KPMG Audit
Département de KPMG S.A.

ERNST & YOUNG et Autres

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

JCDecaux SA

Year ended December 31, 2019

Statutory auditors' report on the consolidated financial statements

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Commissaire aux Comptes
Membre de la compagnie
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JCDecaux SA

Year ended December 31, 2019

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of JCDecaux SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of JCDecaux SA for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics *(Code de déontologie)* for statutory auditors.

Emphasis of matter

We draw attention to the following matter described in Note «1.2. Change of accounting methods » to the consolidated financial statements relating to the effects of the application of IFRS 16 « Leases » on the consolidated financial statements. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ IFRS 16 "Leases"

Risk identified	As of January 1st 2019, the Group has applied IFRS 16 "Leases", according to which lessees use the same recognition model for all leases with the recognition of a "right-of-use" asset and a lease liability. Under this new standard, a contract is a lease, or contains a lease component, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The conditions of this change of method and its main impacts on the opening balance sheet and comparable accounts are described in the note "Change in accounting methods" to the consolidated financial statements. Thus, as of December 31, 2018 and December 31, 2019, the rights-of-use in the consolidated financial statements of JCDecaux amount to M€ 4 498,1 and M€ 3 958,5 respectively. The Group has chosen to apply the simplification measure, which allows, upon transition, to maintain the identification of leases applied according to the old standards. For these contracts, the Group has determined the lease liability and the right-of-use at the transition date according to the full retrospective approach with restatement of the amounts for the comparative period and recognition of the cumulative effect of first-time application as of 1 January 2018. We considered the new standard on leases to be a key audit matter due to the volume and significance of these contracts within the JCDecaux Group, the significant impact of this standard in relation to the opening financial statements, and the high level of judgment required by the Group to determine the assumptions used (substantial nature of the lessors' substitution rights, length of the lease term, conditions of extension or renewal, determination of discount rates).
Our response	Within the scope of our audit of the consolidated financial statements, our work notably consisted in: ▪ Obtaining an understanding of the procedures set up by your Group to identify and recognize the contracts; ▪ Assessing the relevance of the methods used to determine the main assumptions;

	▪ Verifying the completeness of the data base in which the contracts have been entered, by reconciling the data with the off-balance-sheet commitments as at 1st January 2018 and by analysing the residual rental expenses in the profit and loss account as at 31 December 2019; ▪ Assessing the relevance of the analyses performed by your Group on the non-restated contracts for which there are substantial substitution rights granted to lessors; ▪ Test the reliability of the data reporting and processing tool (system security and setting tests, commitment valuation models applied by the company and accounting treatments used) with the help of our information systems experts; ▪ Confirming, through sampling: • the data entered in the information system to determine the assets and liabilities relating to leases, based on the underlying contractual documents; • the relevance of the criteria taken into account by management to determine the rental period used taking into account the termination and renewal options; • the data used to determine the marginal financing rates with the market data; ▪ Examining the models used to calculate the lease liability and the right-of-use in your Group's information systems; ▪ Assessing the appropriateness of the information provided in the notes to the consolidated financial statements, in respect of the first-time application of IFRS 16.

Valuation of goodwill, intangible and tangible assets, right of use, investments under equity method

Risk identified	As at December 31, 2019, the net value of goodwill, tangible and intangible assets, and investments under equity method amounts to M€ 8, 197. The intangible and tangible assets, investments under equity method and goodwill are tested for impairment at least once a year. Your Group performs impairment tests at the level of Cash-Generating Units (CGU) corresponding to operational entities for the intangible and tangible assets, and investments under equity method as well as at the level of each group of CGU according to the operating segment considered (Street Furniture, Billboard, and Transport) for the goodwill. Therefore, the tests are performed at the junction between operating segments and the geographical area. The methodology used by your Group is described in Notes 1.11 and 1.12 of the consolidated financial statements. We have considered that the valuation of these assets as a key audit matter because of their importance in the consolidated accounts and to the necessary estimations and judgments to their valuation.

	Indeed, to determine the recoverable value, these tests include forecast data relevant to each operating segment. These data include, management's view of the prospects of future profitability, and assumptions relating to renewal rate of contracts for the operating segments Street Furniture and Transport, as well as the long-term growth rate for the operating segment Billboard.
Our response	Our works consisted mainly in : ► obtaining an understanding of the processes and analysis conducted by JCDecaux SA in order to carry out those evaluations; ► reconciling the net book values of the assets being tested for impairment with consolidated financial statements; ► verifying, using a sampling method, the arithmetic accuracy of the model used to determine the values in use; ► obtaining an understanding of the main assumptions through interviews with Financial Management and the Executive Board regarding forecasted profitability, and comparing those assumptions with the data used for previous impairment tests, as well as, where appropriate, the historical performance of the concerned subsidiaries; ► assess the reasonableness of the discount rate, the long-term growth rate and the contract renewal rate; ► perform sensitivity analysis on the main assumptions used; ► assessing the appropriateness of the information given in the notes to the consolidated financial statements.

■ Dismantling provision valuation

Risk identified	As at December 31, 2019, the provisions booked in order to comply with the dismantling requirements amount to M€ 256.1. The rules and accounting methods concerning these provisions and their valuation are described in Notes 1.21 et 4.12.1 « Dismantling Provisions » in the notes to the consolidated financial statements. The costs for dismantling street furniture at the end of a contract are recorded in provisions, if a contractual dismantling requirement exists at an expected date. These provisions represent the entire estimated dismantling cost from the contract's inception and are discounted. Dismantling costs are offset under assets in the statement of financial position and amortized over the term of the contract. The discounting charge is recorded as a financial expense. They are updated at each year-end according to the number of installed items and the dismantling unit cost. We have considered that the evaluation of dismantling provisions to be a key audit matter because of the necessary estimations and judgement to their assessment.
Our response	Our works consisted mainly in: ► obtaining an understanding of the methodology implemented by the Company JCDecaux SA; ► obtaining an understanding of the internal control processes relevant to the procedure of evaluation of dismantling provision and identifying the main controls relevant to our audit; ► verifying the arithmetic accuracy of the model used to determine the dismantling provision calculation in the dedicated application;

- testing, using a sampling method, the contracts duration adopted and the compliance of cost estimations used to calculate the provision with the budgets and quotations available, as well as past cost statistics;
- comparing the inflation and discounting rates used by countries to internal and external database;
- assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Specifics verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations of the information pertaining to the Group presented in the Executive Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of JCDecaux SA by the annual general meeting held on May 10, 2006 for KPMG Audit, Département de KPMG S.A., and on June 20, 2000 for ERNST & YOUNG et Autres.

As at December 31, 2019, KPMG Audit, Département de KPMG S.A. was in the 14th year of total uninterrupted engagement and ERNST & YOUNG et Autres in the 20th year, which are 19 years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense March 9, 2020

The Statutory Auditors
French original signed by

KPMG Audit
Département de KPMG S.A.

Frédéric Quélin   Grégoire Menou

ERNST & YOUNG et Autres

Aymeric de La Morandière