



**FIRST SUPPLEMENT DATED 4 AUGUST 2022
TO THE EURO MEDIUM TERM NOTE PROGRAMME BASE PROSPECTUS
DATED 9 MARCH 2022
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 2022 (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°22-058 on 9 March 2022 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 28 July 2022, (iii) updating the “Description of the Issuer” section of the Base Prospectus and 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 “SNCF Réseau and SNCF Gares & Connexions operate or will operate their activities within the context of a performance contract entered into or to be entered into with the French State” on pages 21 and 22 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:

“In accordance with Article L. 2111-10 and Article L. 2111-10-1 A of the French *Code des transports*, applicable as of 1 January 2020, operating agreements (so-called “performance contracts”) have to be entered into between the French State and each of SNCF Réseau and SNCF Gares & Connexions.

Following the entry into force of the Railway Reform Law, the performance contract 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 remained in force. An update of such contract has been agreed by the Board of Directors of SNCF Réseau on 4 November 2021 and has been signed on 6 April 2022.

SNCF Gares & Connexions also entered into a performance contract with the French State on 27 April 2022 for the 2021-2026 period. The purpose of this performance contract is to promote the development of the rail system, particularly through the adaptation and modernization of infrastructure and services, based on a sustainable business model.

It cannot be excluded that the new financial trajectories that have been adopted in the context of the performance contracts of SNCF Réseau and SNCF Gares & Connexions will provide the appropriate resources to SNCF Réseau and SNCF Gares & Connexions in order to meet their performance targets in terms of maintenance and development of the railway network, which in turn could lead to a deterioration of the valuation of their assets, their financial situations and of the quality of service due to the necessity to decrease costs which would have a material adverse effect on the operations and reputation of the SNCF Group.”

The risk factor entitled “The financial trajectory of the SNCF Group may be challenged by several factors that may be difficult to anticipate” on pages 22 and 23 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 includes and will include in particular the following (see also note 4.4.3.3 of the 2021 Consolidated Annual Financial Statements):

- the second phase of the debt relief of SNCF Réseau by the French State enacted by the Loi n° 2021-1900 dated 30 December 2021 (see Description of the Issuer – the main features of the debt relief of SNCF Réseau);
- a €4.7 billion recovery plan with two components: (i) a EUR 4.05 billion capital increase of the Issuer, the proceeds of which have been credited simultaneously to the French State fund dedicated to the railway infrastructure manager and will be transferred to SNCF Réseau in several instalments from 2021 to 2023 (with EUR 1.6 billion already paid in 2021) and (ii) €650 million in budgetary credits for the renovation of minor historical regional lines (*lignes de desserte fine du territoire*) and the relaunch of two night train lines; in addition, the SNCF Group will benefit from a specific recovery plan of €170 million per year for the rail freight sector;
- a level of investment by SNCF Réseau necessary to restore and renew the railways network by 2030;

- an increase in TGV and freight charges related to the use of the railway network, as approved by the Transport Regulatory Authority, limited to that of the level of inflation; and
- a commitment of SNCF Group to reach balanced cash flows by the end of 2022 and to reduce its indebtedness to 6.0x its operating margin by 2026;
- A commitment of SNCF Réseau to reach a balanced cash flow by the end of 2024 in the context of its performance contract with the French State.

Nonetheless, 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 related to the use of the railway network (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;
- any reconsideration of the French State regarding the financial resources that will be provided to SNCF Group or SNCF Réseau in the context of the recovery plan;
- 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"; and
- any further reform of the French railway sector.

Additionally, the Group closed the sale of Ermewa in late 2021. The proceeds of such sale will contribute to the financial trajectory of the SNCF Group. It resulted in a net debt reduction of approximately EUR 3.2 billion for SNCF as at 31 December 2021 (including the price received for the sale of the shares and the release from Ermewa's own debt which will be assumed by the new shareholders). It cannot be excluded that, in order to maintain its financial trajectory, the Issuer will not initiate the sale of certain of its other assets, and certain of such assets may be strategic for its activities.”

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 :

“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.

Despite the lifting of restrictions during the first semester of 2022, depending on the evolution of the pandemic, particularly with regard to the still very active circulation of the virus, new restrictions cannot be excluded.

In 2021, the Covid-19 pandemic had an estimated impact of €4.1 billion on revenues, more than 80% of which linked to the high-speed rail (*TGV*) business (including subsidiaries), and €3.7 billion on operating margin, about 80% of which linked to the high-speed rail (*TGV*) business. SNCF Group's net debt exceeds €24.3 billion as at 30 June 2022, a decrease by €12 billion compared to 31 December 2021 due in particular to the second debt transfer from SNCF Réseau to the French State, amounting to €10 billion, effective from 1 January 2022. To absorb part of the losses in relation to the Covid-19 health crisis, the SNCF Group implemented a vast savings plan which improved free cash flow for an estimated amount of €1.9 billion over 2021. The SNCF Group's activity has been less affected by the consequences of the Covid-19 health crisis since the beginning of the 2022. The Passenger business line has seen a gradual recovery in its activity, mainly driven by leisure customers. This performance generated positive free cash flow of €1.1 billion as at 30 June 2022. 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, which improved the SNCF Group's cash flows, the Covid-19 outbreak may have or continue to have a significant impact on certain or all of the activities and on the financial situation of the Issuer.

As a result of the traffic decrease in train travel due to the Covid-19-related restrictions in the United Kingdom, Eurostar had to be refinanced in 2021 through the conversion into equity of a shareholder loan and of outstanding dividends for an amount of GBP 115 million and in 2020 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 GBP 150 million, and an overdraft facility of an amount of GBP 50 million.

Thalys also had to set out a credit facility of EUR 120 million in 2021.

Despite a normalization of the sanitary context and a noticeable economic recovery over the first half of 2022, the crisis may still have further impacts on the financial situation and the valuation of the assets of SNCF Group which cannot be exactly anticipated at this stage as this involves uncertainties relating to its magnitude, duration, economic consequences and any further governmental restrictions taken to combat the pandemic.

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 factor entitled “*Economic climate, market and competition*” included after the risk factor entitled “*Covid-19 outbreak since March 2020*” in the paragraph 2 “*Macroeconomic risks*” of the section entitled “*RISK FACTORS*” on pages 26 and 27 of the Base Prospectus is deleted and replaced with the following:

“SNCF Group which is a global leader in transportation activities is largely dependent on the macroeconomic environment. Demand for the SNCF Group's mobility services and, in particular, for its transport and logistics services is dependent on the overall economic environment, including among other things:

- The level of economic growth which fuels the trends underlying the SNCF Group’s strategy in its operating markets.
- Macroeconomic shocks such as economic and financial crises, sharp rise in inflation and economic fluctuations that may adversely affect the SNCF Group's business.
- The development of key economic factors (such as disposable income or the number of persons in active employment) that is particularly important for passenger transport.
- Risks arising from depleted public sector budgets which could have adverse effects (particularly in the form of spending cuts).
- The challenges raised by environmental factors such as natural disasters or severe weather conditions, whether as a result of climate change or otherwise, which could result in additional costs and/or loss of business.
- The development of remote working which can lower demand in regional transport.

Any slowdown in economic growth, any macroeconomic shocks (such as a sharp rise in inflation), any decrease in public spending relating to railway transport or decline in the environment could have an impact on the Issuer’s sales volume, investments in maintenance and development, and revenues.

Developments in the competitive environment are of particular importance for the SNCF Group:

- In long-distance transport, the SNCF Group is exposed to heavy inter- and intra-modal competition, particularly with motorised individual transport as the dominant competitor, but also with long distance bus services and air transport. Increased competition has a negative impact on price perception by customers.
- There is intense competition in regional transport throughout Europe for securing long-term contracts with local authorities in charge of organising regional transportation with a subsequent risk of losing tenders launched in connection with the allocation of such contracts. The market volume is largely determined by the financial situation of the contracting organisations. The SNCF Group may lose revenues and profits if long-term contracts are allocated to its competitors or terminated and its market share may decrease.
- There is a risk of performance loss. To be able to compete on its markets, in particular in the rail freight transport industry and following the opening to competition in France of the operation of certain passengers’ railway lines, the SNCF Group is constantly required to optimise its cost structure which could have an impact on its level of investment, in particular on maintenance. Furthermore, depending on the contract type, there is also the risk of a loss of passengers without the possibility of being able to adapt the operating schedules with a subsequent risk of closing of the relevant railway lines.”

The risk factor entitled “*The SNCF Group’s operations are dependent on information technology (“IT”) systems, the failure or breach of security of any of which may harm its reputation and adversely affect its financial performance*” included on page 29 of the Base Prospectus in the paragraph 3 “Operational risks” of the section entitled “RISK FACTORS” is deleted and replaced with the followings:

“The SNCF Group relies heavily on its telecommunications network and computer systems for coordination of scheduling and other aspects of its railway operations as well as accounting, ticket sales for passenger trains, tracking cargo deliveries and numerous other functions. Hardware and software used by the SNCF Group may be damaged by human error, natural disaster, power loss and other events. The implemented safeguard measures may not be sufficient and/or be able to prevent any IT system failures which may, in turn, have a material adverse effect on the SNCF Group's operating performance, business continuity, competitiveness, reputation, and results of operations. Any such failure may also require the SNCF Group to incur significant costs to address such failure.

In addition, the SNCF Group is subject to the regulations governing the protection, collection and processing of personal data in the jurisdictions in which it operates. The SNCF Group is exposed to the risk that the data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorised by the customer, including by unauthorised parties (such as third parties or the SNCF Group employees). The possible destruction, damage or loss of customer, employee or third party data, as well as its removal, unauthorised processing or disclosure, could have a negative impact on the SNCF Group’s reputation and could subject the SNCF Group to liabilities.

In addition, changes to such regulations could impose more stringent sanctions for violations, could have a negative impact on the SNCF Group’s business insofar as they lead the SNCF Group to incur additional compliance costs.

There are possible risks with regard to the reliability of the system (disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have a material adverse effect on the reliability of the services provided by the SNCF Group and affect its reputation.

Among the risks the SNCF Group faces relating to the management of IT systems are the possible violations of its systems due to unauthorised access to its corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the Internet, which have increased significantly in terms of volume, sophistication and scale since both the Covid-19 crisis and the start of the war in Ukraine. The risk of cyber-attacks has also increased with the acceleration of digitalization and the growing deployment of remote working with employees being more exposed to and targeted by cyber-attack attempts. Although the Issuer has developed an information system security monitoring and a continuity plan to deal with the most critical interruptions, cyber-criminality can still threaten the protection of information relating to the SNCF Group and its customers and can have negative effects on the integrity and continuity of its IT systems, as well as on the confidence of its customers and on the SNCF Group’s reputation, with possible material adverse effect on its business and results of operations.”

The risk factor entitled “*Certain risks of the Issuer and the SNCF Group do not benefit from insurance*” included on page 32 of the Base Prospectus in the paragraph 3 “Operational risks” of the section entitled “RISK FACTORS” is deleted and replaced with the followings:

“The SNCF Group is insured for major risks involving its civil liability or affecting its goods, and has coverage for the operating losses resulting from damage to its goods or to the railway infrastructure. However, certain risks of the Issuer and the SNCF Group do not benefit from insurance which, if such risks were to materialise, may have a material adverse effect on the SNCF Group’s financial condition as a result of additional expenses.”

The risk factor entitled “*interest rate risk*” included on page 32 of the Base Prospectus in the paragraph 4 “Financial risks” of the section entitled “RISK FACTORS” is deleted and replaced with the followings:

- ***interest rate risk:*** some of the indebtedness of SNCF Group bears interest at variable rates, generally linked to market benchmarks such as EURIBOR. The issuer has set a target structure for debt based on gross long-term debt less CDP receivables. This target structure is based on an optimized breakdown between fixed and variable rate borrowings, to optimize the cost of long-term net indebtedness and to achieve the best expected return/risk ratio. Compliance with this allocation is checked daily and the target may be updated if the interest rate environment changes significantly. As of 30 June 2022, fixed rate borrowings account for 88.33% against 11.67% for variable rate. To achieve the target breakdown, the Issuer may use derivatives or interest rate swaps for hedging purposes. Significant fluctuations of interest rate the Group cannot successfully minimize could have a material adverse effect on its financial condition;

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*” included on pages 33 to 37 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 2022 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.

As of 30 June 2022, 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 auditors’ on the 2022 Consolidated Interim Financial Statements:

“As stated in Note 4.3.3.1 to the condensed interim consolidated financial statements concerning impairment testing of the assets of the Infrastructure cash-generating unit (the “Infrastructure CGU”), SNCF Réseau carried out an impairment test at 31 December 2021 in line with the adoption of its new strategic plan and the finalisation of the draft 2021-2030 performance agreement with the French State. This test did not result in the recognition of any additional impairment against the Infrastructure CGU’s assets.

At 30 June 2022, SNCF Réseau did not identify any indication of impairment, considering that SNCF Réseau has various levers to offset the impact of changes in certain inputs (discount rate, long term inflation rate, immediate impact of inflation on energy prices, etc.) on discounted cash flow forecasts. As a result, SNCF Réseau did not carry out a new impairment test at 30 June 2022 and maintained the impairment as determined based on the last test carried out at 31 December 2021 unchanged.

The balance in the negotiations between the French State and SNCF Réseau underlying the financial trajectory used in the last test 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 ongoing health crisis and the gradual business recovery. 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 this impairment test were based on the financial trajectory set out in the 2021-2030 performance agreement. It is based on SNCF Réseau Group’s 2021-2030 strategic plan prepared as part of the SNCF Group’s strategic plan adopted by the SNCF Board of Directors on 29 July 2021, and revised at the French State’s request as reflected in the new 2021-2030 performance agreement. These cash flow forecasts 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 geopolitical, economic and health context:

- The forecasts used in the impairment test carried out on the Infrastructure CGU at 31 December 2021 are based on the 2021-2030 performance agreement approved by SNCF Réseau's Board of Directors on 4 November 2021 and signed on 6 April 2022 with the French State. 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 infrastructure fee projections are based in particular on:
 - 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.
 - Certain pricing assumptions are submitted to the French transport authority (ART) for an opinion. Toll rate indexing was aligned with the ART's opinion dated 9 February 2021 for the years 2022 and 2023 and then maintained at 3.6% thereafter. The increase in the pricing indexation rates for the contractual activities used in the test for the years following 2023, which should be subject to the ART's opinion, 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:
 - €4.05 billion paid in December 2020 to the support fund by Société Nationale SNCF subsequent to its recapitalisation by the French State, of which €1.6 billion and €1.068 billion was paid to SNCF Réseau in 2021 and first-half 2022 respectively.
 - Dividends to be received from Société Nationale SNCF, the estimation of which is based on (i) the disposal of assets for €390 million and on (ii) Société Nationale SNCF's capacity to make distributions, as updated based on the SNCF Group's new strategic plan, for the rest.
- 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 2022. 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 2022, amounted to €32.9 billion (excluding work-in-progress) for property, plant and equipment and intangible assets, and €4.5 billion for deferred tax assets."

DOCUMENTS INCORPORATED BY REFERENCE

The following paragraphs (f) and (g) are added after the paragraph (e) 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 the Issuer as at, and for the six-month period ended, 30 June 2022, together with the notes thereto (the “**2022 Consolidated Interim Financial Statements**”), and the audit report thereon, included in the 2022 interim financial report of the Issuer (the “**2022 Interim Financial Report**”);

https://medias.sncf.com/sncfcom/finances/Publications_Groupe/Rapport_financier_semestriel_groupe_SNCF_2022.pdf;

- (h) the French version of the press release dated 28 July 2022 (the “**Press Release**”)

https://medias.sncf.com/sncfcom/finances/Publications_Groupe/CP_GROUPE_SNCF_Resultats_S1_2022.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</i>
5. BUSINESS OVERVIEW	Pages 1 to 9
	<i>2022 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 to 31
Notes to the condensed interim consolidated financial statements	Pages 32 to 55
Statutory auditors' report on the condensed interim consolidated financial statements	Pages 58 to 61

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 142 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 operating 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 continued in force as is with SNCF Réseau post-transformation. An update to this operating agreement has been agreed by the Board of Directors of SNCF Réseau on 4 November 2021 and has been signed on 6 April 2022.”

The sub-paragraph entitled “*Performance contract of SNCF Réseau*” in the section entitled “DESCRIPTION OF THE ISSUER” included on page 143 of the Base Prospectus is deleted and replaced by the following:

“The performance contract entered into by SNCF Réseau on 6 April 2022 for the 2021-2030 period provides foreseeability on the investment track for SNCF Réseau and the railway sector.

The performance contract also sets out the major strategic lines of action that will enable the sustainable development of rail transport, based on a sustainable economic model.

This strategy and the guidelines contained in this performance contract are designed to:

- Increase the modal share of rail by increasing rail passenger and freight traffic;
- Maximize the socio-economic advantages of rail: a high level of safety, time savings, and services in the heart of cities, with a low environmental footprint.

To this end, the French State and SNCF Réseau have agreed to monitor the following indicators to report on the overall performance expected on the national rail network:

- Volume of commercial passenger train traffic;
- Frequency of significant rail accidents and accidents with work stoppages;
- Carbon emissions due to track dimensioning materials.

To achieve these objectives, SNCF Réseau and the French State will jointly ensure:

- The improvement of the quality of service offered to all customers;
- A sustainable effort to renovate and modernize the network of approximately €2.8 billion per year over the 2021-2030 period;
- A return to a balanced cash flow from 2024 onwards.

This performance contract is intended to be updated every three years, starting from its entry into force.”

The sub-paragraph entitled “*Performance contract of SNCF Gares & Connexions*” in the section entitled “DESCRIPTION OF THE ISSUER” included on pages 143 and 144 of the Base Prospectus is deleted and replaced by the following:

“The performance contract entered into by SNCF Gares & Connexions on 27 April 2022 for the 2021-2026 period is structured around four objectives: (1) quality customer service that contributes to the development of rail transport in a transparent and non-discriminatory manner, (2) transformation of stations to improve efficiency and customer satisfaction, (3) response to the new challenges of "green stations" and (4) inclusion of SNCF Gares & Connexions' actions in a sustainable economic model.”

TAXATION

The paragraph entitled “France” in the section entitled “Taxation” included on pages 158 and 159 of the Base Prospectus is deleted and replaced by the following:

“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. 25% for fiscal years 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., 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 2021, no. 290 and BOI-INT-DG-20-50-30 dated 14 June 2022 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 “Ratings”, “Significant or Material Change” and “Auditors” in the section entitled “GENERAL INFORMATION” included on page 184 of the Base Prospectus are deleted and replaced by the followings:

“Ratings

The Issuer's long term debt has been rated AA- with stable outlook by S&P Global Ratings Europe Limited (“**S&P**”), Aa3 with stable outlook by Moody's France SAS (“**Moody's**”) and A+ with negative outlook by Fitch Ratings Ireland Limited (“**Fitch**”). S&P, Moody's and Fitch are each a rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the “**EU CRA Regulation**”). S&P, Moody's and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the EU CRA Regulation. The ratings issued by S&P, Moody's and Fitch are, as the case may be, endorsed by a credit rating agency established in the UK and registered under the Regulation (EU) No 1060/2009, as amended as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) or certified under UK CRA Regulation.

Significant or Material Change

Save as disclosed in this Base Prospectus, (i) since 30 June 2022, the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Issuer have been published, there has been no significant change in the financial position or financial performance of the Issuer and (ii) since 31 December 2021, the last day of the financial period in respect of which the most recent audited financial statement of the Issuer 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 2020 and 2021 financial years, have audited the consolidated and non-consolidated financial statements of the Issuer as of and for the years ended 31 December 2020 and 2021, 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 2022.

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 2022 were reviewed by the statutory auditors who issued limited a review report which is reproduced on pages 58 to 61 of the 2022 Interim Financial Report. This report contains the following qualification:

“As stated in Note 4.3.3.1 to the condensed interim consolidated financial statements concerning impairment testing of the assets of the Infrastructure cash-generating unit (the “Infrastructure CGU”), SNCF Réseau carried out an impairment test at 31 December 2021 in line with the adoption of its new strategic plan and the finalisation of the draft 2021-2030 performance agreement with the French State. This test did not result in the recognition of any additional impairment against the Infrastructure CGU’s assets.

At 30 June 2022, SNCF Réseau did not identify any indication of impairment, considering that SNCF Réseau has various levers to offset the impact of changes in certain inputs (discount rate, long term inflation rate, immediate impact of inflation on energy prices, etc.) on discounted cash flow forecasts. As a result, SNCF Réseau did not carry out a new impairment test at 30 June 2022 and maintained the impairment as determined based on the last test carried out at 31 December 2021 unchanged.

The balance in the negotiations between the French State and SNCF Réseau underlying the financial trajectory used in the last test 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 ongoing health crisis and the gradual business recovery. 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 this impairment test were based on the financial trajectory set out in the 2021-2030 performance agreement. It is based on SNCF Réseau Group's 2021-2030 strategic plan prepared as part of the SNCF Group's strategic plan adopted by the SNCF Board of Directors on 29 July 2021, and revised at the French State's request as reflected in the new 2021-2030 performance agreement. These cash flow forecasts 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 geopolitical, economic and health context:

- *The forecasts used in the impairment test carried out on the Infrastructure CGU at 31 December 2021 are based on the 2021-2030 performance agreement approved by SNCF Réseau's Board of Directors on 4 November 2021 and signed on 6 April 2022 with the French State. 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 infrastructure fee projections are based in particular on:*
 - *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.*
 - *Certain pricing assumptions are submitted to the French transport authority (ART) for an opinion. Toll rate indexing was aligned with the ART's opinion dated 9 February 2021 for the years 2022 and 2023 and then maintained at 3.6% thereafter. The increase in the pricing indexation rates for the contractual activities used in the test for the years following 2023, which should be subject to the ART's opinion, 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:

 - *€4.05 billion paid in December 2020 to the support fund by Société Nationale SNCF subsequent to its recapitalisation by the French State, of which €1.6 billion and €1.068 billion was paid to SNCF Réseau in 2021 and first-half 2022 respectively.*
 - *Dividends to be received from Société Nationale SNCF, the estimation of which is based on (i) the disposal of assets for €390 million and on (ii) Société Nationale SNCF's capacity to make distributions, as updated based on the SNCF Group's new strategic plan, for the rest.**
- *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 2022. 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 2022, amounted to €32.9 billion (excluding work-in-progress) for property, plant and equipment and intangible assets, and €4.5 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, 4 August 2022



Autorité des marchés financiers

This First Supplement has been approved on 4 August 2022 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°22-337.