



KPMG Audit
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CS 60055
92066 Paris la Défense Cedex
France

ERNST & YOUNG et Autres

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris La Défense Cedex
France
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

JCDecaux SA

*Statutory auditors' report on the financial
statements*

For the year ended 31 December 2019
JCDecaux SA
17 rue Soyot - 92200 Neuilly-sur-Seine
This report contains 31 pages



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This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

JCDecaux SA

Registered office: 17 rue Soyer - 92200 Neuilly-sur-Seine

Statutory auditors' report on the financial statements

For the year ended 31 December 2019

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 financial statements of JCDecaux SA for the year ended 31 December 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 Financial Statements** section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 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.

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 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of financial assets

Risk identified

As at 31 December 2019, financial assets (equity securities, receivables from equity interests and loans) reported on the balance sheet amounted to €4,158.8 million net, which was approximately 89% of total assets.

The recoverable amount of equity securities is the greater of the asset's estimated market value or value in use. The recoverable amount is estimated by calculating the present value of expected future cash flows less net debt. Expected future cash flows are determined by using business plans based on budgeted data for the first year subsequent to the reporting date, and specific market growth assumptions that reflect future expected outcomes. Consequently, the scope of forecasts varies according to the line of business of the subsidiary.

Receivables from equity interests and loans are recognized at their nominal value. Impairment is recognized at each annual reporting date if expected discounted future cash flows less net debt is negative.

We believe that the correct valuation of equity securities, receivables from equity interests and loans is a key audit matter due to the significant proportion of these assets in the balance sheet and the importance of management's judgments in determining assumptions of cash flows, discount rates, long-term growth rates and contract renewal probability.

Our response

With regard to the estimate of the value in use of equity securities, we performed the following work based on the information provided:

- We used sampling methods to check the arithmetic accuracy of the model used to determine value in use;
- We gained an understanding of the main assumptions used to prepare the forecast data, through discussions with your Group's finance department and Management Board on the profitability outlook, and compared them with the data used for previous

impairment testing, and, where appropriate, with the historical performance of the subsidiaries concerned;

- We compared the discount rates applied by country with our internal databases;
- We reconciled the long-term growth rates used to calculate future cash flows with market analyses;
- We compared the contract renewal rate with the rate observed by the Group historically;
- We verified that the resulting forecast cash flows had been adjusted to take into account the deduction of net debt for each entity.

In addition to assessing the values in use of equity securities, we also performed the following work:

- We checked the arithmetical accuracy of the model used to determine impairment of equity interests and loans;
- We assessed the appropriateness of the information provided in the notes to the annual financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the Management Report and in the Other Documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Executive Board and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We attest that the Executive Board's report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by or awarded to the members of the Executive Board and of the Supervisory Board

and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

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 20 June 2000 for ERNST & YOUNG et Autres and on 10 May 2006 for KPMG Audit, Département de KPMG S.A..

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

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

As specified in Article L.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 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 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 significant deficiencies, if any, 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 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) N° 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, 9 March 2020

The Statutory Auditors

French original signed by

KPMG Audit
Département de KPMG S.A.

ERNST & YOUNG et Autres

Grégoire Menou
Partner

Frédéric Quélin
Partner

Aymeric de La Morandière
Partner