

Keolis Danmark A/S

Naverland 20 2. sal, DK-2600 Glostrup

Annual Report for 1 January - 31 December 2023

CVR No 13 39 94 33

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on

14/6. 2024



Poul Nielsen

Chairman of Annual General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	11
Balance Sheet 31 December	12
Equity	14
Notes to the Financial Statements	15
Accounting Policies	25

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Keolis Danmark A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Glostrup, 14/6 2024

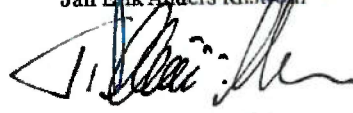
Executive Board

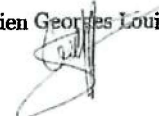

Peter Lanng Nielsen

Board of Directors


Frank Vestergaard Suhr Olesen
Chairman


Jannik Nielsen
Staff Representative


Jan Erik Anders Kristensen

Thomas Kruuse-Andersen
Staff Representative


Julien Georges Louis Wolff

Independent Auditor's Report

To the Shareholder of Keolis Danmark A/S

Opinion

We have audited the financial statements of Keolis Danmark A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements and the IESBA code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

Independent Auditor's Report

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.

Independent auditor's report

- ▶ Obtain 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 14/6. 2024

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Birgit Morville Schrøder

statsaut. revisor

Mne21337

Majken Bech Larsen

statsaut. revisor

Mne46623

Company Information

The Company

Keolis Danmark A/S
Naverland 20, 2. sal
DK-2600 Glostrup

CVR No: 13 39 94 33

Financial period: 1 January - 31 December

Financial year: 35rd financial year

Municipality of reg. office: Albertslund

Board of Directors

Frank Vestergaard Suhr Olesen, Chairman
Jan Erik Anders Kilström
Julien Georges Louis Wolff
Jannik Nielsen
Thomas Kruuse-Andersen

Executive Board

Peter Lanng Nielsen

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2023 TDKK	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK
Key figures					
Profit/loss					
Revenue	903.763	1.062.976	1.014.465	899.721	902.238
Gross profit	136.494	132.547	164.307	139.563	122.307
Profit/loss before financial income and expenses	8.743	12.134	34.937	25.081	8.285
Net profit for the year	10.367	13.852	47.503	18.949	16.816
Balance sheet					
Balance sheet total	1.558.128	1.473.129	1.780.643	1.277.832	1.398.218
Equity	306.162	295.795	281.943	234.440	215.491
Ratios					
Gross margin	15,1%	12,5%	16,2%	15,5%	13,6%
Profit margin	1,0%	1,1%	3,4%	2,8%	0,9%
Return on assets	0,6%	0,8%	2,0%	2,0%	0,6%
Solvency ratio	19,6%	20,1%	15,8%	18,3%	15,4%
Return on equity	3,5%	4,8%	18,4%	8,4%	8,1%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The Company's activity is passenger transport, primarily public bus transportation for the Danish public transport authorities based on licensing contracts. A subsidiary carries out Light Rail passenger transport.

Development in the year

The income statement of the Company for 2023 shows a profit of TDKK 10.367 (2022: TDKK 13.852), and as at 31 December 2023 the balance sheet of the Company shows equity of TDKK 306.162 (2022: TDKK 295.795).

In the beginning of 2023, we moved into our newly constructed building on Naverland 20. It is a significant improvement over the old building and the move went very well.

The year was significantly affected by the late delivery of the 34 Ebusco buses to be driving under contract NT 28.2. Very few were delivered in 2023 and none could go into service in 2023. This has meant extra costs to rent buses (20 buses) and also penalties for not commencing operations with electric buses.

We have taken delivery and acceptance of less than 1/3 of the total busses and in February only 4 were put in operation. We expect delivery of the remaining buses to last well into 2024 and first expect all new buses to be operational in autumn 2024. Consequently 2024 will also be adversely affected by this case.

We have won a contract NT 30 with 5 electric buses that will go into operation with 6 electric buses.

The year has been affected negatively by the fact that contracts in Skibby and Helsingør were stopped in 2023. We continue to participate in new bidding rounds expecting to increase our portfolio of contracts.

In the year we introduced electric busses on the prolonged contract concerning S500.

Generally

The year has been challenging with the significantly delayed delivery of Ebusco buses and the general economic development, that the indexation model in our contracts only partly compensate for.

Also the year has seen rising interest rates that have increased our financial expenses.

Considering all this, we believe the result of the year is satisfactory.

Management's Review

Expected development

The objective of Keolis is to increase its activity in the Danish market and continue to improve profitability. The Company believes it is well positioned to do so. We expect a turnover and a result in line with 2023. The expectation for 2024 is a turnover between TDKK 900.000 and TDKK 950.000 and a result before tax between TDKK 5.000 and TDKK 10.000.

Policy for data ethics

The policy is based on the values that the Group stands for and that makes Keolis a trustworthy and competent business partner for PTA's and suppliers plus authorities and employees.

The collection of data is limited to what is needed to run the business and is not shared with or sold to other parties. Furthermore, data is kept securely using the appropriate tools with access to only staff that need data to run operations. Corporate Governance regulations are also applied to data obtained, saved and used.

The employees using systems are appropriately trained in using the systems and comply with regulations concerning safeguarding information of a personal nature. Such data is only kept for a limited period. The policy is approved by Management.

Statutory Reporting on Corporate Social Responsibility

Keolis Danmark A/S is a responsible company, which abide by national laws and regulations. We work diligently within many aspects of corporate social responsibility, in which diversity, climate and environmental issues have attracted greatest attention. In our work with CSR, Keolis Danmark follow Keolis Group's policies on CSR. Keolis Danmark A/S statutory reporting on corporate responsibility, cf. § 99a in the Danish Financial Statements Act, can be found in Group Keolis – Statement of Non-Financial Performance 2023. It is available at: <https://www.datocms-assets.com/46688/1718010204-group-keolis-sas-financial-report-2023.pdf>. It can be found on pages 40 to 79.

Share of the underrepresented gender on the Board of Directors and at other management levels cf. § 99b

The Board of Directors of Keolis Danmark A/S continually evaluates the representation of women and men on the Board of Directors and at other management levels of the Company in accordance with § 139c of the Danish Companies Act and the following constitutes the Company's statutory gender reporting according to § 99b of the Danish Financial Statements Act.

Management's Review

The first level of management includes members of the Executive Board and the persons who organizationally are at the same level as the Executive Board. The other level of management includes persons with managerial responsibility, who refer directly to the first level of management. All in all, we only have three people in these two levels of other management.

Gender representation	2023
Board of Directors	
Total number of members	3
Underrepresented gender	33,33%
Target figure	N/A
Year for achievement of target figure	N/A
Other management levels	
Total number of members	3
Underrepresented gender	33,33%
Target figure	N/A
Year for achievement of target figure	N/A

Gender representation on the Board of Directors and target

Keolis Danmark A/S had a target of having a representation by the underrepresented gender of 33,3% among the three members of the Board of Directors elected by the general meeting. This had been achieved in the previous Board in 2018. This was achieved due to emphasizing diversity and considering qualified female candidates in the selection process. Thus as at 31 December 2023 we had a an equal representation in accordance with applicable law.

In February 2024 the Board was changed so that the Board of three now have no members of the underrepresented gender. We made efforts to identify candidates for the Board, seeking qualified individuals, including those from the underrepresented gender. Despite these efforts, no candidates from the underrepresented gender were identified for consideration for Board positions.

Gender representation at the other management levels and target

At the end of 2023, the gender representation at the other management levels of Keolis Danmark A/S comprised 3 people of which 33,33% were women and 66,67% men. This is considered in accordance with applicable law and thus no gender diversity target has been set for other management levels.

Equal opportunities at other management levels of Keolis Danmark A/S

Company Management has prepared an equal opportunities policy comprising all other management levels of the Company. The policy is part of Keolis Danmark A/S's staff and diversity policy and includes

Management's Review

requirement for inviting female candidates to job interviews in connection with filling vacant executive positions as well as active encouragement of female employees to stand as candidates for the Board of Directors and other cooperation fora. There will be focus on this policy going forward and it is expected that further results will appear within the coming years.

When possible, the Company makes sure that both genders are represented in the final stages of the recruitment process.

Subsequent events

There have been no subsequent events that could have impact on the company's results and financial standing.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Revenue	1	903.763	1.062.976
Other operating income	2	6.548	8.511
Bushoursdepending costs		-253.697	-340.755
Driver wages etc.	3	-472.702	-545.688
Other external expenses		<u>-47.418</u>	<u>-52.497</u>
Gross profit		136.494	132.547
Staff expenses	3	-40.576	-38.552
Depreciation, amortization and impairment of intangible assets and property plant and equipment	4	<u>-87.175</u>	<u>-81.861</u>
Profit before financial income and expenses		8.743	12.134
Income from investments in subsidiaries	5	29.114	19.078
Financial income	6	19.755	6.020
Financial expenses	7	<u>-46.599</u>	<u>-24.608</u>
Profit before tax		11.013	12.624
Tax on profit for the year	8	<u>-646</u>	<u>1.228</u>
Net profit for the year		<u>10.367</u>	<u>13.852</u>

Distribution of profit

	<u>2023</u> TDKK	<u>2022</u> TDKK
Proposed distribution of profit		
Retained earnings	-3.727	3.712
Transfer to Net Revaluation reserve	<u>14.094</u>	<u>10.140</u>
	<u>10.367</u>	<u>13.852</u>

Balance Sheet 31 December

Assets

	Note	2023 TDKK	2022 TDKK
Software licenses		<u>1.568</u>	<u>1.786</u>
Intangible assets	9	<u>1.568</u>	<u>1.786</u>
Other fixtures and fittings, tools and equipment		7.921	9.317
Buses		492.708	464.331
Leasehold improvements		<u>857</u>	<u>1.168</u>
Property, plant and equipment	10	<u>501.486</u>	<u>474.816</u>
Investments in subsidiaries	5	173.681	131.887
Other investments	11	7.815	6.861
Deposits	11	<u>750</u>	<u>856</u>
Financial assets		<u>182.246</u>	<u>139.604</u>
Fixed assets		<u>685.300</u>	<u>616.206</u>
Inventories		<u>7.034</u>	<u>7.810</u>
Inventories		<u>7.034</u>	<u>7.810</u>
Trade receivables		59.262	72.140
Receivables from group enterprises		472.020	347.137
Other receivables		237	921
Deferred tax asset	12	3.003	3.582
Prepayments	13	<u>296.016</u>	<u>341.893</u>
Receivables		<u>830.538</u>	<u>765.673</u>
Cash at bank and in hand		<u>35.256</u>	<u>83.440</u>
Currents assets		<u>872.828</u>	<u>856.923</u>
Assets		<u>1.558.128</u>	<u>1.473.129</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2023 TDKK	2022 TDKK
Share capital	14	1.800	1.800
Net revaluation reserve		47.424	33.330
Retained earnings		<u>256.938</u>	<u>260.665</u>
Equity		<u>306.162</u>	<u>295.795</u>
Other provisions	15	<u>1.800</u>	<u>5.147</u>
Provisions		<u>1.800</u>	<u>5.147</u>
Bank loans	16	270.441	255.332
Lease obligations to group enterprises	16	325.008	302.987
Loan payable to group enterprises	16	60.000	80.210
Other payables, holiday pay fund	16	<u>34.705</u>	<u>34.260</u>
Long-term debt		<u>690.154</u>	<u>672.789</u>
Trade payables		41.637	39.590
Bank loans, short term part	16	40.032	35.539
Payables to group enterprises	16	336.446	297.875
Lease obligations to group enterprises	16	27.523	24.741
Corporation tax		5.754	8.693
Other payables	16	<u>108.620</u>	<u>92.960</u>
Short-term debt		<u>560.012</u>	<u>499.398</u>
Debt		<u>1.250.166</u>	<u>1.172.187</u>
Liabilities and equity		<u>1.558.128</u>	<u>1.473.129</u>
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Group information	19		
Fee to auditors appointed at the general meeting	20		
Subsequent events	21		

Statement of changes in Equity

	<u>Share capital</u> TDKK	<u>Net revaluation reserve</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	1.800	33.330	260.665	295.795
Carried forward	<u>0</u>	<u>14.094</u>	<u>-3.727</u>	<u>10.367</u>
Equity at 31 December	<u>1.800</u>	<u>47.424</u>	<u>256.938</u>	<u>306.162</u>

Notes to the Financial Statements

	<u>2023</u> TDKK	<u>2022</u> TDKK
1 Revenue		
Domestic revenue related to passenger transportation	<u>903.763</u>	<u>1.062.976</u>
	<u>903.763</u>	<u>1.062.976</u>
2 Other operating income		
Revenue from advertisement on buses	3.871	4.895
Other sale with VAT	2.600	3.509
Other sale of cars	<u>77</u>	<u>107</u>
Total other operating income	<u>6.548</u>	<u>8.511</u>
3 Staff expenses		
Wages and salaries	437.227	502.169
Pensions	39.820	40.320
Other social security expenses	10.467	12.022
Other staff expenses	<u>25.764</u>	<u>29.729</u>
	<u>513.278</u>	<u>584.240</u>
Average number of employees	<u>1.019</u>	<u>1.218</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Financial Statements

	<u>2023</u> TDKK	<u>2022</u> TDKK
4 Depreciation, amortization and impairment of intangible assets and property, plant and equipment		
Amortization of intangible assets	606	667
Depreciation of property, plant and equipment	87.498	81.293
Gain and loss on disposal	<u>-929</u>	<u>-99</u>
	<u>87.175</u>	<u>81.861</u>
Which is specified as follows:		
Software licenses	606	667
Other fixtures and fittings, tools and equipment	2.079	1.855
Other fixtures and fittings, tools and equipment – correction	48	0
Buses	78.458	79.126
Buses - correction	5.411	0
Buses – correction sold buses	1.190	0
Leasehold improvements	312	312
Loss/(profit) on sale of property, plant and equipment	<u>-929</u>	<u>-99</u>
	<u>87.175</u>	<u>81.861</u>
5 Investments in subsidiaries		
Cost at 1 January	97.527	59.527
Adjustment prior years	0	38.010
Additions for the year	28.780	40
Disposals for the year	<u>-50</u>	<u>-50</u>
Cost at 31 December	<u>126.257</u>	<u>97.527</u>
Value adjustments at 1 January	33.530	61.400
Adjustment prior years	0	-38.010
Dividend paid	-15.000	-10.000
Other adjustments	-220	1.062
Net profit/loss for the year	<u>29.114</u>	<u>19.078</u>
Value adjustments at 31 December	<u>47.424</u>	<u>33.530</u>
Equity investments with negative net asset value amortized over receivables	<u>0</u>	<u>830</u>
Carrying amount at 31 December	<u>173.681</u>	<u>131.887</u>

Notes to the Financial Statements

5 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:		Share capital TDKK	Owner- ship
Keolis Letbaner A/S	Albertslund	500	100%
Keolis Ejendomme ApS	Albertslund	570	100%
Keolis Projekter ApS	Albertslund	52	100%
Keolis Leasing 2020 ApS *)	Albertslund	45	100%
Keolis Leasing 2021 ApS	Albertslund	190	100%
Keolis Leasing 2022 ApS	Albertslund	50	100%
Keolis Leasing 2023 ApS	Albertslund	160	100%
Keolis Leasing 2024 ApS	Albertslund	40	100%
Keolis Service Danmark ApS	Albertslund	150	100%

*) This company has been merged with Keolis Danmark A/S 22 May 2024 by vertical merger.

6 Financial income

	<u>2023</u> TDKK	<u>2022</u> TDKK
Interest received from group enterprises	17.313	5.916
Other financial income	<u>2.442</u>	<u>104</u>
	<u>19.755</u>	<u>6.020</u>

7 Financial expenses

Interest paid to group enterprises	31.143	15.479
Other financial expenses	<u>15.456</u>	<u>9.129</u>
	<u>46.599</u>	<u>24.608</u>

8 Tax on profit for the year

Current tax for the year	-2.093	-1.643
Deferred tax for the year	-626	-146
Adjustment tax prior years	0	-535
Deferred tax mergers 2 February reversed	<u>2.073</u>	<u>3.552</u>
	<u>-646</u>	<u>1.228</u>

Notes to the Financial Statements

9 Intangible assets

	Software licenses TDKK	Driving contracts TDKK	Total TDKK
Cost at 1 January	6.417	10.233	16.650
Additions for the year	<u>388</u>	<u>0</u>	<u>388</u>
Cost at 31 December	<u>6.805</u>	<u>10.233</u>	<u>17.038</u>
Amortization at 1 January	4.631	10.233	14.864
Amortization for the year	<u>606</u>	<u>0</u>	<u>606</u>
Amortization at 31 December	<u>5.237</u>	<u>10.233</u>	<u>15.470</u>
Carrying amount at 31 December	<u>1.568</u>	<u>0</u>	<u>1.568</u>
Depreciated over	<u>5 years</u>	<u>4-14 years</u>	

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Buses TDKK	Leasehold improvements TDKK	Total TDKK
Cost at 1 January	23.066	923.985	4.449	951.500
Additions for the year	731	112.483	0	113.214
Disposals for the year	<u>-295</u>	<u>-112.403</u>	<u>0</u>	<u>-112.698</u>
Cost at 31 December	<u>23.502</u>	<u>924.065</u>	<u>4.449</u>	<u>952.016</u>
Depreciation at 1 January	13.749	459.654	3.281	476.684
Write down busses prior years	0	-2.373	0	-2.373
Depreciation for the year	2.127	83.869	311	86.307
Reversal depreciation of sold assets	<u>-295</u>	<u>-109.793</u>	<u>0</u>	<u>-110.088</u>
Depreciation at 31 December	<u>15.581</u>	<u>431.357</u>	<u>3.592</u>	<u>450.530</u>
Carrying amount at 31 December	<u>7.921</u>	<u>492.708</u>	<u>857</u>	<u>501.486</u>
Depreciated over	<u>5-12 years</u>	<u>4-14 years</u>	<u>5 years</u>	
Including assets under finance leases amounting to	<u>0</u>	<u>390.274</u>	<u>0</u>	

Notes to the Financial Statements

11 Other financial assets

	Other investments TDKK	Deposits TDKK
Cost at 1 January	249	856
Additions for the year	0	178
Disposals for the year	<u>0</u>	<u>-284</u>
Cost at 31 December	<u>249</u>	<u>750</u>
Revaluations at 1 January	6.612	0
Revaluations for the year included in bushourdepending costs	<u>954</u>	<u>0</u>
Revaluations at 31 December	<u>7.566</u>	<u>0</u>
Carrying amount at 31 December	<u>7.815</u>	<u>750</u>

Other investment is share in Cooperative company OK a.m.b.a. This cooperative company supply fuel and electricity to Keolis Danmark A/S and provide certificates as bonus.

12 Deferred tax asset

	2023 TDKK	2022 TDKK
Deferred tax		
Deferred tax 1 January	3.582	2.943
Adjustment prior years	47	785
Adjustment of deferred tax for the year	<u>-626</u>	<u>-146</u>
Deferred tax 31 December	<u>3.003</u>	<u>3.582</u>
The deferred tax relates to		
Intangible assets	-345	-393
Property plant and equipment	-79.280	-76.921
Financial assets	-1.521	-1.311
Provisions	396	1.132
Deferred tax loss	802	0
Internal leasing	82.951	75.756
Value of carried forward losses	<u>0</u>	<u>5.319</u>
Deferred tax 31 December	<u>3.003</u>	<u>3.582</u>

The recognition of deferred tax asset is based on expected utilization through future taxable profits based on a 6-year forecast period. The Company has an un-recognized deferred tax asset of DKK 8,1 million (2022: DKK 3,5 million).

Notes to the Financial Statements

	<u>2023</u> TDKK	<u>2022</u> TDKK
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13 Prepayments

Prepayments consists of prepaid expenses including rent, insurance and prepaid service fee.

As per below:

Ordinary prepayments under 1 year	4.202	8.638
Prepayments of service fee for under 1 year	54.222	62.749
Prepayments of service fee for over 1 year	<u>237.592</u>	<u>270.506</u>
Total prepayments	<u>296.016</u>	<u>341.893</u>

Primarily concerns prepayments of service fee for vehicles. The contracts are entered with a related party and are on market terms.

14 Equity

The share capital consists of 1,800,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	<u>2023</u> TDKK	<u>2022</u> TDKK	<u>2021</u> TDKK	<u>2020</u> TDKK	<u>2019</u> TDKK
Share capital at 1 January	<u>1.800</u>	<u>1.800</u>	<u>1.800</u>	<u>1.800</u>	<u>1.800</u>
Share capital at 31 December	<u>1.800</u>	<u>1.800</u>	<u>1.800</u>	<u>1.800</u>	<u>1.800</u>

	<u>2023</u> TDKK	<u>2022</u> TDKK
15 Other provisions		
Onerous contracts	0	2.847
Other provisions	<u>1.800</u>	<u>2.300</u>
	<u>1.800</u>	<u>5.147</u>

Onerous contract provision concerns rental contract entered on above market terms. The rental contract expired 31 December 2023 and has not been prolonged. There are not further obligations.

Notes to the Financial Statements

16 Long-term debt

Payments due within 1 year are recognized in short-term debt. Other debt is recognized in long-term debt. The debt falls due for payment as specified below:

	<u>2023</u> TDKK	<u>2022</u> TDKK
Bank loans to external parties		
Bank loans after 5 years	96.019	91.539
Bank loans between 1 and 5 years	<u>174.422</u>	<u>163.793</u>
Long-term part of bank loans	<u>270.441</u>	<u>255.332</u>
Short-term part of bank loans	<u>40.032</u>	<u>35.539</u>
Total bank loans	<u>310.473</u>	<u>290.871</u>
Bank loans from parent company		
Bank loan between 1-5 years	<u>60.000</u>	<u>80.210</u>
Long-term bank loan from parent company	<u>60.000</u>	<u>80.210</u>
Payables to group enterprises		
Within 1 year to parent company	979	0
Within 1 year to subsidiaries and related parties	<u>335.467</u>	<u>297.875</u>
Short-term part	<u>336.446</u>	<u>297.875</u>
Lease obligations to group enterprises, etc.		
Lease obligations after 5 years	200.313	190.281
Lease obligations between 1 and 5 years	<u>124.695</u>	<u>112.706</u>
Long-term part	<u>325.008</u>	<u>302.987</u>
Lease obligations within 1 year	<u>27.523</u>	<u>24.741</u>
Short-term part	<u>27.523</u>	<u>24.741</u>
	<u>352.531</u>	<u>327.728</u>
Other payables		
Over 5 years	28.038	27.642
Between 1 and 5 years	<u>6.667</u>	<u>6.618</u>
Long-term Part	<u>34.705</u>	<u>34.620</u>
Within 1 year	<u>108.620</u>	<u>92.960</u>
Short-term part	<u>108.620</u>	<u>92.960</u>

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

Rental agreements and leases	<u>2023</u> TDKK	<u>2022</u> TDKK
Lease obligations, period of non-terminability over 3 months	48.112	49.562

Security

Nordania Finans A/S has a mortgage for loans provided with TDKK 334.833. The mortgaged busses have a book value of TDKK 390.274.

Contingent liabilities

The Company is liable for bank guarantees totaling DKK 42,3 million provided to local Public Transport Authorities.

The Company is jointly and severally liable for VAT and Payroll TAX related to the joint registration with certain subsidiaries.

All performance guarantees are insured by third party.

The Company is jointly taxed with wholly owned Danish subsidiaries and Danish entities ultimately owned by SNCF, France. The Danish group companies are jointly and severally liable for tax related to the joint taxation income. The Company is the administrative entity for the jointly taxed companies.

Notes to the Financial Statements

18 Related parties

Controlling interest

SNCF

Keolis SA, France

Ultimate parent

Controlling shareholder

Transactions with related parties

	2023 TDKK	2022 TDKK
Sale of vehicles to subsidiaries	69.768	25.523
Sale of services to subsidiaries	3.354	495
Purchase of service and rent premises from subsidiaries	-107.409	-129.711
Sale of service and rent premises to subsidiaries	6.658	7.764
Sale of service to parent company	1.529	1.064
Sale of services to sister company	314	0
Purchase of service from parent company	-557	-550
Purchase management service and similar services from parent company	-9.660	-9.233
Interest income from subsidiaries	17.313	5.484
Interest income from parent company	1.344	432
Interest expense subsidiaries	-29.542	-15.479
Interest expense parent company	-2.845	-100
Receivables from subsidiaries	406.530	343.934
Receivable from parent company	61.829	1.209
Receivables from related parties	3.661	1.993
Prepaid service fee to group companies	298.760	333.255
Payable to parent company	-1.771	-1.374
Loan from parent company	-60.000	-80.210
Payables to subsidiaries	-334.676	-296.501
Payable leasing debt to subsidiaries	-352.531	-327.821

Where applicable VAT is included in above figures, as the Company cannot recover VAT due to Public Transportation activity.

19 Group information

The Company's direct parent is Keolis S.A., France, who prepares Consolidated Financial Statements, into which the Company is incorporated as a subsidiary. The Company's ultimate parent is SNCF, France. Consolidated Financial Statements for Keolis S.A. and SNCF may be obtained at the following addresses:

Keolis S.A.

34 Avenue Léonard De Vinci

92400 in Courbevoire

France

SNCF

1-7 place aux Etoiles

93212 LA PLAINE ST DENIS CEDEX

France

Notes to the Financial Statements

20 Fee to auditors appointed at the general meeting

	<u>2023</u> TDKK	<u>2022</u> TDKK
Statutory audit and audit of Reporting Package	812	752
Other assurance services	0	0
Other advisory service (tax and VAT)	<u>0</u>	<u>0</u>
	<u>812</u>	<u>752</u>

VAT is included in above figures, as the Company cannot recover VAT due to Public Transportation activity.

21 Subsequent events

There are no subsequent events with impact on result or equity.

Accounting Policies

Basis of Preparation

The Annual Report of Keolis Danmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Financial Statements for 2023 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Keolis SA, France, the Company has not prepared consolidated financial statements.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount

Accounting Policies

rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognized in equity.

Income Statement

Revenue

The company has chosen IAS 11/18 as interpretation for revenue recognition.

Revenue comprise passenger transport, which is recognised in the income statement when delivery and transfer of risk have been made before year-end. The sale is considered effected based on the following criteria:

- driving has been made before year-end;
- a binding agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Accounting Policies

Segment information

Segment information is presented in respect of revenue distributed on business segment based on the Company's risks and returns and its internal financial reporting system. The Company has only one geographical market as the Company only operates in Denmark.

Bus hours depending costs

Bus hours depending costs comprise costs for operating lease of busses, fuel, insurance and maintenance of busses, etc.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Driver wages and staff expenses

The item comprises wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

The item comprises amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and un-realised exchange adjustments as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish subsidiaries and Danish companies owned ultimately by

Accounting Policies

SNCF, France. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets

Driving contracts are measured at cost less accumulated depreciations and less any accumulated impairment losses. Depreciation based on cost is calculated on a straight-line basis contract by contract over the remaining contract period, which are 4-12 years.

Software licenses are measured at cost less accumulated depreciations and less any accumulated impairment losses. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Individual components of property, plant and equipment that have different useful lives and where the individual component accounts for a significant part of total costs are accounted for as separate items, which are depreciated separately.

For electric buses the cost is divided into battery pack and bus chassis. Battery pack is valued at market price.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buses	4-14 years
Batteries in buses	7 years
Other fixtures and fittings, tools and equipment	5-12 years
Leasehold improvements	5 years

Residual value are reassessed annually.

Assets costing less than DKK 32,000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there

Accounting Policies

is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

For electric busses the cost is divided into battery pack and bus chassis. Battery pack is valued at market price.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised as an impairment of receivables from subsidiaries, if any, or in provisions.

Other financial assets

Other financial assets, which consist of other investments in unlisted shares etc, are measured at their fair values at the balance sheet date, and deposits measured at amortised cost, which substantially corresponds to nominal value.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Accounting Policies

Prepayments

Prepayments comprise prepaid expenses concerning operating leases, insurance premiums, subscriptions and interest.

Prepayments also include prepayments of service fee to group enterprises.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Accounting Policies

Cash Flow Statement

In accordance with section 86 in the Danish Financial Statements Act, the Company has not presented a cash flow statement as the cash flow statement is included in the cash flow statement of the Parent Company Keolis S.A.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$