Financial Report 2021

the mobility company

Transdev, the strength of a global group at the service of the local authorities

For our Group, 2021 was a **year of recovery,** during which Transdev's teams showed unquestionable resilience, as well as an excellent ability to regain impetus and seize every opportunity for development.

Nevertheless, the ongoing effects of the pandemic in 2021 and the recent developments in the sanitary situation appear to indicate that **this crisis is far from over** and that we should remain extremely vigilant. Although ridership on our networks improved during the year, our figures still have yet to attain 2019 levels (-21% on average compared to 2019).

As regards the **financial** aspect, with revenues up by 3.8% at €7 billion, despite the public support measures received in numerous countries and all the recovery efforts made on our transport networks throughout the world, we were unable to revert to a net profit in 2021 due to significant goodwill impairment, primarily caused by the major uncertainties triggered by the health crisis.

Notwithstanding, 2021 was an excellent year in terms of commercial wins, notably in France (with the signature of the first regional rail contract with the Région Sud authority, success in the Île-de-France region, key contracts for urban networks elsewhere in France, etc.), in Australia (bus network in Sydney), in Germany (trains and buses), in the Netherlands (electric buses), in New Zealand, in Sweden (buses and trains in Stockholm) and in the USA (notably California, Florida, Georgia, Ohio and Oregon).

In 2022, our priorities will be to encourage our passengers to come back to us, continue our recovery effort and ensure that, in all locations and for all our contracts, we regain visibility and once again, in the near future, enjoy a **level of profitability** that enables us to continue investing in the long-term development of our business lines and activities, for the benefit of our clients and passengers.

This year, we will double our efforts regarding energy transition (in line with COP26 and Fit for 55 goals) in order to maintain our edge, boost our expertise and meet the ever-greater expectations of our clients. At the end of 2021, we were already operating a fleet of more than 1,400 electric vehicles, which will increase to more than 2,000 in 2022. This is complemented by a growing fleet of over 3,500 gas and biogas vehicles, and over 50 electric hydrogen vehicles. This overarching approach is part of our **Moving Green** environmental strategy and, in particular, draws on the work of the Zero Emission Team, which continues to provide active support for all our clients in their projects.

Transdev's **recovery** and its continued business **transformation** will enable us to continue our investments in training, in enhancing the company's image and attractiveness, and in improving our technical and managerial skills. Moreover, we will also step up the initiatives that aim to increase our diversity at all levels in the company. Indeed, our diversity and inclusiveness are key factors with regard to innovation, resilience and success, and we have serious ambitions in this area.

I am confident that Transdev's teams, with the support of our shareholders, can together restore lasting profitability to our company so that we can continue to invest in women and men, as well as in our development, in order to provide mobility that is continually more sustainable, more equitable and more inclusive, thereby better serving our clients, our passengers and the **common good.**

Thierry Mallet, Transdev Group Chairman and CEO

Contents

1 Management report

2 Consolidated financial statements

3 Statutory financial statements

Management report Transdev Group S.A.

Board of directors' management report on the 2021 consolidated and statutory financial statements to the ordinary general meeting

Contents

Focus on the impact of the COVID-19 pandemic on Transdev's operations

COVID-19 continues to impact the public transportation sector

Despite the continuing pandemic in 2021, Transdev performed its public service obligations and assumed its collective responsibilities, in coordination with local and national health authorities. The Group maintained a high level of service, in agreement with public transit authorities and our clients.

Because safety is at the core of our priorities, Transdev's teams were fully mobilized to ensure a safe mobility for all.

In 2021, the public transportation sector in general, and Transdev in particular, were impacted by lower ridership and a drop in service levels. This was directly due to the spread of the COVID-19 virus, as well as to the measures adopted as an effort to contain it (lockdowns, curfews, telework incentives, school closures, etc.).

Support from public authorities and our clients

The support plans set up, particularly in the Netherlands and Germany, helped to offset the sharp drop in passenger revenues in 2021.

Federal funds in the United States enabled public transit authorities to maintain service levels.

In 2020, Transdev benefited from various support plans, particularly the programs that deferred the payment of social contributions. Owing to its strong financial position, the Group was able to repay most of these deferred contributions in 2021.

Outlook and Transdev's operational response to this crisis

The Group is convinced that public transportation has a key role to play both in ensuring social and territorial cohesion and in accelerating the energy transition.

Transdev has implemented operational measures to adapt to the situation and refocused on its core business of providing public passenger transportation for local governments and public transit authorities.

The Group has reinforced its operational performance objectives in order to adjust its services to the new behaviors and needs of its passengers, as well as to the financial capacities of its clients.

As of 2021, these measures had a noticeable effect on the Group's Current Operating Result and have strengthened its position as a major player in the mobility sector.

The priority for 2022 remains to get passengers back on board, to continue the recovery effort, and to regain the foreseeability and profitability on all contracts required to continue investing in the long-term development of a public transportation system that is resolutely committed to energy transition.

Management report on the consolidated financial statements

Key figures – Consolidated financial statements

(€ millions)	Fiscal year 2020 (12 months)	Fiscal year 2021 (12 months)
Revenue	6,755.6	**7,010.9**
EBITDA (Earnings before interest, taxes, depreciation and amortization)	521.3	**632.6**
Current operating result[1]	9.5	**123.9**
Net income (loss)	(112.0)	**(159.0)**
Net income – Group share	(109.2)	**(162.1)**
Net financial debt (NFD)	1,305.9	**1,215.2**

[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.

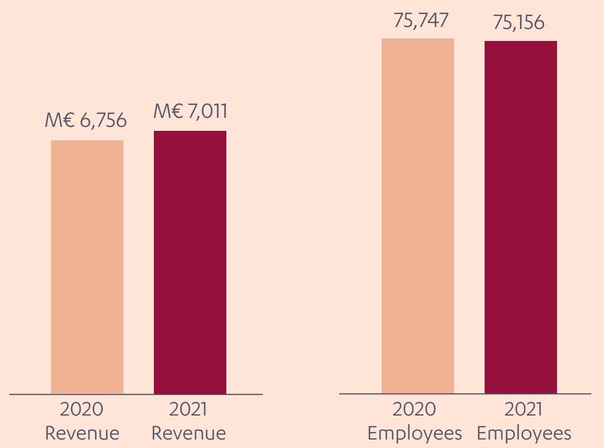
Group keys figures

The Group operates in **18** countries

Annual revenue: **M€ 7,011**

75,156 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 2021

On the financial level, the Group's fundamentals proved resilient thanks to the commitment of all employees, the support of our clients, and the management measures implemented to enable the Group to adapt to its environment including closing certain loss-making commercial activities. The Current Operating Result (COR) totaled +€123.9 million.

The Group's EBITDA also improved in 2021, thereby enabling the Group to reduce its debt while continuing to invest, despite having repaid most of the government aid such as deferred social contributions.

At the outset of the health crisis in 2020, our shareholders chose to waive the payment of dividends based on 2019 results. Similarly, no dividend was paid in 2021 for fiscal year 2020.

Nevertheless, the Group recognized a significant loss for 2021 with a net loss, Group share, of -€162 million. The uncertainties associated with the health crisis and the pressure on margins, as reflected in the Group's long-term plan, led Transdev to recognize a goodwill impairment loss of -€195 million.

Despite the difficulties created by the pandemic, the Group has continued its energy transition efforts. In addition to a growing fleet of electric buses (over 1,400 electric vehicles in operation in 2021), the Group has continued its experiments with hydrogen and bio-CNG solutions.

Business development and activities

In 2021, the Group had major business gains and winbacks in all our markets; some significant examples are described below.

France

- Transdev was the successful bidder on the first regional rail tender in France and was awarded the Marseille-Toulon-Nice line.
- In the Ile-de-France region, Transdev renewed its bus network operating contracts in the Meaux, Saint-Gratien - Valmy and Saint-Germain areas.
- Transdev was also awarded the contract for the Bus de l'Etang network in Vitrolles.

Germany

- Transdev renewed its MittelRheinBahn rail operations for 10 years, as well as its operations in Bautzen, where it deploys over 250 buses.

Australia

- The Group was awarded the Sydney Region 9 bus operations contract.

United States

- Transdev's contracts in Georgia *(Georgia North & Georgia South)* were renewed for a period of five years (including extensions).

Sweden

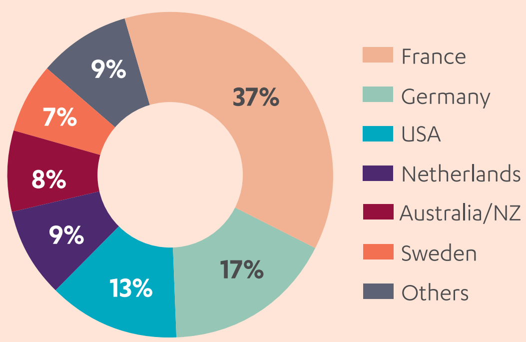
- The Group was awarded the E38 and E35 contracts in the Stockholm area, as well as the Roslagsbanan train contract.

Group activities and results in 2021

At year-end 2021, the Group's consolidated revenue from ordinary activities totaled €7,011 million. It continued to be adversely impacted by reductions in services and ridership due to COVID-19 (estimated at around -€301 million relative to 2019).

Revenue grew by 3.8% compared to 2020, reflecting a gradual business recovery, as well as our clients' support in the face of the crisis. Nevertheless, it is still 5% below the revenue generated in 2019.

Breakdown of 2021 revenue by location



At year-end 2021, EBITDA totaled €632.6 million, i.e. a margin of 9.0%, which is an increase compared to 2020 (7.8%). The Group was able to offset the direct and indirect impacts of the pandemic through improved performance.

Current Operating Result (COR) reached +€123.9 million, a significant improvement from the €9.5 million generated in 2020, although the margin rate remained stable at 1.8%.

The cost of the Net Financial Debt was of -€36.7 million for the fiscal year.

Net Loss Group share was substantial, -€162 million. This loss was due to goodwill impairment losses of -€195 million in France and in Sweden.

The level of Net Financial Debt (including IFRS 16 lease liabilities) totaled €1,215.3 million at year-end 2021, down from €1,305.9 million in 2020.

Foreseeable trends and outlook

The 2022-2027 strategic plan incorporates the key elements of the Group's "Moving You" strategy and places Transdev at the heart of the challenges of decarbonizing day-to-day transportation by providing public transit to our passengers in all regions, thereby offering a sustainable alternative to private cars.

The health crisis has impacted our businesses and accelerated the transformation of the mobility sector. The expertise of Transdev's teams in integrating transportation modes and energy transition of fleets, as well as their unwavering commitment, are key assets for achieving the strategic plan. This plan focuses on responding to the needs expressed by our clients by allocating resources centered on a high-quality offer that promotes a modal shift, the energy transition and the development of multimodal projects.

Recent developments and subsequent events

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

Research and development activities

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

In 2021, the Group's innovation activities continued to expand due to:
- A new MaaS solution to be built for the Rouen metropolitan area under a contract awarded to Cityway following a tender.
- The management and development of the M2i (Integrated Mobility in Île-de-France) project, in conjunction with Île-de-France Mobilités and numerous private and academic partners, and with the support of the French Environment and Energy Management Agency (ADEME) and the European Union, which Transdev delivered in 2021, thereby providing the region with a unique tool for integrating public and private mobility that combines a multimodal navigator, an advanced transportation networks management tool and digital observatory.
- Our continuing partnerships with start-ups that offer new services to our clients.
- The trial of a hydrogen train in Bavaria in 2023.
- Participation in the first project in the world to retrofit a diesel combustion intercity bus into a hydrogen electric intercity bus, which took place in Normandy (France).
- The management of autonomous vehicles.

Key factors

The implementation of Transdev's strategy is based on three key factors:

- Refocusing on the field of day-to-day transportation and the ability to meet the increasing demands of public transit authorities in terms of new services, as well as sustainable development and innovation.
- The responsibility of local teams. By maintaining close ties with passengers and our public clients, Transdev's teams ensure the continuity of transportation services on a daily basis. Transdev's governance is decentralized, thus providing them with a full range of tools to build value: performance, innovation, attention to passengers, listening to clients, taking care of the teams.
- The three areas of focus that have been identified for the next three years are being an employer of choice, investing selectively, and developing the value of our offers.

To mitigate and manage its exposure to the risks of fluctuation in interest rates and foreign exchange rates, 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 2020	Fiscal year 2021
Revenue	81,190	73,260
Operating result	(5,871)	783
Financial result	(310,306)	(92,308)
Extraordinary result	16	1
Net income (loss)	**(294,140)**	**(69,938)**

Business activities of the company

The action plans implemented to reduce the company's costs have borne fruit: the Transdev Group's operating result was +0.1 million, compared to -€5.9 million in 2020. However, the financial result was -€92 million, primarily due to changes in the impairment of investments, which reflect the impact of the health crisis on the Group's subsidiaries and the resulting uncertainty.

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 -€69.9 million for the fiscal year.

On May 6, 2021, the maturity of our €1,100 million confirmed credit line was extended to July 3, 2026. On July 26, 2021, Transdev Group carried out a new bond issue, in the form of an unlisted private placement, for a total amount of €120 million, maturing in July 28, 2031.

New investments and disposals during the fiscal year

During fiscal year 2021, the Company carried out acquisitions and capital increases for a total of €13 million, relating to the capital increase of Transdev Group Innovation.

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. In 2021, the company opened an establishment in Singapore.

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 2021, the total amount of lavish expenses within the meaning of Article 39-4 of the French General Tax Code *(Code général des impôts)* totaled €201,936.

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)*	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. Marie-Hélène Michon	23/07/2021	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	26/03/2021	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2024
Ms. Carole Abbey	26/03/2021	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2024
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 28, 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. Her term of office was subsequently renewed for a period of four years, as was that of Mr. Pierre Aubouin, and these terms of office will expire at the time of the general shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2024.

Ms. Delphine Pons resigned from her position as director on May 12, 2021. On July 23, 2021, the Board of Directors provisionally appointed Ms. Marie Hélène Michon to the board to replace Ms. Delphine Pons for the remainder of Ms. Pons' term of office. The general shareholders' meeting is requested to ratify this provisional appointment.

The shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2021 is requested to reappoint Mr. Thierry Mallet to a new four-year term of office as director, which will expire at the time of the general shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2025.

Provided the shareholders' meeting reappoints Mr. Thierry Mallet to a new four-year term of office as director, the Board has decided to reappoint Mr. Thierry Mallet as Chairman of the Board of Directors for the duration of his term of office as director and as Chief Executive Officer for a term of five years, with such appointment taking effect immediately and automatically at the conclusion of the shareholders' 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	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
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)	Member of the Advisory Committee

MR. PIERRE AUBOUIN

ADL Participations	Member of the Supervisory Committee
Aéroports de la Côte d'Azur	Board Observer
CIBAIR	Member of the Executive Committee
Gestionnaire d'infrastructure CDG Express	Member of the Board of Directors Chair of the Board of Directors
Transdev Group	Director Member of the Audit Committee Deputy member of the Investment Committee
Institut de la gestion déléguée	Member of the Board of Directors
Ludev-Logistique urbaine développement (Evol Holding)	Member of the Strategy Committee
Mobilité-Agglomération-Rémoise	Chairman of the Board of Directors

MR. OLIVIER SICHEL

Transdev Group	Director
Caisse des dépôts et Consignations	Deputy Chief Executive Officer
CDC Habitat	Member of the Supervisory Board
Euronext N.V	Member of the Supervisory Board
La Poste	Director
Assia Inc.	Member of the Board of Directors
Agence nationale de la cohésion des territoires	Representative of Caisse des Dépôts on the Board of Directors
Fondation digital new deal	Chair of the Board of Directors

MS. CAROLE ABBEY

Transdev Group	Director Chair and Member of the Appointments and Compensation Committee Member of the Investment Committee Member of the Audit Committee Member of the Strategy Committee
SCET	Director Chair of the Board of Directors Member of the Remuneration Committee
Tonus territoires	Director
SICOVAM Holding	Standing Representative of the Caisse des dépôts et consignations in its capacity as director
BPIFrance SA	Director Member of the Risk Committee Member of the Audit Committee Member of the Innovation Committee
BPIFrance Participations	Director Member of the Investment Committee
BPIFrance Investissements	Director
ICADE	Director

MS. ANNE-MARIE COUDERC

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

MS. SOPHIE BARBIER

Transdev Group	Director Member of the Strategy Committee
Compagnie des Landes	Member of the Supervisory Board
Novethic	Member of the Strategy Committee

MS. MARIE-HELENE MICHON

Transdev Group	Director Member of the Appointments and Remuneration Committee
GeoPost IMDH	Member of the Supervisory Board
DPD Deutschland Gmbh	Member of the Supervisory Board
SRT Group	Member of the Supervisory Board
Chronopost SAS	Member of the Supervisory Board
DPD France SAS	Member of the Supervisory Board
Pickup Services	Member of the Supervisory Board
Pickup Logistics SAS	Member of the Supervisory Board
GeoPost Holdings Ltd	Member of the Board of Directors
GeoPost Intermediate Holdings Ltd	Member of the Board of Directors
DPDgroup UK Ltd	Member of the Board of Directors
DPD UK Ltd	Member of the Board of Directors
Speedy AD	Member of the Board of Directors Member of the Audit Committee
DPD Polska	Member of the Supervisory Committee

MS. ANJA KÜHLER

Transdev Group	Director representing employees

MR. JEAN-MICHEL FENAUT

Transdev Group	Director representing employees

DR. WERNER KOOK

Transdev Group	Director Member of the Investment Committee Member of the Strategy Committee Member of the Appointments and Remuneration Committee
Niederrheinische Verkehrsbetriebe Aktiengesellschaft Niag	Member
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
RETHMANN SE & Co. KG	Chief Representative
FB4-Advisory Boards Wirtschaftswissenschaftliche Fakultät Der Westfälischen Wilhelms-Universität Münster	Member

MR. LUDGER RETHMANN

Transdev Group	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 Katholische St. Paulus Gesellschaft	Member
Board of Trustees St. Marien Hospital	Member

MR. JEAN-LOUIS HUREL

Transdev Group	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

MR. EGBERT TÖLLE

Transdev Group	Board Observer
REMONDIS Group	Vice-Chairman
REMONDIS International Group	Chairman
Lhoist/Rheinkalk Group	Member of the Supervisory Board
German Eastern Business Association	Member of Presidency

Terms of office expired in 2021

MS. DELPHINE PONS

Transdev Group	Director until 12/05/2021 Member of the Appointments and Remuneration Committee until 12/05/2021

MS. VIRGINIE FERNANDES

Transdev Group	Director until 08/01/2021 Member of the Appointments and Remuneration Committee until 08/01/2021 Member of the Audit Committee until 08/01/2021 Member of the Strategy Committee until 08/01/2021

Statutory auditors

The term of office of E&Y et Autres, the principal statutory auditor, and of Auditex, the alternate statutory auditor, will expire at the conclusion of the shareholders' meeting that will vote on the financial statements for the fiscal year ended December 31, 2021. Therefore, the shareholders are requested to:

- reappoint E&Y et Autres as principal statutory auditor for a new six-year term of office that will expire at the conclusion of the shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2027;
- not to reappoint Auditex as alternate statutory auditor.

The term of office of Mazars, the principal statutory auditor, was renewed for six years at the general shareholders' meeting of March 24, 2017 and, therefore, there is no need to renew it.

Powers and/or authority delegated to the board of directors

In respect of capital increases

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

Agreements within the scope of article L.225-38

During the past fiscal year, no 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:

The following agreements approved in previous years continued in 2021:

- A shareholders' agreement signed on January 9, 2019 by Caisse des Dépôts et Consignations and Rethmann France, which was witnessed by Rethmann SE&CO KG and the Transdev Group, was approved by the Board of Directors at its meeting of December 21, 2018, as amended 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.
- 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 28, 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 2021.

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, 2021, the Company's employees did not hold any of its shares. In accordance with Article L225-129-6 of the French Commercial Code, 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 January 9, 2019, which rejected the proposal.

Directors' fees

Transdev Group's general meeting of shareholders held on March 26, 2021 voted to set the total gross annual amount of directors' fees to be paid to the Board of Directors in 2021 at €60,000. This amount is to be divided among the directors. Of this amount, a gross amount of €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 2022.

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 2021

We propose that you appropriate the income (loss) for fiscal year 2021, i.e., −€69,938,368.88 to the retained earnings account.

Tableau des dividendes distribués par la Société les 3 derniers exercices :

2018	None
2019	None
2020	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					133
Total including VAT for related invoices (in thousand of euros)	1	0	0	69	70	361	870	2,402	2,687	6,321
As a percentage of purchases/net sales (including VAT)	0%	0%	0%	0%	0%	0%	1%	3%	3%	8%
B°) Invoices excluded from (A) relating to disputed or unrecorded invoices										
Number of invoices excluded					9					-
Total including VAT for related invoices (in thousand of euros)					60					-
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 2017	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021
I - Capital at the end of the period					
Share capital	1,137,120	1,137,120	1,206,036	1,206,036	1,206,036
Number of ordinary shares issued	118,203,700	118,203,700	125,367,560	125,367,560	125,367,560
II - Transactions and results for the period					
Revenue, excluding taxes	-	76,604	69,004	67,898	59,794
Income before taxes, employee profit sharing and allowances/ reversals of depreciation, amortization and provisions	167,195	117,666	4,806	17,225	11,883
Corporate income tax	24,381	23,400	24,631	22,203	21,575
Employee profit sharing owed for the period	-	-	-	-	-
Income after taxes, employee profit sharing and depreciation, amortization and provisions	155,040	(129,135)	94,592	(294,140)	(69,938)
Income distributed	-	-	-	-	-
III - Income per share (in euros)					
Income after taxes, employee profit sharing but before depreciation, amortization and provisions	1.62	1.19	0.23	0.31	0.27
Income after taxes, employee profit sharing and depreciation, amortization and provisions	1.31	(1.09)	0.75	(2.35)	(0.56)
Dividend paid per share	-	-	-	-	-
IV - Workforce					
Average number of employees during the period	347	353	310	297	260
Payroll during the period	29,513	32,056	25,546	28,355	23,927
Amounts paid as employee benefits during the period (Social security, benefit programs)	13,933	15,450	11,850	13,303	11,106

Appendix 2
Statement of non-financial performance

I. Transdev, the strength of a global group serving local authorities

Because mobility is essential to meet, work, study... or simply to live, *"Transdev empowers freedom to move every day, thanks to safe, reliable and innovative solutions that serve the common good."* This is our purpose, which is our compass and guides our decisions on a daily basis, serving local authorities and our passengers.

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 communities. Mobility facilitates access to employment, education, leisure activities, etc, and contributes greatly to the quality of life and attractiveness of regions. This is even more true for people living in sparsely populated, rural or peri-urban areas, where a growing proportion of the population lives today in the 18 countries where Transdev is present.

Transdev has been particularly involved - and continues to accelerate - in these areas for several years in order to deploy fair and open mobility for all, whatever the region.

We are actively committed to the energy transition in favor of an energy mix (biogas, electric, hydrogen) and the reduction of the social divide, by connecting and reconnecting communities and rural and urban areas, by providing responses adapted to the needs of our clients and passengers.

In 2021, we made significant accomplishments together, notably through the resumption of our activities in all our countries, but above all thanks to the commitment of all our teams in the networks, despite the continuing effects of the pandemic. We have been able to partially offset the loss of revenue and renegotiate many contracts with our clients to adapt them to the new circumstances and needs. Everywhere, we have achieved new successes in all our businesses, particularly in Germany, Australia, Colombia, the United States, France, New Zealand, the Netherlands and Sweden.

Public and rail transportation are key elements of the environmental Policy of the future. Our role is to work alongside local authorities to meet the triple objective of health and safety, ecological transition and social issues. Public transit and daily mobility must therefore be the backbone of the economic, ecological and solidarity-based recovery, that is necessary to continue the strengthening of economies that have been severely affected by the persistent pandemic crisis.

We share and act for the collective, in order to create opportunities and contribute to the well-being of society and 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 current and future challenges. We are proud of the fact that on average 11 million people travel with us every day on 5 continents.

Our 81,715 employees are passionate about their work and committed to the passengers and the regions they serve. 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, helping them grow and maintaining their commitment is fundamental to our sustainable growth.

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

"In 2021, we continued to deploy our low and zero emission mobility solutions around the world, and we accelerated the development of our rail activities, particularly in France with the win of the Marseille - Nice regional line, positioning us as a major player in the revitalization of day-to-day train travel."

Thierry Mallet, Chairman and CEO

Assets

The 'Moving You' strategy which serves communities	Committed teams throughout the world	An ecosystem of partners, action at the social and local level	A business model that respects resources
Regaining the confidence of passengers	**81,715** employees in 18 countries on 5 continents	**300+** product categories	**€757.1 M** in shareholder equity and a body of shareholders committed over the long term
Assisting our clients in managing new risks	**70 %** of drivers	**€270 K** donated through the Transdev Foundation	**16** transportation modes
Engaging teams in a sustainable, digital and collaborative businesses	**24 %** of women in our teams	**43.3 %** score achieved for the Group positivity index	**42,403** vehicles operated
Building tomorrow's mobility and contributing to the ecological transition	**150+** job types	**€3 billion** of products and services purchased by Transdev in total spend	**61 %** clean vehicles *(Euro VI, hybrids, CNG Biogas, electric, biodiesel, hydrogen)* including **995** electric vehicles

Results

For our passengers	For the planet	For our clients, communities and public institutions	For our employees
7.9 M trips every day throughout the world	**17.39 %** low-emission energies *(including 12.58% CNG, 4.58% biodiesel, 0.23% biogas and 4.36% electricity)*	**€16.9 M** paid in corporate income tax	**Drivers@transdev** deployment of an international operational task force to attract, recruit, retain and engage drivers
94 % of our activities comply with the requirements of our safety management system	**20.9 %** rate of ISO 14001 certified entities *(6% increase compared to 2020)*	**Moving Green** tailor-made green solutions for communities deployed in 8 Group countries	**82.9 %** of employees received training during the year
Inter and multimodal mobility solutions for an attractive alternative to the private car	**58 %** of our entities covered by the Environmental Management System	**2,500+** suppliers qualified as inclusive suppliers	**9 Group countries** have implemented an Engagement survey with their employees *(including Germany, Portugal and Canada in 2021)*
Customer experience and inclusion of all are at the heart of our action in the areas where we operate	**6 %** increase in the green share of our fleet	**22,829** new hires in the communities we serve	**25 %** women among the Group's top 100 managers; 2 of our 6 key countries are led by women

Value creation

Diversified activities

Urban
Interurban
Rail
Light vehicles
Maritime transportation

Priority SDGs*

- 5 Gender equality
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 10 Reduced inequalities
- 11 Sustainable cities and communities
- 13 Measures to fight climate change

* United Nations Sustainable Development Goals

Our business model

1. OUR BUSINESS

Transdev possesses global expertise derived from over 150 business lines. Each day, 57,230 drivers serve our local government clients.

Bus (conventional, electric and hydrogen), bus rapid transit (BRT), car, community shuttle, train, metro, tram and tram-train, para-transit and ambulance, transport on demand, autonomous vehicle, bike-sharing, funiculars, cable car, maritime and fluvial transportation, are representative of the broad range of transportation modes and systems and everyday infrastructure that we operate all over the world. In addition to our role as an operator, we are committed to offering a full spectrum of mobility solutions to serve our clients, in order to deliver inclusive and sustainable mobility.

Our activities

Urban	Interurban	Rail	Light vehicles	Maritime transportation	Other
					
▪ Urban and suburban buses ▪ Urban rail ▪ Trams ▪ Subway lines	▪ Suburban and interurban buses ▪ Long distance buses ▪ Staff transportation ▪ Tourism & charters	▪ BtoG rail ▪ Commercial rail	▪ Ambulances and non-emergency medical transportation ▪ Paratransit ▪ Taxis ▪ Autonomous vehicles ▪ Shuttles	▪ Ferries	▪ Rail infrastructure ▪ POA* consulting ▪ Digital ▪ Call centers ▪ Airport cargo ▪ Road cargo ▪ Holding company and resources ▪ Other activities
46.7 %	28.7 %	13.2 %	6.2 %	2.6 %	2.6 %
					

** project organization assistance*

On first analysis, almost all of Transdev's activities would be eligible for the first two objectives of the taxonomy, mitigation and adaptation to climate change.

Our mobility solutions

Our urban and intercity buses, rail, maritime transportation and specific mobility solutions:

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

TRANSDEV IN 2021

18 countries

81,715 employees

7.9 M passenger trips each day

42,403 vehicles operated

995 electric buses and coaches

16 transportation modes

+150 different job types

70 % drivers

24 % women

94 % permanent contracts

€123.9 M in current operating result

€7 BILLION revenue

3.8 % increase in revenue in 2021

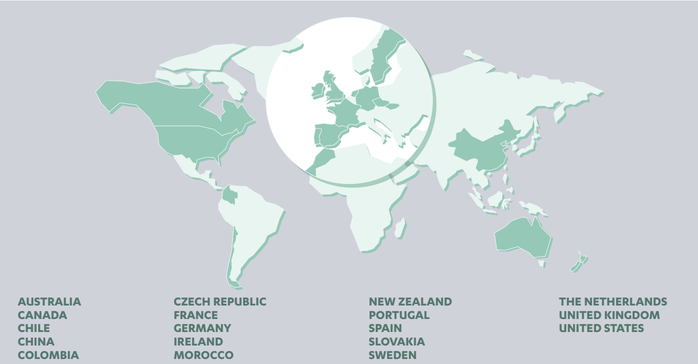
€1.2 BN net financial debt*

€632.6 M EBITDA

€-162.1 M Net result Group share

**including lease liabilities*

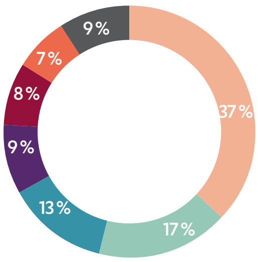
Our geographical presence (consolidated scope)



Our teams are locally based in 18 countries in order to meet the specific demands of populations and local authorities with solutions tailored to the communities we serve.

Our revenue by country

Distribution of 2021 revenue by country



2. RESPONDING TO LOCAL CHALLENGES AT THE LOWEST COST

Our business model involves 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 95% of our activities involve contracts to manage transportation services on behalf of local authorities – BtoG 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 thereto is usually awarded through a competitive bidding procedure. When preparing the bid documents, the public transit authority (the client) determines the specific needs to be met. The bidder who best meets these requirements in terms of understanding local specificities and offers the most favourable price is 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, the frequency of service, pricing and the commitments the bidder may make on future developments in the use of the transportation system.

Compensation

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

- **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.

In general, 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 clients, 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 best price.

Cost control

Our most significant cost items are:

- financing of the vehicle fleet;
- employee payroll;
- energy and fuel costs;
- financial resources.

Financing of the vehicle fleet

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

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

Thus, 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 with 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 by Caisse des Dépôts (66%) and Rethmann France (34%);
- bonds;
- bank loans and a Schuldschein placement;
- asset financing consisting primarily of operating leases;
- resources generated by operating working capital;
- profits from its operations.

3. A YEAR OF LASTING CHANGE

The public transportation sector faces constant change, both technological and environmental. The health crisis continues to disrupt the restructuring of the market. Economic stimulus plans are starting to produce medium- and long-term impacts on public transportation to varying degrees.

Economic recovery still impacted by the health crisis

Following the significant disruptions in 2020 due to the sudden collapse in ridership during the various lockdowns, public transportation is experiencing a recovery thanks to fewer health restriction measures. However, epidemic flare-ups are unpredictable and variable. Business levels are still below pre-health crisis levels. A long-term decline in ridership seems to be emerging in most geographical areas, although areas with high population growth may recover more quickly. This decrease has most directly affected older passengers and persons who are not dependent on public transportation.

Some responses to the crisis have become permanent, such as the widespread adoption of remote working and the expansion of home delivery services. In the mobility field, alternatives to public transportation, such as electric bicycles or cars, have been encouraged and incorporated into stimulus plans, thus confirming enduring changes in mobility habits.

Challenges of the ecological transition and territorial cohesion in a context of economic recovery

As a direct result of the stimulus plans and reduced health restrictions, global growth was 5.5% in 2021*.

In the face of climate challenge, stimulus plans have sought to initiate a genuine modal shift towards cleaner mobility systems. Nevertheless, COP26 in Glasgow in 2021 ended on a mixed note for the transportation sector, with discussions focused primarily on the electrification of individual vehicles.

More than ever, Transdev must play its part in the global climate emergency:

- a role in supporting the energy transition in communities by offering high-quality mobility solutions that reduce emissions per passenger;
- a role in developing efficient transportation network connectivity, relying in particular on rail transportation, which is one of the most effective to meet climate challenges;
- a role as a development catalyst for populations in suburban areas thanks to shared, multimodal and inclusive mobility offers that provide citizens with access to mobility in specific areas, whether or not they have a private car.

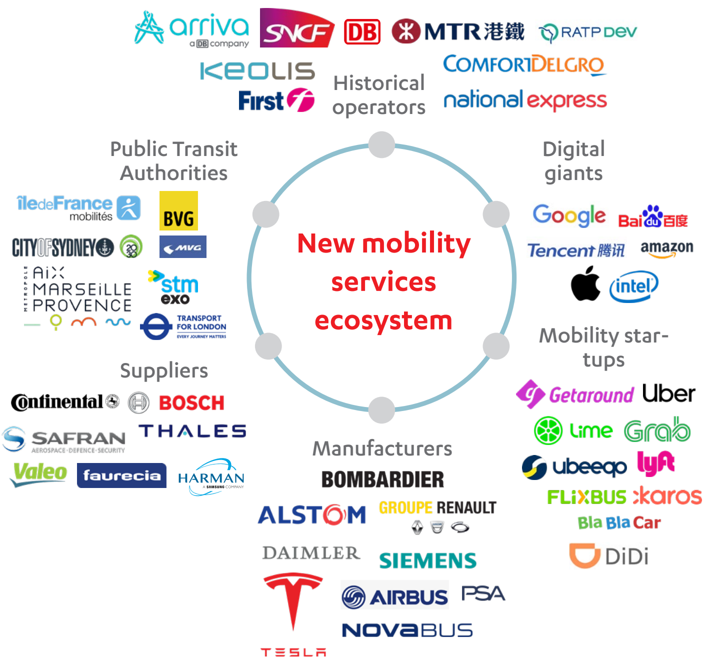
The various mobility decarbonization policies promoted by governments are characterized by approaches that, to a greater or lesser extent, favour public transportation over individual mobility, particularly electric cars. Convinced that our business is destined to play a decisive role in the ecological transition, our commitment to the environment and our ability to support public decision-makers in this area are, more than ever, at the heart of our corporate strategy.

Horizon 2030

Beyond the commitment to the environment, we see 4 major trends major trends for 2030:

- The aging of our societies is a global trend that will generate new mobility needs specific to these groups of people;
- New forms of urban planning will, by their nature, impact the suitability of transportation modes while reflecting the social project that cities offer;
- Our societies have become increasingly digitalised, and this phenomenon has become increasingly manifest in recent years; transportation operators have a role to play in this trend, particularly in the development of MaaS (Mobility as a Service) solutions;
- The emergence of the autonomous car market, which will mature between 2030 and 2050, will impact day-to-day mobility by opening up new markets for people without a driver's license or with disabilities.

Our ecosystem of competitors and partners



<u>Traditional competitors</u> are expanding into new geographical areas. In addition, operators are withdrawing from markets and contracts deemed unprofitable or that are highly volatile.

<u>The digital giants</u> are enhancing their mobility offers with new services. For example, Google has expanded its multimodal transportation offer by adding several new services and a payment brick to Google Maps.

<u>Start-ups</u> are converting themselves into multimodal mobility platforms with a growing portfolio of activities (passenger transportation, logistics, meal delivery, shopping): FlixMobility and Blablacar are continuing to raise funds to expand into new territories (US, UK, Portugal, etc.). Start-ups have also sought to partially withdraw from the autonomous vehicle business to share the burden of R&D investments.

<u>Manufacturers</u> have been significantly affected by the crisis and are accelerating their transition to an electric offer, driven by the stimulus plans. Faced with rising raw material prices, those of the car industry have been forced to streamline their mobility service offerings (car sharing, taxis, etc.).

Like manufacturers, **<u>suppliers</u>** have been heavily impacted by the crisis but have benefited from the stimulus plans announced. They are also seeing their business model transformed in an increasingly electric, intelligent and connected market. Software developers will undoubtedly play a key role.

All players in the ecosystem have expanded their geographical presence and some of them have developed new business segments.

The mobility sector is undergoing a major transformation and public transportation is still weakened by the crisis, which has reduced ridership levels and impacted the regularity of operations.

<u>Public transit authorities</u> have taken advantage of the stimulus plans to improve infrastructure and develop multimodal and low-emission transportation. However, at the same time, individual transportation and electric cars have also benefited from the stimulus plan.

*(https://blogs.worldbank.org/voices/global-economic-outlook-five-charts-1)

Public transportation operators are still trying to find some relief:

- by obtaining the support of public transit authorities to jointly build the services needed in the communities;
- by continuously adapting the service offer to changing needs and lifestyles;
- by innovating and making an even greater commitment to preserving jobs and maintaining service, which are the key to social cohesion in the communities they serve.

4. A STRATEGIC PLAN REFOCUSED ON SUSTAINABLE MOBILITY

With its well adapted mobility networks and good infrastructure management, Transdev has the means to reduce its carbon footprint as well as local pollutants that have a direct impact on public health:

- by focusing on developing rail transportation, which is still the most efficient form of low-emission public transportation;
- by promoting appropriate urban infrastructure (such as Bus Rapid Transit);
- by committing to the energy transition (clean energy, zero emissions);
- by reducing the environmental impacts of all our activities (eco-driving, green depots);
- by improving the customer experience in order to accelerate the reduction in the use of private cars (on-demand transportation, autonomous vehicles), including in low-density areas;
- by innovating and designing a new mobility model (Mobility as a Service, car-sharing).

Sustainable mobility will be clean, reliable, safe and serving the common good, as expressed by Transdev in its purpose statement. Public transportation enables millions of people to go to work, study and take part in local life every day. Our business model and strategy underpin this mission, which we carry out with and for our stakeholders for the benefit of the communities we serve.

Our strategy and governance serving our corporate mission and our strategic ambitions

In this context, and true to our corporate mission – ***"we empower freedom to move every day thanks to safe, reliable, and innovative solutions that serve the common good"*** – our strategy and governance adapt to the new challenges created by the pandemic. The Group establishes the global strategy, sets financial guidelines and assists our subsidiaries in developing their expertise. The ability of the subsidiaries to play their role of responding to the needs of our clients, the public transit authorities, has been strengthened. They deploy the Group's strategy, *Moving You*.

Tailoring its solutions as closely as possible to local issues, Transdev works hand in hand with its clients, partners, suppliers, employees and local stakeholders. Our Moving You strategy is part of the pursuit of Sustainable Development Goals (SDGs), in particular around the following:

Highlights

BUSINESS SUCCESSES

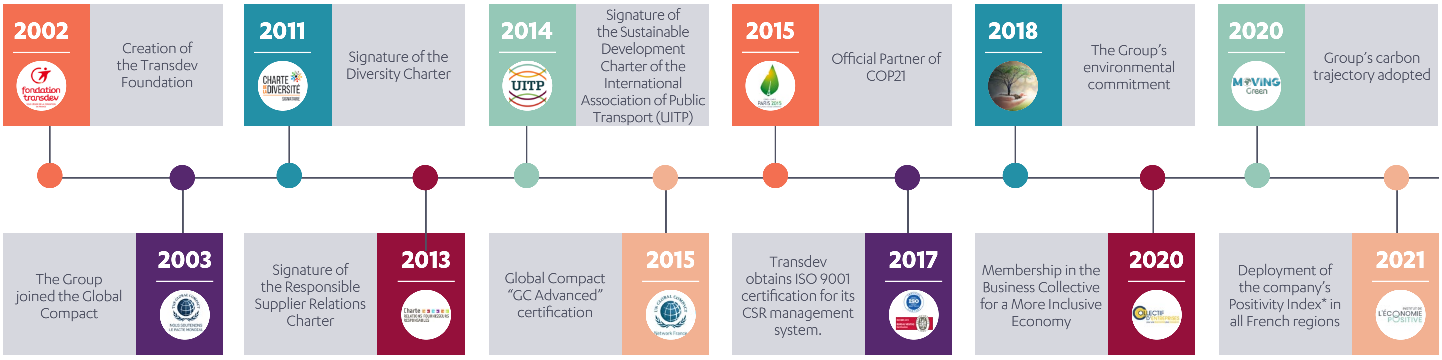
- In Australia, we were awarded the Sydney Region 9 bus contract for about 500 buses, including 146 electric buses.
- In Colombia, a major contract was signed with TransMilenio covering over 400 electric buses and the largest electric depot in the Bogotá area (40,000 m²).
- In France, the first regional rail contract was signed with the Région Sud authority for the Marseille-Nice route, key successes in the Ile-de-France region, regional line contracts, and key contracts for urban networks (Cherbourg, Roanne, Arcachon, Vitrolles-Salon, etc.).
- In Germany, renewal of our rail operations with MittelRheinBahn for 10 years, the testing of a hydrogen train in Bavaria in 2023, a new bus contract in Mayen-Koblenz, and the renewal of our bus operations in Bautzen.
- In the Netherlands, a successful start for the new electric bus contract in Gooi en Vechtstreek.
- In Sweden, new contracts for the operation of the Roslagsbanan rail lines and 317 biofuel buses in northern Stockholm.
- In the USA, renewal of the rail infrastructure maintenance contract with TriRail in Florida, as well as several key bus and paratransit contracts in California, Oregon, Georgia and Ohio.
- In New Zealand, Transdev will operate the Wellington city center-airport link, including 10 electric buses.

NEW ENVIRONMENTAL SOLUTIONS

- A network of 145 electric buses set up in western Sweden; 317 fossil-free buses for northern Stockholm.
- Inauguration of "AuxHYgen" in Auxerre, the largest renewable hydrogen production and distribution site in France.
- Captain Bike in Nantes (new mobility experiment).
- First 100% electric ferry in Portugal.
- Solar powered bus in Australia (Queensland).
- First hydrogen bus in New Zealand.
- Major electric bus contract in Colombia.

II. Transdev, a dedicated player with its ecosystem of stakeholders

The Group's CSR trajectory



** Positivity Index first calculated in 2015*

In 2021 Transdev rolled out its Moving Green environmental strategy in 8 countries where the Group operates. The Group has strengthened its Responsible Procurement approach and is committed through a voluntary approach to inclusive procurement in France, which now accounts for more than 6% of the country's procurement volume. Transdev continued to roll out its Engagement program in Germany, Portugal and Canada; Transdev has obtained the "Great place to work" label in Canada and the KeepWell™ label for Transdev Dublin Light Rail. In 2021, Transdev reconducted its materiality analyzis and updated the key CSR issues for the Group. The Group's CSR governance has been strengthened with the creation of a CSR strategic committee in addition to the corporate committee and international CSR community.

Dialogue with our stakeholders

In 2021, Transdev maintained relationships with a very dense ecosystem of stakeholders at all levels of the organization.

- **Clients**: In all territories where the Group does business, our teams maintain a constant dialogue with clients and public transit authorities in order to understand and fully meet their expectations.
- **Shareholders**: Our two shareholders, Caisse des Dépôts and Rethmann Group, are at the core of the decision-making process at shareholder meetings and are involved in Transdev's CSR commitments.
- **Employees**: Through its we@transdev managerial model and the commitment surveys conducted within our teams, Transdev has equipped itself with the tools required for high-quality social dialogue.
- **Business partners/Suppliers**: We maintain close ties with our suppliers and economic partners. Together we are committed to a responsible approach consistent with our ethical values.
- **Passengers**: By digitalizing our services and providing real-time information, and through our customer relationship management systems, Transdev communicates closely with its passengers in order to offer them the best possible experience.
- **Social partners**: Social dialogue is an essential factor in ensuring that Transdev remains resilient and competitive. Various social and economic committees representing employees have been set up, which meet at the regional, country and Group level and provide a forum for ongoing dialogue.
- **Regulatory authorities**: Transdev has established a close dialogue with representative organizations in the sector, such as UTP in France, APTA in the United States, and UITP at the international level.

We build, maintain and develop long-term relationships of trust with our stakeholders, which allows us collectively to face today's challenges and support the ongoing transitions in a spirit of co-construction, consultation and transparency.

Transdev reinforces its CSR governance

Transdev reinforced its CSR governance in 2021. This governance is formally grounded on several circles of collaboration:

CSR Strategic Committee: this committee is made up of four members of the Group Executive Committee, two country managements, the Procurement Department and the Communications Department. It focuses on and establishes guidelines for the CSR roadmap. On average, it meets two to four times a year.

CSR Corporate Committee: the finance, environment, procurement, HR, health and safety, security, communications and business development functions are represented on this committee. It ensures the consistency of CSR policies and is supported by the work of a network of officers in all Group subsidiaries.

international CSR community: this community comprises the CSR officers in the countries where the Group does business. Its role is to establish the CSR roadmaps for each country and deploy policies and tools that enable achieving the Group's CSR commitments and objectives. The community meets monthly to share progress and best practices that feed the Group's collective CSR expertise for the benefit of the communities it serves.

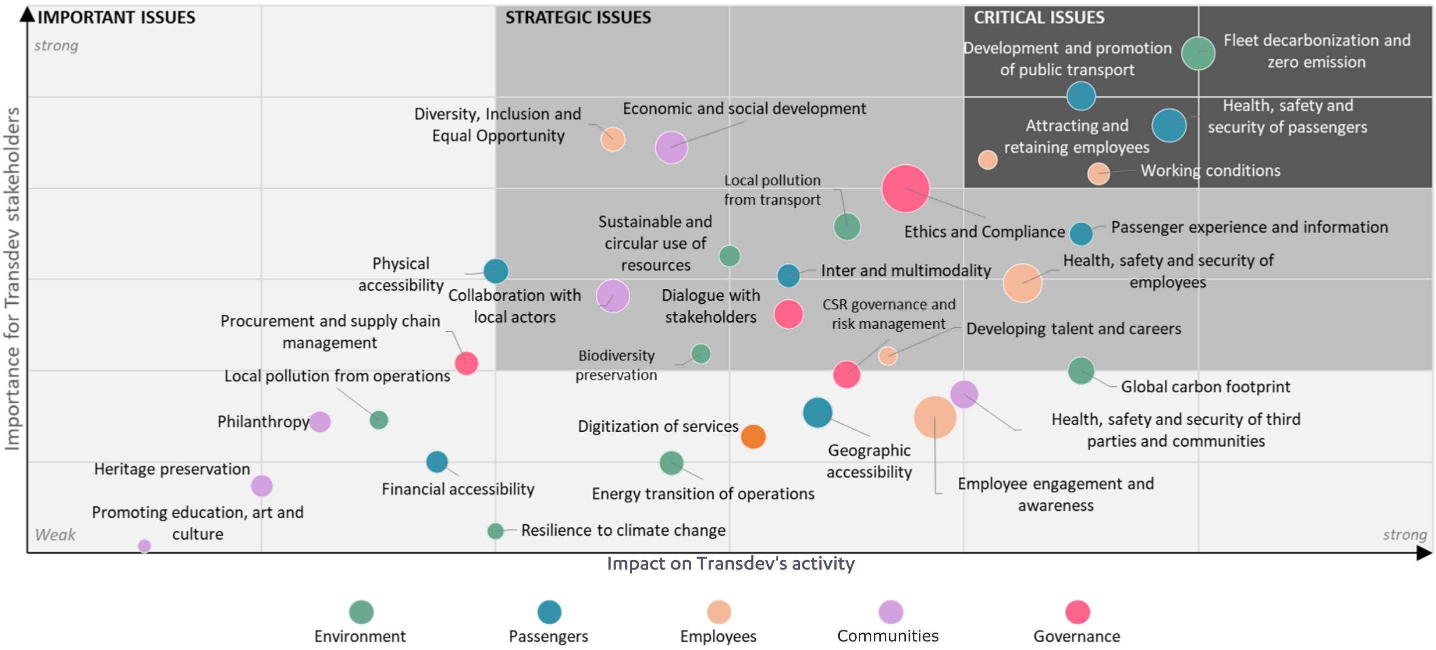
CSR Department: coordinates these various bodies and oversees the Group's CSR roadmap; it reports to the Group's HR Director, who sits on the Executive Committee.

In 2021, Thierry Mallet, CEO of the Group, reaffirms Transdev's support for the principles of the United Nations Global Compact. The Group has been GC Advanced-certified since 2015.

In 2021, Transdev Group was certified "Silver" by the EcoVadis sustainability rating with a differentiating performance in the field of responsible procurement.

Transdev is a member of the Global Deal, a global initiative aimed at making social dialogue a tool for decent work and the development of inclusive growth.

Main non-financial challenges faced by the Group



Our 32 CSR challenges were identified by the Group's international community of CSR representatives and validated by our expert partner, BL Evolution. These issues were prioritized by analysing 63 in-depth qualitative interviews conducted in eight countries where the Group does business (France, USA, Germany, Netherlands, Sweden, Australia, Canada and Ireland). The impact of these issues on our business model was established in conjunction with the Group Executive Committee.

Environmental issues: more than ever Transdev is expected to be an active player in the ecological and energy transition. In the areas we serve, the Group contributes to the ecological transition by decarbonizing its fleet, reducing pollution and using resources sustainably.

Passenger health, safety and security: this is and remains the priority, particularly in view of the public health issues currently facing our societies. Protecting the health, safety and security of our passengers, our employees and everyone is essential.

Expanding and promoting public transportation: a catalyst for the ecological transition in the communities we serve, public transportation is one of the answers to the social challenges facing our societies. Developing a multimodal and accessible offer contributes to achieving the goal of ensuring inclusion and equality for all in the communities.

Social challenges: ensuring the attractiveness of our professions is a key challenge: recruiting and retaining employees and guaranteeing satisfactory working conditions are not new priorities, but they have acquired greater prominence as a result of the health crisis. Most of Transdev's teams were on the front line and were the first to be impacted by the pandemic situation and the associated restrictions. Ensuring good working conditions for employees in the context of the transformation of the mobility sector underway is a major challenge.

In light of these challenges, Transdev will continue to deploy its CSR policies, programs and initiatives to achieve the objectives set by the Group for 2025 and 2030. These policies and initiatives are aligned with the main UN Sustainable Development Goals.

The Group's most significant non-financial (CSR) risks did not change in 2021 and are covered by the policies the Group implements. The method used to identify and prioritize the main CSR risks is described in the methodological note (Section VIII).

Transdev Group's key stakeholders

Management of our non-financial performance

FIELDS	CHALLENGES	SIGNIFICANT RISKS	POLICIES AND ACTION PLANS	COMMITMENTS	KPIS	TARGETS
ENVIRONMENT	▪ **Decarbonization of our fleet and zero emissions** ▪ Local pollution from transportation ▪ Sustainable and circular use of resources ▪ Global carbon footprint ▪ Preserving biodiversity ▪ Energy transitions of operations ▪ Resilience to climate change	Accidental/gradual ground pollution	Environmental Policy + Our actions and programs in support of the energy and ecological transition and to fight climate change	▪ Contribute to decrease CO_2 emissions in the communities.	Rate of entities that experienced accidental pollution during the period	Decrease compared to year "N-1"
		Regulatory and contractual non-compliance in environmental matters		▪ Reduce congestion and preserve air quality against local pollution.	Low-emission fleet rate *(Euro VI, hybrids, CNG, biogas, electric, biodiesel, hydrogen)*	50% increase in the alternative fleet by 2030 (base year: 2017)
				▪ Increase our non-diesel fleet to cope with the depletion of fossil resources.	Pollutant emissions g/100 km travelled	Decrease compared to year "N-1"
		Gradual air pollution		▪ Commit to communities through partnerships to preserve nature and biodiversity.	GHG emissions kg/100 km travelled	Reduce the carbon intensity of our fleet by 30% by 2030
PASSENGERS	▪ Passenger experience and information ▪ Financial, physical and geographic accessibility ▪ Inter- and multimodality ▪ **Health, safety and security of passengers** ▪ Digitalisation of transport services ▪ **Development and promotion of public transportation**	Serious train or bus accidents	Health and Safety Policy	▪ Strengthen governance and compliance, improve health and safety performance. ▪ Implement strict sanitary measures in our vehicles and stations to fight against Covid-19 in order to ensure the safety of our passengers and the public. ▪ Put in place all means to ensure the health, safety, security and tranquility of passengers.	Major accident rate	Each day, we do everything possible to achieve our goal of zero accidents.
		Assaults on passengers Terrorist attacks	Security Policy		Rate of physical assaults on passengers	NEW
					Share of countries covered by a national security officer relative to the total number of countries in the consolidation scope	100% of countries covered
EMPLOYEES	▪ **Working conditions** ▪ Health, safety and security of employees ▪ Diversity, inclusion and equal opportunities ▪ Developing talent and careers ▪ **Attracting and retaining employees** ▪ Passion for our activity shared by employees	Workplace accidents	Health and Safety Policy	▪ Strengthen governance and compliance, improve health and safety performance. ▪ Promote a positive and proactive culture of well-being and safety. ▪ Implementation of all means to ensure the health, safety and security of employees and subcontractors.	Workplace accident frequency rate	Annual performance targets
					Workplace accident severity rate	
		Assaults on employees Terrorist attacks	Security Policy		Frequency rate of workplace accidents due to assault	Ensure a safe travel and work 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
		Absenteeism and low employee commitment (including psychosocial risks)	Engagement Policy + Talent Management and Learning Programs + Diversity and Inclusion Program	▪ Deploy this commitment approach every two years in each country where the Group operates. ▪ Improve and enhance social dialogue. ▪ Promote social diversity and parity at all levels of the company.	Absenteeism rate	100% of employees covered by an Engagement survey in 2022 At least 80% of employees have received one training course/year 50% of women in the Top Executive group by 2025
					Employee turnover rate	
		Poor skills planning			Engagement Policy deployment rate	
					Percentage of employees who received at least one training course during the year	
					Percentage of employees who had an annual interview	100% of employees have had an annual interview (monitored scope at Group level: Top managers)
COMMUNITIES	▪ Collaboration with local players ▪ Economic and social development ▪ Promoting education, arts and culture ▪ Health, safety and security of third parties and communities ▪ Heritage preservation ▪ Philanthropy	CSR claims against a supplier	Sustainable Procurement Policy	▪ Raising awareness among our suppliers and subcontractors about 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 in the countries where the Group does business.	Percentage of framework contracts > €1 million that incorporate the Suppliers' Charter	Incorporation of the Suppliers' Charter into all contracts with a value over €1 million.
GOVERNANCE	▪ Responsible procurement ▪ Dialogue with stakeholders ▪ CSR governance and risk management ▪ Ethics and compliance	Failure to respect human rights	Fundamental Rights Policy + Data Privacy Policy + *Ethics and Compliance Management System (ECMS)*	▪ Allow each employee to exercise their right to alert/whistleblow without fear.	Annual percentage of projects approved by the GEC* for which fundamental rights risks have been assessed and reduced to an acceptable level	100% of projects approved by the GEC
		Personal data breaches		▪ Protect the personal data of our stakeholders.	Share of countries covered by a personal data protection referent compared to the total number of countries included in the consolidated scope	100% of countries covered
		Corruption		▪ Zero tolerance for corruption.	Percentage of managers trained in the fight against corruption every 3 rolling years	100% of managers trained at least every 3 years

Pandemic

*GEC : Group Engagement Committee

III. Our environmental commitment

The most recent report of the Intergovernmental Panel on Climate Change (IPCC), which was published in the summer of 2021, brings together over 14,000 scientific studies and demonstrates the correlation between human activities and global warming that increases the recurrence of extreme weather events. These phenomena, whether floods, rising water levels or cyclones, cause an increasing toll on humans and property. Reducing our greenhouse gas emissions, which are responsible for global warming, is urgent and non-negotiable.

According to the International Energy Agency, in 2020, 25% of total global emissions were caused by the transportation sector as a whole, of which 10% were generated by the road transportation sector.

Aware of our role in fighting climate change and the need to accelerate the conversion towards sustainable and carbon-free mobility, in 2020 the Group formalised its new environmental strategy, *Moving Green*.

> *"After COP26, fighting climate change continues to be a priority more than ever. Public transportation has a key role to play in promoting the transition to a more sustainable, more equitable and more inclusive mobility that will use more shared transportation modes and fewer individual cars. This approach is a key component of our Moving Green environmental strategy and is driven, in particular, by the work of our Zero Emissions team, which continues to provide support to all our clients for their projects." »*
>
> ***Thierry Mallet, Chairman and CEO***

The Group is mobilized for the climate at all levels

1. AT THE POLITICAL LEVEL

The Paris Agreement is now five years old: on April 22, 2016, 175 parties signed the agreement at the United Nations headquarters in New York City. Each year, governments hold a meeting to set environmental goals.

According to IPCC data, we are currently on a temperature increase trajectory of 2.7°C by the end of the century, which far exceeds the 1.5°C objective established by the Paris Agreement. Aware of the contribution of the transportation sector to total global GHG emissions, COP26 dedicated an entire day to transportation. During the conferences, a declaration on zero-emission vehicles was adopted, as well as a call to action for the deployment of charging infrastructure. Zero-emission fleets were recognized as a key solution for fighting climate change, and the links between mobility and energy were highlighted. Mobility operators, local authorities, public utilities, infrastructure providers, equipment manufacturers and citizens are all key stakeholders in the success of an electric mobility project. Consequently, from the outset, the Transdev Group has listened, shared and engaged in dialogue with its ecosystem, because accelerating the transition will require a collective effort. Keeping the 1.5°C target within reach will require appropriate mobilisation and allocation of financial resources, a new technological framework and capacity building, as well as support for the actions of developing countries and the most vulnerable countries, in line with their own national targets.

2. IN THE TRANSPORTATION INDUSTRY

The transition to more sustainable mobility will involve greater use of shared transportation modes and fewer individual cars. Public transportation players therefore have a key role to play, especially in peri-urban areas where needs are not being met. Reducing road transportation emissions would significantly decrease overall CO_2 emissions. According to the French Ecological Transition Agency (ADEME), the sector is currently highly dependent on oil, which accounts for over 90% of its energy consumption. Electrification is considered a particularly useful tool for decarbonizing this industry. "Rail" solutions, such as trains and trams, as well as electric buses and coaches, are possible and proven solutions, provided the electricity is generated from environmentally-friendly sources.

> **Target of 1.5°C**
>
> *"We can't just simply electrify the growing global car fleet. We need to rethink mobility."*
>
> **France Lampron, Director of Electric Mobility at Hydro Quebec**

3. OUR COMMITMENT IN ALL COUNTRIES WHERE THE GROUP OPERATES

To fight climate change, contribute to quality of life in the communities we serve, address the depletion of fossil resources and contribute to the protection of biodiversity, Transdev is committed to:

- reducing its CO_2 emissions by 30% by 2030 (base year: 2017);
- controlling our pollution risk in the communities we serve;
- increasing our clean (non-diesel) vehicle fleet* by 50% by 2030 (base year: 2017). In 2021, Transdev's alternative fleet** accounted for 14.8% of its fleet;
- preserving nature and biodiversity through partnerships with communities.

> **6th 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 the issue of zero-emission mobility. This year, the discussions and experience sharing focused on carbon-free mobility, innovations, and trials of these technologies adapted to local contexts. Clients, public transit authorities and multi-energy experts discussed their local adaptations and realities. A common goal emerged from the discussions: a return to pre-pandemic passenger numbers. All parties agreed on the importance of data for maximizing the return on zero-emission solutions. One thing is certain: we believe in electric mobility as a tool to promote the environmental transition.

** clean fleet: all Euro VI, hybrid, CNG biogas, electric, biodiesel and hydrogen vehicles*
*** alternative fleet: excludes all fossil fuel vehicles (including Euro VI vehicles)*

Moving Green

Transdev's environmental strategy, Moving Green, is deployed on all continents thanks to the commitment of its local teams. The majority of the countries where the Group does business have made political commitments to reduce GHG emissions by 2030. Four of our subsidiaries have aligned their policies with the Group's climate commitments: France, Australia, New Zealand and the United States. Sweden and the Netherlands have made even more ambitious commitments, in line with their governments' commitments.

To date, Moving Green has been deployed in eight countries where the Group operates.

The three pillars of the Moving Green strategy

Green solutions

Transdev has analyzed its clients' environmental expectations and challenges to enable it to respond appropriately to the specific constraints and strengths of each local area. Our "tailor-made" green solutions assist our clients to meet the challenges they face, as well as their citizen awareness-raising, environmental efficiency and ecological and energy transition goals.

For example, in Canada, the electric fleet is operated using locally produced hydro-electric power; in Queensland, Australia, energy is created by solar panels to power buses and storage and maintenance facilities.

Deployment of the zero-emission fleet

Reflecting public transit authorities' commitment to the transition, Transdev's share of clean vehicles is increasing steadily. Transdev was already operating 1,400* electric buses in 2021 and aims to increase this number to over 2,000 by 2022. In Australia, by March 2022, 146 zero-emission battery electric buses will be introduced in the Sydney area to replace diesel buses. In Colombia, over 400 electric buses will be operated starting this year under a new contract with TransMilenio. This is a big step forward for decarbonized transportation modes. For and with its clients, Transdev contributes to reducing the global environmental footprint of transportation through the management of its fleets (clean ferries, trams, buses and coaches). Transdev also has a fleet of more than 3,500 gas and biogas vehicles and over 50 electric hydrogen vehicles.

Green financing

Managing climate challenges requires significant investments. Europe now offers funding to projects classified as sustainable. Public and private investors also offer green investments. This is the case in Sweden, where in 2021 Transdev completed its first private green financing to commission 145 new electric buses and 210 biofuel buses in the Gothenburg region. Thanks to this green financing, Transdev has the largest fleet of electric buses and is the leading bus operator in Gothenburg and its region, covering Gothenburg, Frölunda, Mölndal and Partille, as well as all express bus lines. Annual ridership on this network is estimated at over 71 million passengers per year.

** managed scope*

4. A COMMITMENT TO OUR PASSENGERS

Cars are currently the dominant transportation mode in the countries of the European Union, with an average of less than two people transported per car. Our activity enables us to reduce the carbon footprint of the transportation sector, but also to reduce road traffic and the massive emissions it generates. Our first catalyst in favour of the environment is to attract passengers:

- by encouraging dialogue with our clients and local players driven by our detailed knowledge of the communities we serve;
- by improving the customer experience:
  - seamless travel: multimodal options;
  - comfortable conditions (quality impact of eco-driving).
- by adapting our offer to passengers' needs:
  - increasingly flexible solutions for the first and last kilometres (on-demand transportation);
  - adjusting our capacities in real time to daily changes in ridership (Flowly).
- by reducing the environmental impacts of all our activities.

Improving the customer experience with Flowly

Flowly is a start-up "made in Transdev" that accurately and continuously measures the mobility flows of our passengers. The resulting knowledge obtained on passenger flows enables Transdev to provide physical distancing on board vehicles by monitoring the number of passengers on trams and buses each day and, in conjunction with the local authority, to adjust its transportation offer accordingly. This ridership information has been made available to passengers since the end of 2021 so they can best plan their journey depending on the number of passengers on board.

Promoting and developing public transportation and decarbonizing our vehicle fleet are major challenges in the fight against climate change. It is by converting citizens to shared transportation and reducing the carbon footprint of our fleet that we can collectively reduce our impact.

Modal shift is an effective way to contribute to meeting the climate challenges. Transdev takes part in this management through its shared transportation offer: offering alternatives to individual carbon-fuelled vehicles in order to reduce their use.

**(https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Passenger_mobility_statistics)*

The Group's Environmental Policy

CHANLLENGES	RISKS	SDGs
▪ Decarbonization of the fleet ▪ Local pollution ▪ Sustainable and circular use of resources ▪ Global carbon footprint ▪ Preserving biodiversity	▪ Accidental / Gradual ground pollution ▪ Gradual air pollution ▪ Regulatory and contractual non-compliance in environmental matters	

Controlling our environmental impacts requires analysing significant risks, in accordance with our due diligence duty and in compliance with 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;
- regulatory and contractual non-compliance in environmental matters.

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

- **By minimizing our environmental impact** through the implementation of our Environmental Management System (EMS), Transdev demonstrates its commitment 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, percentage of the environmental Policy deployed in each Group subsidiary, percentage of ISO 14001 certified sites).
- **Ensuring compliance:** through our continuous improvement approaches, experiments and pilot initiatives, Transdev complies with environmental regulatory requirements or seeks to exceed them and provides 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 optimisation, 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/100 km travelled).

Our expertise serving the green transition

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.

Zero Emissions team

The decarbonization of our vehicles through the deployment of a zero-emission fleet is essential. To meet the challenges of the rapidly changing electric bus market, Transdev has created a specific, centralized unit, the Zero Emission (ZE) team that provides expert assistance to our subsidiaries around the world.

The ZE team is made up of experts with cutting edge knowledge in the field of electric mobility and who contribute to this activity worldwide, enabling us to offer the latest technologies to our clients. The Zero Emissions team coordinates the community of zero emissions officers in each of the Group's subsidiaries.

2. THE ECOLOGICAL OPPORTUNITIES OFFERED BY THE EUROPEAN GREEN PACT

Last July, the European Commission proposed a new climate package, entitled Fit for 55, which aims to adapt European Union policies in order to reduce greenhouse gas emissions by 55% by 2030 and to achieve carbon neutrality by 2050.

In line with this objective and the taxonomy currently being formalised, Transdev is deploying Moving Green and strengthening the systems and expertise serving its clients to promote sustainable mobility.

Electric buses in western Sweden

One year after Transdev deployed 145 new electric buses in Gothenburg, Mölndal and Partille in western Sweden, the climate and environmental benefits of this action were clearly visible in 2021: nitrogen oxide emissions (NOx) have decreased by 50%, carbon oxide emissions by 10% and fine particle emissions by 19%. Nitrogen dioxide (NO_2) emissions reduced by half and a 10% reduction in carbon dioxide (CO_2) emissions are only some of the positive effects of our electrification initiatives over the past year. The reductions in nitrogen dioxide are equivalent to the annual emissions of over 8,000 average cars. This deployment of the electrical network is in line with the objectives of Fit for 55.

3. OUR COMMITMENT TO PRESERVE AND PROTECT ECOSYSTEMS

As a global mobility integrator and trusted partner of local authorities, we are actively involved in the communities we serve to help them achieve their environmental goals. In France, since 2016 Transdev has partnered with CDC Biodiversité, a Caisse des Dépôts Group subsidiary, through the Nature 2050 program, which focuses entirely on actions to promote biodiversity. The goal of the program is to protect and preserve our ecosystems.

In addition to our actions to decarbonize the fleet of vehicles we operate, Transdev is a player in the communities alongside its clients. The partnership with CDC Biodiversité is consistent with this local roots-focused Policy by protecting and restoring local ecosystems.

Through this partnership we have committed to restoring over 61,000 m² of green spaces in the communities where Transdev operates, thus ensuring they are preserved until 2050.

In 2021, Transdev signed with CDC Biodiversité a framework agreement in France to work alongside local authorities in supporting concrete actions to protect biodiversity.

Our Key Performance Indicators

KPIs		2020[1]	2021
Rate of entities that experienced accidental pollution during the period		2.3 %	**1.8 %**
GHG emissions kg/100 km travelled[2]		88.6	**88.5**
Low-emission share of the fleet[3]		54 %	**61 %**
Pollutant emissions g/100 km travelled	CO	50	**44.4**
	NOx	954.6	**913.2**
	PM	5.3	**4.9**
	HC	13.4	**12**

(1) The switch from the liter unit to cubic meter on the CNGs in our fleet led to a recalculation of the indicators.
(2) Excluding maritime activities. The Group's carbon footprint for 2021 would be 92.04 kg/100km, including maritime activities outside France.
(3) Low-emission fleet definition: Euro VI standards, hybrids, CNG biogas, electric, biodiesel, hydrogen.

The performance indicators presented above have been calculated in line with the significant impacts of our activity. We operate with a fleet composed mainly of internal combustion engines, which cause two impacts:

- an impact on global warming through a significant carbon footprint (GHG);
- an impact on air quality through the production of pollutants: carbon monoxide (CO), nitrogen oxide (NOx), micro particles (PM) and hydrocarbons (HC). This is why we follow these indicators very closely per kilometer in order to reduce our impact as much as possible.

Our carbon footprint is stable in 2021. This is explained by:

- the resumption of activities following the Covid crisis in 2020-2021;
- the increase in the share of certain energies, in particular CNG (with 292 new CNG buses and coaches in 2021) whose carbon footprint is greater per kilometer than diesel.

Indeed, the Transdev Group, committed to the energy transition, is developing the use of alternative fuels such as biofuels, biogas and CNG, as well as Zero Emissions modes (333 more buses and coaches in 2021 compared to 2020). The increase in the share of these alternative energies as well as that of our fleet of electric vehicles, allows the reduction in emissions of CO (11%), Nox (4%), PM (7%), HC (11%). This decrease contributes to the improvement of air quality in our communities.

4. THE CIRCULAR ECONOMY

The transport sector represents 1/4 of global emissions, making it the second largest emitter. This impact is due to the production and use of energy, particularly oil, which makes it necessary to deploy a clean fleet.

Beyond the transition to green electric mobility, the integration of the circular economy model must take place throughout the production and life cycle of current means of transport.

Implementation of electric school buses

Transdev Canada put 27 electric school buses in service in the Quebec City area since September 2020. By working with local vehicle manufacturers and electricity providers (Hydro-Quebec), over CAD$4.5 million were reinjected into the local economy. This has also reduced CO2 emissions by 99% relative to diesel buses, ensuring a better living environment for residents.

Key figures

58%
of entities covered by an environmental management system

+14,8%
of our alternative fleet in 2021 (base year: 2017)

Achievements

Hydrogen : green ecosystems

A number of regions seek to create short supply circuits and develop local energy activities. Creating hydrogen ecosystems is a tool for optimizing the energy market by encouraging large-scale volumes due to the cost of facilities.

The AuxHYgen station in Auxerre was inaugurated on October 13, 2021. This is a green hydrogen production station that emits almost no greenhouse gas emissions and has enabled the deployment of five buses.

This type of ecosystem is feasible in many cities and generates a real positive impact on the carbon balance of the local area in question.

Retrofit : Nomad hydrogen-powered coach

The first retrofit trial was set up in Normandy to create the Nomad hydrogen-powered coach. The retrofit replaces the combustion engine with an electric motor powered by a battery coupled to a fuel cell. This process increases our share of clean vehicles without replacing our fleet, which reduces the production of vehicles and enables us to optimise our procurement.

This process was carried out using Iveco Crossway coaches, which account for 580 vehicles out of 1,750. The new engine uses 30 kg H2/day per coach and can travel up to 380 km per day. This range of a zero-emission engine enables us to considerably reduce the CO_2 emitted into the atmosphere by our transportation fleet.

Biodiversity : Partnership with CDC Biodiversité in Vitrolles

To support the environmental initiative of the Aix-Marseille-Provence metropolitan area, Transdev has proposed a carbon offset program that aims to make the network carbon neutral by 2022.

In carrying out this project, Transdev works with its partner, CDC Biodiversité, which specialises in the preservation and protection of ecosystems, particularly through the Nature 2050 program. This partnership began in Vitrolles, a region in which 12,000 m² of land will be restored and adapted during the term of the contract starting in January 2022.

Environmentally friendly means of mobility: the example of the Rouen network

Launched on September 4 in Rouen, our new long-term rental service Lovélo and its station provide everyone the opportunity to reduce their ecological footprint by offering residents the chance to test different types of bicycles over medium to long periods. The aim of this offer is to encourage users to change their transportation mode over the long term by opting for a bicycle.

100% electric ferry in Portugal

Transdev Portugal will introduce in 2023 the first 100% electric ferry in an urban transport network.

The new zero CO_2 emission ferry will reduce the emission of 300 tonnes of CO_2 released by the current model, reducing energy consumption by approximately 30%. The low noise level and increased comfort for passengers introduced by this vessel is also combined with a greater capacity for transporting vehicles (+30%) and passengers (+90%).

This 100% electric ferry will be the first to be operated in Portugal and one of the first in Europe.

IV. Our priority: protecting health, safety and security

Ensuring the health, safety and security of our employees, passengers and the communities we serve is the essential foundation for the trust they place in us. Therefore, safety and security are naturally at the top of our responsibilities.

"Safety first!" is Transdev's priority and allows us to build, day after day, a relationship of trust, respect and partnership with our clients, our passengers and our teams.

To achieve excellence in health and safety performance and culture, we focus on the following strategic principles:

- developing and deploying the Transdev Group's Health and Safety Policy;
- strengthening Transdev's health and safety governance and compliance;
- improving health and safety performance;
- Promoting a positive and proactive culture of safety and wellness.

The protection of our passengers and employees is also dealt with through a security Policy and systems in all of the Group's countries.

> *"Safety first!" is a deep personal commitment, as well as a commitment of all Transdev employees and of each and every one of us in all our daily actions. »*
>
> ***Thierry Mallet, Chairman and CEO***

Our Health and Safety Policy

CHALLENGES	RISKS	SDGs
▪ Health and safety of passengers ▪ Health and safety of employees	▪ Serious train accidents ▪ Serious bus accidents ▪ Workplace accidents	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH

Transdev's Health and Safety Policy sets out our commitment and approach to managing health and safety issues, including the responsibilities of management and employees. Transdev Group has designed its safety management system (SMS) based on its many years of experience as a transport operator.

1. TRANSDEV SAFETY MANAGEMENT SYSTEM (SMS)

Transdev's SMS provides a structured management approach for identifying, monitoring and controlling health and safety risks in our operations.

Our operations must comply with the Group's SMS, which establishes requirements in the following areas: organization, leadership and commitment, planning (including hazard identification and risk assessment), communication and consultation, documentation and monitoring, measurement, analyzis and assessment of safety performance. The SMS is consistent and compatible with the ISO 45001 standard. Regular and rigorous internal and external audits are conducted in all entities to ensure that the SMS is effectively implemented.

Transdev's 10 safety principles

The ten principles are the product of a collaborative effort of the health and safety community and have been made available in a variety of formats (posters, flyers, cards and videos).

This global initiative, with the participation of local entities, has allowed to identitfy non-negotiable aspects for Transdev's operations. Transdev employees and managers use them to guide their actions and decision-making.

2. A DEDICATED ORGANIZATION: THE GROUP SAFETY DEPARTMENT

The Group Safety Department establishes our Policy, monitors its implementation and promotes a positive and proactive safety culture. Each quarter, a consolidated safety report by country is produced, as well as a Group report with key indicators that highlights improvements. Safety performance trends are reviewed with the management in each country and action plans are put in place to rapidely remedy non-conformities.

3. HEALTH AND SAFETY COMMUNITY

The Group's Health and Safety Department coordinates the internal community of health and safety managers. It convenes them periodically to exchange good practices and provide feedback on safety events. In 2021, the community continued to work together to share industry safety practices, new innovative solutions and emerging safety risks across the Group's operations. This work is carried out in partnership with our employees, employee representatives and public transit authorities with the goal of reducing health and safety risks for all. In September 2021, the Health and Safety seminar organised by the Group Safety Department for all country safety managers focused on topics such as mental health and the impact of Covid-19 on health and well-being at work.

> **Impact of Covid-19 on the perceived safety of employees**
>
> Every two years in the Netherlands, a survey is organized on the question of safety among employees of all Dutch public transport companies. This year, 32% of colleagues from Transdev subsidiaries, Connexxion and Hermes, took part in the survey. In 2021, 38% of employees who took part in the survey within Transdev indicated that Covid-19 led to a feeling of insecurity. Transdev Netherlands installed protective screens and relocated payment terminals on all buses, strategically placed stickers indicating the new rules and rearranged the order of boarding and disembarking vehicles.

4. SAFE DRIVING PROGRAM

Our operations include training and technological initiatives to assist drivers to change their driving styles and focus on safer driving techniques, such as smooth acceleration, gentle braking and maintaining a safe driving distance. These safety initiatives have resulted in a reduction in the frequency of accidents.

World Day for Health and Safety at Work

On April 28, 2021 and for the first time, the Transdev Group brought together all the teams from the countries and regions where it operates for the World Day for Safety and Health at Work. They shared past and current achievements and approaches, summarized in two videos: **"Safety first"** and **"Safety first in the face of the pandemic"**, available internally and externally on Transdev's communication channels. This international day was an opportunity for the Group's safety and communication departments to jointly develop new communication and safety awareness materials.

In the face of the continuing health crisis, each country remains mobilised to react and implement government health directives in conjunction with local authorities in order to protect our passengers and employees.

Our Key Performance Indicators

KPIs	2020	2021
Workplace accident frequency rate *(Number of workplace accidents resulting in medical leave/total annual hours worked x 1,000,000)*	18.06	**20.82**
Workplace accident severity rate *(Number of days lost due to a workplace accident/total annual hours worked x 1,000)*	1.63	**1.84**
Major accident rate *(1 death (non-suicide/non-natural death) and/or 3 injured and hospitalised/total annual kms x 1,000,000)*	0.02	**0.02**
Number of major accidents	*36*	**31**

Transdev monitors its safety performance by focusing on these three critical key performance indicators (see above). In 2021, the Group's results reflect the challenging environment of our 'new normal' post Covid-19 world. As we approach our new normal, the Group reinforced Safety First as our number one priority. This year, there have been continued concerted efforts to strengthen the reporting and management of safety data. Our 2021 performances are part of a recovery context; the general safety trends have evolved in a positive trend compared to the 2019 results, a year that presents a more comparable level of activity than 2020.

Key figures

10
Group safety principles

The Group Safety Department and monitoring of safety performance

Transdev Group safety management system (SMS) compatible with
ISO 45001

5371
managers have obtained Health and Safety Certification

Achievements

European Rail Agency (ERA) safety climate survey

The German rail operating and maintenance entities participated in the ERA safety climate survey from May 3 to June 4. Through this survey on European safety culture, the ERA seeks to produce a first status report on safety standards in the rail sector. The results provide rail companies with a new tool to enhance their understanding of their safety culture.

This is an additional step taken to promote the safety culture within Transdev Germany's rail companies.

Mobileye in the United States

The Mobileye anti-collision system is an accident prevention tool that uses an intelligent vision sensor, much like a bionic eye, that is able to see the road ahead. It can identify objects in the driver's path that may create a danger, such as other vehicles, cyclists or pedestrians. The system continuously measures the distance and relative speed of these objects and calculates the risk of the driver colliding with them.

In the United States, 3,500 Mobileye devices have been installed in our fleet. A pilot project and a detailed study conducted in 2021 showed that 15% of head-on collisions and 34% of frontal impacts with pedestrians and cyclists were preventable.

Mental health in Australasia

To mark the World Mental Health Day on October 10, Transdev Australasia released a video featuring employee tips on what keeps them mentally healthy.

Providing support for our employees' health has always been a priority and, this year, the Australasia management team offered all employees free virtual fitness sessions and a guided mindfulness session to help teams prioritize their mental health.

Whether they are on the front lines providing transportation services or working from home, employees have found ways to change their routines and discovered new methods for staying healthy.

Our Security Policy

CHALLENGES	RISKS	SDGs
▪ Passenger security ▪ Employee security	▪ Terrorist attacks ▪ Assaults on employees ▪ Assaults on passengers	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH

Protecting our passengers and employees from malicious acts that, in particular, threaten their physical integrity, as well as 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. THE EMPLOYEE TRAINING AND AWARENESS SYSTEM ON SECURITY ISSUES

Staff awareness and training in security issues is an essential prerequisite for proper operational handling of this matter.

To deal with gender-based harassment, we have rolled out a training module for handling sexual and gender-based assaults on our networks and providing support to the victims. At the conclusion of this training, which consists primarily of workshops and role-playing exercises, trainees are able to react appropriately and identify tools for fighting this type of aggression.

The “e-learning” project on incorporating security into the operational management of our activities was rolled out in May 2021. This educational tool supports the deployment of the Security Policy and raises awareness of security issues among all 3,000 managers and, more specifically, on managing and reporting security incidents in accordance with the Group’s alert procedures.

Transdev France has created a specific training module focused on preventing and handling conflict situations. The primary target audience of this module is drivers, as well as all persons in direct contact with passengers. Trainees learn and understand the mechanisms of conflict and learn to anticipate conflict in order to mitigate its impact. They also put into practice a range of conflict avoidance and de-escalation techniques through actual practical case studies. These sessions are also an opportunity for employees to share and discuss conflict situations experienced in the course of their work.

These initiatives are shared within the international security community and serve to inspire and improve practice in the countries where the Group does business. For example, in late 2021, Morocco developed a training program that was inspired by the French initiative but that was adapted to the specificities of the country.

2. A GROUP SECURITY MANAGEMENT SYSTEM (SeMS)

The goal of this SeMS is to enable a better controlled and more standardized management of all particularities of security risk, as well as a more rigorous assessment of the performance of the protection and action systems implemented locally. Our SeMS is designed to monitor the Group’s security performance with the assistance of the international security community. Despite the Covid-19 health crisis, several projects were launched in connection with its implementation:

- To improve the quality and reliability of security data in France, we work closely with the Infrastructure, Transportation and Marine Department (DGITM) of the French Ministry of Transportation on the Standardised Security Information Integration (ISIS) project. The data management team in France is also helping us to incorporate into our internal reporting tools the National Nomenclature of Rude Behavior in Transportation (NNFIT) and the definitions of rude behaviors monitored, thus making it easier for local contributors to submit reports and alerts. This project was initiated in early 2021 and its roll-out continues.
- At the same time, a joint project between the Group’s Health and Safety and IT Departments is updating our Safety KPI reporting platform. As of mid-December 2021, all country safety and security contributors have been reporting the current year’s data monthly and by entity, starting with 2021. We have requested greater commitment and accountability from country contributors with respect to the management of non-financial performance. To further enhance the reliability and quality of our data, with the help of the IT department, we are rolling out an interface between our reporting platform and the Power BI data analyzis and graphing tool, which will facilitate benchmarking between countries.
- Finally, the aim of the third project underway is to develop a formal checklist of security requirements with which all Group countries must comply. Ultimately, the security requirements identified by the countries will be included in the security audit checklist.

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

Although technological innovations can help foster a sense of security among employees and passengers, a human presence in vehicles, trains and stations remains the most effective way to maintain a calm atmosphere and public security in public transportation.

We therefore have outsourced security services to private companies to bolster our security systems in numerous networks. In France, they are trained in techniques for conducting actions in confined spaces, as well as in spaces open to the public.

To provide additional security in our vehicles and transportation facilities, and to complement the work of our security agents, we are providing advice on the study of new security strategies and, in particular, on the possibility of setting up a transportation police force or deployment of private security agents in the networks. Its main benefit is that it provides backup and an operational interface for crime prevention and crime-fighting missions.

4. A JOINT SECURITY STRATEGY

A partnership with law enforcement agencies and institutions to enhance security

In all countries where we operate, we develop a partnership strategy with the police authorities and public institutions, such as ministries. This action most often takes the form of agreements signed or participation of security managers in training or awareness-raising sessions facilitated by law enforcement agencies.

In Sweden, where the security risk level is very low, security managers are regularly invited by local law enforcement agencies to attend awareness-raising meetings on major issues such as fighting drug trafficking, crime and recidivism, preventing radicalization and fighting terrorism.

In France, the Ministry of Justice and its Community Service Agency (ATIGIP) have included Transdev as one of the signatories of a national partnership agreement to promote the development of community service and actions to prevent and fight recidivism, as well as to encourage desistance from crime. This agreement, which is adapted locally by each entity, aims to develop community service, a compulsory and significant penalty as an alternative to incarceration, which reintegrates convicted criminals into society through work and compensation. Transdev has appointed local officers in each entity responsible for the proper performance of this agreement. For example, convicts hosted on Transdev’s premises will clean and repair vandalized or damaged vehicles.

Technological innovations in the area of security

With the aim of improving the feeling of security in all its transportation networks, Transdev is carrying out a project to make women and, more generally, all passengers, feel confident and secure in public transportation in order to increase ridership.

Based on data collected on incidents and rude behavior by internal tools (e.g., Mobirecord) and external tools (e.g., ISIS database), this project has two objectives:

- feeding the databases and improving reporting of incidents and rude behavior by diversifying the source channels (passenger crowdsourcing, recovering vehicle alert signals, detecting risk situations by audio and video analyzis, etc.). This will also provide consolidated information that can be shared with the communities;
- providing responses to reassure and encourage the use of public transportation, deter rude behavior and incidents, and expand the possibilities for action with the assistance of a supportive community.

For example, creating a community of "vigilant and supportive passengers" would foster reassurance, provide an additional alert mechanism for reporting incidents, and enable participants to become players in an "assistance" community.

This also provides employees with a channel for submitting in retrospect or in real-time reports in order to trigger a quick response by the network's security teams, as well as by nearby law enforcement agencies.

Agence de l'Innovation pour les Transports

In 2021, Transdev, represented by the Innovation France, Performance, Transformation and IS Departments, as well as the Group's Security Department, was the winner of the Propulse "Data Community" program sponsored by the French Transportation Innovation Agency, and is now working with the Transportation Ministry to implement its project promoting the mobility of women.

Fighting terrorism and preventing radicalization

In coordination with the police forces, we have adapted our vigilance and awareness policies in accordance with the guidelines of the national security services, depending on threat levels.

In all countries where we do business, we attach the greatest importance to the quality of all employees we hire, in particular our drivers, who are in direct contact with users. In France, all applicants for a position with public transportation companies classified by decree as sensitive systematically undergo an administrative security investigation by the National Police.

In France, the law of August 24, 2021 reinforcing respect for the principles of the Republic requires all companies that are performing a public service delegation contract to observe religious neutrality.

Our Key Performance Indicators

KPIs	2020	**2021**
Frequency rate of workplace accidents due to assault *(Number of workplace accidents due to assault/total annual hours worked x 1,000,000)*	2.07	**2.43**
Severity rate of workplace accidents due to assault *(Number of days lost due to physical assault/total annual hours worked x 1,000)*	0.38	**0.34**
Rate of physical assaults on passengers *(Number of physical assaults on passengers/total million kms travelled)*	N/A	**0.69**
Share of countries covered by a national security officer / total number of countries in the consolidation scope	100 %	**100 %**

In 2019, we defined a new indicator on damage to the physical integrity of passengers per million kilometres. Due to the Covid-19 health crisis and its impacts, this indicator was only deployed from January 2021 across the entire consolidated Group scope (with reduced coverage for France).

The resumption of activity as well as the increase of ridership from April 2021, led to an increase in the probability of the occurrence of an attack leading to a work stoppage. The imposition of health measures remains a source of conflict between passengers or against Group employees. However, the seriousness of the attacks recorded is less significant than the previous year. This can be explained by the deployment of technical security resources and the quality of the training systems deployed by the countries.

Key figures

100%
of the countries where we do business covered by a security officer

877
employees registered have completed and validated the online security training since it was launched in May 2021

Achievements

Use of body cameras by sworn officers

The French government has definitively enforced a law authorizing a four-year experiment of the use of body cameras and, therefore, Transdev has given networks that wish to do so the possibility of equipping their sworn agents with these cameras. According to an initial status report, as of December 31, 2021, more than 150 cameras are in use in 20 major urban networks.

Transdev was a participant in the "Acting for Equality" Marie-Claire Think Tank, which was held on September 30, 2021.

The various conferences included a round table on the topic "Transportation: Addressing the challenges to better meet women's expectations," and the issue of security for women in public transportation.

V. Our commitment to the development of the communities we serve

CHALLENGES	RISKS	SDGs
PASSENGERS ▪ Development and promotion of public transportation ▪ Inter- & multimodal options ▪ Customer experience ▪ Transport accessibility	▪ Safety & security (Section IV)	

Transdev plays a major role in the economic and social development of the communities the Group serves. As a mobility integrator, our actions enable millions of passengers who use our lines each day to access employment, training, social interaction and leisure activities. The intrinsic aim of our business, in line with our corporate mission, is to implement our clients' public mobility policies, thereby providing citizens with freedom of movement under optimal quality and safety conditions. The pandemic has forced many industries to reinvent themselves. This has certainly been the case for the public transportation sector and Transdev will treat Covid-19 as the "new normal".

Promoting public transportation and regaining passenger confidence

Public transportation ridership has fluctuated significantly for various reasons: the need to travel decreased, in particular due to remote working, a fear of overcrowding and fear of the risk of contamination. Since the first lockdown, during which ridership dropped by over 90%, passenger numbers have rebounded to between -30% and -10% of 2019 figures.

Faced with this colossal challenge of winning back passengers, in conjunction with the entire marketing community, Transdev has developed a specific plan focusing on seven actions.

Understanding new passenger behaviors

We have conducted a survey at regular intervals since the start of the pandemic to inquire about passengers' intentions to return and changes in behavior. Six survey waves were conducted, each with a sample of over 1,500 respondents. All of this information will enable us to adapt our action plans to our customers' expectations.

Continuing to reassure passengers

The challenge today is to reassure passengers who are uncertain or worried (in particular, seniors and occasional users), while avoiding overcrowding.

Since the start of the pandemic, we have reworked all our communication kits (compliance with health rules and social distancing measures) using the *Nudge* (a behavioural marketing solution) that offers an approach that is particularly well suited to the health context. Video testimonials from returning passengers – for example, in Rouen – have also been a reassuring factor. Finally, in Dunkirk, the measurement of passenger occupation aboard our vehicles provides passengers with real-time information on the network's website and app.

Accelerating passenger winback

Numerous marketing actions have been launched to reach out to people who have stopped using our transportation services. To adjust to remote working, some networks have changed their pricing structure to make it more flexible. For example, telework subscriptions/passes have been launched in Arles and Grenoble. To recapture working passengers, the Tadao network (Lens-Artois-Gohelle) assists companies with employee commuting through the "Solutions Pro" programme, a package that is easily recognisable by companies and employees and offers a single contact person, a ready-to-use communication kit, a workshop by Tadao teams and a customised pricing offer. Communications aimed at occasional customers have encouraged travellers to discover their communities.

Expanding digitalisation of the customer experience

Contactless, remote and digitalization are practices that have become common... In recent months, the networks have developed a growing number of electronic payment solutions, such as SMS tickets, M-tickets and *Open Payment*, to make up for the suspension of on-board sales and to limit contact (since April 2020, over 50 projects have been launched covering all networks and solutions). In the Netherlands, Transdev has started to introduce a contactless payment system ("OV"). By 2023, all passengers will be able to pay for their journey using a bank card, Apple Pay, Google Pay or any other EMV (Europay, Mastercard and Visa) payment method.

Digital customer relations were also introduced at the start of the last school year, including remote appointment scheduling, virtual assistants such as chatbots, appointments held by videoconference, and online subscription renewals.

Ramping up the fight against fraud and reaccustoming people to validating their ticket

The issue of fraud is a constant priority for the networks. Due to restrictions that have reduced travel, the introduction of digital tickets, and on-board sales that have at times been suspended for long periods for health reasons, ticket validation has fallen and fraud has increased. Numerous actions to encourage ticket validation and fight fraud have been launched:

- the Swit'ch programme turns fraudsters into customers, as they receive a fine and can choose to pay it or exchange it for a transportation ticket on the network (subscription ticket, 10-trip ticket, etc.);
- with the Transdev loyalty programme *"My Club"*, passengers accumulate loyalty points with each trip that they can use in our network of partner merchants. This programme, which has been deployed in several networks in France such as Grenoble, Saint-Etienne, Lens, Reims and Rouen, encourages ticket validation by making it attractive (the more often I validate, the more points I earn!). It can even become an act of solidarity, such as in Normandy, where a donation is made to an association if the network meets the target number of people who validate their ticket on a given day.

Developing solidarity actions and community integration

Accustomed to supporting local events and creating partnerships with associations and cultural venues, Transdev networks develop solidarity initiatives tailored to the context: transportation reserved for healthcare staff, actions in conjunction with local merchants, mobility offer adjusted to vaccination requirements, etc. In the rural communities of the Marne, France, far from the city, Transdev's "Vacci-bus" brings vaccines to senior citizens, an initiative that was received enthusiastically by the population.

Encouraging active mobility

The modal shift towards active mobility, such as bicycles, scooters and walking, which was already underway before the health crisis, has accelerated in the context of the Covid-19 pandemic.

Last September, the Rouen network set up an offer of 800 long-term rental bicycles and Transdev France signed a partnership with the French Hiking Federation, which has built a strategic plan to encourage walking in the city (urban trails, hiking app, etc.)..

Supporting a fair transition in communities

Public transit authorities, whether at the municipal, metropolitan or regional level, are working to make transportation networks catalysts for environmental, economic and social development. By mobilising its expertise and providing a daily presence in communities, Transdev is fully involved in achieving this objective.

1. SUPPORTING COMMUNITIES IN THEIR ENVIRONMENTAL AND ENERGY TRANSITION

Since 2015, the electrification of transportation networks has become a major issue for public transit authorities, which see it as a significant factor for a successful energy transition and for improving quality of life in communities by reducing air pollution. A successful transformation will require many types of expertise.

This expertise is gained day to day, based on the concrete experiences that each new challenge provides us. In Sweden, we commissioned 145 electric buses in Gothenburg, in addition to 317 fossil-free buses in northern Stockholm, taking advantage of an innovative financial package supported by the European Union. In Bogotá, we will be operating 406 electric buses in spring 2022, which has taught us to deal with the challenges of operating a large-scale network. The award of the Sydney Region 9 contract and its transition to electric power provide us with an opportunity to refine methods for decarbonizing mobility that have already been tested elsewhere.

Transdev consolidates this expertise within the Zero Emission team, whose role is to support operational staff and public transit authorities that wish to implement projects to decarbonize mobility. The *"Zero Emission Living Lab"* is a forum for sharing knowledge. Transdev brings public transit authorities together on a regular basis to exchange information on their projects and lessons learned, thus building a genuine community of peers around common interests.

2. MEETING STAKEHOLDERS' EXPECTATIONS WITH RESPECT TO THE CIRCULAR ECONOMY

The circular economy plays an important role in the development of more sustainable communities. Transdev takes this issue into consideration at each stage of its supply chain. Sorting of waste, whether hazardous or non-hazardous, is a requirement in our networks. To meet this obligation, different bins are available. In order to track the waste until the end of its 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 framework contracts that enable our entities to take advantage of our national networks of suppliers, thereby ensuring a standardized level of waste treatment, for example for the treatment of our waste oils, aerosols, soiled wipes, etc.

Our analyzes confirm the importance local governments ascribe to the circular economy and its ability to build richer, more resilient and thriftier communities, and local mobility services are not an exception to this rule. In Brisbane, we have set up a photovoltaic energy production centre that enables solar-powered vehicles to maximise their range. As a result, our energy is produced locally and consumed locally, for 100% zero-emission travel within the city. This expertise, derived from our Smart Grid management experience, contributes significantly to achieving the holistic objectives set by public transit authorities.

3. PLAYING SOCIAL AND ECONOMIC ROLE FOR A FAIR TRANSITION IN COMMUNITIES

As a mobility player, Transdev actively contributes to providing improved access to communities and is committed to a more inclusive mobility.

Transdev wants to guarantee access to public transport for all. For example, at the Linköping site in Sweden, a research project has been launched which aims to develop a digital solution for passengers with visual disabilities. The project deploys digital audio and tactile tools to communicate instructions to passengers about the arrival of the shuttle and the location on the platform. Transdev UK offers free travel on its buses in Harrogate for people with disabilities, with the aim of developing their confidence in using public transport.

LABORATOIRE DE LA MOBILITÉ INCLUSIVE

In France, we are partners of the Inclusive Mobility Laboratory (LMI). Following the Mobility Conference and the inclusion of solidarity-based mobility in the LOM Act, with the support of the Transportation Ministry, the LMI worked to set up the "#TousMobiles" program to give local players the keys and tools they need to work toward solidarity-based mobility.

Promoting employment and a collaborative momentum in communities

Transdev collaborates on a day-to-day basis with local players to develop the sustainable mobility projects of today and tomorrow.

In France, Lemon, Transdev's innovation laboratory, is currently active in six communities (Grenoble, Montpellier, Nantes, Lens, Mulhouse and the Rhône). Twenty experimental projects have been launched on various issues, such as shared mobility, air quality, and mobility and employment, thanks to a proven collective momentum and to a citizen consultation system.
Through the involvement of the Group and its CEO, Thierry Mallet, in the Business Collective for an Inclusive Economy, Transdev affirms its global commitment to employment and inclusion. In all communities where we do business, our teams develop solidarity-based initiatives with local players.

The Transdev Foundation

Since its creation in 2002, the Transdev Foundation has supported more than 300 projects contributing to social mobility with 200 Transdev employees in France involved and committed as project sponsors alongside the supported associations. In 2021, 24 new projects were supported for an amount of €270,000.

Our Responsible Procurement Policy

CHALLENGES	RISKS	SDGs
Communities ▪ Social and economic development ▪ Partnership with local players	▪ CSR claims against a supplier	

Transdev contributes to the vitality of communities as an economic player and through its supplier relationships. The launch of the Group's Responsible Purchasing Policy, since 2019, promotes responsible purchasing practices in order to respond to the risk of CSR challenges to its suppliers.

Beyond the mere purchase and supply of goods and services, we endeavour 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 in the countries where the Group does business.

Our Responsible Procurement Policy incorporates the Transdev CSR 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, labour, 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. Since 2020, supplier charters have been monitored for the most significant contracts, i.e. contracts over €1 million.

In 2021, this approach received closer attention due to the fact that this monitoring was incorporated into the Group's procurement dashboard, which is distributed quarterly to the Group's Executive Committee, and that the scope of countries monitored was expanded.

In France, the Responsible Procurement Policy approved by the Management Committee focuses on the following three areas: environmental, societal, and ethical and compliance issues. The main action tools are the implementation and monitoring of indicators and the incorporation of these criteria into supplier calls for tender.

With respect to societal issues, the France Procurement Department supports communities by creating a responsible procurement dashboard that breaks down purchases made from players in the inclusive sphere.

With respect to environmental issues, as a trusted advisor on the energy transition and a recognized expert in environmental strategy for mobility, we are supporting the development of our low carbon mobility offer and the greening of our fleet of service and company vehicles, which today in France totals 4,362 vehicles.

In France, in accordance with the LOM Act, which requires that as of 2022 at least 10% of vehicles ordered be low-emission vehicles (LEVs), Transdev has made a voluntary commitment in favour of the environment through its light vehicle procurement Policy.

The following actions have been undertaken:

Company vehicles:

- a new Transdev catalogue prioritizing orders for low-emission vehicles was put in place in October 2021;
- mobility loans systematically proposed at the time of all renewals;
- continuous monitoring of the low-emission vehicle order rate.

Service and operations vehicles:

- low-emission vehicles systematically included in all service vehicle catalogues;
- assistance to operators in responding to calls for tender for low-emission solutions;
- choice of vehicles based on total cost in order to integrate the advantages of low-emission vehicles (consumption, bonus, etc.);
- continuous monitoring of the low-emission vehicle order rate.

Our inclusive procurement approach

In France, the dashboard that has been created is used to identify players in the social inclusion field and the social and solidarity-based economy, as well as players located in rural revitalisation areas or priority neighbourhoods, for inclusion in the group of suppliers from whom purchases may be made, thereby contributing to:

1. Affirming the social component of the Policy;
2. Meeting its commitments to the Business Collective for an Inclusive Economy;
3. Measuring its impact in order to implement improvements and set shared objectives;
4. Creating a strong momentum between the contacts at the head office and the regional networks.

Our Key Performance Indicator

KPIs	2020	2021
Percentage of framework contracts > €1 million that incorporate the Supplier Charter	78 %	85.7 %

In accordance with our commitment, the scope covered by the indicator included in the reporting has grown significantly, it is now deployed in nine key Group countries. Our level of requirements has therefore made it possible to raise awareness in our ecosystem of suppliers of sustainable purchasing and of our ethical principles, and this dynamic will continue in 2022.

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

CHALLENGES	RISKS	SDGs
▪ Attracting and retaining employees ▪ Working conditions ▪ Health, safety and security of employees ▪ Training and Social dialogue ▪ Diversity and equal opportunities	▪ Low employee commitment (including psychosocial risks and absenteeism) ▪ Poor skills planning	

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

In the economic and social context of the ongoing health crisis, Transdev remains committed to implementing the conditions necessary to protect its employees, facilitate their individual and collective performance, and foster the development and inclusion of all employees working for our clients, the public transit authorities.

As a responsible employer, Transdev deploys its efforts in the communities to attract applicants and offer everyone access to our professions.

At the heart of our responsibility as an employer: social dialogue

The success of the Group's business depends on the management of large teams in the field and the diversity of the women and men who make up these front line teams. The crisis has further confirmed social dialogue as a key element of the Group's HR 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 through dialogue, in order to continue to serve our clients 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 labour unions, Human Resources and employees, who comprise the key social dialogue players, interact via a structured dialogue at various levels of the company.

1. A TRANSFORMED SOCIAL DIALOGUE THAT ADAPTS TO THE CRISIS

The health crisis has transformed the methods and pace of social dialogue at Transdev. 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 bodies have increased the number of meetings they hold, generally in hybrid form with a combination of physical presence and remote participation: five French Group Works Council meetings, four European Works Council meetings, two National Health, Safety and Working Conditions Committee meetings and two National Healthcare Costs Committee meetings were held in 2021 to maintain ongoing social dialogue and address the operational issues on which all teams were mobilized during the crisis.

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 European Union Member States. 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 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 specific 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 labour unions that are representative at the Group level, and who are chosen from among their elected representatives to the bodies of the relevant subsidiaries. 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.

In 2021, a National Healthcare Costs Committee was set up pursuant to a Group agreement in order to better manage the healthcare costs reimbursement systems of the Group's subsidiaries in France.

In France, each subsidiary has local representative institutions: the social and economic committees. These committees, which are key components of the Group's social dialogue, are forums for sharing information and consulting closely with the field and on local issues.

In addition, under the Group Agreement "on the exercise of labour 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 organise the smooth exercise of labour union rights within the Group, national labour union delegates and national coordinating labour 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 labour unions. This agreement also harmonised 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.

In addition to its role in the negotiation of collective bargaining agreements, social dialogue is also a tool for identifying and dealing with any difficulties encountered by the companies, as early and effectively as possible. Social dialogue is a catalyst for competitiveness. At Transdev, it is based on four principles:

- social dialogue at every level of the company;
- social dialogue based on transparency and compliance with rules;
- social dialogue based on trust and mutual respect;
- social dialogue based on compliance with commitments made.

A key challenge: attracting and retaining talent

1. ATTRACTING TALENT

Despite the difficulties created by the crisis, Transdev has strengthened its commitment in communities to attracting candidates to our professions.

Providing access to employment and training and meeting recruitment needs

In France, the Académie by Transdev was launched in September 2020 to train a new generation of drivers. Our goal is to have 250 apprentices by 2022 and then over 500 apprentices per year as of 2023. Transdev is committed to providing access to mobility jobs by offering apprenticeships. The Académie by Transdev is committed in each territory it operates to foster the inclusion of persons with low employability.

In the Netherlands, the application of social return on investment (SROI) criteria in public contracts (procurement or calls for tender) is aimed primarily at providing greater opportunities for persons with low employability. 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.

Strengthen the attractiveness of our businesses

Drivers @transdev Transdev faces a worldwide driver shortage and a demographic imbalance within the driver population. In fact, 49% of our drivers are over 50 and will be retiring in the next 10 to 15 years. As part of the Drivers@transdev program, an international taskforce made up of HR and operations representatives from 9 Transdev countries is mobilized to support and advise subsidiaries on issues of job attractiveness, work flexibility, retention and commitment. A digital platform, enriched since the creation of the program, provides access to all the best practices implemented in the regions where we operate.

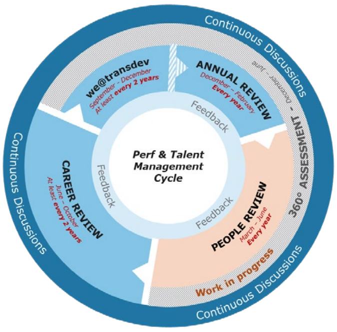
Transdev invests in training, in supporting teams at all levels, in developing the company's image and appeal, and in strengthening our technical and managerial skills.

Women Leaders

This program, which was launched in France in 2020, seeks to develop a pool of talent that will occupy key positions in the organization in the future. It is aimed at women who have the goal of becoming network managers, and targets both external and internal hires. For this purpose, the program offers specific support tailored to operational positions. In 2021, seven women already joined the program.

---

2. EMPLOYEE DEVELOPMENT



The development of each individual's talents is a key challenge for the Group's performance and employee motivation. The Group has set up a variety of processes (annual interviews, evaluations based on the *we@transdev* management model, career interviews, *people reviews*, ongoing discussions and succession plans), all of which are supported by the me@transdev tool.

In conjunction with the countries, the Group deploys and coordinates the processes dedicated to talent management for the Group's 500 top managers. Our goal is to deploy these processes to 100% of our top managers. The Group's processes are adopted and applied within the subsidiaries for all employees.

The indicator the Group monitors is the percentage of annual interviews conducted by the Group's top managers and top executives.

In 2021, 78.7% of employees had an annual interview. In 2020, we reached a rate of 89.3%.

Providing support for career paths

These various processes (annual interviews, evaluations based on the *we@transdev* management model, career interviews, *people reviews*, ongoing discussions and succession plans) provide us with in-depth knowledge of our employees, their performance and their career aspirations.

They also enable us to build and offer them suitable and ambitious development paths, thus guaranteeing the company solid succession plans for all key positions in the Group.

In addition to our processes, and in order to meet the challenges of attracting and retaining employees, we have designed and implement a number of specific integration programs, such as the *In'Pulse* program, which is included in the Group's Learning approach.

Encouraging international mobility

To ensure our operations have the skills they need, meet the demands of our clients and take into account the career 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;
- Building a pool of young talent with an international dimension;
- Enabling our expertise to be mobilised where and when it is required.

Enabling our expertise to be mobilised 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 mobilised to promote the mobility solutions offered by Transdev and provide these solutions to our clients.

In 2021, 212 experts from over ten countries carried out nearly 100 assistance missions within the Group.

The Learning approach

The Learning approach is linked to talent management. It aims to develop individual skills, provide opportunities for continuous learning and update our working methods. It is also a key tool for sharing and strengthening our corporate culture.

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.

"On The Launch Pad": this 18-month program offers about 15 talented young individuals from nine different countries, equally divided between women and men, the opportunity to acquire a global vision of the mobility sector and the Group's strategy and current endeavours.

"Trans'lead": a six-month international development program for top managers identified during People Reviews, Trans'lead prepares the Group's talents in the area of leadership.

"In'Pulse" and "Trans'Days": in order to facilitate the integration of new managers involved in international projects, the bi-yearly In'Pulse seminar, designed for about 20 participants, provides an overview of the Group's strategic challenges and a unique forum to discuss with its top managers.

"Moving digital" : through this platform, Transdev is enhancing its digital learning offer.

In 2021, our host countries continued to deploy we@transdev, our Group management model, which also governs the Group's integration and Learning & Development programs (InPulse, Trans'Lead, Trans'days). A real lever for individual and collective development, we@transdev is integrated into the annual interview of executives in France. In 2022, it will also be included in the "360° assessment" of the Group's top 100 managers (Top Executive).

Our objective is to enable all our employees to receive at least one training course per year. In 2021, nearly 83% of the Group's employees received training.

Diversity, Inclusion and Engagement

1. DIVERSITY & INCLUSION: A PRIORITY PROGRAM FOR THE GROUP

The Group's Diversity and Inclusion program is coordinated at the highest level of the company by the Group Executive Committee. It requires all Transdev subsidiaries to focus on three avenues of action:

- the recruitment process;
- employee development;
- communication.

Our commitment to diversity at the highest level of the company

The Group has set itself a target of 50% female leaders (the Group's top 100 managers: top executives) by 2025.

This commitment is supported and embodied by the Group's Executive Committee, which has, in particular, engaged in a pilot mentoring initiative for female Group employees in 2019 and 2020. The initiative was renewed in 2021 and will be rolled out in 2022. The initiative is now also rolled out in the management committees of the Group's subsidiaries.

In 2021, Transdev has 25% of women among the Top Executive population, while it was 29% in 2020. The operational part of our business, which accounted for a greater proportion of Top Executives in 2021 in comparison to 2020, is currently predominantly male, which led to a drop in the representation of women between 2020 and 2021.

Our goal in all countries where the Group operates

In each of the Group's subsidiaries, Transdev deploys an ambitious diversity and inclusion roadmap. Each one reflects the challenges and culture of the countries where we do business and all share the goal of making Transdev an employer of choice.

In the United States, the Diversity & Inclusion Council was rolled out this year, comprising 17 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.

Our actions and commitments for the inclusion of the most vulnerable persons

In a spirit of promoting diversity and inclusion, Transdev is committed to raising public awareness about disabilities through various initiatives on public transportation:

- In Melbourne, a partnership with the NGO Amaze was formed to raise awareness of autism among passengers through an on-board advertising campaign. It encourages the public to consider their response to people with autism in order to foster a more inclusive and welcoming environment;
- In Barcelona, the subcontractor TRAM launched a campaign of illustrations on trams by the artist Javi Roya that depict actual situations that persons with disabilities may face. This campaign is carried out in partnership with the Eurofirms foundation with the aim of raising awareness about disabilities and promoting equality.

Implementation of a disability Policy

In France, Transdev and Agefiph (Fund Management Association Promoting Access to Work for Persons with Disabilities) signed a two-year agreement covering the period from December 1, 2021 to November 30, 2023. This agreement is a type of contract with Agefiph that reflects the commitment of the company's management to implement a disability Policy that is incorporated into the human resources Policy. The company commits to objectives established jointly with Agefiph on several issues: employment (hiring and retaining employees), awareness-raising, training, the protected sector. In return, Agefiph provides the company with financial resources suitable to its objectives and provides support for this process.

For Transdev, diversity is the set of differences that each of us brings to our company, which allows us to think differently and therefore to innovate in order to respond to market developments, or even to anticipate them.

Inclusion enables each individual to evolve professionally 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.

2. LISTENING TO EMPLOYEES

Listening to employees is essential to allow them to perform to their full potential. A committed employee, whose efforts are recognized and encouraged, dedicates their talent and their motivation to the company's success and contributes to its values and objectives. Collaboration and commitment thus contribute directly to:

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

Our objective is to integrate all employees into an Engagement program by 2022.

In 2021, Germany, Canada and Portugal rolled out their Engagement program in turn. Today, 9 Group countries deploy an Engagement survey at least every 2 years.

Our Key Performance Indicators

KPIs	2020	**2021**
Absenteeism rate	7.3 %	**7.7 %**
Employee turnover rate	19.3 %	**21.4 %**
Percentage of employees who received at least one training course during the year	70 %	**82.9 %**
Percentage of employees who had an annual interview *(Top Executives & Top Managers of the Group)*	89.3 %	**78.7 %**

The resumption of activity in 2021 mechanically led to a return to pre-covid numbers; in terms of employee mobility or in terms of training. The Covid-19 effect is still very present and absences due to illness remain very high, close to 2020 rates. The absenteeism rate is also explained by an increase in absences linked to work accidents (mechanical effect following the return to normal activity) as well as by the social unrest experienced by the mobility sector in 2021.

Achievements

D&I Action/Commitment in Sweden

In response to an employee initiative in 2020, the Umea team in Sweden launched a project that has yielded a very concrete result: a booklet that recounts the personal journey of the team's employees, both Swedish and non-Swedish (39 nationalities), and includes a presentation of each one's country. The goal of this year-long project is to get to know each other better in order to work together better, to become aware of one's own stereotypes, and to federate employees around common values such as work, pride of belonging and solidarity.

"This work carried out by and for the team is already bearing fruit", according to the manager. *"We're seeing greater commitment, more mutual assistance and greater openness to diversity, which also positively impacts our passengers."*

Transdev Australasia: Employer of Choice for Gender Equality

Transdev Australasie 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

Contract with Handeco to develop partnerships with the protected sector in France

Handeco has developed expertise in the protected sector and has created a national platform to facilitate solidarity-based purchases. Handeco's service offer consists of a unique national directory that lists over 2,100 disabled workers' assistance centres (ESAT) and specialised businesses (EA) and that, since June 2019, has included freelance disabled workers (TIH), thus enabling Transdev's teams to find partners in the protected sector easily and efficiently.

Reward for well-being at work

Transdev Dublin Light Rail (TDLR) has been awarded the KeepWellTM award from Ibec (Ireland's leading Business Employers Confederation). This award recognizes the efforts made by employers for the well-being of employees at work.

Transdev Canada has obtained the "Great Place to Work" certification

The engagement survey targeted all employees, including drivers and mechanics (more than 90% of the workforce). The certification was obtained following 2 major criteria:

- an overall participation rate of 61%;
- and a favorable response rate of 67% to the question "All things considered, do you consider Transdev to be a "Great Place to Work?".

VII. Transdev's commitment to a robust ethical process

CHALLENGES	RISKS	SDGs
▪ Business ethics ▪ Risk management and transparency ▪ Dialogue with stakeholders ▪ Procurement and logistics management	▪ Active bribery of a public official or a regulatory authority, passive bribery of private individuals ▪ Influence peddling ▪ Personal data breaches ▪ 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 analyzis of how they are handled prompted the Group to supplement its ethics approach and to set up ECMS, a global ethics and compliance management system, in 2019.

This ECMS, which was approved 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 semi-annual 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.

Respect for fundamental rights and personal data protection

1. 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 labour or child labour, 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 labour and child labour;
- Acceptable impact of our operations on 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, organization, etc.) reviewed by the Group's Commitment Committee.

Our Key Performance Indicator

KPIs	2020	**2021**
Annual percentage of projects approved by the Group Engagement Committee for which fundamental rights risks have been assessed and reduced to an acceptable level*	61.3 %	**71 %**

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

The survey on fundamental rights was provided for almost three quarters of projects, which shows the correct consideration of the subject. Systematic follow-up action has been put in place to improve this ratio.

2. 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 GDPR 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 optimise 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* (DPOs) 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 Union countries is being implemented.

In 2021, the global employee training campaign was unable to take place. Nevertheless, a specific training program was carried out for country officers to ensure they have full knowledge of the Group's requirements and to strengthen the network's dynamic.

Our Key Performance Indicator

KPIs	2020	2021
Share of countries covered by a personal data protection referent/total number of countries included in the consolidated scope	87.5 %	**89 %**

The Group has a Data Privacy referent in almost every country, particularly in Europe, which ensures good coverage of the subject. Achieving a rate of 100%, which remains the target, can prove difficult given the variations in scope and mobility within the Group. Specific training for French correspondents was carried out in 2021. The equivalent is planned for 2022 for foreign correspondents.

Our fight against tax evasion

In order to ensure compliance and respect the regulations in force, our tax governance is based on ethics and transparency.

Tax ethics

The Transdev Group does business in 18 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, energy 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*" for 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), and the DAC 6 Directive 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 tenders. It is therefore naturally exposed to the risk of bribery of public officials and influence peddling, which, for instance, could take in some cases 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 fight all forms of corruption.

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 gradual implementation will enhance the effectiveness of the system.

Our Key Performance Indicator

KPIs	2020	2021
Percentage of managers trained in the fight against corruption every 3 rolling years	75 %	**50 %**
with percentage of managers trained during the year	8 %	42 %

During the year, a new e-learning course was designed and made available to Group employees. A few technical difficulties delayed the launch, which only took place in November. The promotional actions were nevertheless effective, since at the end of 2021, 50% of managers had completed this training and 10% had partially completed it. Deployment continues in 2022, with the objective of reaching 100%.

VIII. Monitoring our non-financial performance

Methodological note

1. 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 Legal, Finance, Risk and Compliance Department and the Transformation and Strategy Department.

2. 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, safety, 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 analyzes 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 analyzis 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 analyzis.

3. 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 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.

4. 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.

Since 2019, the protocol for reporting greenhouse gas emissions (GHG) is the Greenhouse Gas Protocol, updated in 2020.

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 Euroll.

Definition of the fleet

- The clean fleet includes all Euro VI, hybrid, CNG biogas, electric, biodiesel and hydrogen vehicles.
- The concept of alternative fleet excludes all vehicles running on fossil fuels (including Euro VI). Transdev plans to increase its alternative fleet by 50% in 2030.

Indicators developed or changing in 2021

Safety

- The number of physical assaults on passengers/million km.

Data Privacy

- The rate of employees trained in personal data protection risk will be provided for the 2022 financial year.

5. VERIFICATIONS CARRIED OUT OF OUR SOCIAL, ENVIRONMENTAL, HEALTH&SAFETY, SECURITY, PROCUREMENT REPORTING SYSTEMS

Each year, defining 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, optimisation initiatives have been deployed by activating all available tools in the information production chain: exhaustive and reliable data sources, modernised data collection architectures, effective use and reporting of information, ensuring data consistency at the Group.

6. FIGHTING 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 fight 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 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.

Our non-financial performance dashboard

Focuses	KPIs	Results 2020	Results 2021	Targets	Trends
Environment	Rate of entities that experienced accidental pollution during the period	2.3 %	1.8 %	*Decrease compared to year "N-1"*	↘
	Low-emission fleet rate	54 %	61 %	*Increase the alternative fleet by +50 % by 2030*	↗
	GHG emissions kg/100 km travelled	88.6	88.5	*Reduction of -30% by 2030*	↘
	Pollutant emissions g/100 km travelled	CO : 50 Nox : 954.6 PM : 5.3 HC : 13.4	44.4 913.2 4.9 12	*Decrease compared to year "N-1"*	↘
Procurement	Percentage of framework contracts > €1 milion that incorporate the Supplier Charter	78 %	85.7 %	*100%*	↗
Safety	Workplace accident frequency rate	18.06	20.82	*Decrease compared to year "N-1"*	↗
	Workplace accident severity rate	1.63	1.84	*Decrease compared to year "N-1"*	↗
	Major accident rate	0.02	0.02	*Decrease compared to year "N-1"*	–
Security	Frequency rate of workplace accidents due to assault	2.07	2.43	*Decrease compared to year "N-1"*	↗
	Severity rate of workplace accidents due to assault	0.38	0.34	*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 %	*100%*	–
	Rate of physical assaults on passengers	N/A*	0.69	*Decrease compared to year "N-1"*	–
HR	Absenteeism rate	7.3 %	7.7 %	*Decrease compared to year "N-1"*	↗
	Employee turnover rate	19.3 %	21.4 %	*Decrease compared to year "N-1"*	↗
	Percentage of employees who received at least one training course during the year	70 %	82.9 %	*80% of employees*	↗
	Percentage of employees who had an annual interview	89.3 %	78.7 %	*100 %*	↘
Fundamental rights	Annual percentage of projects approved by the Group Engagement Committee for which fundamental rights risks have been assessed and treated	61.3 %	71 %	*100 %*	↗
Personal data protection	Share of countries covered by a personal data protection referent in relation to the total number of countries included in the consolidated scope	87.5 %	89 %	*100 %*	↗
Anti-corruption efforts	Percentage of managers trained in the fight against corruption every 3 rolling years **of which percentage of managers trained during the year**	75 % **8 %**	50 % **42 %**	*100 % (every 3 years)*	↘ ↗

** N/A: this KPI was not yet published*

Our contribution to the UN sustainable development goals

SDGs	Initiatives/Commitments undertaken by Transdev
1 NO POVERTY	▪ Transdev hires each year in all the communities 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 Sustainable 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 communities it serves. ▪ Transdev applies an ethics charter and deploys an ECMS Policy.

"GC Advanced" cross-references table

We undertake each year to communicate on the implementation of 21 advanced criteria and on our best practices related to our strategy, our governance, the commitment of our stakeholders and our contribution to the UN Sustainable Development Goals (SDGs).

INTEGRATION OF THE 10 PRINCIPLES IN STRATEGY AND OPERATIONS		
The COP describes mainstreaming into corporate functions and business units	"Transdev, a dedicated player alongside its ecosystem of stakeholders" "Management of our non-financial performance" "Our contribution to the UN sustainable development goals"	Page 25 Page 27 Page 49
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"	Page 44

RELIABLE POLICIES AND PROCEDURES ON HUMAN RIGHTS		
The COP describes robust commitments, strategies or policies in the area of human rights	"Management of our non-financial performance" "Transdev's commitment to a robust ethical process" "Our contribution to the UN sustainable development goals"	Page 27 Page 44 Page 49
The COP describes effective management systems to integrate the human rights principles	"Management of our non-financial performance" "Transdev is committed to a robust ethical process"	Page 27 Page 44
The COP describes effective monitoring and evaluation mechanisms of human rights integration	"Transdev's commitment to a robust ethical process" "Our non-financial performance dashboard"	Page 44 Page 48

RELIABLE POLICIES AND PROCEDURES ON LABOR PRINCIPLES		
The COP describes robust commitments, strategies or policies in the area of labour	"Management of our non-financial performance" "The women and men of the Group at the heart of our sustainable performance" "Our contribution to the UN sustainable development goals"	Page 27 Page 40 Page 49
The COP describes effective management systems to integrate the labour principles	"The women and men of the Group at the heart of our sustainable performance"	Page 40
The COP describes effective monitoring and evaluation mechanisms of labour principles integration	"The women and men of the Group at the heart of our sustainable performance" "Our non-financial performance dashboard"	Page 40 Page 48

RELIABLE POLICIES AND PROCEDURES ON ENVIRONMENTAL PROTECTION		
The COP describes robust commitments, strategies or policies in the area of environmental stewardship	"Management of our non-financial performance" "The Group is mobilized for the climate at all levels" "Our contribution to the UN sustainable development goals"	Page 27 Page 29 Page 49
The COP describes effective management systems to integrate the environmental principles	"The Group's Environmental Policy"	Page 31
The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	"Our environmental commitment" "Our non-financial performance dashboard"	Page 29 Page 48

ACTING TO SUPPORT THE WIDER GOALS OF THE UNITED NATIONS		
The COP describes core business contributions to UN goals and issues	"Our non-financial performance dashboard" "Our contribution to the UN sustainable development goals"	Page 48 Page 49
The COP describes strategic social investments and philanthropy	"Our commitment to the development of the communities we serve"	Page 37
The COP describes advocacy and public Policy engagement	"Our environmental commitment"	Page 29
The COP describes partnerships and collective action	"Transdev, a dedicated player alongside its ecosystem of stakeholders" "Our commitment to the development of the communities we serve" "At the heart of our responsibility as an employer: social dialogue" "Our environmental commitment"	Page 25 Page 37 Page 40 Page 29

RELIABLE POLICIES AND PROCEDURES IN THE AREA OF ANTI-CORRUPTION		
The COP describes robust commitments, strategies or policies in the area of anti-corruption	"Management of our non-financial performance" "Transdev's commitment to a robust ethical process" "Our non-financial performance dashboard" "Our contribution to the UN sustainable development goals"	Page 27 Page 44 Page 48 Page 49
The COP describes effective management systems to integrate the anti-corruption principle	"Transdev's commitment to a robust ethical process" "Our non-financial performance dashboard"	Page 44 Page 48
The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	"Transdev's commitment to a robust ethical process" "Our non-financial performance dashboard" "Vigilance Plan"	Page 44 Page 48 Page 51

GOVERNANCE AND ACCOUNTABILITY LEADERSHIP		
The COP describes CEO commitment and leadership	"Transdev, a dedicated player alongside its ecosystem of stakeholders"	Page 25
The COP describes Board adoption and oversight	"Transdev, a dedicated player alongside its ecosystem of stakeholders"	Page 25
The COP describes stakeholder engagement	"Transdev, a dedicated player alongside its ecosystem of stakeholders"	Page 25

IX. 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 French 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, analysing 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, analysing 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 (fighting 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 communities" 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:

- 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, organised 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 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 ensures such information is handled by the ordinary organisation 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, Ethics and Insurance Department 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 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 procedure, which is rolled out 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, Ethics and Insurance 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 semi-annual 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 2021, the Group made progress on the various components of the vigilance plan, in particular:

- the production of a detailed mapping of Country Laundering risks;
- the deployment of a communication campaign, in all countries, promoting the ethics alert system (whistleblowing);
- 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 of the independent third-party on the verification of the consolidated non-financial performance statement included in the management report

YEAR ENDED DECEMBER 31, 2021

This is a free translation into English of the Independent Third-Party'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 shareholders,
In our capacity as an Independent Third Party, member of Mazars Group, statutory auditors of Transdev Group SA and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, 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.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information permits the use of different, but acceptable, measurement techniques which may affect comparability between entities and within the time.
Consequently, the Information must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement.

Limits inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement with reference to legal and regulatory requirements, 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;
- and implementing internal control procedures deemed necessary to the preparation of information, free from material misstatements, whether due to fraud or error.

Responsibility of the Independent Third Party

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 Information (observed or extrapolated) 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.

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the due diligence plan and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

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]:

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 the professional doctrine of the French National Association of Auditors.

Means and resources

Our work was carried out by a team of 6 people between November 2021 and February 2022 and for 4 weeks.

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

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- 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, when 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;

[1] *ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.*

- we verified that the Statement presents the business model and a description of principal risks associated with the entity's activity all the consolidated entities' activities, including when 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; concerning some risks (assaults on employees and passengers, absenteeism and low employee commitment, poor skills planning, CSR claims against a supplier, failure to respect human rights, personal data breaches, the fight against corruption), 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 entities2;
- 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 implemented by the entity 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, 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 and covers between 28% 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.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French Institute of Statutory Auditors ("CNCC"). Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

APPENDIX: LIST OF QUALITATIVE AND QUANTITATIVE INFORMATION, INCLUDING KEY PERFORMANCE INDICATORS

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

- Sustainable Procurement Policy
- Data Privacy Policy
- Ethics and Compliance Management System
- Engagement Policy

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:
Workplace accident frequency rate; Workplace accident severity rate; Major accident 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; Rate of physical assaults on passengers.

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 framework contracts > 1 Million € that incorporate the Suppliers' Charter.

Corruption indicator:
Percentage of managers trained in the fight against corruption every 3 rolling 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 reduced to an acceptable level.

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

Consolidated Financial Statement Transdev Group S.A.

As of December 31, 2021

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 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 2021, the Group generated consolidated revenue of €7 billion and did business in 18 countries. It comprises 569 consolidated subsidiaries and has 75,156 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[1] is a 66% shareholder in Transdev Group; the remaining 34% of the capital is held by Rethmann France.

[1] Caisse des Dépôts is a special French institution established in 1816 by decree, which is governed by Articles L518-2 et seq. of the French Monetary and Financial Code.

I. Consolidated income statement

(€ millions)	December 31, 2020	December 31, 2021	Notes
REVENUE	**6,755.6**	**7,010.9**	**VI.4.1**
Cost of sales	(6,068.7)	(6,217.1)	
Selling costs	(39.3)	(26.6)	
General and administrative expenses	(638.2)	(643.3)	
Other items of current operating result	0.1	-	
CURRENT OPERATING RESULT	**9.5**	**123.9**	**VI.4.1**
Other operating income and expenses	(67.3)	(211.3)	
OPERATING RESULT	**(57.8)**	**(87.4)**	**VI.4.1**
Share of net income (loss) of equity-accounted entities	1.9	0.6	
o/w share of net income (loss) of joint ventures	0.3	0.7	VI.8
o/w share of net income (loss) of associates	1.6	(0.1)	VI.8
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**(55.9)**	**(86.8)**	
Net finance costs	(42.0)	(36.7)	VI.9.3
Other financial income and expenses	(0.4)	(9.3)	VI.9.3
Income tax expense	(14.0)	(26.2)	VI.12.1
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**(112.3)**	**(159.0)**	
Net income (loss) from discontinued operations	0.3	-	
NET INCOME (LOSS)	**(112.0)**	**(159.0)**	
Share of non-controlling interests	2.8	(3.1)	
SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**(109.2)**	**(162.1)**	

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

II. Consolidated statement of comprehensive income

(€ millions)	December 31, 2020	December 31, 2021
NET INCOME (LOSS) FOR THE YEAR	**(112.0)**	**(159.0)**
Actuarial gains or losses	(0.3)	10.7
Related income tax	(4.9)	1.4
Amount net of tax	(5.2)	12.1
Fair value adjustments on equity instruments	(0.6)	(3.0)
Related income tax	0.1	0.6
Amount net of tax	(0.5)	(2.4)
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	**(5.7)**	**9.7**
o/w attributable to joint ventures	-	-
o/w attributable to associates	-	-
Fair value adjustments on derivatives used as cash flow hedge	(0.1)	1.3
Related income tax	-	(0.2)
Amount net of tax	(0.1)	1.1
Foreign currency translation		
Translation differences on the accounts of subsidiaries kept in foreign currencies	*0.3*	*5.1*
Translation differences on net foreign investment financing	*1.0*	*0.5*
Related income tax	(0.3)	(0.1)
Amount net of tax	0.7	0.4
Net foreign exchange gains and losses	1.1	5.5
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	**1.0**	**6.6**
o/w attributable to joint ventures	*0.5*	*(0.9)*
o/w attributable to associates	*(3.5)*	-
TOTAL OTHER COMPREHENSIVE INCOME	**(4.7)**	**16.3**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**(116.7)**	**(142.7)**
Attributable to owners of the parent company	(113.1)	(146.4)
Attributable to non-controlling interests	(3.6)	3.7

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

III. Consolidated statement of financial position

ASSETS (*€ millions*)	December 31, 2020	December 31, 2021	Notes
Goodwill	812.6	624.7	VI.7
Other intangible assets	105.6	103.4	VI.6.1
Property, plant and equipment	1,105.8	1,090.8	VI.6.2
Right-of-use assets	1,048.4	984.4	VI.6.3
Investments in equity-accounted companies	33.5	29.3	VI.8.1
Non-current operating financial assets	342.6	477.8	VI.6.4
Other non-current financial assets	69.1	48.0	VI.9.2
Non-current derivative instruments - assets	-	-	VI.9.4
Deferred tax assets	23.2	24.1	VI.12.2
Other non-current assets	-	-	
TOTAL NON-CURRENT ASSETS (I)	**3,540.8**	**3,382.5**	
Inventories and work in progress	123.0	128.7	VI.4.2
Operating receivables	1,342.7	1,515.0	VI.4.2
Current operating financial assets	41.7	80.7	VI.6.4
Other current financial assets	63.0	53.2	VI.9.2
Current derivative instruments - assets	0.1	1.2	VI.9.4
Cash and cash equivalents	514.0	622.1	VI.9.1
Assets held for sale	-	18.6	
TOTAL CURRENT ASSETS (II)	**2,084.5**	**2,419.5**	
TOTAL ASSETS (I+II)	**5,625.3**	**5,802.0**	

EQUITY AND LIABILITIES (*€ millions*)	December 31, 2020	December 31, 2021	Notes
Share capital	1,206.0	1,206.0	
Reserves and retained earnings attributable to owners of the parent company	(327.0)	(474.7)	
Equity and net income attributable to owners of the parent company	**879.0**	**731.3**	**VI.11**
Equity and net income attributable to non-controlling interests	23.4	25.8	VI.11
EQUITY (I)	**902.4**	**757.1**	
Non-current provisions	409.6	435.8	VI.10
Non-current financial liabilities	657.4	771.1	VI.9.1
Non-current lease liabilities	840.1	777.4	VI.9.1
Provision of rolling stock under concession arrangements - non-current part	74.8	272.7	VI.6.4
Non-current derivative instruments - liabilities	1.2	-	VI.9.4
Other non-current liabilities	34.8	30.6	
Deferred tax liabilities	34.3	33.4	VI.12.2
TOTAL NON-CURRENT LIABILITIES (II)	**2,052.2**	**2,321.0**	
Operating payables	2,148.9	2,239.8	VI.4.2
Current provisions	187.2	164.8	VI.10
Current financial liabilities	43.7	33.1	VI.9.1
Current lease liabilities	245.5	239.2	VI.9.1
Provision of rolling stock under concession arrangements - current part	13.2	19.9	VI.6.4
Current derivative instruments - liabilities	3.5	3.2	VI.9.4
Overdrafts	28.7	13.7	VI.9.1
Liabilities held for sale	-	10.2	
TOTAL CURRENT LIABILITIES (III)	**2,670.7**	**2,723.9**	
TOTAL EQUITY AND LIABILITIES (I+II+III)	**5,625.3**	**5,802.0**	

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

IV. Consolidated statement of cash flows

(€ millions)	December 31, 2020	December 31, 2021
Net income (loss) for the year	**(112.0)**	**(159.0)**
Operating depreciation, amortization, provisions and impairment losses	669.9	719.9
Financial amortization and impairment losses	0.1	(0.1)
Gains (losses) on disposal	(111.7)	(4.2)
Unwinding of discounted provisions, receivables and payables	6.4	4.2
Share of net income (loss) of equity-accounted entities	(1.9)	(0.6)
Dividends received	(5.9)	(1.2)
Net finance costs	42.0	36.7
Income tax expense	14.0	26.2
Other items	-	3.1
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL REQUIREMENTS	**500.9**	**625.0**
Income taxes paid	(8.2)	(16.9)
Changes in working capital requirements	394.7	(111.3)
Change in contract costs	(0.9)	(2.9)
I. NET CASH FROM OPERATING ACTIVITIES	**886.5**	**493.9**
Capital investments	(348.6)	(243.8)
Proceeds on disposal of intangible assets and property, plant and equipment	54.2	45.1
Net investments in operating financial assets		
New operating financial assets	(29.4)	(47.4)
Principal payments on operating financial assets	53.2	88.8
Purchase of financial investments	(6.7)	(9.6)
Sale of financial assets	140.0	5.4
Dividends received (including dividends received from joint ventures and associates)	13.1	6.1
Non-current financial receivables, cash out	(3.1)	(21.5)
Non-current financial receivables, cash in	1.7	23.1
Net increase / decrease in current financial receivables	95.5	14.6
II. NET CASH USED IN INVESTING ACTIVITIES	**(30.1)**	**(139.2)**
Capital increase	-	-
Dividends paid	(0.3)	(1.9)
New non-current borrowings [(1)]	9.2	162.7
Principal payments on non-current borrowings [(1)]	(360.5)	(41.5)
Net increase (decrease) in current borrowings [(1)]	(21.8)	(47.7)
Principal payments on lease liabilities	(276.8)	(271.8)
Interest paid	(19.0)	(17.6)
Interest paid on lease liabilities	(23.4)	(19.4)
Transactions between shareholders - acquisitions and divestitures, without change in control	-	0.3
III. NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(692.6)**	**(236.9)**
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES AND OTHER	**10.4**	**5.3**
NET CASH AT THE BEGINNING OF THE YEAR	**311.1**	**485.3**
Changes in cash, cash equivalents and overdrafts (I+II+III+IV)	174.2	123.1
NET CASH AT THE END OF THE YEAR	**485.3**	**608.4**
Cash and cash equivalents	*514.0*	*622.1*
Overdrafts	*(28.7)*	*(13.7)*
NET CASH AT THE END OF THE YEAR	**485.3**	**608.4**

[(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, 2020	**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**
Parent company capital increase	-	-	-	-	-	-	-	-	-
Third party share in share capital increases of subsidiaries and in changes in consolidation scope	-	-	-	-	-	-	-	0.4	0.4
Third party share in dividend distributions of subsidiaries	-	-	-	-	-	-	-	(1.9)	(1.9)
Transactions between shareholders	-	(1.3)	-	-	-	-	(1.3)	0.2	(1.1)
TOTAL TRANSACTIONS BETWEEN SHAREHOLDERS AND OTHER SCOPE CHANGES	**-**	**(1.3)**	**-**	**-**	**-**	**-**	**(1.3)**	**(1.3)**	**(2.6)**
Foreign exchange translations	-	-	4.9	-	-	-	4.9	0.6	5.5
Actuarial gains or losses	-	-	-	-	-	12.1	12.1	-	12.1
Fair value adjustment on hedge derivatives and assets measured at fair value through other comprehensive income	-	-	-	1.1	(2.4)	-	(1.3)	-	(1.3)
Other changes in comprehensive income	-	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME	**-**	**-**	**4.9**	**1.1**	**(2.4)**	**12.1**	**15.7**	**0.6**	**16.3**
NET INCOME (LOSS) FOR THE YEAR 2021	**-**	**(162.1)**	**-**	**-**	**-**	**-**	**(162.1)**	**3.1**	**(159.0)**
AS OF DECEMBER 31, 2021	**1,206.0**	**(418.6)**	**(9.7)**	**0.8**	**(3.8)**	**(43.4)**	**731.3**	**25.8**	**757.1**

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

Since early 2020, the spread of the COVID-19 virus and the measures adopted by the public authorities in an effort to contain it (lockdowns, telework incentives, etc.) have impacted the use of public transportation. The drop in business and ridership varies by market and geographical area.

In this context, 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 areas where it operates, in conjunction with local and national authorities.

VI.1.1.1 Assessment of financial performance

As in 2020, the adaptability of Transdev's teams enabled the Group to limit the adverse impacts of the health crisis in 2021 by continuing to:

- deploy efforts to get its passengers back on board;
- renegotiate the terms of contracts with its clients in cases where public transportation ridership and health measures have disrupted the financial equilibrium of contracts, in order to regain the financial visibility necessary to continue to invest;
- implement the adjustment measures initiated in 2020, including restructuring plans, in order to reduce its costs;
- take advantage of available public support measures.

Operational performance is discussed in the management report.

Transdev's financial structure is solid and improving. Net financial debt totalled €1.2 billion as of December 31, 2021, down €0.1 billion compared to December 31, 2020, yielding Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of €633 million. In 2021, the Group was in compliance with its financial covenants.

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

VI.1.1.2 Recoverable amount of assets

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

Due to changes in demand as a result of the energy transition and the impact of the COVID-19 crisis, impairment losses on rolling stock and right-of-use assets were recognized during the year (see notes VI.6.2 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 2021 and approved by the Group's Strategic Committee on January 14, 2022. This long-term plan was produced for each country.

These projections were made on the basis of the immediate situation, taking into account the current context of the COVID-19 pandemic and available information. Furthermore, as in 2020, the degree of uncertainty about the various parameters remains high due to the difficulties in forecasting business levels after the health crisis ends (changes in passenger behaviour, etc.) and in determining whether adaptation measures will enable a return to the profitability levels previously experienced.

As of December 31, 2021, based on these tests, impairment losses were recognized on the goodwill of the "France" and "Sweden" CGUs.

Due to the level of uncertainty about the various parameters, sensitivity analyses are of particular importance (see note VI.7.2).

VI.1.2 Withdrawal from the parking structure business in France

In connection with its strategic repositioning in its core business of providing public transportation for local authorities and businesses, on January 11, 2022, the Group finalized the disposal of its entire parking structure business in France.

This activity, which was not a cash generating unit, had been classified as of December 31, 2021, 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.

VI.1.3 Commercial operations

France

Région Sud awarded Transdev the contract to operate the Marseille – Toulon – Nice regional train line for a period of ten years, with service scheduled to begin in the summer of 2025 (annual revenue of around €57 million). This was the first call for bids to operate regional train lines since passenger rail transportation in France was opened to competition. This success strengthens Transdev's presence in the regional train market, in which it is the leading private operator in Germany.

Transdev was also awarded the contract for the Bus de l'Etang network – now part of the La Métropole Mobilité network – which serves eight municipalities to the east of the Etang de Berre in the Bouches du Rhône department. This contract has a term of nine years and is expected to generate annual revenue of around €40 million.

In the Ile-de-France region, a large-scale call for bids process is currently underway for the public transportation contract for urban and intercity buses in the outer suburbs of Paris (to be completed in 2024). Operations in the inner suburbs and in Paris itself, in which RATP currently has a monopoly, will be put out for bids in the coming months (with the new contracts expected to begin on January 1, 2025). As a result, the vast majority of Transdev's current business operations in the outer suburbs of Paris were put out for bids in 2020 and 2021 (contracts awarded or procedures in progress). As of end-December 2021, contracts representing over €130 million of the Group's revenues had been renewed and the Group had been awarded new contracts worth over €15 million.

Europe excluding France

In Germany, Transdev renewed the contract to operate the Mittelrhein-Bahn rail lines in the Rhine valley, which link Mainz, Koblenz, Bonn and Cologne, for a term of at least ten years (average annual revenue of around €28 million).

In addition, in Saxony, Transdev's contract to provide urban and intercity buses in Bautzen was renewed for ten years, covering the period from 2022 to 2031 (annual revenue of approximately €40 million).

In Sweden, the Group was awarded three new contracts (bus and train) in Stockholm and the surrounding area (annual revenue of around €105 million), under which Transdev will place 317 biofuel buses in service.

Australia

The Transdev John Holland joint venture was awarded the Greater Sydney Region 9 bus contract for a term of five years, with an option to extend it for three additional years (annual revenue of around €99 million). This contract requires placing approximately 500 buses in service, including 146 electric buses.

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, 2021, in accordance with uniform accounting policies and methods.

The consolidated 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 (at the lower of the net carrying amount and the net fair value less costs to sell) and the following 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).

Based on available information, the Group concluded that there were no material uncertainties liable to call into question the going concern assumption.

The consolidated financial statements as of December 31, 2021 were approved by the Board of Directors at its meeting on March 3, 2022.

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 2021 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 2020, which were prepared using the same accounting standards framework, taking into account the new texts applicable as of January 1, 2021 (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", 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 2021

The accounting policies and valuation rules applied by the Group in preparing the consolidated financial statements as of December 31, 2021, are identical to those the Group used as of December 31, 2020, with the exception of the new standards, amendments to standards and interpretations of mandatory application as of January 1, 2021, which are described below:

- Amendments to IFRS 16 "Leases", dealing with COVID-19 rent concessions (one-year extension of the amendments to IFRS 16 published in May 2020);
- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9, and IFRS 16 in relation to phase 2 of the Interest Rate Benchmark Reform;
- The IFRS Interpretations Committee's decision on "Attributing Benefit to Periods of Service" (IAS 19), which clarifies the period over which the liability under certain defined-benefit pension plans should be recognized.

These amendments and this decision of the IFRS Interpretations Committee have not generated a material impact for the Group.

In addition, the consequences of the IFRS Interpretations Committee's March 2021 decision on IAS 38 "Intangible Assets" concerning the recognition of costs to configure and customize software made available under a SaaS (Software as a Service) contract, are currently being analysed.

VI.2.2.3 Main texts applicable after December 31, 2021 and not adopted early by the Group

The main texts which became mandatory after December 31, 2021, are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements" on the classification of liabilities as current or non-current and the information to be provided on accounting policies;
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on the definition of accounting estimates;
- Amendments to IAS 12 "Income Taxes" on deferred taxes related to assets and liabilities arising from a single transaction;
- Amendments to IAS 16 "Property, Plant and Equipment", on proceeds before intended use;
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", on costs to be included when assessing whether a contract will be loss-making;
- Amendments to IFRS 3 "Business Combinations" on references to the conceptual framework;
- IFRS 2018-2020 annual improvement process.

The Group is currently assessing the impacts of the initial application of these texts.

VI.2.3 Translation of foreign subsidiaries' financial statements and foreign currency transactions

VI.2.3.1 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	2020	2021
U.S. Dollar	1.141	1.184
Australian Dollar	1.655	1.575
Swedish Krona	10.488	10.145
CLOSING RATE	**2020**	**2021**
U.S. Dollar	1.227	1.133
Australian Dollar	1.590	1.562
Swedish Krona	10.034	10.250

VI.2.3.2 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 estimates and assessments

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; 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. As in 2020, due to the pandemic, Transdev has continued to pay close attention to the following aspects:

- 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.
- Determining the recoverable amount of goodwill, intangible assets and property, plant and equipment in an uncertain context at the balance sheet date. 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 that note.
- The certainty of public support measures to which it may be entitled. Depending on their nature, these measures were recognized primarily in revenue (as a setoff against lost revenue), as a reduction in employee expenses (short-time working support measures, reduced employer contributions), or in tax expense.
- The recoverable amount of deferred tax assets due to tax losses, which was measured in light of the current situation, based on projections of expected taxable income, established in accordance with the operational assumptions included in the Group's long-term plan (see note VI.12).

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

- The measurement of provisions (note VI.10). In determining these provisions, Transdev has used the best estimates of its 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, 2021, no provision 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 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 2021, 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.

Service 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)	2020	2021
Revenue from services	6,720.6	6,970.4
Revenue from sales of goods	23.5	28.2
Revenue from operating financial assets	11.5	12.3
REVENUE	**6,755.6**	**7,010.9**
Employee expenses	(3,777.1)	(3,853.4)
Impairment of operating receivables, net of reversals	3.3	15.2
Depreciation, amortization and operating provisions, net of reversals (excluding restructuring and impairment of operating receivables and goodwill)	(521.6)	(523.9)
Gains (losses) on disposals of capital assets	3.8	6.1
Others	(2,454.5)	(2,531.0)
CURRENT OPERATING RESULT	**9.5**	**123.9**
Restructuring costs (net of provisions and reversals)	(85.5)	3.2
Gains (losses) on disposals of financial assets	84.9	0.5
Impairment losses resulting from impairment tests and provisions for onerous contracts	(62.0)	(226.9)
Others	(4.7)	11.9
OPERATING RESULT	**(57.8)**	**(87.4)**
Share of net income (loss) of equity-accounted entities	1.9	0.6
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**(55.9)**	**(86.8)**

At year-end 2021, the Group's consolidated revenue totalled €7,010.9 million. The main geographical areas in which the Group does business are France (€2,630 million), Germany (€1,163 million), the United States (€933,3 million) and the Netherlands (€636.4 million).

VI.4.1.2. Reconciliation of EBITDA to operating result

(€ millions)	2020	2021
EBITDA *(Earnings Before Interest, Taxes, Depreciation, and Amortization)* [(1)]	521.3	632.6
Depreciation and amortization	(520.9)	(511.9)
Operating provisions, net of reversals	2.6	3.2
Gains (losses) on disposals of capital assets	3.8	6.1
Others	2.7	(6.1)
CURRENT OPERATING RESULT	**9.5**	**123.9**
Restructuring costs (net of provisions and reversals)	(85.5)	3.2
Gains (losses) on disposals of financial assets	84.9	0.5
Impairment losses resulting from impairment tests and provisions for onerous contracts	(62.0)	(226.9)
Others	(4.7)	11.9
OPERATING RESULT	**(57.8)**	**(87.4)**
Share of net income (loss) of equity-accounted entities	1.9	0.6
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**(55.9)**	**(86.8)**

[(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 2021 is shown below:

(€ millions)	Operating	Financial	Tax	Discontinued operations	Total
Net provisions for impairment of assets [1]	25.7	-	(12.2)	-	13.5
Provisions for contingent liabilities	29.6	0.1	-	-	29.7
Current and non-current provisions	**55.3**	**0.1**	**(12.2)**	**-**	**43.2**
Depreciation, amortization and impairment of property, plant and equipment and intangible fixed assets	(268.8)	-	-	-	(268.8)
Depreciation, amortization and impairment of right-of-use assets	(264.2)	-	-	-	(264.2)
Impairment of receivables on disposal of property, plant and equipment and intangible assets	-	-	-	-	-
Impairment losses on goodwill, other non-current expenses resulting from impairment tests and adjustments to fair value of assets held for sale	(226.9)	-	-	-	(226.9)
DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT	**(704.6)**	**0.1**	**(12.2)**	**-**	**(716.7)**

[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 net restructuring costs

(€ millions)	2020	2021
Restructuring costs	(10.3)	(14.2)
Restructuring provisions, net of reversals	(75.2)	17.4
NET RESTRUCTURING COSTS	**(85.5)**	**3.2**

In fiscal year 2020, net restructuring costs included 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. This concerned eight countries, primarily France and the United States. Transdev continued to carry out these restructuring plans in 2021.

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 2021 are shown below:

(€ millions)	December 31, 2020	Change in business	Net impairment losses	Change in consolidation scope	Currency impact	Reclassification in assets / liabilities held for sale	Other changes	December 31, 2021
Inventories and work in progress [1]	123.0	10.2	(1.9)	(0.3)	1.1	-	(3.4)	128.7
Operating receivables (o/w tax receivables, except current tax)	1,248.4	129.4	17.1	(0.3)	15.0	(5.0)	11.0	1,415.6
Operating payables (o/w tax payables, except current tax)	(2,086.1)	(43.5)	-	0.8	(14.5)	5.8	1.5	(2,136.0)
OPERATING WORKING CAPITAL REQUIREMENTS[2]	**(714.7)**	**96.1**	**15.2**	**0.2**	**1.6**	**0.8**	**9.1**	**(591.7)**
Tax receivables (current tax)	18.1	(4.9)	-	-	0.4	-	-	13.6
Tax payables (current tax)	(15.8)	(5.6)	-	(0.1)	(0.3)	-	-	(21.8)
TAX AMOUNTS IN WORKING CAPITAL REQUIREMENTS	**2.3**	**(10.5)**	**-**	**(0.1)**	**0.1**	**-**	**-**	**(8.2)**
Other receivables	76.2	9.5	-	-	0.1	-	-	85.8
Other payables	(47.0)	(35.4)	-	-	(0.5)	-	0.9	(82.0)
INVESTMENTS IN WORKING CAPITAL REQUIREMENTS	**29.2**	**(25.9)**	**-**	**-**	**(0.4)**	**-**	**0.9**	**3.8**
NET WORKING CAPITAL REQUIREMENTS	**(683.2)**	**59.7**	**15.2**	**0.1**	**1.3**	**0.8**	**10.0**	**(596.1)**

[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.

VI.4.2.2 Changes in operating receivables

Changes in operating receivables in fiscal year 2021 are shown below:

(€ millions) OPERATING RECEIVABLES	December 31, 2020	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, 2021
Trade receivables	892.7	81.1	-	-	0.1	13.9	(3.3)	6.7	991.2
Impairment on trade receivables [1]	(48.9)	-	(11.8)	30.1	-	(0.8)	-	(1.9)	(33.3)
Trade receivables, net	**843.8**	**81.1**	**(11.8)**	**30.1**	**0.1**	**13.1**	**(3.3)**	**4.8**	**957.9**
Other operating receivables	407.9	48.3	-	-	(0.4)	1.9	(1.7)	6.0	462.0
Impairment on other operating receivables	(3.3)	-	(2.8)	1.6	-	-	-	0.1	(4.4)
Other operating receivables, net	**404.6**	**48.3**	**(2.8)**	**1.6**	**(0.4)**	**1.9**	**(1.7)**	**6.1**	**457.6**
Other receivables	76.2	9.5	-	-	-	0.1	-	-	85.8
Tax receivables	18.1	(4.9)	-	-	-	0.4	-	-	13.6
OPERATING RECEIVABLES, NET	**1,342.7**	**134.0**	**(14.6)**	**31.7**	**(0.3)**	**15.5**	**(5.0)**	**11.0**	**1,515.0**

[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 2021 are shown below:

(€ millions) OPERATING PAYABLES	December 31, 2020	Change in business	Change in consolidation scope	Currency impact	Reclassification in liabilities held for sale	Other changes	December 31, 2021
Trade payables	452.4	90.4	0.1	4.8	(1.6)	13.8	559.9
Other current operating payables	1,633.7	(46.9)	(0.9)	9.7	(4.2)	(15.3)	1,576.1
Other payables	47.0	35.4	-	0.5	-	(0.9)	82.0
Tax payables	15.8	5.6	0.1	0.3	-	-	21.8
OPERATING PAYABLES	**2,148.9**	**84.5**	**(0.7)**	**15.3**	**(5.8)**	**(2.4)**	**2,239.8**

VI.5. Employee expenses and benefits

VI.5.1. Employee expenses and workforce

EMPLOYEE EXPENSES

Employee expenses totalled approximately €3,853.4 million in 2021 (€3,771.1 million in 2020).

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 75,156 employees for continuing operations and is broken down geographically as follows:

AVERAGE NUMBER OF EMPLOYEES	2020	2021
France	31,625	31,360
United States	12,160	12,782
Germany	6,195	6,266
Pacific	5,557	5,186
Netherlands	5,164	5,041
Others	15,046	14,521
TOTAL	**75,747**	**75,156**

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.

The IFRS Interpretations Committee's decision on "Attributing Benefit to Periods of Service" (IAS 19), which clarifies the period over which employees' vested rights are recognized under defined-benefit plans that cap rights after a certain length of service, has not generated a material impact for the Group.

VI.5.2.1. Breakdown of provisions in the statement of financial position

(€ millions)	France [1]	Sweden	United States	United Kingdom	Australia / New Zealand	Other	Total
Pension plans and early-retirements (except retiree medical coverage)	-	19.9	13.8	1.7	-	7.1	42.4
End-of-career allowances	56.1	-	-	-	-	6.5	62.6
Other post-employment benefits	-	-	-	-	0.6	-	0.6
Total post-employment benefits	**56.1**	**19.9**	**13.8**	**1.7**	**0.6**	**13.6**	**105.6**
Long-service awards	3.6	-	-	-	-	3.1	6.7
Other long-term benefits	-	-	-	-	23.0	16.3	39.3
Total other long-term benefits	**3.6**	**-**	**-**	**-**	**23.0**	**19.4**	**46.0**
PROVISIONS FOR EMPLOYMENT BENEFIT OBLIGATIONS AS OF DECEMBER 31, 2021	**59.7**	**19.9**	**13.8**	**1.7**	**23.6**	**33.0**	**151.7**

[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

Certain subsidiaries have set up defined-contribution plans to supplement the basic mandatory plans. The Group's expenses for these plans totalled about €44 million (€55 million in 2020).

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, 2020	As of December 31, 2021
Discount rate		
Euro zone	0.30%	0.60%
United States	2.65%	2.90%
United Kingdom	1.40%	2.0%
Sweden	0.90%	1.20%
Inflation rate		
Euro zone	1.50%	1.80%
United States	2.50%	2.50%
United Kingdom [(1)]	3%/2%	3.50%/2.60%
Sweden	1.60%	1.60%
Rate of salary increases	**2.0%**	**2.90%**

(1) RPI/RCI

Changes in the defined-benefit obligation (DBO) and plan assets

(€ millions)	As of December 31, 2020			As of December 31, 2021		
	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	**92.4**	**170.7**	**263.1**	**88.7**	**169.6**	**258.3**
Current service cost	4.3	-	4.3	4.1	-	4.1
Interest cost	0.4	3.9	4.3	0.3	3.1	3.4
Benefit obligation assumed on acquisitions	0.7	-	0.7	-	-	-
Benefit obligation transferred on divestitures	(1.5)	-	(1.5)	-	-	-
Curtailments / settlements	(0.5)	-	(0.5)	(2.0)	-	(2.0)
Actuarial losses (gains)	(1.7)	11.3	9.6	0.3	(5.3)	(5.0)
o/w experience actuarial losses (gains)	*(2.7)*	*1.4*	*(1.3)*	*0.9*	*0.1*	*1.0*
o/w demographic assumptions actuarial losses (gains)	*0.1*	*(0.3)*	*(0.2)*	*0.2*	*0.2*	*0.4*
o/w financial assumptions actuarial losses (gains)	*0.9*	*10.2*	*11.1*	*(0.8)*	*(5.6)*	*(6.4)*
Benefits paid	(6.6)	(7.7)	(14.3)	(6.8)	(8.2)	(15.0)
Plan amendments	1.3	-	1.3	1.8	-	1.8
Other (including foreign exchange translation)	(0.1)	(8.6)	(8.7)	(3.9)	9.6	5.7
Discounted value of the defined-benefit obligation at end of year (1)	**88.7**	**169.6**	**258.3**	**82.5**	**168.8**	**251.3**
Changes in plan assets						
Fair value of plan assets at beginning of year	**1.5**	**128.8**	**130.3**	**1.3**	**131.4**	**132.7**
Actual return on plan assets	-	12.2	12.2	-	8.0	8.0
o/w interest income on plan assets	*-*	*2.9*	*2.9*	*-*	*2.4*	*2.4*
o/w actuarial gains (losses)	*-*	*9.3*	*9.3*	*-*	*5.6*	*5.6*
Employer contributions	-	5.7	5.7	-	6.0	6.0
Benefits paid	(0.2)	(7.7)	(7.9)	(0.2)	(8.7)	(8.8)
Other (including foreign exchange translation)	-	(7.6)	(7.6)	(0.4)	8.4	8.0
Fair value of plan assets at end of year (2)	**1.3**	**131.4**	**132.7**	**0.7**	**145.1**	**145.9**
Funding status (a) = (2) - (1)	**(87.4)**	**(38.2)**	**(125.6)**	**(81.8)**	**(23.7)**	**(105.4)**
Asset limit (b)	**-**	**0.4**	**0.4**	**-**	**0.2**	**0.2**
NET OBLIGATION (-a + b)	**87.4**	**38.6**	**126.0**	**81.8**	**23.9**	**105.6**

Plan assets

The actual rate of return on assets in fiscal year 2021 was around 5% (9% in fiscal year 2020).

The average allocation of the Group's plan assets is shown below:

	As of 31 December, 2021
Equities	37.1%
Other	23.6%
Corporate bonds	16.4%
Government bonds	4.6%
Quoted assets	**81.7%**
Insurance contract	14.2%
Other [1]	3.4%
Real estate	0.7%
Non-quoted assets	**18.3%**

[1] *Including Liability Driven Investment (LDI).*

In 2022, the contribution to the funding of defined-benefit plans should be about €4 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 €2.4 million as of December 31, 2021 (€2.8 million as of December 31, 2020).

Net cost of post-employment benefits

	2020			2021		
(€ millions)	Non-financed plans	Financed plans	Total	Non-financed plans	Financed plans	Total
Current service cost	(4.3)	-	(4.3)	(4.1)	-	(4.1)
Interest cost	(0.4)	(3.9)	(4.3)	(0.3)	(3.1)	(3.4)
Interest income on plan assets	-	2.9	2.9	-	2.4	2.4
Curtailments / settlements	0.5	-	0.5	2.0	-	2.0
Plan amendments	(1.3)	-	(1.3)	(1.8)	-	(1.8)
Other	2.0	(0.7)	1.3	2.9	(0.7)	2.2
Net cost of post-employment benefits in the consolidated income statement	**(3.5)**	**(1.7)**	**(5.2)**	**(1.2)**	**(1.5)**	**(2.7)**
Actuarial gains (losses) on assets	-	9.3	9.3	-	5.6	5.6
Experience actuarial gains (losses)	2.7	(1.4)	1.3	(0.9)	(0.1)	(1.0)
Actuarial gains (losses) on demographic assumptions	(0.1)	0.3	0.2	(0.2)	(0.2)	(0.4)
Actuarial gains (losses) on financial assumptions	(0.9)	(10.2)	(11.1)	0.8	5.6	6.4
Net cost of post-employment benefits in other comprehensive income	**1.7**	**(2.0)**	**(0.3)**	**(0.3)**	**10.8**	**10.6**
TOTAL	**(1.8)**	**(3.7)**	**(5.5)**	**(1.5)**	**9.3**	**7.9**

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.

An increase of 0.5% in the discount rates would reduce the discounted value of the Group's obligation by about €14.7 million. A drop of 0.5% in the discount rate would increase the discounted value of the Group's obligation by about €16.3 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 €6.1 million.

VI.5.2.4. Multi-employer plans

Pursuant to collective bargaining agreements, certain Group companies participate in multi-employer defined-benefit plans.

The major multi-employer plans are primarily in the United States, Sweden, the Netherlands, 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 €43 million in 2021, including €28 million contributed to the Rail & OV plan in the Netherlands (approximately €36 million in 2020, including €28 million contributed to the Rail & OV plan in the Netherlands).

VI.6. Assets, property, plant and equipment, right-of-use assets and operating financial assets

For contracts with public transit authorities, the rolling stock is supplied:

- by the public transit authority; or
- by Transdev, which in such case either owns or leases the equipment.

In all cases, the equipment must comply with the specifications established by the public transit authorities. For many years, Transdev has been actively involved alongside its public clients in promoting the energy transition in public transportation.

For the rolling stock it owns or leases, Transdev ensures that the useful lives determined and their residual values are appropriate, taking into account the term of the contracts associated with these assets, technological developments and environmental laws in force locally.

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 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, 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 of January 1, 2021	**5.3**	**3.5**	**26.6**	**-**	**26.6**	**11.5**	**33.1**	**25.6**	**70.2**	**105.6**
Investments	12.9	3.0	-	-	-	-	5.6	11.0	16.6	32.5
Disposals	-	-	-	-	-	-	(1.2)	-	(1.2)	(1.2)
Impairment losses and amortization	(6.4)	(0.8)	-	-	-	(0.8)	(16.0)	(12.6)	(29.4)	(36.6)
Change in consolidation scope	-	-	-	-	-	-	-	(0.1)	(0.1)	(0.1)
Currency impact	(0.3)	-	-	-	-	0.5	-	0.2	0.7	0.4
Reclassification as assets held for sale	(0.8)	-	-	-	-	-	-	-	-	(0.8)
Other movements	-	-	-	-	-	-	7.0	(3.4)	3.6	3.6
TOTAL AS OF DECEMBER 31, 2021	**10.7**	**5.7**	**26.6**	**-**	**26.6**	**11.2**	**28.5**	**20.7**	**60.4**	**103.4**
o/w gross amounts	*45.2*	*9.5*	*84.7*	*2.4*	*87.1*	*264.4*	*153.0*	*56.8*	*474.2*	*616.0*
o/w cumulated amortization and impairment	*(34.5)*	*(3.8)*	*(58.1)*	*(2.4)*	*(60.5)*	*(253.2)*	*(124.5)*	*(36.1)*	*(413.8)*	*(512.6)*

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, 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)*
As of January 1, 2021	**720.1**	**70.5**	**97.0**	**69.9**	**148.3**	**1,105.8**
Investments	185.5	11.7	6.3	0.1	70.0	273.6
Disposals	(37.9)	(6.9)	(3.8)	(5.0)	(4.2)	(57.8)
Impairment losses and depreciation	(169.1)	(18.2)	(16.8)	(1.8)	(27.1)	(233.0)
Change in consolidation scope	(4.5)	-	-	(0.5)	(0.8)	(5.8)
Currency impact	10.8	0.5	0.8	0.7	0.9	13.7
Reclassification as assets held for sale	-	(0.1)	-	-	(0.4)	(0.5)
Other movements	20.6	9.5	1.2	0.9	(37.4)	(5.2)
TOTAL AS OF DECEMBER 31, 2021	**725.5**	**67.0**	**84.7**	**64.3**	**149.3**	**1,090.8**
o/w gross amounts	*1,845.0*	*281.0*	*236.9*	*73.1*	*324.1*	*2,760.1*
o/w cumulated depreciation and impairment	*(1,119.5)*	*(214.0)*	*(152.2)*	*(8.8)*	*(174.8)*	*(1,669.3)*

An impairment loss on rolling stock was recognized in fiscal year 2021, primarily due to changes in value related to the energy transition.

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 to the recognition of a liability related to the payment obligation.

Lease 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; the amounts expected to be payable by the lessee under residual value guarantees and the 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 at or 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 of the asset is reviewed at year-end to determine if there is any indication that it 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, 2021, right-of-use assets were concentrated primarily in France (€412 million) and in Germany (€250 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, 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)*
As of January 1, 2021	**768.0**	**265.2**	**15.2**	**1,048.4**
Investments	159.3	59.5	11.7	230.5
Disposals	(8.2)	(11.5)	(1.1)	(20.8)
Impairment losses and depreciation	(189.9)	(66.5)	(7.9)	(264.3)
Currency impact	(2.3)	1.6	0.4	(0.3)
Reclassification as assets held for sale	-	(4.1)	-	(4.1)
Other movements	3.7	(8.6)	(0.1)	(5.0)
TOTAL AS OF DECEMBER 31, 2021	**730.6**	**235.6**	**18.2**	**984.4**
o/w gross amounts	*1,593.9*	*417.2*	*33.9*	*2,045.0*
o/w cumulated depreciation and impairment	*(863.3)*	*(181.6)*	*(15.7)*	*(1,060.6)*

Information relating to lease liability is available in note VI.9.1.

The rents resulting from non-capitalized leases are shown below:

(€ millions)	2020	2021
Expense relating to short-term leases	(27.4)	(25.5)
Expense relating to leases of low-value asset	(3.1)	(3.8)
Expense relating to variable lease payments	(7.9)	(7.4)

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 of 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 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, 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)*
As of January 1, 2021	**296.3**	**88.0**	**384.3**
Additions	47.4	-	47.4
Repayments / disposals	(88.8)	-	(88.8)
Impairment losses	1.5	-	1.5
Currency impact	0.9	0.2	1.1
Other movements [3]	(1.5)	214.5	213.0
TOTAL AS OF DECEMBER 31, 2021	**255.8**	**302.7**	**558.5**
o/w gross amounts	*263.1*	*302.7*	*565.8*
o/w impairment	*(7.3)*	*-*	*(7.3)*
o/w < 1 year	*61.5*	*19.2*	*80.7*
o/w > 1 year and < 5 years	*156.2*	*114.7*	*270.9*
o/w > 5 years	*38.1*	*168.8*	*206.9*

(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.

(3) In 2021, this amount is mainly explained by a new unconditional right to receive remuneration in respect of lease payments to be made relating to railway equipment in Germany.

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; it is broken down in note VI.4.1.

As of December 31, 2021, operating financial assets were concentrated primarily in Germany (€226.8 million), in the Netherlands (€151.0 million) and in France (€128.2 million).

VI.7. Goodwill

VI.7.1. Changes during the period and breakdown by cash generating unit

ACCOUNTING PRINCIPLES

Business combinations and goodwill
Business combinations are accounted for using the acquisition method, as defined in IFRS 3. Under this method, identifiable assets acquired, and liabilities assumed of the entity acquired 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.

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".

Cash generating units (CGUs)
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	Australia and New Zealand	Canada	Sweden	United Kingdom & Ireland	Iberia	Netherlands	Central Europe	Goodwill
As of January 1, 2020	**536.0**	**103.0**	**43.6**	**41.4**	**33.1**	**13.6**	**12.2**	**4.9**	**4.1**	**34.6**	**826.5**
Change in consolidation scope	-	-	-	-	-	(0.9)	-	-	-	0.3	(0.6)
Currency impact	-	(8.7)	-	-	(2.2)	1.9	(0.7)	-	-	(1.0)	(10.7)
Impairment losses	-	-	-	-	-	-	-	-	-	-	-
Other movements	0.2	-	-	0.6	(0.4)	11.1	-	0.1	-	(14.2)	(2.6)
TOTAL DECEMBER 31, 2020	**536.2**	**94.3**	**43.6**	**42.0**	**30.5**	**25.7**	**11.5**	**5.0**	**4.1**	**19.7**	**812.6**
o/w gross amounts	*648.2*	*118.3*	*164.1*	*79.4*	*44.6*	*57.9*	*38.8*	*23.6*	*317.8*	*19.7*	*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)*
Currency impact	-	7.9	-	0.8	2.7	(0.4)	0.9	-	-	1.1	13.0
Impairment losses	(170.0)	-	-	-	-	(25.3)	-	-	-	-	(195.3)
Other movements	(6.0)	-	-	-	-	-	0.3	-	-	0.1	(5.6)
TOTAL DECEMBER 31, 2021	**360.2**	**102.2**	**43.6**	**42.8**	**33.2**	**-**	**12.7**	**5.0**	**4.1**	**20.9**	**624.7**
o/w gross amounts	*642.2*	*128.2*	*164.1*	*80.9*	*48.5*	*56.5*	*41.9*	*23.6*	*317.8*	*20.9*	*1,524.6*
o/w cumulated impairment	*(282.0)*	*(26.0)*	*(120.5)*	*(38.1)*	*(15.3)*	*(56.5)*	*(29.2)*	*(18.6)*	*(313.7)*	-	*(899.9)*

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 subsequently submitted 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 fiscal year 2022 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 (2027). 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.

As in 2020, impairment testing was performed in a highly uncertain context, due to the health crisis and the resulting changes in the behaviour of public transportation users. The cash flows are derived from the long-term plan approved by the Group Strategic Committee on January 14, 2022 (see note VI.1.1.2).

VI.7.2.1 Key assumptions used to measure recoverable amounts

The discount rates and average perpetual growth rates used in 2021 are shown below:

	Determination of the recoverable amount	Discount rates [1]	Perpetual growth rates
France	Value in use	4.7%	1.6%
Germany	Value in use	5.0%	2.1%
Sweden	Value in use	5.4%	1.9%
United States	Value in use	5.5%	2.2%

[1] After taking into account the right-of-use assets.

VI.7.2.2. Impairment recognized in the fiscal year

In fiscal year 2021, the goodwill amounts for the “France” and “Sweden” CGUs were written down by €170 million and €25.3 million, respectively.

VI.7.2.3. 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.

On the test dates, for the “France,” “Sweden” and “Germany” CGUs, these changes would result in the identification of a recoverable amount lower than the carrying amount of the CGUs by €154 million in the event of a 0.5% increase in the discount rate, €129 million in the event of a 0.5% decrease in the perpetual growth rate, and €273 million in the event of a 5% decrease in operating cash flows.

VI.8. Companies consolidated under 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

ACCOUNTING PRINCIPLES

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 result 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.

	Equity value		Share of net income	
(€ millions)	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021
Latin America	10.4	9.5	4.2	2.0
Iberia	7.3	6.8	(0.9)	(0.5)
Germany	6.1	5.4	0.5	(2.4)
France	2.5	4.0	(5.0)	1.4
Other	0.1	0.4	1.5	0.2
INVESTMENTS IN JOINT VENTURES	**26.4**	**26.1**	**0.3**	**0.7**
France	5.4	3.2	2.1	(0.2)
Other	1.7	-	(0.5)	0.1
INVESTMENTS IN ASSOCIATES	**7.1**	**3.2**	**1.6**	**(0.1)**
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**33.5**	**29.3**	**1.9**	**0.6**
o/w share of net income (loss) of equity-accounted entities in continuing operations			*1.9*	*0.6*

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.

VI.8.2. Non-consolidated investments

The Group's non-consolidated investments totalled €17.4 million as of December 31, 2021 (€20.6 million as of December 31, 2020), and consist primarily of:

- investments in non-controlled concession holders that own public transportation infrastructures (Nottingham City TPS, etc.);
- investments in innovative startups (Liftango Pty Ltd, etc.); and
- investments in certain non-controlled part state-owned corporations *(sociétés d'économie mixte)* in France.

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, 2021, the Group's main sources of financing were:

- bonds, issued in the form of unlisted private placements, for a total amount of €625 million (€160 million maturing in August 2025, €125 million maturing in August 2026, €220 million maturing in November 2029 and €120 million maturing in July 2031);
- a credit facility placed with a syndicate of banks for a total amount of €1,100 million, maturing in July 2026. The credit facility had not been drawn down as of December 31, 2021.

  This credit facility 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 $10.5 million and €68.5 million, which will mature between 2023 and 2027;
- lease agreements.

As of December 31, 2021, the Group's net financial debt is broken down as follows:

(€ millions)	December 31, 2020	December 31, 2021
Non-current financial liabilities	657.4	771.1
Current financial liabilities	43.7	33.1
Overdrafts	28.7	13.7
FINANCIAL LIABILITIES (incl. overdrafts)	729.8	817.9
Cash and cash-equivalents	(514.0)	(622.1)
Fair value of interest rate and foreign exchange derivatives related to net financial debt	4.4	2.8
NET FINANCIAL DEBT EXCLUDING LEASE LIABILITIES (1)	**220.2**	**198.6**
Lease liabilities	1,085.6	1,016.6
NET FINANCIAL DEBT (1)	**1,305.8**	**1,215.2**

(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").

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, 2020	**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**
Change in business	18.3	84.3	102.6	15.5	118.1
Change in consolidation scope	(0.5)	-	(0.5)	-	(0.5)
Currency impact	7.8	0.1	7.9	(1.1)	6.8
Reclassification in assets / liabilities held for sale	(1.3)	-	(1.3)	-	(1.3)
Other movements	-	(0.6)	(0.6)	0.6	-
TOTAL AS OF DECEMBER 31, 2021	**500.0**	**122.1**	**622.1**	**(13.7)**	**608.4**

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 2020 and 2021:

(€ millions)	Bonds payable	Syndicated loan	Schuldschein private placement	Other financial liabilities	Total financial liabilities	Total lease liabilities
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	**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*
As of January 1, 2021	**504.6**	**-**	**85.2**	**111.3**	**701.1**	**1,085.6**
Cash flows	**120.0**	**-**	**(9.5)**	**(37.0)**	**73.5**	**(271.8)**
Increases / subscriptions	120.0	-	-	42.7	162.7	-
Repayments	-	-	(9.5)	(79.7)	(89.2)	(271.8)
Non-Cash flows	**-**	**-**	**2.1**	**27.5**	**29.6**	**202.8**
Increases / subscriptions	-	-	-	7.8	7.8	230.0
Change in consolidation scope	-	-	-	(0.8)	(0.8)	(0.1)
Currency impact	-	-	2.1	14.2	16.3	0.4
Reclassification in assets / liabilities held for sale	-	-	-	-	-	(4.2)
Other movements	-	-	-	6.3	6.3	(23.3)
TOTAL AS OF DECEMBER 31, 2021	**624.6**	**-**	**77.8**	**101.8**	**804.2**	**1,016.6**
o/w current part	-	-	-	*33.1*	*33.1*	*239.2*
o/w non-current part	*624.6*	-	*77.8*	*68.7*	*771.1*	*777.4*

Maturity of non-current and current financial and lease liabilities

		As of December 31, 2021, to mature :					
(€ millions)	December 31, 2021	< 1 year	2 years	3 years	4 years	5 years	> 5 years
Bonds payable	624.6	-	-	-	160.0	124.9	339.7
Schuldschein private placement	77.8	-	52.8	-	-	-	25.0
Other current and non-current financial liabilities	101.8	33.1	13.6	15.2	12.4	17.9	9.6
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**804.2**	**33.1**	**66.4**	**15.2**	**172.4**	**142.8**	**374.3**
LEASE LIABILITIES	**1,016.6**	**239.2**	**184.5**	**151.1**	**117.2**	**90.3**	**234.3**

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

		o/w	
(€ millions)	December 31, 2021	Fixed rates	Floating rates
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**804.2**	**792.3**	**11.9**
LEASE LIABILITIES	**1,016.6**	**982.8**	**33.8**

After interest rate hedging, the share of the gross financial debt and of the lease liability at fixed rates amounts to around 98% (interest rate derivatives are broken down in note VI.9.4.1).

VI.9.1.4. Unused credit lines

The Group has a €1,100 million credit facility maturing in July 2026, which had not been drawn down as of December 31, 2021.

VI.9.1.5. Financial covenant

The legal documentation in connection with the €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 in respect of fiscal year 2021.

VI.9.2. Other current and non-current financial assets

ACCOUNTING PRINCIPLES

Measurement and recognition 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 or 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 through profit or loss.

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 are mainly 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, 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)*
As of January 1, 2021	**48.5**	**8.7**	**11.9**	**-**	**69.1**	**32.5**	**30.5**	**63.0**
Additions	21.9	0.2	-	-	22.1	0.2	0.5	0.7
Repayments / disposals	(27.7)	(2.4)	(0.2)	-	(30.3)	(14.9)	(2.5)	(17.4)
Change in consolidation scope	-	-	-	-	-	0.2	-	0.2
Impairment losses	-	0.2	-	-	0.2	(0.1)	-	(0.1)
Currency impact	-	0.2	0.1	-	0.3	-	2.5	2.5
Reclassification as assets held for sale	-	(0.9)	-	-	(0.9)	-	-	-
Other movements	(12.1)	1.2	(1.6)	-	(12.5)	1.6	2.7	4.3
TOTAL AS OF DECEMBER 31, 2021	**30.6**	**7.2**	**10.2**	**-**	**48.0**	**19.5**	**33.7**	**53.2**
o/w gross amounts	*31.0*	*11.0*	*14.4*	-	*56.4*	*21.5*	*33.7*	*55.2*
o/w cumulated impairment	*(0.4)*	*(3.8)*	*(4.2)*	-	*(8.4)*	*(2.0)*	-	*(2.0)*

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 and 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)	2020	2021
Finance costs	(20.9)	(18.0)
Revenues from cash and cash equivalents	0.4	0.7
Net finance costs excluding lease liabilities	**(20.5)**	**(17.3)**
Interest expenses on lease liabilities	(21.5)	(19.4)
NET FINANCE COSTS	**(42.0)**	**(36.7)**
Unwinding of discounted provisions	(6.4)	(4.2)
Others	6.0	(5.1)
OTHER FINANCIAL INCOME AND EXPENSES	**(0.4)**	**(9.3)**

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 recognized 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.2.3.2.

VI.9.4.1. Market risks and derivative instruments

			AS OF DECEMBER 31, 2021 SPLIT BY NATURE		
(€ millions)	December 31, 2020	December 31, 2021	Interest rate risk	Foreign currency risk	Commodities
Current assets					
- Derivatives - Cash flow hedges	-	1.0	-	1.0	-
- Net investment hedges	-	0.1	-	0.1	-
- Non-hedge derivatives	0.1	0.1	-	0.1	-
Non current assets					
- Derivatives - Cash flow hedges	-	-	-	-	-
- Non-hedge derivatives	-	-	-	-	-
Current liabilities					
- Derivatives - Cash flow hedges	0.3	-	-	-	-
- Net investment hedges	0.2	-	-	-	-
- Non-hedge derivatives	3.0	3.2	0.7	2.5,	-
Non current liabilities					
- Derivatives - Cash flow hedges	-	-	-	-	-
- Non-hedge derivatives	1.2	-	-	-	-
TOTAL	**(4.6)**	**(2.0)**	**(0.7)**	**(1.3)**	**-**

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.

Until 2021, the Group used either firm fuel purchase contracts or derivatives whose features (notional amount and maturity) were defined on the basis of projected fuel requirements (based on firm orders or highly probable forecast flows). These derivatives, which consisted in swaps concluded in local currency that set the future price of fuels, were analysed in accordance with IFRS 9 "Financial Instruments", and were classified as hedging instruments (cash flow hedges).

Due to the uncertainties created by the health crisis about business levels (lack of visibility as regards volumes) in Europe and the methodology for compensating for the effects of the crisis, the hedges were not renewed. Thus, as of end-December 2021, Transdev does not hold any 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, 2021		*(€ millions)*	
	Total	< 1 year	Income (loss) of the year	Fair value in the consolidated statement of financial position
Swap EUR/CAD	99.3	99.3	(0.8)	(0.9)
Swap EUR/SEK	200.0	200.0	0.3	(0.1)
Swap EUR/USD	-	-	(0.1)	-
Swap EUR/GBP	37.0	37.0	-	(0.7)
Swap EUR/AUD	65.0	65.0	0.6	(0.2)
Swap EUR/CZK	500.0	500.0	0.3	(0.3)
Swap EUR/NZD	56.5	56.5	0.2	(0.3)
Swap EUR/COP	14,907.8	14,907.8	0.1	0.1
TOTAL			**0.6**	**(2.4)**

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 three currencies against the euro would cause the Group's revenue to fall by approximately €185 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:

(€ millions)

	INSTRUMENTS					INCOME (LOSS) OF THE YEAR				CONSOLIDATED STATEMENT OF FINANCIAL POSITION	
			Nominal as of December 31, 2021								
	Nature	Unit	Total	< 1	> 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	14.1	14.1	-	-	-	0.6	0.6	-	(0.7)
TOTAL			**14.1**	**14.1**	**-**	**-**	**-**	**0.6**	**0.6**	**-**	**(0.7)**

Assuming a constant debt structure (including lease liabilities) and management policy as of December 31, 2021, 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 €0.3 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. 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 public transit authorities

The aged trial balance of assets overdue but not impaired as of December 31, 2021, is shown below:

		December 31, 2021				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	565.8	(7.3)	558.5	558.5	-	-	-
Trade receivables	VI.4.2	991.2	(33.3)	957.9	794.7	140.7	10.4	12.1
Other operating receivables		356.3	(4.4)	351.9	293.9	29.0	5.8	23.2
Non-current financial receivables	VI.9.2	31.0	(0.4)	30.6	30.6	-	-	-
Current financial receivables	VI.9.2	21.5	(2.0)	19.5	19.0	-	0.1	0.4
Other non-current financial assets (excl. financial receivables)	VI.9.2	-	-	-	-	-	-	-
Other current financial assets (excl. financial receivables)	VI.9.2	33.7	-	33.7	33.7	-	-	-
TOTAL		**1,999.5**	**(47.4)**	**1,952.1**	**1,730.4**	**169.7**	**16.3**	**35.7**

Transdev did not identify any factor that would justify materially increasing the credit risk of its main clients in fiscal year 2021.

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).

As of December 31, 2021, 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.

The fair value of loans and receivables is very close to the value in the consolidated statement of financial position.

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, 2021:

	As of December 31, 2021						
	Carrying amount in 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	17.4	-	7.2	-	10.2	Level 3
Current and non-current operating financial assets	VI.6.4	558.5	558.5	-	-	-	
Other non-current financial assets	VI.9.2	30.6	30.6	-	-	-	
Non-current and current derivative instruments - assets	VI.9.4	1.2	-	0.1	1.1	-	Level 2
Trade receivables	VI.4.2	957.9	957.9	-	-	-	
Other current operating receivables	VI.4.2	457.6	457.6	-	-	-	
Other current financial assets	VI.9.2	53.2	19.5	33.7	-	-	Level 1
Cash and cash equivalents	VI.9.1	622.1	-	622.1	-	-	Level 2
TOTAL		**2,698.5**	**2,024.1**	**663.1**	**1.1**	**10.2**	

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, 2021:

	As of December 31, 2021						
	Carrying amount in 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	771.1	771.1	-	-	
- current financial liabilities	VI.9.1	33.1	33.1	-	-	
- overdrafts	VI.9.1	13.7	-	13.7	-	Level 2
Lease liabilities	VI.9.1	1,016.6	1,016.6	-	-	
Non-current and current derivative instruments - liabilities	VI.9.4	3.2	-	3.2	-	Level 2
Non-current and current part of lease payments to be made under concession arrangements		292.6	292.6	-	-	
Trade payables	VI.4.2	559.9	559.9	-	-	
Other operating payables	VI.4.2	1,576.1	1,576.1	-	-	
TOTAL		**4,266.3**	**4,249.4**	**16.9**	**-**	

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, 2021, except for provisions for employee benefit obligations (see note VI.5.2), are shown below:

	As of December 31, 2020	As of December 31, 2021
Euro		
2 to 5 years	0.2%	0.3%
6 to 10 years	0.7%	1.2%
More than 10 years	1.7%	1.9%
U.S dollar		
2 to 5 years	1.8%	2.2%
6 to 10 years	2.5%	3.0%
More than 10 years	3.2%	3.8%

The methodology used to calculate these discount rates is described in note VI.3 entitled "Use of Estimates and Assessments."

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, 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
Change in consolidation scope	-	-	-	-	-
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*
As of January 1, 2021	**199.8**	**171.0**	**38.1**	**187.9**	**596.8**
Additions during the period	69.3	19.4	17.8	81.7	188.2
Used during the period	(64.3)	(25.0)	(6.3)	(49.1)	(144.7)
Reversal	(6.4)	(4.7)	(9.5)	(30.3)	(50.9)
Actuarial gains (or losses)	-	(10.6)	-	-	(10.6)
Unwinding of discount	2.5	1.7	-	-	4.2
Change in consolidation scope	-	-	-	-	-
Currency impact	14.6	0.5	0.2	0.3	15.6
Other movements	-	(0.6)	1.4	1.2	2.0
TOTAL AS OF DECEMBER 31, 2021	**215.5**	**151.7**	**41.7**	**191.7**	**600.6**
o/w non-current part	*132.4*	*151.7*	*20.8*	*130.9*	*435.8*
o/w current part	*83.1*	-	*20.9*	*60.8*	*164.8*

VI.10.2.1. Provisions for self-insurance and claims

Provisions for self-insurance and claims concern essentially operations in the United States (€187.5 million at year-end 2021), for which Transdev has taken out insurance policies with third-party insurers, but which have deductibles of varying amounts that Transdev must pay.

VI.10.2.2. Provisions for employee benefit obligations

As of December 31, 2021, provisions for employee benefit obligations totalled €151.7 million, of which €105.6 million were for pension plans and other post-employment benefits, and €46.1 million were for other long-term benefits. Movements in obligations under pension plans and other post-employment benefits are broken down in note VI.5.2.

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, in particular:

- provisions for contractual maintenance obligations (major overhauls) in connection with the rail business in Germany; and
- provisions for onerous contracts.

VI.11. Equity

VI.11.1. Equity attributable to the owners of the parent company

Stated capital

As of December 31, 2021, 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.

Foreign currency translation

The exchange rates of the major currencies of non-euro countries used in preparing the consolidated financial statements are broken down in note VI.2.3.1.

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 V).

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 2021 is an expense of €26.2 million, and breaks down as follows:

(€ millions)	2020	2021
Australia	(1.3)	(6.7)
Transdev Group tax group (France)	(6.8)	(6.4)
Chile	(0.8)	(2.8)
United States	4.6	(2.0)
Germany	(2.5)	(0.9)
Sweden	(1.3)	(0.8)
Others	(5.8)	(6.6)
INCOME TAX EXPENSE	**(14.0)**	**(26.2)**
Current income tax	*(7.4)*	*(27.3)*
Deferred income tax	*(6.6)*	*1.1*

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)	2020	2021
Net income (loss) from continuing operations (a)	(112.3)	(159.0)
Income (loss) from joint ventures and associates (b)	1.9	0.6
Income tax expense (c)	(14.0)	(26.2)
Pre-tax income (loss) from continuing operations (d)=(a)-(b)-(c)	(100.2)	(133.4)
Theoretical tax rate (e) [1]	**32.02%**	**28.41%**
Theoretical income tax -(d) x (e)	**32.1**	**37.9**
Net goodwill impairment expense	-	(49.1)
Tax rate differences [2]	(4.2)	(5.0)
Gain (loss) on disposals	17.9	-
Non-basis taxes	1.1	(0.6)
Tax visibility [3]	(67.6)	(6.9)
Other factors	6.7	(2.5)
INCOME TAX EXPENSE (effective tax)	**(14.0)**	**(26.2)**

[1] The theoretical tax rate given is the French tax rate (normal rate of 27.5%, to which is added the social contribution of 3.3%, bringing the total rate to 28.41%).
[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 the movements of unrecognized deferred tax assets and the decrease in the amount of usable tax loss carryforwards.

VI.12.2. Deferred tax assets and liabilities

VI.12.2.1. Changes

Changes in deferred tax assets and liabilities in fiscal years 2020 and 2021 are shown below:

(€ millions)	Deferred tax assets	Deferred tax liabilities	Net deferred tax
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)**
As of January 1, 2021	**23.2**	**(34.3)**	**(11.1)**
Change in business activities recognized in net income	(16.4)	17.5	1.1
Change in business activities recognized in equity	1.6	(0.1)	1.5
Change in consolidation scope	-	0.1	0.1
Currency impact	0.1	(1.0)	(0.9)
Other movements	15.6	(15.6)	-
TOTAL AS OF DECEMBER 31, 2021	**24.1**	**(33.4)**	**(9.3)**

Business movements through equity primarily include tax impacts on fair value adjustments and actuarial gains and losses.

As of December 31, 2021, the amount of deferred tax assets not reflected on the statement of financial position totalled €329.6 million, of which €201.3 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, 2020	December 31, 2021
Deferred tax assets recognized in net income	17.1	16.3
Deferred tax assets recognized in equity	6.1	7.8
NET DEFERRED TAX ASSETS	**23.2**	**24.1**
Deferred tax liabilities recognized in net income	(34.6)	(33.7)
Deferred tax liabilities recognized in equity	0.3	0.3
DEFERRED TAX LIABILITIES	**(34.3)**	**(33.4)**
NET DEFERRED TAX	**(11.1)**	**(9.3)**
Including tax losses	2.6	2.4
o/w expiration < 1 year	-	-
o/w expiration > 1 year and < 5 years	*0.2*	*0.2*
o/w expiration > 5 years	*1.2*	*1.1*
o/w unlimited	*1.2*	*1.1*

VI.12.3. Tax audits

In connection with their ordinary business activities, the entities of the Group in France and abroad are subject to 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, 2021	MATURITY < 1 year	between 1 and 5 years	> 5 years
Operating guarantees including performance bonds	855.7	333.2	353.5	169.0
Capital investment and purchase obligations	276.2	210.1	17.7	48.4
Commitments in connection with operating activities	**1,131.9**	**543.3**	**371.2**	**217.4**
Seller's warranties of assets and liabilities	6.3	4.3	2.0	-
Commitments in connection with the Group's scope	**6.3**	**4.3**	**2.0**	**-**
Letters of credit	33.3	33.2	0.1	-
Other financing commitments	16.6	1.0	15.6	-
Commitments in connection with financing	**49.9**	**34.2**	**15.7**	**-**
TOTAL COMMITMENTS MADE	**1,188.1**	**581.8**	**388.9**	**217.4**

COMMITMENTS AND GUARANTEES RECEIVED *(€ millions)*	December 31, 2021	MATURITY < 1 year	between 1 and 5 years	> 5 years
Operating guarantees	57.2	17.3	25.4	14.5
Commitments in connection with operating activities	**57.2**	**17.3**	**25.4**	**14.5**
Seller's warranties of assets and liabilities	22.8	12.7	10.1	-
Commitments in connection with the Group's scope	**22.8**	**12.7**	**10.1**	**-**
Commitments in connection with financing (1)	**-**	**-**	**-**	**-**
TOTAL COMMITMENTS RECEIVED	**80.0**	**30.0**	**35.5**	**14.5**

(1) Excluding unused credit lines (€1.1 billion as of December 31, 2021, see note VI.9.1.4).

Commitments received under unused credit lines are discussed in note VI.9.1.4 and are not shown in the table above.

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, 2021, collateral provided by the Group totalled €109;3 million and is intended to guarantee financial liabilities. The amount of drawdowns under credit facilities outstanding at year-end 2021 totalled €64.5 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)	2020	2021
Short-term benefits excluding employer contributions (1)	5,624.4	3,378.6
Employer contributions (2)	1,930.4	1,230.8
Post-employment benefits (3)	119.2	96.0
TOTAL	**7,674.0**	**4,705.4**

(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.

During the course of 2021, the composition of Transdev's Executive Committee changed due to the elimination of the position of General Secretary and the departure of two members. At year-end 2021, the Executive Committee was composed of eight members. It is chaired by the Group's Chairman and CEO and comprises the CEO France, the CEO USA, the CEO Germany and the CEO International, as well as the Group Chief Strategy and Transformation Officer, the Group Legal Affairs, Finances, Risks and Compliance Officer, and the Group Chief Human Resources Officer.

Directors' fees paid to Transdev Group directors

Transdev Group's general meeting of shareholders held on March 26, 2021, voted to set the total gross annual amount of directors' fees to be paid to the Board of Directors in respect of 2021 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:

	2021	
(€ 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	0.1	-
Current financial receivables	9.3	-
Liabilities		
Operating payables	0.3	0.1
Current financial liabilities	21.1	-
Non-current financial liabilities	67.7	-
Revenue	-	-
Operating expenses	(2.6)	(0.1)
Net finance expenses	(1.1)	-

In addition, in various geographical sectors, the Group has entered into contracts with certain Rethmann subsidiaries for the collection and treatment of waste, as well as for water distribution.

VI.14.2. Statutory auditors' fees

EY and Mazars are the Group's external statutory auditors.

(€ millions)	2021		
	EY network	Mazars network	Other
Certification of accounts	3.1	2.3	0.1
Services other than certification	0.6	0.3	-
o/w Services other than certification required by law	*0.1*	*0.1*	-
o/w other [1]	*0.5*	*0.2*	-
TOTAL	**3.7**	**2.6**	**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, 2021, 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 on February 2, 2017, which was upheld by the General Court of the European Union on July 12, 2019, the European Commission recognized that the aid programs adopted to assist operators of bus transportation services in the Île-de-France Region were compatible with the internal market and, therefore, there were grounds only for the Region to recover the interest for the period of illegality (the period between October 20, 1994, and February 2, 2017). 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. On July 7, 2021, the Ile-de-France Region sent letters to the relevant companies, to which Transdev Group replied on January 21, 2022. 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

On January 11, 2022, Transdev announced the disposal of its entire parking structure business in France. This activity, which is not a cash-generating unit, was classified as a non-current asset held for sale as of December 31, 2021 (see note VI.1.2).

In addition, on February 4, 2022, Transdev was awarded the contract to operate the U4 and U6 bus service units in Santiago de Chile for a term of five years, with a five-year extension option, thereby strengthening its positions (annual revenues of around €100 million).

VI.17. Main companies consolidated in the consolidated financial statements

ACCOUNTING PRINCIPLES

Principles of consolidation

Controlled entities

Transdev fully consolidates all entities over which it exercises control. Control exists when the Group holds power over an entity, 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.

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.

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 operations

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.

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 generated by 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.

Investments in joint ventures and associates

See note VI.8.1.

Transactions impacting the consolidation scope

Business combinations and goodwill

See note VI.7.1.

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 costs to sell, 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 standard's classification criteria 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.

As of December 31, 2021, 569 entities were consolidated by the Group (592 as of December 31, 2020), of which:
- 523 companies were fully consolidated;
- 4 companies were consolidated in proportion to the equity share held;
- 42 companies were consolidated using the equity method, of which 33 were joint ventures.

The main companies of the Group as of December 31, 2021 are listed below:

Entity	Country	Address	Consolidation method [1]	Percentage of control as of December 31, 2021	Percentage of interest as of December 31, 2021
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, CZECH REPUBLIC AND SLOVAKIA					
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
TRANSDEV SLOVAKIA SRO	SLOVAKIA	ZÀPOROZSKÀ 3660/9, BRATISLAVA, MESTSKÀ CAST PETRZALKA 851 01	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					
TRANSDEV 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.

Entity	Country	Address	Consolidation method (1)	Percentage of control as of December 31, 2021	Percentage of interest as of December 31, 2021
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 ALTERNATIVE SERVICES INC	UNITED STATES	201 TOLAND ST, SAN FRANCISCO, CA 94124	FC	100.0	100.0
TRANSDEV QUEBEC INC	CANADA	720, RUE TROTTER, SAINT-JEAN-SUR-RICHELIEU, QUEBEC J3B 6X3	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	CHILE	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.

There was no major disposal or acquisition during the 2021 fiscal year.

The parking structure business in France was classified as a non-current asset held for sale as of December 31, 2021 (see note VI.2).

Statutory auditors' report on the consolidated financial statements

YEAR ENDED DECEMBER 31, 2021

This is a translation into English of the statutory auditors' report on the consolidated 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 French law, such as verification of the information concerning the Group presented in 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 the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2021 to the date of our report.

Justification of Assessments

Due to the global crisis related to the COVID 19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, 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.1.1.2, 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 have also verified that the appropriate disclosure was made in the aforementioned notes to the consolidated financial statements.
- Other intangible assets and financial assets constituted under IFRIC 12 agreements are recognized and measured according to the methods described in Notes VI.6.1 and VI.6.4 to the consolidated financial statements. As part of our assessments, our work consisted in assessing the data

and assumptions on which the judgments and estimates concerning these statements 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 have 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 had consequences on the use of public transportation and your Group's activities, which varied by market and geographical area, which have been assessed, as indicated in Note VI.3 to the consolidated financial statements, on a case-by-case basis depending on the progress of the negotiations 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 disclosed 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 made 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.

Paris-La Défense, March 14, 2022

The Statutory Auditors
French original signed by

MAZARS		ERNST & YOUNG et Autres	
Gilles Magnan	Charles Desvernois	Jean-Christophe Goudard	Alexandre Chrétien

Statutory financial statement Transdev Group S.A.

As of December 31, 2021

Contents

I. Statement of financial position

ASSETS *(€ thousands)*	Fiscal Year 2020	Fiscal Year 2021			
	Net	Gross	Depreciation, Amortization	Net	Notes
FIXED ASSETS					
Start-up costs	-	-	-	**-**	
Concessions, patents and similar rights	13,200	13,200	-	**13,200**	
Goodwill	-	283	283	**-**	
Other intangible assets	5,088	28,869	26,706	**2,163**	
Intangible asset advances and down payments	-	-	-	**-**	
TOTAL INTANGIBLE ASSETS	**18,288**	**42,352**	**26,989**	**15,363**	III.7.1.&.7.2
Land	-	-	-	**-**	
Buildings	-	-	-	**-**	
Transportation equipment	-	-	-	**-**	
Machinery and equipment	-	-	-	**-**	
Other	3,054	6,750	3,837	**2,913**	
Property, plant and equipment in progress and down payments	1	73	-	**73**	
TOTAL PROPERTY, PLANT AND EQUIPMENT	**3,055**	**6,823**	**3,837**	**2,986**	III.7.1.&.7.2
Equity investments	1,265,092	2,868,526	1,700,437	**1,168,089**	
Loans related to investments	734,732	820,112	27,943	**792,169**	
Other long-term securities	-	-	-	**-**	
Other loans	-	-	-	**-**	
Other	3,391	3,375	-	**3,375**	
TOTAL INVESTMENTS	**2,003,214**	**3,692,014**	**1,728,380**	**1,963,634**	III.7.1.&.7.2
TOTAL FIXED ASSETS (I)	**2,024,557**	**3,741,189**	**1,759,207**	**1,981,982**	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	7	17	-	**17**	
Operating receivables					
Trade receivables	45,221	20,753	59	**20,693**	III.7.3.&.7.4
Other	12,206	10,194	-	**10,194**	III.7.3.&.7.4
Marketable securities	30,034	153,263	2,155	**151,108**	
Cash and cash equivalents	185,803	125,612	-	**125,612**	
Prepaid expenses	474	605	-	**605**	
TOTAL CURRENT ASSETS (II)	**273,745**	**310,444**	**2,214**	**308,230**	
EXPENSES TO BE APPORTIONED OVER MORE THAN ONE PERIOD (III)	**-**	**-**	**-**	**-**	
BOND REDEMPTION PREMIUMS (IV)	**585**	**519**	**-**	**519**	
UNREALIZED EXCHANGE LOSSES (V)	**1,436**	**524**	**-**	**524**	III.7.5.
GRAND TOTAL (I+II+III+IV+V)	**2,300,323**	**4,052,677**	**1,761,421**	**2,291,256**	

I. Statement of financial position

LIABILITIES *(€ thousands)*	Fiscal year 2020	Fiscal year 2021	Notes
Capital	**1,206,036**	**1,206,036**	
Issue, contribution premiums	**-**	**-**	
Revaluation of assets	**-**	**-**	
Reserves			
Legal reserve	24,303	24,303	
Other reserves	-	-	
Regulated reserves	-	-	
Retained earnings	**220,748**	**(73,392)**	
Income (loss) for the period	(294,140)	(69,938)	
Investment grants	**-**	**-**	
Regulated provisions	**-**	**-**	
Conditional advances	**-**	**-**	
TOTAL EQUITY (I)	**1,156,947**	**1,087,008**	III.7.6
Provisions for liabilities	18,345	17,437	
Provisions for expenses	4,740	5,359	
TOTAL PROVISIONS (II)	**23,085**	**22,796**	III.7.7
Other bonds	507,837	628,389	III.7.8
Borrowings from financial institutions [1]	85,847	78,489	III.7.8
Various debts	388,469	391,788	III.7.8
Advances and down payments on orders in progress	-	-	III.7.8
Trade payables	25,757	22,673	III.7.8
Tax payables and employee commitments	23,745	17,899	III.7.8
Liabilities to fixed asset suppliers	1,146	579	III.7.8
Other liabilities	81,652	38,472	III.7.8
Prepaid income	-	-	III.7.8
TOTAL LIABILITIES (III) [2]	**1,114,452**	**1,178,288**	
UNREALIZED EXCHANGE GAINS (IV)	**5,839**	**3,163**	III.7.5
GRAND TOTAL (I+II+III+IV)(I+II+III+IV)	**2,300,323**	**2,291,256**	
[1] Of which bank overdrafts and credit balances on bank accounts:	50	138	
[2] Prepaid expenses and income maturing within one year:	483,212	468,053	

II. Income statement

(€ thousands)	Fiscal year 2020	Fiscal year 2021	Notes
Sales of goods	-	-	
Production sold (goods)	-	-	
Production sold (services)	67,898	59,794	III.8.3
NET SALES	**67,898**	**59,794**	
Inventories of finished goods	-	-	
Operating grants	-	-	
Reversals of provisions, depreciation (and amortization), expense transfers	770	1,365	
Other revenue	12,522	12,101	
TOTAL REVENUE FROM OPERATIONS (I)	**81,190**	**73,260**	
Supply purchases	-	-	
Changes in inventories	-	-	
Other purchases and external expenses	31,696	27,277	
Taxes	3,944	3,219	
Wages and salaries	28,355	23,927	
Social security contributions	13,303	11,106	
Depreciation and amortization:			
- fixed assets: amortization	*2,626*	*2,682*	
- fixed assets: depreciation	*-*	*1,133*	
- current assets: depreciation	*44*	*15*	
- liabilities and expenses: depreciation	*5,096*	*799*	
Other expenses	1,997	2,319	
TOTAL OPERATING EXPENSES (II)	**87,061**	**72,477**	
OPERATING INCOME (I-II)	**(5,871)**	**783**	
PROFIT ATTRIBUTED OR LOSS TRANSFERRED (III)	**2**	**10**	
LOSS INCURRED OR PROFIT TRANSFERRED (IV)	**184**	**-**	
Income from equity investments	28,875	17,108	
Income from other marketable securities and non-current asset receivables	-	-	
Other interest and similar income	3,761	3,932	
Reversals of provisions, depreciation (and amortization), expense transfers	4,998	93,145	
Foreign exchange gains	30,625	19,154	
Net revenue from disposals of transferable securities	-	-	
TOTAL FINANCIAL INCOME (V)	**68,259**	**133,339**	
Depreciation, amortization and provisions	331,570	193,111	
Interest and similar expenses	13,898	13,610	
Foreign exchange losses	33,096	18,926	
Net expenses on disposals of transferable securities	-	-	
TOTAL FINANCIAL EXPENSES (VI)	**378,564**	**225,646**	
FINANCIAL INCOME (LOSS) (V-VI)	**(310,306)**	**(92,308)**	III.8.4
CURRENT INCOME (LOSS) BEFORE INCOME TAX (I-II+III-IV+V-VI)	**(316,359)**	**(91,515)**	
From operations	15	1	
From asset disposals	20	-	
Reversals of provisions, depreciation (and amortization), expense transfers	-	-	
TOTAL EXTRAORDINARY INCOME (VII)	**35**	**1**	
From operations	-	-	
From asset disposals	19	-	
Depreciation, amortization and provisions	-	-	
TOTAL EXTRAORDINARY EXPENSES (VIII)	**19**	**-**	
EXTRAORDINARY INCOME (LOSS) (VII-VIII)	**16**	**1**	III.8.5
EMPLOYEE PROFIT-SHARING (IX)	**-**	**-**	
INCOME TAX (X)	**(22,203)**	**(21,575)**	III.8.6
TOTAL REVENUE (I+III+V+VII)	**149,485**	**206,610**	
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**443,625**	**276,548**	
NET INCOME (LOSS)	**(294,140)**	**(69,938)**	

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 at 3 allée de Grenelle, 92 130 Issy-les-Moulineaux, France.

III.1. Noteworthy actions and significant events during the period

III.1.1. Shareholder structure

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

III.1.2. Impact of the COVID-19 health crisis

Since early 2020, the spread of the COVID-19 virus and the measures adopted by the public authorities in an effort to contain it (lockdowns, telework incentives, etc.) have impacted the use of public transportation.

In the face of this health 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 authorities.

III.1.3. Restructuring

At the head office, the departure plan set up in late 2020, under the forward-looking jobs and skills management mechanism (GPEC), continues and will remain open until the end of 2023.

III.1.4. Equity investments

In 2021, Transdev Group SA:
– subscribed for the capital increase of:
  • its subsidiary Transdev Group Innovation for an amount of €13 million;
– created a holding company in Asia and a representative office in Singapore.

III.1.5. Financing

On May 6, the maturity of our €1,100 million confirmed credit line was extended to July 3, 2026.

On July 26, 2021, Transdev Group carried out a new bond issue, in the form of an unlisted private placement, for a total amount of €120 million, maturing on July 28, 2031.

III.1.6. 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. 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 the application of tax consolidation.

For 2021, the tax consolidation option led to the recognition of a consolidated tax bonus of €27 million on the parent company's financial statements and a Group tax liability of €5.7 million.

III.2. General rules and principles applied

The financial statements for fiscal year 2021 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, 2021.

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 off.

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 the "unrealized foreign exchange gains or losses" item 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 for any unrealized foreign exchange losses is recognized for the net amount of the overall loss, 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 2021, a rate of 0.60% was used for discounting.

As of December 31, 2021, 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, 2021, 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 2021.

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 statement position

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	**42,325**	**753**	**-**	**(727)**	**-**	**42,352**
Intangible assets advances and down payments	**-**	**-**	**-**	**-**	**-**	**-**
Property, plant and equipment	**6,138**	**611**	**-**	**-**	**-**	**6,750**
Property, plant and equipment in progress	**1**	**73**	**-**	**(1)**	**-**	**73**
Investments, of which	**3,633,911**	**270,595**	**(209,176)**	**(3,316)**	**-**	**3,692,014**
Equity investments	2,858,392	13,450	-	(3,316)	-	2,868,526
Loans related to investments	772,128	257,105	(209,120)	-	-	820,112
Other long-term securities	-	-	-	-	-	-
Other loans	-	-	-	-	-	-
Other investments	3,391	40	(55)	-	-	3,375
TOTAL FIXED ASSETS	**3,682,375**	**272,033**	**(209,176)**	**(4,044)**	**-**	**3,741,189**

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
Maas Finland OY	-	-	-	(3,255)	(3,255)
Transdev Group Innovation	-	13,440	-	-	13,440
TD Ventures (Tup)	-	-	-	(61)	(61)
Other	10	-	-	-	10
TOTAL	**10**	**13,440**	**-**	**(3,316)**	**10,134**

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	Depreciation and amortization at the end of the period
Depreciation and amortization of intangible assets	24,037	3,062	(110)	-	26,989
Depreciation and amortization of property, plant and equipment	3,085	752	-	-	3,837
TDG Singapore	-	-	-	-	-
TDG Siege	1,630,696	190,890	(93,145)	(61)	1,728,380
Impairment of investments	1,630,696	190,890	(93,145)	(61)	1,728,380
TOTAL DEPRECIATION/AMORTIZATION AND IMPAIRMENT OF FIXED ASSETS	**1,657,818**	**194,705**	**(93,255)**	**(61)**	**1,759,207**
of which provisions and reversals					
operating	-	3,815	(110)	-	-
financial	-	190,890	(93,145)	-	-
extraordinary	-	-	-	-	-

Impairment of financial assets and related receivables:

(€ thousands)	Position at the start of the period	Provisions during the period	Reversals or reductions during the period	Reclassifications Other flows	Depreciation and amortization at the end of the period
Transdev Ile-de-France SA	563,084	46,958	-	-	610,042
Transdev SA	394,853	-	-	-	394,853
Transdev North America INC.	360,192	-	(83,692)	-	276,500
TD GmbH	105,438	33,197	-	-	138,635
TD PARTICIPACOES SGPS SA	58,625	-	-	-	58,625
TD Australasia	-	46,844	-	-	46,844
TD Northen Europe	-	47,594	-	-	47,594
Other	148,504	16,297	(9,453)	(61)	155,287
TOTAL	**1,630,696**	**190,890**	**(93,145)**	**(61)**	**1,728,380**

III.7.3. Statement of receivable maturity dates

(€ thousands)	Fiscal year 2021 Gross	Maturing in less than one year	Of which affiliates or controlled entities	Fscal year 2020 Gross
Fixed assets				
Receivables from controlled entities	820,112	109,501	820,112	772,128
Other investments	3,375	-	-	3,391
Current assets				
Trade receivables	20,753	20,753	17,259	45,265
Other receivables	10,194	10,194	6,941	12,206
Prepaid expenses	605	605	-	474
TOTAL	**855,040**	**141,053**	**844,312**	**833,464**

III.7.4. Statement of current assets: changes in impairment

(€ thousands)	Position at the start of the period	Provisions during the period	Reversals or reductions during the period	Reclassifications Other flows	Impairment at the end of the period
Inventories and work in progress	-	-	-	-	-
Trade and other receivables	44	15	-	-	59
Other accounts receivable	-	-	-	-	-
Marketable securities	-	2,155	-	-	2,155
TOTAL IMPAIRMENT OF CURRENT ASSETS	**44**	**2,170**	**-**	**-**	**2,214**
of which provisions and reversals:					
operating	-	15	-	-	-
financial	-	2,155	-	-	-
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	519	2,283
Trade receivables	6	97
Transferable securities	-	-
Loans and other debts	-	783
TOTAL	**524**	**3,163**

and breaks down as follows by currency:

(€ thousands)	Unrealized currency translation losses	Unrealized currency translation gains
Canadian dollar CAD	-	791
Pound sterling GBP	-	703
New Zealand dollar NZD	-	286
Australian dollar AUD	1	247
Colombian Peso COP	3	-
Czech crown CZK	-	297
Swedish krona SEK	-	55
US dollar USD	521	783
TOTAL	**524**	**3,163**

III.7.6. Statement of changes in equity

(€ thousands)	Position at the start of the period	Appropriation of net income 2020	Capital increase/ reduction	Other own funds	Net income (loss) 2021	Position at the end of the period
Capital subscribed, called and paid in	1,206,036	-	-	-	-	1,206,036
Contribution premium	-	-	-	-	-	-
Legal reserve	24,303	-	-	-	-	24,303
Other Reserves	-	-	-	-	-	-
Retained earnings	220,748	(294,140)	-	-	-	(73,392)
Income (loss) for the period	(294,140)	294,140	-	-	(69,938)	(69,938)
Conditional advances	-	-	-	-	-	-
TOTAL EQUITY	**1,156,947**	**-**	**-**	**-**	**(69,938)**	**1,087,008**

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 March 26, 2021 approving the financial statements for 2020, the accounting loss for the fiscal year was allocated to retained earnings .

III.7.7. Provisions for liabilities and expenses

The movements during the period are shown below:

(€ thousands)	Amount at the start of the period	Provisions 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]	18,345		(908)	-	-	17,437
Provision for pensions and length of service benefits	4,690	144	(180)	-	-	4,654
For employee contingencies	50	655	-	-	-	705
TOTAL	**23,085**	**799**	**(1,088)**	**-**	**-**	**22,796**
of which provisions and reversals:						
operating	-	799	(1,088)	-	-	-
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	7,981	-	(908)	-	7,073
TOTAL PROVISIONS FOR IMPAIRMENT	**18,345**	**-**	**(908)**	**-**	**17,437**

III.7.8. Statement of debt maturity dates

(€ thousands)	Fiscal year 2021	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 2020
Other bonds	628,389	3,259	285,129	340,000	-	507,837
Borrowings from financial institutions	78,489	718	52,771	25,000	-	85,847
Various debts	391,788	389,007	2,781	-	389,007	388,469
Advances and down payments on orders in progress	-	-	-	-	-	-
Trade payables	22,673	22,673	-	-	8,589	25,757
Tax payables and employee commitments	17,899	17,899	-		-	23,745
Liabilities to fixed asset suppliers	579	579	-	-	136	1,146
Other liabilities	38,472	33,917	4,554	-	37,160	81,652
Prepaid income	-	-	-	-	-	-
TOTAL	**1,178,288**	**468,053**	**345,235**	**365,000**	**434,891**	**1,114,452**

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	224,793	204,513	20,280	85,189	75,444	64,160
Guarantees on operating leases	269,157	267,863	1,294	14,770	247,594	6,792
Other operational guarantees	317,618	294,578	23,040	267,472	6,000	44,146
TOTAL OPERATIONAL GUARANTEES	**811,568**	**766,954**	**44,614**	**367,431**	**329,039**	**115,099**
Guarantees related to financial transactions	-	-	-	-	-	-
Commitments made	-	-	-	-	-	-
Financial guarantees	58,573	44,292	14,281	252	41,770	16,551
TOTAL OTHER GUARANTEES AND COMMITMENTS MADE	**58,573**	**44,292**	**14,281**	**252**	**41,770**	**16,551**
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 2020 and year-end 2021.

(€ thousands)	Fiscal year 2021 Total	Fiscal year 2020 Total
Original value of assets	n.a.	n.a.
Amortization during the period	n.a.	n.a.
Total amortization	n.a.	n.a.
Lease payments during the period	n.a.	n.a.
Lease payments still outstanding	n.a.	n.a.

III.8. Additional information concerning the income statement

III.8.1. Compensation of corporate officers

(€ thousands)	Fiscal Year 2021 Amount	Fiscal Year 2020 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	219	15
Supervisors and technicians	37	-
White-collar employees	3	-
TOTAL	**260**	**15**

III.8.3. Breakdown of net sales

(€ thousands)	Fiscal Year 2021 Amount	Fiscal Year 2020 Amount
A) Distribution by business sector		
Provision of services	59,794	67,898
TOTAL	**59,794**	**67,898**
B) Distribution by geographical area		
Provision of services France	28,806	32,552
Provision of services EU and non-EU	30,988	35,346
TOTAL	**59,794**	**67,898**

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 2021 Amount	Of which affiliates or controlled entities
Financial revenue		
Revenue from controlled entities	-	-
Revenue from receivables of controlled entities	17,108	17,108
Other financial income	3,932	3,922
Reversals of financial provisions and expense transfers	93,145	93,145
Currency translation gains	19,154	-
TOTAL FINANCIAL REVENUE	**133,339**	**114,175**
Financial Expenses		
Financial amortization and provisions	(193,111)	(190,890)
Interest and similar expenses	(13,610)	-
Other financial expenses	-	-
Currency translation losses	(18,926)	-
Expenses on the disposal of transferable securities	-	-
TOTAL FINANCIAL EXPENSES	**(225,646)**	**(190,890)**
FINANCIAL INCOME (LOSS)	**(92,308)**	**(76,715)**

III.8.5. Analysis of extraordinary expenses and revenue

TYPE OF TRANSACTIONS *(€ thousands)*	Extraordinary expenses	Extraordinary revenue
Extraordinary expenses and revenue from management operations	-	1
Disposals of long-term investments	-	-
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	**-**	**1**

III.8.6. Corporate income tax breakdown

(€ thousands)	Current income (loss)	Extraordinary income (loss)	Total
1. Pre-tax income	(91,515)	1	(91,514)
2. Temporary differences	(2,064)	-	(2,064)
3. Permanent differences	99,154	-	99,154
4. Tax bases	5,576	1	5,577
5. Tax loss carryforwards and deferred depreciation	-	-	-
6. Taxable income after deduction of losses	5,576	1	5,577
7. Corporate income tax	21,575	-	21,575
8. Long-term capital gains tax (reduced rate)	-	-	-
9. After-tax income	(69,940)	1	(69,938)

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 2021, as a result of tax consolidation, Transdev Group SA recognized a tax saving of €27,014k in its individual financial statements and recorded tax in the amount of €5,709k.

III.8.7. Deferred taxation

As of December 31, 2021, Transdev Group SA held:

- Tax losses that can be carried forward indefinitely in the amount of (cerfa 2058-B Bis)............€95,126k
- Total tax losses for the consolidated group of €285,531k

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 21, 2022.

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)	% 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 2021	Net income (loss) 2021	Dividends received 2021
1. SUBSIDIARIES												
Transdev Ile-de-France SA 3, Allée de Grenelle 92442 Issy-Les-Moulineaux	20,000,000	10EUR	200,000	141,912	100%	890,999	280,957	497	-	171,493	1,384	-
Transdev SA 3, Allée de Grenelle 92442 Issy-Les-Moulineaux	1,241,266	140EUR	173,777	(108,182)	100%	691,000	296,147	240,009	76	137,205	49,111	-
Transdev Plc 401 King Street London United Kingdom	40,500,000	1GBP	48,198	(62,460)	100%	61,902	-	45,181	-	1,658	(338)	-
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	31,858	-	174	(2,132)	-
Transdev BNG Connexxion Holding BV (TBCH) Koninginnegracht 2 The Hague Netherlands	36,818	1EUR	37	(44,039)	100%	52,700	26,403	169,133	-	-	(1,799)	-
TDG Innovation 3 Allée de Grenelle 92442 Issy-Les-Moulineaux	8,400	1,600EUR	13,440	(10,497)	100%	38,217	-	14	1 411	29	(11,133)	-
Transdev Ceska Republica S.R.O. Klimentska 1207/10 Nové Mestro 110 00 Praha 1	50,000	10CZK	20	49,565	100%	50,167	50,167	20,245	-	1,325	63	-
Transdev Canada 1100 Bd Rene-Levesque, Bureau 1305, Montreal, Quebec H3B4N4	40,000,100	100CAD	53,151	1,872	100%	48,038	48,038	69,034	927	14,332	1,169	-
Transdev North America Inc 720 E Butterfield Road Suite 300 Lombard 60148 IL USA	1,000	1USD	-	349,042	100%	478,591	202,091	9,281	254 569	17,721	(9,500)	-
Transdev Northern Europe Box 14091, 16714 Broma Sweden	7,000,000	7.14 SEK	4,878	16,294	100%	65,500	17,280	24,428	-	-	-	-
Transdev GmbH Georgenstr. 22, 10117 Berlin Germany	25,600	1EUR	26	154,184	100%	166,500	27,865	91,941	-	68,162	(64,530)	-
Transdev Australasia Level 8, 469 Latrobe Street Melbourne Victoria Australia	67,100,000	0.70 AUD	30,163	48,519	100%	196,200	149,356	57,818	-	22,685	(9,639)	-
2. EQUITY STAKES												
Not 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			2021	2021	2021
1. Subsidiaries in which an equity stake of more than 50% is held							
1.1. French subsidiaries	1,357	1,357	292	113	-	-	-
1.2. Foreign subsidiaries	18,683	18,681	41,914	47,353	-	-	-
2. Equity interests (of between 10 and 50%)							
2.1. French subsidiaries	662	362	101	-	-	-	-
2.2. Foreign subsidiaries	-	-	-	-	-	-	-

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			2021	2021	2021
1. Subsidiaries							
1.1. French subsidiaries	1,583,356	578,461	240,799	189	-	-	-
1.2. Foreign subsidiaries	1,284,498	589,256	560,846	304,260	-	-	-
2. Equity interests							
2.1. French subsidiaries	662	362	101	-	-	-	-
2.2. Foreign subsidiaries	-	-	-	-	-	-	-
GRAND TOTAL	**2,868,516**	**1,168,079**	**801,745**	**304,448**	**-**	**-**	**-**

Statutory auditors' report on the financial statements

YEAR ENDED DECEMBER 31, 2021

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 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 financial statements of Transdev Group for the year ended December 31, 2021.

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, 2021 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 the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2021 to the date of our report,

Justification of Assessments

Due to the global crisis related to the COVID 19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, 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.4.3 to the financial statements. As part of our assessments, our work consisted in examining the terms and conditions of implementation of these methods, 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)*.

Information relating to Corporate Governance
We attest that the section of the management report on Corporate Governance sets out the information required by Article 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 made 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.

Paris-La Défense, March 14, 2022

The Statutory Auditors
French original signed by

MAZARS		ERNST & YOUNG et Autres	
Gilles Magnan	Charles Desvernois	Jean-Christophe Goudard	Alexandre Chrétien

transdev
the mobility company
3 allée de Grenelle CS20098
92442 Issy-les-Moulineaux Cedex
www.transdev.com