



**FIRST SUPPLEMENT DATED 3 AUGUST 2021
TO THE EURO MEDIUM TERM NOTE PROGRAMME BASE PROSPECTUS
DATED 9 MARCH 2021
OF Société nationale SNCF**

€15,000,000,000 Euro Medium Term Note Programme

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 9 March 2021 (the “**Base Prospectus**”) prepared in relation to the €15,000,000,000 Euro Medium Term Note Programme of *Société nationale SNCF* (the “**Programme**”). The Base Prospectus as supplemented (including by the First 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°21-062 on 9 March 2021 to the Base Prospectus.

This First 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 First 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 First 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 First Supplement.

This First 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 29 July 2021 (iii) amending certain provisions of the terms and conditions of the Notes and (iv) updating the “Taxation” section of the Base Prospectus.

Save as disclosed in this First 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 First Supplement and (b) any other statement in, or incorporated in, the Base Prospectus, the statements in the First Supplement will prevail.

Copies of this First 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 First 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 “*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 pages 25 and 26 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 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, screening tests, vaccination certificates, which have affected and will continue to affect the Issuer’s activities. Depending on the evolution of the pandemic and its consequences, new restrictions cannot be excluded.

As of 31 December 2020, the restrictions linked to the COVID-19 pandemic have strongly affected certain of the activities of the SNCF Group:

- a decrease in revenues of 49% for SNCF Voyages (excl. its subsidiaries and Intercités), 75% for Eurostar, 66% for Thalys and 46% for Intercités; Eurostar and Thalys, in particular, have been strongly impacted by the COVID-19 pandemic.
- at SNCF Group’s level, revenues amounted to EUR 30.0 billion, a decrease of EUR 7.3 billion (14%), compared to the revenue as of 31 December 2019 (at constant consolidated scope and exchange rates), and the operating margin-EBITDA amounted to EUR 2 billion, a decrease of about EUR 3.6 billion, compared to the operating margin-EBITDA as of 31 December 2019 (at constant consolidated scope and exchange rates).

As of 30 June 2021, the revenues of SNCF Group increased by 13,7 % compared to the revenues as of 30 June 2020 but SNCF Group estimates that it incurred a loss of EBITDA of EUR 2,6 billion (against EUR 3,2 billion as 30 June 2020) due to the COVID-19 pandemic.

Although the Issuer has established a management organization to monitor and manage the crisis with an action plan deployed to reduce structural and operating costs, to adjust expenses and investments, to improve cash management and attract customers, the COVID-19 outbreak had a significant impact on the activities and financial situation of the Issuer for 2020 and the first half of 2021. As of 30 June 2021, its net indebtedness is equal to EUR 38.4 billion on a consolidated basis.

Furthermore, Eurostar had to be refinanced through a capital increase (subscribed by its shareholders, including SNCF) for an amount of GBP 50 million, a credit facility, in respect of which SNCF granted a guarantee for an amount of EUR 170 million, and an overdraft facility of an amount of GBP 53 million. Thalys also had to set out a credit facility of EUR 120 million, of which EUR 55 million have already been drawn.

The crisis may still have further impacts over 2021 on the financial situation and the valuation of the assets of SNCF Group which cannot be exactly anticipated at this stage as this involves significant uncertainties relating to its magnitude, duration, economic consequences and any further governmental restrictions taken to combat the pandemic.

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, the credit ratings of the Issuer or its securities (including the Notes) may nonetheless be subject to a downgrading, as the rating agencies continue to assess the impact of the crisis.”

The risk factors entitled “*counterparty risk*” included on page 33 of the Base Prospectus in the paragraph 4 “Financial risks” of the section entitled “RISKFACTORS” 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 2021, the overall collateral posted to financial markets counterparties stands below EUR 1.5 billion.

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 33 to 37 of the Base Prospectus in the paragraph 4 “Financial risks” of the section entitled “RISKFACTORS” the following paragraphs are added:

The auditors limited review report on the 2021 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 2021, an impairment test was conducted which did not result in the recognition of an additional impairment loss against SNCF Réseau’s assets.

Qualification of the auditor’s on the 2021 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 2020 and is ongoing today continued to impact the Infrastructure CGU’s revenue and business projections. Against this backdrop, SNCF Réseau prepared and presented its new 2021-2030 strategic plan to its Board of Directors on 22 July 2021.

This backdrop constituted an indication of impairment and led SNCF Réseau to carry out a new impairment test at 30 June 2021 based on a similar methodology to that used during the previous test carried out at 31 December 2020.

This new test did not result in the recognition of an additional impairment loss against the Infrastructure CGU’s assets, 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) SNCF Réseau 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. This is reflected, in particular, in the recapitalising of Société Nationale SNCF at the end of 2020 and the subsequent dividend distribution made to the support fund (fonds de concours) and intended to contribute to the financing of infrastructure investments.

The cash flow forecasts used for the impairment test were based on the financial trajectory set out in the new 2021-2030 strategic plan prepared against the backdrop of a gradual recovery in business. They comprised (i) cash inflows (infrastructure fees, investment subsidies) mainly arising from commitments received from the French State, (ii) operating expenses (particularly installation work and maintenance), net of productivity gains, and (iii) capital investment, particularly in network renovations.

The assumptions underlying these projections remain subject to major risks and uncertainties accentuated by the current health crisis:

- *The forecasts used for the impairment test carried out on the Infrastructure CGU at 30 June 2021 are based on SNCF Réseau's new strategic plan prepared as part of the SNCF Group's new strategic plan. These strategic plans were approved by the respective Boards of Directors on 22 and 29 July 2021. Certain assumptions, particularly those which rely on a decision by the French State or are linked to the health situation, may change over time.*
- *The updating of the performance agreement between SNCF Réseau and the French State for the 2021-2030 period is still being negotiated. The finalisation in the coming months of the new performance agreement could lead to a revision of certain assumptions used in the impairment test carried out at 30 June 2021.*
- *The infrastructure fee projections are based in particular on:*
 - o *Traffic trajectories revised by Group SNCF carriers and competition assumptions updated by SNCF Réseau. These forecasts remain subject to uncertainties, particularly given the potentially lasting impacts of the health crisis on the economy and travellers' behaviour.*
 - o *Certain pricing assumptions are submitted to the French transport authority (ART) for opinion. As such, the ART issued non-compliance opinions regarding the pricing indexation of the contractual activities for the 2020 and 2021-2023 service timetables as published by SNCF Réseau. In response to the appeal filed by SNCF Réseau, the French Council of State (Conseil d'Etat) called on ART to re-examine SNCF Réseau's proposals. On 9 February 2021, ART issued a favourable opinion with regard to the revised proposed 2022-2023 pricing published on 11 December 2020. The validity of the increase in the pricing indexation rates for the contractual activities used in the test for the following years cannot be confirmed at present.*
- *The investment subsidies allocated to renovation work and financed through the support fund are based on the payment by the French State to SNCF Réseau of:*
 - o *€4.05 billion paid in December 2020 to the support fund by Société Nationale SNCF subsequent to its recapitalisation by the French State.*
 - o *Dividends to be received from Société Nationale SNCF, the estimation of which is based on (i) the disposal of assets of €410 million as well as on (ii) Société Nationale SNCF's capacity to make distributions, as updated based on the SNCF Group's new strategic plan.*
- *2030 was maintained by SNCF Réseau 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 future pension scheme and, more broadly, the new social framework resulting from the rail industry agreements were still under negotiation at the reporting date and may consequently affect the projected future performance.*

These major risks and uncertainties, the impact of which should be assessed in conjunction with the discount rate used, weigh on the discounted future cash flow forecasts 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 2021. Consequently, the amount of the related impairment loss could be underestimated. These projections are also used to assess the recoverability of deferred tax assets and therefore to determine their amount in the statement of financial position. 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 2021, amounted to €32.4 billion (excluding work-in-progress) for property, plant and equipment and intangible assets, and €4.3 billion for deferred tax assets.”

DOCUMENTS INCORPORATED BY REFERENCE

The following paragraphs (g) and (h) are added after the paragraph (f) of the section “Documents incorporated by reference” on page 50 of the Base Prospectus:

- (g) 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 2021, together with the notes thereto of the Issuer (the “**2021 Issuer Post-Transformation Consolidated Interim Financial Statements**”) and the audit report thereon of the Issuer Post-Transformation, included in the Issuer Post-Transformation 2021 financial report (the “**2021 Issuer Post-Transformation Interim Financial Report**”);

https://medias.sncf.com/sncfcom/finances/Publications_Groupe/Rapport_financier_semestriel_groupe_SNCF_2021.pdf

- (h) the French version of the press release dated 29 July 2021 (the “**Press Release H1**”)

https://medias.sncf.com/sncfcom/finances/Publications_Groupe/CP_GROUPE_SNCF_Resultats_S1_2021.pdf

The following table is added before the last paragraph of the section “Documents incorporated by reference” on page 53 of the Base Prospectus:

<i>Commission Delegated Regulation – Annex 7</i>	<i>Reference</i>
	<i>Press Release H1</i>
5. BUSINESS OVERVIEW	Pages 1 to 7
	<i>2021 Issuer Post-Transformation Interim Financial Report</i>
5. BUSINESS OVERVIEW	Pages 3 to 23
11. CONSOLIDATED INTERIM FINANCIAL INFORMATION CONCERNING ISSUER'S POST-TRANSFORMATION ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Consolidated Income Statement	Page 26
Statement of profit or loss and gains/losses recognized directly in equity	Page 27
Consolidated statement of financial Position	Page 28
Consolidated Statement of changes in equity	Page 29
Consolidated cash flow statement	Pages 30 and 31
Notes to the condensed interim consolidated financial statements	Pages 32 to 55

<i>Commission Delegated Regulation – Annex 7</i>	<i>Reference</i>
Statutory auditors' report on the condensed interim consolidated financial statements	Pages 57 to 61
11.3. LEGAL AND ARBITRATION PROCEEDINGS	Page 47

TERMS AND CONDITIONS OF THE NOTES

The definition of “ n_i ” included on page 63 of the Base Prospectus with respect to the “SONIA-SHIFT-COMPOUND” is deleted and replaced by the following:

“ n_i ” for any London Banking Day “ i ” in the relevant Observation Period, means the number of calendar days from and including such London Banking Day “ i ” up to, but excluding, the following London Banking Day ($i+1$).

The sixth paragraph on page 67 of the Base Prospectus is deleted and replaced by the following:

“Notwithstanding any provision of this Condition 4.2(c)(iii)(E), if the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent no SOFR Benchmark Replacement will be adopted by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) and the SOFR Benchmark Replacement will be the SOFR determined by the Calculation Agent as of the U.S. Government Securities Business Day immediately preceding the Benchmark Replacement Date.”

The definitions of “ d ” and “ i ” included on page 69 and 70 of the Base Prospectus with respect to the “USD-SOFR-SHIFT-COMPOUND” are deleted and replaced by the followings:

“ d ” means the number of calendar days in the relevant Observation Period;

“ i ” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

On page 87 of the Base Prospectus the following definition is added with respect to SARON:

“**Zurich Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Zurich.

TAXATION

The paragraph entitled “France” in the section entitled “Taxation” included on page 156 of the Base Prospectus is deleted and replaced by the following:

FRANCE

The following is an overview of certain withholding tax considerations that may be relevant to holders of the Notes who do not hold their Notes in connection with a permanent establishment or a fixed base in France and who do not concurrently hold shares of the Issuer. Holders of the Notes who hold their Notes in connection with a permanent establishment or a fixed base in France and/or concurrently hold shares of the Issuer may be impacted by other rules not described in the present section.

Payments of interest and other assimilated revenues by or on behalf of the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “Non-Cooperative State”) other than those mentioned in 2° of 2 bis of Article 238-0 A of the French *Code général des impôts*. The list of Non-Cooperative States may be amended at any time and is published by a ministerial executive order, which is updated, in principle, on a yearly basis.

If such payments under the Notes are made in a Non-Cooperative State other than those mentioned in 2° of 2 bis of Article 238-0 A of the French *Code général des impôts*, a 75 per cent. withholding tax will be applicable (subject, where relevant, to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues under the Notes will not be deductible from the taxable income of the Issuer (in circumstances where it would otherwise be deductible), if they are paid or have accrued to persons domiciled or established in a Non-Cooperative State or paid into a bank account opened in a financial institution located in a Non-Cooperative State (the “Non-Deductibility”). Under certain conditions, any such non-deductible interest or other assimilated revenues may be recharacterized as constructive dividends pursuant to Articles 109 et seq. of the French *Code général des impôts*, in which case it may be subject to the withholding tax provided under Article 119 bis, 2 of the French *Code général des impôts*, at (i) the standard corporate income tax rate set forth in the first sentence of the second paragraph of Article 219-I of the French *Code général des impôts* (i.e. 26.5 per cents. for fiscal years starting on or after 1 January 2021; 25% for fiscal year beginning as from 1 January 2022) for holders of the Notes who are non-French resident legal persons for French tax purposes; (ii) 12.8 per cent. for holders of the Notes who are non-French resident individuals for French tax purposes; or (iii) 75 per cent., subject, if, and irrespective of the holder’s residence for tax purposes or registered headquarters, payments are made in a Non-Cooperative State other than those mentioned in 2° of 2 bis of Article 238-0 A of the French *Code général des impôts*, where relevant, subject to certain exceptions and to the more favourable provisions of the applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax nor the Non-Deductibility or the withholding tax set forth under Article 119 bis, 2 of the French *Code général des impôts* will apply in respect of a particular issue of Notes if the Issuer can prove that (i) the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other assimilated revenues to be made in a Non-Cooperative State (the “Exception”) other than those mentioned in 2° of 2 bis of Article 238-0 A of the French *Code général des impôts* when it relates to Article 119 bis, 2 of the French *Code général des impôts* and (ii) in respect of the Non-Deductibility, that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (BOI-INT-DG-20-50-20 dated 24 February 20121, no. 290 and BOI-INT-DG-20-50-30 dated 24 February 2021 no. 150), an issue of Notes will be

deemed to have a qualifying purpose and effect, and accordingly will be able to benefit from the Exception without the Issuer having to provide any proof of such purpose and effect of such issue of Notes, if the Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Payments made to individuals fiscally domiciled in France

Pursuant to Article 125 A, I of the French *Code général des impôts* (i.e. where the paying agent (*établissement payeur*) is established in France) and subject to certain exceptions, interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. withholding tax, which is an advance payment made in respect of their personal income tax is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at a global rate of 17.2 per cent. on interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

GENERAL INFORMATION

The paragraphs entitled “Significant or Material Change” and “Auditors” in the section entitled “GENERAL INFORMATION” included on page 181 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 2021, 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 2020, 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 2019 and 2020 financial years, have audited the consolidated and non consolidated financial statements of the Issuer as of and for the years ended 31 December 2019 and 2020, 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 2021,

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 FIRST SUPPLEMENT

To the best of the Issuer's knowledge, the information contained in this First 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 2021 were reviewed by the statutory auditors who issued limited a review report which is reproduced on pages 57 to 61 of the 2021 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 2020 and is ongoing today continued to impact the Infrastructure CGU’s revenue and business projections. Against this backdrop, SNCF Réseau prepared and presented its new 2021-2030 strategic plan to its Board of Directors on 22 July 2021.

This backdrop constituted an indication of impairment and led SNCF Réseau to carry out a new impairment test at 30 June 2021 based on a similar methodology to that used during the previous test carried out at 31 December 2020.

This new test did not result in the recognition of an additional impairment loss against the Infrastructure CGU’s assets, 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) SNCF Réseau 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. This is reflected, in particular, in the recapitalising of Société Nationale SNCF at the end of 2020 and the subsequent dividend distribution made to the support fund (fonds de concours) and intended to contribute to the financing of infrastructure investments.

The cash flow forecasts used for the impairment test were based on the financial trajectory set out in the new 2021-2030 strategic plan prepared against the backdrop of a gradual recovery in business. They comprised (i) cash inflows (infrastructure fees, investment subsidies) mainly arising from commitments received from the French State, (ii) operating expenses (particularly installation work and maintenance), net of productivity gains, and (iii) capital investment, particularly in network renovations.

The assumptions underlying these projections remain subject to major risks and uncertainties accentuated by the current health crisis:

- *The forecasts used for the impairment test carried out on the Infrastructure CGU at 30 June 2021 are based on SNCF Réseau’s new strategic plan prepared as part of the SNCF Group’s new strategic plan. These strategic plans were approved by the respective Boards of Directors on 22 and 29 July 2021. Certain assumptions, particularly those which rely on a decision by the French State or are linked to the health situation, may change over time.*
- *The updating of the performance agreement between SNCF Réseau and the French State for the 2021-2030 period is still being negotiated. The finalisation in the coming months of the new performance agreement could lead to a revision of certain assumptions used in the impairment test carried out at 30 June 2021.*
- *The infrastructure fee projections are based in particular on:*
 - o *Traffic trajectories revised by Group SNCF carriers and competition assumptions updated by SNCF Réseau. These forecasts remain subject to uncertainties, particularly given the potentially lasting impacts of the health crisis on the economy and travellers’ behaviour.*
 - o *Certain pricing assumptions are submitted to the French transport authority (ART) for opinion. As such, the ART issued non-compliance opinions regarding the pricing indexation of the*

contractual activities for the 2020 and 2021-2023 service timetables as published by SNCF Réseau. In response to the appeal filed by SNCF Réseau, the French Council of State (Conseil d'Etat) called on ART to re-examine SNCF Réseau's proposals. On 9 February 2021, ART issued a favourable opinion with regard to the revised proposed 2022-2023 pricing published on 11 December 2020. The validity of the increase in the pricing indexation rates for the contractual activities used in the test for the following years cannot be confirmed at present.

- *The investment subsidies allocated to renovation work and financed through the support fund are based on the payment by the French State to SNCF Réseau of:*
 - o *€4.05 billion paid in December 2020 to the support fund by Société Nationale SNCF subsequent to its recapitalisation by the French State.*
 - o *Dividends to be received from Société Nationale SNCF, the estimation of which is based on (i) the disposal of assets of €410 million as well as on (ii) Société Nationale SNCF's capacity to make distributions, as updated based on the SNCF Group's new strategic plan.*
- *2030 was maintained by SNCF Réseau 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 future pension scheme and, more broadly, the new social framework resulting from the rail industry agreements were still under negotiation at the reporting date and may consequently affect the projected future performance.*

These major risks and uncertainties, the impact of which should be assessed in conjunction with the discount rate used, weigh on the discounted future cash flow forecasts 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 2021. Consequently, the amount of the related impairment loss could be underestimated. These projections are also used to assess the recoverability of deferred tax assets and therefore to determine their amount in the statement of financial position. 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 2021, amounted to €32.4 billion (excluding work-in-progress) for property, plant and equipment and intangible assets, and €4.3 billion for deferred tax assets.”

Société nationale SNCF

2, place aux Etoiles
93200 Saint Denis
France

Duly represented by:
Jean-Vincent Cloarec

Directeur Adjoint Financement-Trésorerie
Saint Denis, 3 August 2021



Autorité des marchés financiers

This First Supplement has been approved on 3 August 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this First 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 First Supplement.

This First Supplement obtained the following approval number: n°21-351.