GROUPE KEOLIS

2023

FINANCIAL REPORT

KEOLIS

Contents

GROUPE KEOLIS S.A.S.
Simplified joint stock company (*société par actions simplifiées*)
with share capital of €237,888,901.80
Registered office: 34, avenue Léonard-de-Vinci, 92400 Courbevoie
494 321 276 RCS NANTERRE

Ordinary Annual General Meeting of 16 April 2024

GROUPE KEOLIS S.A.S.
2023 FINANCIAL REPORT

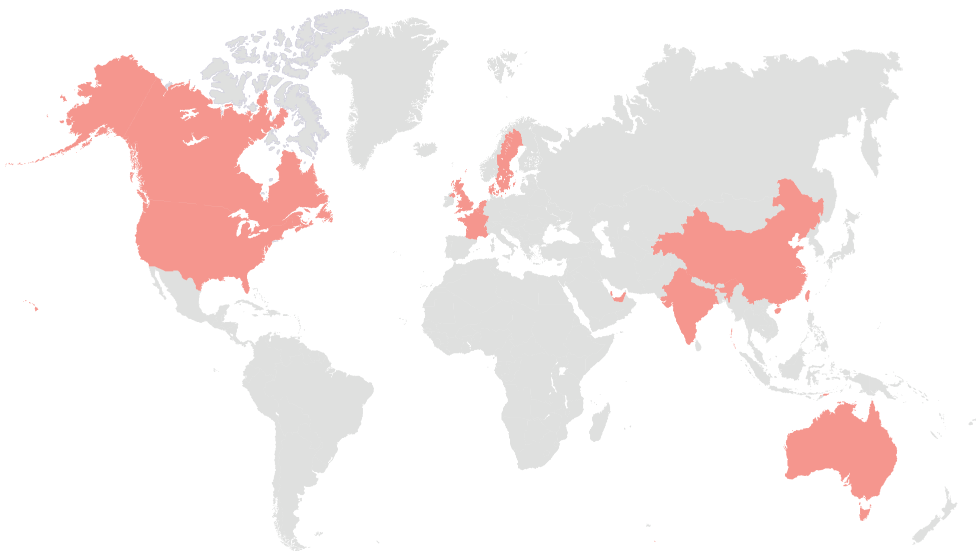
300
PTA partners

13
countries

68,100
employees

KEOLIS, A WORLD LEADER IN SHARED MOBILITY

With operations in 13 countries, Keolis is a global leader in the shared mobility market, facilitating the journeys of millions of people every day. As a committed partner to public transport authorities, we work with them to co-construct tailor-made, efficient and sustainable transport solutions that help improve quality of life for passengers and create more attractive places to live and work.



68,100

EMPLOYEES IN 13 COUNTRIES

300

public transport authority partners

13

modes of transport operated on an intermodal basis

23,000

buses and coaches worldwide

5,600

vehicles running on alternatives to diesel and petrol

~ 40,000

rental bicycles in France

5

regional train networks in 5 countries

WORLD LEADER

in automated metros and trams

THE LEADER IN FRANCE

in urban transport

in train station car parks with EFFIA

"ASSERTING OUR POSITION AS A PIVOTAL MULTIMODAL PLAYER TO ACCELERATE THE TRANSITION TOWARDS LOW-CARBON TRANSPORT."

› **Marie-Ange Debon, Keolis Group Chairwoman and Chief Executive Officer**

With a slew of major contract wins and renewals, crucial contributions to high-profile events and significant headway made on the road to low-carbon transport, 2023 was another successful year for Keolis around the world. Chief Executive Officer Marie-Ange Debon looks back at some of the highlights.

What's your view of how Keolis fared in 2023?

› **Marie-Ange Debon:**

2023 was a highly successful year for us. Despite ongoing geopolitical instability and rising energy costs, we managed to maintain our financial equilibrium. We recorded a number of major business achievements, which fortify our position as a pivotal multimodal player. In France, several partners awarded us new contracts, among them Auxerre and Bourg-en-Bresse. In the Greater Paris region, we were selected to operate the new automated metro lines 16 and 17 as well as the T4 and T11 tram-train lines – all strategic contract wins. Keolis now operates the services used for one in every three trips in the outer Paris suburbs. Worldwide, we continued to develop our footprint, winning bus contracts in California, Texas and Arizona, as well as in Sweden, and a train contract in the Netherlands. Keolis demonstrated its capabilities and experience in delivering transport services during major sporting events, earning recognition for its outstanding performance during the 2023 Rugby World Cup, when it handled some 800,000 trips for 15 matches. I would like to thank our teams for their remarkable dedication and professionalism throughout the event. And we intend to deliver top-notch transport services for both athletes and people with reduced mobility in Paris in 2024.

Keolis aims to become the global leader in low-carbon transport. What developments did 2023 bring?

› **Marie-Ange Debon:**

Decarbonising transport is a strategic objective for the Group. Our goal is to achieve net zero no later than 2050 – in line with French and European targets. While it only accounts for less than 3% of total transport sector CO_2 emissions, public transport will nonetheless play a vital role in this transformation. Consequently, we have stepped up our efforts by implementing action plans in all our subsidiaries. We are continuously investing in innovation to offer more sustainable powertrain systems. This includes electric solutions or retrofitted systems. We work in synergy with our partners and hold conversations with public transport authorities and suppliers to find the right solutions to the specific needs of each community. In California, for example, we operate the largest hydrogen fuel-powered bus fleet in the United States for Foothill Transit.

Modal shift is a crucial lever to decarbonise transport. How is Keolis supporting this transition?

› **Marie-Ange Debon:**

Today, private cars still remain the preferred mode of transport. In a 2023 survey* conducted in France, 75% of respondents said they rely on their cars for daily travel, especially for commuting to work. So the challenge ahead is crystal clear: we have to convince more people to use public transport. To do this, I believe we need a "supply shock" in the form of more and better transport services. This hinges on operational excellence and enhanced network quality and performance – and Keolis delivered on all these commitments last year. Our Unik initiative to make our networks more accessible is a good illustration, along with our Impact Safety programme, which focuses on developing ever safer services for both passengers and staff. In addition, to build awareness of both the need to make the modal shift a reality and the impact of people's transport choices, we extended the conversation to the public through a series of conferences called Tribunals for the Mobility of Future Generations.

What are the Group's aims for 2024?

› **Marie-Ange Debon:**

Given the climate emergency, we must support our modal shift strategy with proactive measures to deliver the energy transition. With our ReKrute programme launched in 2022 we are pursuing our efforts to attract and retain the talent we need with better visibility on shifts and a focus on improving work-life balance. Our sector continues to face a shortage of drivers, so we are doing everything we can to improve the appeal of these jobs by offering training and rewarding career pathways.

The power of teamwork and unrivalled expertise in mobility are our key strengths. With them, we are ready to tackle the challenges ahead, and we are looking forward to another successful year in 2024.

*Source: *Les trajets domicile-travail des Français* – IFOP – November 2023.

KEOLIS WAY: FROM VISION TO ACTION

A visual symbol of the Group's corporate project, the Keolis Way wheel presents the pillars, levers and key focuses that allow Keolis to combine operational performance with constant reappraisal to continuously improve its service to stakeholders.

PEOPLE

GEEIS-Diversity certification

Awarded by Bureau Veritas, this accreditation certifies Keolis' commitment and the efforts carried out across the organisation to promote gender equality and diversity. Keolis is the first public transport operator to receive the certification.

Leadership model

A new leadership model was deployed and fine-tuned in 2023 to support managers in their role as leaders. The programme notably aims to enhance managers' ability to fulfil their roles and enable all employees to achieve their full potential, in a collaborative work environment.

PTA PARTNERS

Impulse

By providing a concise and dynamic dashboard for visualising a network's performance, Keolis' Impulse solution helps cities optimise their transport networks.

Patterns

Developed by Keolis subsidiary Hove, the Patterns tools uses anonymised GPS data and accuracy-enhancement algorithms to analyse and understand movements in a given region.

PASSENGERS

Unik

For Keolis, accessibility is a strategic priority. With the Unik programme, Keolis is reiterating and coordinating its commitment to inclusive mobility to ensure that all passengers enjoy a positive experience.

Keoscopie observatory

Founded over 15 years ago, the observatory conducts sociological studies on people's habits and expectations with regard to transport to facilitate the development of effective mobility policies.

PLANET

Bus Energies Centre of Excellence

Drawing on a network of correspondents and the creation of local units, the Centre brings together all the Group's expertise in alternative energy buses to support PTAs and Keolis subsidiaries in their energy transition projects.

ISO 14001 certification

Focused on environmental management, this international standard reflects Keolis' commitment to managing its environmental impact. In 2023, 60% of the Group's revenue was covered by ISO 14001 certification.

TRAILBLAZING INITIATIVES TO DRIVE CONTINUOUS IMPROVEMENT

SAFETY & SECURITY

Impact Safety

Developed jointly with the business units, the Impact Safety initiative highlights the importance and urgency of accident prevention. In addition to establishing a common language, it facilitates the identification of potential safety issues and promotes the adoption of best practices.

Safety on public transport

Keolis implements a wide range of initiatives to make public transport safer for women. On certain bus routes, passengers can alight between stops on evenings so that they are a shorter walk from their final destination. Exploratory walks are organised to identify safety issues and potential areas of improvement. And emergency help points are being deployed, along with victim support schemes like “Ask for Angela”, making it easier for people who feel unsafe to ask for help.

OPERATIONAL EXCELLENCE

The KIHM programme

Keolis has developed several programmes to help meet its demanding standards in terms of safety, performance, environment protection and employee wellbeing. An acronym for “Keolis Industrialises and Harmonises Maintenance”, the KIHM programme has been implemented at various subsidiaries to improve network maintenance. Developed jointly with operating teams, it notably reduces breakdowns thanks to preventive maintenance measures.

The KIHO programme

Alongside KIHM, another programme focuses on operational excellence. Dubbed KIHO, for “Keolis Industrialises and Harmonises Operations”, it streamlines operational processes thanks to a management system that enhances communication between operating teams and support functions.

ECONOMIC PERFORMANCE

Sustainable and responsible purchasing

One of the major drivers of the Group’s CSR commitments, Keolis’ purchasing policy is built on four key principles: regional sourcing and supporting the solidarity economy, supplier working conditions and safety, reducing the environmental impact of purchasing, and acting ethically and preventing corruption.

Kompliance

Aimed at employees, the Keolis compliance programme sets out fundamental principles, prohibited practices and areas of vigilance in the field of business ethics. Kompliance provides employees with tools, resources and a whistleblowing system, and is supported by an Ethics & Compliance Committee and a network of correspondents.

INNOVATION

Open by Keolis

Aware of local teams’ creative potential, Keolis has implemented the Open by Keolis strategy to encourage and support innovation projects within its subsidiaries. The strategy is based on four key elements: a “living lab” approach that involves users in the creation and testing process; open innovation and strong partnerships; a test-and-learn culture that encourages experimenting in real-world conditions; and an agile governance structure. With this initiative, Keolis intends to create one of the world’s biggest open innovation networks dedicated to mobility.

THE EXECUTIVE COMMITTEE

Composed of operational and cross-functional leaders, the Executive Committee is representative of the Group and its values. It drives strategic orientations and steers actions and projects on a daily basis.

Members of the Executive Committee

From left to right:

Sophie Durand,
Group Director Communications

Jean-Christophe Combe,
Director of Marketing, Innovation, Sustainable Development and Engagement

Laurence Broseta,
CEO, International

Christelle Villadary,
Group Chief Financial and Legal Officer

Clément Michel,
CEO France, Regions

Marie-Ange Debon,
Chairwoman and Group Chief Executive Officer

Jan Kilström,
CEO, Continental Europe

Lydie Jallier,
Group Director Human Resources

Annelise Avril,
CEO, France Urban Networks

Pierre Gosset,
Group Director Industrial Division

THE SUPERVISORY BOARD

Consisting of nine members, the Supervisory Board oversees the work of the Executive Board and approves strategic decisions.

› Jérôme Tolot, Chairman of the Supervisory Board

"HELPING LOCAL COMMUNITIES IN THEIR DEVELOPMENT IS A CORNERSTONE OF KEOLIS' CORPORATE PURPOSE.

To meet the social, economic and climate challenges of our time, Keolis is consolidating its position as a global multimodal mobility operator through a strategy of selective, profitable and lasting growth. Acknowledged as a trusted partner to public transport authorities, the Group works closely with them to build the mobility systems of the future. Our singularity stems from our three distinguishing areas of focus: mobility that cares for everyone, for closer communities; low-carbon mobility; and mobility that contributes to local economies by purposefully acting as an employer of choice and responsible corporate citizen."

Members of the Supervisory Board

Jérôme Tolot, Chairman of the Supervisory Board

Patrick Bastien, Director of Infrastructure, Caisse de dépôt et placement du Québec (CDPQ)

Stéphanie Benhamou, Senior Director, Infrastructure at CDPQ

Alain Krakovitch, Managing Director, TGV-Intercités

Sylvia Metayer, non-executive Board member, former senior executive at Sodexo

Robert Tessier, non-executive Board member

Laurent Trevisani, Deputy CEO Financial Strategy, SNCF Group

Nathalie Wright, non-executive Board member

Carolle Foissaud, Deputy CEO in charge of the Executive coordination of the group Teréga

MOBILITY THAT CARES FOR EVERYONE, FOR CLOSER COMMUNITIES

30
million people in France experience mobility-related vulnerabilities.

(Source: Keoscopie observatory, 2023)

80%
of people with disabilities have an invisible disability.

(Source: Hop'toys, 2023)

As lifestyles change, so do passenger expectations. From on-demand transport and MaaS* apps to smart systems that enhance accessibility, mobility trends are shifting away from turnkey solutions towards more bespoke services, designed to suit the specific requirements of each region and all its passengers. The challenge for mobility operators is to remain attentive to evolving needs and vulnerabilities so they can help public transport authorities develop people-friendly solutions, tailored to the needs of all passengers and the characteristics of their region.

*Mobility as a service.

Christophe Boulanger,
Senior member of the Tours city council and first vice chairman of the Touraine public transport authority

"WE ARE WORKING ON ALL FRONTS TO MAKE IT EASIER FOR PEOPLE TO TRAVEL SAFELY AND INDEPENDENTLY."

Providing an accessible transport network is a number one priority for the Greater Tours Council. We take a holistic approach to inclusive mobility, illustrated by the initiatives launched on the Fil Bleu network, which is operated by Keolis. Since 2018, all staff have received training to raise their awareness of disability issues and learn how to assist all passengers. Dedicated support services are available and regular cultural outings are organised for senior citizens so they can familiarise themselves with the network. Local non-profits provide input to help improve our passenger information systems, while investments by the Touraine public transport authority to adapt infrastructure and vehicles mean that 84% of the network's priority stops are now fully accessible. At the end of 2023, we reached another milestone with the rollout of Streetco, a collaborative app updated in real-time by contributors to alert pedestrians about potential obstacles along their way – and suggest a suitable alternative. In 2024, we aim to introduce other schemes to make travel easier for people who find using public transport a challenge, especially the elderly.

Annelise Avril,
CEO,
France Urban Networks

"DATA IS HELPING KEOLIS DESIGN ATTRACTIVE MOBILITY SOLUTIONS TAILORED TO PASSENGER NEEDS."

Unlocking the value of data and developing innovative tools give us two crucially important keys to understanding more detailed near-real-time insights into mobility dynamics and to offering travellers a more seamless experience. They enrich our knowledge of the communities we serve and people's needs, and tell us how well our transport networks are performing. Added to this analysis, our Patterns CO_2 solution, developed by our Hove subsidiary, reconstructs all door-to-door journeys and measures the evolving carbon footprint of all forms of mobility in a given geography. Working in synergy with public transport authorities, we model ever more relevant mobility services and devise systems to make travel easier. From information about in-vehicle and station crowding for better passenger distribution to augmented-reality guidance, and from nudge-based management to passenger information systems for people with visible or invisible disabilities, we combine digital solutions with local human presence to make our services more universally accessible.

Clément Michel,
CEO France,
Regions

"WITH OUR LOCAL AND GLOBAL ANALYSES COMPLEMENTING ONE ANOTHER, WE CAN ADAPT OUR SOLUTIONS TO OFFER EVER MORE PEOPLE-FRIENDLY, NEEDS-RESPONSIVE MOBILITY."

Mobility plays a crucial role in connecting people and places, so our ambition is to maximise the potential of the services we offer. To do this, we draw on our Keoscopie observatory to analyse general mobility trends. Today, we are seeing a widespread need to develop more sustainable services, with safer, more frequent routes and extended timetables. By providing better coverage across regions, we will enable all passengers, including the most vulnerable members of society, to reach the most underserved areas. To meet their expectations in a targeted way, we cross-reference these insights with the results of local marketing analysis, using GPS data in particular.

In the Greater Paris region, Keolis has been chosen to operate the PAM* service for people with reduced mobility, while our Kisio subsidiary won the contract to manage the PAM customer service centre with the Via tool. This achievement demonstrates our ability to combine operational excellence with innovation. It also reflects the attention we pay to the most vulnerable passengers, which is an intrinsic part of our DNA.

*Pour Aider à la Mobilité (Help with mobility).

THE PATH TO A LOW CARBON FUTURE

50x

Public transport emits 50 times less CO_2 than a private car.

(Source: *Guide Sobriété Énergétique*, UTP, 2023)

50%

Starting in January 2025, the percentage of clean vehicles in new bus procurements required of French cities with populations of more than 250,000.

(Source: Mobily-Cités, 2023)

In light of the climate emergency, mobility stakeholders are intensifying their efforts to speed up the decarbonisation of transport solutions. Whether greening fleets, enhancing energy efficiency or raising user awareness about the impact of their choices, it is essential to take a collective approach to rethinking shared mobility systems. Fully aligned with this approach, Keolis is integrating the energy transition into all aspects of its operations and at every stage in its value chain. Keolis is working hand in hand with its stakeholders to rethink the mobility ecosystem in line with its vision of a low-carbon future.

Vincent Chriqui,
Mayor of Bourgoin-Jallieu and First Vice-President of the Porte de l'Isère Greater Urban Community (CAPI) in charge of mobility

"KEOLIS HAS GOT US COVERED WHEN IT COMES TO INNOVATIVE ENERGY SOLUTIONS FOR IMPROVING OUR FLEET."

The Porte de l'Isère Greater Urban Community (CAPI) has long been committed to exploring innovative energy transition solutions. In 2022 we rolled out a wide-ranging Mobility Plan aimed at significantly reducing greenhouse gas emissions from transport. 2023 marked a major milestone as we introduced three retrofitted school buses into our fleet in partnership with Keolis – a first anywhere in France or Europe for a passenger vehicle. Retrofitting is a strategic choice for accelerating the energy transition across our fleet. This innovative development is also highly competitive, since it costs just half the price of buying a new electric bus, extends service life and curbs emissions. Depending on the feedback from this initial deployment, we will consider extending retrofits to other vehicles, especially to urban bus routes. Additionally, we plan to create a full energy loop, including charging points and solar carports to supply our vehicles and buildings with clean energy.

Antonia Höög,
Keolis Group Sustainable Development and Engagement Director

"GOING THE EXTRA MILE WITH PROACTIVE POLICIES AND COMMITMENTS TO ADDRESS THE CHALLENGES OF CLIMATE CHANGE."

In 2023, we continued our efforts to step up the decarbonisation of our activities and help achieve the crucial goal of reducing greenhouse gas emissions. Our aims are embedded in the Keolis Way project but also in our commitments to our stakeholders, such as our banking partners, employees and shareholders. All Keolis subsidiaries have developed their own plans to improve the energy efficiency of their facilities, train drivers in eco-driving techniques and make the transition to non-fossil energy sources. The key is to activate all the levers — and that includes changing behaviours. We provide all the support they need to draw up and implement their specific action plans, and encourage them to pool resources and share best practices. In 2023, for example, EFFIA cut its energy consumption by 30%, while the Manchester tram network's electricity now comes from renewable sources. These efforts have delivered tangible results, as we have observed an overall 5% per kilometre reduction in greenhouse gas emissions in just one year.

Pierre Gosset,
Group Director Industrial Division

"FLEET ELECTRIFICATION MEANS WE NEED TO RETHINK THE VALUE CHAIN. AND WE ARE FULLY ANTICIPATING ALL THE CHANGES INVOLVED."

Keolis is firmly committed to working with public transport authorities to encourage decarbonisation in the communities we serve. As innovation cycles get faster, one of the big challenges is to harness the latest technologies while ensuring all progress is safe, dependable and sustainable. As we expand our expertise in fleet electrification, Keolis is also partnering key players in the sector, developing retrofit solutions and investing in data management platforms in the aim of optimising vehicle battery life. We are anticipating the major changes across the value chain and in all parts of our business. Through our Kap 10,000 programme, we are actively preparing for the widespread introduction of electric buses and coaches in most of our entities, reflecting our commitment to innovative, sustainable mobility. Together, we are shaping the future of mobility, with our relentless focus on performance, safety and environmental protection.

CONTRIBUTING TO LOCAL ECONOMIES

90%

of Keolis employees work in an entity with Gender Equality European & International Standard (GEEIS) certification.

Central to every community, mobility solutions facilitate travel, connect people, create shared spaces, simplify access to essential services and strengthen the local economy. By cooperating with local stakeholders, improving access to underserved areas and supporting innovation and local employment, Keolis contributes actively to the vitality and attractiveness of local communities. This approach reflects the Group's commitment to making shared mobility a key contributor to local development.

Sudhir Chiplunkar, Chief Operating Officer of L&T Metro Rail (Hyderabad)

"THE METRO HAS OPENED UP A TREASURE OF OPPORTUNITIES THAT ARE EXCITING, CHALLENGING AND SATISFYING FOR WOMEN."

At L&T Metro Rail, we have taken significant steps to address gender stereotypes and safety concerns, inspiring more women to enter the transport sector. We have introduced 'women-only' coaches and increased the presence of female security guards. Our partnership with the State police through the Sahas programme aims to combat harassment, ensuring safety with well-lit pathways and emergency systems. Keolis has closely partnered with us to promote equity and encourage the recruitment and skill development of more women in the industry.
The Workforce of Women (WOW) initiative, established in July 2022, breaks down barriers, fostering a culture that celebrates the talents of our female employees. Through mentorship and a Male Allyship program, we empower women to seize exciting opportunities in the transport sector, marking a significant shift towards gender equity and underscoring our commitment to a supportive and inclusive environment.

Laurence Broseta,
CEO,
International

"LOCAL JOBS AND DIVERSITY: WE ARE COMMITTED TO STAYING AS CLOSE AS POSSIBLE TO THE COMMUNITIES WE SERVE."

Community engagement is a fundamental part of our drive to enhance the appeal and development of the regions where we operate. We work closely with public transport authorities, local players and communities to build safe, accessible and sustainable mobility services. To ensure our teams reflect the people they carry every day, we give priority to local recruitment and promote an inclusive working environment. In Boston, Massachusetts, for example, Keolis Commuter Services is part of a network that offers young women scholarships and job opportunities in the transport sector. Creating local jobs, supporting employment schemes and developing partnerships with economic and other players in society are practical examples of our determination to deliver mobility for the benefit of all.

Jan Kilström,
CEO,
Continental Europe

"AS WE STRIVE TO IMPROVE QUALITY OF LIFE IN THE COMMUNITIES WE SERVE, WE RECOGNISE THE PROFOUND IMPACT OF CREATING EFFICIENT TRANSPORT NETWORKS."

We focus on creating more efficient transport networks to foster economic and social connectivity. Initiatives like the reopening of night services in Utrecht, Netherlands showcase our commitment to freedom of mobility. The introduction of KIHM in recent years in Belgium, Sweden, and Denmark and actions to facilitate driver recruitment exemplify our pursuit of operational excellence, essential for maintaining a high level of service performance. Safety remains a paramount priority, with targeted measures aimed at reducing accidents; this is underscored by Impact safety roll-out in Continental Europe and ISO 39001 certification awarded to our Belgian subsidiaries. In our continued drive toward sustainability, we have deployed over 100 electric buses in Lund and Gothenburg, Sweden during 2023, and will introduce 180 additional buses in Stockholm Northwest in 2024, significantly reducing air and noise pollution while easing congestion. These efforts demonstrate our dedication not only to improving but fundamentally transforming the quality of life in the areas we serve.

BUSINESS MODEL

RESOURCES

People

- **68,100 employees**, including 62% drivers
- **13,000 permanent new hires**
- **Training: Keolis Institute and apprentice training centres**

Passengers

- **Programme** Thinking like a passenger – an approach based on continuous improvement
- **Keoscopie** Our mobility and lifestyle observatory

PTA partners

- Member of **the United Nations Global Compact**
- **Partnership with Fondation des Femmes**
- Constant dialogue with **PTAs to help create more attractive places to live**
- **Founding member of the PIMMS*** initiative to facilitate access to essential public services

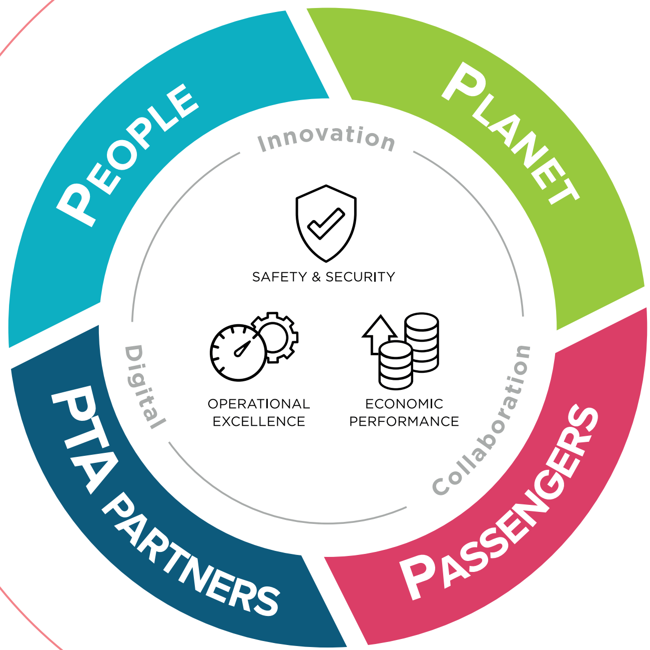
Planet

- **A portfolio of multimodal solutions** that are instrumental in reducing the environmental footprint of transport
- A growing fleet of **5,600 vehicles powered by alternative energies,** a number that has increased compared to 2022
- **Signature of a Power Purchase Agreement** to secure the supply of renewable energy

*PIMMS: shared multi-service information offices.

ACTIVITIES

Developing, designing, financing, operating, maintaining and promoting shared and sustainable mobility services in cities and communities of all sizes



Financial data

- **€7** billion in revenue
- **€180** million free cash flow
- **€164** million recurring operating profit
- A stable, committed shareholder base
- Strong performance, with a net debt/EBITDA covenant at **2.8**

CORPORATE PURPOSE

Enhance everyday life in cities and communities by imagining and operating safe, smart and sustainable mobility solutions accessible to each and everyone

VALUES

We imagine >>>

We care >>>

We commit >>>

Economic performance

- **24%** of Group revenue aligned with European green taxonomy (96% eligible)
- **92%** of available (drawn/undrawn) credit facilities indexed to ESG criteria

VALUE CREATED FOR AND WITH THE GROUP'S STAKEHOLDERS

People

- **71%** of employees received training over the year
- **90%** of employees work in a GEEIS** certified entity for gender equality
- **We@Keolis: more than 400** members in our internal network for diversity

Passengers

- **48% of the Group's revenue** covered by the Keolis Signature Service*** approach
- **2 major areas of innovation:** understanding mobility and customer experience

PTA partners

- **76 projects initiated** by local non-profits selected for support from *Coups de Cœur solidaires***** since 2018
- **€56 million invested** in the social and solidarity economy in France

Planet

- **60% of the Group's revenue** from its transport business covered by ISO 14001 certification for environmental management
- **19% of the Group's investments** aligned with the European green deal (80% eligible)
- **29% of kilometres covered** by alternative energy-powered commercial road vehicles
- **122 kgCO_2e/100 km** emitted by the traction of commercial vehicles, a decrease of 5% vs 2022

** GEEIS: Gender Equality European & International Standard.
*** A customer service improvement scheme.
**** In partnership with the SNCF Foundation.

FINANCIAL PERFORMANCE

With revenue of €7 billion in 2023, Keolis confirms its resilience and robust fundamentals.

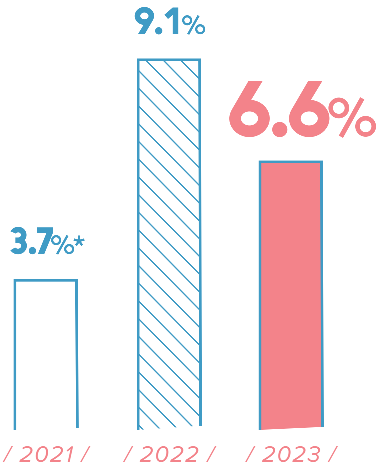
Revenue

€7Bn
/ 2023 /

€6.7Bn
/ 2022 /

€6.3Bn
/ 2021 /

Organic growth in revenue (annual variation)

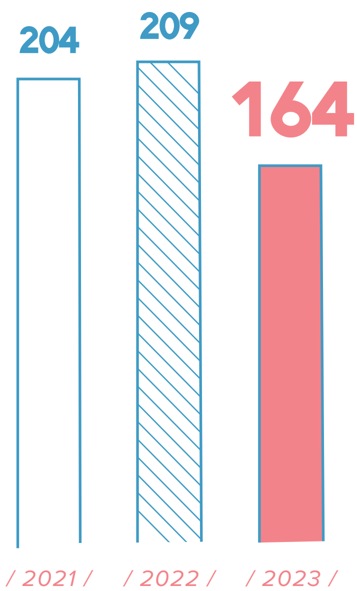


* +10.3% excluding the Wales & Borders scope effect.

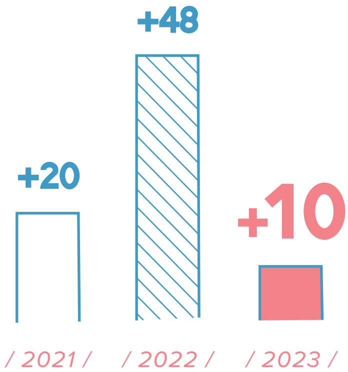
"KEOLIS RECORDS A SUCCESSFUL 2023 FISCAL YEAR, THANKS TO ITS ACHIEVEMENTS IN FRANCE AND ABROAD."

Christelle Villadary, Group Chief Financial and Legal Officer

Recurring EBIT
(in €million)



Recurring net profit, Group share*
(in €million)



* Adjusted for exceptional items.

CSR strategy

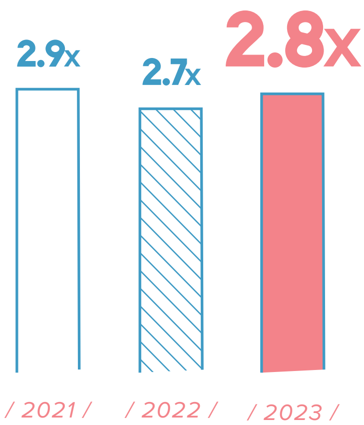
€1,700M

Available credit facility (drawn/undrawn) indexed to sustainability indicators

Net debt (excluding IFRS 16)

€870M

Net financial debt / EBITDA*



* Ratio corresponding to the definition of the banking covenant used in the Keolis Group's banking documentation.

NON-FINANCIAL PERFORMANCE

The Group has set ambitious CSR goals through its Keolis Way corporate strategy. In 2023, teams and entities continued their efforts to build ever safer and more sustainable mobility, for the benefit of all.

Safety and security

Workplace accident frequency rate

24.4 24.3

TARGET - 5% annually

/ 2022 / / 2023 /

Percentage of employees working under an ISO 45001 or 39001 certified safety management system

24.7% 27%

TARGET 38% by 2025, 75% by 2030

/ 2022 / / 2023 /

Economic performance

Percentage of expenditure covered by a supplier CSR performance assessment

44% 51%

TARGET 70% by 2025

/ 2022 / / 2023 /

Our planet

Traction greenhouse gas emissions (all modes) in $kgCO_2e$/100 km

126 122

TARGET - 30% Group-wide by 2030

/ 2022 / / 2023 /

Share of revenue covered through ISO 14001 certification

59% 60%

TARGET 80% by 2030

/ 2022 / / 2023 /

Our people

Percentage of women in the total workforce

21.8% 21.8%

TARGET 24% Group-wide by 2025

/ 2022 / / 2023 /

Percentage of employees receiving training during the year

64% 70%

TARGET 80% by 2025

/ 2022 / / 2023 /

Our passengers

Proportion of Group revenue deploying our Keolis Signature Services policy

48%

Consolidated customer satisfaction rate for networks operated by the Group

84.8%

by 2022

MAIN REFERENCES IN 2023

Keolis is a global leader in shared mobility, operating and maintaining urban, suburban and regional networks for more than 300 public transport authorities worldwide. The Group's multimodal expertise spans 13 different modes of transport.

METRO

Pioneer and global leader in automated metros

9 NETWORKS IN 6 COUNTRIES: **China, France, India, Qatar, the United Arab Emirates and the United Kingdom**

452 km of metro lines in operation or under construction

2 NETWORKS UNDER CONSTRUCTION: Ivory Coast and lines 16 and 17 of the Paris metro as part of the Grand Paris Express project

TRAM

World's leading tram operator
> 1,000 km in operation or under construction

29 TRAM NETWORKS WORLDWIDE, IN 9 COUNTRIES: **Australia, Canada, China, Denmark, France, Qatar, Sweden, the United Arab Emirates and the United Kingdom**

- **Melbourne,** the world's largest network with 250 km of double track
- **Greater Manchester,** the UK's largest network with 96 km of track
- **Lund,** Sweden's new tramway, launched in 2023

TRAIN

2,500 km of railway lines in operation

5 REGIONAL RAIL NETWORKS IN SERVICE IN 5 COUNTRIES: **Australia, France, the Netherlands, the United Kingdom and the United States**

BUS AND COACH

23,000 vehicles worldwide

5,600 running on alternatives to diesel or petrol

CITY & INTERCITY BUS AND COACH NETWORKS: **Australia, Belgium, Canada, Denmark, France, the Netherlands, Sweden and the United States**

BRT (BUS RAPID TRANSIT) BUS AND COACH SERVICES : **Australia, France, the Netherlands and the United States**

AIRPORT SHUTTLES: **Canada, Denmark, France and the United States**

AUTONOMOUS VEHICLES

178,000 km covered

40,000 hours of operation

218,000 passengers transported

SINCE 2016, 55 DEPLOYMENTS: **In Australia, Belgium, Canada, France, Sweden, the United Kingdom and the United States**

ON-DEMAND TRANSPORT

No.1 in on-demand transport in France, with 75 networks offering one or more services

2.6 MILLION passengers transported in France in 2023

4 SERVICES in Australia (Sydney, Adelaide and Newcastle) and **1** in the Netherlands

TRANSPORT FOR PEOPLE WITH REDUCED MOBILITY

MORE THAN 50 French towns and cities have appointed Keolis to organise their services

MORE THAN 1.5 MILLION journeys per year for people with reduced mobility provided by French subsidiaries

NUMEROUS SERVICES in the United States (paratransit)

SEA AND RIVER SHUTTLES

Services in Australia and France for **ALMOST 40 YEARS**

PARKING

No.1 in combined car park and on-street parking contracts in France

No.1 in railway station car parks in France

4TH biggest parking operator in Belgium

680 car parks and **66,600** on-street parking spaces in **252** towns and cities in France and Belgium

160 park-and-ride (P+R) facilities in France and Belgium

1,200 electric charging stations in France and Belgium

CAR SHARING

NEARLY 700 vehicles in direct or indirect operation (via partnerships)

MEDICAL TRANSPORT

Nationwide ambulance provider in France for **5,420** healthcare professionals and

3,450 medical vehicles in

37 French departments

CARPOOLING

NUMEROUS SERVICES in France (dynamic carpooling, carpooling lines, etc.)

BIKES

NEARLY 40,000 bikes in France and the Netherlands (bike share services, long-term bike hire, e-bikes, cargo bikes, special bikes, electric scooters, etc.)

Discover all of the Group's references on www.keolis.com and in At a glance


PRIORITÉ À LA DESCENTE
PRIORITÉ À LA DESCENTE

1

MANAGEMENT REPORT

1.1 MANAGEMENT REPORT FROM THE CHAIRWOMAN OF THE MANAGEMENT BOARD ON THE CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Ladies and Gentlemen,

In accordance with legal, regulatory and statutory requirements, we submit for your approval the consolidated and annual financial statements for the financial year ended 31 December 2023 and report to you on the activities of the Company and its subsidiaries during the year. The Keolis Group (hereinafter the "Group") consists of GROUPE KEOLIS S.A.S. and its direct and indirect subsidiaries, led by Keolis SA, Effia SAS and Keomotion.

Your Statutory Auditors will also read their reports to you.

This report reviews the various items of information as required by applicable regulations. It includes a corporate governance report and the Statement of non-financial performance.

1.1.1 BUSINESS

1.1.1.1 Business activity and development

France

- The year in 2023 was marked by an increase in the ridership of transport networks compared to 2022 in Major City Networks (MN – contracts in major cities with revenue of over €150 million) and City Networks (CN – Contracts in large urban areas with revenue between €30 million and €150 million).
- Business activity was intense in 2023, notably in Île-de-France with:
  - the award of the contract for the operation, alongside SNCF Voyageurs, of the T4 and T11 tram-train lines and the Esbly-Crécy branch of Line P, for cumulative revenues of €650 million over seven years,
  - the award of three bus contracts, Optile Pays de France Est, Vallée de l'Oise and Centre Essonne, representing cumulative annual revenues of €540 million over seven years,
  - the award of the operating contract for Lines 16 and 17 of the Grand Paris Express underground railway, as well as the operation of the future Saint-Denis Pleyel station, for cumulative revenues of €300 million over seven years with the possibility of 3 x 1 year extensions; and lastly,
  - the award of the contract for the transportation of athletes during the 2024 Olympic Games.
- In the French regions, the offensive gain of Auxerre and the renewal of Bourg-en-Bresse are worth noting.
- The action plans rolled out in 2022 and 2023 aimed at accelerating recruitment and reducing absenteeism led to the end of adapted transport plans (ATP), notably in Lyon and Bordeaux.
- However, sanitary transportation remains strongly affected by the labour shortage with a direct impact on the level of business and planning.
- From an operational point of view, the year was marked by the difficulties encountered during the start-up of the new Optile public service contracts in Île-de-France, as well as by the complete shutdown of the operation of Line B in Rennes after a technical incident. In addition, the subsidiaries were negatively impacted by the increase in energy prices, notably of electricity, which was only partially offset by contractual mechanisms.

EFFIA

- The patronage of EFFIA car parks continued to increase in 2023, up by more than 8% compared to 2022.
- On the commercial front, EFFIA renewed the Vincennes and Nantes contracts.
- The main commercial gains include the extension of the TGV Haute Picardie, Gare et Connexions Dax, and Roubaix CH fleet.

International

- The post-Covid-19 recovery in international ridership is more gradual than in France. At the end of 2023, network ridership was around 80% of 2019 levels, with a significant improvement at the end of the year on British, North American and Australian networks.
- Commercial activity was very dynamic in the United States, with the award of two bus contracts in states where Keolis previously did not operate:
  - Texas (Capital Metro contract in Austin, for cumulative revenues of €350 million over three years),
  - Arizona (Valley Metro contract in Phoenix, for cumulative revenues of €270 million over three years).

  In California, the Foothill-Pomona project was renewed and the Orange County one awarded, for more than €450 million in cumulative revenues over four years.

  In Nevada, the Las Vegas contract was lost.

- In Europe, two major contracts were awarded:
  - in Sweden, the operation and maintenance of a bus network in the suburbs of Stockholm for a period of 10 years from August 2024 and for a total amount of €600 million,
  - in the Netherlands, the operation of the Valleilijn rail line for around €150 million in revenues over 13 years, partly offsetting the shutdown of the Twente concession in mid-December 2023.
- In 2023, the government aid put in place following the pandemic was reduced overall.
- Most countries continued to experience recruitment difficulties, which had a negative impact on operations, greater than that observed in France, even though the recruitment and retention campaigns put in place have begun to bear fruit.
- Energy prices remained high this year, with contractual protection mechanisms (indexation notably) mitigating the financial impact for the Group.

1.1.1.2 Acquisitions and equity investments

Keolis Santé, an entity controlled by the Group, took control of Ambulance Challandaise Renaud on 30 November 2023.

1.1.1.3 The Company's financial position

At 31 December 2023, the Group had net financial debt of €870.5 million, consisting mainly of:

- a €900 million syndicated credit line maturing in 2028, drawn to the tune of €125 million;
- a Term Loan maturing in 2026 in the amount of €600 million;
- a private placement in the amount of €76 million in *Schuldscheindarlehen*[1] form maturing in 2027 and 2029;
- a private placement in the amount of US$54 million maturing in 2035;
- several bilateral debts carried by Keolis SA for a total amount of €111 million;
- €178 million in other financial liabilities on its other subsidiaries; and
- cash in the amount of €311 million.

To manage liquidity risk, the Group had available confirmed credit lines in an amount of €775 million as at 31 December 2023 as well as bank overdrafts, short-term financing lines and daily liquid investments.

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

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

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

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

- forward and futures sales and purchases;
- swaps;
- call options;
- put options in combination with call options to provide symmetric or asymmetric collar or cap spreads.

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

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

The Group is exposed to the risk of fluctuations in the price of diesel fuel, which is partly covered by indexation mechanisms, notably in the concession contracts signed with public transport authorities. For the remaining exposure, the Group implements a hedging policy using derivative financial instruments, whose objective is to minimise the volatility of Group income.

1.1.1.4 Main risks and uncertainties

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

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

- **continuity risks** arise from sudden and serious events that affect business continuity and potentially harm the image and credibility of the Group. This could be the case, for example, with a major passenger accident, a terrorist attack or a widespread data breach;
- **performance risks** are a threat to the Company's results. They arise from operational management issues, such as a failure to win key contracts, a lack of necessary know-how in the complexity of railway operations, difficulties in recruiting for jobs in production and non-compliance with regulatory requirements such as the prevention of corruption or influence peddling;
- **transformational risks** may threaten the future of the Company and necessitate deep and rapid corrective action. This type of risk includes poor use of data, the arrival of new market players with a disruptive model or delays in adopting the energy transition.

In 2023, the year was mainly marked by a very strong inflationary surge which had the effect of generating new risks, notably in relation to the supply of energy (price and volume of gas and electricity).

Some of the existing risks were exacerbated in 2022, such as difficulties in recruiting and retaining resources or violence caused to staff and users, as well as the deterioration of the Group's assets (riots in France in the summer of 2023).

Lastly, risks related to climate hazards are also appearing, with an increasingly frequent impact on operations and the working environment.

(1) A debt certificate-type financial instrument (loan) governed by German law.

1.1.1.5 The Group's financial results

The ridership on transport networks in France continued to recover in 2023 and approached the levels recorded before the pandemic. It also improved internationally, with most countries benefiting from ridership close to or above 80% of 2019 levels.

Revenue

Against this backdrop, the Group's **consolidated recurring revenues** for 2023 amounted to **€6,984 million**:

- a gross increase of +€269 million or +4.0%; and
- an organic increase (i.e. excluding currency, scope and technical effects) of +€443 million, or +6.6%, compared to 2022.

The **currency effect** was negative, at **-€134 million,** notably on the US dollar, the Australian dollar and the Swedish krona.

The **effect of changes in the scope of consolidation** was unfavourable, to the tune of **-€40 million**, mainly due to the sale of activities in Norway at the end of October 2022.

The **portfolio effect** of contracts won/lost was negative at **-€5 million**, mainly:

- in the Netherlands for -€71 million with the discontinuation of the IJssel-Vecht contract in December 2022;
- in Île-de-France for -€22 million (end of CT3 contracts, largely offset by the Optile gains and the start of the operation of the T13 and T12 lines by Transkeo T12-13);
- in Denmark for -€17 million (end of the Aalborg and A6 contracts, offset by the award of the NT28.2 contract);
- in France, in City Networks for +€88 million (Perpignan launched in September 2022 and Valenciennes in January 2023); and
- in Sweden for +€25 million (Uppsala in June 2022 and Lund in August 2023).

Organic growth was driven by existing contracts for **+€449 million**. **Indexation** made a positive contribution of **+€243 million**, notably in France, Australia and the United Kingdom.

The residual +€205 million increase compared to 2022 is mainly explained by the increase in passenger revenues driven by the upturn in network ridership, as well as revenues related to infrastructure and maintenance works. In particular, **EFFIA** recorded an increase of **+8% in the revenues** of its parking activities compared to 2022.

EBIT K

The **Group's consolidated recurring EBIT K** for 2023 was **+€144.4 million**, down -€46.1 million or -24.1%, and down organically -€41.5 million or -21.8%, compared with 2022.

The **currency effect** was negative, at **-€7.0 million**, mainly due to the Swedish krona and the Australian dollar.

The **effect of changes in the scope of consolidation** was favourable, to the tune of **+€2.9 million**, mainly due to the sale of activities in Norway at the end of October 2022.

The **portfolio effect of contracts won/lost** was negative by **-€16.9 million**, mainly due to the end of the CT3 contracts in Île-de-France, the end of the IJssel-Vecht contract in December 2022, the end of the Las Vegas contract and the start of the OCTA contract in June 2023 in the United States.

Existing contracts were down by **-€24.6 million** compared to 2022, including:

- -€25.8 million in France impacted by the end of government aid (resilience plan in 2022), by the unfavourable indexation effect (mainly electricity) and by additional operating and maintenance costs in the French regions business units;
- internationally, growth of +€4.1 million with an increase in passenger revenues (Canada, the Netherlands and Australia in particular) and maintenance and infrastructure works (Boston and Melbourne networks), combined with a positive indexation effect. However, these regions remain subject to recruitment difficulties and absenteeism, which may have limited business growth; EFFIA saw growth of +€6.9 million in its activities in France and Belgium. Holding costs increased by €6 million compared to 2022, mainly due to the effects of inflation and a catch-up effect in hires;
- the difference between EBIT K (a Keolis Group management indicator) and recurring operating profit was mainly due to the French CVAE tax (company value-added contribution) and the non-recurring costs of calls for tenders, integrated by convention into EBIT K and reported for tax accounting purposes, respectively, under net income and operating profit before investments under the equity method (and therefore excluded from recurring operating profit). Recurring operating profit includes some transfers of operating provisions not included in EBIT K (e.g. for corporate litigation, restructuring, etc.).

EBIT K 2023	- CVAE	- Cost of bids (non-recurring)	+ All/Rev. Provisions	Recurring operating profit 2023
€144.4 million	+€9.8 million	+€5.0 million	+€4.7 million	€163.9 million

Net income (Group share)

At the end of 2023, **recurring operating profit** amounted to **+€163.9 million**, down -€44.7 million compared to 2022.

Net income (Group share) amounted to **+€10.1 million** in 2023, compared to +€48.0 million in 2022, i.e. a decrease of -€37.9 million.

The transition between recurring operating profit and net income (Group share) was due, on the one hand, to non-recurring items amounting to -€52.8 million, mainly the amortisation of contractual rights, provisions for restructuring, provisions relating to long-term management remuneration plans and provisions for onerous contracts,

On the other, financial income also impacted net income to the tune of -€67.7 million (an €8.7 million increase compared to 2022, due to the increase in interest rates, which impacted the cost of net debt) and tax expenses (including CVAE) of -€29.3 million. Associates represented a positive contribution of +€18.4 million (Govia Thameslink Railway in particular). The share of income attributable to non-controlling interests amounted to €22.4 million.

Net debt

Net financial debt amounted to **€870.5 million** at the end of 2023 compared to €974.5 million at the end of 2022, down €104.0 million.

Financial lease debt amounted to €1,082.5 million at the end of 2023 compared to €1,036.4 million at the end of 2022, an increase of €46.1 million.

- On 12 April 2023, a Group subsidiary set up an external variable-rate financing line of US$40 million, which will mature in April 2026.
- On 6 July 2023, the Group obtained the agreement of its banks to extend the maturity of the €900 million revolving syndicated loan until July 2028.
- On 25 July 2023, the Group signed a private placement agreement for US$54 million. The financing was fully drawn on 17 October 2023 and will mature in October 2035.
- On 15 December 2023, the Group signed new amendments with its banks in order to include a new ESG indicator linked to a greenhouse gas reduction commitment in the following financing agreements:
  - the €900 million revolving syndicated loan,
  - the €600 million term loan.

These transactions aim to consolidate the Group's liquidity and strengthen the Keolis Group's ESG strategy.

1.1.2 COMMENTS ON THE FINANCIAL STATEMENTS AND RESULTS

1.1.2.1 Consolidated financial statements

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

Revenues from ordinary activities amounted to **€7,007.8 million.**

After taking into account all operating costs, **operating profit after investments under the equity method** amounted to **€129.5 million.**

Net income (Group share) amounted to a profit of **€10.1 million** for the financial year ended 31 December 2023.

1.1.2.2 Annual financial statements

Operating income amounted to **-€4.7 million**.

Financial income amounted to **-€6.4 million**.

After recognising income on corporate tax of €26.5 million related to the tax consolidation, the **annual financial statements** of GROUPE KEOLIS S.A.S. show a **profit of €15.4 million**.

1.1.2.3 Subsidiaries and equity investments

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

1.1.2.4 Notification of major holdings and takeovers

During the 2023 financial year, GROUPE KEOLIS S.A.S. did not establish, acquire or take control of any companies.

During the same period, Keolis SA, a subsidiary of GROUPE KEOLIS S.A.S., established the following companies:

Establishment of companies in France

Name	Date	Percentage
Keolis Roissy Pays de France Ouest	22/02/2023	99.99% Keolis SA/Keolis Voyages 0.01%
Keolis Roissy Pays de France Est	04/04/2023	99.99% Keolis SA/Keolis Voyages 0.01%
Grand Dole Mobilités	20/06/2023	51% Keolis SA/49% Communauté d'Agglomération du Grand Dole
KLP 76 – KLP 77 – KLP 78 – KLP 79 – KLP 80 – KLP 81 – KLP 82 – KLP 83 – KLP 84*	19/12/2023	100% Keolis SA

* *Companies with no activity, created in anticipation of 2024 calls for tenders.*

At the same time, EFFIA Stationnement, a sub-subsidiary of GROUPE KEOLIS S.A.S., set up the following companies:

Name	Date	Percentage
KLP 73, KLP 74, KLP 75*	02/10/2023	100% EFFIA Stationnement

* *Companies with no activity, created in anticipation of 2024 calls for tenders.*

Establishment of companies internationally

At the same time, internationally, Keolis Commuter Services, a sub-subsidiary of Keolis SA, set up the following company:

Name	Date	Percentage
Keolis massAdventures, LTD	02/08/2023	100% Keolis Commuter Services

Acquisition of companies in France

During the 2023 financial year, GROUPE KEOLIS S.A.S. did not acquire or take control of any company.

During the same period, Keolis Santé, a subsidiary of GROUPE KEOLIS S.A.S., acquired or took control of the following companies:

Name	Date	Percentage
Ambulance Challandaise Renaud	30/11/2023	100% Keolis Santé

Disposals of securities in France

During the 2023 financial year, the following disposals outside the Keolis Group took place:

Name	Date	Percentage
Transkeo T12-T13	20/06/2023	49%
SCI Les Romarins	24/07/2023	50%

1.1.2.5 Research and development activities

During the financial year, the Group incurred development expenses, mainly corresponding to personnel costs and subcontracting and service provider expenses.

1.1.2.6 Information on supplier and client payment terms

In accordance with the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the breakdown, at the end of the last financial year, of the balance of debts to suppliers and customers by due date was as follows:

Invoices received and not paid at year end

(€ thousand)	0 days (indicative)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) Overdue payment brackets						
Number of invoices	1	-	-	-	-	2
Total value of invoices (incl. VAT)	33	70	-	-	-	70
Percentage of total purchases excl. VAT for the financial year	0.6%	1.2%	-	-	-	1.2%
Percentage of revenue excl. VAT for the financial year	-	-	-	-	-	-
(B) Invoices not included in (A) relating to disputed or non-recognised liabilities						
Number of invoices not included	-					
Total value of invoices not included (excl. VAT)	-					
(C) Reference payment due date used (contractual or legal)						
Payment period used to calculate late payments	☑ Contractual due date ☐ Legal due date					

Invoices issued and not paid at year end

(€ thousand)	0 days (indicative)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) Overdue payment brackets						
Number of invoices	3	-	-	-	-	-
Total value of invoices (incl. VAT)	348	-	-	-	-	-
Percentage of total purchases excl. VAT for the financial year	-	-	-	-	-	-
Percentage of revenue excl. VAT for the financial year	2.76%	-	-	-	-	-
(B) Invoices not included in (A) relating to disputed or non-recognised receivables						
Number of invoices not included	-					
Total value of invoices not included (excl. VAT)	-					
(C) Reference payment due date used (contractual or legal)						
Payment period used to calculate late payments	☑ Contractual due date ☐ Legal due date					

1.1.2.7 Information on secondary establishments

In accordance with the requirements of Article L. 232-1 II of the French Commercial Code, it should be noted that the Company does not have any secondary establishments.

1.1.2.8 Information on loans granted to other companies (Article L. 511-6 3 *bis* of the French Monetary and Financial Code)

Article L. 511-6 of the French Monetary and Financial Code requires the disclosure of any loans granted to economically-related companies under the meaning of Article R. 511-2-1-1 of the French Monetary and Financial Code. The Company did not grant any loan within the scope of the provisions of Article L. 511-6 3 *bis* of the French Monetary and Financial Code.

1.1.3 NON-FINANCIAL INFORMATION AND VIGILANCE PLAN

Within the context of the transposition of the European Directive on the Statement of non-financial performance (Decree No. 2017-1265 of 9 August 2017 enacted to implement Order No. 2017-1180 of 19 July 2017), GROUPE KEOLIS S.A.S., as an unlisted company with a consolidated balance sheet total and net revenue in excess of €100 million and with, on average, over 500 permanent employees in consolidated subsidiaries during the last financial year, must publish its Statement of non-financial performance in its management report and on its website.

In accordance with the commitments made in 2022, the Statement of non-financial performance includes 100% of the GROUPE KEOLIS S.A.S. scope. SNCF, which holds 69.69% of GROUPE KEOLIS S.A.S., has prepared a Statement of non-financial performance since the 2020 financial year consolidating Keolis. The Keolis statement is therefore drawn up on a voluntary basis. The Group's vigilance plan is appended to the Statement of non-financial performance.

In order to facilitate the reading and understanding of this report, all the information is published in Chapter 1.3 "Statement of non-financial performance" of this document.

1.1.4 FORESEEABLE TRENDS AND FUTURE PROSPECTS

In 2024, the year should be marked by continued volatile macroeconomic conditions, with inflation decelerating in many countries, but increased pressure on wages and on taxation. The impact of difficulties in recruiting and retaining employees around the world may continue in 2024.

France

- 2024 will be a very intense year in terms of defensive calls for tenders, notably in Major City Networks with renewals:
  - in the Major City Networks of Lyon (which has been divided into lots), Lille and Rennes,
  - in the City Networks contracts in Caen, Orléans, Bayonne, Amiens, Besançon and Chambéry,
  - in Île-de-France, the T12-13 Tram.
- On the offensive side, Keolis will aim to continue to position itself on certain calls for tenders according to the opportunities they represent.
- In addition, negotiations will continue with the public transport authorities in Bordeaux, Lille and Île-de-France.
- The net indexation effect on wages and energy will remain a concern in 2024 in France, notably for electricity.
- Numerous energy transition projects will continue, for example with the financing of the infrastructure necessary for the roll-out of green energies such as electricity and NGVs (mainly the development of depots for electric recharging or supplying NGVs, in Île-de-France, for example) and the operation of electric bus lines (in Bordeaux and Gironde, etc.).

EFFIA

- After years of impacts caused by the pandemic, patronage has returned to normal, despite some regional and segment disparities. The acceleration of the energy transition, the intensification of revenue/yield management and the contract management dynamic will enable us to continue optimising the performance of our contracts.

International

- 2024 will be a very intense year in terms of calls for tenders.
- For defensive tenders, the Group will look to renew the tram contract in Melbourne in Australia, the Utrecht network in the Netherlands, and the Docklands Light Railway network in London. Also in the United Kingdom, Keolis has extended its Metrolink contract in Manchester for three years from mid-2024. Keolis will also be able to position itself on all the offensive calls for tenders that are deemed relevant.
- In the United States, priority will be given to the mobilisation of new bus contracts in Arizona (Phoenix) and Texas (Austin), and to operational improvement and productivity plans for bus activities.
- Inflation will continue to impact contract costs, even though inflation seems to be receding in all countries. The indexation mechanisms in force in many contracts should protect the profitability of subsidiaries.
- The gradual decarbonisation of operations will continue, with the gradual electrification of fleets in Belgium, Denmark and Sweden.

1.1.5 SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

The Group signed new amendments with its financial counterparties in order to include a new ESG carbon indicator in the following financing agreement:

- the variable-rate private placement under German law (*Schuldscheindarlehen*) in the amount of €76 million (in two tranches, of €29 million maturing in 2029 and €47 million maturing in 2027) on 15 January 2024;
- the fixed-rate private placement in the amount of US$54 million maturing in 2035 on 8 January 2024;
- the external financing line, carried by a Group subsidiary, at a variable rate of US$40 million maturing in 2025 on 8 January 2024.

1.1.6 PRESENTATION OF THE RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' VOTE

1.1.6.1 Proposed allocation of income

You will be asked to allocate the profit for the financial year ended 31 December 2023 as follows:

Profit for the year	15,435,941.12
Allocation to the legal reserve	771,797.06
Retained earnings	47,456,637.55
Distributable profit	62,120,781.61
Dividends paid	9,990,872.07
New retained earnings	52,129,909.54

You will therefore be asked to approve a dividend payment of €0.0555 per share entitled to receive dividends.

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

Financial year	Dividend	Amount of distributed income eligible for the allowance	Amount of distributed income not eligible for the allowance
2022	€24,999,999.99 i.e. €0.1389 per share	-	€24,999,999.99 i.e. €0.1389 per share
2021	€9,990,872.07 i.e. €0.0555 per share	-	€9,990,872.07 i.e. €0.0555 per share
2020	€0 i.e. €0 per share	-	-

Non-tax deductible expenses

There were no non-tax deductible expenses within the meaning of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code during the past financial year.

1.1.6.2 Agreements covered by Article L. 227-10 of the French Commercial Code

The Statutory Auditors' report on agreements made during the financial year and authorised by the Supervisory Board pursuant to Article L. 227-10 of the French Commercial Code will be read.

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

1.1.7 COMPANY MANAGEMENT AND CONTROL

1.1.7.1 Expiry and renewal of the terms of office of member and Chairman of the Supervisory Board

At its meeting of 28 September 2023, the Supervisory Board duly noted the expiry of the terms of office of Mr Jérôme Tolot as member and Chairman of the Supervisory Board with effect from 3 October 2023 and their renewal for a term of three years as from the same date.

1.1.7.2 Appointment of new members of the Supervisory Board

At its meeting of 28 September 2023, the Supervisory Board duly noted the appointment of Ms Carolle Foissaud as a member of the Supervisory Board to replace Ms Anne le Guennec as from said meeting, and for the remaining period of the latter's term of office, i.e. until 29 September 2025.

At its meeting of 22 November 2023, the Supervisory Board duly noted the appointment of Ms Stéphanie Benhamou as a member of the Supervisory Board to replace Mr Robin Lutz as from said meeting, and for the remaining period of the latter's term of office, i.e. until 18 April 2025.

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

The Chairwoman of the Management Board

1.2 CORPORATE GOVERNANCE REPORT

Since 8 March 2021, GROUPE KEOLIS S.A.S. has had a Corporate Purpose, which it has included in its Articles of Association:

"We enhance everyday life in cities and communities by imagining and operating safe, smart and sustainable mobility solutions accessible to each and everyone."

Keolis' Corporate Purpose reflects the Group's social and environmental objectives in the public interest and for the benefit of all its stakeholders.

The various governance bodies place these new pillars at the centre of the thinking and actions of the Company and, more broadly, of the Keolis Group.

1.2.1 CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY

As of 31 December 2023, the share capital amounted to €237,888,901.80. It breaks down as follows:

- SNCF Participations: 69.69%;
- CDP-IE: 30%;
- FCPE Groupe Keolis Actionnariat: 0.17%;
- Treasury stock: 0.14%.

Employee shareholdings via FCPE Groupe Keolis Actionnariat therefore represent 0.17% of the capital.

1.2.2 THE MANAGEMENT BOARD

1.2.2.1 Composition of the Management Board

At 31 December 2023, the Management Board was composed of a single member who is Chairwoman of both the Management Board and the Company, as its "legal representative".

Ms Marie-Ange Debon has served as Chairwoman of the Management Board and Executive President (CEO) of the Company since 24 August 2020.

1.2.2.2 Duties and powers of the Management Board

The Management Board, represented by its Chairwoman, has the broadest powers to act in all circumstances in the name and on behalf of the Company, subject to decisions requiring prior authorisation of the Supervisory Board or reserved for the Annual General Meeting of Shareholders.

The Management Board informs the members of the Supervisory Board. To this end, it provides each member of the Supervisory Board with the financial information required by the Articles of Association.

In addition, at least once a quarter, the Management Board presents a report on the progress of business and the quarterly consolidated financial statements to the Supervisory Board.

Within three months of the end of each financial year, the Management Board presents the annual and consolidated financial statements to the Supervisory Board for verification and control.

1.2.3 SUPERVISORY BOARD OF GROUPE KEOLIS S.A.S.

1.2.3.1 Composition of the Board

At 31 December 2023, the Supervisory Board was composed of nine members, including five independent members. The members are appointed as follows:

- five members are appointed by SNCF Participations;
- four members appointed by CDP-IE.

The Board strives to achieve a balance and representivity in terms of gender, know-how and experience.

At 31 December 2023, the composition of the Supervisory Board was as follows:

- Mr Jérôme Tolot, Chairman of the Supervisory Board;
- Mr Patrick Bastien, member of the Supervisory Board;
- Ms Stéphanie Benhamou, member of the Supervisory Board;
- Ms Carolle Foissaud, member of the Supervisory Board;
- Mr Alain Krakovitch, member of the Supervisory Board;
- Ms Sylvia Métayer, member of the Supervisory Board;
- Mr Robert Tessier, member of the Supervisory Board;
- Mr Laurent Trévisani, member of the Supervisory Board;
- Ms Nathalie Wright, member of the Supervisory Board.

The table below reflects the offices and positions held by each member of the Supervisory Board and the Management Board during the financial year:

Name	Functions and Offices	Companies
Ms Marie-Ange Debon	Chairwoman of the Management Board	GROUPE KEOLIS S.A.S
	Executive President of the Board of Directors Chief Executive Officer	Keolis SA
	Independent director Executive President of the Audit and Finance Committee	ARKEMA
	Independent director Executive President of the Audit Committee	Technip Énergies
	Executive President	Union des Transports Publics et Ferroviaires
Mr Jérôme Tolot	Chairman of the Supervisory Board Member of the Investment and Strategy Committee Member of the Remuneration and Human Resources Committee	GROUPE KEOLIS S.A.S
	Member of the Strategy Committee (until 28/06/2023)	Financière de Courcelles
Mr Patrick Bastien	Member of the Supervisory Board Chairman of the Investment and Strategy Committee Chairman of the Safety, Security and Prevention Committee Member of the Remuneration and Human Resources Committee Member of the Innovation and Sustainable Development Committee	GROUPE KEOLIS S.A.S
	Operational Partner	Caisse de dépôt et de placement du Québec
	Member of the Supervisory Board Member of the Audit Committee Member of the Investment Committee	Streem Group
	Member of the Supervisory Board Member of the Audit Committee Member of the Investment Committee	AKIEM
	Board member	DP World International Investment B.V.
	Board member	DP World Jebel Ali Terminals and Free Zone FZCO

Name	Functions and Offices	Companies
Ms Stéphanie Benhamou	Member of the Supervisory Board (since 22/11/2023) Member of the Safety, Security and Prevention Committee (since 22/11/2023) Member of the Investment and Strategy Committee (since 22/11/2023) Member of the Audit and Ethics Committee (since 22/11/2023)	GROUPE KEOLIS S.A.S
	Member of Board of Directors	Budapest Airport Zrt.
	Member of Supervisory Board	Hy2Gen AG
	Senior Director of Infrastructure	CDPQ
Ms Carolle Foissaud	Member of the Supervisory Board (since 28/09/2023) Member of the Remuneration and Human Resources Committee (since 28/09/2022)	GROUPE KEOLIS S.A.S
	Executive President of the Guidance Board	ENSTA
	Independent director Executive President of the CGNR	MERS N
	Independent director	GTT
Ms Anne Le Guennec	Member of the Supervisory Board (until 23/05/2023) Member of the Remuneration and Human Resources Committee (until 23/05/2022)	GROUPE KEOLIS S.A.S
	Chief Executive Officer – Waste Recycling and Recovery	Veolia
Mr Alain Krakovitch	Member of the Supervisory Board Member of the Audit and Ethics Committee Member of the Safety, Security and Prevention Committee Member of the Innovation and Sustainable Development Committee	GROUPE KEOLIS S.A.S
	Chairman of the Board of Directors Director	Eurostar Group
	Director	TGV-INTERCITÉS (Voyages SNCF)
	Director	SNCF Connect & Tech
	Chairman of the Board of Directors Director	OUIGO ESPANA
	Director	Forum Vies Mobiles
Mr Robin Lutz	Member of the Supervisory Board (until 22/11/2023) Member of the Safety, Security and Prevention Committee (until 22/11/2023) Member of the Investment and Strategy Committee (until 22/11/2023) Member of the Audit and Ethics Committee (until 22/11/2023)	GROUPE KEOLIS S.A.S
	Infrastructure Investments Director	Caisse de dépôt et placement du Québec
	Supervisory Board member	ATC Atlantic I B.V.
	Supervisory manager	AT Atlantic Holding LLC

Name	Functions and Offices	Companies
Ms Sylvia Métayer	Member of the Supervisory Board Executive President of the Audit and Ethics Committee	GROUPE KEOLIS S.A.S
	Director Member of the Audit Committee Member of the Remuneration Committee	Page Groupe PLC
	Director Executive President of the Remuneration, Appointments and Governance Committee	Groupe Aéroport de Paris
	Director Executive President of the Audit Committee	AnimalCare Group, Plc
	Member of the Research Steering Committee International Advisory Board (pro bono)	HEC Foundation
	Member of the Board of the French Tech Corporate Community mission (pro bono)	Ministry of the Economy and Finance
	Member of the Supervisory Board	La Gouvernance au Féminin (until 31 December 2023)
Mr Robert Tessier	Member of the Supervisory Board Chairman of the Remuneration and Human Resources Committee	GROUPE KEOLIS S.A.S
	Director	TES Canada
Mr Laurent Trévisani	Member of the Supervisory Board Member of the Investment and Strategy Committee Member of the Audit and Ethics Committee	GROUPE KEOLIS S.A.S
	Chairman	SNCF Participations
	Deputy Chief Executive Officer	Société Nationale SNCF
	Member of the Management Board	SNCF Optim'Services
	Chairman of the Supervisory Board Member of the Human Resources Committee	GEODIS S.A.
	Chairman	Transport & Logistique Partenaires SAS
Ms Nathalie Wright	Member of the Supervisory Board Executive President of the Innovation and Sustainable Development Committee Member of the Safety, Security and Prevention Committee	GROUPE KEOLIS S.A.S
	Chief Digital & Sustainability Officer (until 30/09/2023)	Rexel Group
	Director Member of the Strategy & ESG Committee	Quadient
	Director Member of the Risk Committee	Amundi

The Chairman of the Supervisory Board may, if he deems it necessary, depending on the agenda, invite members of the Executive Committee or individuals from outside the Company to attend and/or participate in the meetings of the Supervisory Board without voting rights.

The Statutory Auditors are invited to attend Supervisory Board meetings when the annual and interim financial statements are reviewed.

1.2.3.2 Duties and powers of the Board

The Supervisory Board exercises continuous control over the management of the Management Board.

In this respect, the Board has specific powers to carry out the checks and controls that it deems appropriate and to obtain the documents that it deems necessary for the performance of its duties.

In accordance with the Company's Articles of Association, a certain number of decisions known as "Significant Decisions" must be submitted to the Supervisory Board for prior approval.

The Supervisory Board also discusses questions that any member asks to be put on the agenda under any other business, with the agreement of the Chairman of the Supervisory Board.

1.2.3.3 Operation of the Supervisory Board

The Supervisory Board meets as often as necessary and at least once a quarter.

Supervisory Board members are called to attend Supervisory Board meetings by the Chairman of the Supervisory Board. The Supervisory Board is convened at least four days before the meeting, by any means, to discuss a clearly defined agenda.

In 2023, the Supervisory Board met five times and voted on topics including the following:

- the 2022 annual and consolidated financial statements;
- the 2023 quarterly and half-yearly financial statements;
- monitoring of business progress;
- the 2024 budget;
- the 2024-2028 GPS;
- strategic review of the Group and its subsidiaries/Business Units.

At each meeting, the Chairperson of the various Board committees report on the work of the committees. Each meeting ends with an executive session between the Executive President of the Management Board and the Supervisory Board.

Since 2023, every meeting has included a Safety Moment dedicated to Health and Safety.

Internal control, risk mapping and prevention are also addressed, as well as business ethics through the reports of the Audit and Ethics Committee.

In 2023, the Board carried out its self-assessment as well as the assessment of the Board committees. The results were shared at the Supervisory Board meeting of 23 May 2023.

In addition, a strategic seminar is held each year bringing together all the members of the Supervisory Board with the members of the Executive Committee to discuss and determine the high-stakes topics that will be examined in depth during subsequent Board meetings.

In 2023, the seminar was held on 28 and 29 September.

1.2.3.4 Committees of the Supervisory Board

The Supervisory Board is supported by five internal committees that prepare the work of the Board:

- the Audit and Ethics Committee;
- the Investment and Strategy Committee;
- the Safety, Security and Prevention Committee;
- the Remuneration and Human Resources Committee;
- the Innovation and Sustainable Development Committee.

The Audit and Ethics Committee (AEC)

The AEC helps the Supervisory Board ensure the accuracy and true and fair nature of the consolidated financial statements, the quality of internal control and the information provided to the Company's shareholders, as well as compliance with the Group's ethics rules.

The AEC held five meetings in 2023, notably examining the following topics:

- review of the annual, half-yearly and quarterly consolidated financial statements;
- review of internal control;
- 2023 Audit Plan;
- progress report on the control carried out by the French Anti-corruption Agency;
- approval of the 2024-2026 Compliance roadmap;
- review of fraud reporting in 2022;
- update of the internal audit charter and the internal rules of the Audit Committee;
- renewal of the Statutory Auditors' terms of office;
- 2024 major risk matrix;
- approach regarding non-financial indicators.

The Investment and Strategy Committee (ISC)

The purpose of the ISC is to help the Supervisory Board conduct its mission. It submits its opinions and recommendations to the Supervisory Board, which remains the sole decision-making body.

The role of the ISC is to put forward proposals to determine the Company's strategic direction and the main elements of the Business Plan, and to make recommendations concerning investments and any transaction likely to have a significant impact on the Company's strategy or to alter its financial structure or scope of activity. The ISC also examines the projects submitted to it in accordance with the commitment procedure.

The ISC held 28 meetings in 2023.

The Safety, Security and Prevention Committee (SSPC)

The Safety, Security and Prevention Committee is responsible for reviewing any issues related to operational risks in the work of the mobility and safety services in the Company and its Subsidiaries. It examines and issues recommendations on the principles of organisation, prevention and management of operational and professional risks related to the work of the mobility services.

In 2023, the committee held four meetings, notably following up plans to improve operational health and safety at work. Committees focused on cybersecurity risks and formation and awareness-raising issues:

- monitoring of major events;
- 2022 Health and Safety performance;
- focus on Cybersecurity;
- review of results and safety action plans;
- update on urban violence in France.

The Remuneration and Human Resources Committee (RHRC)

The RHRC's mission is to formulate proposals to determine the compensation framework and policies for the main executives of the Keolis Group proposed by the Management Board. In addition, the RHRC is regularly informed of the general salary policy, succession plans and changes to be made to the organisational structure.

The RHRC held three meetings in 2023. The main topics discussed were the following:

- validation/achievement of the 2022 CEO & Executive Committee targets;
- STI & LTIP;
- review of major HR risks;
- result of the 2023 engagement survey;
- gender equality and diversity: 2023 review and roadmap;
- HR Group data review;
- HR Director: 2023 achievements and 2024 priorities.

The Innovation and Sustainable Development Committee (ISDC)

The Committee contributes information to the Supervisory Board on the trajectory of the innovations developed by the Group, and the development and strengthening of the Company's environmental and societal value proposition vis-à-vis its customers and stakeholders, notably through the Company's innovation policy and marketing strategy. It makes recommendations on strategic orientations and specific projects initiated in terms of sustainable development.

- The Group's carbon trajectory for 2023-2028.
- CSR governance & certifications.
- External communication strategy for the Keolis Group differentiators.
- Gender balance and diversity: objectives, achievements, challenges and roadmap.
- Review of major risks.

1.2.4 THE EXECUTIVE COMMITTEE

The Company's Chairwoman is supported by an Executive Committee, composed of nine members, including the Chairwoman.

The Executive Committee meets weekly. As a consultative and steering body, it discusses the Group's key strategic directions and all significant substantive issues. It ensures the Group's unity.

The composition of the Executive Committee at 31 December 2023 was as follows:

Executive Committee at 31 December 2023

Ms Marie-Ange Debon	Chairwoman of the Management Board
Ms Annelise Avril	CEO - France, Major City Networks
Ms Laurence Broseta	CEO - International
Ms Sophie Durand	Director of Communications
Mr Pierre Gosset	Group Director - Industrial Division
Ms Lydie Jallier	Human Resources Director
Mr Jan Kilström	Managing Director - Continental Europe
Mr Clément Michel	Managing Director - France, Regions
Ms Christelle Villadary	Chief Financial and Legal Officer

1.2.5 AGREEMENTS COVERED BY ARTICLE L. 227-10 OF THE FRENCH COMMERCIAL CODE

During the past financial year, no agreements were entered into under Article L. 227-10 of the French Commercial Code.

1.3 STATEMENT OF NON-FINANCIAL PERFORMANCE AND VIGILANCE PLAN

1.3.1 CORPORATE SOCIAL RESPONSIBILITY, AT THE HEART OF KEOLIS'S STRATEGY

1.3.1.1 Commitments that are clear to all stakeholders

CSR, Corporate Social Responsibility, is an integral part of Keolis's strategy. As such, its purpose is built in line with UN Sustainable Development Goal 11, Sustainable cities and communities. Shared mobility is a means and a lever to support this goal defined by the UN, thanks to its virtuous business model. It serves the general interest and benefits all its stakeholders.

To materialise this positive impact, Keolis articulates four commitments around its key stakeholders:

- our employees: supporting the development of employees in a safe and inclusive working environment;
- our planet: highlighting the challenges of climate change and the ecological transition;
- our passengers: providing attentive and inclusive mobility facilitating access to essential services and daily activities;
- our partners: contributing to the attractiveness of the regions.

These commitments are designed to fully contribute to the SDGs (the SDGs for which Keolis has a contribution of 25% or more are shown in the diagram opposite). The diagram highlights the complementarity of social and environmental issues in Keolis's CSR approach.

Each of the four CSR commitments is supported by a business line department at the level of the Keolis Group, which defines objectives, policies and indicators. They also ensure sharing and coordination with the operational entities. To ensure the due implementation of these commitments, Keolis uses:

- external recognition, such as ISO 14001 certification for the ecological transition, the Gender Equality European & International Standard (GEEIS) label for equality and diversity, the Carbon Disclosure Project assessment for the climate strategy;
- internal approaches, more specific to the Company and its sector, such as Keolis Signature Service for the customer experience, Keolis Industrialises and Harmonises its Operations (KIHO) and Keolis Industrialises and Harmonises its Maintenance (KIHM) for operations and maintenance.

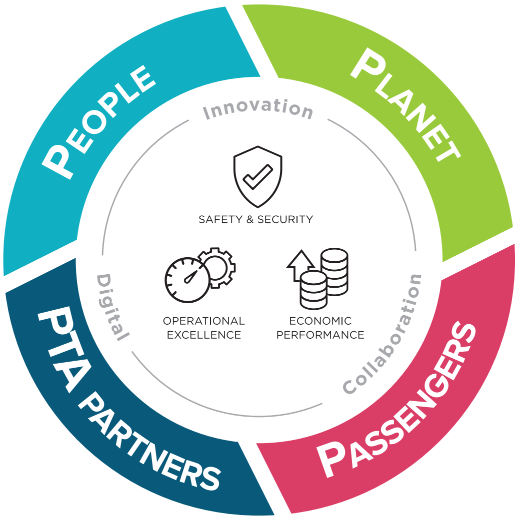
1.3.1.2 Commitments integrated into the Group's corporate project and day-to-day operations

Keolis Way, the Group's corporate project, has two objectives:

- improve financial, societal and environmental performance for the benefit of passengers, employees and all stakeholders;
- strengthen a shared culture and working methods.

It provides a roadmap framework to all entities, regardless of their location, size or mode of operation. Articulated around the four stakeholders, it makes it possible to disseminate the shared ambitions and objectives to be achieved at Group level in our day-to-day operations.

At the end of 2023, 92% of Keolis entities had adopted the corporate project by defining a project that, while incorporating the Group's structure and objectives, adapts to the specificities of each subsidiary and its community.



The progress of each of the Keolis Way Group performance indicators, set for 2025, is monitored by the business lines concerned and also by the Executive Committee. Events and communications, at Group and local level, support the project.

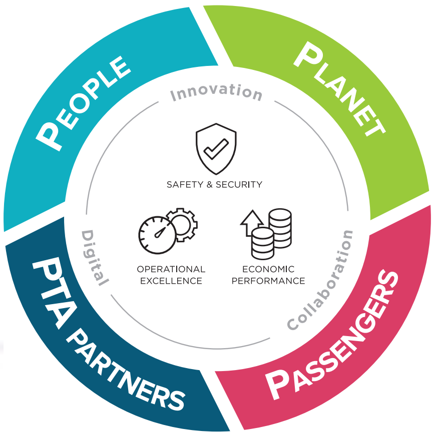
1.3.1.3 Comprehensive and multidisciplinary governance

To ensure the implementation of environmental and social commitments, key indicators are integrated into the key processes and bodies:

- the management cycle, i.e. reporting, the budget, multi-year plans;
- the Investment Committees;
- financing conditions;
- executive remuneration.

In addition, regular updates are delivered to the Group's various governance bodies (Executive Committee, ELT, SLT, Top ex) and with the directors (Supervisory Board, Innovation and Sustainable Development, Audit Committee, Remuneration and HR Committee).

In addition, Keolis calls on the expertise of players from the non-profit world and partners to feed its roadmap. Discussions and joint projects lead to the inclusion of societal changes, and social and environmental innovation into discussions and actions around four pillars and also in a cross-functional manner.



Mobility Workshops

Mobility Centre

School visits

1.3.1.4 A year marked by the energy transition and a need to strengthen the attractiveness of jobs in public transport

The Company is open to the world around it: Keolis's CSR priorities evolve with the society around it.

In 2023, the year was marked by an acceleration of the energy transition, which Keolis addressed through a holistic approach, from energy sobriety to the supply of solar energy, including fleet upgrades. All Keolis entities defined and rolled out a sobriety and energy efficiency plan in order to meet both financial and environmental challenges.

At the same time, the shift towards non-fossil fuels continued, with a reduction in greenhouse gas emissions per kilometre. The systems to support this transition continued to be implemented with the creation of centres of excellence in energy transition in certain countries and the Keolis Nouvelles Énergies Tour with Keolis partners.

Keolis also focused on environmental innovation, notably:

- winning an experimental project for a hydrogen bus line;
- establishing a partnership to extend the life of vehicle batteries;
- continuing to roll out "Pattern CO_2", a tool for tracking changes in greenhouse gas emissions.

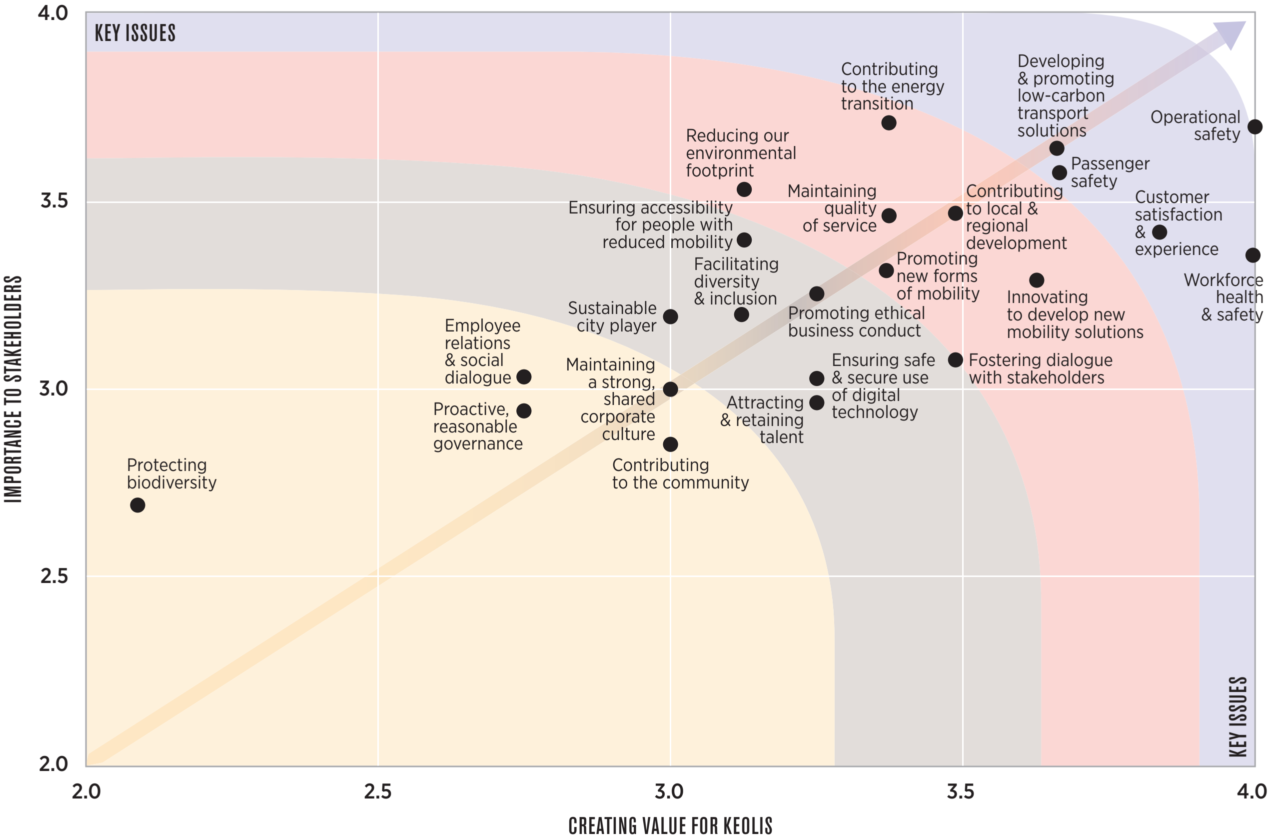
In terms of employment, the Group continued to roll out recruitment campaigns for drivers. For the first time in several years, the Group's rate of departures decreased.

It also took advantage of its expertise in analysing sociological phenomena to carry out a study on driving professions, in order to understand appeal and retention levers available to human resources and managers.

Lastly, measures to prevent and combat sexist and sexual attacks in the Group's entities, both for employees and passengers, were increased, following the principle of symmetry of attention.

1.3.1.5 High stakeholder expectations

Keolis asked its main stakeholders to map their expectations on environmental, social and governance issues.



The results of this matrix highlight issues where stakeholders' expectations are increasing:

- developing and promoting new forms of mobility and low-carbon transport solutions: as an operator of alternative mobility solutions to the private car, provide an attractive sustainable mobility offering to encourage users to switch to other modes of transport;
- contributing to local and regional development: operate at the heart of local ecosystems, contribute to the economic and societal development of the regions served;
- be a responsible employer, which reinforces the employability of its employees and promotes diversity in its workforce.

All these themes are addressed in the various pillars of Keolis Way.

This materiality matrix will evolve over 2024 towards a dual materiality approach in accordance with the new reporting standard of the Corporate Sustainability Reporting Directive.

BUSINESS MODEL

RESOURCES

People

- **68,100 employees**, including 62% drivers
- **13,000 permanent new hires**
- **Training: Keolis Institute and apprentice training centres**

Passengers

- **Programme**
Thinking like a passenger – an approach based on continuous improvement
- **Keoscopie**
Our mobility and lifestyle observatory

PTA partners

- Member of **the United Nations Global Compact**
- **Partnership with Fondation des Femmes**
- Constant dialogue with **PTAs to help create more attractive places to live**
- **Founding member of the PIMMS*** initiative to facilitate access to essential public services

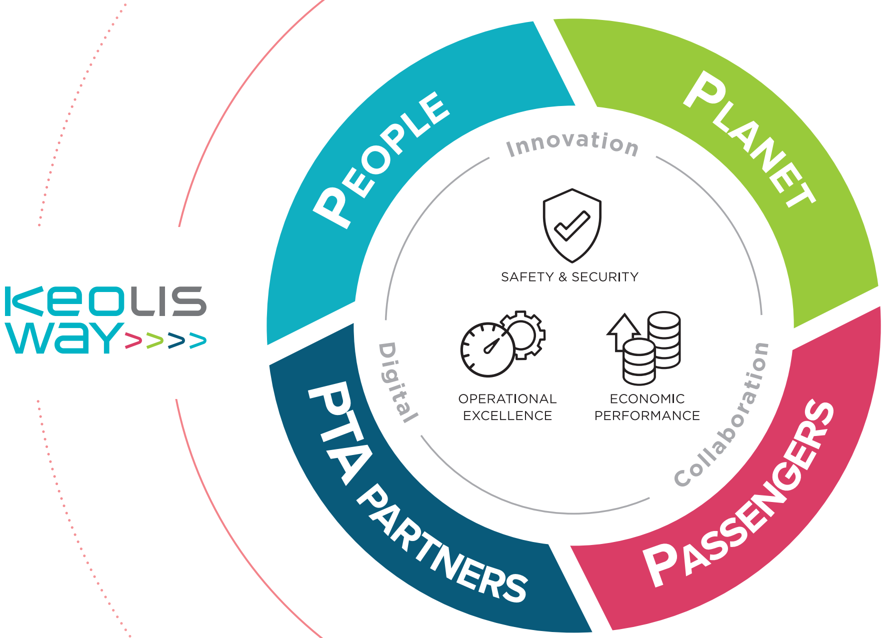
Planet

- **A portfolio of multimodal solutions** that are instrumental in reducing the environmental footprint of transport
- A growing fleet of **5,600 vehicles powered by alternative energies,** a number that has increased compared to 2022
- **Signature of a Power Purchase Agreement** to secure the supply of renewable energy

*PIMMS: shared multi-service information offices.

ACTIVITIES

Developing, designing, financing, operating, maintaining and promoting shared and sustainable mobility services in cities and communities of all sizes



Financial data

- **€7** billion in revenue
- **€180** million free cash flow
- **€164** million recurring operating profit
- A stable, committed shareholder base
- Strong performance, with a net debt/ EBITDA covenant at **2.8**

VALUE CREATED FOR AND WITH THE GROUP'S STAKEHOLDERS

CORPORATE PURPOSE

Enhance everyday life in cities and communities by imagining and operating safe, smart and sustainable mobility solutions accessible to each and everyone

VALUES

We imagine >>>

We care >>>

We commit >>>

People

- **71%** of employees received training over the year
- **90%** of employees work in a GEEIS** certified entity for gender equality
- **We@Keolis: more than 400** members in our internal network for diversity

3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES

Passengers

- **48% of the Group's revenue** covered by the Keolis Signature Service*** approach
- **2 major areas of innovation:** understanding mobility and customer experience

3 GOOD HEALTH AND WELL-BEING · 10 REDUCED INEQUALITIES · 11 SUSTAINABLE CITIES AND COMMUNITIES · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PTA partners

- **76 projects initiated** by local non-profits selected for support from *Coups de Cœur solidaires***** since 2018
- **€56 million invested** in the social and solidarity economy in France

8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 11 SUSTAINABLE CITIES AND COMMUNITIES · 17 PARTNERSHIPS FOR THE GOALS

Planet

- **60% of the Group's revenue** from its transport business covered by ISO 14001 certification for environmental management
- **19% of the Group's investments** aligned with the European green deal (80% eligible)
- **29% of kilometres covered** by alternative energy-powered commercial road vehicles
- **122 kgCO_2e/100 km** emitted by the traction of commercial vehicles, a decrease of 5% vs 2022

6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 11 SUSTAINABLE CITIES AND COMMUNITIES · 13 CLIMATE ACTION

Economic performance

- **24%** of Group revenue aligned with European green taxonomy (96% eligible)
- **92%** of available (drawn/undrawn) credit facilities indexed to ESG criteria

** GEEIS: Gender Equality European & International Standard.
*** A customer service improvement scheme.
**** In partnership with the SNCF Foundation.

1.3.1.7 CSR highlights during Keolis's development

1998
- Founding member of the PIMMS National Union

2004
- Member of the Global Compact
- First CSR report

2010
- Establishment of a European Works Council
- SNCF *coups de cœur solidaires*

2011
- First Group Stakeholders Committee

2013
- KeoLife programme, including a CSR pilar
- Partnership with FNE
- Implementation of the Konformité programme

2014
- ISO 14001 certification of the Group's environmental management system

2015
- Partner of COP21
- Partnership with BIOM Work
- First EcoVadis assessment

2016
- Keolis joins the SNCF Foundation
- GEEIS obtained
- Cap'Handéo partner

2018
- Global Compact Advanced level
- Awarded the EcoVadis gold medal
- Signature of the Group accessibility policy
- Keolis Ethic Line whistleblowing system

2019
- Update of the purchasing policy and supplier relations charter
- Keolis *Nouvelles Énergies Tour*

2020
- Keolis a signatory of the European Parliament's green recovery alliance

2021
- Announcement of the corporate purpose and new corporate project
- Arrangement of ESG-linked loan
- Launch of the We@Keolis diversity network

2022
- Keolis Bordeaux becomes the first "Mission-driven company" in the public transport sector
- Continued development of the financing strategy, incorporating ESG criteria
- Keolis, signatory of the Ecowattt Charter

2023
- Keolis launches its Tribunals for the Mobility of Future Generations, which aims to inform discussions on the major challenges of personal mobility
- Keolis announces the launch, with Clermont Auvergne Métropole, of a hydrogen bus line experiment

1.3.2 SUMMARY OF SUSTAINABILITY PERFORMANCE INDICATORS

Sustainability policies, objectives and KPIs are organised according to the structure of the corporate project Keolis Way. The contribution to the UN SDGs is presented for each axis.

	Keolis Way	KPI
FUNDAMENTALS	**SAFETY AND SECURITY**	
	Health and safety	• Frequency rate of workplace accidents
		• Severity rate of workplace accidents
		• Percentage of employees working under a safety management system certified according to ISO 45001 or 39001
	Security	• Number of partnership agreements with internal security forces
		• Share of revenue of subsidiaries that have implemented prevention & control actions against sexist and sexual abuse
	ECONOMIC PERFORMANCE	
	Business ethics	• Share of revenue covered by a compliance officer
		• Share of revenue covered by an ethics whistleblowing system
		• Share of revenue covered by a Data Protection Officer
	Sustainable procurement	• Percentage of expenses covered by an assessment of the CSR performance of suppliers
PILLARS	**OUR PLANET**	
	Energy and low-carbon transition	• Traction greenhouse gas emissions (all modes) in kgCO_2e/100km (Scope 1 & 2)
		• Traction greenhouse gas emissions (all modes) in kgCO_2e/100km (Scope 1 to 3)
		• Percentage of kilometres travelled by alternative energy commercial road vehicles
	Ecological transition	• Share of revenue covered by ISO 14001 certification
		• Share of hazardous waste recovered
		• Share of non-hazardous waste recovered
		• Water consumption (thousands of m^3)
	Societal commitment	• Amount of purchases from Social and Solidarity Economy players (€M)
	OUR PEOPLE	
	Equality, diversity and inclusion	• Percentage of employees working in a GEEIS-certified entity (professional gender equality)
		• Percentage of women in the total workforce
		• Percentage of women in the total number of drivers/transport employees
		• Percentage of workers declared disabled
	Training/ development	• Percentage of employees who received training
	Social dialogue	• Industrial action rate in France (excluding conflicts relating to national issues)
	Engagement	• Rate of departures
		• Average length of service (years)
	OUR PASSENGERS	
	Customer experience	• Consolidated customer satisfaction rate of operated entities (SatisfaKtion)
		• Share of revenue committed to the Keolis Signature Service approach

Objective	2022 performance	2023 performance	Scopes covered
-5% per year	24.4	24.3	Keolis Group, excluding Keolis Santé
	3.61	3.73	
75% in 2030	24.7%	27%	Group transport activities
-	83	108	Transport activities in France
-	40%	53%	Group transport activities
-	100%	100%	Keolis Group
-	89%	99%	Keolis Group
-	66%	75%	Keolis Group in Europe
70% in 2025	44%	51%	Group transport activities
	98	94	Group transport activities
-30% in 2030 vs. 2019	128	122	
x3 in 2030 vs. 2019	27%	29%	
80% in 2030	59%	60%	
100% in 2030	82%	83%	
-	55%	58%	
-10% in 2030 vs. 2023	1,391	1,273	
-	51.5	56	Transport activities in France
95% in 2025	90%	90%	Keolis Group
24% in 2025	21.8%	21.8%	Keolis Group
-	19.0%	18.4%	
-	5.2%	5.4%	Keolis Group France
80% in 2025	64%	71%	Keolis Group
-	0.56	0.54	Keolis Group France
-	16.7%	15.4%	Keolis Group
-	8.8	8.7	
-	84.8%	-	Group transport activities
-	39%	48%	

1.3.2.1 Fundamental: Safety and Security

Health & Safety

POLICY

The safety policy specifies the outlook, responsibilities and commitments in terms of health and safety for all Keolis entities. As the cornerstone of our organisational principles and management rituals, it is communicated to all our entities and applied locally.

The IMPACT *Sécurité* programme (standing for Managerial Involvement for Continuous Improvement and Transformation) was developed to anchor concrete rituals and guarantee a common base of managerial practices in terms of health and safety. It involves all levels of the organisation: from monthly reviews by the Group's ELT (Executive Leadership Team) to safety briefings in the field. The objective is to create a shared culture within the Group ensuring two elements that go hand in hand: operational excellence, on the one hand, and the health and safety of Keolis stakeholders (staff, passengers, partners, and third parties) on the other.

In parallel with the roll-out of the IMPACT programme, Keolis set itself the target of having 38% of its revenues covered by ISO 39001 or ISO 45001 certification by 2025.

ACTIONS CARRIED OUT IN 2023 AND PLANNED FOR 2024

In 2023, the IMPACT programme continued to be rolled out in all entities and its level of progress is included as a criterion in the variable remuneration of executives. In this context, a process for reporting/collecting and sharing best practices for High Potential Incidents (HPI) was put in place. This centralisation of feedback has made it possible to better share and minimise the most significant operational risks.

At the same time, two new entities, Keolis Northern Beaches and Keolis Downer Adelaide, were ISO 45001 certified, as part of the Group's objective.

In 2024, the plan is to continue rolling out the IMPACT programme and obtaining ISO 45001 certification.

2023 PERFORMANCE

The mobilisation of all entities has improved the level of maturity on safety issues. The objectives for 2025 are maintained. The frequency rate of workplace accidents was reduced by 11% in two years (2021-2023).

Indicator	Scope	2021	2022	2023	Objective
Frequency rate of workplace accidents	Keolis Group, excluding Keolis Santé	27.5	24.4	24.3	-5% per year
Severity rate of workplace accidents	Keolis Group, excluding Keolis Santé	3.1	3.6	3.7	-
Percentage of employees working under a safety management system certified according to ISO 45001 or 39001	Group transport activities	22%	25%	27%	75% in 2030

Security

POLICY

The Group's security policy is based on three main axes:

- the development of a human presence on the networks, through the use of duly trained staff, carrying out additional missions focussing on prevention, deterrence and crackdowns;
- the installation and roll-out of appropriate technical devices: video protection, alarms, anti-aggression windows, pedestrian cameras;
- operational partnerships with the internal security forces, which are reflected in the organisation of joint control operations and prevention partnerships.

The Group promotes the development of national partnerships, adapted locally, to implement its security policy:

- institutional: national police, national gendarmerie, municipal police forces, judicial courts, agency for community service and professional integration;
- associative: NGOs involved in conflict mediation, in the fight against addictions, or in supporting the integration of people from disadvantaged backgrounds.

In addition, the fight against sexist harassment and sexual violence is based on several mechanisms:

- the development of awareness-raising and training for all staff;
- raising public and passenger awareness through campaigns and preventive actions;
- the deployment of on-demand alighting on buses in the evening and the organisation of exploratory walks;
- the development of reporting, alert and support systems for victims, such as "Angela" in France;
- the sponsorship of Fondation des Femmes, to commit the Group to the protection of women's rights.

ACTIONS CARRIED OUT IN 2023

Keolis entities continued to roll out the security policy and implement action plans against sexist harassment on public transport.

In November 2023, the Group signed a partnership agreement with the Ministry of Justice to develop community service schemes. The main objective is to accommodate people sentenced to community service, through a reinforced regional network.

As part of the fight against sexist and sexual harassment, Keolis signed a partnership with UMAY, to promote this general public application to alert and geolocate safe places where victims can quicly take refuge.

BEST PRACTICES

The Group committed to the mental health and protection of women

In partnership with the Manchester University NHS FT, a mentoring programme has been set up to train and raise the awareness of employees on mental health issues. Keolis has also partnered with the Nottingham police department to roll out an awareness-raising campaign against violence against women on the city's buses and trams.

2023 PERFORMANCE

In 2023, these security partnerships were consolidated, developed and formalised, notably through the signature of local agreements (national police, municipal police and national gendarmerie) and through regional transport entities in France.

The deployment of mechanisms to prevent and combat sexist and sexual abuse is also progressing, in line with the stated policies.

Indicator	Scope	2021	2022	2023
Number of Keolis network partnership agreements with internal security forces	Transport activities in France	68	83	108
Share of revenue covered by a system to prevent & combat sexist and sexual abuse	Group transport activities	26%	40%	53%

Cybersecurity

POLICY

Cybersecurity governance is based on a body of documents comprising:

- a General Group Cybersecurity Policy which sets out a framework at Group level, including the major issues, organisational principles, and roles and responsibilities of all stakeholders;
- thematic policies that aim to clarify cybersecurity guidelines and rules, notably for third-party management, data protection, and logistical and physical security;
- specific procedures, relating to messaging or passwords, which detail the implementation associated with one or more directives of a given thematic policy.

A cybersecurity awareness-raising plan for our employees has been rolled out. It aims to improve the reflexes and best practices of everyone in their daily activities. It includes Group phishing campaigns, awareness-raising workshops on specific topics and e-learning programmes made available on our training platform.

The cybersecurity framework and awareness-raising actions are intended for the entire Group and its entities. The entities have the option of adapting the guidelines and raising awareness locally if the local context requires it.

ACTIONS CARRIED OUT IN 2023

A number of actions were undertaken during 2023, among which the following were the main ones:

- update of the cybersecurity framework;
- roll-out of a cybersecurity assessment platform for suppliers;
- industrialisation and reinforcement of awareness-raising actions after the Group's phishing campaigns;
- roll-out of a detection solution to monitor our information systems and detect incidents as early as possible.

1.3.2.2 Fundamental: Operational Excellence

Operations, Maintenance & Asset Management

POLICY

Operations and maintenance are the two core activities of Keolis. As such, they are structured symmetrically, with a policy, adapted to an operational approach.

The Policies describe all the key processes, as well as the pillars, benchmarks, tools and performance areas to ensure various essential missions in terms of quality of service.

"KIHO", Keolis Industrialises and Harmonises its Operations and "KIHM", Keolis Industrialises and Harmonises its Maintenance are the two operational approaches. They aim to industrialise and harmonise practices within the Group, while taking into account specific local contexts and challenges. They make it possible to guarantee the continuous improvement of performance and operational management in terms of operation and maintenance and share the Group's best practices. Specific content has been defined to facilitate their deployment: management system, diagnostic and coordination tools. This content enables the entities to measure their maturity, compare themselves with their peers, identify the necessary corrective actions, plan their continuous improvement and specify their operator training plan. All players analyse and compare the key indicators of the business and have access to the performance of other comparable networks.

Structural projects are carried out in parallel. The MyKeolisServices project aims to offer each driver the opportunity to carry out all the operations they need directly on their smartphone (management of their schedule, consultation of documentation, etc.). It modernises and simplifies the driver's relationship with their work. Keolis wants to go further by developing tools to take into account the wishes of drivers in the construction of their shift roster with the help of AI. This is the KUSTOMIZE project. The goal is to reduce absenteeism and increase driver retention rates by creating tailor-made rosters to improve their work-life balance.

For asset maintenance and management, Keolis is implementing a transformation approach using digital levers. Entitled "Maintenance 4.0", it is structured around six areas and aims to identify, test and implement digital solutions to improve the operational and economic efficiency of the entities in terms of asset maintenance and management.

ACTIONS CARRIED OUT IN 2023 AND PLANNED FOR 2024

In 2023, the KIHM and KIHO programmes continued to be rolled out at the Group. The entities located in Rennes, Caen, Antibes and Perpignan rolled out the KIHO programme. Meanwhile, KIHM was rolled out in several countries, such as Sweden, Belgium, the United Kingdom and the United Arab Emirates.

At the end of 2023, the level of coverage of the self-assessments stood at 88% and 83% respectively.

Lastly, to strengthen the Group's decarbonisation trajectory, the roll-out of eco-driving tools has also been accelerated.

BEST PRACTICES

Filgreen: an educational game to improve network energy performance

Keolis Tours and Keolis Besançon are developing Filgreen, an educational game that aims to involve drivers in reducing the carbon footprint on their respective networks. Through "gamification", artificial intelligence and the relevant use of data, drivers and managers will be able to participate in a unique experiment during which they will have to meet collective targets and individual challenges. Initially focused on eco-driving, the game could then be adapted to new themes such as customer relations.

1.3.2.3 Fundamental: Economic Performance

Since 2021, the Keolis Group has been actively monitoring the regulations relating to the European Green Taxonomy, in accordance with the laws and regulations in force. In view of the terms of application, the Keolis Group is not subject to a reporting obligation under Article 8 of the Taxonomy Regulation.

However, the Keolis Group, which falls within the scope of consolidation of the SNCF Group, which is subject to these non-financial information disclosure obligations, contributes to the determination and valuation of its activities eligible for the European Taxonomy.

The main eligible activities of the Keolis Group are as follows: interurban rail transport (Activity 6.1) and urban and suburban transport, road passenger transport (Activity 6.3).

The Keolis Group is working on the alignment of its activities that will contribute to the achievement of the objectives, based on the technical criteria of the Taxonomy.

The eligibility and alignment indicators mark the Group's desire to publish, voluntarily and transparently, an inventory of the sustainability of its activities, and demonstrate its full mobilisation in favour of climate change mitigation:

- 96% eligible consolidated revenues and 24% aligned in 2023 (16% aligned in 2022);
- 80% eligible consolidated investments and 19% aligned in 2023 (4% aligned in 2022).

Business ethics, healthy and fair competition & prevention of corruption

POLICY

For several years now, Keolis has been asserting the principle of "zero tolerance of all forms of corruption and influence peddling". This requirement is based on three reference documents, promoted and made available to all entities:

- Guide for Ethical Business Conduct;
- the code of conduct for the prevention of corruption and influence peddling;
- the code of conduct for free and fair competition.

These reference documents, covering the entire scope of the Group, are broken down into policies and procedures, whose principles each employee is obliged to respect in his or her relations with all stakeholders.

ACTIONS CARRIED OUT IN 2023

In 2023, the Ethics and Compliance Department implemented the mandatory declaration of interests at the time of hiring. It also set up an annual campaign to identify all employee interests. Four-monthly reporting of whistleblower alerts recorded and processed in entities is now in place. It makes it possible to define targeted action plans, according to the potected disclosures received.

In addition to these policies and procedures, practical fact sheets have been provided to employees to facilitate the appplication of regulatory obligations in operations.

Awareness-raising actions take place regularly. In particular, the management of gifts and hospitality in preparation for the Rugby World Cup led to the production of an animation (Motion design) to remind people of best practices.

2023 PERFORMANCE

A compliance officer covers 100% of the group's revenue.

The roll-out of the ethics whistleblowing system in the Group's entities is ongoing, and has reached almost the entire scope. The increase in 2023 was mainly due to its roll-out in the Danish subsidiary and in the subsidiaries in the United Kingdom.

Indicator	Scope	2021	2022	2023
Share of revenue covered by a compliance officer	Keolis Group	100%	100%	100%
Share of revenue covered by an ethics whistleblowing system	Keolis Group	89%	89%	99%

Personal data protection

POLICY

The Group's General Data Protection Regulation (GDPR) policy includes:

- the Group's commitment to personal data protection;
- the general rules and principles that must be followed by all entities;
- the specific principles to be respected for entities subject to the GDPR.

Keolis entities operating in the European Union are governed by appropriate governance, with a Data Protection Officer, DPO.

ACTIONS CARRIED OUT IN 2023

Numerous actions were continued during 2023, following on from 2022. The main ones were:

- ensuring the compliance of personal data processing and Group tools;
- Privacy by Design, i.e. integrating compliance with the RGPD from the design stage of a processing operation or project;
- awareness-raising campaigns via GDPR e-learning, as well as through the implementation of specific events, such as a Data Protection Day.

2023 PERFORMANCE

The increase in the proportion of revenue covered by a data protection officer between 2022 and 2023 is explained by the appointment of DPOs in some of the regional transport entities, particularly in Ile-de-France.

Indicator	Scope	2021	2022	2023
Share of revenue covered by a data protection officer	Keolis Group in Europe (countries subject to GDPR)	74%	66%	75%

Responsible purchasing

POLICY

Keolis structures its responsible purchasing policy around two objectives for 2025:

- 70% of the Group's purchasing spend with suppliers who have assessed their Corporate Social Responsibility (CSR) performance;
- 20% of the rating of a purchasing tender dedicated to CSR criteria.

To achieve this, two tools are made available to all Group entities:

- access to assessments carried out by a third-party organisation specialising in CSR performance;
- reference framework for CSR contractual clauses to be included in contracts, with proposals for monitoring indicators by type of purchase.

Other additional tools offer ways of complying with the principles of responsible purchasing:

- analysis by purchasing category of environmental, social and human rights & ethics risks;
- tools for assessing the risks of corruption and influence peddling, in accordance with the Sapin 2 law;
- “Purchasing” charter including the principles of behaviour to be observed by a Keolis employee involved in the purchasing process;
- supplier relations charter with Keolis's expectations in terms of respect for human rights, occupational risk prevention and safety, and environmental protection.

ACTIONS CARRIED OUT IN 2023 AND PLANNED FOR 2024

The highlights of 2023 were as follows:

- 100% of the Group's framework agreements contain CSR clauses;
- continued roll-out of the CSR clause framework;
- webinar organised for international suppliers, with the Ecovadis team;
- monitoring of CSR KPIs during contract review meetings.

BEST PRACTICES

Supplier Carbon Convention in Rennes: reinforce proximity with local suppliers

After a first Suppliers Convention organised by Keolis Lyon in 2021, Keolis Rennes organised its Supplier Carbon Convention in 2023. A day during which around twenty suppliers exchanged views with the Group's representatives on decarbonisation issues in the mobility sector and on the shared roadmap.

In 2024, the Group will focus on:

- the roll-out of a responsible digital approach;
- the systematic application of CSR criteria in supplier consultations;
- the decarbonisation of purchases with the launch of action plans with its main suppliers.

2023 PERFORMANCE

In 2023, the Group continued its CSR assessment process for its suppliers, with significant progress across the entire scope.

Indicator	Scope	2021	2022	2023	2025 target
Percentage of expenses covered by a third-party assessment of the CSR performance of suppliers*	Group transport activities	37% (France and Australia)	44% (55% in France)	51% (62% in France)	70%

* *This is the statement at 31 December 2023 of amounts purchased from referenced suppliers, based on extracts from invoices.*

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

1.3.2.4 Pillar: our People

Employee engagement

POLICY

HR policies aim notably to promote employee engagement. By analysing labour market trends and employee behaviour, the Group adjusts its processes and provides managerial support to its teams in order to best meet expectations and changes.

To measure engagement in a structured way, Keolis set up an annual Group employee survey. All employees are asked to give their opinion on five dimensions: Leadership, Employer Brand, Engagement, Quality of Life at Work and Corporate Project.

Each manager has access to the results for their teams within their hierarchical scope. This comprehensive collection of perceptions and feedback enables it to define and implement action plans that will strengthen the engagement of its teams with the support of management and Human Resources teams.

In addition, two key initiatives have become standard practice: the standardised on-boarding process and the systematic exit interview with people who resign to understand the reasons for their departure.

ACTIONS CARRIED OUT IN 2023 AND PLANNED FOR 2024

The sector is marked by strong pressure on human resources in almost all regions. In this respect, the ReKrute recruitment project, launched in 2022, was continued.

Moreover, as staff turnover is high, employee engagement and retention are major challenges. Several initiatives aimed at developing the understanding of these trends were launched: update of on-boarding programmes, exit interviews, a Keoscopie study on driving professions.

Keolis uses the engagement barometer to define action plans. In 2023, 29,000 employees, i.e. 53% of the population surveyed, responded, which was an increase of 12 points compared to 2022. Geographical areas such as Denmark and the Ile-de-France region doubled their participation in one year. Overall, the approval ratings improved for four of the five dimensions measured.

In 2024, the focus will be on employee career paths within the Company.

BEST PRACTICES

Adoption of a new employer brand for Keolis Sweden

The Group's Swedish subsidiary launched the overhaul of its employer brand with several goals: attracting talent and expertise, facilitating on-boarding, strengthening the role of ambassador, and providing a guiding theme. The strategy is based, among other things, on stronger local contact, as well as a wider presence on social media with relevant and inspiring content.

2023 PERFORMANCE

For the first time in several years, a slight improvement is to be noted in the driving professions: (the number of new hires is higher than the number of departures). There was a lower overall rate of departures.

Indicator	Scope	2021	2022	2023
Rate of departures	Keolis Group	13.9%	16.7%	15.4%
Average length of service in years	Keolis Group	8.3	8.8	8.7

Training, development and appeal

POLICY

Keolis supports its employees in their career development in terms of both skills related to their job and their knowledge of the mobility sector (energy transition, digital, new forms of mobility, etc.). To this end, several mechanisms exist to attract, integrate and support each employee in their development:

- Institut Keolis: an internal training organisation, which is Qualiopi-certified, and made up of five regional branches located close to subsidiaries. It offers more than 350 training courses to all employees in France and abroad;
- Graduate programme, known as the *pépinière*: *Pépinière* Keolis: a programme designed to train young graduates in jobs relating to operations, maintenance, marketing and mass transit. The courses, which last from 12 to 24 months, are divided into periods of practical training and immersion in France or abroad to enable future managers to better understand the transport professions. In total, 30 graduates join the Group each year;

- Keolis Campus Mobilités: an Apprenticeship Training Centre, dedicated to public transport driving jobs, to train the Group's own drivers internally and through apprenticeships;
- Keolis also maintains special and lasting relationships with partner schools. In France, these include ENTPE (*École de l'aménagement durable des territoires*), ESTACA (*École supérieure des techniques aéronautiques et de construction automobile*) and the University of Cergy, which offer training in relation to Keolis's job disciplines and challenges.

ACTIONS IN 2023

In terms of training, the main focus of the year was the Leadership Framework programme, which aims to develop and standardise the skills of managers so that they can best perform their role and thus help their employees achieve their full potential. It was successfully rolled out in eight entities in four different countries in the first half of 2023. Since then, its roll-out has been initiated in more than 60 entities in 10 countries. In total, 780 managers were trained and are rolling out the training content in their organisations.

2023 PERFORMANCE

In 2023, 4% of payroll was invested in training, representing more than four times the French legal obligation.

The percentage of employees who received training was up compared to 2023. This was due notably to the large number of new drivers hired, who must be trained to obtain the necessary driving certifications.

Indicator	Scope	2021	2022	2023	2025 target
Percentage of employees who received training	Keolis Group	64%	64%	71%	80%

Equality, diversity and inclusion

POLICY

Keolis is committed to equality, diversity and inclusion through a policy that aims to provide everyone with the opportunity to access sustainable employment and develop in the Company based on their skills and performance.

This is reflected in several categories of actions:

- promoting gender equality, notably through the Gender Equality European and International Standard (GEEIS) certification. It validates the implementation of measures aimed at establishing gender equality (fair career management, diversity in recruitment, fair remuneration, work-life balance, etc.), with associated monitoring and management to ensure their effectiveness;
- promoting diversity: Keolis is committed to all aspects of diversity and inclusion (social and ethnic origin, age, disability, sexual orientation, etc.). Recruitment practices and dedicated campaigns are set up to attract diversified profiles;
- integrating people who are cut off from the job market, by developing partnerships with organisations established in their regions;
- using the WE@KEOLIS internal network for gender diversity to mobilise and involve employees.

ACTIONS IN 2023

The GEEIS certification was extended to also include diversity. Thus, of the 13 entities subject to a renewal audit in 2023, seven also presented their approach on diversity, with a focus on disability.

For all aspects of equality and diversity, awareness-raising actions were carried out, notably against sexism, and discrimination against sexual orientation and disability. More specifically, in France, Keolis took part in the Duo Days during the European Week for the Employment of People with Disabilities: 26 duos in 17 entities. This day allows people with disabilities to work shadow the profession of their choice.

Keolis was also present at the "Hello Handicap" fair, which resulted in more than 300 applications and several job interviews.

To promote the employment of people cut off from the job market, Keolis formed or strengthened several partnerships, such as with the APELS association (Association pour l'Éducation par le Sport).

We@Keolis, the internal network for gender diversity, continued its development and welcomed 120 new active members.

BEST PRACTICES

Workforce of Women (WOW) programme receives an award

For the second year running, Keolis Hyderabad launched its Workforce of Women programme, which promotes female employees and provides them with support in various aspects of their professional lives to help them succeed. This programme illustrates the subsidiary's commitment to diversity, equity and inclusion. It received two awards at the Global Light Rail Awards in London in October 2023, including the "Team of the Year" award.

2023 PERFORMANCE

The percentage of women in the Group was stable this year. The target set of 24% in 2025 is ambitious, given sector trends (pressures on the job market, jobs perceived as "male"). The mobilisation to attract and recruit women remains intact and was extended to all levels of the Keolis Group.

The rate of workers declared as having a disability is increasing, although it remains below the target. A detailed analysis was carried out to better understand the causes and establish an appropriate action plan.

Indicator	Scope	2021	2022	2023	2025 target
Percentage of employees working in a GEEIS-certified entity	Group transport activities	87%	90%	90%	95%
Percentage of women in the total workforce	Keolis Group	22.0%	21.8%	21.8%	24%
Percentage of women in the total number of drivers/transport employees	Keolis Group	19.1%	18.9%	18.4%	-
Percentage of women managers in the total number of managers	Keolis Group	35.7%	36.4%	36.1%	-
Percentage of workers declared disabled	Transport activities in France	5.1%	5.2%	5.4%	-

Social dialogue

POLICY

Social dialogue is managed locally, in order to better integrate employee expectations, national legislation, practices and local agreements. Each entity thus has representative bodies according to the rules applicable to it. Dialogue has two purposes: it plays a role in the cohesion and pacification of labour relations; it is also a component of social performance (satisfaction, motivation, engagement, loyalty).

There are two bodies with a broader scope than the local level:

- European Works Council, composed of representatives from each country in which the Group operates in Europe, appointed by the trade unions representing each country. It meets regularly to discuss all cross-border issues relating to the Group's commercial and financial performance, and cross-functional topics;
- Group Works Council in France, composed of 12 representatives appointed by the trade unions representing the Group. It meets twice a year. More specifically, this body is informed of regulatory changes impacting labour relations and employment in France.

The Group regularly works with professional bodies such as the Fédération Nationale des Transports de Voyageurs (FNTV), the Union des Transports Publics et ferroviaires (UTP), the Fédération Nationale des Métiers du Stationnement (FNMS) and the Chambre Nationale des Services d'Ambulances (CNSA) in France, or the International Association of Public Transport (UITP) internationally.

ACTIONS IN 2023

The Group's European Works Council was trained in CSR issues in order to better participate in the Group's discussions. In 2023, two specific days were organised during which the work streams on all CSR themes were presented (non-financial reporting, carbon and ISO 14001 trajectories, actions in favour of diversity, etc.).

The Group Works Council in France worked on local management by meeting with the representatives of the cross-functional working group which is responsible for working on the Keolis leadership model and the policy that supports it.

2023 PERFORMANCE

The industrial action rate remained stable between 2022 and 2023.

Indicator	Scope	2021	2022	2023
Industrial action rate (excluding conflicts relating to national issues)	Transport activities in France	0.37	0.56	0.54

1.3.2.5 Pillar: our Planet

Energy & ecological transition

POLICY

In its environmental policy, Keolis undertakes to carry out its activities in compliance with regulatory requirements and its contractual or voluntary commitments. Consequently, it is committed to protecting the environment by controlling its activities and preventing pollution, contributing to the mitigation of climate change by promoting sustainable mobility, and continuously improving its environmental approach.

To meet these commitments, the Group has set targets with a view to:

- reducing its greenhouse gas emissions, including by improving energy efficiency;
- increasing the rate of waste recovery;
- controlling water consumption.

The Keolis Group's climate strategy is based on three components: mitigation, adaptation and governance. To reduce GHG emissions and contribute to the mitigation of climate change, traction is being prioritised. This item represents over 50% of the GHGs in the Group's "carbon footprint", established according to the GHG protocol*, and 85% of Scope 1 and 2. Keolis has set itself the target of reducing these emissions per km by 30% between 2019 and 2030.

	2021	2022	2023
Scope 1 and 2 location-based traction emissions (ktCO_2e)	1,040	1,128	1,090
Scope 1 and 2 market-based traction emissions (ktCO_2e)	1,009	1,114	1,049
Scope 3 energy	284	316	311

To adapt to climate change, Keolis uses a complete mapping of its assets and their associated values to establish the priorities and resources to be allocated. Lastly, a governance structure has been set up to ensure that commitments are followed through, with a Climate Strategy Committee and GHG indicators integrated into the management cycle and into the long-term incentive plan for top managers.

More broadly, to assess its environmental performance and ensure that the approach is holistic, Keolis has set itself the target of 80% of its revenues being covered by an environmental management system certified by the ISO 14001 standard in 2030.

ACTIONS CARRIED OUT IN 2023

To reduce GHG emissions from traction, the transition to electric buses (mainly urban) and biofuels (regional transport) continued. To support these changes, a centre of excellence for renewable energies was set up in Australia, and a partnership with IVECO France and Forsee Power was launched in order to optimise the use and long-term performance of electric bus batteries. To share the Group's expertise and better understand the expectations of external stakeholders, the Keolis Nouvelles Énergies Tour took place with three events in France.

Throughout the year, special attention was paid to energy consumption. Each Group entity was asked to formalise its sobriety and energy efficiency plan. Their achievement has been included as a criterion for executive remuneration.

Lastly, Keolis is mobilising to accelerate the energy transition in order to reduce greenhouse gases from passenger transport, notably through active participation in the UITP and at COP 28.

BEST PRACTICES

Testing hydrogen buses

Keolis is supporting experimentation with a fleet of hydrogen vehicles. From September 2024, and for a period of 10 years, Keolis will operate and maintain 14 new and retrofitted hydrogen vehicles. They will travel on lines 35-36 of the T2C public transport network in Clermont-Ferrand. In the United States, the Foothill Transit bus network, operated by Keolis North America, also includes a fleet of 33 New Flyer hydrogen-powered buses.

* *The GHG Protocol is an international protocol that aims to establish a regulatory framework to better measure greenhouse gas emissions.*

2023 PERFORMANCE

The reduction in GHG emissions per km is linked to the increase in non-fossil fuels in the Keolis energy mix. The increase in 2022 was mainly due to the integration of the Dubai underground railway network. To improve its Climate Governance and Strategy, Keolis completed the questionnaire of the Carbon Disclosure Project for the first time. The CDP's scoring assesses the commitment and seriousness of a company in its fight for the climate cause.

The scope of ISO 14001 coverage continued to expand in 2023, notably by obtaining certification in new entities in France and Belgium, in accordance with the objectives set.

Moreover, environmental performance continued to improve with an increase in waste recovery and a decrease in water consumption.

Indicator	Scope	2021	2022	2023	2030 target vs. 2019
$kgCO_2e$/100 km tank to wheel (scopes 1 & 2)	Group transport activities	94	100	94	-
$kgCO_2e$/100 km well to wheel (scopes 1, 2 and 3)	Group transport activities	122	128	122	-30%
Score obtained in the Carbon Disclosure Project	Keolis Group	-	-	C	A
Percentage of kilometres travelled by alternative energy commercial vehicles	Group transport activities, road traffic	24%	27%	29%	x3 vs. 2019 (20%)

Indicator	Scope	2021	2022	2023	2030 target
Share of revenue covered by ISO 14001 certification	Group transport activities	50%	59%	60%	80%
Share of hazardous waste recovered (as a %)	Group transport activities	74	82	83	100%
Share of non-hazardous waste recovered (as a %)	Group transport activities	56	55	58	-
Water consumption (thousands of m^3)	Group transport activities	1,383	1,391	1,273	-10% from 2023 to 2030

1.3.2.6 Pillar: our Passengers

Service offering, customer experience and satisfaction

POLICY

Keolis relies on its Thinking Like a Passenger approach to design transport services that meet the needs and expectations of individuals and improve the passenger experience.

This approach breaks down as follows:

- decipher today's lifestyles to imagine tomorrow's mobility alongside local authorities, through its Keoscopie observatory;
- design and provide attractive transport service propositions off, based on a wide range of mobility solutions tailored to the challenges of each region and by promoting complementarity with active modes, notably through the Neolis method;
- provide the best experience to the passenger by supporting everyone throughout their journey. To achieve this goal, the Keolis Signature Service programme seeks to improve the quality of service of front line staff. Particular attention is paid to passenger information, which is a lever for customer comfort and reassurance.

ACTIONS IN 2023

For example, one of the topics studied by Keoscopie in 2023 was "driver professions". This analysis of the profession, behaviours and expectations of drivers has led to a range of additional targeted actions in terms of human resources to retain drivers and boost the recruitment process.

Regular monitoring of ridership was continued in order to analyse passenger behaviours and adapt offerings to changes, notably post-Covid. The "Passenger Booster" programme, aimed at improving customer engagement, also continued in 2023, with new communication campaigns:

- combating antisocial behaviour against staff on the ground (revenue protection officers, drivers, ticket office staff);
- promotion of virtuous mobility (ecology, economy, health).

Finally, the "SatisfaKtion" approach was launched to provide Keolis with its first global customer satisfaction indicator. It provides a shared objective for all Group entities.

BEST PRACTICES

All-in-one digital solution

To encourage intermodal travel, Keolis, SNCF and Airweb have joined forces to simplify and streamline the passenger experience: a partnership that marks an important milestone in the development of MaaS solutions. On the SNCF Connect app, users can now plan their door-to-door journey by train, bus and tram via a single platform that includes a pay point, customer service and contactless ticket validation.

BEST PRACTICES

Rugby World Cup France 2023: Keolis and its subsidiary Kisio fully mobilised!

For two months, Keolis provided transport services to the fans, players and technical staff of the 20 national teams. Thanks to an exceptional mobilisation (50 chartered coaches, and more than 100 volunteer drivers), 800,000 trips were made. This success was also made possible thanks to the work of Kisio, our subsidiary specialising in consultancy and support for mobility organisations to deliver responsible mobility experiences.

2023 PERFORMANCE

The number of entities involved in Keolis Signature Service continued to increase, with two new entities participating in the approach compared to 2022: Keolis Commuter Services and Keolis Valenciennes.

For the first time, Keolis published the Group's customer satisfaction rate, which consolidates all the customer satisfaction rates of the public transport networks it operates around the world. The 2022 rate was a consolidation of 37 Group entities. This scope will gradually increase.

Indicator	Scope	2021	2022	2023
% of revenue committed to the Keolis Signature Service approach	Group transport activities	32%	39%	48%
Consolidated customer satisfaction rate of operated entities (SatisfaKtion)	Group transport activities	-	84.8%	-*

* *At the time of the publication of the SNFP, the SatisfaKtion indicator is only available for the year N-1.*

Accessibility

POLICY

The Group's Accessibility policy, UniK, aims to meet the specific needs of each traveller, whether these needs be visible, invisible, permanent or temporary. More specifically, the policy seeks to:

- promote a culture of Accessibility across all networks by developing the skills of all employees in the areas of inclusive mobility and attentive service;
- coordinate and co-construct mobility propositions and services with our local and national partners: NGOs, institutions;
- develop the skills of all our employees in the areas of inclusive mobility and attentive service relationships, and lead a community of experts;
- support and advise PTAs by providing them with the Group's know-how and expertise in inclusive mobility.

ACTIONS IN 2023

In 2023, the Keolis Group remained committed to its passengers, employees and partners to support the development of universal and sustainable mobility.

This year, Keolis rolled out its "UniK" Accessibility Policy, launched in 2022, and pursued its commitments in terms of inclusive mobility, developing partnerships with structures and associations:

- signature of a framework agreement with the Handéo charity to perpetuate the Cap'Handéo Mobility Services certification at the Group. This certification guarantees a quality approach to improving the service provided to people with disabilities;
- the creation of awareness-raising and communication tools on invisible disabilities and chronic diseases with the French public utility association Draw Your Fight.

BEST PRACTICES

NaviLens deployed on the Yarra Trams network in Melbourne

On the Yarra Trams network, NaviLens technology provides blind and partially sighted people with voice guidance on their position and route options, giving them much greater independence.

11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

1.3.2.7 Pillar: our public transport authorities and partners

POLICY

Keolis implements a proactive policy of transparency and sharing with its external stakeholders. Working with public transport authorities, discussions are regularly held among the Group's entities and its customers, on the one hand, to monitor and assess the performance of the network (operation, marketing & services, environment, etc.) and, on the other, to build joint projects.

Keolis also calls on external stakeholders such as user associations, associations involved in forms of mobility that complement public transport, and groups of public transport operators, to shed light across the board on various issues relating to mobility, the Company's actions and its Corporate Social Responsibility approach.

Consultation mechanisms exist with each of these stakeholders, at Group level as well in individual entities.

ACTIONS IN 2023

Transparency and dialogue are made possible through data and information sharing. This is the purpose of the Impulse tool, whose roll-out was accelerated in 2023.

Impulse is an ergonomic interface that provides a summary of performance indicators for the entire transport network: ridership, passenger exchange at stops, punctuality, quality of service, etc. Three levels of analysis of the network are provided to public officials, and Keolis and PTS managers and technicians:

- network "weather" for the day;
- a snapshot of the network by theme (ridership, punctuality, etc.);
- a comprehensive view of the network indicators (ticket validations, vehicle load, type of pass holder, etc.) to enable a detailed analysis for each transport line, stop or journey.

In 2023, Impulse was deployed in Caen and Besançon.

2023 saw the 13th meeting of the Keolis's Annual Committee of External Stakeholders. Discussions focused on Keolis commercial news, and on the on-demand transport initiatives conducted by the entities around the country. The highlight was the contribution of stakeholders to analysing the Keolis dual materiality, as part of the preparation of the implementation of the CSRD directive.

BEST PRACTICES

Keolis and its stakeholders: United Nations Global Compact

The Global Compact, a voluntary commitment, an international frame of reference and platform of action and discussion, is the largest global initiative in terms of Social Responsibility. It brings together businesses, organisations, United Nations agencies, the world of work and civil society around ten universally recognised principles to build more stable and inclusive societies.

Keolis has been a signatory since 2004, and since 2018 has been a member of the "GC Advanced" club, the initiative's highest reporting level.

BEST PRACTICES

Initiatives to improve transport safety

In November 2023, Keolis signed a partnership with UMAY. The application allows users to report an emergency, share their movements in real time, and locate the nearest safe place if they feel vulnerable. The Group intends to promote the application among its subsidiaries, as part of ongoing efforts to tackle harassment and violence against women on public transport. The innitiative earned recognition at the Trophées sur les Objectifs de Développement Durable (sustainable development goals awards), through our commitment to the government's Ask for Angela campaign implemented by Keolis Bordeaux Métropole Mobilité in 2022.

BEST PRACTICES

Debates on the future of mobility

Launched in 2023 in partnership with Usbek & Rica, the Tribunals for the Mobility of Future Generations place the future of mobility at the centre of public debate. Organised in the form of mock trials, each court deals with an issue specific to its region. The court moderates a debate between defence lawyers and prosecutors, and experts witnesses are invited to testify at the bar to enlighten the jury picked at random from among the audience.

Societal commitment

POLICY

By providing a range of shared mobility solutions, the Group contributes by its nature to the sustainability, dynamism, cohesion and resilience of the regions where it operates.

To strengthen its impact, Keolis relies on three approaches:

- developing its purchases from Social and Solidarity Economy structures;
- promoting the integration of local populations;
- forging partnerships with non-profit organisations.

ACTIONS CARRIED OUT IN 2023

In the field of SSE, the Group continued to maximise the amount of its expenditure on SSE structures by including specific clauses in the Group's purchasing framework, for example with Ollin, a partner specialising in the reconditioning of IT equipment by people on social integration schemes.

As regards integration, the Group continued to rely on numerous local and national partnerships. Among the most important is PIMMS Médiation, with whom Keolis signed a new three-year agreement. In 2023, over 840,000 mediation actions, on board vehicles or at stops and on platforms, were recorded in the 13 PIMMS Médiation locations in which Keolis is involved. These include the PIMMS Médiation venues in Rennes, Dijon, Cenon, Quimper and Caen.

As regards non-profit organisations, Keolis is a member of the SNCF Group Foundation and is active in its regional and national governance. The SNCF Foundation supports community projects in two areas: Finding your way and Taking action for the environment. In 2023, the Foundation provided support for more than 400 projects throughout France, spending a budget of around €4 million.

BEST PRACTICES

Raising awareness in schools

Keolis Amey Metrolink has been working with more than 35 schools in Manchester to promote public transport, health and safety, and good behaviour, and to deter anti social conduct. Meetings, both physical and virtual, were held in schools, reaching a total of 12,000 students.

2023 PERFORMANCE

In 2023, the Group purchased from 50 new social inclusion suppliers compared to 2022.

Indicator	Scope	2021	2022	2023
Amount of purchases from Social and Solidarity Economy players (€M):	Group transport activities	36.1	51.5	55.9
Of which inclusive purchases (workers with a disability or back-to-work schemes) (€M)	Group transport activities	17.6	17.9	19.4

1.3.3 METHODOLOGY & INDICATORS

Background

This document has been prepared in accordance with the European Non-Financial Reporting Directive (as transposed by Decree No. 2017-1265 of 9 August 2017 implementing Order No. 2017-1180 of 19 July 2017).

SNCF, which owns 69.69% of the Keolis Group, prepares a non-financial performance statement consolidating Keolis. The Keolis statement is therefore drawn up on a voluntary basis.

Scope

Non-financial information covers the same scope as the financial consolidation of the Keolis Group. However, the environmental data only cover transport activities, i.e. subsidiaries consolidated in Keolis SA. For all data, the scope is specified in the text.

The information provided in this chapter has been verified by an independent third party, attesting to the accuracy and fairness of the information published. Their report is appended to this publication.

Not having been identified as a core activity of Keolis, the following topics are not addressed at Group level:

- the fight against food insecurity and food waste;
- animal welfare;
- respect for responsible, fair and sustainable food;
- actions aimed at promoting the nation-army link and supporting participation in the reserves;
- actions to promote physical activities and sports.

Identification of the main non-financial risks

The Keolis Group analysed its main non-financial risks. To do this, it based its work on various studies, in particular:

- the Group's risk mapping prepared, analysed and updated annually by the Internal Audit Department;
- the 2021 materiality matrix;
- business risk mapping, such as environmental analysis for the environmental section.

Each year, the Sustainable Development and Engagement Department ensures that major non-financial risks are included in the Group's risk mapping and thus benefit from the same control and internal audit measures.

Period and estimation methods

The reporting period covers the calendar year, i.e. the period from 1 January to 31 December 2023. Failing that, for certain non-financial data, estimation methods may be applied (invoices with consumption statements covering different periods, for example). They are systematically communicated to the subsidiaries and are available on request through the reporting guidelines. If they are used, the adjustments made *a posteriori* with the actual data are specified in the texts.

Organisation

The Sustainable Development and Engagement Department coordinates the reporting of all indicators and collects some of them directly. Guidelines, established with the central departments concerned, are updated annually and specify the definitions of the indicators collected and the methods of collection used by the subsidiaries.

List of indicators and definitions

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

Percentage of employees working under a safety management system certified according to ISO 45001 or 39001 (Keolis Group): Percentage of employees covered by a certified safety management system (OHSAS and ISO 45001 or 39001) in the total workforce.

Frequency rate of workplace accidents (Keolis Group, excluding Keolis Santé): Frequency of workplace accidents declared per quarter leading to at least one day of lost time. This rate represents the average number of workplace accidents leading to lost time by a group of employees having worked one million hours over the period in question. Note: this rate includes assaults; it does not take into account all ongoing dispute procedures.

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

Number of partnership agreements of the Keolis networks with internal security forces (transport activities in France) (national police, national gendarmerie and municipal police) signed and in force at 31 December 2023.

Share of revenue of subsidiaries that have implemented prevention and control actions against sexist and sexual abuse (Group transport activities): the actions taken into account are alight on-request systems and prevention campaigns.

Share of revenue covered by a compliance officer (Keolis Group): Percentage of revenue of subsidiaries that have appointed a compliance officer.

Share of revenue covered by an ethics whistleblowing system (Keolis Group): Percentage of revenue of subsidiaries that have set up a whistleblowing system, KEL or another local tool.

Share of revenue covered by a DPO for the countries concerned by this regulation (Keolis Group in Europe): Percentage of the revenue of subsidiaries that have appointed a Data Protection Officer among the countries concerned by this regulation (European Economic Area – EEA).

Percentage of expenses covered by an assessment of the CSR performance of suppliers (Group transport activities, excluding India). The expenses covered by this indicator are purchases by the Keolis Group in the "management" sense and not in the "accounting" sense. This is the statement at 31 December 2023 of amounts purchased from referenced suppliers, based on extracts from invoices:

- the portion of the amount (excl. VAT) invoiced in euros over the year to suppliers of goods and services that have undergone an EcoVadis CSR assessment;
- the years reported relate to the year N-1 of the SNFP, due to the verifications necessary to categorise the various expenses.

Traction greenhouse gas emissions in kgCO_2e/100 km tank to wheel (Scope 1 & 2) (Group transport activities): Greenhouse gas emissions from the energy consumption of all traction modes of commercial vehicles, expressed in kilograms of CO2 equivalent per 100 km, on Scopes 1 to 2, according to the GHG protocol methodology.

Traction greenhouse gas emissions in kgCO_2e/100 km well to wheel (Scope 1, 2 and 3) (Group transport activities): Greenhouse gas emissions from the energy consumption of all traction modes of commercial vehicles, expressed in kilograms of CO2 equivalent per 100 km, on Scopes 1 to 3, according to the GHG protocol methodology.

Source of emission factors used to calculate greenhouse gas emissions: *Base Empreinte* 2023 from ADEME, European Residual Mix from AIB, International Energy Agency, national publications (Canada, NGER Australia, US EIA USA, Netherlands), direct information from suppliers, Carbone 4).

Carbon Disclosure Project score: Score obtained by the Keolis Group on the Carbon Disclosure Project's Climate Change questionnaire.

Share of revenue covered by ISO 14001 certification (Group transport activities): Percentage of revenues covered by ISO 14001 Environmental Management certification. In the case of partial certification, the % is based on the number of employees carrying out the certified activities (e.g. maintenance, operation, administration, etc.) according to the workforce at 31 December of the year in question.

Share of hazardous waste recovered (Group transport activities): Percentage of hazardous waste recovered during the year in question, without distinguishing the type of processing. Recovery operations can be diverse: energy recovery, regeneration, recycling, etc.

Share of non-hazardous waste recovered (Group transport activities): Percentage of non-hazardous waste recovered during the year in question, without distinguishing the type of processing. Recovery operations can be diverse: energy recovery, regeneration, recycling, etc.

Water consumption (Group transport activities): Total consumption of drinking water and other water consumption (consumption of well water (drawing water), surface water (=rivers), rainwater, recycled water).

Amount of purchases from Social and Solidarity Economy players (€M) (Transport activities in France):

- revenue (excl. VAT) in euros generated over the year from structures from the Social and Solidarity Economy sector (so-called solidarity purchasing) including inclusion structures (Disability and Professional Integration) and statutory structures (cooperatives, SCOP, associations);
- including the amount paid specifically to inclusion structures divided between structures (so-called inclusive purchasing) promoting the employment of people with disabilities, professional integration and others, expressed in euros.

Percentage of employees working in a GEEIS certified entity (Keolis Group): Percentage of employees working in a subsidiary that has obtained the GEEIS label (Gender Equality European & International Standard) issued by an external organisation.

Percentage of women in the total workforce (Keolis Group): Percentage of women in the total registered workforce.

Percentage of women in the total number of drivers/transport employees (Keolis Group): Percentage of female driver employees in the total number of drivers/transport employees.

Percentage of women managers in the total number of managers (Keolis Group): Percentage of female managers ("*cadres*" in France) in the total number of managers.

Percentage of workers declared disabled (Keolis Group France): Percentage of disabled workers registered as of 31 December as part of the mandatory annual declaration to Agefiph (DOETH – Mandatory Employment Declaration for Disabled Workers) of the employment of disabled workers, out of the total number of employees.

Percentage of employees who received training (Keolis Group): Percentage of employees who followed at least one training course during the year.

Industrial action rate (Keolis Group France): Number of strike days per employee in the year, excluding stopping work for national movements.

Rate of departures (Keolis Group): % of the workforce who left the Company during the year, excluding the end of fixed-term contracts and excluding transfers during the year in question (Total departures excluding the end of fixed-term contracts and transfers)/[(workforce at the start of the period + workforce at the end of the period)/2]).

Average length of service in years (Keolis Group): Sum of the length of service of employees in the workforce at 31 December of the year in question divided by the registered workforce on the same date.

Share of revenue committed to Keolis Signature Service (Group transport activities): Revenues of subsidiaries involved in Keolis Signature Service/ Total revenues.

Consolidated customer satisfaction rate (Group transport activities): Overall customer satisfaction indicator calculated by consolidating the satisfaction indicators of the Keolis subsidiaries. In 2022, this indicator included 37 Group subsidiaries.

1.3.4 VIGILANCE PLAN

Pursuant to the law on the duty of care, this plan concerns the Keolis Group. As the duty of care has been included in the Keolis Group's CSR approach, the majority of the elements of the plan have been audited by an independent third party as part of the annual review of the Statement of non-financial performance.

The vigilance plan is formalised by the Sustainable Development and Engagement Department, incorporating work carried out by the Group's functional departments (HR, audit, legal, etc.). Keolis is also included in SNCF's governance, including in its roadmap and operational action plan.

The topics related to the duty of care are part of the scope of the Group's bodies such as the Executive Committee and the Innovation and Sustainable Development Committee of the Supervisory Board.

The risks of serious breaches in the three areas of application of the law on the duty of care identified below are monitored.

1. Environment:

- overconsumption of energy;
- contribution to climate change;
- soil and water pollution;
- air pollution;
- overconsumption of water;
- non-integration of the circular economy in processes;
- biodiversity damage.

2. Human rights and fundamental freedoms:

- discrimination;
- lack of social protection.

3. Health and safety of people:

- operational accident;
- major industrial accidents;
- mental health risks;
- occupational risks;
- serious malicious acts and terrorist attacks*;
- non-adaptation to climate change.

Cross-functional monitoring for Tier 1 suppliers and subcontractors

- serious infringement in one of the three areas below by a supplier or subcontractor.

* *Given their highly sensitive and confidential nature, the assessment and control measures relating to security risks, such as the risk of terrorism, are addressed but are not presented in this plan.*

Environmental

Risk	Risk factors and causes at Keolis (not exhaustive)	Potential consequences for the environment
Contribution to climate change (including over-consumption of energy)	• Traction activity that consumes a lot of energy • Frequent changes in fleets and changes in the energy mix, making it more difficult to control functionalities • Dependence of the carbon trajectory on external factors, such as the guidelines of the public transport authorities • More expensive electric vehicles	• Greenhouse gas emissions • Resource depletion
Soil and water pollution	• Operations near unsealed ground • Contaminated rainwater runoff into the sewer system	• Impact on the health of local residents • Biodiversity damage
Air pollution	• Fleet of vehicles emitting air pollution (particles, NMVOC, NOx)	• Impact on the health of local residents • Biodiversity damage
Overconsumption of water	• Water-consuming activities (washing vehicles, watering grass strips on tram lines, etc.) • In some cases, contractual clauses that do not take into account water stress situations	• Pressure or resource depletion
Non-integration of the circular economy in processes	• Waste generating activity, including hazardous waste • Guidelines for a circular economy that need to be refined and rolled out (refuse single-use/non-recoverable products, reduce consumption, reuse/repair, recycle and return to the earth (composting))	• Natural resource depletion • Contribution to climate change
Biodiversity damage	• Increased use of biofuels, from organic materials • Increased use of renewable energy, using a significant amount of land	• Damage to flora and fauna

Risk management policy

The environmental analyses carried out by the ISO 14001-certified subsidiaries show three categories of major impacts for the Group: energy & carbon, waste, and water consumption. Keolis's environmental policy is therefore defined on the basis of these material issues.

All subsidiaries have tools to implement an environmental management system adapted to their local context: environmental analysis tool, environmental management system model (EMS) to be adapted, self-diagnosis of the maturity of the EMS, internal training via Institut Keolis on various environmental themes, energy and environment action plan, provision of tools for the deployment of sobriety and energy efficiency actions, provision of a tailor-made regulatory monitoring tool, implementation of framework agreements for the management of certain waste, coordination of networks of correspondents to share best practices, etc.

Mitigation and prevention actions are presented in the Statement of non-financial performance, mainly in the "Our Planet" chapter, and also in "Purchasing" and "Operational Excellence".

Implementation and outlook

› Continued transition to electric buses (mainly urban) and biofuels (intercity).

› Formalisation of a sobriety and energy efficiency plan by all Group entities.

› Opening of a centre of excellence for non-fossil fuels in Australia.

› Launch of a partnership with IVECO France and Forsee Power to optimise the use and long-term performance of electric bus batteries.

› Increase in the share of revenues covered by the ISO 14001-certified environmental management system.

› Discussions with biofuel suppliers to improve the traceability of the materials used.

Human rights & fundamental freedoms

Risk	Causes and risk factors at Keolis (not exhaustive)	Potential consequences for human rights and fundamental freedoms
Discrimination	• The size of Keolis's overall workforce as well as the high number of hires inherently entails risks of discrimination	• Consequences for the mental health of people • Impact on career development • Ostracism
Lack of social protection	• Practices and minimum standards that are set according to legislation and practices by country	• Harm to the health of an employee or subcontractor • Insecurity

Risk management policy

Since 2004, Keolis has been committed to respecting and fully integrating the ten principles of the United Nations Global Compact on human rights, international labour standards and the fight against corruption.

The SNCF Group's Human Rights policy commits Keolis to respecting, in its activities and in the countries where they are carried out, the fundamental principles defined by the International Charter of Human Rights and all related texts defining the principles relating to fundamental freedoms (Declaration of the International Labour Organization).

Keolis uses the Gender Equality European and International Standard (GEEIS) certification process, an internationally recognised label. This certification is a formal recognition of Keolis's commitment to respecting diversity and differences.

In addition, Keolis provides its subsidiaries in France and abroad with adaptable operational tools to combat discrimination across all HR processes (recruitment, career development, mobility, etc.). They are available in French and English so that the Group's policy can be applied to everyone around the world.

Mitigation and prevention actions are presented in the Statement of non-financial performance, mainly in the "Our People" chapter.

Implementation and outlook

- Formalisation and signature of the Human Rights policy applicable to the Keolis Group.
- Creation of a recruitment guide, notably specifying the effects of stereotypes and cognitive biases.
- Conducting GEEIS audits at subsidiaries to assess diversity policies.

Health & safety of people

Risk	Risk factors and causes at Keolis (not exhaustive)	Potential consequences for the health & safety of people
Operational accidents	• Over 1 billion km travelled per year by the vehicles operated • Labour shortage that may cause increased pressure • A large number of people involved: • Over 42,000 people working as drivers, 3.2 billion passengers annually • Restricted gestures and postures for the driving profession	• Injury or death of passengers, third parties or employees • Workplace accidents • Musculoskeletal disorders • Occupational illnesses
Industrial accidents	• Work at height, heavy load handling, etc. • Employee exposure to hazardous substances • Presence of service providers and subcontractors in depots and workshops	• Injury or death of third parties or employees • Workplace accidents • Musculoskeletal disorders • Occupational illnesses
Mental health risks	• Labour shortage that may cause increased pressure • Large teams/limited managerial time	• Degraded working environment • Overworking/burnout • Workplace accidents
Non-adaptation to climate change	• Acceleration of climate change	• Lack of service continuity impacting passengers • Illness, injury or death of passengers, third parties or employees

Risk management policy

Through its Health and Safety at Work Policy, Keolis affirms that:

- preserving human life by providing safe and healthy working conditions for the prevention of work-related injuries and pathologies is an ethical responsibility that must not be compromised;
- excellence in Health and Safety is inseparable from operational performance, of which it is one of the key factors.

This policy is implemented through a safety management framework based on managerial rituals, and best practices. This framework formalises minimum requirements, a harmonised risk management framework and a solid foundation for coordination and sharing.

In addition, each subsidiary must identify its occupational risks that could impact the physical or mental health of employees, partners and subcontractors. In France, the "Single Risk Assessment and Prevention Document" summarises measures to prevent occupational risks. Internationally, the "risk register" has the same purpose.

Risks are addressed through these documents. Mitigation and prevention actions are presented in the Statement of non-financial performance, mainly in the Safety and Security chapter, but also in Operational Excellence, Business ethics, Our Planet, Our People.

Implementation and outlook

- Continued roll-out of the IMPACT programme and ISO 39001/45001 certification.
- Design of a Group "Must-Have" framework to define a shared standard for managing the main "killer risks" identified.

Tier 1 suppliers and subcontractors

Risk	Risk factors and causes (not exhaustive)	Potential consequences
Non-compliance by a supplier or subcontractor in one of the three areas of application (environment, safety/health, human rights)	• High number of suppliers and subcontractors • Significant volume of hours worked by subcontractors	• All the risks to which Keolis is exposed

Risk management policy

Risks relating to suppliers and subcontractors are monitored on the basis of CSR risk mapping by purchasing category. More stringent requirements in terms of third-party assessments and contractual clauses are applied to 13 out of 127 purchasing families, considered to be the most sensitive.

Mitigation and prevention actions are presented in the Statement of non-financial performance, mainly in the "Purchasing" chapter, and also in "Security" and "Business ethics".

Implementation and outlook

- 100% of the Group's framework agreements contain CSR clauses.
- Continued roll-out of CSR assessments of suppliers by a third party (such as EcoVadis) with a prioritisation of suppliers from sensitive purchasing categories.
- Continued roll-out of the CSR clauses by purchasing category.
- Reflection on actions with Tier 2 suppliers and subcontractors and beyond.

Major risk monitoring and internal control systems

The mapping of the Keolis Group's major risks is updated annually and managed by the Audit and Internal Control and Risk Management Department. The latter calls on all departments by scope and business line, ensuring that the main non-financial risks and vigilance are included therein. The main risk assessment and vigilance methodologies are now aligned. As a result, almost all risks related to the duty of care are now included in the mapping of major risks.

In addition to monitoring major risks, Keolis uses an internal control self-assessment tool. It is a framework for assessing, through targeted questions ("control points"), compliance with regulations and risk coverage in the fields of finance, accounting and operations. The risks of serious harm to the environment, personal health and safety, as well as social issues are also covered in the framework.

In 2023, specific "duty of care" control points were included in the internal control framework and assessed by the entities selected for the 2023 self-assessment campaign. Keolis subsidiaries located in "at-risk" geographical areas, according to the methodology of the ESG index published by Global Risk Profile, were subject to specific monitoring by the Keolis CSR Department.

Whistleblowing system

As of 2018, all the Keolis Group subsidiaries have implemented whistleblowing systems, open to all employees, to ensure the reporting and processing of any incident or alert likely to reveal non-compliance with its legal obligations and regulatory and ethics principles.

The "Keolis Ethic Line" (KEL) system was designed to integrate the areas of the law on the duty of care.

In France, all subsidiaries were instructed to consult the employee representative bodies in order to include the code of conduct in the internal regulations and to adhere to the KEL system. Internationally, dialogue with employee representative bodies was conducted according to national and local specificities.

In 2023, the KEL system recorded 93 protected disclosures, some of which were related to the duty of care. All of these disclosures are reported to a committee including the HR, Legal and Audit Director and may be dealt with either by this committee, at Group level, or at local level, depending on the nature of the report. In 2023, 20 investigations were initiated to identify the causes of the reports and implement corrective actions.

Group Tax Policy

The Keolis Group recognises the key role of taxation in the budget and development of countries. Keolis supports the project on Base Erosion and Profit Shifting (BEPS – the OECD set of recommendations to combat tax evasion) and is convinced that increased tax transparency contributes to reducing unfair tax competition and, as a result, benefits its business.

Keolis applies the following guiding principles:

- act as a responsible tax citizen, in compliance with applicable tax laws and regulations;
- encourage ethical and transparent business practices and foster open dialogue among tax policy-makers and companies;
- commit to providing transparent and accessible information to tax administrations in order to facilitate their understanding of its tax strategy.

The Group's tax policy includes four key commitments:

1. RESPONSIBILITY IN THE ORGANISATION OF THE TAX STRATEGY

In structuring its commercial activities, Keolis takes into account, among other things, the tax laws of the countries in which it operates, with a view to sustainably maximising value for its partners or employees. Any structure that is put in place will have commercial and economic substance and will take into account the potential impact on the Group's reputation and integrity. Keolis will not implement artificial arrangements purely for tax purposes.

For cross-border transactions, Keolis applies the OECD standards and ensures that the transfer pricing policies implemented within the Group comply with the arm's length principle.

2. EFFECTIVE TAX RISK MANAGEMENT

Given the scope of its activities and the volume of its tax obligations, the Group may be exposed to risks relating to the interpretation of national or international tax provisions.

Keolis acts actively to identify, assess, monitor and manage these risks in order to ensure that its actions remain compliant. Where there is significant uncertainty or complexity, external advice may be sought, particularly with regard to the Group's international tax obligations.

3. CONSTRUCTIVE RELATIONS WITH TAX AUTHORITIES

Keolis does not take tax positions likely to compromise its reputation and its probity in the eyes of the public, the tax authorities or the public transport authorities. Keolis always responds openly and honestly to any request for information from the competent authorities. Each year, the SNCF Group files a "Country by country report" (CbCR), in accordance with international recommendations and French tax law, including Keolis in its scope.

4. SUPPORT FOR SUBSIDIARIES THROUGH THE GROUP'S EXPORTS

Each subsidiary has tax officers. The Group's tax department provides support to ensure tax compliance, according to the various local contexts, notably by participating in periodic meetings with accounting managers.

1.3.5 REPORT BY ONE OF THE STATUTORY AUDITORS ON THE VERIFICATION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE

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

(For the year ended 31 December 2023)

GROUPE KEOLIS S.A.S.
34 avenue Léonard de Vinci
92400 Courbevoie

In our capacity as Statutory Auditors of GROUPE KEOLIS S.A.S. (hereafter "the entity") and in response to your request, we have performed work designed to provide a reasoned opinion expressing a moderate level of assurance on the historical information (observed or extrapolated) of the consolidated Statement of non-financial performance, prepared in accordance with the entity's procedures (hereafter the "Guidelines") for the year ended 31 December 2023, (hereafter respectively the "Information" and the "Statement"), presented in the management report and prepared on a voluntary basis in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on the information we obtained, nothing has come to our attention that would lead us to believe that the consolidated Statement of non-financial performance is not in compliance with the applicable regulatory requirements and that the Information, taken as a whole, is presented, accurately, in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment:

No key performance indicator is presented for the policies relating to: "Operation, Maintenance & Asset Management", "Accessibility", "Cybersecurity", as well as "Public transport authorities and partners".

Preparation of the Statement of non-financial performance

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Certain items of information are sensitive to the methodological choices, assumptions and/or estimates used to prepare and present the information in the Statement.

The entity's responsibility

Management is responsible for:

- selecting or establishing on a voluntary basis suitable criteria to prepare the Information;
- preparing, on a voluntary basis, the Statement in accordance with the legal and regulatory provisions, 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 those policies, including key performance indicators and also the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- preparing the Statement in accordance with the entity's Guidelines as mentioned above; as well as
- implementing such internal control as it deems necessary to enable it to produce Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Chairwoman of the Management Board.

Responsibility of the Statutory Auditor

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

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the accuracy of the historical information (observed or extrapolated) provided pursuant to Article R. 225-105 I-3 and II of the French Commercial Code, namely the results of the policies, including key performance indicators, and the measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (notably with regard to the information provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy) and, where applicable, the vigilance plan;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and professional standards applicable

Our work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance of the French Institute of Statutory Auditors ("CNCC") relating to this type of engagement, notably the technical opinion of the CNCC, Intervention of the Statutory Auditor – Intervention of the ITO – Statement of non-financial performance in lieu of a verification programme, and the international standard ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and the French code of ethics for Statutory Auditors. In addition, we have implemented a system of quality control including documented policies and procedures to ensure the compliance with the ethical requirements, the professional guidance of the French Institute of Statutory Auditors ("CNCC") and applicable legal and regulatory requirements.

Means and resources

Our work was carried out by a team of seven people between November 2023 and February 2024 and took a total of four weeks.

We were assisted in our work by our specialists in Sustainable Development and Corporate Social Responsibility. We conducted around 12 interviews with the people responsible for preparing the Statement, representing notably the CSR, Compliance, Health and Security, Environment and Purchasing Departments.

Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited level of assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, the description of the risks associated with their activities;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement covers each category of social and environmental information provided for in Article L. 225-102-1 III;
- we verified that the Statement presents the information provided for in Article R. 225-105 II when it is relevant with regard to the main risks;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;

- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (actions and results) considered to be the most important presented in the appendix, for which our work was carried out at the level of the consolidating entity;
- we verified that the Statement covers the scope of consolidation, i.e. all the companies included in the scope of consolidation in accordance with Article L. 233-16, where applicable within the limits set out in the Statement;
- we asked what internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity 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 the appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, 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 with the consolidating entity as well as with a selection of contributing entities, namely Keolis Rennes, Keolis Bordeaux Métropole, Keolis Lille, Keolis Dijon, Keolis MHI Dubai, Keolis India, and Keolis Belgium, and covers between 20% and 25% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors (“CNCC”); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 5 March 2024

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Amélie Wattel
Partner

Aurélie Castellino-Cornetto
Sustainable Development Director

APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

KEY PERFORMANCE INDICATORS AND OTHER QUANTITATIVE RESULTS:

- Health and safety: proportion of employees working under a safety management system certified according to ISO 45001 and 39001, and frequency rate and severity rate of workplace accidents;
- Security: number of partnership agreements with local internal security forces, share of revenue covered by a system for preventing & combating sexist and sexual offences;
- Operation and Maintenance: level of coverage of self-assessments for Maintenance and Operations;
- Business ethics: share of revenue covered by a compliance officer, share of revenue covered by an ethics whistleblowing system;
- Data protection: share of revenue covered by a data protection officer;
- Responsible purchasing: share of expenses covered by a third-party assessment of suppliers' CSR performance, percentage of Group framework contracts that contain CSR clauses;
- Energy and ecological transition: $kgCO_2e$ /100 km tank to wheel (Scope 1 & 2), proportion of revenues covered by ISO 14001 certification, proportion of hazardous and non-hazardous waste recovered, drinking water consumption and other water consumption (thousands of m^3), Scope 1 and 2 emissions from leasing and market based traction ($ktCO_2e$), "Scope 3 energy" corresponding to Category 3.3 of Scope 3 ($ktCO_2e$);
- Societal commitment: amount of purchases from SSE players including inclusive purchases (€M), number of mediation actions (PIMMS);
- Employee engagement: departure rate, average length of service, number of employees who responded to the engagement survey;
- Training and development: proportion of employees who received training, number of entities in which the Leadership programme was launched;
- Equality, diversity and inclusion: proportion of women in the total workforce, in the workforce of drivers/transport employees, in the workforce of managers, proportion of workers declared to be disabled, number of subsidiaries subject to a GEEIS certification renewal audit and proportion of employees carrying out an activity certified for GEEIS professional equality, number of new active members in the We@Keolis network;
- Social dialogue: conflict rate (excluding conflicts relating to national issues);
- Service offering: share of revenue committed to the Keolis Signature Service approach, SatisfaKtion indicator.

QUALITATIVE INFORMATION (ACTIONS AND RESULTS):

- Health and safety: development of the IMPACT programme, ISO 45001 certification of two subsidiaries;
- Security: signature of a community service partnership agreement, partnership with the local police force to protect women;
- Operation and maintenance: roll-out of the KIHO programme in the Rennes, Caen, Antibes and Perpignan subsidiaries, roll-out of the KIHM programme in Sweden, Belgium, England and UAE, Eco-driving or Fil Green (“gaming” project);
- Business ethics: mandatory declaration of interests when hiring and annual campaign to identify interests, production of an animated film to remind people of best practices in the management of gifts and hospitality;
- Data protection: Data protection day;
- Responsible purchasing: Group framework contracts contain CSR clauses, Ecovadis webinar organised for international suppliers, supplier agreement in Rennes;
- Energy and ecological transition: pilot project for a hydrogen bus line for Clermont Auvergne Métropole and SMTC-AC, signature of renewable electricity contracts with the French photovoltaic specialist, rating obtained in the Carbon Disclosure Project, a centre of excellence for renewable energies in Australia, formalisation of a sobriety and energy efficiency plan by each entity;
- Societal commitment: partnership with Ollin for the reconditioning of IT equipment by people on social integration schemes, involvement with schools to encourage health and safety on public transport by Keolis Amey Metrolink;
- Cybersecurity: roll-out of a supplier cybersecurity assessment tool, strengthening of anti-phishing actions;
- Employee engagement: employer brand concept Sweden;
- Training and development: development of the Leadership programme, the *Pépinière* Keolis programme;
- Equality, diversity and inclusion: continued deployment of the We@Keolis network, Keolis Hyderabad recognised for the Workforce of Women initiative;
- Social dialogue: the Group Works Council in France worked on local management, and the presentation of CSR work axes to the Group’s European Works Council;
- Service offering: new “Passenger Booster” communication campaigns, SatisfaKtion approach, Keoscopie 2023 - “driver jobs”, SNCF, association with Airweb to create a unified booking service for different modes of transport on the same journey, transportation for teams and fans during the Rugby World Cup France 2023;
- Accessibility: signature of a framework agreement with the Handéo association, awareness-raising on invisible disabilities and chronic diseases (Draw your Fight), NaviLens on the Yarra Trams network in Melbourne (Australia);
- Our PTAs and partners: roll-out of the IMPULSE tool and the IMPULSE initiative (Caen and Besançon), Tribunals for the Mobility of Future Generations, 13th edition of the annual Keolis external stakeholders’ committee.

2

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2.1 CONSOLIDATED FINANCIAL STATEMENTS

2.1.1 INCOME STATEMENT

(€ million)	Note	31/12/2023	31/12/2022
Revenue		6,983.6	6,714.5
Other income from operations		24.2	39.3
Revenue from ordinary activities		**7,007.8**	**6,753.8**
Sub-contracting		(254.1)	(238.1)
Purchases consumed and external expenses	4.1	(2,120.6)	(1,961.3)
Taxes		(34.1)	(34.2)
Staff expenses, incentive schemes, profit sharing	4.2	(4,008.1)	(3,861.3)
Other operating income		8.7	5.1
Other operating expenses		(25.9)	(17.9)
Net provisions on current assets		(0.9)	0.6
Net depreciation and other provisions		(419.4)	(444.8)
Income on recurring fixed asset disposals		(0.2)	(5.2)
Share of reversal of grant		10.8	11.9
Recurring operating profit		**163.9**	**208.6**
Other non-recurring income	4.3	26.1	21.4
Other non-recurring expenses	4.3	(52.0)	(55.0)
Depreciation and provisions on contractual rights and other	4.3	(24.8)	(24.2)
Profit/(loss) on non-recurring fixed asset disposals		(2.1)	1.2
Operating profit before investments under the equity method	**4.3**	**111.1**	**152.0**
Income from associates	4.5	18.4	16.2
Operating profit after investments under the equity method		**129.5**	**168.2**
Net cost of financial debt	4.6	(30.2)	(17.4)
Other financial income	4.6	18.9	13.1
Other financial expenses	4.6	(56.4)	(54.7)
Financial income		**(67.7)**	**(59.0)**
Net income before tax		**61.8**	**109.1**
Tax expense	4.7	(29.3)	(44.8)
Net income for the year		**32.5**	**64.4**
Income for the year from discontinued operations, net of tax		-	-
Consolidated net income for the year		**32.5**	**64.4**
Income attributable to non-controlling interests		(22.4)	(16.3)
NET INCOME (GROUP SHARE)		**10.1**	**48.0**

2.1.2 STATEMENT OF COMPREHENSIVE INCOME

(€ million)	31/12/2023	31/12/2022
Net income	**32.5**	**64.3**
Actuarial gains and losses on defined benefit pension schemes	(6.5)	11.9
Unrealised gains (losses) relating to the revaluation at fair value of non-consolidated investments	-	(1.3)
Tax on actuarial gains and losses on defined benefit pension schemes	1.5	(3.1)
Share of other comprehensive income of companies accounted for by the equity method that cannot be recycled	-	-
Items which will not be reclassifiable to profit or loss	**(5.0)**	**7.6**
Foreign exchange translation differences and other	3.3	(21.7)
Tax on foreign exchange translation differences	0.1	0.6
Unrealised gains (losses)	(33.1)	44.1
Financial hedging instruments	*(33.1)*	*44.1*
Change in fair value of assets	*-*	*-*
Tax on items that may be reclassified to profit or loss	8.0	(10.9)
Share of other comprehensive income of companies accounted for by the equity method that can be recycled	0.8	(1.2)
Items which will be reclassifiable to profit or loss	**(20.9)**	**10.9**
Expenses and income recognised directly in equity	**(26.0)**	**18.4**
COMPREHENSIVE INCOME	**6.5**	**82.7**
Of which Group share	*(13.3)*	*64.8*
Of which share of non-controlling interests	*19.8*	*17.9*

2.1.3 STATEMENT OF FINANCIAL POSITION

Assets

(€ million)	Note	31/12/2023	31/12/2022
Goodwill	5.1	1,097.8	1,097.4
Other intangible assets	5.2	535.4	569.1
Right-of-use assets	5.4	1,077.5	1035.7
Property, plant and equipment	5.3	749.2	776.7
Investments under the equity method	5.5	55.5	69.6
Non-current financial assets	5.6	227.7	211.4
Deferred tax asset	4.6	64.4	58.8
Non-current assets		**3,807.5**	**3,818.7**
Inventories and work in progress	5.7	198.0	190.8
Trade receivables	5.8	814.0	713.8
Other receivables	5.8	560.3	600.6
Current financial assets	5.6	39.7	65.4
Cash and cash equivalents	5.9	510.3	475.6
Current assets		**2,122.3**	**2,046.2**
TOTAL ASSETS		**5,929.8**	**5,864.9**

Liabilities

(€ million)	Note	31/12/2023	31/12/2022
Share capital	5.10	237.9	237.9
Reserves and premiums	5.10	202.0	205.1
Net income (Group share)	5.10	10.1	48.0
Equity (Group share)		**449.9**	**491.0**
Reserves attributable to non-controlling interests		83.1	64.8
Profit for the year attributable to non-controlling interests		22.4	16.3
Equity		**555.5**	**572.1**
Non-current provisions for contingencies and charges	5.14	134.2	135.6
Lease commitments – non-current	5.4	873.9	827.2
Non-current financial debt	5.11	1,247.9	1,287.9
Deferred tax liability	4.6	130.2	149.4
Non-current liabilities		**2,386.2**	**2,400.0**
Current provisions for contingencies and charges	5.14	65.2	63.1
Lease commitments – current	5.4	208.6	209.2
Current financial debt	5.11	93.6	140.6
Bank borrowings	5.9	199.7	168.8
Trade payables and other liabilities	5.15	2,421.0	2,310.9
Current liabilities		**2,988.0**	**2,892.7**
TOTAL LIABILITIES		**5,929.8**	**5,864.9**

2.1.4 STATEMENT OF CHANGES IN EQUITY

	Capital	Reserves and other					
			Items which will be reclassifiable to profit or loss				
	Share capital	Reserves	Foreign exchange translation difference	Other Unrealised gains/ losses, net	Other unrealised gains/ losses, net, not reclassifiable to profit or loss	Sub-total	Equity
At 31 December 2021	**237.9**	**334.4**	**(55.5)**	**4.0**	**17.9**	**300.8**	**538.6**
Attributable to GROUPE KEOLIS S.A.S. shareholders	237.9	238.1	(58.4)	4.0	18.9	202.7	440.4
Attributable to minority shareholders in subsidiaries	-	96.3	2.8	-	(0.9)	98.2	98.2
Dividends paid to GROUPE KEOLIS S.A.S. shareholders	-	(10.0)	-	-	-	(10.0)	(10.0)
Impact of lower tax rate in France		-	-	-	(0.2)	(0.2)	(0.2)
IFRIC impact on the capitalisation of SaaS software configuration costs		(3.0)	-	-	-	(3.0)	(3.0)
Other changes		(1.9)	-	-	0.9	(1.0)	(1.0)
Transactions attributable to GROUPE KEOLIS S.A.S. shareholders (A)	**-**	**(14.9)**	**-**	**-**	**0.7**	**(14.2)**	**(14.3)**
Dividends paid to minority shareholders in subsidiaries	-	(18.3)	-	-	-	(18.3)	(18.3)
Change in shareholdings in subsidiaries without gain/loss of control of subsidiaries	-	(0.2)	-	-	-	(0.2)	(0.2)
Capital increase subscribed by minority shareholders		(16.7)	-	-	-	(16.7)	(16.7)
Other changes		0.2	-	-	-	0.2	0.2
Transactions attributable to minority shareholders in subsidiaries (B)	**-**	**(35.0)**	**-**	**-**	**-**	**(35.0)**	**(35.0)**
Net income	-	64.3	-	-	-	64.3	64.3
Expenses and income recognised directly in equity	-	-	(22.3)	33.2	7.6	18.4	18.4
Comprehensive income (C)	**-**	**64.3**	**(22.3)**	**33.2**	**7.6**	**82.7**	**82.7**
CHANGES DURING THE PERIOD (A+B+C)	**-**	**14.3**	**(22.3)**	**33.2**	**8.3**	**33.5**	**33.5**
Attributable to GROUPE KEOLIS S.A.S. shareholders	-	33.1	(23.9)	33.2	8.3	50.6	50.6
Attributable to minority shareholders in subsidiaries	-	(18.7)	1.6	-	-	(17.0)	(17.0)
At 31 December 2022	**237.9**	**348.8**	**(77.9)**	**37.2**	**26.3**	**334.3**	**572.1**

	Capital	Reserves and other					
			Items which will be reclassifiable to profit or loss		Other unrealised gains/ losses, net, not reclassifiable to profit or loss		
	Share capital	Reserves	Foreign exchange translation difference	Other Unrealised gains/ losses, net		Sub-total	Equity
At 31 December 2022	**237.9**	**348.8**	**(77.9)**	**37.2**	**26.3**	**334.3**	**572.1**
Attributable to GROUPE KEOLIS S.A.S. shareholders	237.9	271.2	(82.3)	37.2	27.2	253.3	491.0
Attributable to minority shareholders in subsidiaries	-	77.6	4.4	-	(0.9)	81.0	81.0
Dividends paid to GROUPE KEOLIS S.A.S. shareholders	-	(24.9)	-	-	-	(24.9)	(24.9)
Impact of disposal of 49% of Transkeo	-	(2.9)	-	-	-	(2.9)	(2.9)
Other changes	-	(2.0)	-	-	2.0	-	-
Transactions attributable to GROUPE KEOLIS S.A.S. shareholders (A)	**-**	**(29.8)**	**-**	**-**	**2.0**	**(27.8)**	**(27.8)**
Dividends paid to minority shareholders in subsidiaries	-	(6.3)	-	-	-	(6.3)	(6.3)
Change in shareholdings in subsidiaries without gain/loss of control of subsidiaries	-	0.9	-	-	-	0.9	0.9
Capital increase/ reimbursement subscribed by minority shareholders	-	(3.3)	-	-	-	(3.3)	(3.3)
Impact of disposal of 49% of Transkeo	-	2.9	-	-	-	2.9	2.9
Cancellation of Keolis Amey current account	-	10.5	-	-	-	10.5	10.5
Other changes	-	-	-	-	-	-	-
Transactions attributable to minority shareholders in subsidiaries (B)	**-**	**4.7**	**-**	**-**	**(0.0)**	**4.7**	**4.7**
Net income	-	32.5	-	-	-	32.5	32.5
Expenses and income recognised directly in equity	-	-	4.2	(25.2)	(5.0)	(26.0)	(26.0)
Comprehensive income (C)	**-**	**32.5**	**4.2**	**(25.2)**	**(5.0)**	**6.5**	**6.5**
CHANGES DURING THE PERIOD (A+B+C)	**-**	**7.4**	**4.2**	**(25.2)**	**(3.0)**	**(16.6)**	**(16.6)**
Attributable to GROUPE KEOLIS S.A.S. shareholders	-	(19.7)	6.9	(25.2)	(3.0)	(41.0)	(41.0)
Attributable to minority shareholders in subsidiaries	-	27.1	(2.7)	-	-	24.4	24.4
At 31 December 2023	**237.9**	**356.2**	**(73.7)**	**12.0**	**23.2**	**317.8**	**555.5**
Attributable to GROUPE KEOLIS S.A.S. shareholders	237.9	251.5	(75.4)	12.0	24.1	212.3	449.9
Attributable to minority shareholders in subsidiaries	-	104.7	1.7	-	(0.9)	105.6	105.6

2.1.5 STATEMENT OF CASH FLOWS

(€ million)	Note	31/12/2023	31/12/2022
Operating profit before investments under the equity method		**111.1**	**151.9**
Non-cash items		436.6	462.6
EBITDA	**4.3**	**547.7**	**614.5**
Elimination of provisions on current assets		0.9	(0.6)
Change in working capital		73.5	(107.1)
Tax paid		(45.9)	(31.2)
A) Net cash from operating activities		**576.2**	**475.6**
Capital expenditure		(203.4)	(182.7)
Sale of intangible assets and property, plant and equipment (sale price)		44.0	51.6
Investment grants received		30.4	25.8
Change in financial assets for concessions (IFRIC 12)		4.0	10.1
Financial investments		(4.1)	(13.8)
Proceeds from disposal of financial assets		2.3	(1.9)
Cash and cash equivalents from changes in reporting scope*		(27.3)	(9.2)
B) Net cash from investing activities		**(154.2)**	**(120.0)**
Free cash flow		**422.1**	**355.7**
Dividends paid		(30.9)	(27.7)
Dividends received		27.0	8.9
Change in equity (Other transactions with shareholders)		(3.2)	(16.6)
New borrowings	5.11	333.8	675.0
Borrowings repaid	5.11	(448.2)	(662.7)
Interest received		7.6	1.9
Interest paid		(36.1)	(18.7)
Change in other financial debts	5.11	(0.1)	-
Repayment of lease commitments	5.4	(232.8)	(247.6)
Net interest paid on lease commitments	5.4	(27.5)	(23.3)
Other		(7.5)	(6.1)
C) Net cash from financing activities		**(418.0)**	**(316.8)**
D) Foreign exchange translation differences		**(0.2)**	**(12.2)**
Change in cash and cash equivalents (A+B+C+D)		**3.9**	**26.6**
Cash and cash equivalents at beginning of period	5.9	306.8	280.1
Cash and cash equivalents at end of period	5.9	310.7	306.8
Change in cash and cash equivalents		**3.9**	**26.6**

* *Cash and cash equivalents on changes in scope in 2023 mainly related to the release of the capital of Keolis Deutschland for €28 million following the disposal of the German subsidiary in 2021.*

2.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

GROUPE KEOLIS S.A.S. and its subsidiaries ("the Group") develop transport service solutions tailored to local conditions: automatic metros, trams, trains, buses, coaches, river and maritime shuttles, self-hire bikes, etc. The Keolis Group exports its multi-modal know-how to 13 countries around the world. It is also the second largest parking provider in France through its subsidiary EFFIA, the leader in ambulance transport in France through its subsidiary Keolis Santé, and offers mobility solutions and services through its subsidiary Kisio.

GROUPE KEOLIS S.A.S., the Group's parent company, is a simplified joint stock company (*société par actions simplifiée*) registered and domiciled in France, with its registered office located at 34, Avenue Léonard-de-Vinci 92400 Courbevoie.

The consolidated financial statements of GROUPE KEOLIS S.A.S. at 31 December 2023 were approved by the Management Board on 12 February 2024 and presented to the Supervisory Board on 21 February 2024.

The Group's financial statements are fully consolidated in those of the SNCF Group.

The consolidated financial statements are prepared in euros (€), the Group's functional currency, and, unless otherwise stated, are presented in millions of euros (€M). The Group has chosen not to manage rounding discrepancies; some small differences may consequently appear.

2 MAIN ACCOUNTING POLICIES

2.1 Accounting standards

The Group's consolidated financial statements at 31 December 2023 were prepared in accordance with IFRS (standards and interpretations) published by IASB as adopted by the European Union and rendered mandatory from 1 January 2023. They are available at this site:

http://ec.europa.eu/commission/index_en

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

2.2 Changes in accounting principles

2.2.1 Application of standards, amendments to standards and interpretations of mandatory application at 1 January 2023

Standard or interpretation	Brief description	Impacts
Amendment to IFRS 9, IAS 39 and IFRS 7 "Recognition and measurement in the context of the benchmark interest rate reform" – phase 2	Publication by the IASB: 27 August 2020 Approval by the EU: Regulation (EU) 2021/25 of 13 January 2021. Phase 2 of the amendments concerns the accounting treatment of the impacts following the update of the contracts, following the reform of the interbank rates offered, as well as the specific information to be published on these possible impacts until 2023, last year of the publication of the LIBOR USD.	None.
Amendment to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"	Publication by the IASB: 7 May 2021 Approval by the EU: Regulation (EU) 2022-1392 of 11 August 2022. The IASB published an amendment to IAS 12 "Income tax", which sets out how deferred tax assets and liabilities arising from a single transaction, lease or decommissioning obligation, are to be recognised separately.	Transactions within the scope of the amendment are limited to leases which alone generate deferred taxes. However, the amendment has no effect because the Group systematically recognises the effects of changes in deferred tax assets and liabilities on leases in the income statement, and also meets the offsetting criteria enabling it to recognise a net deferred tax.
Amendment to IAS 12 "Global minimum tax regime"	Publication by the IASB: 25 May 2023 EU approval: 8 November 2023 EU Directive 2022-2523 of 14/12/2022 establishes a global minimum tax regime, for financial years beginning on or after 1 January 2024. The amendment to IAS 12 states that deferred tax relating to this additional tax will not be recognised temporarily.	The Group adapts its information system to justify its position with regard to the minimum tax regime. Given the geographical distribution of its activities, no material impact is expected from the entry into force of this new tax regime.

2.2.2 Other information on the impact on the consolidated financial statements for the year beginning on or after 1 January 2023 of the standards adopted by the Group

PENSION REFORM

The pension reform was enacted on 14 April 2023.

In application of IAS 19, it is considered as a plan amendment (and not as a revision of actuarial assumptions), the consequences of which must be recognised immediately in the income statement during the first half of 2023.

The main impacts on retirement benefits are as follows:

- when the length of service taken into account for calculating these benefits is capped (for example, the last 20 years of a career), the postponement of the legal age leads to a delay in the start of the vesting period and results in a reduction in liabilities recognised at the date of the reform, leading to a gain in the income statement;
- in the absence of a cap on the length of service taken into account for calculating benefits, the impact of the reform on Group employees (excluding urban contract tenders) is limited, resulting from the increase in estimated retirement entitlements with length of service and the increase in salaries at the end of the career, effects that are offset by a longer discounting period, with a potentially marginal net impact, upwards or downwards;
- however, in the case of employees of subsidiaries operating urban transport contracts, for whom the provision for retirement is calculated on the basis of the indemnities to be paid to people reaching the statutory retirement age by the end of the current transport contract, the increase in the retirement age from 62 to 64 has had a significant impact on the amount of the indemnity to be paid over the duration of the contracts.

It should be noted that certain categories of employees are not affected by the reform (notably generations born after 1973 and who entered the labour market late). Thus, raising the legal retirement age may have no impact when the retirement assumptions already took into account a retirement date of 64 or later and a contribution period of 43 years.

The impact of the reform on the financial statements presented is a decrease of around €8.8 million in the provision for retirement benefits, and an increase of around €0.2 million in the provision for long-service awards.

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

The Group has not applied in advance any mandatory standards and interpretations from a financial year after 31 December 2023, whether or not adopted by the European Commission.

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

In order to draw up the Group's accounts in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", management must make estimates and assumptions, notably based on ongoing action plans for certain operations, affecting the amounts stated in the financial statements. Management has to revise such estimates in the light of changes in the circumstances on which they were based or further to new information. Management also has to exercise judgement in how accounting methods are applied. As a result, future estimates may be different from those adopted at 31 December 2023.

The estimates and assumptions primarily concern the lengths of contractual relations, asset impairment tests, deferred tax assets and financial instruments, as well as provisions, notably provisions for pensions, litigation and losses on loss-making contracts and recognition of accrued income and penalties to be paid arising from contractual relationships.

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

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

CLIMATE CHANGE INFORMATION

Climate change poses a risk to the transport industry, which by its very nature is subject to meteorological hazards such as very high temperatures, storms, violent storms causing trees to fall, flooding, rockfalls and landslides.

The financial impacts are notably related to the increase in maintenance costs and operating losses related to a deterioration in the service provided. Rolling stock and infrastructure have deteriorated due to high temperatures and non-standard weather events can lead to line cuts.

2.4 Accounting principles

2.4.1 General measurement method

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

2.4.2 Consolidation methods

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

FULLY-CONSOLIDATED SUBSIDIARIES

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

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

ASSOCIATES AND JOINT VENTURES CONSOLIDATED UNDER THE EQUITY METHOD

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

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

NON-CONTROLLING INTERESTS

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

CLOSING TIMING DIFFERENCES AT THE END OF THE YEAR

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

TRANSACTIONS ELIMINATED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Transactions between consolidated companies which have an impact on their balance sheet or income statement are eliminated. IAS 12 "Income Taxes" applies to temporary differences resulting from the elimination of profits and losses on intra-group transactions.

2.4.3 Translation of transactions and financial statements of foreign companies

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES

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

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

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

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

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

2.4.4 Business combinations

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

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

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

Acquisition costs are recognised in the expenses of the financial year.

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

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

Cash earn-out adjustments during the 12 months following the date of acquisition must be analysed in order to determine:

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

A subsequent change in the debt corresponding to the earn-out beyond the allocation period is recognised in income for the year.

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

2.4.5 Goodwill

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

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

Corrections or adjustments may be made to the fair value of assets, liabilities and contingent liabilities acquired in the 12 months following the acquisition, when new information arises affecting facts and circumstances which were in evidence at this date of acquisition. Goodwill is then corrected with retroactive effect. Beyond that date, any change in assets acquired and liabilities assumed is recognised in the income statement.

If the information relates from events occurring after the date of acquisition, the changes are recognised in income for the year.

As goodwill cannot be amortised, it undergoes impairment tests every year or at more frequent intervals when events or changes in circumstances indicate a possible loss in value (see 2.4.10).

Goodwill is allocated to cash-generating units or groups thereof which are likely to benefit from synergies resulting from aggregation as described in note 2.4.10.

Badwill (negative goodwill) is recognised in the income statement.

2.4.6 Concession assets

PRESENTATION OF THE IFRIC 12 INTERPRETATION

An agreement falls under the scope of application of the IFRIC 12 interpretation when the assets used to carry out the public service are controlled by the grantor. Control is presumed when the two conditions below are met:

- the grantor controls or regulates the public service, i.e. it controls or regulates the services that must be rendered, through the infrastructure covered by the concession and determines to whom and at what price the service shall be rendered; and
- the grantor controls the infrastructure on termination of the contract, i.e. the right to regain possession of the infrastructure at the end of the contract.

In its public transport activities, the Group is notably the holder of outsourced public service contracts.

In France, the Group operates outsourced public service contracts, mainly in the form of operate & maintain (public service management) contracts whereby the operator is responsible for operating and maintaining facilities owned and funded by local and regional authorities – public transport authorities (PTA).

Pursuant to the interpretation of IFRIC 12, in this case, the operator cannot include the infrastructure controlled by the grantor in its balance sheet as property, plant and equipment; instead, they are recognised as an intangible asset ("intangible asset model") and/or as a financial asset ("financial asset model"):

- the "financial asset model" applies where the operator obtains an unconditional right to receive cash or another financial asset, either directly or indirectly through guarantees given by the grantor on the amount of cash payments from the public service. The remuneration is independent of the extent to which the public uses the infrastructure;
- the "intangible asset model" applies where the operator receives a right to charge users for the public service and thus bears a financial risk.

Where the service is provided using infrastructure rented from a third party and controlled by the grantor, the Group recognises payments of fixed and variable fees and rents in the IFRIC 12 asset valuation.

FINANCIAL ASSET MODEL

In service concessions, the operator receives an unconditional right if the grantor gives it a contractual guarantee to pay:

- amounts specified or determined in the contract;
- or the shortfall, if any – between the amount received from users of the public service and specified or determinable amounts in the contract.

Financial assets resulting from the application of the interpretation of IFRIC 12 are recorded in the consolidated statement of financial position under the heading "Non-current financial assets" described in note 5.6. They are recognised at amortised cost and repaid.

When the service is provided through the use of infrastructure leased to third parties and controlled by the grantor, the counterpart of the financial asset is a concession financial liability.

The financial income, calculated on the basis of the effective interest rate, the equivalent of the project's internal rate of return, is recognised as revenue from ordinary activities.

Under the financial asset model, revenue from ordinary activities is only recognised in revenue when the Group can be considered as a main player.

INTANGIBLE ASSET MODEL

The intangible asset model applies where the operator is paid by users or does not receive any contractual guarantee from the grantor on the amount to be collected. The intangible asset corresponds to the right granted by the grantor to the operator to charge users for the public service.

Intangible assets resulting from the application of the IFRIC 12 interpretation are recognised in the statement of financial position under the heading "Other intangible fixed assets", which are discussed in note 5.2. These assets are amortised on a straight-line basis over the term of the contract.

When the service is provided through the use of infrastructure leased to third parties and controlled by the grantor, the counterpart of the intangible asset is an operating liability.

As part of the intangible asset model, revenue from ordinary activities includes:

- revenue generated as and when assets or infrastructure under construction are completed;
- remuneration relating to the provision of services.

MIXED OR BIFURCATION MODEL

Application of the financial asset model or the intangible asset model is based on the existence of guarantees of payment given by the grantor.

However, certain contracts may include a payment commitment from the grantor which partially covers the investment, with the balance covered through fees charged to users.

In this case, the amount guaranteed by the grantor is recognised as a financial asset and the balance as an intangible asset.

2.4.7 Intangible assets excluding goodwill

Intangible assets are shown in the statement of financial position at their acquisition cost less accumulated amortisation and impairment.

Intangible assets mainly consist of patents, licences, trademarks, rights under contracts, authorisations, pension plan assets, software and service concession intangible assets as defined by IFRIC 12.

In the event of a successful bid, the Group capitalises mobilisation costs, which meet capitalisation criteria, from the point at which it is almost certain that the contract will be awarded. The corresponding contract asset is amortised over the life of the contract.

When the Group completes an acquisition, the contractual relationship between the acquired company and its client (the public transport authority) is assessed at fair value and recognised separately from the goodwill as a contractual right satisfying the qualifying criteria of IAS 38 and IFRS 3 revised.

Where their useful life is defined, intangible assets are amortised on a straight-line basis over periods corresponding to their expected useful life. The amortisation method and useful lives are revised at least each financial year or when necessary. The estimated useful lives are as follows:

- trademarks: between five and 15 years;
- contractual rights (excluding emphyteutic leases): two to 20 years, corresponding to their estimated useful life, allowing for a contract renewal rate if the Group has a high renewal rate in the Cash-Generating Unit (CGU) concerned;
- software: one to five years;
- service concession assets amortised over the term of the contract (see 2.4.6);
- contract assets, amortised over the life of the contract.

When their useful life is indefinite, intangible assets are not amortised and are subject to an impairment test (see 2.4.10). Notably, authorisations held for an unlimited period cannot be amortised.

2.4.8 Property, plant and equipment

Expenditure on property, plant and equipment by the Group is recognised as an asset at its acquisition cost where it satisfies the following criteria:

- it is likely that the future economic benefits relating to the asset will fall to the Group;
- the cost of the asset can be reliably measured.

Property, plant and equipment are shown in the statement of financial position at their acquisition cost less accumulated depreciation and impairment. The cost includes the asset's purchase or production cost and all the costs directly incurred in making it usable.

Items of property, plant and equipment cease to be recognised as assets when they are derecognised (through disposal or discontinuation), or when no future economic benefit is expected from their use or disposal. Any gain or loss arising from the derecognition of an asset from the statement of financial position (the difference between the net income from disposal and the asset's carrying amount) is recognised in the income statement in the financial year when it is discontinued.

Given the nature of the Group's business, the activities of the different subsidiaries do not include holding investment property assets.

SUBSEQUENT EXPENDITURE

Subsequent expenditure incurred in replacing property, plant or equipment is recognised under PPE only if it satisfies the foregoing general criteria and can be qualified as a component.

Otherwise, this expenditure is recognised in the income statement as incurred.

Through its public passenger transport activity, the Group incurs multiyear expenditure on major maintenance and servicing operations on its light rail (underground railway, tramway) and passenger rail rolling stock. These are recognised as assets in the form of a maintenance component, which is subsequently depreciated. Furthermore, expenditure which relates to refurbishments or leads to an increase in productive capacity and modifications bringing new functionality or that extend lifespans are contributions that can be qualified as operator assets.

DEPRECIATION

The residual values and useful lives of the assets are reviewed and, where applicable, adjusted, annually or whenever lasting changes arise in operating conditions.

To date, the residual values at the end of the useful life are regarded as immaterial.

Land is not depreciated. Other property, plant and equipment items are depreciated using the straight-line method. The estimated useful lives are as follows:

Buildings	15 to 20 years
Equipment and tooling	5 to 10 years
Furniture and office equipment	5 to 10 years
Vehicle equipment:	
Cars	5 years
Coaches and buses	10 to 15 years
Rolling stock	15 to 30 years

GOVERNMENT INVESTMENT GRANTS

Government grants wholly or partly covering the cost of investing in an asset are recognised as "Trade payables and other liabilities" and systematically written down in the income statement over the useful lives of the assets concerned.

2.4.9 Right-of-use assets

The existence of a lease in a contract is based primarily on the control exercised by the lessee over the right to use an identified asset for a specified period of time. Eligible contracts are then presented in the balance sheet by the recognition of:

- an asset corresponding to the right to use the leased asset during the term of the contract;
- a liability corresponding to the present value of the remaining payments due to the lessor.

VALUATION OF RIGHT-OF-USE ASSETS

At the effective date of a lease, the right-of-use asset is measured at cost and includes:

- the initial amount of the lease commitment plus, if applicable, any prepayments made to the lessor, net of any lease incentives received from the lessor;
- the initial direct costs incurred by the lessee for the conclusion of the contract;
- the estimated costs of maintaining and dismantling the leased asset in accordance with the terms of the contract.

The right-of-use asset is depreciated over the lease term or over the useful life of the underlying asset when the contract provides for a purchase option that the lessee is reasonably certain to exercise.

VALUATION OF THE LEASE COMMITMENT

At the inception of the contract, the lease commitment is recognised in an amount equal to the present value of the lease payments over the term of the contract. The amounts taken into account in the valuation of lease commitments are:

- fixed rents (including rents that are fixed in substance, i.e. even if they contain variability in form, they are in substance unavoidable);
- variable rents based on a rate or index using the rate or index at the effective date of the contract;
- payments to be made by the lessee under a residual value guarantee;
- the penalties to be paid in the event of the exercise of an option to terminate or not renew the contract, if the duration of the contract was determined on the assumption that the lessee would exercise it.

Certain events may lead to a revaluation of the values recorded in the balance sheet. Notably, these involve the following situations:

- revision of the rental period, the rent or the scope of the leased assets;
- revaluation relating to residual value guarantees;
- revision of the rates or indices on which rents are based.

The discount rate used to measure the lease commitment is the rate implicit in the contract when it is readily determinable or, failing that, the lessee's marginal borrowing rate at the inception of the contract. This rate corresponds to the interest rate that the lessee would obtain at the inception of the lease, in order to borrow over a similar term, with a similar guarantee and economic environment, the funds necessary to acquire an asset with a value equivalent to the right-of-use asset.

The lease term corresponds to the negotiated contractual term. Renewal or termination assumptions are only taken into account if a particular context allows the Group to be reasonably certain:

- that it can exercise a renewal option, for example, when the leased asset is considered "strategic" or when it has been the subject of "significant" investments while the remaining lease term is significantly short;
- that it will not have to exercise the termination option provided for contractually, for example in the event of early termination of the Public Service Delegation contract.

SIGNATURE OF POWER PURCHASE AGREEMENTS

Keolis SA signed three Power Purchase Agreements (PPA) in June and July 2023 under which the Company undertakes to purchase all of the energy and the seller undertakes to sell all of the electricity.

The start of the operation of these contracts is scheduled on 1 January 2025.

The P50 volumes, corresponding to the level of annual production for which the probability of occurrence is 50%, over the term of the contracts represent an expected production of 281,634 MWh for an expected cost of €24.6 million.

2.4.10 Impairment of fixed assets and non-financial assets

The Group performs systematic impairment tests annually (or more frequently where value impairment is indicated) of goodwill and other intangible assets that have indefinite useful lives, and therefore cannot be depreciated.

For property, plant and equipment, and intangible assets with finite useful lives, which are therefore depreciated or amortised, an impairment test is only conducted where impairment is indicated.

Cash-Generating Units (CGUs) are the smallest group of assets generating cash flows largely independently of other asset groups. Such units or groups of units correspond to activities in France and, internationally, mainly by country.

For testing purposes, the assets are aggregated within CGUs in accordance with IAS 36 "Impairment of Assets".

These tests compare the net carrying amount of assets with their recoverable amount, which is the higher of the fair value less the potential sales costs or the value in use of the asset. In the absence of any fair value observable on an organised market, the recoverable value of the CGUs is determined on the basis of their value in use.

The carrying amount of each asset group tested is compared with its value in use defined as the sum of the net cash flows arising from the latest forecasts for each of the CGUs, drawn up according to the main assumptions and procedures set out below:

- medium-term plans and budgets over a five-year period, drawn up by management on the basis of growth and profitability assumptions taking into account past performance, foreseeable developments in the economic environment and the expected development of markets. The best estimate of the consequences of the health crisis was also taken into account;

- extrapolation of the net cash flow of the last year or the average of cash flows over the five previous years by applying the growth assumptions stated in note 5.1;
- discounted future value of the cash flows arising from these plans at a rate determined using the Group's weighted average cost of capital (WACC), adjusted to each CGU.

Value impairment is recognised in the income statement, under other non-recurring expenses, if the carrying amount of a cash-generating unit or group of such units is greater than its recoverable amount. The impairment is allocated first to the goodwill apportioned to the CGU or CGU group tested, then to the other assets of the CGU or CGU group in proportion to their carrying amount.

This allocation must not result in the carrying amount of an individual asset being lower than its fair value, value in use or zero.

Potential impairment losses allocated to acquisition goodwill cannot be reversed, unlike the impairment losses of other property, plant and equipment and intangible assets.

In the event of an impairment loss being reversed, the asset's carrying amount is capped at the carrying amount, net of any depreciation or amortisation without taking into account any value impairment recognised in prior periods. When an impairment loss or a reversal of an impairment loss has been recognised, the depreciation expense is adjusted for future periods so that the adjusted carrying amount of the asset, less its residual value, if any, is spread systematically over the remaining useful life.

2.4.11 Financial assets

Purchases and sales of financial assets are recognised at their transaction date, the date on which the Group is committed to the purchase or sale of the asset. On initial recognition, financial assets are recognised in the statement of financial position at fair value plus the transaction costs directly attributable to the acquisition or issue of the asset (except for the category of financial assets measured at fair value, for which transaction costs are recognised directly in the income statement).

Financial assets are derecognised from the statement of financial position to the extent that entitlements to future cash flows have expired or have been transferred to a third party, and the Group has transferred virtually all the risks and benefits or the control of such assets. Financial assets, the maturity (or intended holding period) of which exceeds one year, are recognised under "Non-current financial assets".

In applying IFRS 9, the Group determines the classification of financial assets, on the date of initial recognition, into one of the accounting categories provided for, according to the management model applied for these assets and the characteristics of the contractual cash flows ("basic loan" criteria).

EQUITY INSTRUMENTS

An equity instrument under the terms of IAS 32 offers its holder a residual right to the assets of an entity after deduction of the liabilities, without the issuer of the instrument being obliged:

- to give them cash or any other financial asset; or
- to exchange financial instruments under terms which would be potentially unfavourable to them.

Equity instruments within the Keolis Group relate to non-consolidated investments. The Keolis Group has irrevocably selected the classification of its equity assets, either in the category of securities whose fair value varies in equity in "Items which will not be reclassifiable to profit or loss" with no option to recycle in profit or loss (this is the case for strategic investments in entities created under public/private partnerships, and historic investments on the date of the first application), or in the category of securities whose corresponding variations in fair value pass in the income statement.

DEBT INSTRUMENTS

Debt instruments are defined by IAS 32 as being financial instruments that do not fall under the definition of equity instruments mentioned above.

The Group analyses the cash flows generated by the instrument and management's intentions with regard to these investments, in order to determine the classification of the financial instruments according to the following three categories:

- debt instrument valued at "hold to collect" amortised cost: this means debt instruments whose cash flows represent interest or repayment of capital on specific dates (compliance with "basic loan" criteria), and that the management intends to retain to maturity;
- debt instruments valued at the Fair Value through Equity ("Other comprehensive income") reclassifiable to profit or loss at the time of the "hold to collect and sell" sale: these are debt instruments whose cash flows represent interest or repayment of capital on specific dates (compliance with "basic loan" criteria), and that the management intends sell in the medium term;
- debt instruments valued at Fair Value through "hold to sell" income: these are:
  - either debt instruments whose cash flows represent interest or repayment of capital on specific dates (compliance with "basic loan" criteria), and which management intends to sell in the short term, or
  - debt instruments where it cannot be contractually asserted that the cash flows represent interest or repayment of capital on specific dates.

In the case of instruments with a debt component and an equity component, IFRS 9 does not authorise their separation: an analysis of the instrument will lead to its being classified in one of the two categories. For example, loans convertible into shares are classified in the category of debt instruments for which changes in fair value take place through the income statement.

IMPAIRMENT OF FINANCIAL ASSETS

When financial assets are first recognised, the Group considers the potential expected credit losses not only on the basis of an objective indication but also with regard to statistics arising from its past experience.

Accordingly, the initial value of a financial asset depends on the level of credit risk at its initial recognition.

Subsequently, a loss of value is recognised on an asset or a group of financial assets not measured at fair value, in the case of a significant increase of credit risk or where there is an objective indication of impairment arising from one or more events that have occurred since the initial recognition of the asset, and where such an impairing event has an impact on the estimated future cash flows from the financial asset or group of financial assets, and if its carrying amount is higher than its estimated recoverable value.

The measurement of trade receivables is described in note 2.4.13.

2.4.12 Inventories

Inventories consist mainly of consumables and miscellaneous goods or supplies used for the maintenance and upkeep of vehicles or intended for resale.

These inventories are valued at purchase cost. Impairment is recognised to reduce the purchase cost (determined using the weighted average cost (WAC) method or the First-In, First-Out (FIFO) method) to the net realisable value if lower. Pursuant to IAS 2, the net realisable value is the estimated sale price in the normal course of business, less the estimated costs for completion and execution of the sale.

2.4.13 Trade and other receivables

Trade and other receivables are initially recognised at their fair value which, in most cases, is their nominal value, given the generally short payment times. The carrying amount is subsequently measured where required at the amortised cost using the effective interest rate method, less any impairment allowances.

When the trade receivable is first recognised, the Group considers the potential expected credit losses not only on the basis of an objective indication but also with regard to statistics from its past experience.

In view of the low credit risk borne by its clients (mainly public authorities), the Keolis Group applies the simplified method for trade receivables and states that the expected credit loss on recognition of the receivable is negligible.

If there is subsequently an objective indication of impairment or a risk that the Group may be unable to collect all the contractual amounts (principal plus interest) on the date set in the contractual payment schedule, an impairment loss is recognised in the income statement. This allowance is equal to the difference between the carrying amount and the estimated recoverable future cash flows, discounted at the original effective interest rate.

2.4.14 Cash and cash equivalents

This item includes cash, sight deposits and other short-term deposits as well as other easily convertible liquid instruments with a negligible risk of a change in value, maturing less than three months from the date of acquisition.

2.4.15 Income tax

GROUPE KEOLIS S.A.S., the parent company of the tax group, has opted for the tax consolidation system in France.

Other tax consolidation regimes also exist abroad. The effect of these regimes is recognised in the income statement. Most of the French companies subject to corporate income tax and in which GROUPE KEOLIS S.A.S. holds an equity interest of at least 95% are included in the tax consolidation group.

The income tax expense or income includes the current tax expense or income and the deferred tax expense or income. Tax is recognised in income for the year unless it relates to items that are directly recognised under equity, in which case, the tax is recognised under equity.

Current tax is the estimated amount of tax due on the taxable profit for the period. It also includes adjustments to the amount of tax payable in respect of previous periods.

Deferred tax is calculated for each individual entity using the balance sheet approach, based on the temporary differences between the carrying amount of the assets and liabilities and their taxation base, including assets of which the Group has possession under finance leases.

Measurement of deferred tax assets and liabilities depends on whether the Group expects to recover or to pay the carrying amount of the assets and liabilities, under the variable carry-forward method, using the rates of taxation that were adopted or virtually adopted at the reporting date. A deferred tax asset is only recognised or maintained as an asset to the extent that the Group is likely to benefit from future taxable profits to which the related deductible temporary difference may be charged.

The deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset in each taxable entity when the latter recovers the asset and settles the liability on the same due date, subject to the following conditions being met:

- legally enforceable right to offset;
- intention to settle;
- schedule of payments.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of certain differences between the values of the Group share of the net assets of subsidiaries, joint ventures and associates and their tax values. This exception applies especially to the income of subsidiaries yet to be distributed, should distribution thereof to shareholders lead to taxation; if the Group has decided not to distribute profits retained by the subsidiary in the foreseeable future, no deferred tax liabilities are recognised.

2.4.16 Borrowings and financial debt

All borrowings are initially recognised at fair value, less the related borrowing costs. Thereafter, they are recognised at amortised cost, using the effective interest rate method, with the difference between the cost and the repayment value recognised in the income statement over the term of the borrowings.

The effective interest rate is the rate used to obtain the original carrying amount of a loan by discounting the future cash inflows or outflows over the loan's term. The original carrying amount of the loan includes the transaction costs of the operation and any issuance premiums.

When a debt is reimbursed in advance, any non-amortised costs are recognised as expenses.

In the event that a loan is renegotiated, section 1 of IFRS 9 stipulates that the original interest rate is maintained, and an immediate impact is recognised in the income statement amounting to the difference between the expected contractual flows prior to the amendment, and the expected contractual flows after the amendment.

2.4.17 Derivative financial instruments

The Group uses derivative financial instruments to manage exposure to financial market risks resulting from its operational, financial and investment activities:

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

Derivative financial instruments are measured and recognised at fair value in the balance sheet on the date they are established, and then at the end of each reporting period.

Fair value is measured by using standard valuation methods and is based on the mid-market conditions commonly used in the markets. The market data used is level 2 within the meaning of IFRS 13.

The treatment of the gains and losses under the fair value revaluation depends on whether or not the derivative instrument is considered a hedging instrument and the nature of the hedged item.

Certain derivative financial instruments are eligible for one of the three hedge accounting categories defined in IFRS 9:

- fair value hedge;
- cash flow hedge;
- net investment hedge.

They are recognised in accordance with hedge accounting rules.

The criteria to apply hedge accounting are mainly:

- general hedging documentation that describes the Group's exposure to the various financial risks and its hedging strategy;
- a hedging relationship clearly established on the date on which each derivative financial instrument is established;
- the effectiveness of the hedging relationship, demonstrated on a forward-looking basis at inception and at each reporting date through effectiveness testing.

Interest rate, foreign exchange and commodity derivative financial instruments are entered into with leading bank counterparties in accordance with the Group's counterparty risk management policy. Consequently, the counterparty risk can be considered negligible.

As at 31 December 2023, derivative financial instruments eligible for hedge accounting are currently accounted for as cash flow hedges or fair value hedges within the meaning of IFRS 9. The derivative financial instruments that are not eligible are recognised under trading.

CASH FLOW HEDGE

When the formal conditions set out in IFRS 9 are met, derivatives qualify as cash flow hedges and changes in the intrinsic value of derivatives recognised as cash flow hedges are recognised in full in equity (recyclable reserves). The initial time value (premium) is treated as a cost of the hedging with subsequent changes in value recognised in OCI.

Applying IFRS 9, the contango/backwardation component, corresponding to the difference in price between the swap futures (or the exercise price for the options) and the spot price, may be recognised either as a cost of hedging or in financial income: at 31 December 2023 the contango/backwardation component for all transactions was treated as a cost of hedging.

FAIR VALUE HEDGE

When the formal conditions required by IFRS 9 are established, derivative instruments are qualified as fair value hedges and:

- changes in the value of the derivative are recognised in profit or loss for the period;
- the hedged item is recognised at amortised cost and remeasured at its fair value at the reporting date, for the portion of the hedged risk against profit or loss.

As a result, changes in the value of the derivative and the hedged risk are offset in profit or loss, with the exception of the ineffective portion of the hedge.

The effects of the foreign currency basis risk (Foreign Currency Basis Spread) are treated as a cost of hedging and are excluded from hedging relationships. Changes in fair value are recorded in OCI and their actual cost recognised in profit or loss evenly over time over the term of the hedging relationships.

TRADING

The change in the fair value of derivatives not qualifying for hedge accounting (for example, the asymmetrical collars) was recognised in financial income.

INTEREST RATE RISKS ON ITS FINANCIAL DEBT

The exposure of the Group to interest rate risk stems from its financial debt. The Group covers this risk by using derivative financial instruments.

The risk management objective is to protect the Group's financial income from an increase in interest rates, while taking advantage of a decrease in rates to the greatest extent possible.

The interest rate hedging policy implemented consists in favouring fixed rate derivative financial instruments. The management horizon adopted is usually a rolling five to seven years, but it can be greater if the need to hedge requires it.

The derivative financial instruments used by the Group are standard, liquid and available on the markets, with a spot or deferred start, such as:

- swaps;
- cap calls;
- cap puts to unwind an existing cap or to realise a cap spread;
- floor puts if tied with cap calls to create a symmetrical or asymmetrical collar;
- floor calls, notably to buy back floors that constitute asymmetrical collars;
- swaption calls;
- swaption puts if tied with calls to constitute swaption collars;
- cross-currency swap;
- cap step up.

The Group can hedge its position using a combination of instruments.

As at 31 December 2023, hedging relationships are exposed to the following reference rates:

- EUR Euribor 1 month;
- EUR Euribor 3 months;
- EUR Euribor 6 months;
- USD Sofr.

As at 31 December 2023, the vast majority of the underlying financing concerned is syndicated and bilateral financing held by the holding company GROUPE KEOLIS S.A.S. (for which 91% of the interest rate hedging instruments are backed) and by Keolis SA (2%). To this must be added the financing held by the subsidiary Keolis America Inc (7%).

As at 31 December 2023, the nominal amount of the debt hedged by interest rate derivatives (whether eligible for hedge accounting or not) by type of interest rate (fixed rate or floating rate) and type of index was as follows:

- variable-rate financial debt:
  - Euribor 1m €330 million,
  - Euribor 3m €386 million,
  - Euribor 6m €99 million,
  - Sofr €63 million;
- fixed-rate financial debt of €48 million.

SENSITIVITY ANALYSIS

The sensitivity of income to a risk in changes in interest rates is linked:

- to the net debt at variable interest rates after taking into account fair value hedges;
- to liabilities for fair value options;
- to derivative financial instruments not qualifying as hedges in the sense of IFRS 9.

The sensitivity of reclassifiable reserves (equity) to a risk in changes in interest rates is linked to derivatives qualifying as cash flow hedges.

FOREIGN EXCHANGE RISK

The Group has put in place intra-group loans denominated in foreign currency and recognised in current accounts. In order to cover the resulting foreign exchange risk, the Group uses derivative financial instruments which allow it to fix the exchange rate of these intra-group loans.

The Group also makes net investments in the capital of its foreign subsidiaries in local currency. To cover the foreign exchange risks generated by these investments, the Group may use derivative financial instruments in limited amounts. Management's objective is to protect the balance sheet values of these investments in local currency. The foreign exchange hedging policy implemented to achieve this objective consists of maintaining a reference exchange rate defined for the year.

Lastly, the Group purchases rolling assets denominated in currencies other than the operating currencies of the subsidiaries concerned. In order to hedge against any changes in exchange rates between the signature of the asset purchase agreement and the actual date of delivery, the Group uses derivatives that enable it to freeze or limit the risk of exchange rate changes.

The derivative financial instruments used by the Group are standard, liquid and available on the markets, with a spot or deferred start, such as:

- cash purchases and sales;
- forward and futures sales and purchases;
- foreign exchange swaps;
- call options;
- put options in combination with call options to provide symmetrical or asymmetrical collars;
- cross-currency swap.

The Group can hedge its position using a combination of instruments.

A portion of the derivative financial instruments used by the Group is eligible for net investment hedge accounting within the meaning of IFRS 9, while another portion is eligible for cash flow hedge accounting within the meaning of IFRS 9, and a final portion is recognised as a transaction. As at 31 December 2023, only foreign exchange financial instruments were recognised in trading.

The derivative financial instruments mainly hedge transactions in the following currencies: AED, AUD, CAD, GBP, SEK, SGD, USD.

All of the foreign exchange hedging derivatives held at 31 December 2023 mature in 2024.

COMMODITY PRICE RISKS

Due to their transportation activities as operators of light vehicle fleets (coaches and buses), the Group's subsidiaries must make substantial and regular purchases of diesel. The Group is consequently exposed to a risk of diesel price fluctuations, a risk which is partially hedged in the concession contracts signed with public authorities. For the remaining exposure, the Group implements a hedging policy using derivative financial instruments whose objective is to minimise the volatility of Group income.

To this end, the Group uses standard liquid derivative financial instruments available on the markets, with a spot or deferred start, such as:

- forward or future contracts;
- swaps;
- cap calls;
- cap puts to unwind an existing cap or to realise a cap spread;
- floor puts if tied with cap calls to create symmetrical or asymmetrical collars;
- floor calls, notably to buy back floors that constitute asymmetrical collars.

The Group can hedge its position using a combination of instruments.

Commodity derivative financial instruments eligible for hedge accounting are recognised under cash flow hedges within the meaning of IFRS 9. The derivative financial instruments that are not eligible are recognised under trading.

At 31 December 2023, the maturities of commodity derivative financial instruments cover the period from January 2024 to December 2026.

2.4.18 Provisions

PROVISIONS FOR PENSION AND POST-EMPLOYMENT COMMITMENTS (IAS 19 REVISED)

The Group offers its employees various fringe benefits while they employed or after their employment. These benefits result from the legislation applicable in certain countries and from contractual arrangements concluded by the Group with its employees, and are either part of defined contribution plans or of defined benefit plans.

(a) Defined contribution plans

Defined contribution plans are characterised by payments to organisations that discharge the employer from any subsequent obligation, with the organisations taking responsibility for paying employees the amounts they are due. Hence, once the contributions are paid, no liability is reported in the Group's financial statements.

(b) Defined benefit schemes

Defined benefit plans refer to plans providing post-employment benefits other than defined contribution plans. The Group has a duty to accrue provisions for the benefits to be paid to serving members of its staff, and to pay the benefits of former members of its staff. In substance, the actuarial and investment risks lie with the Group.

These plans mainly concern the following:

- pension commitments: pension annuity plans, retirement benefits, other retirement commitments and additional pension benefits;
- other long-term benefits: long-service awards.

DESCRIPTION OF COMMITMENTS UNDER DEFINED BENEFIT PLANS

Apart from ordinary, statutory schemes, the Group provides, according to country and local legislation, retirement benefit schemes (France, Sweden), defined benefit pension schemes (United Kingdom and Canada) and pensioners' health benefit schemes (Canada and USA).

In Sweden, employees who worked for the former public entity, which became Keolis Sverige when the Group took over in 2003, and who are not part of the Keolis Sverige workforce, benefit from pension plans. These plans are qualified as defined benefit schemes and are closed to new entrants. One of these plans is financed by an insurer.

Net assets relating to financed plans are recognised in equity under other comprehensive income.

Since 2003, the provision for non-financed plans has been recognised as a provision for contingencies and losses.

The change in the pension obligation and pension assets is detailed in the appendices on the basis of an actuary's report.

In France, retirement benefits paid to the employee on leaving employment are determined according to the national collective labour agreement or the Company agreement applying in the business. The following are the two main collective labour agreements applied within the Group:

- *Convention collective des transports publics urbains* (CCN_3099) – the national collective labour agreement for urban public transport;
- *Convention collective des transports routiers* (CCN_3085) – the national road-haulage collective labour agreement.

These schemes are partly financed by insurance policies.

The valuation is carried out over the actual duration of the public service transportation and parking delegation contracts assuming the transfer of employees to the new concessionaire, with the exception of GROUPE KEOLIS S.A.S., Keolis SA, subsidiaries of the Keolis Santé Group, and subsidiaries of the EFFIA Group, for which the valuation is carried out up to the retirement age.

For the retirement obligations in respect of the British Train Operating Companies (TOCs), a local position has been taken with regard to IAS 19R:

- an asset representing the pension rights is taken into account at the start of the franchise;
- liabilities are calculated for the length of the current contract. These two items will have zero value at the end of the contract.

This treatment is renewed as part of a renewal of the British franchise.

In the United Kingdom, there is a defined benefit plan specific to rail activities: the Railways Pension Scheme (RPS). This scheme is financed by a trust. The amount of the commitment which the Company is responsible for is calculated according to the length of the franchise. It is presented in the balance sheet as a net amount resulting from the partial offsetting of pension assets and liabilities.

Annual actuarial evaluations of the commitments of the defined benefit schemes are carried out at the end of each year, mainly by independent actuaries.

Commitments for pensions, additional pension benefits and retirement benefits are measured using a method that takes account of the projected final end-of-career salaries (termed the Projected Unit Credit Method) on an individual basis, which is based on assumptions of discounting rates and expected long-term yields from the funds invested for each country, and on assumptions regarding life expectancy, staff turnover, trends in pay, annuity revaluations and the discounted value of payable sums. The specific assumptions for each plan take local economic and demographic factors into account.

The value entered in the statement of financial position under provisions for "pensions and other employment benefits" is the difference between the present value of the future liabilities and the fair value of the pension plan assets intended to cover them. Where the result of this calculation is a net commitment, an obligation is recognised as a liability in the statement of financial position.

The provision assessed for post-employment benefits under capped plans is recognised over the minimum period of service required to vest the maximum benefit, starting from the theoretical date on which this maximum is reached.

When bids are won in France or abroad, the asset representing pension rights and all other employee benefits recognised at the start of the contract is determined on the basis of the amount of pension liabilities and other employee benefits due over the estimated life of the contract.

Actuarial gains and losses relating to post-employment benefits resulting from experience and changes in actuarial assumptions are recognised directly in equity in the year in which they are incurred and are offset against the increase or decrease of the obligation. They are set out in the statement of comprehensive income.

In the income statement, the cost of service earned during the financial year is included in operating profit.

The interest cost in respect of the discounting of pensions and similar obligations, and the income relating to the expected yields from the pension plan assets, are recognised under financial income.

In France long-service awards are valued on the same basis as pension commitments, with the exception of the recognition of actuarial gains and losses. Actuarial gains and losses are recognised in the income statement.

OTHER TYPES OF PROVISIONS

Provisions are recognised where, at the end of the reporting period:

- the Group has a present legal or implicit obligation towards third parties arising from a past event;
- it is likely that the settlement of the obligation will result in an outflow of resources representing economic benefits to the entity; and
- a reliable estimate can be made of the amount.

As a result of its activity, the Group is generally subject to a contractual obligation to carry out major multiyear maintenance and servicing operations on facilities managed under a public service agreement. The resulting maintenance and repair costs are analysed pursuant to IAS 37 on provisions and, where necessary, provisions are made for major maintenance and servicing and also for lossmaking contracts where the unavoidable costs incurred to meet the contractual obligation are greater than the economic benefits of the contract.

Where restructuring operations take place, an obligation arises as soon as the restructuring operation is announced and a detailed formal plan has been drawn up or its implementation has begun prior to the reporting date.

Provisions due in more than one year are discounted whenever the impact is material.

2.4.19 Payment in shares and similar payments

The Group has no share option plans or share purchase warrants for the benefit of its members of staff.

2.4.20 Trade payables and other accounts payable

Trade payables and other accounts payable are measured at their fair value at initial recognition, which in most cases is their nominal value, and thereafter at amortised cost. Short-term payables are recognised at their nominal amount unless discounting at the market rate would have a material impact.

In the event of long payment periods, trade payables are discounted.

Other payables include deferred revenues, corresponding to income received for services not yet provided, and investment grants not yet recognised in the income statement.

2.4.21 Revenue and other business income

Revenue includes fees from value added services arising from the Group's know-how. The activities concerned, excluding transport, relate mainly to the management of car parks, airports and bicycles.

Other business-related income covers fees for services consisting mainly of revenues classified by the Group as incidental, as well as the remuneration of concession financial assets.

In accordance with IFRS 15 "Revenue from contracts with customers", the revenue of urban passenger transport companies is recognised in accordance with the terms of the contract signed with the public transport authorities and takes into account all amendments and acquired rights (indexation clauses, mechanism for reviewing passenger revenue targets, etc.).

The same applies for revenue from intercity passenger transport companies, and other activities not under contract, recognised according to the services provided.

Revenue and other business-related income are measured at the fair value of the amount received or accrued in consideration.

They are measured net of discounts and commercial benefits given, where the service has been provided. No income is recognised where there exists significant uncertainty as to the recoverability of the consideration receivable or the costs incurred or to be incurred in relation to the service, and where the Group remains involved in managing the income.

2.4.22 Other operating expenses

Since they are a recurrent feature of the business, losses or gains on sales of transport equipment are recognised on a separate line and included in recurring operating profit.

2.4.23 Recurring operating profit

Recurring operating profit corresponds to all the expenses and income arising from the Group's recurring operating activities before financing activities, the earnings of associates, discontinued operations or operations being sold, and taxation.

2.4.24 Operating profit

Operating profit includes recurring operating profit and all transactions not directly related to the normal conduct of business, but that cannot be directly included in any other item in the income statement.

Income and expenses, net depreciation, amortisation and provisions on non-recurring items include all non-recurring transactions for which the cost is significant: this includes the external costs of offensive calls for tenders, restructuring costs, capital gains and losses excluding transport equipment, the amortisation and impairment of contractual rights, impairment of goodwill, long-term management incentive plans and start-up costs in a given country or region, as well as other items that are non-recurring by nature.

The effects of changes in scope recognised directly in income include:

- direct acquisition costs in the case of a takeover;
- effects of revaluations, at fair value on the acquisition date, of non-controlling interests previously acquired in the case of an acquisition in stages;
- subsequent earn-outs;
- income from divestments of holdings which lead to a change in the method of consolidation as well as, where applicable, the revaluation effects of non-controlling interests.

2.4.25 EBITDA calculation

EBITDA is calculated based on operating profit, plus or minus the profit or loss on asset disposals, the amounts representing depreciation and amortisation, increases and reversals of provisions and the share of subsidy income.

Recurring EBITDA corresponds to EBITDA less material non-recurring items.

2.4.26 Financial income

Financial expenses include borrowings and financial debt calculated using the effective interest rate method, the cost of early loan repayments or of cancelling credit lines, the financial interest not directly attributable to the operating margin and the financial cost of discounting non-current liabilities.

Financial income includes income from deposits of cash or cash equivalents and dividends received from non-consolidated companies.

Other financial income and expense includes net foreign exchange gains and losses, bank commissions on credit transactions recognised as an expense and their rebilling as income, income from the sale of financial assets, changes in the fair value of derivative financial instruments when they are to be recognised in the income statement and are recognised respectively as financial income or expenses on transactions, with the exception of changes in the fair value of hedging derivatives which are recorded on the same line as the transaction included in operating profit. Therefore, any change in the fair value of derivatives, when they are not eligible for hedge accounting, and the change in value of the ineffective portion for cash flow hedging are recognised in financial income.

All interest on borrowings is recognised as a financial expense as and when incurred.

3 HIGHLIGHTS OF THE 2023 FINANCIAL YEAR

France

The year in 2023 was marked by an increase in ridership on the transport networks compared to 2022 in Major City Networks and City Networks, and in car parks.

Commercial activity was dynamic in 2023, notably in Île-de-France with the award of the operation (alongside SNCF Voyageurs) of the T4 and T11 tram-train lines and the Esbly-Crécy branch of Line P for cumulative revenues of €650 million over seven years; the award of three bus contracts - Optile Pays de France Est, Vallée de l'Oise and Essonne centre - for cumulative annual revenues of €540 million over seven years; the award of the operation metro Lines 16 and 17 and the operation of the future Saint-Denis Pleyel station for cumulative revenues of €300 million over seven to 10 years; and lastly the transportation of athletes during the 2024 Olympic Games. In the French regions, the offensive gain of Auxerre and the renewal of Bourg-en-Bresse are worth noting.

The action plans rolled out in 2022 and 2023 led to an increase in the number of hires and a reduction in absenteeism, thus putting an end to the adapted transport plans (ATP), notably in Lyon and Bordeaux. However, sanitary transportation remains strongly affected by the labour shortage with a direct impact on the level of business and planning.

Lastly, in addition to energy prices, which remained at a high level, the year was marked by difficulties in starting the new Optile public service delegations in Île-de-France. The last quarter was also marked by the complete shutdown of the operation of Line B in Rennes due to a technical incident.

EFFIA

The patronage of EFFIA car parks continued to increase in 2023, growing by more than 8% compared to 2022.

On the commercial front, the main contracts renewed were Vincennes DSP, Cykleo Grenoble and Nantes DSP Centre; the main contracts won were Extension TGV Haute Picardie, G&C Dax, and Roubaix CH. The CHU Toulouse, Montreuil DSP and Cassis contracts were lost.

International

The post-Covid-19 recovery in international ridership is more gradual than in France. At the end of 2023, network ridership was around 80% of 2019 levels, with a significant improvement at the end of the year on the British, North American and Australian networks (Yarra Trams).

Commercial activity was intense in the United States, with the award of two bus contracts in states where Keolis previously did not operate: Texas (Capital Metro contract in Austin, for cumulative revenues amounting to €350 million over three years) and Arizona (Valley Metro contract in Phoenix, for cumulative revenues of €270 million over three years). In California, the Las Vegas contract was lost, but the Foothill-Pomona contract was renewed and the Orange County contract awarded, for more than €450 million in cumulative revenues over four years from these last two contracts. In Europe, two significant contracts were won: in Sweden, the operation/maintenance of a bus network in the suburbs of Stockholm for a period of 10 years from August 2024 and for a total amount of €600 million; and in the Netherlands, the operation of the Valleilijn rail line for approximately €150 million in revenues over 13 years. In the Netherlands, the Twente concession ended in mid-December 2023.

In 2023, the government aid put in place during the pandemic was reduced.

Most countries continued to experience recruitment difficulties, which had a negative impact on operations, greater than that observed in France, but the recruitment and retention campaigns put in place have begun to bear fruit.

Energy prices remained high this year, but contract indexation formulas were able to play their part.

Change in the Group's long-term debt

On 12 April 2023, a Group subsidiary set up an external variable-rate financing line of US$40 million, which will mature in April 2026.

On 6 July 2023, the Group obtained the agreement of its banks to extend the maturity of the €900 million revolving syndicated loan until July 2028.

On 25 July 2023, the Group signed a private placement agreement for US$54 million. The financing was fully drawn on 17 October 2023 and will mature in October 2035.

On 15 December 2023, the Group signed new amendments with its banks in order to include a new ESG indicator linked to a greenhouse gas reduction commitment in the following financing agreements:

- the €900 million revolving syndicated loan;
- the €600 million term loan.

These transactions aim to consolidate the Group's liquidity and strengthen the Keolis's ESG strategy.

4 NOTES TO THE CONSOLIDATED INCOME STATEMENT

4.1 Purchases consumed and external expenses

(€ million)	**31/12/2023**	31/12/2022
Energy	(514.5)	(521.7)
Purchases of commodities and supplies in stock and not in stock	(375.2)	(286.1)
Works, upkeep and maintenance	(543.9)	(515.3)
Insurance premium	(115.2)	(105.2)
Remuneration of intermediaries and fees	(151.6)	(156.5)
Other	(420.1)	(376.4)
TOTAL	**(2,120.6)**	**(1,961.3)**

4.2 Staff expenses

(€ million)	**31/12/2023**	31/12/2022
Wages and social charges	(3,583.5)	(3,457.9)
Taxes on remuneration	(85.5)	(83.4)
Other staff expenses*	(339.1)	(320.0)
TOTAL	**(4,008.1)**	**(3,861.3)**

* *Other staff expenses include incentive schemes and profit sharing.*

(number of people)	**31/12/2023**	31/12/2022
Managers	4,441	4,276
Supervisory and technical staff	12,102	12,033
Clerical and manual employees, drivers	51,257	51,379
TOTAL	**67,801**	**67,689**

4.3 Operating income

(€ million)	**31/12/2023**	31/12/2022
Recurring operating profit	**163.9**	**208.6**
Costs of forward-looking bids*	(5.0)	(3.7)
Profit/(loss) on non-recurring fixed asset disposals	(2.1)	1.2
Amortisation of contractual rights and others	(24.8)	(24.2)
Other non-recurring items*	(20.9)	(29.9)
Of which reorganisation expenses net of provisions	*(12.7)*	*(5.6)*
Of which provisions for losses on contracts(1)	*0.4*	*(7.7)*
Including Impact Exit deal, Cardiff office	*1.4*	-
Including impact related to the change in accounting method, Denmark	*2.2*	-
Including impact of relocation of the Le Peletier site	-	*(1.8)*
Of which losses related to the exit of the IJssel-Vecht contract (Netherlands)	-	*(3.4)*
Of which losses over previous financial years on the Dubai contract	-	*(5.6)*
Of which other	*(12.3)*	*(5.8)*
Total non-recurring items	**(52.8)**	**(56.6)**
OPERATING PROFIT BEFORE INVESTMENTS UNDER THE EQUITY METHOD	**111.1**	**152.0**

* *These correspond to the total amount of other non-recurring income and expenses as presented in the income statement.*

(1) *At 31 December 2022, provisions for losses on contracts mainly consisted of a provision for Autocars Striebig and Eschenlauer for -€7.3 million, an additional -€3 million provision for Almere (the Netherlands) and the reversal of the provision for IJssel-Vecht (Netherlands) for +€2.2 million.*

4.4 EBITDA calculation

(€ million)	**31/12/2023**	31/12/2022
Operating profit	**111.1**	**151.9**
Net depreciation and other provisions	419.4	444.8
Net depreciation and other provisions on non-recurring items	25.7	25.7
Of which amortisation and impairment of contractual rights and trademarks, net	*23.8*	*24.2*
Including impact related to the change in accounting method, Denmark	*0.9*	
Of which provision for restructuring the Green Bus activity	*1.1*	-
Of which losses on the Autocars Striebig and Eschenlauer contracts	-	*7.3*
Including reversal of provision for restructuring of the Keolis Mobility Airport business	-	*(2.6)*
Of which reversal of the TMT/Voxtur provision	-	*(2.9)*
Of which allocations and reversals for other provisions	*(0.1)*	*(0.3)*
Share of reversal of investment grant	(10.8)	(11.9)
Profit/(loss) on non-recurring fixed asset disposals	2.1	(1.2)
Profit/(loss) on fixed asset disposals	0.2	5.2
EBITDA	**547.7**	**614.6**
Non-recurring income and expense*	**25.0**	**32.2**
RECURRING EBITDA	**572.7**	**646.8**

* *Non-recurring income and expenses include major restructuring expenses and other significant non-recurring items.*

4.5 Share of net income of investments under the equity method

(€ million)	**31/12/2023**	31/12/2022
Govia (UK)	13.4	15.0
Other associates (France)	0.3	0.6
Other associates (International excluding UK)	4.7	0.6
TOTAL ASSOCIATES AND JOINT VENTURES	**18.4**	**16.2**

4.6 Financial income

(€ million)	**31/12/2023**	31/12/2022
Net cost of financial debt	(30.2)	(17.4)
Of which cost of gross financial debt	*(38.6)*	*(20.3)*
Of which income from cash and cash equivalents	*8.4*	*2.9*
Other financial income	18.9	13.1
Other financial expenses	(28.0)	(30.8)
IFRS 16 “Financial Expenses”	(28.4)	(23.8)
FINANCIAL INCOME	**(67.7)**	**(59.0)**

4.7 Tax

The tax expense breaks down as follows:

(€ million)	**31/12/2023**	31/12/2022
Current tax expense	**(44.2)**	**(45.3)**
Tax payable for the period	(42.8)	(43.3)
Adjustment recognised during the period in respect of prior years’ current tax payable	(1.4)	(1.9)
Deferred tax income	**15.0**	**0.5**
Deferred tax for the period	15.0	0.5
Impairment loss on deferred tax asset	-	-
TAX EXPENSE FOR THE FINANCIAL YEAR	**(29.3)**	**(44.8)**

The reconciliation between the legal rate of taxation in France and the effective rate is as follows:

	31/12/2023		31/12/2022	
	In %	*In €M*	*In %*	*In €M*
Net income for the year		32.5		64.3
Neutralisation of the share of net income from associates		(18.4)		(16.2)
Neutralisation of corporation tax		29.3		44.8
Income before tax and before share of net income from associates		**43.4**		**92.9**
Theoretical tax using the legal rate of French taxation	**25.82%**	**(11.2)**	**25.82%**	**(24.0)**
French/foreign taxation rate differences	(4.11%)	1.8	0.31%	(0.3)
Effect of reduced rates and changes in tax rates	-	-	3.10%	2.9
Adjustment in respect of tax for prior financial years	3.33%	(1.4)	2.08%	(1.9)
Other permanent differences	(9.74%)	4.2	(1.51%)	1.4
Tax credit	(2.50%)	1.1	(1.16%)	1.1
Effect of direct taxation (CVAE)	16.84%	(7.3)	13.48%	(12.5)
Unrecognised deferred tax assets	37.91%	(16.4)	12.29%	(11.4)
EFFECTIVE RATE OF TAXATION	**67.54%**	**(29.3)**	**48.21%**	**(44.8)**

Unrecognised deferred tax assets in 2023 mainly concern North America, Belgium, Canada, the Netherlands and France.

Deferred tax included in non-current assets and liabilities breaks down as follows:

(€ million)	31/12/2023	31/12/2022
Deferred tax assets	**64.4**	**58.8**
Less than one year	22.9	21.2
More than one year	41.5	37.6
Deferred tax liabilities	**(130.3)**	**(149.4)**
Less than one year	(20.4)	(27.2)
More than one year	(109.8)	(122.2)

Stock of losses carried forward to €456.2 million at 31 December 2023 of which €434.2 million was not recognised, taking into account assumptions on the usability of these losses within the available time limits, which would represent a deferred tax asset of €112.5 million. The recognition of tax loss carry forwards is consistent with the budgets used for impairment tests.

At the end of each financial year, the Group assesses, for each tax entity, the probability that the entity will have taxable profits against which to offset its deferred tax assets or to use available unrecognised tax credits. In making this assessment, the Group takes account of, among other factors, past and present taxable profit, and the companies' prospects for making future taxable profits.

The change in the net deferred taxes recorded in the statement of financial position breaks down as follows:

(€ million)	Deferred tax assets	Deferred tax liabilities
Opening balance on 1 January 2023	**58.8**	**(149.4)**
Recognised in equity	7.8	1.6
Recognised in profit for the year	12.0	2.9
Effect of changes in consolidation scope	(1.2)	1.2
Foreign exchange translation differences and other changes	(13.0)	13.4
CLOSING BALANCE ON 31 DECEMBER 2023	**64.4**	**(130.3)**

(€ million)	Deferred tax assets	Deferred tax liabilities
Opening balance on 1 January 2022	**69.7**	**(148.5)**
Recognised in equity	0.4	(14.4)
Recognised in profit for the year	1.3	(0.7)
Effect of changes in consolidation scope	(1.8)	2.0
Foreign exchange translation differences and other changes	(10.7)	12.2
CLOSING BALANCE ON 31 DECEMBER 2022	**58.8**	**(149.4)**

Net deferred taxes by type are as follows:

(€ million)	**31/12/2023**	31/12/2022
Goodwill	(100.2)	(107.0)
Employee benefits	18.8	20.3
Tax losses	6.3	7.6
Other	9.3	(11.6)
CLOSING BALANCE ON 31 DECEMBER	**(65.8)**	**(90.6)**

5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1 Goodwill

Changes in carrying amount by geographical area

(€ million)	France	Continental Europe	Australia	UK	North America	Total
At 1 January 2023	808.6	168.3	32.7	73.7	14.1	1,097.4
Acquisitions*	0.5	-	-	-	-	0.5
Disposals	-	-	-	-	-	-
Impairment loss for the period	-	-	-	-	-	-
Foreign exchange translation differences and other	-	-	(1.1)	1.5	(0.5)	(0.1)
AT 31 DECEMBER 2023	**809.0**	**168.3**	**31.5**	**75.2**	**13.7**	**1,097.8**
Of which gross value	*809.0*	*173.9*	*31.8*	*183.2*	*52.6*	*1,250.4*
Of which accumulated amortisation and impairment charges	-	*(5.5)*	*(0.2)*	*(108.0)*	*(38.9)*	*(152.7)*

* *Acquisition of Ambulance Challandaise Renaud.*

(€ million)	France	Continental Europe	Australia	UK	North America	Total
At 1 January 2022	804.5	166.0	32.9	77.8	13.4	1,094.5
Acquisitions	4.0	2.8	-	-	-	6.8
Disposals	-	-	-	-	-	-
Impairment loss for the period	-	-	-	-	-	-
Foreign exchange translation differences and other	-	(0.4)	(0.2)	(4.1)	0.7	(4.0)
AT 31 DECEMBER 2022	**808.6**	**168.3**	**32.7**	**73.7**	**14.1**	**1,097.4**
Of which gross value	*808.6*	*173.9*	*32.9*	*179.5*	*53.9*	*1,248.8*
Of which accumulated amortisation and impairment charges	-	*(5.5)*	*(0.2)*	*(105.8)*	*(39.8)*	*(151.4)*

Impairment testing

The main assumptions made for impairment tests are as follows:

CASH FLOW

Cash flows stem from the main five-year strategic plan approved by the management bodies. Beyond this period, flows are extrapolated by applying a long-term growth rate which is close to the long-term inflation expected by the Group, within the limit of the duration of the contract or to perpetuity. The discounting of flows is carried out using rates which are suited to the nature of the activities (see paragraph below).

DISCOUNT RATE

The discount rate used is based on the average cost of capital reflecting current market assessments of the time value of money and the risks specific to the tested asset.

The weighted average cost of capital was determined by a combination of two methods: the "Capital Asset Pricing Model" (CAPM) method and the weighted average cost of capital method for comparable listed companies. Taking into account these factors, the costs of capital used to discount future cash flows were as follows:

	WACC	
	31/12/2023	31/12/2022
Keolis Group	**6.80%**	**6.80%**
United Kingdom	7.30%	7.40%
Sweden	6.80%	6.20%
Canada	7.80%	7.90%
Denmark	6.80%	6.30%
Netherlands	6.05%	6.30%
Belgium	6.80%	7.10%
Australia	7.30%	7.40%
United States	7.80%	7.90%
France	6.80%	6.80%

These discount rates are rates after tax applied to cash flows after tax. Use thereof results in recoverable amounts identical to those obtained by using pre-tax rates applied to non-taxed cash flows, in accordance with IAS 36.

LONG-TERM GROWTH RATES

The growth rates applied to the main cash-generating units or groups thereof are as follows:

	Perpetual growth rates	
	31/12/2023	31/12/2022
Keolis Group	**1.75%**	**2.30%**
United Kingdom	2.00%	2.30%
Sweden	2.00%	2.30%
Canada	1.90%	2.30%
Denmark	2.00%	2.30%
Netherlands	1.75%	2.30%
Belgium	1.90%	2.30%
Australia	2.50%	2.30%
United States	1.90%	2.30%
France	1.75%	2.30%

SENSITIVITY OF RECOVERABLE AMOUNTS

Sensitivity tests on groups of cash-generating units were carried out by varying the long-term growth rates or the WACC (weighted average cost of capital). A 0.5-point decrease in the perpetual growth rate results in a positive margin between the value in use and the carrying amount for all cash-generating units.

5.2 Other intangible assets

(€ million)	Authorisations, Patents and Software	Trademarks	Contractual rights	Concession assets	Contract assets*	Other	Total
At 1 January 2023	101.7	53.0	256.6	94.0	12.6	51.2	569.1
Acquisitions	14.5	-	-	-	3.1	10.8	28.4
Assets disposed of and scrapped	(8.6)	-	-	-	-	2.8	(5.8)
Net amortisation and impairment	(27.1)	-	(23.9)	(21.2)	(4.1)	(6.9)	(83.1)
Changes in scope	-	-	-	-	-	2.3	2.3
Foreign exchange translation differences and other	8.8	-	(0.8)	26.3	(0.5)	(9.4)	24.5
AT 31 DECEMBER 2023	**89.3**	**53.0**	**232.0**	**99.1**	**11.3**	**50.8**	**535.4**
Of which gross value	*268.0*	*65.7*	*685.0*	*155.5*	*39.1*	*118.9*	*1,332.1*
Of which cumulative depreciation, amortisation and impairment losses	*(178.7)*	*(12.7)*	*(453.0)*	*(56.4)*	*(27.8)*	*(68.0)*	*(796.7)*

(€ million)	Authorisations, Patents and Software	Trademarks	Contractual rights	Concession assets	Contract assets*	Other	Total
At 1 January 2022	113.3	53.0	280.8	91.3	16.7	46.9	602.0
Acquisitions	17.7	-	-	-	1.1	10.1	28.8
Assets disposed of and scrapped	(2.4)	-	-	-	-	(1.4)	(3.8)
Net amortisation and impairment	(32.1)	-	(24.2)	(21.2)	(4.0)	(4.6)	(86.1)
Changes in scope	-	-	-	-	(1.1)	9.1	8.0
Foreign exchange translation differences and other	5.3	-	(0.1)	23.9	-	(8.9)	20.2
AT 31 DECEMBER 2022	**101.7**	**53.0**	**256.6**	**94.0**	**12.6**	**51.2**	**569.1**
Of which gross value	*265.0*	*65.9*	*687.4*	*190.4*	*37.3*	*112.6*	*1,358.6*
Of which cumulative depreciation, amortisation and impairment losses	*(163.4)*	*(12.9)*	*(430.8)*	*(96.4)*	*(24.7)*	*(61.4)*	*(789.5)*

* *See note 2.4.7 for the definition of contract assets.*

5.3 Property, plant and equipment

(€ million)	Land & Development	Buildings	Equipment and tooling	Transport equipment	PPE under construction	Other	**Total**
At 1 January 2023	49.1	258.4	69.0	265.4	68.8	66.1	776.7
Acquisitions	5.3	33.8	14.3	61.8	35.3	23.1	173.7
Assets disposed of and scrapped	(1.7)	(6.3)	(6.3)	(39.5)	(0.4)	(6.0)	(60.1)
Net depreciation and amortisation	(3.1)	(29.0)	(19.1)	(61.9)	-	(20.3)	(133.4)
Changes in scope	-	-	-	-	-	0.2	0.2
Foreign exchange translation differences and other changes	0.3	34.9	2.2	(9.1)	(48.3)	12.1	(7.8)
AT 31 DECEMBER 2023	**50.0**	**291.7**	**60.2**	**216.7**	**55.4**	**75.2**	**749.2**
Of which gross value	*68.3*	*646.6*	*242.2*	*867.3*	*55.4*	*219.9*	*2,099.8*
Of which cumulative depreciation, amortisation and impairment losses	*(18.3)*	*(354.9)*	*(182.1)*	*(650.6)*	*-*	*(144.8)*	*(1,350.6)*

(€ million)	Land & Development	Buildings	Equipment and tooling	Transport equipment	PPE under construction	Other	Total
At 1 January 2022	56.8	281.0	74.3	306.4	37.8	61.7	818.1
Acquisitions	2.5	24.2	12.0	47.4	48.9	26.3	161.3
Assets disposed of and scrapped	(7.6)	(19.0)	(1.3)	(24.4)	(0.3)	(0.9)	(53.6)
Net depreciation and amortisation	(3.5)	(29.4)	(22.7)	(76.2)	-	(22.3)	(154.0)
Changes in scope	-	0.2	5.6	-	(6.0)	(2.0)	(2.2)
Foreign exchange translation differences and other changes	0.8	1.4	1.0	12.2	(11.7)	3.3	7.1
AT 31 DECEMBER 2022	**49.1**	**258.4**	**69.0**	**265.4**	**68.8**	**66.1**	**776.7**
Of which gross value	*65.4*	*599.7*	*246.9*	*954.4*	*68.8*	*219.4*	*2,154.7*
Of which cumulative depreciation, amortisation and impairment losses	*(16.4)*	*(341.3)*	*(177.9)*	*(689.0)*	*-*	*(153.3)*	*(1,378.0)*

5.4 Right-of-use assets

Assets

(€ million)	Land and buildings	Railway transport equipment	Road transport equipment	Other equipment	Total
At 1 January 2023	385.3	46.0	594.6	9.8	1,035.7
New contracts	70.3	-	170.7	1.2	242.1
Assets disposed of and scrapped	-	-	-	-	-
Net amortisation and impairment	(76.3)	(4.6)	(150.0)	(3.5)	(234.4)
Changes in scope	(3.8)	-	(7.9)	-	(11.7)
Foreign exchange translation differences and other	26.0	-	20.1	(0.2)	45.9
AT 31 DECEMBER 2023	**401.5**	**41.4**	**627.4**	**7.2**	**1,077.5**
Of which gross value	*619.8*	*64.5*	*1,249.4*	*14.1*	*1,947.7*
Of which cumulative depreciation, amortisation and impairment losses	*(218.3)*	*(23.1)*	*(621.9)*	*(6.9)*	*(870.3)*

Liabilities

(€ million)	IFRS 16 Lease liabilities > 1 year	IFRS 16 Lease liabilities < 1 year	Total
At 1 January 2023	827.2	209.2	1,036.4
New liabilities	240.0	1.9	241.9
Repayments of lease obligations	-	(232.8)	(232.8)
Changes in scope	(11.2)	(0.2)	(11.3)
Foreign exchange translation differences and other	(182.2)	229.7	47.5
AT 31 DECEMBER 2023	**873.9**	**208.6**	**1,082.5**

Assets

(€ million)	Land and buildings	Railway transport equipment	Road transport equipment	Other equipment	Total
At 1 January 2022	**348.8**	**50.6**	**584.6**	**11.1**	**995.0**
New contracts	52.8	-	197.9	2.7	253.5
Assets disposed of and scrapped	-	-	(0.2)	0.4	0.1
Net amortisation and impairment	(78.5)	(4.6)	(139.5)	(3.7)	(226.4)
Changes in scope	(20.9)	-	(44.9)	(0.9)	(66.7)
Foreign exchange translation differences and other*	83.1	-	(3.2)	0.2	80.1
AT 31 DECEMBER 2022	**385.3**	**46.0**	**594.6**	**9.8**	**1,035.7**
Of which gross value	*572.0*	*64.5*	*1,164.0*	*18.3*	*1,818.8*
Of which cumulative depreciation, amortisation and impairment losses	*(186.7)*	*(18.5)*	*(569.4)*	*(8.5)*	*(783.0)*

* *The other changes correspond to the effect of the extension of existing contracts (including €54 million for Keolis Sverige).*

Liabilities

(€ million)	IFRS 16 Lease liabilities > 1 year	IFRS 16 Lease liabilities < 1 year	Total
At 1 January 2022	**801.9**	**206.4**	**1,008.2**
New liabilities	250.7	2.8	253.5
Repayments of lease obligations	-	(247.6)	(247.6)
Changes in scope	(63.6)	(6.3)	(69.9)
Foreign exchange translation differences and other*	(161.8)	253.3	91.5
AT 31 DECEMBER 2022	**827.2**	**209.2**	**1,036.4**

* *The other changes correspond to the effect of the extension of existing contracts (including €54 million for Keolis Sverige).*

5.5 Investments under the equity method

The Group holds several investments in joint ventures and associates notably in the United Kingdom, consolidated under the equity method.

The changes in the value of these investments during the financial year result from the items below:

(€ million)	31/12/2023	31/12/2022
Value at 1 January	**69.6**	**62.3**
Group share of net income	*18.4*	*16.2*
Impairment	-	-
Share of net income from investments under the equity method	18.4	16.2
Changes in fair value impacting equity	-	-
Foreign exchange translation difference	0.9	(1.4)
Dividends paid	(33.5)	(8.8)
Changes in consolidation scope & other	0.1	1.3
Value at 31 December	**55.5**	**69.6**

The financial items relating to significant joint ventures are presented below at 100% of their values.

	31/12/2023				31/12/2022			
(€ million)	Govia & its subsidiaries*	SAEMES	Other	Total associates	Govia & its subsidiaries	SAEMES	Other	Total associates
Non-current assets	416.6	262.2	N/A	N/A	737.2	249.0	N/A	N/A
Net WCR	(360.9)	(161.9)	N/A	N/A	(649.0)	(140.4)	N/A	N/A
Equity	54.6	74.4	N/A	N/A	87.1	74.5	N/A	N/A
Of which net income	*38.4*	*(0.3)*	*N/A*	*N/A*	*42.8*	*0.4*	*N/A*	*N/A*
Non-current liabilities	1.1	25.9	N/A	N/A	1.1	34.1	N/A	N/A
Net assets	**54.6**	**74.4**	**N/A**	**N/A**	**87.1**	**74.5**	**N/A**	**N/A**
Reconciliation of financial data with value of investments under the equity method:								
Group share of net assets	**19.1**	**24.8**	**11.6**	**55.5**	**30.5**	**24.8**	**14.3**	**69.6**
NET CARRYING AMOUNT OF INVESTMENTS UNDER THE EQUITY METHOD	**19.1**	**24.8**	**11.6**	**55.5**	**30.5**	**24.8**	**14.3**	**69.6**

* *The annual financial statements of "Govia & its subsidiaries" are now closed on 31 December. The data presented correspond to the unaudited financial statements closed at 31 December 2023.*

In the context of Govia's activities in England, contractual constraints require operating companies to maintain a certain level of cash. At 31 December 2023, this constraint led to classifying 100% of the cash held by Govia at the level of its operating company GTR as cash and cash equivalents that cannot be transferred to the Go-Ahead group, Govia's majority shareholder. Consequently, the net cash position at end of the year is presented in net working capital requirements.

In addition, according to the new National Rail Contract (NRC), the distribution of dividends is only permitted under certain conditions and only with the approval of the DfT.

Thus, at 31 December 2023, the fraction of the net assets subject to these restrictions held by the Keolis Group in England through Govia amounted to €10.3 million in respect of the GTR franchise out of a total of €19.1 million.

5.6 Current and non-current financial assets

At 31 December 2023 *(€ million)*	Equity instruments measured at "fair value" through profit or loss	Equity instruments measured at "fair value" through "OCI" not recyclable in P&L	Debt instruments measured at amortised cost through profit or loss	Debt instruments measured at "fair value" through profit or loss	Derivative assets	Financial assets for concessions	Total
Gross value	20.5	10.6	79.6		36.3	166.5	313.5
Impairment	-	-	(44.9)	-	-	(1.3)	(46.2)
NET VALUE	**20.5**	**10.6**	**34.8**	**-**	**36.3**	**165.2**	**267.3**
Due in less than one year			2.2		35.5	1.9	39.7
Due in more than one year	20.5	10.6	32.5	-	0.7	163.3	227.6

At 31 December 2022 *(€ million)*	Equity instruments measured at "fair value" through profit or loss	Equity instruments measured at "fair value" through "OCI" not recyclable in P&L	Debt instruments measured at amortised cost through profit or loss	Debt instruments measured at "fair value" through profit or loss	Derivative assets	Financial assets for concessions	Total
Gross value	21.2	10.9	79.0		61.6	152.6	325.3
Impairment	-	-	(42.3)	-	-	(6.3)	(48.6)
NET VALUE	**21.2**	**10.9**	**36.7**	**-**	**61.6**	**146.3**	**276.8**
Due in less than one year			3.9		61.6		65.4
Due in more than one year	21.2	10.9	32.8	-	-	146.3	211.4

At 31 December 2023, equity instruments measured at fair value through profit or loss mainly comprise via Transportation and Blue Technologies Limited securities.

Navya shares were set to zero on 31 December 2022, taking into account the receivership announced on 31 January 2023.

5.7 Inventories

(€ million)	31/12/2023	31/12/2022
Gross inventories	201.5	192.7
Impairment	(3.4)	(1.9)
NET INVENTORIES	**198.0**	**190.8**

5.8 Trade and other receivables

(€ million)	31/12/2023	31/12/2022
Trade receivables	796.3	696.3
Advances and down payments on orders	26.1	26.7
Impairment of accounts receivable	(8.3)	(9.2)
Trade receivables	**814.0**	**713.8**
Receivables from staff and welfare agencies	17.3	16.4
Central government and local authorities	233.6	258.6
Prepaid expenses	34.6	39.1
Other*	275.9	287.5
Impairment of other debtors	(1.1)	(1.0)
Other receivables	**560.3**	**600.6**
TOTAL	**1,374.3**	**1,314.4**

* *Other receivables for 2023 include €95 million representing the Australian Department of Transport's guarantee on extra holiday rights; these rights appear under liabilities as payables to staff. These same receivables totalled €81 million in 2022.*

5.9 Cash and cash equivalents

Analysis by type

(€ million)	31/12/2023	31/12/2022
Cash	506.4	473.2
Short-term investments	3.9	2.4
Total recognised as assets	**510.3**	**475.6**
Bank overdrafts and current account liabilities	**(199.7)**	**(168.8)**
NET CASH AND CASH EQUIVALENTS	**310.7**	**306.7**

Cash equivalents include highly liquid short-term investments that are easily convertible into a known amount of cash and present no significant risk of loss of value.

The Group considers that its undertakings for collective investment in transferable securities classified by the French Financial Markets Authority (Autorité des Marchés Financiers) as "euro money" meet the criteria enabling it to be classified as cash equivalents.

No transaction of this type had been conducted at 31 December 2023.

5.10 Equity

Share capital and share premium

At 31 December 2023, the share capital amounted to €237.9 million, comprising 180,218,865 ordinary shares with a nominal value of one euro and thirty-two cents each, fully paid up.

The share premium amounted to €273.2 million.

The Group's borrowing contracts do not include any mandatory gearing ratio clauses.

Treasury shares

At the end of the period, all of GROUPE KEOLIS S.A.S's treasury shares, totalling €2.4 million, were cancelled.

Distributable reserves and earnings

At 31 December 2023, GROUPE KEOLIS S.A.S. had 2023 accounting income of +€15.4 million and retained earnings of €47.5 million prior to the allocation of 2023 income. Distributable profit at 31 December 2023 was therefore €62.9 million.

Reserves attributable to non-controlling interests

The main reserves attributable to non-controlling interests come from the following subsidiaries: Keolis Downer, KDR Gold Coast Pty Ltd, KDR Victoria Pty Ltd, Australian Transit Enterprises Pty Ltd, Keolis Commuter Services LLC and the French subsidiaries Transkeo T11 and T13.

Foreign exchange translation reserve

The main exchange rates against the euro used for the 2023 and 2022 financial years were as follows:

	2023		2022	
(for €1)	Average rate	Closing rate	Average rate	Closing rate
Pound Sterling	0.869787	0.869050	0.852761	0.886930
Australian Dollar	1.628801	1.626300	1.516692	1,569300
Danish Crown	7.450935	7.452900	7.439564	7.436500
Swedish Crown	11.478758	11.096000	10.629575	11.121800
Norwegian Crown	11.424838	11.240500	10.102606	10.513800
US Dollar	1.081269	1.105000	1.053049	1.066600
Canadian Dollar	1.459469	1.464200	1.369491	1.444000
Indian Rupee	89.300106	91.904500	82.686386	88.171000

5.11 Borrowings and financial debt

Financial debt breakdown by type

In 2023, the following financing lines were set up or amended:

- at the level of GROUPE KEOLIS S.A.S:
  - a fixed-rate private placement of US$54 million,
  - an early partial repayment of €24 million of the variable-rate tranche of the private placement under German law (*Schuldscheindarlehen*), initially of €71 million maturing in 2029,
  - the extension of the maturity of the revolving syndicated loan of €900 million until 22 July 2028,
  - the amendment of the €900 million revolving syndicated loan and the €600 million term loan to include a new ESG indicator;
- at the level of the Keolis SA subsidiaries:
  - a variable-rate loan of US$40 million, set up on 12 April 2023 for a period of three years.

These transactions not only allow the Group to strengthen its liquidity, but also to extend the average maturity of its debt and strengthen its ESG strategy.

	At 31 December 2023		
(€ million)	**Amounts in the statement of financial position**	**Maturity**	**Interest rates**
Derivatives	11.1	2024	-
Loans	14.0	2024	Fixed rates
Loans	64.5	2024	Variable rates
Sub-total, less than one year	**89.5**		
Employee profit sharing	0.7	2025-2027	Fixed rates
Loans	105.3	2025-2035	Fixed rates
Loans	1,057.3	2025-2036	Variable rates
Sub-total, more than one year	**1,163.3**		
TOTAL (EXCLUDING FINANCIAL LIABILITIES FOR CONCESSIONS)	**1,252.8**		

	At 31 December 2022		
(€ million)	Amounts in the statement of financial position	Maturity	Interest rates
Derivatives	10.7	2023	-
Loans	73.7	2023	Fixed rates
Loans	54.1	2023	Variable rates
Sub-total, less than one year	**138.4**		
Employee profit sharing	0.7	2024-2026	Fixed rates
Loans	65.3	2024-2034	Fixed rates
Loans	1,175.8	2024-2035	Variable rates
Sub-total, more than one year	**1,241.8**		
TOTAL (EXCLUDING FINANCIAL LIABILITIES FOR CONCESSIONS)	**1,380.2**		

At 31 December 2023, the amount drawn under the syndicated loan arranged on 12 July 2013 and amended on 11 June 2015, 27 July 2018, 22 July 2022 and 15 December 2023 stood at €125 million. The loan currently runs until July 2028 (with a one-year extension option subject to the approval of the lenders) and the undrawn balance amounts to €775 million.

Breakdown of financial debt and lease obligations by maturity

(€ million)	2024	2025	2026	2027	2028	2029 to 2034	> 2034	Total
Lease obligations	208.9	225.0	137.7	117.3	94.6	203.4	95.6	1,082.4
Financial debt excluding financial liabilities for concessions	89.5	84.4	693.5	156.4	128.0	48.0	52.9	1,252.8

Mandatory financial ratios

In the documentation for the syndicated loan and the term loan, one financial ratio is to be complied with on a half-yearly basis, the "Leverage Ratio".

The Leverage Ratio corresponds to the ratio between the adjusted net debt and the adjusted recurring EBITDA. At 31 December 2023, the covenants on the leverage ratio were respected.

The financial aggregates used to calculate the financial ratio comply precisely with the definitions contained in the documentation of the Group's main loans.

Financial performance aggregates for the Group and its subsidiaries are monitored throughout the year to anticipate any unfavourable change in this ratio.

Statement of changes in financial debt and lease obligations

(€ million)	31/12/2022	Increase	Decrease	Changes in scope	Foreign exchange impact	Other*	31/12/2023
Lease obligations	209.2	26.8	(256.8)	(0.5)	(0.3)	230.3	208.6
Derivatives	10.7	-	-	-	-	0.4	11.1
Financial liabilities for concessions	2.1	1.5	(1.9)	0.4	-	1.9	4.0
Loans	127.7	40.8	(93.1)	(0.4)	(0.1)	3.6	78.5
Sub-total, less than one year	**349.8**	**69.1**	**(351.8)**	**(0.6)**	**(0.5)**	**236.1**	**302.1**
Lease obligations	827.2	240.0	-	(11.2)	(0.4)	(181.7)	873.9
Employee profit sharing	0.7	-	-	-	-	-	0.7
Derivatives	-	-	-	-	-	-	-
Financial liabilities for concessions	46.1	56.1	(15.0)	-	(0.1)	(2.5)	84.6
Loans	1,241.0	295.5	(355.2)	0.6	(5.6)	(13.7)	1,162.6
Sub-total, more than one year	**2,115.0**	**591.6**	**(370.2)**	**(10.5)**	**(6.2)**	**(198.0)**	**2,121.7**
TOTAL	**2,464.8**	**660.7**	**(722.0)**	**(11.1)**	**(6.7)**	**38.2**	**2,423.9**

* *The other changes mainly correspond to the effect of lease liabilities of less than one year reclassified as short-term debt (including €42 million for Keolis Sverige).*

5.12 Assets and liabilities by category

The following table shows the balance sheet carrying amount and fair value by accounting category of assets and liabilities defined in accordance with IFRS 9:

31/12/2023				Financial instruments				Fair value			
Balance sheet item and instrument class *(€ million)*	**Non-current**	**Current**	**Net carrying amount of class in balance sheet**	**At fair value through equity**	**Loans, receivables, debt at amortised cost**	**At fair value through profit or loss**	**Qualified as hedging**	**Level 1**	**Level 2**	**Level 3**	**Net financial debt**
Debt instruments	32.6	2.2	34.8	-	34.8	-	-	-	34.8	-	34.8
Financial assets for concessions	163.3	1.9	165.2	-	165.2	-	-	-	165.2	-	
Sub-total of loans and receivables	**195.8**	**4.1**	**200.0**	**-**	**199.9**	**-**	**-**	**-**	**199.9**	**-**	**34.8**
Equity instruments	31.1	-	31.1	10.6	-	20.5	-	-	-	31.1	
Positive fair value of hedging instruments	0.7	33.2	33.9	-	-	-	33.9	-	33.9	-	33.9
Positive fair value of trading derivatives	-	2.4	2.4	-	-	2.4	-	-	2.4	-	2.4
Cash and cash equivalents		510.3	510.3	-	-	510.3	-	-	510.3	-	510.3
TOTAL CURRENT AND NON-CURRENT FINANCIAL ASSETS	**227.7**	**550.0**	**777.7**	**10.6**	**199.9**	**533.2**	**33.9**	**-**	**746.5**	**31.1**	**581.4**
Bond borrowings	2.7	-	2.7	-	-	2.7	-	-	2.7	-	2.7
Bank borrowings	1,159.9	78.5	1,238.3	-	1,238.3	-	-	-	1,238.3	-	1,238.3
Sub-total of borrowings	**1,162.6**	**78.5**	**1,241.1**	**-**	**1,238.3**	**2.7**	**-**	**-**	**1,241.1**	**-**	**1,241.1**
Of which:							-				
• *measured at amortised cost*	*1,107.7*	*78.5*	*1,186.1*	-	*1,186.1*	-	-	-	*1,186.1*	-	*1,186.1*
• *subject to fair value hedge accounting*	*52.2*	-	*52.2*	-	*52.2*	-	-	-	*52.2*	-	*52.2*
• *measured according to the "fair value" option*	*2.7*	-	*2.7*	-	-	*2.7*	-	-	*2.7*	-	*2.7*
Negative fair value of hedging instruments*	-	10.7	10.7	-	-	-	10.7	-	10.7	-	10.7
Negative fair value of trading derivatives	-	0.3	0.3	-	-	0.3	-	-	0.3	-	0.3
Borrowings and financial debt	**1,162.6**	**89.5**	**1,252.1**	**-**	**1,238.3**	**3.1**	**10.7**	**-**	**1,252.1**	**-**	**1,252.1**
Bank loans and overdrafts	-	199.7	199.7	-	199.7	-	-	-	199.7	-	199.7
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**1,162.6**	**289.2**	**1,451.8**	**-**	**1,438.0**	**3.1**	**10.7**	**-**	**1,451.8**	**-**	**1,451.8**
GROUP NET FINANCIAL DEBT	**1,129.3**	**(258.9)**	**870.4**	**-**	**1,403.3**	**(509.6)**	**(23.2)**	**-**	**870.5**	**-**	**870.5**

31/12/2022				Financial instruments				Fair value			
Balance sheet item and instrument class *(€ million)*	Non-current	Current	Net carrying amount of class in balance sheet	At fair value through equity	Loans, receivables, debt at amortised cost	At fair value through profit or loss	Qualified as hedging	Level 1	Level 2	Level 3	Net financial debt
Debt instruments	32.8	3.9	36.7	-	36.7	-	-	-	36.7	-	36.7
Financial assets for concessions	146.3	-	146.3	-	146.3	-	-	-	146.3	-	-
Sub-total of loans and receivables	**179.2**	**3.9**	**183.0**	**-**	**183.0**	**-**	**-**	**-**	**183.0**	**-**	**36.7**
Equity instruments	32.1	-	32.1	10.9	-	21.2	-	-	-	32.1	-
Positive fair value of hedging instruments*	-	60.1	60.1	-	-	-	60.1	-	60.1	-	60.1
Positive fair value of trading derivatives	-	1.4	1.4	-	-	1.4	-	-	1.4	-	1.4
Cash and cash equivalents		475.6	475.6	-	-	475.6	-	-	475.6	-	475.5
TOTAL CURRENT AND NON-CURRENT FINANCIAL ASSETS	**211.3**	**541.0**	**752.3**	**10.9**	**183.0**	**498.2**	**60.1**	**-**	**720.2**	**32.1**	**573.8**
Bond borrowings	2.6	-	2.6	-	-	2.6	-	-	2.6	-	2.6
Bank borrowings	1,238.5	127.7	1,366.2	-	1,366.2	-	-	-	1,366.2	-	1,366.2
Sub-total of borrowings	**1,241.0**	**127.7**	**1,368.8**	**-**	**1,366.2**	**2.6**	**-**	**-**	**1,368.8**	**-**	**1,368.8**
Of which:											
• *measured at amortised cost*	*1,238.5*	*127.7*	*1,366.2*	-	*1,366.2*	-	-	-	*1,366.2*	-	*1,366.2*
• *subject to fair value hedge accounting*	-	-	-	-	-	-	-	-	-	-	-
• *measured according to the "fair value" option*	*2.6*	-	*2.6*	-	-	*2.6*	-	-	*2.6*	-	*2.6*
Negative fair value of hedging instruments*	-	7.8	7.8	-	-	-	7.8	-	7.8	-	7.8
Negative fair value of trading derivatives	-	2.9	2.9	-	-	2.9	-	-	2.9	-	2.9
Borrowings and financial debt	**1,241.0**	**138.4**	**1,379.5**	**-**	**1,366.2**	**5.4**	**7.8**	**-**	**1,379.5**	**-**	**1,379.5**
Bank loans and overdrafts	-	168.8	168.8	-	168.8	-	-	-	168.8	-	168.8
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**1,241.0**	**307.3**	**1,548.3**	**-**	**1,535.0**	**5.4**	**7.8**	**-**	**1,548.3**	**-**	**1,548.3**
GROUP NET FINANCIAL DEBT	**1,208.2**	**(233.7)**	**974.5**	**-**	**1,498.3**	**(471.6)**	**(52.3)**	**-**	**974.5**	**-**	**974.5**

* *Excludes the fair value of commodities as these items are presented in 5.13 - Management of commodity price risk.*

5.13 Risk management and financial derivatives

The Group uses derivative financial instruments to manage exposure to financial market risks resulting from its operational, financial and investment activities:

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

At 31 December 2023, the Group held derivative financial instruments:

- eligible for hedge accounting and recognised as cash flow hedges (CFH) or as fair value hedges (FVH); or
- non-eligible for hedge accounting and recognised under trading.

Fair value is measured by using standard valuation methods and is based on the mid-market conditions commonly used in the markets. The market data used is level 2 within the meaning of IFRS 13.

The impacts on performance and the financial position of derivative financial instruments are presented in the table below:

Underlying asset *(€ million)*	Hedge accounting	Fair value (excl. premiums) at 31/12/2022	Changes in equity (reclassifiable reserves)		Latent financial income	Financial income generated	Premiums payable	**Fair value (excl. premiums) at 31/12/2023**	**Premium to be amortised at 31/12/2023**
			Changes	Reclassified	Changes	Changes	Changes		
Interest rates	CFH	51.7	(13.4)	(15.4)	(0.1)		(0.3)	22.4	(5.4)
Interest rates	Trading	-	-	-	-			-	-
Interest rates	FVH	-	-	-	-			-	-
Total interest rates		**51.7**	**(13.4)**	**(15.4)**	**(0.1)**	**-**	**(0.3)**	**22.4**	**(5.7)**
FX	CFH	0.6	0.4	(0.9)	-			-	-
FX	Trading	(1.3)	-	-	3.2			2.0	-
FX	FVH		0.4		0.3			0.7	-
Total FX		**(0.7)**	**0.8**	**(0.9)**	**3.6**	**-**	**-**	**2.7**	**-**
Commodities	CFH	1.0	(2.0)	(2.1)	(0.3)			(3.4)	-
Commodities	Trading	(0.3)	-	-	0.3			-	-
Commodities	FVH		-	-					
Total commodities		**0.7**	**(2.0)**	**(2.1)**	**-**	**-**	**-**	**(3.4)**	**-**
TOTAL		**51.7**	**(14.6)**	**(18.5)**	**3.4**	**-**	**(0.3)**	**21.7**	**(5.7)**

Interest rate and foreign exchange derivatives are recorded in the statement of financial position at fair value in the following amounts:

	31/12/2023			31/12/2022		
(€ million)	**Non-current**	**Current**	**Total**	Non-current	Current	Total
Derivative assets						
Cash flow hedges	-	33.2	33.2	-	60.1	60.1
Fair value hedges	0.7	-	0.7	-	-	-
Transaction hedges	-	2.4	2.4	-	1.4	1.4
Net foreign investment hedges	-	-	-	-	-	-
TOTAL DERIVATIVE INSTRUMENTS ASSETS	**0.7**	**35.5**	**36.3**	**-**	**61.6**	**61.6**
Derivative liabilities						
Cash flow hedges	-	10.7	10.7	-	7.8	7.8
Fair value hedges	-	-	-	-	-	-
Transaction hedges	-	0.3	0.3	-	2.9	2.9
Net foreign investment hedges	-	-	-	-	-	-
TOTAL DERIVATIVE INSTRUMENTS LIABILITIES	**-**	**11.1**	**11.1**	**-**	**10.7**	**10.7**

The following table presents, by type of risk, the economic connection between derivatives and the items hedged:

2023	**FV of derivatives**	**Change in FV of derivatives**	**Change in FV of hedged item**	**Inefficiency of hedging**
GKSAS				
CFH				
Interest rates	22.4	(29.2)	29.2	(0.1)
FX	-	(0.6)	0.6	-
Commodities	(3.4)	(4.4)	4.4	-
Trading				
Interest rates	-	-	-	
FX	2.1	3.2	-	
Commodities	-	0.3	-	
FVH				
Interest rates	-	-	-	-
FX	0.7	0.3	(0.9)	(0.6)
Commodities	-	-	-	-

2022	FV of derivatives	Change in FV of derivatives	Change in FV of hedged item	Inefficiency of hedging
GKSAS				
CFH				
Interest rates	51.7	52.1	(52.0)	-
FX	0.6	0.3	(0.3)	-
Commodities	1.0	(3.6)	3.6	-
Trading				
Interest rates	-	2.6	-	-
FX	(1.3)	(1.5)	-	-
Commodities	(0.3)	(0.2)	-	-

The impact on equity as items which may be reclassified (other comprehensive income) is as follows:

(€ million)	Equity as items which may be reclassified
Start of the period at 1 January 2022	**2.3**
Reclassifiable to profit or loss	**(27.2)**
Change in effective value on cash flow hedge instruments	**71.3**
Interest rate hedging	45.6
Foreign exchange hedging	0.7
Including future transactions hedged	-
Price risk hedging	24.9
Change in cost of hedging	**-**
Interest rate hedging	-
Foreign exchange hedging	-
Price risk hedging	-
Exchange difference	**0.1**
END OF THE PERIOD AT 31 DECEMBER 2022	**46.5**
Start of the period at 1 January 2023	**46.5**
Reclassifiable to profit or loss	**(18.5)**
Change in effective value on cash flow hedge instruments	**(15.1)**
Interest rate hedging	(13.4)
Foreign exchange hedging	0.4
Including future transactions hedged	-
Price risk hedging	(2.0)
Change in cost of hedging	**0.4**
Interest rate hedging	-
Foreign exchange hedging	0.4
Price risk hedging	-
Exchange difference	**-**
END OF THE PERIOD AT 31 DECEMBER 2023	**13.3**

Breaking of hedging relationships

A hedging relationship is broken from the moment that the conditions ensuring its effectiveness are no longer fulfilled under the IFRS 9 standard, or when the related derivative instrument reaches its settlement date, is cancelled or sold, or when the item hedged is cancelled or sold. In addition, the Group may at any time decide to terminate a hedging relationship. In this case, the hedging relationship no longer applies.

2023	Balance of hedging reserves on maintained hedging relationships	Balance of hedging reserves on terminated hedging relationships	Hedging reserves reclassified as the hedged element has impacted profit	Hedging reserves reclassified as the hedged element is no longer realisable
GKSAS				
CFH				
Interest rates	16.5	-	(15.4)	-
FX	-	-	(1.0)	-
Commodities	(3.4)	-	(2.1)	-

2022	Balance of hedging reserves on maintained hedging relationships	Balance of hedging reserves on terminated hedging relationships	Hedging reserves reclassified as the hedged element has impacted profit	Hedging reserves reclassified as the hedged element is no longer realisable
GKSAS conso				
CFH				
Interest rates	45.3	-	1.8	-
FX	0.6	-	(0.4)	-
Commodities	0.7	-	(28.7)	-

Disqualified interest rate hedging instruments mainly result from the repayment of certain financing lines with which derivative instruments were associated.

Management of interest rate risk

The exposure of the Group to interest rate risk stems from its financial debt. The Group hedges the risk of interest rate increases by using derivative financial instruments. The debt in EUR and the debt in USD exposed at 31 December 2023 were, respectively, 88% and 60% hedged from an economic standpoint.

Derivative financial instruments eligible for hedge accounting are recognised under cash flow hedges or fair value hedges. The derivative financial instruments that are not eligible are recognised under trading.

The breakdown of the Group's net debt is as follows:

(€ million)	**31/12/2023**	31/12/2022
Borrowings and financial debt restated for financial liabilities for concessions*	**1,252.8**	**1,380.2**
Cash and cash equivalents	**(310.6)**	**(306.7)**
Accrued interest receivable	(3.1)	(3.4)
Loans and receivables	(31.0)	(29.5)
Deposits and guarantees	(0.7)	(3.7)
Derivative assets	(36.3)	(61.6)
Employee profit sharing	(0.7)	(0.7)
NET FINANCIAL DEBT	**870.5**	**974.5**

* *Including employee profit-sharing.*

Net financial debt is an internal Keolis indicator. It does not include the lease obligations created by the application of IFRS 16 (including finance lease liabilities which were entirely reclassified as lease obligations, applying IFRS 16) and commitments to purchase non-controlling interests. It also excludes financial liabilities for concessions.

The Group is exposed to interest rate variability on the variable rate portion of its net financial debt.

The interest rate breakdown by type of borrowings and financial debt before and after derivative instruments (hedging and trading) is as follows:

	Initial debt structure		Structure after hedging	
(€ million)	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
Fixed rates	120.0	139.7	946.0	1,015.7
Variable rates	1,132.8	1,240.5	306.8	364.5
TOTAL BORROWINGS AND DEBT	**1,252.8**	**1,380.2**	**1,252.8**	**1,380.2**

Analysis of sensitivity

At 31 December 2023, on the basis of a constant net debt, an immediate variation of 50 basis points in interest rates at the end of the year would have changed the annual cost of financial debt as follows:

(€ million)	+50 bp P&L	+50 bp Recyclable income	-50 bp P&L	-50 bp Recyclable income
Variable financial instruments (after taking into account fair value hedges)	(4.0)	-	4.0	-
Liabilities for fair value options	-	-	-	-
Derivatives not qualifying as hedges	-	-	-	-
Derivatives qualifying as cash flow hedges	(0.1)	3.9	-	(3.9)
ANALYSIS OF SENSITIVITY	**(4.1)**	**3.9**	**4.0**	**(3.9)**

On the basis of the debt structure at 31 December 2023, a variation in the interest rate curve of +/-50 basis points over five years would affect the cost of financial debt as follows:

(€ million)	+50 bp P&L	+50 bp Recyclable income	-50 bp P&L	-50 bp Recyclable income
Variable financial instruments (after taking into account fair value hedges)	(19.8)	0.1	19.8	(0.1)
Liabilities for fair value options	-	-	-	-
Derivatives not qualifying as hedges	-	-	-	-
Derivatives qualifying as cash flow hedges	0.1	12.5	(0.1)	(12.7)
ANALYSIS OF SENSITIVITY	**(19.7)**	**12.6**	**19.7**	**(12.7)**

Derivative financial instruments are recorded in the statement of financial position at their fair value in the following amounts:

	Fair value in the balance sheet as at 31/12/2023					Fair value in the balance sheet as at 31/12/2022				
(€ million)	Cash flow hedge	Fair value hedge	Trading	Hedging of a net investment in a foreign operation	Total	Cash flow hedge	Fair value hedge	Trading	Hedging of a net investment in a foreign operation	Total
Fixed-rate receiver swaps	-	-	-	-	-	-	-	-	-	-
Fixed-rate payer swaps	9.9	-	-	-	9.9	21.7	-	-	-	21.7
Index swaps	-	-	-	-	-	-	-	-	-	-
Interest rate options	23.3	-	-	-	23.3	37.8	-	-	-	37.8
Derivative assets	**33.2**	**-**	**-**	**-**	**33.2**	**59.5**	**-**	**-**	**-**	**59.5**
Fixed-rate receiver swaps	-	-	-	-	-	-	-	-	-	-
Fixed-rate payer swaps	0.6	-	-	-	0.6	-	-	-	-	-
Interest rate options	10.2	-	-	-	10.2	7.8	-	-	-	7.8
Derivative liabilities	**10.7**	**-**	**-**	**-**	**10.7**	**7.8**	**-**	**-**	**-**	**7.8**
INTEREST RATE NET POSITION	**22.4**	**-**	**-**	**-**	**22.4**	**51.7**	**-**	**-**	**-**	**51.7**

The nominal amounts of derivative financial instruments are detailed below:

	31/12/2023		31/12/2022	
(€ million)	Net long-term debt	Net short-term debt	Net long-term debt	Net short-term debt
Fixed-rate receiver swaps	-	-	-	-
Fixed-rate payer swaps	340.1	0.6	273.8	34.7
Index swaps	-	-	-	-
Interest rate options	520.2	18.1	418.8	148.8

All of the interest rate hedging instruments held at 31 December 2023 mature between 2024 and 2035. For synthetic hedges made up of several instruments, we only consider the nominal hedged. In addition to these hedges in force, the Group holds €150 million in hedges that will expire over the coming year.

Foreign exchange risk management

The Group has put in place intra-group loans denominated in foreign currency and recognised in current accounts. In order to hedge the resulting foreign exchange risk, the Group uses derivative financial instruments which allow it to fix the exchange rate of these intra-group loans, hedging 100% of the nominal amounts exposed.

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

Lastly, the Group purchases assets denominated in currencies other than the respective functional currencies of the subsidiaries concerned. In order to hedge against any changes in exchange rates between the signature of the asset purchase agreement and the actual date of delivery, the Group uses derivatives that enable it to freeze or limit the risk of exchange rate changes.

Derivative financial instruments held by the Group may qualify for net investment hedge accounting within the meaning of IFRS 9, for cash flow hedge accounting within the meaning of IFRS 9, or be recognised as transactions. As at 31 December 2023, only foreign exchange financial instruments were recognised in trading.

Derivative financial instruments are recognised in the statement of financial position at their fair value in the following amounts:

	Fair value in the balance sheet as at 31/12/2023					Fair value in the balance sheet as at 31/12/2022				
(€ million)	Cash flow hedge	Fair value hedge	Trading	Hedging of a net investment in a foreign operation	Total	Cash flow hedge	Fair value hedge	Trading	Hedging of a net investment in a foreign operation	Total
Currency swaps	-	-	2.3	-	2.3	0.1	-	1.0	-	1.1
Forward purchase of currencies	-	-	-	-	-	0.5	-	0.5	-	0.9
Currency options	-	-	-	-	-	-	-	-	-	-
Cross currency swap	-	0.7	-	-	0.7	-	-	-	-	-
Derivative assets	**-**	**0.7**	**2.3**	**-**	**3.0**	**0.6**	**-**	**1.4**	**-**	**2.0**
Currency swaps	-	-	0.3	-	0.3	-	-	2.7	-	2.7
Forward purchase of currencies	-	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-	-
Cross currency swap	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	**-**	**-**	**0.3**	**-**	**0.3**	**-**	**-**	**2.7**	**-**	**2.7**
NET POSITION ON CURRENCIES	**-**	**0.7**	**2.0**	**-**	**2.7**	**0.6**	**-**	**(1.3)**	**-**	**(0.7)**

The derivative financial instruments mainly hedge transactions in the following currencies: AED, AUD, CAD, GBP, SEK, USD, SGD.

All of the foreign exchange hedging derivatives held at 31 December 2023 mature in 2024.

Management of risk of fluctuations in commodity prices

As part of its operational activities, the Group is exposed to a risk of fluctuation in the price of certain commodities, in particular diesel. The Group covers this risk by using derivative financial instruments. In economic terms, in 2023, Keolis hedged 90% of budgeted exposed diesel volumes.

Commodity derivative financial instruments eligible for hedge accounting are recognised under cash flow hedges within the meaning of IFRS 9. The derivative financial instruments that are not eligible are recognised under trading.

Derivative financial instruments are recorded in the statement of financial position at their fair value in the following amounts:

	Fair value in the balance sheet as at 31/12/2023				Fair value in the balance sheet as at 31/12/2022			
(€ million)	Cash flow hedge	Fair value hedge	Trading	Total	Cash flow hedge	Fair value hedge	Trading	Total
Swaps on petroleum products	0.3	-	-	0.3	3.5	-	-	3.5
Swaptions on petroleum products	-	-	-	-	-	-	-	-
Forward purchase of electricity	-	-	-	-	-	-	-	-
Collars – assets	-	-	-	-	0.9	-	-	0.9
Derivatives on commodities assets	**0.3**	**-**	**-**	**0.3**	**4.4**	-		**4.4**
Swaps on petroleum products	3.6		-	3.6	2.8	-	0.3	3.1
Collars – liabilities	0.1		-	0.1	0.7	-	-	0.7
Forward purchase of electricity	-		-	-	-	-	-	-
Derivatives on commodities liabilities	**3.7**	**-**	**-**	**3.7**	**3.5**	-	**0.3**	**3.7**
NET POSITION ON COMMODITIES	**(3.4)**	**-**	**-**	**(3.4)**	**1.0**	**-**	**(0.3)**	**0.7**

At 31 December 2023, commodity derivative financial instruments represented a volume of 55,303 tonnes (compared with 59,788 tonnes at 31 December 2022):

Counterparty risk

The transactions generating a potential counterparty risk for the Group were mainly as follows:

- cash investments;
- derivative financial instruments;
- trade receivables.

A counterparty risk procedure for investments and derivative financial instruments was defined and implemented by the Group in 2013, and updated in 2023.

This procedure defines the criteria for assessing counterparty risk and thus the Keolis Group's ability to enter into financial transactions with these counterparties. This procedure is based on the principles set out below:

- derivative financial instruments are only traded with counterparties belonging to the authorised categories;
- the cash and financing investment portfolios comply with limits by counterparty;
- the "fair value at risk" (fair value in favour of the Group) of the portfolio of derivative financial instruments is monitored regularly so as to spread the risk over various counterparties;
- counterparties are regularly monitored. If a bank that is a Group counterparty is removed from the "Authorised Bank" category, the portfolio of derivative financial instruments will be restructured so as to comply once again with the category criteria.

At 31 December 2023:

- all the investments made and all the derivative financial instruments held by the Group were established with bank counterparties meeting the criteria;
- no limit was exceeded for the liquidity and financing investment portfolios;
- the analysis of fair values at risk indicates that there is no major counterparty risk to report.

Finally, the credit and debit valuation adjustment calculations for the counterparty risk, as required by IFRS 13, indicate that the counterparty risk related to the valuation of the Group's portfolios of derivative financial instruments is negligible.

Liquidity risk

At 31 December 2023, the revolving syndicated credit line of €900 million was drawn down in the amount of €125 million. The undrawn balance amounted to €775 million. This credit line is available to GROUPE KEOLIS S.A.S. and Keolis SA.

The following table shows the reimbursement schedule of non-current GROUPE KEOLIS S.A.S. and Keolis SA debts, and the profile of the corresponding forecast interest expenses after taking into account interest rate hedging derivatives.

At 31 December 2023:

(€ million)	<=1 year	2 years	3 to 5 years	> 5 years
Financial debt	9.9	34.9	894.3	77.9
Debt expense	(27.1)	(29.7)	(45.9)	(20.3)
Of which interest rate hedges	*19.3*	*16.1*	*23.2*	*4.1*

The forecasted interest expenses on the debt are calculated on the gross debt on the basis of the interest rate on 31 December 2023, to which is added the Group's interest margin.

The Group ensures that it has sufficient resources to meet its financial obligations. To do so, each year the Group prepares a table of projected cash flows several years into the future to identify financing requirements and their seasonality. On this basis, the Group closed its 2023 financial statements without any identified cash risk for 2024.

5.14 Provisions

Analysis by type

	31/12/2023			31/12/2022		
(€ million)	More than one year	Less than one year	Total	More than one year	Less than one year	Total
Pensions	46.9	11.4	58.3	50.2	13.6	63.8
Other employee benefits	15.3	1.8	17.1	18.6	1.8	20.4
Employment and tax risks	25.2	31.6	56.8	23.5	31.1	54.7
Losses on contracts	16.4	(0.4)	16.0	18.0	1.8	19.9
Major repairs and refurbishment	4.8	8.3	13.1	5.3	7.3	12.6
Other	25.7	12.5	38.1	19.9	7.5	27.4
TOTAL	**134.2**	**65.2**	**199.4**	**135.6**	**63.1**	**198.8**

At 31 December 2023, a provision for the risk of having to pay paid leave to employees absent for long periods in France was recognised in the amount of €7 million compared to €3.6 million at 31 December 2022. This amount represents one year of rights acquired by the employees concerned.

Changes during the financial year

(€ million)	01/01/2023	Charge	Reversals	Changes in scope	Other changes	31/12/2023
Pensions	63.8	(3.0)	(9.7)	-	7.2	58.3
Other employee benefits	20.4	3.2	(4.5)	-	(2.0)	17.1
Employment and tax risks	54.7	16.2	(11.1)	-	(3.1)	56.8
Losses on contracts	19.9	5.8	(6.6)	-	(3.1)	16.0
Major repairs and refurbishment	12.6	3.5	(1.8)	-	(1.3)	13.1
Other	27.4	25.0	(20.0)	-	5.7	38.1
TOTAL	**198.8**	**50.8**	**(53.7)**	**-**	**3.5**	**199.4**

At 31 December 2023, reversals of provisions, amounting to €53.7 million, broke down into reversals used for an amount of €29.1 million. Reversals of provisions without use amounted to €24.5 million.

Pensions and similar benefits

The commitments recognised in the statement of financial position break down as follows:

(€ million)	31/12/2023	31/12/2022
Commitments recorded in the statement of financial position:		
Pensions and other post-employment benefits	58.3	63.8
Of which France	*56.7*	*63.8*
Of which Sweden	*1.6*	
Other employee benefits	17.1	20.4
TOTAL	**75.4**	**84.2**
Of which:		
• *Non-current*	*62.2*	*68.7*
• *Current*	*13.2*	*15.4*

5.14.1 Pensions and other post-employment benefits – France

ACTUARIAL ASSUMPTIONS

The following are the main actuarial assumptions adopted in evaluating pension commitments under the defined benefit schemes:

	31/12/2023	31/12/2022
(%)	France	France
Discount rate	3.19	3.28
Rate of salary increase (table range by category for France)	4.47	4.44
Expected rate of return on assets	3.19	3.28

The pension plan assets break down as follows:

	31/12/2023	31/12/2022
(€ million)	France	France
Equities	-	-
Bonds	0.1	0.2
Real estate	-	-
Other (notably cash equivalents)	-	-

The sensitivity to discount rates is as follows, in relation to the assumptions adopted:

(€ million)	Net commitment 31/12/2023	Service cost 2024	Financial cost 2024
Discount rate of -0.5%	58.2	5.0	1.6
Discount rate (basic assumption)	56.8	4.8	1.7
Discount rate of +0.5%	55.8	4.7	1.8

COMMITMENTS RECORDED IN THE STATEMENT OF FINANCIAL POSITION

The commitments recognised in the statement of financial position break down as follows:

(€ million)	**31/12/2023**	31/12/2022
Present value of non-financed liabilities	55.8	62.6
Present value of financed liabilities	1.2	1.3
Present value of total liabilities	**56.9**	**63.9**
Fair value of pension plan assets	(0.1)	(0.2)
Cost of unrecognised past services	-	-
PRESENT VALUE OF NET LIABILITIES RECOGNISED	**56.8**	**63.8**

ANALYSIS OF CHANGES IN HEDGING LIABILITIES AND ASSETS

The present value of the liabilities comprises:

(€ million)	**31/12/2023**	31/12/2022
Present value of liabilities at 1 January	**63.9**	**69.4**
Service cost	5.0	6.2
Financial cost (including Franchise Adjustment)	1.8	0.4
Benefits paid	(8.0)	(7.8)
Employee contributions	-	-
Changes in pension schemes	(8.8)	0.1
Actuarial gains and losses	2.8	(11.9)
Foreign exchange translation differences and change in methods	-	-
Effect of changes in consolidation scope	2.1	7.7
Effect of reductions and pension scheme settlements	(1.8)	-
PRESENT VALUE OF LIABILITIES AT END OF PERIOD	**56.9**	**63.9**

The fair value of the assets comprises:

(€ million)	**31/12/2023**	31/12/2022
Fair value of pension plan assets at 1 January	**0.2**	**0.3**
Expected return on assets	-	-
Actuarial gains and losses on pension fund returns	-	-
Employer contributions	-	-
Employee contributions	-	-
Benefits paid	(0.1)	(0.2)
Foreign exchange translation difference	-	-
Effect of changes in consolidation scope	-	-
Effect of reductions and pension scheme settlements	-	-
FAIR VALUE OF PENSION PLAN ASSETS AT END OF PERIOD	**0.1**	**0.2**

Actuarial gains and losses relating to changes in assumptions and experience gains and losses are as follows:

(€ million)	**31/12/2023**	31/12/2022
Impact of changes in assumptions	(1.0)	(12.5)
Losses/(gains) in the light of experience	2.0	(1.0)
Amendment of time-frame	1.8	1.7
ACTUARIAL GAINS AND LOSSES FOR THE YEAR	**2.8**	**(11.9)**

Obligations and assets by geographical area break down as follows:

	31/12/2023	
(€ million)	**France**	**Total**
Present value of obligations	56.9	56.9
Fair value of pension plan assets	(0.1)	(0.1)
NET PRESENT VALUE OF LIABILITIES	**56.8**	**56.8**

EXPENSE FOR THE FINANCIAL YEAR

The amount of the expense recognised in the income statement breaks down as follows:

(€ million)	**31/12/2023**	31/12/2022
Service cost	5.0	6.2
Interest cost	1.8	0.4
Expected return on assets	-	-
Changes in pension schemes	(8.8)	0.1
Effect of reductions and pension scheme settlements	(1.8)	-
TOTAL EXPENSE RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME	**(3.9)**	**6.7**

The service cost is recognised in staff expenses.

The interest cost on liabilities and the expected return on the pension plan assets are recognised as financial expenses and financial income respectively.

CHANGE IN NET OBLIGATION RECOGNISED IN LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

(€ million)	**31/12/2023**	31/12/2022
Opening provision at 1 January	**63.9**	**69.2**
Changes in scope	2.1	7.7
Expense for the financial year	(3.9)	6.7
Used (Benefits/Contributions paid)	(7.9)	(7.6)
Provision charged to/(reversed from) equity	2.8	(11.9)
Foreign exchange translation differences and other changes (including Franchise Adjustment)	(0.1)	-
CLOSING PROVISION AT 31 DECEMBER	**56.9**	**63.9**

The cumulative changes in charges/(reversals) recognised directly in equity are as follows:

(€ million)	31/12/2023	31/12/2022
Cumulative opening balance of charges/(reversals)	(39.8)	(27.9)
Actuarial gains and losses for the year	2.8	(11.9)
CUMULATIVE CLOSING BALANCE OF CHARGES/(REVERSALS)	**(37.1)**	**(39.8)**

Changes for the current financial year and for the three previous ones:

(€ million)	31/12/2023	31/12/2022	30/12/2021	30/12/2020
Present value of the defined benefit liabilities	56.9	64.1	69.4	79.2
Fair value of pension plan assets	(0.1)	(0.2)	(0.3)	(0.4)
SURPLUS (DEFICIT) OF THE PENSION SCHEME	**56.8**	**63.9**	**69.1**	**78.8**
Adjustments related to experience	2.0	(1.0)	(2.6)	(1.0)
Amendment of time-frame	1.8	1.7	2.8	-

5.14.2 Pensions and other post-employment benefits – Sweden

ACTUARIAL ASSUMPTIONS

The following are the main actuarial assumptions adopted in evaluating pension commitments under the defined benefit schemes:

	31/12/2023
(%)	Sweden
Discount rate	3.75
Expected rate of return on assets	3.75

The pension plan assets break down as follows:

	31/12/2023
(€ million)	Sweden
Equities	11.7
Bonds	21.6
Real estate	3.5
TOTAL	**36.8**

Unfunded plans

ANALYSIS OF CHANGES IN OBLIGATIONS

The present value of the liabilities comprises:

(€ million)	31/12/2023
Present value of liabilities at 1 January	-
Reclassification of the historical provision	1.7
Benefits paid	(0.1)
PRESENT VALUE OF LIABILITIES AT END OF PERIOD	**1.6**

Funded plans

As at 31 December 2023, as the value of the assets was higher than the value of the obligations, the net asset was reclassified directly to equity in other comprehensive income.

ANALYSIS OF CHANGES IN OBLIGATIONS

The present value of the liabilities comprises:

(€ million)	31/12/2023
Present value of liabilities at 1 January	35.1
Reclassification of the historical provision	-
Benefits paid	(2.4)
Actuarial gains and losses	1.5
Interest expense	1.3
PRESENT VALUE OF LIABILITIES AT END OF PERIOD	**35.5**

ANALYSIS OF THE FAIR VALUE OF ASSETS

The fair value of the assets comprises:

(€ million)	31/12/2023
Fair value of pension plan assets at 1 January	36.2
Expected return on assets	1.4
Employer contributions	3.3
Benefits paid	(2.4)
Actuarial gains and losses	(1.9)
FAIR VALUE OF PENSION PLAN ASSETS AT END OF PERIOD	**36.7**

IFRIC 14 ASSET LIMITATION

	31/12/2023
(€ million)	Sweden
Present value of liabilities at end of period	(35.5)
Fair value of pension plan assets at end of period	36.7
IFRIC 14 effect	(1.2)
CLOSING PROVISION AT 31 DECEMBER	**-**

The sensitivity to discount rates is as follows, in relation to the assumptions adopted at 31 December 2023:

(€ million)	Gross commitment 31/12/2023
Discount rate of -0.5%	38.8
Discount rate (basic assumption)	37.1
Discount rate of +0.5%	35.4

5.14.3 Other employee benefits

DESCRIPTION OF COMMITMENTS AND ACTUARIAL ASSUMPTIONS

Other employee benefits consist of long-service awards to employees working in France and healthcare expenses of employees in the United States who have taken early retirement. These schemes are not funded by external assets (e.g. insurance policies). The obligations arising from defined benefit schemes are measured using the same methods and assumptions as for the pension schemes.

The actuarial gains and losses arising from both experience and due to changes in actuarial assumptions are immediately recognised in the income statement for the financial year.

ANALYSIS OF CHANGES IN OBLIGATIONS

(€ million)	01/01/2023	Charge	Reversals	Change in scope	Other	31/12/2023
France: long-service awards	7.5	1.5	(2.3)	0.1	0.1	7.0
USA: healthcare expenses of retired employees	12.9	-	(0.7)	-	(2.0)	10.3
TOTAL	**20.4**	**1.5**	**(3.0)**	**0.1**	**(1.8)**	**17.3**

5.15 Trade and other liabilities

(€ million)	31/12/2023	31/12/2022
Customers: advances and deposits received	60.4	75.9
Trade payables	796.4	775.4
Payables to PPE suppliers	73.4	101.3
Payables to staff	661.0	596.5
Central government and local authorities	141.9	185.9
Deferred income*	433.0	327.0
Other	254.9	249.0
TOTAL	**2,421.0**	**2,310.9**

* *Including €114.5 million in financial liabilities for concessions in 2023, compared to €108.2 million in 2022.*

6 OFF-BALANCE SHEET COMMITMENTS AND CONTRACTUAL OBLIGATIONS

(€ million)	31/12/2023	31/12/2022
Unused credit lines	819.2	709.7
Guarantees received as collateral	88.7	15.0
TOTAL COMMITMENTS AND GUARANTEES RECEIVED	**908.0**	**724.6**
Guarantees to purchase	4.4	2.6
Guarantees given for operating commitments	1,242.5	1,262.5
Securities provided	42.0	51.7
TOTAL COMMITMENTS AND GUARANTEES GIVEN	**1,288.9**	**1,316.9**

7 LITIGATION AND CONTINGENT LIABILITIES

The estimates and underlying assumptions relating to current disputes are continuously re-examined. In particular, current disputes and litigation, especially with tax administrations or relating to appeals on tenders, on the execution of contracts or on warranty claims, were examined by the management with its advisers and lawyers for the purpose of assessing the risk they entail to the measurement of assets or liabilities.

The impact of changes in accounting estimates is recognised during the period of the change where they only affect that period, or during the period of the change and subsequent periods where the latter are also affected by the change.

Risks are measured at fair value and, when an outflow of resources is considered probable, a provision is made in the accounts (see 5.14).

Optile dispute

The Optile transport group, of which Keolis is a member, is concerned by the decision of the Council of State relating to the recovery of subsidies granted by the Regional Council of Île-de-France on the grounds that it benefited from State aid unlawfully. As the system was deemed compatible with the internal market, but not notified to the Commission, by a ruling dated 18 March 2020, the Council of State asked the Île-de-France region to "take the necessary measures to ensure the payment, by each company having conducted an activity on a market open to competition and having benefited from the aid scheme unlawfully implemented, of the amounts corresponding to the interest… that the company would have paid if it had had to borrow…".

On 8 July 2021, the Île-de-France Region sent a letter to the subsidiaries of the Keolis Group to carry out the execution of the decision of the Council of State of 18 March 2020 in which it appears that the amount of interest to be recovered could prove not to be significant in the context of this litigation. On 4 January 2022, Keolis sent a response to the Region in coordination with the Optile union.

In view of these developments, and in the absence of feedback, Keolis did not provision this risk at 31 December 2023.

"Compass" dispute

The companies Govia Thameslink Railway Limited (GTR) and London South Eastern Railway (LSER) and their parent company Govia Limited (Govia), 35%-owned by Keolis UK, were involved in three class actions for abuse of dominant position, including two relating to the provision of pricing information in border areas (LSER and GTR) ("Actions 1 and 3") and information on pricing practices (GTR) ("Action 2").

The parent companies of LSER (Govia Limited (Govia), The Go-Ahead Group Limited (Go-Ahead) and Keolis UK are parties to the claims and it is alleged that they are jointly and severally liable with LSER and GTR for their shares in the subsidiaries.

Actions 1 and 2 were certified by the Competition Court (TASC) on 19 October 2021 and 25 July 2022 respectively. This means that the appeals were deemed admissible.

On 24 November 2021, Action 2 was filed, alleging that GTR is abusing a dominant position through its pricing practices on the main line to Brighton.

The proceedings on the fund are now the subject of adversarial discussions and hearings before the TASC.

The latter indicated that Action 2 would be the subject of a two-phase trial, and that the Ministry of Transport (DfT) was entitled to intervene, in accordance with its wishes. Complainants must submit all of their documents by 31 July 2024. A procedural hearing is expected to be held in the last quarter of 2024 before a trial in 2025.

On 22 March 2023, the TASC decided to join Actions 1 and 3 and to authorise the DfT to intervene (in writing only) in this procedure, which will take place in two stages: a first trial in June 2024 which will determine the existence or not of abuse, and a second trial in June 2025, if it is deemed a case of abuse, to determine the harm suffered.

There is no legal precedent for this type of action or how it would be assessed if it were found to be valid. Consequently, Keolis UK cannot make a reliable estimate of the contingent liability or cash flow impact with respect to these shares at the time of publication of this report. Only the legal fees incurred and expected to date, in the amount of £15 million (share of €5 million), have been provisioned.

Provision for paid leave of employees on long-term absences

On 13 September 2023, a ruling by the *Cour de Cassation* (French High Court) ruled that the European right to paid leave during illness applies to all companies for five weeks/year or more, with no limit of 12 months for workplace accidents and occupational illnesses, bearing in mind that the statute of limitations only starts to run if the employer has given the employee the opportunity to exercise this right.

This decision is in contradiction with the French Labour Code, which stipulates there is no vesting of paid leave during a long-term absence and limits the vesting of paid leave to one year in the event of a workplace accident or occupational illness.

It therefore opposes the articles of the French Labour Code which govern the right to paid leave in our subsidiaries and require, in addition to their transposition into French law, a large number of clarifications to be implemented in a consistent manner with respect to all our employees.

Faced with the questions raised about the interpretation and application of these decisions, the Keolis Group has taken note, as well as all its subsidiaries in France, of the declarations of 26 September 2023 of the Ministry of Labour on the subject.

The latter specified that the Government was organising, in consultation with social partners, the initiation of discussions on the methods of making European Union law compatible with national legislation on this subject.

As at 31 December 2023, the Group was awaiting the results of these consultations and the consequent regulatory changes.

As soon as these details and their terms are provided by the legislator, the Group will apply the new calculation rules to all the subsidiaries concerned and will inform the bodies and all employees of these new provisions.

The Group will also apply the contractual provisions provided for in the event of a regulatory change, which stipulate that the public transport authorities will cover the effects of these changes.

In the intervening period, the Group estimated the gross impact (i.e. excluding contractual compensation from public transport authorities) of the cumulative amount over one year of paid holiday rights of employees absent for an extended period at €7 million.

Based on the individual claims subject to litigation and taking into account local situations, the Group had recorded a provision of €3.6 million at the end of 2022, which was increased to €7.0 million at the end of December 2023.

8 RELATED-PARTY TRANSACTIONS

GROUPE KEOLIS S.A.S. is majority-owned by SNCF, a national public company (*French société anonyme*) whose capital is wholly owned by the French State.

8.1 Transactions with SNCF

GROUPE KEOLIS S.A.S. is 69.69%-owned by SNCF and 30.00%-owned by Caisse des Dépôts et Placements du Québec. Transactions mainly correspond to general management services.

Transactions with the SNCF and its subsidiaries mainly concern car park rentals, and either permanent or occasional passenger transport services, and under normal market conditions.

8.2 Transactions with joint ventures and associates

Transactions with joint ventures and associates are carried out under normal market conditions.

8.3 Remuneration of the Group's key executives

The key executives in the Group are defined as being the corporate officers of GROUPE KEOLIS S.A.S. and the members of the Executive Committee. The remuneration and other short-term benefits of these key executives amounted to €4.7 million in 2023 compared to €4.3 million in 2022.

The following director's fees were paid to independent directors: €0.41 million in 2023, compared to €0.35 million in 2022.

There are no outstanding advances or credit facilities extended to members of the Group's management or executive bodies.

9 POST-BALANCE SHEET EVENTS

Change in the Group's long-term debt

The Group signed new amendments with its financial counterparties in order to include a new ESG carbon indicator in the following financing agreement:

- the variable-rate private placement under German law (*Schuldscheindarlehen*) in the amount of €76 million (in two tranches, of €29 million maturing in 2029 and €47 million maturing in 2027) on 15 January 2024;
- the fixed-rate private placement in the amount of US$54 million maturing in 2035 on 8 January 2024;
- the external financing line, carried by a Group subsidiary, at a variable rate of US$40 million maturing in 2025 on 8 January 2024.

10 SCOPE OF CONSOLIDATION

10.1 Subsidiaries

Name	Method of consolidation	% of shareholding	Country
Aerobag	Fully consolidated (FC)	100.00	FRANCE
Aerolis	Fully consolidated (FC)	100.00	FRANCE
Aéroport Angers Marcé	Fully consolidated (FC)	100.00	FRANCE
Airelle	Fully consolidated (FC)	100.00	FRANCE
Ambulance Challandaise Renaud*	Fully consolidated (FC)	100.00	FRANCE
Ambulances Blanc	Fully consolidated (FC)	100.00	FRANCE
Autocars Delion S.A.S.	Fully consolidated (FC)	100.00	FRANCE
Autocars Eschenlauer	Fully consolidated (FC)	100.00	FRANCE
Autocars Striebig	Fully consolidated (FC)	100.00	FRANCE
Autocars Trans-Azur	Fully consolidated (FC)	100.00	FRANCE
Cars Verts Voyages	Fully consolidated (FC)	100.00	FRANCE
Compagnie du Blanc Argent	Fully consolidated (FC)	99.43	FRANCE
Cykleo	Fully consolidated (FC)	100.00	FRANCE
EFFIA (holding company)	Fully consolidated (FC)	100.00	FRANCE
EFFIA Asnières-sur-Seine	Fully consolidated (FC)	100.00	FRANCE
EFFIA Bourg-la-Reine	Fully consolidated (FC)	100.00	FRANCE
EFFIA Cannes	Fully consolidated (FC)	100.00	FRANCE
EFFIA Cergy-Pontoise	Fully consolidated (FC)	100.00	FRANCE
EFFIA CH Roubaix*	Fully consolidated (FC)	100.00	FRANCE
EFFIA Charenton	Fully consolidated (FC)	100.00	FRANCE
EFFIA CHU Rouen	Fully consolidated (FC)	100.00	FRANCE
EFFIA Concessions	Fully consolidated (FC)	100.00	FRANCE
EFFIA Le Havre	Fully consolidated (FC)	100.00	FRANCE
EFFIA Limoges	Fully consolidated (FC)	100.00	FRANCE
EFFIA Park	Fully consolidated (FC)	100.00	FRANCE
EFFIA Rouen Gare	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Cassis	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Chambéry	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement et Mobilité	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Eze	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Lille	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Lyon	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Marseille	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Saint-Étienne	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Vincennes	Fully consolidated (FC)	100.00	FRANCE
EFFIA Yerres	Fully consolidated (FC)	100.00	FRANCE

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
EGS Lyon	Fully consolidated (FC)	100.00	FRANCE
Enlèvement et Gardiennage Services	Fully consolidated (FC)	100.00	FRANCE
Enlèvement et gardiennage services Lille	Fully consolidated (FC)	100.00	FRANCE
Enlèvement et Gardiennage Services Marseille	Fully consolidated (FC)	100.00	FRANCE
Enlèvement et Gardiennage Services Montpellier	Fully consolidated (FC)	100.00	FRANCE
GEP Vidal	Fully consolidated (FC)	100.00	FRANCE
GR4 Crolles	Fully consolidated (FC)	48.00	FRANCE
GROUPE KEOLIS S.A.S	Fully consolidated (FC)	100.00	FRANCE
Holding Rochette Participations Montverdun	Fully consolidated (FC)	100.00	FRANCE
Holding Striebig	Fully consolidated (FC)	100.00	FRANCE
Hove	Fully consolidated (FC)	100.00	FRANCE
Institut Keolis	Fully consolidated (FC)	100.00	FRANCE
Jussieu Secours France	Fully consolidated (FC)	56.56	FRANCE
Keolis	Fully consolidated (FC)	100.00	FRANCE
Keolis 2024	Fully consolidated (FC)	100.00	FRANCE
Keolis Agde	Fully consolidated (FC)	100.00	FRANCE
Keolis Agen	Fully consolidated (FC)	100.00	FRANCE
Keolis Aile	Fully consolidated (FC)	100.00	FRANCE
Keolis Aile Foncière	Fully consolidated (FC)	100.00	FRANCE
Keolis Aisne	Fully consolidated (FC)	100.00	FRANCE
Keolis Alès	Fully consolidated (FC)	100.00	FRANCE
Keolis Alpes Maritimes	Fully consolidated (FC)	100.00	FRANCE
Keolis Amiens	Fully consolidated (FC)	100.00	FRANCE
Keolis Argenteuil Boucles de Seine	Fully consolidated (FC)	100.00	FRANCE
Keolis Armor	Fully consolidated (FC)	100.00	FRANCE
Keolis Arras	Fully consolidated (FC)	100.00	FRANCE
Keolis Artois	Fully consolidated (FC)	100.00	FRANCE
Keolis Atlantique	Fully consolidated (FC)	100.00	FRANCE
Keolis Auch	Fully consolidated (FC)	100.00	FRANCE
Keolis Aude	Fully consolidated (FC)	100.00	FRANCE
Keolis Autocars Planche	Fully consolidated (FC)	100.00	FRANCE
Keolis Baie des Anges	Fully consolidated (FC)	100.00	FRANCE
Keolis Bassin de Pompey	Fully consolidated (FC)	100.00	FRANCE
Keolis Bassin de Thau	Fully consolidated (FC)	100.00	FRANCE
Keolis Beaune	Fully consolidated (FC)	100.00	FRANCE
Keolis Beaune Mobilités*	Fully consolidated (FC)	100.00	FRANCE
Keolis Besançon Mobilités	Fully consolidated (FC)	100.00	FRANCE
Keolis Blois	Fully consolidated (FC)	100.00	FRANCE
Keolis Bordeaux	Fully consolidated (FC)	99.99	FRANCE
Keolis Bordeaux Métropole	Fully consolidated (FC)	100.00	FRANCE

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Keolis Bordeaux Métropole Mobilité	Fully consolidated (FC)	100.00	FRANCE
Keolis Bourgogne	Fully consolidated (FC)	99.50	FRANCE
Keolis Bus Verts	Fully consolidated (FC)	100.00	FRANCE
Keolis Caen Mobilités	Fully consolidated (FC)	100.00	FRANCE
Keolis Calvados	Fully consolidated (FC)	100.00	FRANCE
Keolis Camargue	Fully consolidated (FC)	100.00	FRANCE
Keolis Châlons-en-Champagne	Fully consolidated (FC)	99.24	FRANCE
Keolis Chambéry	Fully consolidated (FC)	100.00	FRANCE
Keolis Château Thierry	Fully consolidated (FC)	100.00	FRANCE
Keolis Châteauroux	Fully consolidated (FC)	100.00	FRANCE
Keolis Châtellerault	Fully consolidated (FC)	100.00	FRANCE
Keolis Chaumont	Fully consolidated (FC)	100.00	FRANCE
Keolis Chauny-Tergnier La Fère	Fully consolidated (FC)	100.00	FRANCE
Keolis Cherbourg	Fully consolidated (FC)	100.00	FRANCE
Keolis CIF	Fully consolidated (FC)	99.99	FRANCE
Keolis Communauté de l'Auxerrois*	Fully consolidated (FC)	100.00	FRANCE
Keolis Compagnie du Métro du Grand Paris*	Fully consolidated (FC)	100.00	FRANCE
Keolis Conseil et Projets	Fully consolidated (FC)	100.00	FRANCE
Keolis Contrôle et Humanisation	Fully consolidated (FC)	100.00	FRANCE
Keolis Côte Basque – Adour	Fully consolidated (FC)	100.00	FRANCE
Keolis Côte d'Opale	Fully consolidated (FC)	100.00	FRANCE
Keolis Dijon Mobilités	Fully consolidated (FC)	100.00	FRANCE
Keolis Dijon Multimodalité	Fully consolidated (FC)	100.00	FRANCE
Keolis Dole	Fully consolidated (FC)	100.00	FRANCE
Keolis Drouais	Fully consolidated (FC)	100.00	FRANCE
Keolis en Cévennes	Fully consolidated (FC)	99.19	FRANCE
Keolis Épinal	Fully consolidated (FC)	100.00	FRANCE
Keolis Eure et Loir	Fully consolidated (FC)	100.00	FRANCE
Keolis Flandre Maritime	Fully consolidated (FC)	100.00	FRANCE
Keolis Garonne	Fully consolidated (FC)	100.00	FRANCE
Keolis Gascogne	Fully consolidated (FC)	100.00	FRANCE
Keolis Gironde	Fully consolidated (FC)	100.00	FRANCE
Keolis Grand Bassin de Bourg-en-Bresse	Fully consolidated (FC)	100.00	FRANCE
Keolis Grand Nancy	Fully consolidated (FC)	100.00	FRANCE
Keolis Haguenau	Fully consolidated (FC)	100.00	FRANCE
Keolis Hainaut Valenciennois	Fully consolidated (FC)	100.00	FRANCE
Keolis Haut-Bugey	Fully consolidated (FC)	100.00	FRANCE
Keolis Languedoc	Fully consolidated (FC)	100.00	FRANCE
Keolis Laval	Fully consolidated (FC)	100.00	FRANCE
Keolis Lille	Fully consolidated (FC)	100.00	FRANCE

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Keolis Lille Métropole	Fully consolidated (FC)	100.00	FRANCE
Keolis Lisieux Normandie*	Fully consolidated (FC)	100.00	FRANCE
Keolis Littoral	Fully consolidated (FC)	100.00	FRANCE
Keolis Lorient	Fully consolidated (FC)	100.00	FRANCE
Keolis Lyon	Fully consolidated (FC)	100.00	FRANCE
Keolis Manche	Fully consolidated (FC)	100.00	FRANCE
Keolis Maritime Brest	Fully consolidated (FC)	100.00	FRANCE
Keolis Marmande	Fully consolidated (FC)	100.00	FRANCE
Keolis Marne	Fully consolidated (FC)	100.00	FRANCE
Keolis Méditerranée	Fully consolidated (FC)	100.00	FRANCE
Keolis Menton Riviera	Fully consolidated (FC)	100.00	FRANCE
Keolis Métropole Orléans	Fully consolidated (FC)	100.00	FRANCE
Keolis Mobilité Essonne	Fully consolidated (FC)	100.00	FRANCE
Keolis Mobilité Paris	Fully consolidated (FC)	100.00	FRANCE
Keolis Mobilité Roissy	Fully consolidated (FC)	100.00	FRANCE
Keolis Mobilité Seine et Marne	Fully consolidated (FC)	100.00	FRANCE
Keolis Mobilité Val de Marne	Fully consolidated (FC)	100.00	FRANCE
Keolis Montargis	Fully consolidated (FC)	100.00	FRANCE
Keolis Montluçon Mobilités	Fully consolidated (FC)	100.00	FRANCE
Keolis Mont-Saint-Michel	Fully consolidated (FC)	100.00	FRANCE
Keolis Morlaix	Fully consolidated (FC)	96.00	FRANCE
Keolis Moulins	Fully consolidated (FC)	100.00	FRANCE
Keolis Narbonne	Fully consolidated (FC)	100.00	FRANCE
Keolis Nevers	Fully consolidated (FC)	100.00	FRANCE
Keolis Nîmes	Fully consolidated (FC)	100.00	FRANCE
Keolis Nord	Fully consolidated (FC)	99.99	FRANCE
Keolis Nord Val d’Oise*	Fully consolidated (FC)	100.00	FRANCE
Keolis Normandie Seine	Fully consolidated (FC)	100.00	FRANCE
Keolis Obernai	Fully consolidated (FC)	100.00	FRANCE
Keolis Oise	Fully consolidated (FC)	100.00	FRANCE
Keolis Oise 2	Fully consolidated (FC)	100.00	FRANCE
Keolis Orléans	Fully consolidated (FC)	100.00	FRANCE
Keolis Orly Airport	Fully consolidated (FC)	100.00	FRANCE
Keolis Orly Rungis	Fully consolidated (FC)	100.00	FRANCE
Keolis Ouest Val-de-Marne	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays Basque	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays d’Aix	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays d’Artois	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays des Volcans	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays Dolois	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays du Forez	Fully consolidated (FC)	100.00	FRANCE

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Keolis Pays Normands	Fully consolidated (FC)	100.00	FRANCE
Keolis Perpignan Méditerranée	Fully consolidated (FC)	100.00	FRANCE
Keolis PMR Rhône	Fully consolidated (FC)	100.00	FRANCE
Keolis Porte de l'Isère	Fully consolidated (FC)	100.00	FRANCE
Keolis Porte des Alpes	Fully consolidated (FC)	100.00	FRANCE
Keolis Portes du Dauphiné	Fully consolidated (FC)	100.00	FRANCE
Keolis Portes et Val de Brie	Fully consolidated (FC)	100.00	FRANCE
Keolis Pyrénées	Fully consolidated (FC)	97.11	FRANCE
Keolis Quimper	Fully consolidated (FC)	100.00	FRANCE
Keolis Rennes	Fully consolidated (FC)	100.00	FRANCE
Keolis Riom	Fully consolidated (FC)	100.00	FRANCE
Keolis Roissy Pays De France Est*	Fully consolidated (FC)	100.00	FRANCE
Keolis Roissy Pays De France Ouest*	Fully consolidated (FC)	100.00	FRANCE
Keolis Roissy Services Aéroportuaires	Fully consolidated (FC)	100.00	FRANCE
Keolis Saintes	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Nord Finistère	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Nord Gironde	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Nord Loire	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Nouvelle Aquitaine Nord	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Nouvelle Aquitaine Sud	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Occitanie	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Pays de Retz	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Sud Gironde	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Sud Loire Vendée	Fully consolidated (FC)	100.00	FRANCE
Keolis Santé Yvelines	Fully consolidated (FC)	100.00	FRANCE
Keolis Seine Essonne	Fully consolidated (FC)	100.00	FRANCE
Keolis Seine et Oise Est	Fully consolidated (FC)	100.00	FRANCE
Keolis Seine Maritime	Fully consolidated (FC)	100.00	FRANCE
Keolis Seine Sénart	Fully consolidated (FC)	100.00	FRANCE
Keolis Seine Val de Marne	Fully consolidated (FC)	100.00	FRANCE
Keolis Solutions	Fully consolidated (FC)	100.00	FRANCE
Keolis Somme	Fully consolidated (FC)	100.00	FRANCE
Keolis Sophia Antipolis	Fully consolidated (FC)	100.00	FRANCE
Keolis Sud Allier	Fully consolidated (FC)	100.00	FRANCE
Keolis Sud Lorraine	Fully consolidated (FC)	100.00	FRANCE
Keolis Tarbes Lourdes Pyrénées	Fully consolidated (FC)	100.00	FRANCE
Keolis Territoires Nancéiens	Fully consolidated (FC)	100.00	FRANCE
Keolis Thionville-Fensch	Fully consolidated (FC)	100.00	FRANCE
Keolis Touraine	Fully consolidated (FC)	100.00	FRANCE
Keolis Tours	Fully consolidated (FC)	100.00	FRANCE

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Keolis Tours Access	Fully consolidated (FC)	100.00	FRANCE
Keolis Travel Services	Fully consolidated (FC)	100.00	FRANCE
Keolis Trois Frontières	Fully consolidated (FC)	100.00	FRANCE
Keolis Urbest	Fully consolidated (FC)	100.00	FRANCE
Keolis Val d'Oise	Fully consolidated (FC)	100.00	FRANCE
Keolis Val de Saône	Fully consolidated (FC)	100.00	FRANCE
Keolis Val d'Essonne 2 Vallées	Fully consolidated (FC)	100.00	FRANCE
Keolis Val d'Yerres Val de Seine	Fully consolidated (FC)	100.00	FRANCE
Keolis Val Hainaut	Fully consolidated (FC)	96.32	FRANCE
Keolis Vélizy	Fully consolidated (FC)	100.00	FRANCE
Keolis Vélizy Vallée de la Bièvre	Fully consolidated (FC)	100.00	FRANCE
Keolis Versailles	Fully consolidated (FC)	100.00	FRANCE
Keolis Vesoul	Fully consolidated (FC)	100.00	FRANCE
Keolis Vesoul Mobilités*	Fully consolidated (FC)	100.00	FRANCE
Keolis Voyages	Fully consolidated (FC)	100.00	FRANCE
Keolis Westeel	Fully consolidated (FC)	100.00	FRANCE
KeoMotion	Fully consolidated (FC)	100.00	FRANCE
Kisio Services & Consulting	Fully consolidated (FC)	100.00	FRANCE
KO Porte de l'Isère	Fully consolidated (FC)	100.00	FRANCE
KORRIVA	Fully consolidated (FC)	100.00	FRANCE
L2O	Fully consolidated (FC)	100.00	FRANCE
Les Cars du Bassin de Thau	Fully consolidated (FC)	100.00	FRANCE
Les Coccinelles	Fully consolidated (FC)	100.00	FRANCE
Les Courriers Catalans	Fully consolidated (FC)	100.00	FRANCE
Les Courriers Du Midi	Fully consolidated (FC)	100.00	FRANCE
Les Kangourous 2	Fully consolidated (FC)	100.00	FRANCE
Logistique Ambulance	Fully consolidated (FC)	100.00	FRANCE
Monamiligo	Fully consolidated (FC)	100.00	FRANCE
Monts Jura Autocars	Fully consolidated (FC)	100.00	FRANCE
Ormont Transports	Fully consolidated (FC)	100.00	FRANCE
Orset Investissement	Fully consolidated (FC)	100.00	FRANCE
Pacific Car	Fully consolidated (FC)	100.00	FRANCE
Phocéens Cars	Fully consolidated (FC)	100.00	FRANCE
STEFIM	Fully consolidated (FC)	100.00	FRANCE
SAP Cariane Provence	Fully consolidated (FC)	100.00	FRANCE
SATRVAM	Fully consolidated (FC)	100.00	FRANCE
Société Bordelaise d'Exploitation de Services	Fully consolidated (FC)	100.00	FRANCE
Société du Parc Lyon-Diderot	Fully consolidated (FC)	50.00	FRANCE
Sodetrav	Fully consolidated (FC)	100.00	FRANCE
Société Rennaise Transports et Services	Fully consolidated (FC)	100.00	FRANCE
Société Transports Robert	Fully consolidated (FC)	100.00	FRANCE

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Strasbourgeoise d'Enlèvement et de Gardiennage	Fully consolidated (FC)	100.00	FRANCE
Stretto*	Fully consolidated (FC)	51.00	FRANCE
TISSE*	Fully consolidated (FC)	60.19	FRANCE
Transports de la Brière	Fully consolidated (FC)	95.00	FRANCE
Transports Évrard	Fully consolidated (FC)	100.00	FRANCE
TRAM	Fully consolidated (FC)	100.00	FRANCE
TRANSBUSEVRY	Fully consolidated (FC)	55.62	FRANCE
Transkeo T11	Fully consolidated (FC)	51.00	FRANCE
Transkeo T13	Fully consolidated (FC)	51.00	FRANCE
Transport Daniel Meyer	Fully consolidated (FC)	100.00	FRANCE
Transports Pagès	Fully consolidated (FC)	100.00	FRANCE
Voyages Autocars Services	Fully consolidated (FC)	100.00	FRANCE
Voyages Chargelègue	Fully consolidated (FC)	100.00	FRANCE
Schloemer Verkehrsbetrieb GmbH	Fully consolidated (FC)	100.00	GERMANY
Australian Transit Enterprises Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Hornibrook Bus Lines Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Hornibrook Transit Management Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
KD Hunter Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
KD Northern Beaches Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
KDR Gold Coast Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
KDR Victoria Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Keolis Australia Pty	Fully consolidated (FC)	100.00	AUSTRALIA
Keolis Downer	Fully consolidated (FC)	51.00	AUSTRALIA
Keolis Downer Adelaide	Fully consolidated (FC)	51.00	AUSTRALIA
Keolis Downer Bus and Coachlines Property Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Keolis Downer Bus and Coachlines Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Keolis Downer South Australia	Fully consolidated (FC)	51.00	AUSTRALIA
Link S.A. Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Path Transit Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
South West Transit Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
Southlink Pty Ltd	Fully consolidated (FC)	51.00	AUSTRALIA
ALFA PARK	Fully consolidated (FC)	88.80	BELGIUM
Autobus Dony	Fully consolidated (FC)	100.00	BELGIUM
Autobus Lienard	Fully consolidated (FC)	100.00	BELGIUM
Cardona-Deltenre	Fully consolidated (FC)	100.00	BELGIUM
Cars Gembloutois	Fully consolidated (FC)	100.00	BELGIUM
CINTRA	Fully consolidated (FC)	100.00	BELGIUM
CINTRAL	Fully consolidated (FC)	100.00	BELGIUM
Compagnie des Autobus Liégeois	Fully consolidated (FC)	100.00	BELGIUM
De Turck BVBA	Fully consolidated (FC)	100.00	BELGIUM
EFFIA BELGIUM	Fully consolidated (FC)	100.00	BELGIUM

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Eurobus Holding	Fully consolidated (FC)	100.00	BELGIUM
Eurobussing Brussels	Fully consolidated (FC)	100.00	BELGIUM
Eurobussing Wallonie	Fully consolidated (FC)	100.00	BELGIUM
Flanders Bus	Fully consolidated (FC)	100.00	BELGIUM
Garage du Perron	Fully consolidated (FC)	100.00	BELGIUM
Gino Tours	Fully consolidated (FC)	100.00	BELGIUM
Heyerick	Fully consolidated (FC)	100.00	BELGIUM
Immo Cammerpoorte S.A.	Fully consolidated (FC)	100.00	BELGIUM
Keolis Belgium	Fully consolidated (FC)	100.00	BELGIUM
Keolis Vlaanderen	Fully consolidated (FC)	100.00	BELGIUM
Modern Toerisme NV	Fully consolidated (FC)	100.00	BELGIUM
Nice Traveling SPRL	Fully consolidated (FC)	100.00	BELGIUM
NV Aotocars De Boeck	Fully consolidated (FC)	100.00	BELGIUM
NV Autobusbedrijf Bronckaers	Fully consolidated (FC)	100.00	BELGIUM
NV Autobussen De Reys	Fully consolidated (FC)	100.00	BELGIUM
PARKEREN ROESELARE	Fully consolidated (FC)	100.00	BELGIUM
Parking Cathedrale S.A.	Fully consolidated (FC)	100.00	BELGIUM
Parking de l'Esplanade S.A.	Fully consolidated (FC)	100.00	BELGIUM
Parking Ladeuze NV	Fully consolidated (FC)	100.00	BELGIUM
Picavet	Fully consolidated (FC)	100.00	BELGIUM
Reniers & C°	Fully consolidated (FC)	100.00	BELGIUM
SADAR	Fully consolidated (FC)	100.00	BELGIUM
Satracom	Fully consolidated (FC)	100.00	BELGIUM
Sophibus	Fully consolidated (FC)	100.00	BELGIUM
SPRL Taxis Melkior	Fully consolidated (FC)	100.00	BELGIUM
SPRL Voyages F. Lenoir	Fully consolidated (FC)	100.00	BELGIUM
STACA (KBO)	Fully consolidated (FC)	100.00	BELGIUM
T.C.M. Cars	Fully consolidated (FC)	100.00	BELGIUM
Transports Penning	Fully consolidated (FC)	100.00	BELGIUM
Trimi	Fully consolidated (FC)	100.00	BELGIUM
Van Rompaye NV	Fully consolidated (FC)	100.00	BELGIUM
Keolis Canada Inc	Fully consolidated (FC)	100.00	CANADA
Keolis Grand River LP	Fully consolidated (FC)	100.00	CANADA
Keolis Shanghai	Fully consolidated (FC)	100.00	CHINA
Keolis Wuhan	Fully consolidated (FC)	100.00	CHINA
Keolis Côte d'Ivoire	Fully consolidated (FC)	100.00	COTE D'IVOIRE
Keolis Danmark	Fully consolidated (FC)	100.00	DENMARK
Établissement Abu Dhabi	Fully consolidated (FC)	100.00	UNITED ARAB EMIRATES
Keolis -MHI Rail Management and Operation LLC	Fully consolidated (FC)	70.00	UNITED ARAB EMIRATES
Keolis Middle East DMCC	Fully consolidated (FC)	100.00	UNITED ARAB EMIRATES
Keolis America Inc.	Fully consolidated (FC)	100.00	UNITED STATES

* *Including entries into the scope in 2023 (see below).*

Name	Method of consolidation	% of shareholding	Country
Keolis Commuter Services LLC	Fully consolidated (FC)	60.00	UNITED STATES
Keolis massAdventures, LTD*	Fully consolidated (FC)	60.00	UNITED STATES
Keolis Rail Service America	Fully consolidated (FC)	100.00	UNITED STATES
Keolis Rail Service Virginia	Fully consolidated (FC)	100.00	UNITED STATES
Keolis Transit America	Fully consolidated (FC)	100.00	UNITED STATES
Keolis Amey Consulting Ltd	Fully consolidated (FC)	64.00	UNITED KINGDOM
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited – the Operating Entity	Fully consolidated (FC)	64.00	UNITED KINGDOM
Keolis Amey Wales Cymru Limited – the Operating Delivery Partner	Fully consolidated (FC)	60.00	UNITED KINGDOM
Keolis UK	Fully consolidated (FC)	100.00	UNITED KINGDOM
Keolis-Amey Docklands Ltd	Fully consolidated (FC)	70.00	UNITED KINGDOM
KeolisAmey Metrolink	Fully consolidated (FC)	60.00	UNITED KINGDOM
Nottingham Trams Ltd	Fully consolidated (FC)	80.00	UNITED KINGDOM
Keolis Hyderabad Mass Rapid Transit System Private Limited	Fully consolidated (FC)	100.00	INDIA
Keolis Ré	Fully consolidated (FC)	100.00	LUXEMBOURG
Kilux	Fully consolidated (FC)	100.00	LUXEMBOURG
Keolis Nederland BV	Fully consolidated (FC)	100.00	NETHERLANDS
Keolis Asia Pte. Ltd.	Fully consolidated (FC)	100.00	SINGAPORE
Keolis Nordic	Fully consolidated (FC)	100.00	SWEDEN
Keolis Sverige	Fully consolidated (FC)	100.00	SWEDEN
Terminal G	Fully consolidated (FC)	100.00	SWEDEN

* *Including entries into the scope in 2023 (see below).*

Reminder of entries into the scope in 2023

Name	Method of consolidation	% of shareholding	Country
Ambulance Challandaise Renaud	Fully consolidated (FC)	100.00	FRANCE
EFFIA CH Roubaix	Fully consolidated (FC)	100.00	FRANCE
Grand Dole Mobilités	Equity method (EM)	100.00	FRANCE
Keolis Beaune Mobilités	Fully consolidated (FC)	100.00	FRANCE
Keolis Communauté de l'Auxerrois	Fully consolidated (FC)	100.00	FRANCE
Keolis Compagnie du Métro du Grand Paris	Fully consolidated (FC)	100.00	FRANCE
Keolis Lisieux Normandie	Fully consolidated (FC)	100.00	FRANCE
Keolis Nord Val d'Oise	Fully consolidated (FC)	100.00	FRANCE
Keolis Roissy Pays De France Est	Fully consolidated (FC)	100.00	FRANCE
Keolis Roissy Pays De France Ouest	Fully consolidated (FC)	100.00	FRANCE
Keolis Vesoul Mobilités	Fully consolidated (FC)	100.00	FRANCE
Stretto	Fully consolidated (FC)	100.00	FRANCE
TISSE	Fully consolidated (FC)	100.00	FRANCE
Keolis massAdventures, LTD	Fully consolidated (FC)	100.00	UNITED STATES

Companies removed from the scope of consolidation in 2023

Name	Method of consolidation (before removal)	% of shareholding (before removal)	Country
ASC Groupe	Fully consolidated (FC)	100.00	FRANCE
Autocars et Transports Grindler	Fully consolidated (FC)	100.00	FRANCE
Cars de Bordeaux	Fully consolidated (FC)	100.00	FRANCE
EFFIA Stationnement Nice Mozart	Fully consolidated (FC)	100.00	FRANCE
Keolis Angers	Fully consolidated (FC)	100.00	FRANCE
Keolis Bassin d'Arcachon	Fully consolidated (FC)	100.00	FRANCE
Keolis Boulogne sur Mer	Fully consolidated (FC)	100.00	FRANCE
Keolis Caen	Fully consolidated (FC)	100.00	FRANCE
Keolis Creil	Fully consolidated (FC)	100.00	FRANCE
Keolis Dijon	Fully consolidated (FC)	100.00	FRANCE
Keolis Fouache	Fully consolidated (FC)	100.00	FRANCE
Keolis Montluçon	Fully consolidated (FC)	100.00	FRANCE
Keolis Pays Nancéien	Fully consolidated (FC)	100.00	FRANCE
Keolis Réseau Départemental Sud Oise	Fully consolidated (FC)	100.00	FRANCE
Keolis Salon-de-Provence	Fully consolidated (FC)	100.00	FRANCE
Keolis Villefranche-sur-Saône	Fully consolidated (FC)	100.00	FRANCE
KO Haguenau	Fully consolidated (FC)	100.00	FRANCE
Mazamet Ambulances	Fully consolidated (FC)	100.00	FRANCE
Société Nantaise de Fourrière Automobile	Fully consolidated (FC)	100.00	FRANCE
Striebig Deutschland	Fully consolidated (FC)	100.00	GERMANY
Striebig GmbH	Fully consolidated (FC)	100.00	GERMANY
Keolis China	Fully consolidated (FC)	100.00	CHINA
Keolis España	Fully consolidated (FC)	100.00	SPAIN
Keolis Mobilities BV	Fully consolidated (FC)	100.00	NETHERLANDS
Keolis Spår AB	Fully consolidated (FC)	100.00	SWEDEN

10.2 Joint ventures and associates

Name	Method of consolidation	% of shareholding	Country
Albatrans	Equity method (EM)	36.20	FRANCE
CTCOP	Equity method (EM)	50.00	FRANCE
EFFIA SEM Roubaix	Equity method (EM)	50.00	FRANCE
Grand Dole Mobilités*	Equity method (EM)	51.00	FRANCE
Hello Paris	Equity method (EM)	50.00	FRANCE
Hello Paris Participations	Equity method (EM)	50.00	FRANCE
Hello Paris Services	Equity method (EM)	50.00	FRANCE
NAVLY	Equity method (EM)	50.00	FRANCE
Onepark	Equity method (EM)	35.94	FRANCE
Orgebus	Equity method (EM)	50.00	FRANCE
Park Grenoble Alpes Metropole	Equity method (EM)	49.99	FRANCE
RDK France	Equity method (EM)	50.00	FRANCE
SAEMES	Equity method (EM)	33.27	FRANCE
Scodec	Equity method (EM)	35.00	FRANCE
Sirius Plateforme Santé	Equity method (EM)	15.30	FRANCE
TICE	Equity method (EM)	19.00	FRANCE
Trans Pistes	Equity method (EM)	40.00	FRANCE
Transports de l'agglomération de Metz Métropole	Equity method (EM)	25.00	FRANCE
Galiliège	Equity method (EM)	21.76	BELGIUM
Parkeren Assen	Equity method (EM)	44.40	BELGIUM
Shanghai Keolis Public Transport Operation Management Co.	Equity method (EM)	49.00	CHINA
First/Keolis Holdings Limited	Equity method (EM)	45.00	UNITED KINGDOM
First/Keolis Transpennine	Equity method (EM)	45.00	UNITED KINGDOM
First/Keolis Transpennine Holding Ltd	Equity method (EM)	45.00	UNITED KINGDOM
Govia	Equity method (EM)	35.00	UNITED KINGDOM
Govia Thameslink Railway Limited	Equity method (EM)	35.00	UNITED KINGDOM
London Midland	Equity method (EM)	35.00	UNITED KINGDOM
London & South Eastern Railway – LSER	Equity method (EM)	35.00	UNITED KINGDOM
New Southern Railway	Equity method (EM)	35.00	UNITED KINGDOM
Southern Railway Ltd	Equity method (EM)	35.00	UNITED KINGDOM
Thameslink Rail Limited	Equity method (EM)	35.00	UNITED KINGDOM
RDK LLC (Qatar)	Equity method (EM)	50.00	QATAR
RKH Qitarat LLC	Equity method (EM)	30.50	QATAR

* *Including entries into the scope in 2023 (see below).*

2.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verifi cation of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended 31 December 2023)

To the Shareholders,

GROUPE KEOLIS S.A.S.

34 avenue Léonard de Vinci

92400 Courbevoie

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of GROUPE KEOLIS S.A.S. for the year ended 31 December 2023.

We hereby certify that, in accordance with IFRS standards as adopted by the European Union, the consolidated financial statements give a true and fair view of the results of operations over the past financial year, as well as of the financial position and of the assets and liabilities, at the end of the financial year, of the group comprising the people and entities included in the scope of consolidation.

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.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French code of ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*), for the period from 1 January 2023 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the year.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on these consolidated financial statements taken in isolation.

Accounting estimates

Goodwill, for which the net amount shown in the balance sheet at 31 December 2023 was €1,097.8 million, was tested for impairment in accordance with the methods described in notes 2.3, 2.4.5, 2.4.10 and 5.1 to the financial statements. We have examined the processes underlying these impairment tests as well as the cash flow forecasts, and the assumptions used and have verified that the appendices to the consolidated financial statements give an appropriate information. We also assessed the reasonableness of these estimates.

Specific verifications

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Executive President of the Management Board.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

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 Executive President of the Management Board.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the Company's viability or the quality of its management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.

Furthermore, the Statutory Auditor:

- 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.

Neuilly-sur-Seine and Paris-La-Défense, 7 March 2024

The Statutory Auditors

PricewaterhouseCoopers Audit		**ERNST & YOUNG Audit**	
Amélie Wattel	Arnaud Bigot	Marie Le Treut	Jérôme Guirauden


Abdelkader Djemaï
Mokhtar
et le figuier

3

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3.1 FINANCIAL STATEMENTS AT 31 DECEMBER 2023

3.1.1 BALANCE SHEET

	2023 financial year			2022 financial year
Balance sheet assets *(€ thousand)*	**Gross**	**Amort., depr. and prov.**	**Net**	**Net**
Uncalled subscribed capital (I)	-	-	-	-
Preliminary expenses	-	-	-	-
Development costs	-	-	-	-
Concessions, patents and related rights	-	-	-	-
Goodwill	-	-	-	-
Other intangible assets	-	-	-	-
Advances for intangible assets	-	-	-	-
Total intangible assets	**-**	**-**	**-**	**-**
Land	-	-	-	-
Buildings	-	-	-	-
Technical installations, equipment	-	-	-	-
Other property, plant and equipment	-	-	-	-
PPE under construction	-	-	-	-
Advances and down payments	-	-	-	-
Total property, plant and equipment	**-**	**-**	**-**	**-**
Shareholdings under the equity method	-	-	-	-
Other shareholdings	1,842,983	74,186	1,768,796	1,768,806
Receivables from shareholdings	-	-	-	-
Other long-term shareholdings	-	-	-	-
Loans	11,356	11,356	-	-
Other financial assets	1	-	1	1
Total financial assets	**1,854,339**	**85,542**	**1,768,797**	**1,768,807**
Total fixed assets (II)	**1,854,339**	**85,542**	**1,768,797**	**1,768,807**
Commodities, supplies	-	-	-	-
Production in progress (goods)	-	-	-	-
Production in progress (services)	-	-	-	-
Semi-finished and finished goods	-	-	-	-
Goods	-	-	-	-
Total inventory	**-**	**-**	**-**	**-**
Advances and down payments on orders	-	-	-	-
Trade receivables and related accounts	9,015	-	9,015	4,525
Other receivables	39,478	-	39,478	225,187
Subscribed called non paid-up capital	-	-	-	-
Total receivables	**48,493**	**-**	**48,493**	**229,712**
Marketable securities	-	-	-	-
(Of which treasury shares: -)				
Cash	319	-	319	322
Total cash	**319**	**-**	**319**	**322**
Prepaid expenses	1	-	1	9
Total current assets (III)	**48,813**	**-**	**48,813**	**230,043**
Debt issue costs to be spread (IV)	-	-	-	-
Bond redemption premium (V)	-	-	-	-
Foreign exchange translation difference, assets (VI)	2,438	-	2,438	-
GRAND TOTAL (I TO VI)	**1,905,590**	**85,542**	**1,820,048**	**1,998,850**

Balance sheet liabilities *(€ thousand)*	2023 financial year	2022 financial year
Share capital or individual capital (of which paid: 237,888,902)	237,889	237,889
Additional paid-in capital	273,246	273,246
Purchase accounting asset revaluations (of which equivalence difference: -)	-	-
Legal reserve	12,389	11,150
Statutory or contractual reserves	-	-
Regulated reserves (including reserves for provisions for price fluctuations: -)	-	-
Other reserves (including reserves for the purchase of original works by artists: -)	2,387	2,387
Retained earnings	47,457	48,901
NET INCOME FOR THE FINANCIAL YEAR	**15,436**	**24,796**
Investment grants	-	-
Regulated provisions	718	718
Total equity (I)	**589,522**	**599,086**
Income from issues of equity investments	-	-
Conditional advances	-	-
Grantor rights	-	-
Total other equity (II)	**-**	**-**
Provisions for contingencies	-	-
Provisions for charges	20,292	16,358
Total provisions for contingencies and charges (III)	**20,292**	**16,358**
Financial debt		
Convertible bond issues	-	-
Other bond issues	-	-
Bank borrowings	857,249	972,170
Miscellaneous borrowings and financial debt (including participating loans: -)	309,543	377,510
Customer advances and down payments	-	-
Trade liabilities		
Trade payables and related accounts	2,974	2,924
Tax and social security debts	5,187	2,667
Other liabilities		
Liabilities on fixed assets and related accounts	-	-
Other liabilities	32,843	28,135
Accruals		
Deferred income	-	-
Total debt (IV)	**1,207,796**	**1,383,406**
Foreign exchange translation difference, liabilities (V)	2,438	-
GRAND TOTAL – LIABILITIES (I TO V)	**1,820,048**	**1,998,850**

3.1.2 INCOME STATEMENT

Income statement *(€ thousand)*	2023 financial year France	2023 financial year Exports	2023 financial year Total	2022 financial year
Sales of merchandise	-	-	-	-
Sales of goods	-	-	-	-
Sales of services	12,603	-	12,603	9,675
Net revenue	**12,603**	**-**	**12,603**	**9,675**
Production held as inventory			-	-
Capitalised production			-	-
Operating grants			-	-
Reversals of depreciation and provisions, expense transfers			16,356	19,031
Other income			3	-
Total operating revenue (I)			**28,962**	**28,706**
Stock purchases (including customs duties)			-	-
Change in inventory of goods			-	-
Purchases of commodities and other supplies (including customs duties)			-	-
Change in inventory of goods (commodities and supplies)			-	-
Other purchases and operating expenses			5,960	6,396
Taxes and similar payments			228	218
Wages and salaries			5,150	2,884
Welfare contributions			1,605	1,099
Operating allowances				
On fixed assets: allocations to depreciation and amortisation			-	-
On fixed assets: allocations to provisions			-	-
On current assets: allocations to provisions			-	-
For contingencies and charges: allocations to provisions			20,290	16,356
Other expenses			385	422
Total operating expenses (II)			**33,618**	**27,375**
OPERATING INCOME			**(4,656)**	**1,331**
Profit allocated or loss transferred (III)			**-**	**-**
Loss suffered or profit transferred (IV)			**-**	**-**
Financial income from shareholdings			24,559	21,687
Other marketables and receivables from capitalised assets			-	-
Other interest and similar income			-	20
Reversal of provisions charged and expense transfers			-	-
Foreign exchange gains			-	4
Net gains on sales of marketable securities			-	-
Total financial income (V)			**24,559**	**21,711**
Depreciation, amortisation and provisions			861	871
Interest and similar expenses			30,073	15,862
Foreign exchange losses			-	-
Net expenses on sales of marketable securities			-	-
Total financial expenses (VI)			**30,934**	**16,733**
FINANCIAL INCOME			**(6,374)**	**4,978**
CURRENT INCOME BEFORE TAX (I-II+III-IV+V-VI)			**(11,030)**	**6,309**

Income statement *(€ thousand)*	2023 financial year	2022 financial year
Exceptional gains on management operations	-	-
Exceptional gains on equity transactions	10	-
Reversal of provisions charged and expense transfers	-	-
Total exceptional income (VII)	**10**	**-**
Exceptional losses on management operations	45	10
Exceptional losses on equity transactions	10	-
Exceptional depreciation, amortisation and provisions	-	66
Total exceptional expenses (VIII)	**55**	**75**
EXCEPTIONAL INCOME (VII-VIII)	**(45)**	**(75)**
Employee profit sharing (IX)	-	-
Income tax (X)	(26,511)	(18,562)
Total income (I + III + V + VII)	**53,531**	**50,417**
Total expenses (II + IV + VI + VIII + IX + X)	**38,095**	**25,621**
PROFIT OR LOSS (TOTAL INCOME – TOTAL EXPENSES)	**15,436**	**24,796**

3.2 APPENDIX

1 SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

The following events occurred during the year:

Amendments to the Revolving Syndicated Loan and the Syndicated Term Loan

On 6 July 2023, the Group obtained the agreement of its financial counterparties to extend the maturity of the €900 million revolving syndicated loan until July 2028 (with a one-year extension option subject to the approval of the lenders).

On 15 December 2023, the Group signed new amendments with its financial counterparties in order to include a new ESG indicator linked to a commitment to reduce greenhouse gas emissions in the following financing agreements:

- the €900 million revolving syndicated loan;
- the €600 million variable-rate term loan.

At 31 December 2023, the available syndicated credit line of €900 million was drawn down in the amount of €125 million. The undrawn balance amounted to €775 million. This credit line is available to GROUPE KEOLIS S.A.S. and Keolis SA.

New private placement

On 25 July 2023, the GROUPE KEOLIS S.A.S. signed a private placement agreement for US$54 million. The financing was fully drawn on 17 October 2023 and will mature in October 2035.

2 ACCOUNTING PRINCIPLES, RULES AND METHODS

These annual financial statements are prepared in accordance with the rules laid down by the general chart of accounts in accordance with regulation ANC 2014-03 dated 5 June 2014, amended by regulation ANC 2015-06 and 2016-07 dated 4 November 2016 of the French Accounting Standards Authority (Autorité des Normes Comptables), and principles generally accepted in the profession.

General conventions were applied in compliance with the prudence principle, in accordance with the basic assumptions of:

- continuity of operations;
- consistency of accounting methods from one financial year to another;
- independence of financial years.

The underlying method used to value the items in the accounts is the historical cost method.

In preparing the financial statements, the adjustments to the general accounting plan PGC (Articles 111-1 and 831-1/1) were not used.

The main accounting policies used are described below.

2.1 Fixed assets

2.1.1 Financial assets

EQUITY INVESTMENTS

Equity investments are recorded at acquisition cost. If this value is greater than the inventory value an impairment is recognised for the difference. For each investment, the value in use is determined on the basis of the most appropriate valuation method according to the characteristics of the investment securities (DCF, multiples, revalued net position). The DCF method, based on a perpetual projection of the Company's expected performance, is the preferred method. Where the subsidiary has negative equity, we impair the entire investment.

OTHER FINANCIAL ASSETS

Other financial assets are recorded on the balance sheet at their acquisition cost. Where relevant, an impairment is recorded when their value in use falls below their acquisition cost.

RECEIVABLES FROM SHAREHOLDINGS AND CURRENT ACCOUNTS

Receivables from shareholdings and current accounts are recorded at their nominal value.

When equity investments are fully impaired and the subsidiary's net equity is negative, an impairment loss is recognised for receivables from shareholdings and current accounts up to the amount of the risk of the loss of these receivables in the event of disposal or discontinuation of the subsidiary's activity.

2.2 Information on receivables and payables

Receivables are recorded at their nominal value.

Where applicable, an impairment is recognised whenever there is a risk of non-recovery. Receivables and payables in foreign currencies are converted at the last exchange rate at the end of the financial year, with the difference resulting from this discounting appearing under "Foreign exchange translation differences". Unrealised foreign exchange losses are subject to a provision for risks; unrealised foreign exchange gains are not recognised in accounting income.

At 31 December 2023, the amount of foreign exchange translation differences on assets was €2,438 thousand and the amount of foreign exchange translation differences on liabilities was €2,438 thousand.

2.3 Cash and cash equivalents

Cash and cash equivalents in foreign currencies are converted at the last exchange rate of the financial year, with the difference resulting from this conversion being recognised in the profit or loss for the financial year, in foreign exchange losses or foreign exchange gains.

2.4 Provisions for contingencies and charges

A provision for contingencies and charges is recorded when the Company has a legal or implicit obligation to a third party arising from a past event, whose amount can be reliably estimated and where it is probable that its settlement will cause an outflow of resources without compensation of at least an equivalent amount.

2.5 Employee benefits

Employee benefits relate to payments due on retirement benefits and long-service awards.

Pursuant to the ANC recommendations 2013-02 and 2013-03, these defined-benefit obligations are measured annually using the projected unit credit method.

The main actuarial assumptions used for the assessment of employee benefits are:

Tax depreciation period	Coefficient
Discount rate	3.19%
Long-term expected inflation rate	2.10%
Rate of increase of payrolls used to calculate payments due on retirement	5.81%
Average turnover rate	3.51%
Type of retirement	At the initiative of the employee
Mortality table	INSEE TD/TV 2016-2018

2.6 Tax status

The Company's results are consolidated under a Group tax regime. The parent company of the tax group is GROUPE KEOLIS S.A.S.

The agreement provides that the Company calculates the tax expense as if it were taxed separately.

The savings achieved by the Group tax regime on tax losses carried forward are included by the parent company in its income statement. However, they are reallocated to the subsidiary as and when its future profits are earned.

3 NOTES TO THE BALANCE SHEET ASSETS

3.1 Table of financial assets

(€ thousand)	Gross value at 31/12/2022	Acquisitions and transfers	Disposals and transfers	Gross value at 31/12/2023	Provisions	Net value at 31/12/2023
Other shareholdings	1,842,993	-	(10)	1,842,983	74,186	1,768,796
Other long-term shareholdings	-	-	-	-	-	-
Loans and other financial assets	10,496	861	-	11,357	11,356	1
TOTAL	**1,853,488**	**861**	**(10)**	**1,854,339**	**85,542**	**1,768,797**

3.2 Receivables

3.2.1 Receivables maturity schedule

(€ thousand)	Gross value	Due in less than one year	Due in more than one year
Fixed asset	**11,357**	**3,022**	**8,335**
Receivables from shareholdings	-	-	-
Loans	11,356	3,021	8,335
Other financial assets	1	1	-
Current assets	**48,494**	**48,494**	
Trade receivables	9,015	9,015	-
Doubtful receivables	-	-	-
Personnel and related accounts	-	-	-
Social entities	9	9	-
State: miscellaneous taxes and duties	8,605	8,605	-
Group and associates	30,864	30,864	-
Sundry debtors	-	-	-
Prepaid expenses	1	1	-
TOTAL	**59,851**	**51,516**	**8,335**

3.2.2 Trade receivables and related accounts

Receivables *(€ thousand)*	Gross value	Depr. Prov.	Net 31 /12/2023	Net 31/12/2022
Trade receivables and related accounts	9,015	-	9,015	4,525
Other receivables	39,478	-	39,478	225,187
Subscribed called non paid-up capital	-	-	-	-
TOTAL	**48,493**	**-**	**48,493**	**229,712**

Of which Group receivables:

Group receivables *(€ thousand)*	31/12/2023	31/12/2022
Consolidated affiliate client companies France	348	395
Client invoices to issue Group	8,667	4,130
Other Group receivables	30,864	218,303
TOTAL	**39,879**	**222,828**

3.3 Provisions for impairment

Impairment of assets was recorded for an amount of €861 thousand at 31 December 2023, compared to €871 thousand at 31 December 2022. They mainly concern equity investments and loans.

Provisions *(€ thousand)*	At 31/12/2022	Charge	Reversals	At 31/12/2023
Provisions on equity investments[(1)]	74,186	-	-	74,186
Provisions on other financial assets[(2)]	10,495	861	-	11,356
Total 1	**84,681**	**861**	-	**85,542**
Doubtful receivables	-	-	-	-
Other receivables	-	-	-	-
Total 2	-	-	-	-
TOTAL	**84,681**	**861**	**-**	**85,542**

(1) KEOMOTION, wholly-owned by GROUPE KEOLIS S.A.S., had a negative net position at 31/12/2023. In accordance with the Group method described in section 2.1.1, the value of its shares in GROUPE KEOLIS S.A.S. was fully impaired in 2019.
ONEPARK, 36%-owned by GROUPE KEOLIS S.A.S., had a negative net position at 31/12/2023. The value of its shares in GROUPE KEOLIS S.A.S. is fully impaired.
(2) ONEPARK, the loans held have been fully impaired.

3.4 Breakdown of accrued income

Accrued income *(€ thousand)*	31/12/2023	31/12/2022
Receivables from shareholdings	-	-
Accrued interest not yet due on receivables related to equity investments	-	-
Other financial assets	**3,021**	**2,160**
Accrued interest not yet due on participating loans	3,021	2,160
Trade receivables and related accounts	**8,667**	**4,130**
Group clients – Invoice to issue	8,667	4,130
Fixed asset	-	**335**
Trade payables – discounts and rebates granted by the Company and credit notes not received	-	335
TOTAL	**11,688**	**6,625**

3.5 Breakdown of deferred income and expenses

	Amount		Changes	
Denomination *(€ thousand)*	31/12/2023	31/12/2022	Amount	in %
Deferred income – Suppliers outside Group	1	9	(8)	-89%
TOTAL	**1**	**9**	**(8)**	**-89%**

4 NOTES TO THE BALANCE SHEET LIABILITIES

4.1 Equity

Situation at the beginning of the financial year *(€ thousand)*		Balance at 01/01/2023
Equity before distributions of prior year retained profits		599,086
Distributions of prior year retained profits		
Equity after distributions of prior year retained profits		**599,086**
Change during the financial year	**Negative**	**Positive**
Changes in capital	-	-
Distributions of prior year retained profits	25,000	-
Equity after distributions of prior year retained profits	-	-
Changes in share premium	-	-
Changes in reserves	-	-
Changes in investment subsidies	-	-
Changes in regulated provisions	-	-
Other changes	-	-
Profit for the financial year	-	15,436
BALANCE	**25,000**	**15,436**
Situation at the end of the financial year		**Balance at 31/12/2023**
Equity before appropriation		589,522

Share capital

The Company's share capital amounts to €237,888,901.80, comprising 180,218,865 shares with a nominal value of €1.32 each.

GROUPE KEOLIS S.A.S. holds 0.14% of its own capital, i.e. 253,152 shares (with a nominal value of €1.32 each). These shares do not carry voting rights.

Allocation of income from the previous financial year

The Annual General Meeting of 14 April 2023 allocated income for the 2022 financial year, amounting to €24,795,752.07, as follows:

Allocation *(€ thousand)*	2023
Legal reserve	1,240
Other reserves	-
Dividends paid	23,556
Other transfers	-
Retained earnings	-

Regulated provisions and investment subsidies

Regulated provisions include €718 thousand relating to special depreciation and amortisation allowances, with no changes over the 2023 financial year.

4.2 Provisions

Provisions for charges

Provisions *(€ thousand)*	At 31/12/2022	Charge	Reversals	At 31/12/2023
Provisions for pensions and similar commitments	3	-	-	3
Tax provisions*	16,356	20,290	16,356	20,290
TOTAL	**16,359**	**20,290**	**16,356**	**20,293**

* *As part of the tax consolidation, our Company is required to return to the subsidiaries the tax savings resulting from the use of their losses, as soon as the subsidiaries return to profit.*

A provision was recognised in the amount of €20,290 thousand at 31/12/2023 in respect of this obligation when it became probable that the tax savings will be refunded.

4.3 Liabilities and accruals maturity schedule

Liabilities and accruals *(€ thousand)*	Gross amount end of fin. yr.	Less than 1 year	1 to 5 years	Over 5 years
Bank borrowings:				
• up to 1 year at the outset	7,380	7,380	-	-
• over 1 year at the outset	849,869	-	801,000	48,869
Miscellaneous borrowings and financial debt	309,543	2,034	307,509	-
Trade payables	2,974	2,974	-	-
Personnel and related accounts	2,162	2,162	-	-
Social security and other social entities	1,112	1,112	-	-
State and other public authorities:	-	-	-	-
• income tax	-	-	-	-
• value added tax	1,763	1,763	-	-
• guaranteed bonds	-	-	-	-
• other taxes and related accounts	151	151	-	-
Liabilities on fixed assets and related accounts	-	-	-	-
Group and associates	32,643	32,643	-	-
Other liabilities	201	201	-	-
Payables on securities borrowed provided as collateral	-	-	-	-
Deferred income	-	-	-	-
TOTAL	**1,207,796**	**50,418**	**1,108,509**	**48,869**
Loans taken out during the financial year	351,306			
Loans repaid during the financial year	469,000			

4.4 Trade payables and related accounts

Trade payables and related accounts *(€ thousand)*	At 31/12/2023	At 31/12/2022
Group suppliers	70	49
Suppliers – France	-	-
Foreign suppliers	-	-
Notes payable other than Group	-	-
Notes payable Group	-	-
Suppliers, invoices not yet received	341	34
TOTAL	**411**	**83**

4.5 Breakdown of accrued liabilities

Accrued liabilities *(€ thousand)*	Balance at 31/12/2023	Balance at 31/12/2022
Bank borrowings	**4,383**	**2,060**
Accrued interest not yet due on bank borrowings	4,383	2,060
Loans and financial debt	**2,034**	**510**
Accrued interest not yet due on borrowings	2,034	510
Trade payables	**2,871**	**2,803**
Trade payables excl. Group – Invoices not received	2,530	2,769
Group trade payables – Invoices not received	341	34
Other liabilities	**-**	**319**
Group clients – Credit notes to be issued	-	319
Tax and social security debts	**1,130**	**1,546**
Staff	806	1,104
Social entities	322	437
Other taxes	2	5
Accrued interest on overdraft	**559**	**110**
Accrued interest not yet due on bank borrowings	559	110
TOTAL	**10,977**	**7,347**

4.6 Exchange differences on receivables and payables in foreign currencies

Nature of differences *(€ thousand)*	Unrealised losses on assets	Differences offset by currency hedging	Provisions for foreign currency losses	Unrealised gains on liabilities
Non-financial assets	-	-	-	-
Financial assets	-	-	-	-
Receivables	-	-	-	-
Financial debt	2,438	-	-	2,438
Trade liabilities	-	-	-	-
Debts on fixed assets	-	-	-	-
TOTAL	**2,438**	**-**	**-**	**2,438**

5 NOTES TO THE INCOME STATEMENT

5.1 Breakdown of revenue

The Company generates most of its revenues in France.

Revenues *(€ thousand)*	2023 financial year			2022 financial year
	France	Exports	Total	
Sales of merchandise	-	-	-	-
Sales of goods	-	-	-	-
Sales of services	12,603	-	12,603	9,675
TOTAL	**12,603**	**-**	**12,603**	**9,675**

5.2 Breakdown of other operating income and expenses

Other income *(€ thousand)*	At 31/12/2023	At 31/12/2022
Sales price of transport equipment	-	-
Settlement differences	-	6
Other	3	-
TOTAL	**3**	**6**

Other expenses *(€ thousand)*	At 31/12/2023	At 31/12/2022
Fees for concessions, patents, etc.	-	-
Attendance fees	385	410
Losses on irrecoverable receivables	-	12
Settlement differences	-	-
Other	-	-
TOTAL	**385**	**422**

5.3 Financial income and expenses

Type of expense *(€ thousand)*	31/12/2023	31/12/2022
Interest on borrowings*	25,380	11,415
Interest on Group borrowings	3,552	2,041
CF IS – Interest on arrears	-	21
Other financial expenses	1,141	2,385
Impairment of accrued interest not yet due Onepark	861	871
TOTAL	**30,934**	**16,733**

* *Change in expenses mainly due to interest rates and, to a lesser extent, outstandings.*

Type of income *(€ thousand)*	31/12/2023	31/12/2022
Interest on C/C Keolis SA	3,698	814
Interest on Onepark loans	861	873
Dividends	20,000	20,000
Foreign exchange gain	-	4
Other financial income	-	20
TOTAL	**24,559**	**21,711**

5.4 Exceptional income and expenses

Type of expense *(€ thousand)*	31/12/2023	31/12/2022
Penalties and fines	45	10
NCA of financial assets sold	10	-
TOTAL	**55**	**10**

Type of income *(€ thousand)*	31/12/2023	31/12/2022
Sale value of financial assets	10	-
TOTAL	**10**	**-**

5.5 Income tax

5.5.1 Breakdown of tax between profit from ordinary activities and exceptional items

Distribution *(€ thousand)*	Income before tax	Tax rate	Tax due	Net income after tax
Current income	(11,030)	-	-	(11,030)
Exceptional income	(45)	-	-	(45)
Tax integration	-	-	(26,511)	26,511
ACCOUNTING INCOME	**(11,075)**	**-**	**(26,511)**	**15,436**

6 OTHER INFORMATION

6.1 Transactions with related parties

No disclosures are made concerning related party transactions insofar as these transactions were undertaken according to normal market conditions.

6.2 Financial commitments

GROUPE KEOLIS S.A.S. uses derivative financial instruments to manage its exposure to financial risks resulting from its financial and investing activities:

- interest rate risk;
- foreign exchange risk.

At the end of the financial year, unrealised gains are not recognised in the financial statements. Unrealised losses are recognised except when they relate to instruments classified as hedging instruments and falling under one of the following two cases:

- to hedge underlying items in the balance sheet which have not been revalued;
- to hedge future cash flows expected in a future financial year, under the principle of matching the accounting impact in the same financial year.

When they are settled, gains collected and losses disbursed are reported in the income statement at the same time as the income and expenses on the hedged item.

Interest rate and foreign exchange derivatives are traded with first-class banking counterparties, in accordance with the GROUPE KEOLIS S.A.S. counterparty risk management policy. As a result, the counterparty risk can be considered negligible.

6.2.1 Interest rate risks relating to variable-rate borrowings

The GROUPE KEOLIS S.A.S. interest rate risk exposure results from its financial debt.

GROUPE KEOLIS S.A.S's financial debt comes mainly from its confirmed syndicated credit lines. The first is a revolving syndicated loan (the "Syndicated Loan") signed with a syndicate of 13 banks on 12 July 2013, for a nominal amount of €800 million and maturing on 12 July 2018. This line was amended on 11 June 2015 to increase its nominal amount to €900 million, and extend its maturity until 11 June 2020, then again on 27 July 2018 to adjust the covenants to the application of IFRS 16 from 1 January 2019 and to extend the maturity date to 27 July 2023, on 17 June 2019 to further extend the maturity date to 27 July 2024, and on 6 July 2020 to further extend the maturity date to 27 July 2025. Finally, on 22 July 2022, a new amendment to the syndicated loan agreement was signed in order to extend the maturity until July 2027, with two extension options of one year each and to integrate ESG indicators in line with the Group's ESG strategy. On 6 July 2023, GROUPE KEOLIS S.A.S. obtained the agreement of its financial counterparties to extend the maturity of the Syndicated Loan until July 2028.

Lastly, on 15 December 2023, GROUPE KEOLIS S.A.S. signed a new amendment to the Syndicated Loan agreement with its financial counterparties in order to include a new ESG indicator linked to a commitment to reduce greenhouse gas emissions. This credit line is available to GROUPE KEOLIS S.A.S. and Keolis SA subject to compliance with financial ratios.

The second is a €600 million floating rate term loan, indexed to ESG indicators, of which €277 million was set up and drawn down on 21 December 2021 for a period of five years, with an additional drawdown of €323 million in January 2022 to reach the maximum amount of €600 million. On 15 December 2023, GROUPE KEOLIS S.A.S. signed a new amendment to the term loan agreement with its financial counterparties in order to include a new ESG indicator linked to a commitment to reduce greenhouse gases. This credit line is available to GROUPE KEOLIS S.A.S. subject to compliance with financial ratios.

The third is a private placement under German law (*Schuldscheindarlehen*), indexed to ESG indicators, for a total amount of €76 million at 31 December 2023, put in place in December 2022. This transaction includes two tranches in euro at variable rates, with maturities of five and seven years. This credit line is available to GROUPE KEOLIS S.A.S. subject to compliance with financial ratios.

The fourth is a private placement in the amount of US$54 million signed on 25 July 2023. This financing was fully drawn on 17 October 2023 and will mature in October 2035. This credit line is available to GROUPE KEOLIS S.A.S. subject to compliance with financial ratios.

Bank covenants on financial ratios were complied with as of 31 December 2023.

These transactions aim to consolidate the Group's liquidity and strengthen Keolis's ESG strategy.

In order to hedge interest rate risk, GROUPE KEOLIS S.A.S. uses standard, liquid financial instruments available on the markets, with a spot or deferred start, such as:

- swaps;
- cap calls;
- cap puts to unwind an existing cap or to realise a cap spread;
- floor puts if tied with cap calls to create a symmetrical or asymmetrical collar;
- floor calls, notably to buy back floors that constitute asymmetrical collars;
- swaption calls;
- swaption puts if tied with calls to constitute swaption collars;
- cross-currency swap;
- cap step up.

GROUPE KEOLIS S.A.S. can hedge its position using a combination of instruments.

The distribution of GROUPE KEOLIS S.A.S. debt between fixed and variable rates, without taking into account the derivatives portfolio is as follows:

(€ thousand)	At 31 December 2023	At 31 December 2022
Borrowings and financial debt	**1,163,795**	**1,349,584**
Variable rates	1,114,926	1,309,570
Fixed rates	48,869	40,014
Cash and cash equivalents	**(2,678)**	**(212)**
Cash and cash equivalents at variable rates	(2,438)	-
Cash and cash equivalents at fixed rates	(240)	(212)
Other	**(11,356)**	**(10,495)**
Accrued interest receivable	(3,021)	(2,160)
Loans and receivables	-	-
Deposits, guarantees and participating loans	(8,335)	(8,335)
Derivative assets	-	-
Accrued interest payable	-	-
Net financial debt	**1,149,761**	**1,338,877**

GROUPE KEOLIS S.A.S. is subject to the variability of interest rates on the portion of its net financial debt at variable rates. At 31 December 2023, an immediate increase of 50 basis points in market interest rates, based on constant net financial debt, would increase the annual cost of debt by €5.6 million and, at the same time, would have no effect the financial income from cash and cash equivalents and the financial income from variable-rate receivables.

Taking into account the impact of interest rate hedges, an immediate increase of 50 basis points in market interest rates, based on constant net financial debt, would increase the net cost of debt by €2.7 million.

Equally, an immediate decrease of 50 basis points in market interest rates, based on constant net financial debt, and taking into account the impact of interest rate hedges, would reduce the annual net cost of debt by €2.8 million.

At 31 December 2023, the €900 million renewable, confirmed and undrawn syndicated credit line amounted to €775 million. This credit line is available to GROUPE KEOLIS S.A.S. and Keolis SA.

At 31 December 2023, the amount drawn down for the new term loan set up on 21 December 2021 was €600 million. This credit line is available to GROUPE KEOLIS S.A.S.

At 31 December 2023, the private placement under German law (*Schuldscheindarlehen*) amounted to €76 million. This credit line is available to GROUPE KEOLIS S.A.S.

At 31 December 2023, the private placement amounted to $54 million. This credit line is available to GROUPE KEOLIS S.A.S.

6.2.2 Foreign exchange risk

GROUPE KEOLIS S.A.S., in view of its status as the parent company of the Group, carries out net investments in foreign currencies in the capital of its foreign subsidiaries. To cover the foreign exchange risk generated by these investments, GROUPE KEOLIS S.A.S. may require the use of derivative financial instruments for limited amounts. Management's objective is to protect the balance sheet values of these investments in local currency. The foreign exchange hedging policy implemented to achieve this objective consists of maintaining a reference exchange rate defined for the year.

The derivative financial instruments used by GROUPE KEOLIS S.A.S. are standard, liquid instruments available on the markets, with a spot or deferred start, such as:

- cash purchases and sales;
- forward and futures sales and purchases;
- foreign exchange swaps;
- call options;
- put options in combination with call options to provide symmetrical or asymmetrical collars;
- cross-currency swap.

The Group can hedge its position using a combination of instruments.

At 31 December 2023, GROUPE KEOLIS S.A.S. had no open foreign exchange positions.

6.2.3 Summary of hedging

Interest rate derivative financial instruments portfolio at 31 December 2023:

	Notional		Fair value	
(€ thousand)	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
Swap	319,000	244,000	8,343	18,000
Option	475,000	525,000	12,832	25,300
Cross currency swap	48,869	-	738	-
TOTAL	**842,869**	**769,000**	**21,913**	**43,300**

6.3 Pension and long-service awards commitments

6.3.1 Retirement benefits

Retirement benefit liabilities at 31 December 2023 amounted to €71,230 thousand. No provisions were set aside for this amount in the annual financial statements, which appears under financial commitments.

6.3.2 Long-service awards

The provisions made in the annual financial statements in relation to long-service awards amounted to €2,256 thousand at 31 December 2023.

6.4 Average workforce

The average workforce is equal to the arithmetic mean of the workforce at the end of each quarter of the calendar year:

- the workforce employed on a part-time basis is therefore not taken into account in proportion to its presence;
- the workforce does not take into account staff made available (temporary staff and staff on secondment or loan).

Headcount	Salaried staff
Managers	5
TOTAL	**5**

6.5 Information on the personal training account (CPF)

Since 1 January 2020, the personal training account (CPF) has replaced the individual right to training (DIF) while also including the hours acquired at 31 December 2014. It is financed by the payment of the single contribution to the approved joint collection bodies, which thus assume its management instead of the Company.

6.6 Remuneration allocated to the administrative, management or supervisory bodies

The remuneration allocated to the management bodies is not reported, as this would indirectly reveal individual remuneration.

Attendance fees paid to Board members amounted to €385 thousand.

6.7 Identity of the consolidating company

The Company belongs to a group whose consolidating company is SNCF PARTICIPATIONS, registered and domiciled in France, under SIRET number 572 150 977 01839, whose registered office is located at 9, rue Jean-Philippe-Rameau – 93212 LA PLAINE ST DENIS CEDEX. The Company's accounts are fully consolidated within the consolidated financial statements of SNCF PARTICIPATIONS.

6.8 Information on subsidiaries and equity investments

Subsidiaries and equity investments	Financial information									
	Capital	Reserves and retained earnings before allocation of earnings	Share of capital held (as a percentage)	Carrying amount of shares held – Gross	Carrying amount of shares held – Net	Loans and advances granted by the Company and not yet repaid	Amount of deposits and guarantees given by the Company	Revenues excluding tax for the last financial year	Results (profit or loss for the last financial year)	Dividends received by the Company during the financial year
A. Detailed information concerning the above subsidiaries and associates										
1. Subsidiaries (at least 50% of the capital held by the Company)										
Keolis SA 34 avenue Léonard de Vinci 92400 Courbevoie	399,794	(42,836)	100	1,146,323	1,146,323	(200,976)	-	262,761	36,082	-
EFFIA SAS 20 rue Hector Malot 75012 Paris	3,136	53,660	100	276,431	276,431	-	-	18,226	21,123	20,000
KEOMOTION 34 avenue Léonard de Vinci 92400 Courbevoie	54,510	(133,351)	100	54,510	-	-	-	2,178	(3,671)	-
2. Shareholdings (from 10% to 50% of the capital held by the Company)										
ONEPARK* 10 rue Chaptal 75009 Paris	49	(12,611)	36	19,676	-	8,336	-	18,694	(2,833)	-
B. General information on other subsidiaries or associates										
None.										

* *2022 data.*

7 SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

GROUPE KEOLIS S.A.S. signed new amendments with its financial counterparties in order to include a new ESG indicator linked to a commitment to reduce greenhouse gas emissions in the following financing contracts:

- the variable-rate private placement under German law (*Schuldscheindarlehen*) in the amount of €76 million (in two tranches maturing in 2025 and 2027) on 15 January 2024;
- the fixed-rate private placement in the amount of US$54 million maturing in 2035 on 8 January 2024.

3.3 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verifi cation of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended 31 December 2023)

To the Shareholders,

GROUPE KEOLIS S.A.S.

34 avenue Léonard de Vinci

92400 Courbevoie

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying annual financial statements of GROUPE KEOLIS S.A.S. for the year ended 31 December 2023.

We hereby certify that, in accordance with French accounting rules and principles, the annual financial statements give a true and fair view of the results of operations over the past financial year, as well as of the Company's financial position and of its assets and liabilities at the end of the financial year.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the annual financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and the French code of ethics for Statutory Auditors, for the period from 1 January 2023 to the date of our report.

Justification of assessments

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on these annual financial statements taken in isolation.

Accounting estimates

Equity securities, for which the net amount shown in the balance sheet at 31 December 2023 was €1,768,796 thousand, are valued at their acquisition cost and impaired on the basis of their value in use according to the methods described in notes 2.1.1, 3.1 and 3.3 to the financial statements. Our work consisted in assessing the assumptions on which estimates are based - in particular the cash flow forecasts established by the Company -, in reviewing the computations carried out by the Company and in reviewing the approval process of these estimates by Management. We also assessed the reasonableness of these estimates.

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 provided to the shareholders with respect to the annual financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Executive President of the Management Board and in the other documents provided to the shareholders with respect to the financial position and the annual financial statements.

We attest the fair presentation and the consistency with the annual financial statements of the information relating to the payment terms required by Article D. 441-6 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting rules and principles and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The annual financial statements were approved by the Executive President of the Management Board.

Statutory Auditors' responsibilities for the audit of the annual financial statements

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the Company's viability or the quality of its management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. Furthermore, the Statutory Auditor:

- identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine and Paris-La-Défense, 7 March 2024

The Statutory Auditors

PricewaterhouseCoopers Audit		ERNST & YOUNG Audit	
Amélie Wattel	Arnaud Bigot	Marie Le Treut	Jérôme Guirauden

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