



Société des Grands Projets

France - Latvia
Business Forum

May 2024

Solid institutional framework

Supported by a
political and
cross-party
consensus

100% State-owned infrastructure company



- Established in 2010 and granted extended powers nationwide by law in December 2023
- **Fully owned by the French State** under the status of “Etablissement Public Industriel et Commercial” (EPIC)
- **Not subject to private sector bankruptcy law**
- French state ultimately responsible **for its financial obligations in the event of insolvency**
- Classified by rating agencies as a **government-related issuer/entity (GRI/GRE)**
- **A quality of credit aligned to the Republic of France**



Backed & controlled by the French Government



Operating with strong support from the State, under the authority of the French Government.

- **Management board:**
(3 members) appointed by the Head of State.
- **Supervisory board:**
(21 members) representing the State and the local authorities involved in the project.



Subject to public control



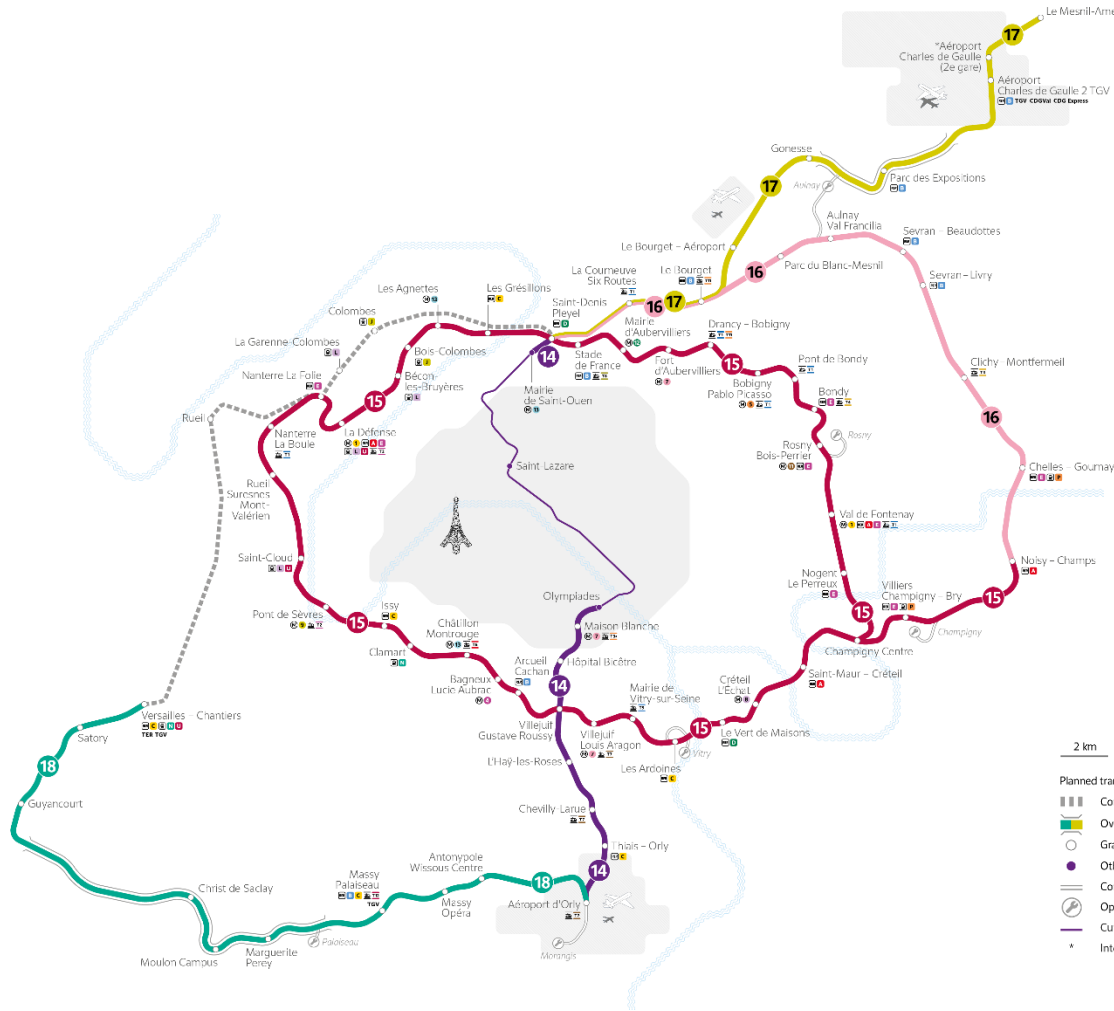
Complying with public budgetary and accounting rules.

Requirement by the Government to **report annually on its budget and activities to the Parliament**



The Grand Paris Express network

- **200** km (doubling the size of the historical network)
- **68** stations
- **80%** of new stations
- **100%** automatic
- **90%** underground
- **+3** million passengers per day
- **90%** of area residents will live within 2 km
- **1** train every 2 minutes during rush hour
- **55 to 65** km/hr



Progressive completion between 2024 & horizon 2030

Development underway*

~ **158** construction sites open

5910 companies involved

29 tunnel-boring machines

~ **100** km bored

64.1 km of double-track railways completed

*as of october 2023

A gradual roll-out of the project



No operating or
maintenance
risks

Société des
grands projets
only delivers the
infrastructure



Historical infrastructure
manager and operator of the
existing metro in Paris: will
maintain the infrastructure.



Competent public authority
overseeing transport activities
in Île-de-France: will own and
maintain the rolling stock and
select operators for the Grand
Paris network through
competitive bidding process

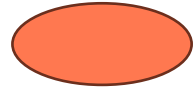
Tailor made procurement strategy



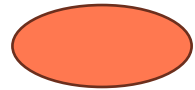
Procurement activities - key figures

5 787 suppliers – 801 contracts under execution (04/2024)

All SGP CONTRACTS	Backwards	Forwards Contracts to be awarded
Type of Contracts	Number of contracts notified by purchasing category	Total left
Civil engineering (and preparatory works)	60	0
Fittings and furniture (stations)	55	23
Design and build (lines 15E & W incl prep works)	42	1
Engineering (MOE, OCTA & CSPA)	82	2
Intellectual Services (and consultancy agreements) & Technical services	1432	208
Geographic systems	89	11
Transversal systems	74	7
TOTAL	1835	252

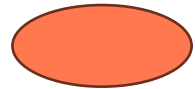


Make or Buy usual dilemma (insufficient resources internally)



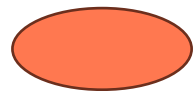
Design related issues (21 Design contracts signed at an early stage with designers (and architects) at an extremely competitive price reflecting an underevaluation of the complexity of the project)

Systems' design still under development whilst infrastructure contracts are well advanced => regular change orders => redesigning activities => delays and costs



Market related Issues

- Unprecedented scale of the project => large number of contracts in a very short period of time*
- Market disruptions (COVID crisis, hyperinflation, etc...)*



Contract delivery issues

Monitoring cost overruns (contractors claims) and delays

Interfaces between contracts

- ❑ *Internalization of core owners' activities (procurement, project management)*
- ❑ *Permanent sourcing to enlarge suppliers panel*
- ❑ *Reprogramming and repackaging certain procurement procedures to **foster competition** and enable more SMEs to participate to GPE tenders.*
- ❑ *Rebasing **design contracts** on sound basis.*
- ❑ *Reinforcement of **planning and programming** activities on each line*
- ❑ *Reinforcement of **budget control and contract management** on each line and each contract*
- ❑ *Shift from traditional procurement towards **Design and build** contracts (Lines 15 East and 15 West) => 4 mega contracts under way => *Bespoke contracts**

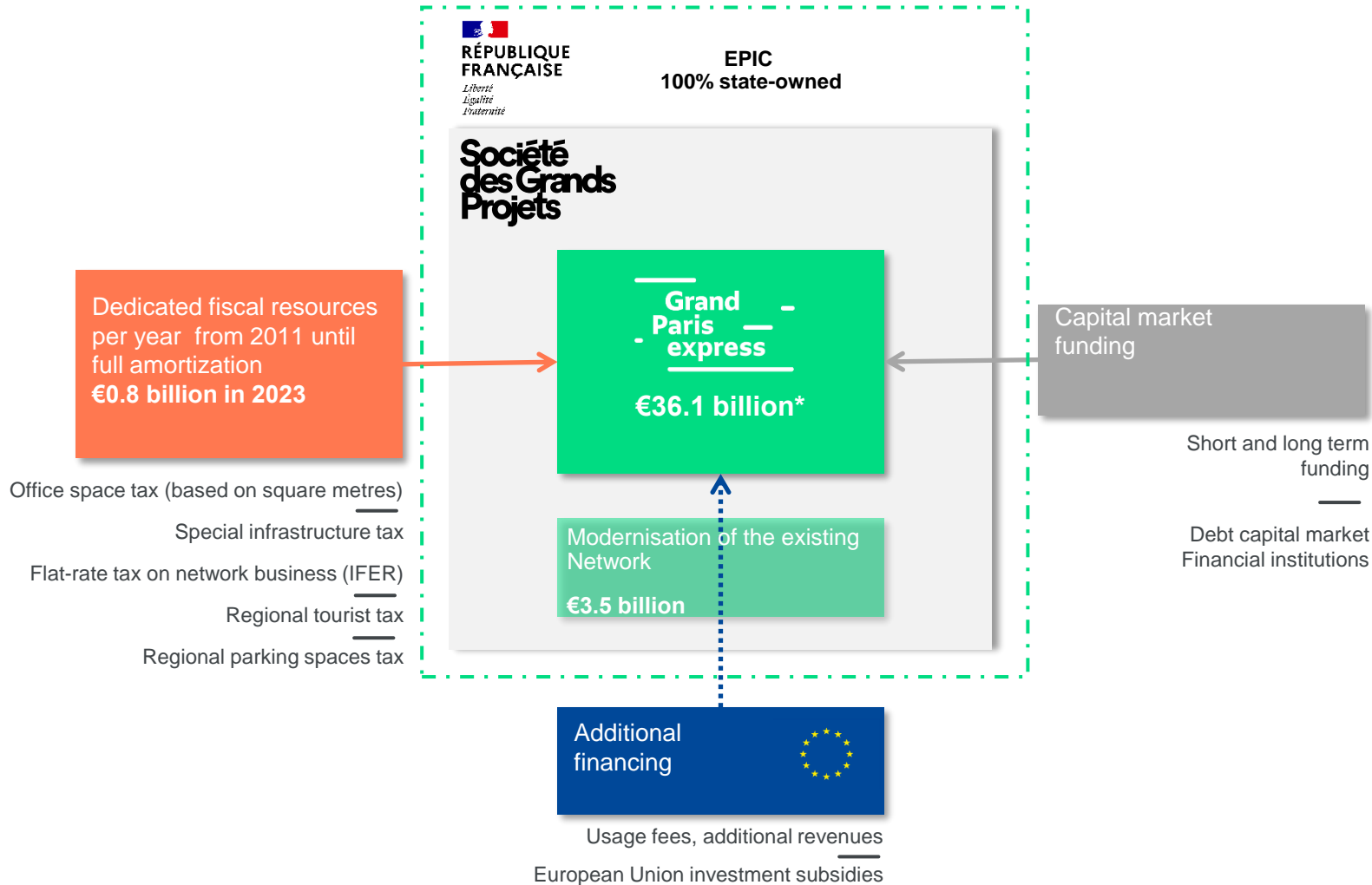
The Grand Paris Express

A Unique Funding Model for Europe's most ambitious urban project



Robust business model

A business model based on a global long-term financing backed by dedicated local fiscal resources



A secured model

A project mainly financed by debt, repaid in full over a long-time horizon in line with:

- the maturity of the infrastructure
- and at a pace directly linked to the fiscal resources allocated by the state: at least over 2 generations

3 principles by law:

- **New spendings to be offset by new revenues**
- **Dedicated fiscal revenues**, raised in Ile-de-France, can only benefit for the Grand Paris Express (SERM projects will have dedicated resources)
- An annual report on the **debt ceiling (€39 billion)** is required by the French parliamentary chambers

No exposure to revenue or maintenance risk

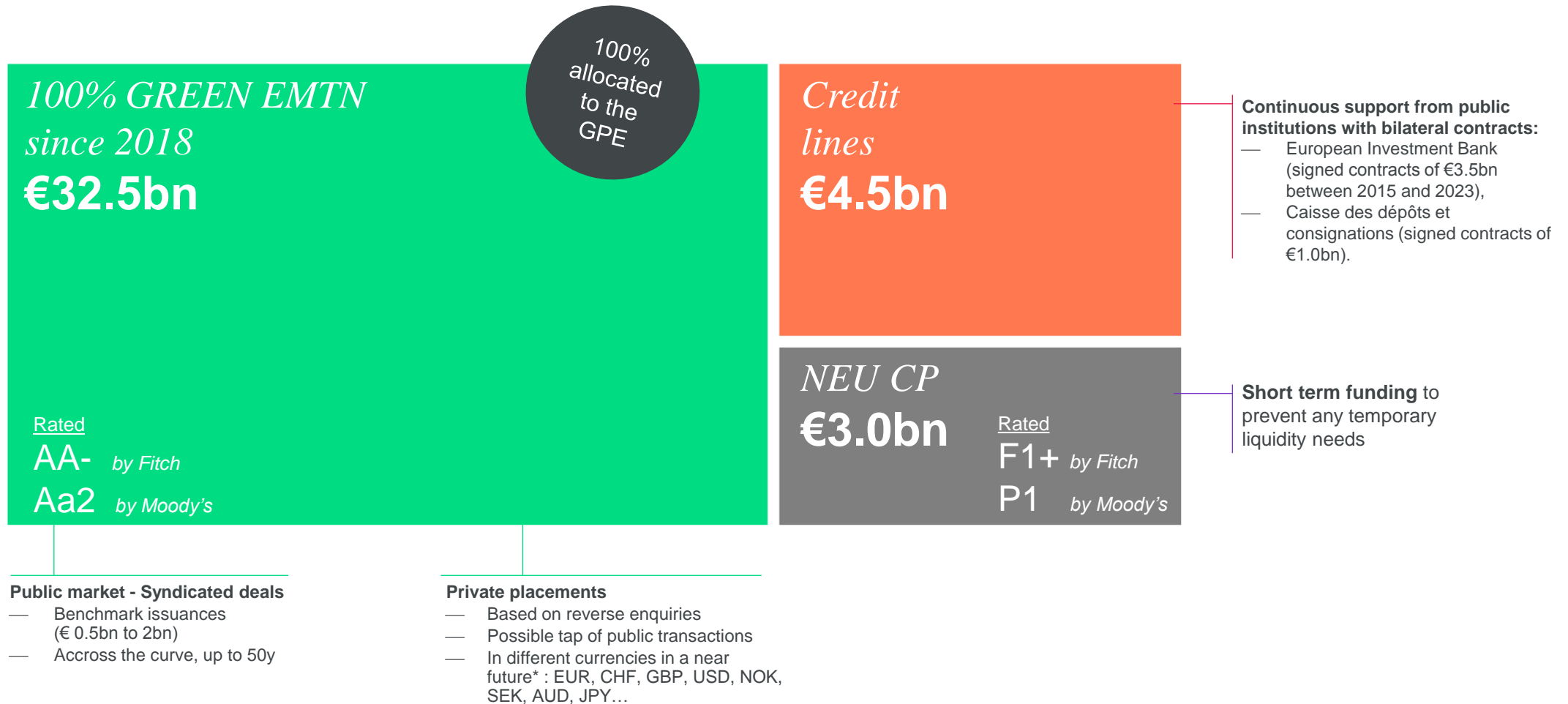
100% of the operational cash flows to be dedicated to debt repayment (after the completion of the project)

No profit target

* In Euro 2012

Access to a range of funding instruments

Diversified sources of funding to ensure the stability of the funding cost on the long run



*Under internal approval

WHAT'S NEXT ?

=> COMPLETE SUCCESSFULLY THE GRAND PARIS EXPRESS AND DELIVER A HIGH QUALITY TRAVEL EXPERIENCE TO THE USERS.

- Meet the 2024 Olympic games expectations
- Conduct the last procurement procedures and award the last contracts
- Deliver each metro line on time and on budget
- Develop real estate projects and urban integration of the new infrastructure

=> CAPITALIZE ON GPE EXPERIENCE TO DEVELOP (WITH SNCF) NEW MOBILITY PROJECTS FOR OTHER URBAN REGIONS IN FRANCE (SERM)

AND HAPPY TO SHARE EXPERIENCE AND ASSIST ON RAIL BALTICA CHALLENGING PROJECT !