



**FOURTH SUPPLEMENT DATED 5 AUGUST 2020
TO THE EURO MEDIUM TERM NOTE PROGRAMME BASE PROSPECTUS
DATED 5 MARCH 2020
OF *Société nationale SNCF***

€12,000,000,000 Euro Medium Term Note Programme

This fourth supplement (the “**Fourth Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 5 March 2020 (the “**Base Prospectus**”) as supplemented by the first supplement dated 3 April 2020 (the “**First Supplement**”), the second supplement dated 7 May 2020 (the “**Second Supplement**”) and the third supplement dated 30 June 2020 (the “**Third Supplement**”) prepared in relation to the €12,000,000,000 Euro Medium Term Note Programme of *Société nationale SNCF* (the “**Programme**”). The Base Prospectus as supplemented (including by the First Supplement, the Second Supplement, the Third Supplement and the Fourth Supplement) constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted approval number n°20-077 on 5 March 2020 to the Base Prospectus, approval number n°20-118 on 3 April 2020 to the First Supplement, approval number n°20-183 on 7 May 2020 to the Second Supplement and approval number n°20-293 on 30 June 2020 to the Third Supplement.

This Fourth Supplement has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Fourth Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This Fourth Supplement constitutes a supplement to the Base Prospectus, and has been prepared for the purpose of Article 23 of the Prospectus Regulation.

Terms defined in the Base Prospectus have the same meaning when used in the Fourth Supplement.

This Fourth Supplement has been prepared for the purposes of (i) updating the section “Risk factors” in the Base Prospectus (ii) incorporating in the Base Prospectus certain sections of the semi-annual financial report of the Issuer and the press release dated 30 July 2020 and (iii) updating the “Description of the Issuer” section of the Base Prospectus.

Save as disclosed in this Fourth Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus that could significantly and negatively affect the assessment of the Notes. To the extent that there is any inconsistency between (a) any statements in this Fourth Supplement and (b) any other statement in, or incorporated in, the Base Prospectus, the statements in the Fourth Supplement will prevail.

Copies of this Fourth Supplement will be available (a) on the website of the AMF (www.amf-france.org), (b) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (c) on the website of the Issuer (<https://www.sncf.com/fr/groupe/finance/publications-financieres-sncf>). A printed copy of the Fourth Supplement may also be obtained, free of charge, at the registered office of the Issuer during normal business hours.

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RISK FACTORS

The risk factor entitled “*The financial trajectory of the SNCF Group may be challenged by several factors that may be difficult to anticipate*” included on page 20 of the Base Prospectus in the paragraph 1 “Legal and regulatory risks” of the section entitled “RISK FACTORS” is deleted and replaced with the following:

“Following the implementation of the New Railway Pact, the financial trajectory of the SNCF Group will include in particular the following:

- the debt relief of SNCF Réseau by the French State (see *Description of the Issuer – the main features of the debt relief of SNCF Réseau*);
- an increase of investments of up to an estimated EUR 200 million each year as of 2022 by SNCF Réseau;
- an increase in TGV and freight charges, as approved by the French Transport Regulatory Authority (*Autorité de régulation des transports* (“**Transport Regulatory Authority**”)), limited to that of the level of inflation; and
- a commitment of SNCF Group to reduce, by 2026, two thirds of its competitiveness gap compared to its competitors.

Such financial trajectory could be challenged by several external factors of uncertainty, including:

- any refusal of the Transport Regulatory Authority to approve the level of regulated tariffs (see risk factor “*The level of regulated tariffs in connection with the use of the railway network could have an impact on the results of the Issuer and on the results of SNCF Réseau*”);
- the implementation of the New Railway Pact that sets out the conditions for the opening up of the French passenger railway transport activities to competition, which may have a potential financial impact on the different activities of SNCF Voyageurs, beyond what is anticipated at this stage in the financial trajectory included in its performance contract;
- the amplitude of any economic downturns, in particular in the context of the COVID-19 pandemic (see the risk factor “*Covid-19 outbreak since March 2020*”);
- the consequences of the ongoing reflections or those which could be initiated related to the evolution of the economic models of the activities “Voyages” and “Intercités”;
- any reconsideration as to assumption of a further EUR 10 billion of outstanding financial indebtedness obligations of SNCF Réseau in 2022 which requires legislative approval by the loi de finance for the year 2022; and
- any further reform of the French railway sector.

The risk factor entitled “*The level of regulated tariffs in connection with the use of the railway network could have an impact on the results of the Issuer and on the results of SNCF Réseau*” included on pages 20 and 21 of the Base Prospectus in the paragraph 1 “Legal and regulatory risks” of the section entitled “RISK FACTORS” is deleted and replaced with the following:

“The Issuer is a holding company that conducts its operations through its subsidiaries. It holds no significant assets other than its shareholding interests in the SNCF Group’s operating companies and the Issuer is therefore dependent upon its subsidiaries, including SNCF Voyageurs, to make dividend distributions to it to meet its obligations, including the obligations to pay interest and principal under the Notes.

Additionally, as a result of the New Railway Pact SNCF Réseau, will not have the possibility to make dividend distributions to the Issuer of revenues coming from the regulated tariffs paid by operators of railway transport activities and/or users of the railway infrastructure.

The primary revenue sources of SNCF Réseau, which represents more than 90% of its consolidated revenue, and one of the primary expenses of SNCF Voyageurs, which represents about 13.5% of its consolidated revenue, are tariffs charged by SNCF Réseau for using the national railway network.

These tariffs are calculated in compliance with the European Union Directive 2012/34/EU dated 21 November 2012 establishing a single European railway area, as amended, the European Union Regulation 2015/909 dated 12 June 2015 on the modalities for the calculation of the cost that is directly incurred as a result of operating the train service, as amended, and article L. 2133-5 of the French Code de transports (and other relevant French decrees).

Therefore, any decrease of the regulated tariffs charged by SNCF Réseau to SNCF Voyageurs and the other operators of railway transport activities and/or users of the railway infrastructure could have a significant negative impact on the results of SNCF Réseau.

Otherwise, any increase of the regulated tariffs charged by SNCF Réseau to SNCF Voyageurs and the other operators of railway transport activities and/or users of the railway infrastructure could have a significant negative impact on the ability of SNCF Voyageurs to make dividend distributions to the Issuer which could have an impact on the results of the Issuer while revenues coming from the tariffs paid to SNCF Réseau by operators of railway transport activities and/or users of the railway infrastructure could not be distributed to the Issuer.

The level of tariffs charged by SNCF Réseau to SNCF Voyageurs and the other transportation operators of railway transport activities and/or users of the railway infrastructure is first proposed by SNCF Réseau but must be approved by the Transport Regulatory Authority.

The level of the regulated tariffs will therefore depend on the discussions between the Transport Regulatory Authority and SNCF Réseau. For example, for the year 2018, the Transport Regulatory Authority did not approve the level of tariffs proposed by SNCF Réseau, obliging SNCF Réseau to apply for 2018 the tariff approved for 2017 increased by a 1.1% railway inflation assumption rate for the “passengers” activity and increased by a 3.8% railway inflation assumption rate for the “freight” activity. For 2020, the Transport Regulatory Authority approved the level of tariff proposed by SNCF Réseau but subject to certain qualifications. On 6 February 2020, the Transport Regulatory Authority issued an opinion on the level of the regulated tariffs proposed by SNCF Réseau for the period 2021-2023 and rejected the indexation proposed by SNCF Réseau related to the level of such regulated tariff. SNCF Réseau published a new proposal on 5 June 2020 and the Transport Regulatory Authority is expected to issue a new opinion in August 2020.”

The risk factor entitled “Covid-19 outbreak since March 2020” included before the risk factor entitled “Economic climate, market and competition” in the paragraph 2 “Macroeconomic risks” of the section entitled “RISK FACTORS” on page 22 of the Base Prospectus is deleted and replaced with the following :

“COVID-19 outbreak since March 2020

With the spread of the COVID-19 pandemic globally, governmental authorities have imposed and may continue to impose a variety of measures to combat the spread of the virus including, in particular, quarantines and travel restrictions of varying scope and degree which have affected and may continue to affect the Issuer’s activities. In France, since 11 May 2020, governmental authorities have allowed a progressive release of the restrictions. Depending on the evolution of the pandemic and its consequences, new restrictions cannot be excluded.

So far, the restrictions linked to the COVID-19 pandemic have the following principal results on the Issuer's activities:

- at 30 June 2020, SNCF Group's business was down by 21% compared to the same period in 2019, falling by 14% for Transilien, 17% for TER, 58% for Voyages SNCF, 12% for Keolis, 20% for freight and logistics operations, and 20% for SNCF Réseau.;
- for the first half of 2020, revenues are about EUR 3.9 billion below the initial projections (a decrease of 21% compared to the revenue for the first half 2019), with a loss in the EBITDA of about EUR 2.8 billion (compared to the EBITDA for the first half 2019).

Although the Issuer anticipates that the COVID-19 outbreak will have a significant impact on its activities and financial situation for 2020, and has established a dedicated management organization to monitor and manage the crisis with an action plan deployed to reduce structural and operating costs, to adjust expenses and investments and to improve cash management, it is too early to quantify exactly the extent of such impact as the crisis involves significant uncertainties relating to its magnitude, duration, economic consequences and any further governmental restrictions taken to combat the pandemic. As a consequence, the Issuer has not yet been able to fully assess the expected specific impact on the revenues and results of operation of the SNCF Group over the current financial year.

Although SNCF Group plans to have rail service operating at 100% of projected levels in the near future, the significant decrease in its transportation activities during the first semester, has and will materially impair the Issuer's business, revenues, results of operation, cash flows, financial conditions and prospects.

Furthermore, the crisis and its negative effects on business activity has, and can be expected to continue to, put significant pressure on the SNCF Group's liquidity and funding sources and the COVID-19 outbreak has significantly impacted in particular the debt capital markets with governments and central banks around the world having had to take a number of emergency measures to try and stabilise the situation. Although the Issuer considers at this stage that it has the necessary cash and financing resources to cope, as far as it can reasonably estimate, with the effects of the crisis on its activities, there can be no assurances, that the Issuer will be in the position to raise new debt, refinance its existing indebtedness or, more generally, access the capital markets or other sources of finance at competitive rates for a prolonged period. In addition, its cost of funding may increase and its strategy may need to be reassessed in a way which could have a material adverse effect on its business, revenues, results of operation, cash flows, financial conditions and prospects.

While the Issuer is not aware of any such move, there can be no assurances either that the credit ratings of the Issuer or its securities (including the Notes) will not be subject to any downgrading as the rating agencies continue to assess the impact of the crisis."

The risk factors entitled "*counterparty risk*" included on page 30 of the Base Prospectus in the paragraph 4 "Financial risks" of the section entitled "RISK FACTORS" are deleted and replaced with the followings:

- ***counterparty risk***: The SNCF Group is exposed to possible default by certain counterparties (credit institutions, customers, partners, subcontractors, service providers or suppliers). Given the necessity to cover its interest rate risk and currency risk, the counterparty risk arises in particular with credit institutions from the deposits or derivative financial instruments that are maintained with these entities. Any default by these counterparties may impact the SNCF Group financially (loss of receivables, additional costs, in particular if SNCF Group is required to find satisfactory alternatives or take over the relevant activities or pay contractual penalties). The counterparty risk is mitigated through (i) cash collateralization mechanism (mainly on a weekly basis), and (ii) counterparty credit rating monitoring and threshold of remediation processes. As of 30 June 2020, the overall collateral posted to financial markets counterparties stands below €1.3 billion.

The risk factor entitled “Risk relating to the absence of financial statements of the Issuer in its post-transformation configuration as of the date of this Base Prospectus” included on pages 30 and 31 of the Base Prospectus in the paragraph 4 “Financial risks” of the section entitled “RISK FACTORS” is deleted.

At the end of the risk factor entitled “Risk relating to the assumptions used to measure the net value of the assets of SNCF Réseau EPIC” included on pages 31 to 33 of the Base Prospectus in the paragraph 4 “Financial risks” of the section entitled “RISK FACTORS” the following paragraphs are added:

The auditors limited review report on the 2020 Issuer Post-Transformation Consolidated Interim Financial Statements, contains a qualification, identifying risks and uncertainties resulting from the assumptions used by SNCF Réseau to measure the net value of property, plant and equipment, intangible assets and deferred tax assets, which is set out below (reference to the “infrastructure cash generating unit” or the “company” in such quotation shall be deemed to be a reference to SNCF Réseau and reference to the “Group” shall be deemed to be a reference to SNCF Group).

As of 30 June 2020, an impairment test was conducted which did not lead to a variation of the net value of property, plant and equipment and intangible assets of SNCF Réseau.

Qualification of the auditor’s on the 2020 Issuer Post-Transformation Consolidated Interim Financial Statements:

“As stated in Note 4.3 to the condensed interim consolidated financial statements concerning impairment testing of the assets of the Infrastructure Cash-Generating Unit (the “Infrastructure CGU”), the health crisis that began in March 2020 had an impact on the Infrastructure CGU’s revenue, investing flows as well as and working capital requirements.

Accordingly, the Company carried out another impairment test at 30 June 2020 based on a similar methodology to that used for the previous impairment test in 2019.

This test did not result in a change in the Infrastructure CGU’s carrying amount, as the balance in the negotiations between the French State and SNCF Réseau underlying the financial trajectory used in the test was not challenged. This balance in the negotiations remains based on the assumption that (i) the Company will achieve its productivity goals and (ii) the French State will effectively implement all means and make all commitments necessary to support the recoverable amounts of the Infrastructure CGU’s assets in the context of the current health crisis, although the French State did not confirm these undertakings before the 30 June 2020 closing.

The cash flow projections used for the test comprised (i) cash inflows (infrastructure fees, access charges and investment subsidies) mainly arising from commitments received from the French State, and (ii) expenses (installation work and maintenance), capital investment in renovations, and productivity gains.

The assumptions underlying these projections are subject to a number of risks and uncertainties:

- The projections used for the impairment test carried out on the Infrastructure CGU at 30 June 2020 are based on a strategic plan for which scenarios were presented for information purposes to Société Nationale SNCF’s Board of Directors on 24 June 2020. This strategic plan should be finalised in the coming months. Consequently, some of the assumptions used, particularly those which rely on a decision by the French State, may change.
- Work is currently underway between Société Nationale SNCF and the French State to define the terms and conditions of the support provided by the French State to Société Nationale SNCF in the context of the current health crisis. The work is expected to be completed by the end of the year. The assumption used in the impairment test is that the French State will provide financial support to ensure that Société Nationale SNCF has the necessary cash flows to maintain the value of the Infrastructure CGU’s assets.

- The new performance agreement between SNCF Réseau and the French State for the 2020-2029 period is currently under discussion and its impacts cannot be measured at present. Key decisions are pending, in particular concerning network consistency and local transport services.
- The investment subsidies allocated to renovation work – which are financed by the dividends received by the French State from Société Nationale SNCF and redistributed to SNCF Réseau – are based on a financial trajectory resulting from a new strategic plan that is currently being finalised (see above).
- The indexation trajectory for contractual infrastructure fees has been left unchanged from the previous reporting date, at a higher level than for TGV and Rail Freight operations despite the non-compliance opinions issued by the French transport authority (ART, formerly the French road and rail office [ARAFER]) regarding the rates indexation for contractual activities for the 2020 and 2021-2023 service timetables.
- 2030 was maintained by the Company as the standard final year for the railway network currently in service, considering that 2030 will correspond to the year in which the network will be stabilised at expected performance levels, although these levels have never previously been attained. Terminal value therefore represents the essential factor in measuring the recoverable amount.
- The measures concerning the new pension scheme and, more broadly, the new social framework resulting from the rail industry agreements were still under negotiation at the reporting date and consequently could not be modelled in the impairment test.

These major risks and uncertainties weigh on the discounted future cash flow projections used to measure the Infrastructure CGU's property, plant and equipment and intangible assets as presented in the Company's statement of financial position at 30 June 2020. Consequently, the amount of the related impairment loss could increase significantly. These projections are also used to estimate the likelihood of recovering deferred tax assets and therefore to determine their amount in the statement of financial position. However, the projections used to measure deferred tax assets were not updated at 30 June 2020. Consequently, the amount of deferred tax assets in the statement of financial position may be overestimated.

As a result, we are unable to assess the pertinence of the projections used and are therefore unable to form a conclusion on the carrying amount of the assets concerned which, at 30 June 2020, amounted to €33.5 billion (including work-in-progress) for property, plant and equipment and intangible assets and €4.5 billion for deferred tax assets.

Based on our review and subject to the above qualifications, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all other material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union".

DOCUMENTS INCORPORATED BY REFERENCE

The following paragraphs (f) and (g) is added after the paragraph (e) of the section “Documents incorporated by reference” on page 48 of the Base Prospectus:

- (f) French version of the unaudited condensed interim consolidated financial statements of Société nationale SNCF as at, and for the six-month period ended, 30 June 2020, together with the notes thereto of the Issuer (the “**2020 Issuer Post-Transformation Consolidated Interim Financial Statements**”) and the audit report thereon of the Issuer Post-Transformation, included in the Issuer Post-Transformation 2020 financial report (the “**2020 Issuer Post-Transformation Interim Financial Report**”);

https://medias.sncf.com/sncfcom/finances/Publications_Groupe/Rapport_financier_30_juin_2020_Groupe_SNCF.pdf

- (g) the French version of the press release dated 30 July 2020 (the “**Press Release**”)

https://medias.sncf.com/sncfcom/finances/Publications_Groupe/CP_Groupe_SNCF-Resultats_S1_2020-30.07.2020.pdf

The following table is added before the last paragraph of the section “Documents incorporated by reference” on page 50 of the Base Prospectus:

<i>Commission Delegated Regulation – Annex 7</i>	<i>Reference</i>
	<i>Press Release</i>
5. BUSINESS OVERVIEW	Pages 1 to 7
	<i>2020 Issuer Post-Transformation Interim Financial Report</i>
5. BUSINESS OVERVIEW	Page 3-22
11. CONSOLIDATED INTERIM FINANCIAL INFORMATION CONCERNING ISSUER'S POST-TRANSFORMATION ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Consolidated Income Statement	Page 25
Statement of profit or loss and gains/losses recognized directly in equity	Page 26
Consolidated statement of financial Position	Page 27
Consolidated Statement of changes in equity	Page 28
Consolidated cash flow statement	Pages 29-30
Notes to the condensed interim consolidated financial statements	Pages 31-56
Statutory auditors' report on the condensed interim consolidated financial statements	Pages 58-61

<i>Commission Delegated Regulation – Annex 7</i>	<i>Reference</i>
11.3. LEGAL AND ARBITRATION PROCEEDINGS	Page 48

DESCRIPTION OF THE ISSUER

PERFORMANCE CONTRACTS

The second paragraph of the paragraph entitled “Performance contracts” in the section entitled “DESCRIPTION OF THE ISSUER” included on page 123 of the Base Prospectus is deleted and replaced by the following:

“In accordance with Article L. 2111-10 of the French *Code des transports*, applicable as of 1 January 2020, an operating agreement has to be entered into between the French State and SNCF Réseau. In this respect, the operation agreement dated 20 April 2017 and entered into between the French State and SNCF Réseau EPIC for ten-years (an update being conducted every three years), setting out objectives relating to *inter alia* quality services objectives, financial trajectory, development of the railway public service and land-use planning continues in force as is with SNCF Réseau post-transformation and it is anticipated that an update will be conducted during the second half of the year 2020 for the period 2020-2029.

The paragraph entitled “*Performance contract of SNCF Gares & Connexions*” in the paragraph entitled “Performance contracts” in the section entitled “DESCRIPTION OF THE ISSUER” included on page 124 of the Base Prospectus is deleted and replaced by the following:

“Performance contract of SNCF Gares & Connexions

The performance contract to be entered into by SNCF Gares & Connexions will have to set out the targets of SNCF Gares & Connexions in respect of quality of service, investment policy, financial trajectory, access granted to the passengers railway transportation companies to the passengers railway stations, security, maintenance of the passengers railway stations and equal development of the various regions. It is anticipated that such contract will be entered into during the second half of the year 2020.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The paragraph entitled “*Executive officers*” in the paragraph entitled “Administrative, Management and Supervisory Bodies” in the section entitled “DESCRIPTION OF THE ISSUER” included on pages 129 and 130 of the Base Prospectus is updated by the following table:

<p>M. Laurent TREVISANI <i>Deputy Chief Executive Officer stratégie-Finance</i></p>	<p><u><i>Other positions within the Issuer</i></u></p> <ul style="list-style-type: none">- Membre du Conseil de Surveillance du GROUPE KEOLIS S.A.S.- Administrateur de VSC GROUPE- Membre du Comité de Surveillance de ORIENT EXPRESS- Membre du Comité Exécutif de SNCF-C6- Membre du Comité Stratégique de ECOMOBILITE VENTURES- Membre du Conseil de Surveillance de GEODIS SA- Director de EUROSTAR INTERNATIONAL LIMITED <p><u><i>Positions outside the Issuer</i></u></p> <p>Néant</p>
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GENERAL INFORMATION

The paragraphs entitled “Significant or Material Change” and “Auditors” in the section entitled “GENERAL INFORMATION” included on page 159 of the Base Prospectus are deleted and replaced by the followings:

“Significant or Material Change

Save as disclosed in this Base Prospectus, including with respect to the impact that the COVID-19 pandemic may have, (i) since 30 June 2020, the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Issuer (formerly *SNCF Mobilités*) have been published, there has been no significant change in the financial position or financial performance of the Issuer and (ii) since 31 December 2019, the last day of the financial period in respect of which the most recent audited financial statement of the Issuer (formerly *SNCF Mobilités*) have been published, there has been no material adverse change in the prospects of the Issuer.

Auditors

PricewaterhouseCoopers Audit and Ernst & Young Audit, the statutory auditors of the Issuer for the 2018 and 2019 financial years, have audited the consolidated financial statements of Groupe SNCF Pre-Transformation as of and for the year ended 31 December 2018, the consolidated and non consolidated financial statements of the Issuer as of and for the year ended 31 December 2019, which are incorporated by reference in this Base Prospectus. The auditors of the Issuer have reviewed the condensed interim consolidated financial statements of the Issuer as at, and for the six months period ended, 30 June 2020,

PricewaterhouseCoopers Audit and Ernst & Young Audit are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, which complies with the rules issued by the *Compagnie Nationale des Commissaires aux Comptes*.”

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FOURTH SUPPLEMENT

To the best of the Issuer's knowledge, the information contained in this Fourth Supplement is in accordance with the facts and contains no omission likely to affect its import and the Issuer accepts responsibility accordingly.

The unaudited condensed interim consolidated financial statements of Société nationale SNCF as at, and for the six-month period ended, 30 June 2020 were reviewed by the statutory auditors who issued limited a review report which is reproduced on pages 58 to 61 of the 2020 Issuer Post-Transformation Interim Financial Report. This report contains the following qualification:

“As stated in Note 4.3 to the condensed interim consolidated financial statements concerning impairment testing of the assets of the Infrastructure Cash-Generating Unit (the “Infrastructure CGU”), the health crisis that began in March 2020 had an impact on the Infrastructure CGU’s revenue, investing flows as well as and working capital requirements.

Accordingly, the Company carried out another impairment test at 30 June 2020 based on a similar methodology to that used for the previous impairment test in 2019.

This test did not result in a change in the Infrastructure CGU’s carrying amount, as the balance in the negotiations between the French State and SNCF Réseau underlying the financial trajectory used in the test was not challenged. This balance in the negotiations remains based on the assumption that (i) the Company will achieve its productivity goals and (ii) the French State will effectively implement all means and make all commitments necessary to support the recoverable amounts of the Infrastructure CGU’s assets in the context of the current health crisis, although the French State did not confirm these undertakings before the 30 June 2020 closing.

The cash flow projections used for the test comprised (i) cash inflows (infrastructure fees, access charges and investment subsidies) mainly arising from commitments received from the French State, and (ii) expenses (installation work and maintenance), capital investment in renovations, and productivity gains.

The assumptions underlying these projections are subject to a number of risks and uncertainties:

- The projections used for the impairment test carried out on the Infrastructure CGU at 30 June 2020 are based on a strategic plan for which scenarios were presented for information purposes to Société Nationale SNCF’s Board of Directors on 24 June 2020. This strategic plan should be finalised in the coming months. Consequently, some of the assumptions used, particularly those which rely on a decision by the French State, may change.
- Work is currently underway between Société Nationale SNCF and the French State to define the terms and conditions of the support provided by the French State to Société Nationale SNCF in the context of the current health crisis. The work is expected to be completed by the end of the year. The assumption used in the impairment test is that the French State will provide financial support to ensure that Société Nationale SNCF has the necessary cash flows to maintain the value of the Infrastructure CGU’s assets.
- The new performance agreement between SNCF Réseau and the French State for the 2020-2029 period is currently under discussion and its impacts cannot be measured at present. Key decisions are pending, in particular concerning network consistency and local transport services.
- The investment subsidies allocated to renovation work – which are financed by the dividends received by the French State from Société Nationale SNCF and redistributed to SNCF Réseau – are based on a financial trajectory resulting from a new strategic plan that is currently being finalised (see above).
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- 2030 was maintained by the Company as the standard final year for the railway network currently in service, considering that 2030 will correspond to the year in which the network will be stabilised at expected performance levels, although these levels have never previously been attained. Terminal value therefore represents the essential factor in measuring the recoverable amount.
- The measures concerning the new pension scheme and, more broadly, the new social framework resulting from the rail industry agreements were still under negotiation at the reporting date and consequently could not be modelled in the impairment test.

These major risks and uncertainties weigh on the discounted future cash flow projections used to measure the Infrastructure CGU's property, plant and equipment and intangible assets as presented in the Company's statement of financial position at 30 June 2020. Consequently, the amount of the related impairment loss could increase significantly. These projections are also used to estimate the likelihood of recovering deferred tax assets and therefore to determine their amount in the statement of financial position. However, the projections used to measure deferred tax assets were not updated at 30 June 2020. Consequently, the amount of deferred tax assets in the statement of financial position may be overestimated.

As a result, we are unable to assess the pertinence of the projections used and are therefore unable to form a conclusion on the carrying amount of the assets concerned which, at 30 June 2020, amounted to €33.5 billion (including work-in-progress) for property, plant and equipment and intangible assets and €4.5 billion for deferred tax assets.

Based on our review and subject to the above qualifications, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all other material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union".

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2, place aux Etoiles
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France

Duly represented by:
Jean-Vincent Cloarec
Directeur Adjoint Financement-Trésorerie
Saint Denis, 5 August 2020



Autorité des marchés financiers

This Fourth Supplement has been approved on 5 August 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Fourth Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer described in this Fourth Supplement.

This Fourth Supplement obtained the following approval number: n°20-383.