	**443,625**	
NET INCOME (LOSS)	**94,592**	**(294,140)**	

III. Notes to the financial statements

Transdev Group SA, the parent company of the Transdev group (hereinafter "Transdev" or the "Group") is a joint stock company *(société anonyme)* incorporated under French law, which has stated capital of €1,206,035,927.20, and which was registered with the Nanterre Trade and Companies Registry under number 521 477 851 on December 12, 2011. The head office is located 3 allée de Grenelle, 92130 Issy-les-Moulineaux, France.

III.1. Noteworthy actions and significant events during the period

III.1.1. Shareholder structure

Caisse des Dépôts holds 66% of Transdev Group's capital; the remaining 34% of the capital is held by Rethmann France.

III.1.2. COVID-19 health crisis and reorganization

The spread of COVID-19, which the World Health Organization declared a pandemic on March 11, 2020, has had and continues to have a major impact on public transportation use. The Group's priority has been to ensure the continuity of public transportation services while ensuring the safety of its passengers and employees.
The level of business deteriorated in fiscal year 2020. As a result, the Group quickly implemented measures to adjust expenses, shut down certain activities and endeavored to shore up its liquidity.
To accelerate its transformation in the context of the pandemic, the Group announced a reorganization and staff reductions at the Group's head office, - including the implementation of a forward-looking strategic workforce plan.

III.1.3. Equity investments

In 2020, Transdev Group SA:

- subscribed for the capital increase of:
  - its subsidiary Transdev North America in the amount of €25 million;
  - its subsidiary Transdev Group Innovation in the amount of €20 million;
  - purchased the shares of Transdev BNG Connexxion holding BV (TBCH) from its subsidiary Transdev SA for €52 million.

III.1.4. Financing

On May 12, the maturity of our €1,019 million loan was extended to July 2025.

III.1.5. Tax consolidation

On April 21, 2011, Transdev Group SA elected to be part of a tax group, as defined in Articles 223 A et seq. of the French General Tax Code *(Code général des impôts)*.

The tax consolidation election took effect on January 1, 2011 for a period of five years. It is renewable automatically unless expressly terminated by Transdev Group SA.

Income tax expense is allocated to the accounts of the various entities that comprise the tax group in accordance with the "neutrality" method required by the French National Accounting Institute *(Conseil National de la Comptabilité)*, and reiterated in the Official Tax Bulletin no. 4H-9-88.

Pursuant to this principle, each subsidiary pays the tax it would have paid in the absence of tax consolidation, and Transdev Group SA, the company that heads the tax consolidation group, pays its own tax and either receives the benefit of any tax savings or bears the burden of any additional tax due to application of tax consolidation.

For 2020, the tax consolidation option led to the recognition of a consolidated tax bonus of €22.6 million on the parent company's financial statements and no tax liability due to the fact that the Group posted a loss overall.

III.2. General rules and principles applied

The financial statements for fiscal year 2020 have been prepared in accordance with French accounting principles in force. To the extent possible, detailed figures are provided in table form and expressed in thousands of euros.

New regulation ANC 2018-01 of April 20, 2018, which amended regulation ANC 2014-03 on the French General Chart of Accounts, has no material impact on the Company's financial statements.

III.3. Consolidation

Transdev Group SA is the parent company of the Transdev group whose consolidated accounts are fully consolidated in the accounts of Caisse des Dépôts et Consignations (General Section), whose registered office is located at 56 rue de Lille, 75356 Paris 07 SP.

III.4. Measurement procedures and methods applied to various balance sheet and income statement items

Items recognized on the financial statements are measured using the "historical costs" method. More specifically, the measurement procedures and methods described below are used for the various items reported on the annual financial statements.

III.4.1. Intangible assets

Intangible business assets are measured at acquisition cost. In accordance with the accounting regulations applicable to assets under ANC 2015-06, intangible business assets with an indefinite useful life are not amortized, but are tested each year for impairment. Impairment is recognized if the market value of the asset is less than its net carrying amount.

The accounting regulations on intangible business assets had no impact on the financial statements as of December 31, 2020.

Depending on its type, computer software is amortized over a period of three to five years.

III.4.2. Property, plant and equipment

Assets are depreciated on a straight-line basis over their useful lives:
- Buildings .... 20 years
- Installations, fixtures and improvements .... 8 years
- Computer equipment .... 5 years
- Office equipment .... 5 to 7 years
- Office furniture .... 5 to 10 years

III.4.3. Investments

For securities acquired, the gross value of long-term securities is equal to acquisition cost including ancillary expenses, if any.

Provisions for impairment of equity investments are recognized on the basis of (i) the financial performance of the investments, (ii) changes in income or (iii) their probable sale value. The company relies inter alia on the business plans prepared by the subsidiaries.
Other investments are recognized as assets at their initial recognition value. Impairment is recognized if the market value of an asset falls below its net carrying amount.

III.4.4. Receivables and liabilities

Receivables and liabilities are recognized at their nominal values.

If applicable, impairment is recognized on receivables to take into account the risk of non-collection.

III.4.5. Transferable securities

Time deposit accounts are reported in this item. They are recognized at their acquisition cost, and a provision for impairment is recognized if their market value is less than their carrying amount.

III.4.6. Provisions for liabilities and expenses

Provisions for liabilities and expenses are estimated according to the data known to the company on the date on which the financial statements are closed.

Provisions are broken down by type in section III-7.7 of the notes to the financial statements.

III.4.7. Foreign currency transactions

During the fiscal year, transactions in foreign currencies are reported at their equivalent value in euros at the exchange rate in effect on the date of the transaction.

Receivables, liabilities, loans and borrowings in foreign currencies are reported on the balance sheet for their equivalent value in euros using the year-end exchange rate. Any difference generated by updating the value of liabilities and receivables in foreign currencies using the year-end exchange rate is reported in "unrealized foreign exchange gains or losses" on the balance sheet.

In accordance with Article 420-7 of the French General Chart of Accounts, the impact of converting cash accounts held in foreign currency is recognized directly on the income statement as a foreign exchange translation gain (loss). Similarly, the impact of converting current accounts held with subsidiaries that, by their nature, are comparable to cash accounts, is recognized directly on the income statement as a foreign exchange translation gain (loss).

A contingency provision is recognized for the net total amount of any unrealized foreign exchange losses, assessed by currency and maturity group, after taking into account forward transactions classified as hedging transactions for accounting purposes.

III.4.8. Foreign exchange derivative transactions

Transdev Group SA manages market risks associated with fluctuations in foreign exchange rates through the use of derivatives, in particular currency futures, currency swaps and currency options. These instruments are used for hedging purposes.
Foreign exchange derivatives classified as hedging transactions for accounting purposes are reported as foreign exchange gains or losses offsetting the hedged items.

The overall position of derivatives not classified as hedging transactions for accounting purposes is reported by currency.
A provision is recognized for unrealized foreign exchange losses, unrealized gains are not recognized in income, and realized gains or losses are recognized in income.

III.4.9. Pension commitment

The rights accrued by the employees in respect of future post-employment benefits were calculated on the basis of the age and length of service of each employee, using a method that takes into account assumptions concerning changes in salaries, life expectancy and personnel turnover, in accordance with the principles applied in the Transdev group.

Expenses and income from discounting are recognized on the income statement using the preferential method described in CNC Recommendation no. 2003 R-01 of April 1, 2003.

In 2020, a rate of 0.50% was used for discounting.

As of December 31, 2020, a provision of €4.6 million was recognized for a shortfall in commitment coverage.

III.4.10. Commitment in respect of length of service benefits

The rights accrued by employees in respect of length of service benefits were determined according to the age and length of service of each employee, using a method that takes into account assumptions concerning changes in salaries, life expectancy and personnel turnover, in accordance with the principles applied in the Transdev group.

As of December 31, 2020, the commitments were covered by a provision of €0.1 million.

III.5. Other information

III.5.1. Related-party transactions

Related-party transactions concerned by Article R.123-199 1 of the French Commercial Code

Pursuant to the regulations of the Accounting Standards Authority *(Autorité des Normes Comptables or "ANC")* and Article R.123-199 1 of the French Commercial Code concerning related parties, Transdev Group SA confirms that it did not engage any such transactions in fiscal year 2020.

Transactions with affiliates

As part of its holding activities, the company provides services to its subsidiaries on behalf of the group. These activities cover primarily technical assistance, a brand fee, employee lending and furnishing guarantees.

III.5.2. Statutory auditors' fees

Pursuant to Decree no. 2008-1487 of December 30, 2008, information concerning statutory auditors' fees is not provided in these notes to the financial statements because it is provided in the notes to the Transdev group consolidated financial statements.

III.6. Post-closing events

None.

III.7. Additional information concerning the balance sheet

III.7.1. Statement of fixed assets: changes in gross values

(€ thousands)	Gross values at the start of the period	Acquisitions, increases during the period	Disposals, reductions during the period	Other flows	Unrealized currency losses	Gross values at the end of the period
Intangible assets	41,375	950	-	-	-	42,325
Intangible assets advances and down payments	-	-	-	-	-	-
Property, plant and equipment	5,839	300	-	-	-	6,138
Property, plant and equipment in progress	36	-	(35)	-	-	1
Investments, of which	3,950,066	462,744	(778,900)	-	-	3,633,911
Equity investments	2,761,417	96,995	(20)	-	-	2,858,392
Loans related to investments	1,186,198	364,785	(778,855)	-	-	772,128
Other long-term securities	-	-	-	-	-	-
Other loans	-	-	-	-	-	-
Other investments	2,451	964	(24)	-	-	3,391
TOTAL FIXED ASSETS	3,997,316	463,994	(778,935)	-	-	3,682,376

Below is a breakdown of the main transactions involving investment securities:

(€ thousands)	Acquisitions during the period	Capital Increase	Disposals during the period	Other flows	Changes during the period
Transdev North America	-	24,599	-	-	24,599
Transdev Group Innovation	-	20,076	-	-	20,076
Transdev BNG Connexxion Holding BV (TBCH)	52,300	-	-	-	52,300
Other	20	-	(20)	-	-
TOTAL	52,320	44,675	(20)	-	96,975

III.7.2. Statement of fixed assets: changes in depreciation, amortization and impairment

(€ thousands)	Position at the start of the period	Provisions during the period	Reversals or reductions during the period	Reclassifications Other flows	Amortization at the end of the period
Depreciation and amortization of intangible assets	22,133	2,014	(110)	-	24,037
Depreciation and amortization of property, plant and equipment	2,473	612	-	-	3,085
Impairment of investments	1,304,190	331,504	(4,998)	-	1,630,696
TOTAL DEPRECIATION/AMORTIZATION AND IMPAIRMENT OF FIXED ASSETS	1,328,797	334,130	(5,108)	-	1,657,818
of which provision and reversals					
operating	-	2,626	(110)	-	-
financial	-	331,504	(4,998)	-	-
extraordinary	-	-	-	-	-

Impairment of financial assets and related receivables:

(€ thousands)	Position at the start of the period	Provisions during the period	Reversals during the period	Reclassifications Other flows	Depreciation and amortization at the end of the period
Transdev Ile-de-France SA	489,659	73,425	-	-	563,084
Transdev SA	344,853	50,000	-	-	394,853
Transdev North America INC.	360,192	-	-	-	360,192
TD GmbH	-	105,438	-	-	105,438
TD PARTICIPACOES SGPS SA	5,057	53,568	-	-	58,625
Other	104,429	49,073	(4,998)	-	148,504
TOTAL	1,304,190	331,504	(4,998)	-	1,630,696

III.7.3. Statement of receivable maturity dates

(€ thousands)	Fiscal year 2020 Gross	Maturing in less than one year	Of which affiliates or controlled entities	Fscal year 2019 Gross
Fixed assets				
Receivables from controlled entities	772,128	156,468	772,128	1,186,198
Other investments	3,391	-	-	2,451
Current assets				
Trade receivables	45,265	45,265	44,202	21,661
Other receivables	12,206	10,791	3,844	19,918
Prepaid expenses	474	474	-	2,055
TOTAL	**833,464**	**212,998**	**820,174**	**1,232,282**

III.7.4. Statement of current assets: changes in impairment

(€ thousands)	Position at the start of the period	Provisions during the period	Reversals during the period	Reclassifications Other flows	Impairment at the end of the period
Inventories and work in progress	-	-	-	-	-
Trade and other receivables	-	44	-	-	44
Other accounts receivable	-	-	-	-	-
TOTAL IMPAIRMENT OF CURRENT ASSETS	**-**	**44**	**-**	**-**	**44**
of which provisions and reversals:					
operating	-	44	-	-	-
financial	-	-	-	-	-
extraordinary	-	-	-	-	-

III.7.5. Unrealized foreign exchange loss/gain

The breakdown of currency impact at year-end is shown below:

(€ thousands)	Unrealized currency translation losses	Unrealized currency translation gains
Receivables from controlled entities	1,399	2,841
Trade receivables	37	75
Transferable securities	-	-
Loans and other debts	-	2,922
TOTAL	**1,436**	**5,839**

and breaks down as follows by currency:

(€ thousands)	Unrealized currency translation losses	Unrealized currency translation gains
Canadian dollar CAD	11	27
Pound sterling GBP	-	662
New Zealand dollar NZD	-	484
Australian dollar AUD	-	766
Czech crown CZK	-	642
Swedish krona SEK	-	335
US dollar USD	1,425	2,922
TOTAL	**1,436**	**5,839**

III.7.6. Statement of changes in equity

(€ thousands)	Position at the start of the period	Appropriation of net income 2019	Capital increase/ reduction	Other own funds	Net income (loss) 2020	Position at the end of the period
Capital subscribed, called and paid in	1,206,036	-	-	-	-	1,206,036
Contribution premium	-	-	-	-	-	-
Legal reserve	19,573	4,730	-	-	-	24,303
Other Reserves	-	-	-	-	-	-
Retained earnings	130,885	89,863	-	-	-	220,748
Income (loss) for the period	94,592	(94,592)	-	-	(294,140)	(294,140)
Conditional advances	-	-	-	-	-	-
TOTAL EQUITY	**1,451,086**	**-**	**-**	**-**	**(294,140)**	**1,156,947**

At year-end, Transdev Group SA's share capital consists of 123,496,402 ordinary shares with a nominal value of €9.62, fully paid up and subscribed, and of 1,871,158 preferred shares with a nominal value of €9.62, fully paid up and subscribed.

In accordance with the ordinary general meeting's resolutions of April 3, 2020 approving the financial statements for 2019, the accounting profit for the fiscal year was allocated to retained earnings and the legal reserve.

III.7.7. Provisions for liabilities and expenses

The movements during the period are shown below:

(€ thousands)	Amount at the start of the period	Provision during the period	Reversals during the period: used	Reversals during the period unnecessary	Contribution Other Flows	Amount at the end of the period
Provision for impairment [(1)]	13,865	4,641	(160)	-	-	18,345
Provision for pensions and length of service benefits	4,781	405	(496)	-	-	4,690
For employee contingencies	-	50	-	-	-	50
TOTAL	**18,646**	**5,096**	**(656)**	**-**	**-**	**23,085**
of which provisions and reversals:						
operating	-	5,096	(656)	-	-	-
financial	-	-	-	-	-	-
extraordinary	-	-	-	-	-	-

The main changes concern the types below:

(€ thousands)	Amount at the start of the period	Increases during the period	Decreases, reversals during the period	Reclassifications	Amount at the end of the period
[(1)] **Provisions for impairment**					
Provision for impairment of subsidiary value	10,364	-	-	-	10,364
Other provisions for risks	3,501	4,641	(160)	-	7,981
TOTAL PROVISIONS FOR IMPAIRMENT	**13,865**	**4,641**	**(160)**	**-**	**18,345**

III.7.8. Statement of debt maturity dates

(€ thousands)	Fiscal year 2020	Maturing in less than 1 year	Maturing in more than 1 year and less than 5 years	Maturing in more than 5 years	Of which affiliates or controlled entities	Fiscal year 2019
Other bonds	507,837	2,670	160,148	345,019	-	507,465
Borrowings from financial institutions	85,847	641	60,206	25,000	-	465,277
Various debts	388,469	385,688	2,781	-	385,688	220,094
Advances and down payments on orders in progress	-	-	-	-	-	-
Trade payables	25,757	25,757	-	-	9,515	29,019
Tax payables and employee commitments	23,745	23,572	174		-	17,797
Liabilities to fixed asset suppliers	1,146	1,146	-	-	335	1,368
Other liabilities	81,652	43,627	38,026	-	80,105	107,160
Prepaid income	-	-	-	-	-	-
TOTAL	**1,114,452**	**483,099**	**261,334**	**370,019**	**475,643**	**1,348,181**

III.7.9. Statement of financial commitments

The total amount of the company's financial commitments breaks down as shown below:

TYPES OF COMMITMENTS *(€ thousands)*	Total	Subsidiaries, controlled entities and other affiliates	Other	Maturing in less than 1 year	Maturing in more than 1 year and less than 5 years	Maturing in more than 5 years
Operational performance guarantees	183,820	170,812	13,008	44,959	80,063	58,798
Guarantees on operating leases	267,077	265,801	1,276	-	126,317	140,760
Other operational guarantees	275,519	252,479	23,040	272,057	2,051	1,411
TOTAL OPERATIONAL GUARANTEES	**726,416**	**689,093**	**37,323**	**317,016**	**208,431**	**200,969**
Guarantees related to financial transactions	-	-	-	-	-	-
Commitments made	-	-	-	-	-	-
Financial guarantees	30,683	30,681	2	1,452	3,980	25,251
TOTAL OTHER GUARANTEES AND COMMITMENTS MADE	**30,683**	**30,681**	**2**	**1,452**	**3,980**	**25,251**
Commitments received	1,100,000	-	1,100,000	-	1,100,000	-

The commitments made by Transdev Group SA mainly relate to financing and performance guarantees on behalf of its French and foreign subsidiaries. Commitments received consist of unused credit lines with banks.

III.7.10. Finance lease commitments

There were no finance lease commitments at year-end 2019 and year-end 2020.

III.8. Additional information concerning the income statement

III.8.1. Compensation of corporate officers

(€ thousands)	Fiscal Year 2020 Amount	Fiscal Year 2019 Amount
Compensation paid to members of management bodies (directors' fees)	45	45

III.8.2. Average number of employees

	Salaried personnel	Personnel loaned to the company
Management employees	256	15
Supervisors and technicians	22	-
White-collar employees	19	-
TOTAL	**297**	**15**

III.8.3. Breakdown of net sales

(€ thousands)	Fiscal Year 2020 Amount	Fiscal Year 2019 Amount
A) Distribution by business sector		
Provision of services	67,898	69,004
TOTAL	**67,898**	**69,004**
B) Distribution by geographical area		
Provision of services France	32,552	34,258
Provision of services EU and non-EU	35,346	34,745
TOTAL	**67,898**	**69,004**

The revenue from management fees, invoicing of employees loaned and other costs is included in the provison of services.

III.8.4. Analysis of financial income (loss)

TYPE OF TRANSACTIONS *(€ thousands)*	Fiscal Year 2020 Amount	Of which affiliates or controlled entities
Financial revenue		
Revenue from controlled entities	9,281	9,281
Revenue from receivables of controlled entities	19,594	19,594
Other financial income	3,761	3,758
Reversals of financial provisions and expense transfers	4,998	4,998
Currency translation gains	30,625	-
TOTAL FINANCIAL REVENUE	**68,259**	**37,631**
Financial Expenses		
Financial amortization and provisions	(331,570)	(331,504)
Interest and similar expenses	(13,362)	-
Other financial expenses	(536)	-
Currency translation losses	(33,096)	-
Expenses on the disposal of transferable securities	-	-
TOTAL FINANCIAL EXPENSES	**(378,564)**	**(331,504)**
FINANCIAL INCOME (LOSS)	**(310,306)**	**(293,873)**

III.8.5. Analysis of extraordinary expenses and revenue

TYPE OF TRANSACTIONS *(€ thousands)*	Extraordinary expenses	Extraordinary revenue
Extraordinary expenses and revenue from management operations	-	15
Disposals of long-term investments	(19)	20
Disposals of property, plant and equipment	-	-
Disposals of intangible assets	-	-
Allocations to/reversal of depreciation/amortization and extraordinary provisions:		
Other extraordinary allocations/reversals	-	-
Excess tax depreciation	-	-
TOTAL	**(19)**	**35**

III.8.6. Corporate income tax breakdown

(€ thousands)	Current income (loss)	Extraordinary income (loss)	Total
1. Pre-tax income	(316,359)	16	(316,343)
2. Temporary differences	5,908	-	5,908
3. Permanent differences	317,940	-	317,940
4. Tax bases	7,489	16	7,506
5. Tax loss carryforwards and deferred depreciation	-	-	-
6. Taxable income after deduction of losses	7,489	16	7,506
7. Corporate income tax	22,203	-	22,203
8. Long-term capital gains tax (reduced rate)	-	-	-
9. After-tax income	(294,156)	16	(294,140)

Temporary differences correspond to expenses included in the book income that will be deducted from or added back to taxable income in future fiscal years.

Permanent differences primarily correspond to dividends received from subsidiaries, long-term net capital gains and losses and provisions for impairment of the financial assets.

In 2020, as a result of tax consolidation, Transdev Group SA recognised a tax saving of €22,579k in its individual financial statements.

III.8.7. Deferred taxation

As of December 31, 2020, Transdev Group SA held:

- Tax losses that can be carried forward indefinitely in the amount of (cerfa 2058-B Bis)..€ 98,421 K
- Total tax losses for the consolidated group of ....€ 306,887 K

III.9. Information on subsidiaries, equity interests and the portfolio

A) Detailed information on each subsidiary and equity interest of more than 10% whose gross value exceeds 1% of Transdev Group SA's capital

The information about subsidiaries is taken from the figures as shown in the group reports (local accounts principles) as of January 22, 2021.

As an exception, the data concerning Transdev Ile-de-France SA and Transdev SA is taken from the parent company financial statements.

The data for subsidiaries outside the Euro Zone is converted at the December 31 exchange rate for equity and at the average rate for income statement information.

COMPANIES *(€ thousands)*	Capital (in number)	Par value	Share Capital of the subsidiary	Equity including net income (loss) for the period excluding capital (1)	% held	Current value of securities held: Gross	Current value of securities held: Net	Loans and advances made by TDG	Guarantees and pledges granted by TDG	Sales 2020	Net income (loss) 2020	Dividends received 2020
1. SUBSIDIARIES												
Transdev Ile-de-France SA 3, Allée de Grenelle 92 442 Issy-Les-Moulineaux	20,000,000	10EUR	200,000	141,912	100%	890,999	327,915	441	51	207,824	6,928	-
Transdev SA 3, Allée de Grenelle 92 442 Issy-Les-Moulineaux	1,241,266	140EUR	173,777	(108,182)	100%	691,000	296,147	240,052	76	141,253	(174,499)	-
Transdev Plc 401 King Street London United Kingdom	40,500,000	1GBP	45,049	(58,378)	100%	61,902	-	37,401	-	1,699	(1,041)	-
Transdev Participacoes SGPS SA Avenida D Afonso Henriques n° 1462 1° Edificio Olympus 4450-013 Matosinhos Portugal	17,000,000	1EUR	25,279	29,240	100%	108,000	49,375	31,568	-	-	(1,524)	-
Transdev BNG Connexxion Holding BV (TBCH) Koninginnegracht 2 The Hague Netherlands	36,818	1EUR	37	(44,039)	100%	52,700	26,403	164,120	-	-	(6,854)	-
TDG Innovation 3 Allée de Grenelle 92442 Issy-Les-Moulineaux	8,400	1,600EUR	13,440	(10,497)	100%	24,777	2,857	52	1,411	219	(10,307)	-
Transdev Ceska Republica S.R.O. Klimentska 1207/10 Nové Mestro 110 00 Praha 1	50,000	10CZK	19	46,951	100%	50,167	50,167	20,662	-	938	(812)	-
Transdev Canada 1100 Bd René-Levesque, Bureau 1305, Montreal, Quebec H3B4N4	40,000,100	100CAD	48,935	1,724	100%	48,038	48,038	65,033	856	11,243	949	-
Transdev North America Inc 720 E Butterfield Road Suite 300 Lombard 60148 IL United States	1,000	1USD	-	322,162	100%	478,591	118,399	9,081	229,353	20,951	(13,381)	-
Transdev Northern Europe Box 14091, 16714 Broma Sweden	7,000,000	7.14 SEK	4,983	16,644	100%	65,500	64,874	27,466	-	10	2	-
Transdev GmbH Georgenstr. 22, 10117 Berlin Germany	25,600	1EUR	26	154,184	100%	166,500	61,062	74,041	-	60,685	(69,634)	-
Transdev Australasia Level 8, 469 Latrobe Street Melbourne Victoria Australia	67,100,000	0.70 AUD	29,630	47,662	100%	196,200	196,200	47,407	-	22,420	14,018	6,169
2. EQUITY STAKES												
Non applicable												

B) General information on subsidiaries and equity interests of more than 10% whose value does not exceed 1% of Transdev Group SA's capital

(€ thousands)	Current value of securities held		Loans and advances made by TDG	Guarantees and pledges granted by TDG	Sales	Net income (loss)	Dividends received
	Gross	Net			2020	2020	2020
1. Subsidiaries in which an equity stake of more than 50% is held							
1.1. French subsidiaries	1,408	1,347	248	79	-	-	-
1.2. Foreign subsidiaries	18,683	18,681	38,469	16,264	-	-	3,112
2. Equity interests (of between 10 and 50%)							
2.1. French subsidiaries	662	362	101	-	-	-	-
2.2. Foreign subsidiaries	3,255	3,255	-	-	-	-	-

C) General information on subsidiaries and equity interests of more than 10%

(€ thousands)	Current value of securities held		Loans and advances made by TDG	Guarantees and pledges granted by TDG	Sales	Net income (loss)	Dividends received
	Gross	Net			2020	2020	2020
1. Subsidiaries							
1.1. French subsidiaries	1,583,407	625,409	240,741	206			-
1.2. Foreign subsidiaries	1,271,058	636,056	515,300	247,883			9,281
2. Equity interests							
2.1. French subsidiaries	662	362	101	-	-	-	-
2.2. Foreign subsidiaries	3,255	3,255	-	-	-	-	-
GRAND TOTAL	**2,858,382**	**1,265,082**	**756,142**	**248,089**	**-**	**-**	**9,281**

Statutory auditors’ report on the financial statements

YEAR ENDED DECEMBER 31, 2020

This is a translation into English of the statutory auditors’ report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors’ report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Transdev Group,

Opinion

In compliance with the engagement entrusted to us by your Annual General meetings, we have audited the accompanying financial statements of Transdev Group for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 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 Financial Statements* section of our report.

Independence
We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Your Company has booked and valued equity interests according to the methods described in Note III.4 to the financial statements. As part of our assessments, our work consisted in examining the methods of implementation of these rules, assessing the data and assumptions on which the judgments and estimates used by your Company are based, and examining, on a test basis, the calculations made by your Company.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders
We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce)*.

Report on Corporate Governance
We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4 of the French Commercial Code *(Code de commerce)*.

Other information
In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Courbevoie and Paris-La Défense, March 9, 2021

The Statutory Auditors
French original signed by

MAZARS

Gilles Magnan

Charles Desvernois

ERNST & YOUNG et Autres

Jean-Christophe Goudard

the mobility company

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