
Alstom Transport Danmark A/S
Annual Report for 2023/24

Amerika Plads 19
2100 København Ø
CVR-nr.: 17 18 42 10

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company
on 24 June 2024

Henrik Ott-Ebbesen
(chairman of the meeting)

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Alstom Transport Danmark A/S for the financial year 1 April 2023 - 31 March 2024.

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 March 2024 of the Company and of the results of the Company operations for 2023/24.

In our opinion, the Management's review gives a true and fair account of the development of the Company's activities and financial conditions, the year's results of operations, cash flows and financial position as well as a description of the major risks and uncertainties faced by the Company.

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

Copenhagen, 24 June 2024

Executive Board

Jörg Nikutta

Board of Directors

Robert Francis Whyte
(chairman)

Henrik Ott-Ebbesen

Annika Linnea Svanström

Independent Auditor's Report

To the Shareholder of Alstom Transport Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2024, and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Alstom Transport Danmark A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 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.

Copenhagen, 24 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33771231

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Jacob Dannefer
State Authorised Public Accountant
mne47886

Company Information

The Company

Alstom Transport Danmark A/S
Amerika Plads 19
2100 København Ø

Website: www.alstom.com

CVR No: 17 18 42 10
Financial period: 1 April - 31 March

Municipality of reg. office: Københavns kommune

Board of Directors

Robert Francis Whyte, chairman
Henrik Ott-Ebbesen
Annika Linnea Svanström

Executive Board

Jörg Nikutta

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated accounts

The Company is included in the consolidated accounts of
Alstom SA, France

Financial Highlights

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

	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>
	kDKK	kDKK	kDKK	kDKK	kDKK
Key figures					
Profit/loss					
Revenue	900.005	328.864	207.992	288.945	204.630
Gross profit/loss	171.199	98.544	25.070	72.662	30.595
Operating profit/loss	-7.390	-52.453	-114.885	-35.389	-57.332
Net financials	-28.954	-8.582	-1.943	-1.535	-712
Net profit/loss for the year	-28.744	-57.862	-111.831	-36.924	-58.045
Balance sheet					
Balance sheet total	791.231	648.416	500.407	485.088	286.339
Equity	-304.147	-275.403	-217.541	-105.710	-68.786
Investment in property, plant and equipment	2.052	1.310	1.567	10.549	0
Number of employees	202	177	152	130	102
Ratios					
Gross profit margin	19,0%	30,0%	12,1%	25,1%	15,0%
Net profit margin	-3,2%	-17,6%	-53,8%	-12,8%	-28,4%
Return on assets	-0,9%	-8,1%	-23,0%	-7,3%	-20,0%
Solvency ratio	-38,4%	-42,5%	-43,5%	-21,8%	-24,0%
Return on equity	N/A	N/A	N/A	N/A	N/A

Accounting policies for project inventory have been changed from 2020/21. Impact on 2019/20 has been implemented.

Review

Main activity

Alstom Transport offers product from rolling stock to infrastructure, including signalling, maintenance and integrated transport systems. Alstom Transport Danmark A/S is delivering the new signal solution for Fjernbane East Denmark and the general traffic management system for Denmark.

Mid-2021 Alstom signed with DSB the largest train contract in Denmark's history. First part of the order amounts to 1,4 billion EUR. Included in the contract is maintenance of the trains for 15 years. These activities are planned to be operated in a subsidiary fully-owned by Alstom Transport Danmark A/S. Trains are being designed and constructed by other Alstom entities.

Risks at recognition and measurement

Contract work in progress on large orders are recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). Even with a reliable measurement of total revenues and expenses in respect of the contract and of the stage of completion at the balance sheet date, is there due to projects' duration over a number of years a consistent risk of significant adjustments in the following years. More information is available in note 21 "Contingent assets, liabilities and other financial obligations".

Development in the year

The Company's revenue for the financial year 2023/24 was DKK 900 million, which was as expected. Revenue has increased by DKK 571 million from 2022/23 where the revenue amounted to DKK 329 million.

The income statement of the Company for 2023/24 shows a loss of DKK 29 million against a loss of DKK 58 million in 2022/23.

Equity in the Company's balance sheet at 31 March 2024 amount to negative DKK 304 million against negative DKK 275 million at 31 March 2023.

The past year and follow-up on development expectations from last year

The forecast for 2023/24 showed increased revenue compared to 2022/23. The Company's revenue for 2023/24 was DKK 900 million representing an increase of 174% compared to 2022/23.

Activity level has also in this fiscal year increased significantly with high activity level on both signaling projects. We have faced an increase in activity and as a result improved the gross margin for the fiscal year from DKK 99 million in 2022/23 to DKK 171 million in 2023/24.

The Company's loss before tax for 2023/24 was DKK 36 million and as expected for the financial year.

Operating review

The Company's result for the financial year 2023/24 was a loss of DKK 29 million. The improvement in the result is mainly attributable to the increased gross profit.

The Company's result for the year is improved compared to last years outlook, but is considered unsatisfactory.

The equity of the Company is negative and therefore constitutes less than half of the registered share capital. The Company is financially supported by the Alstom group see more in note 2.

Review

Outlook

The Company has announced a merger with Alstom Transport Danmark Hvidovre A/S and expects a profit between mDKK 2 and mDKK 10 before tax in 2024/25 due to expected positive effects from the merger primarily in financial costs.

The Company expects continued high activity level in the next fiscal year.

Knowledge resources

The Company's knowledge resources are continuously developed and improved just as the Company focuses on retaining its knowledge resources.

Risk Factors

Operating risks

The Company's short- and long-term outlook is subject to risk and uncertainty that might result in the actual performance differing from expectations. The major factors are the inherent risk in the ongoing projects, relationships to customers, changes to the market conditions in Denmark and the ability to attract and retain qualified and dedicated employees.

Foreign exchange risks

The Company and the group are to some degree exposed towards foreign exchange risks, which are addressed through hedging if deemed necessary.

Environmental footprint

The Company is part of Alstom's global approach to sustainability, including environmental footprint such as consuming less energy, reducing carbon footprint, limiting airborne emissions, saving water and recovering waste.

Events after the balance sheet date

The Company has received a capital increase of kDKK 43.202 on May 24 2024. Furthermore the Company has decided a merger with Alstom Transport Danmark Hvidovre A/S.

No other events materially events affecting the Company's financial position have occurred subsequent to the financial year-end.

Review

Statutory CSR report, cf. §99a in the Danish Financial Statements Act

At Alstom Transport Danmark A/S, we work hard to develop and improve several areas within CSR. Alstom Transport Danmark A/S is, as a part of Alstom group, a well-established global company that offers high-tech products and solutions to customers within infrastructure in the transportation sector.

Sustainability is a natural part of the Alstom group's DNA, and it is, among other things, our ambition to have 100% sales for sustainable development.

Alstoms vision, goals, policies and efforts in the CSR area are reported in Alstom Group's Sustainability report for 2023/24.

Link to Alstom Group's Sustainability report for 2023/24:

https://www.alstom.com/sites/alstom.com/files/2024/05/15/20240515_Alstom_Universal_Registration_Document_EN.pdf

Statutory CSR report is prepared in accordance with the Danish Financial Statements Act section 99a.

Account of the gender composition of Management, cf. §99b in the Danish Financial Statements Act

It is a goal for the Company to ensure equal rights and opportunities regardless of gender, race, and religion.

The Company's Board of Directors consists of 3 members, two men and one woman, the goal of equal gender diversity of board members was achieved in 2021.

The election of board members is primarily based on the competencies and background to be able to develop the Company commercially in respective markets, which is why gender figures are secondary.

The Company's Other management consists of 11 members, seven men and four women, the goal of equal gender diversity of Other management level was achieved in 2022.

It is the Company's goal that by 2028 the Company's other management level consists of 45% female managers (today 36%). This is ensured by equal access to education, and by adapting job postings, to ensure that they attract both male and female applicants equally.

2023/24

Gender diversity in Board of directors:

Number of members	3
Gender diversity (%-women)	33%

Gender diversity in Other management:

Number of members	11
Gender diversity (%-women)	36%
Target for the under-represented gender	45%
Goal for target to be achieved	2028

Account of the gender composition of management is prepared in accordance with the Danish Financial Statements Act section 99b.

Review

Statement of data ethics policy, cf. §99d in the Danish Financial Statements Act

At Alstom Transport Danmark A/S, we respect the privacy of all individual stakeholders with whom it interacts. Alstom's Code of Ethics and the Alstom Data Privacy Charter provide the fundamental rules of the Company in this regard as well as protection to all employees, business partners and other third parties whose personal data Alstom processes. In addition, Alstom has implemented a data privacy compliance programme centred around the three fundamental principles of its approach: Transparency, Proportionality and Necessity.

The Alstom Group website provides an overview of the data privacy compliance programme, copies of the corporate policies including the Data Privacy Charter and various data privacy notices covering the categories of individuals whose personal data is processed.

Alstom is fully transparent on all types of personal data collected, why it collects the data and the type of processing it undertakes on it.

The Company collects only personal data that requires for its business purposes, primarily legal obligations and legitimate interests, and does not allow any additional further processing of the data. Alstom has a data privacy organisation lead by the Corporate Data Protection Officer and it does provide a dedicated email address, which is available to all Alstom employees and any third party who have queries about the nature of personal data collected, the type of processing it undertakes and the exercise of their rights under applicable legislation. Employees who breach data privacy rules and internal policies are subject to disciplinary measures in the framework of Alstom's disciplinary policies and the Alstom Disciplinary Committee.

Link to Alstom Group's Sustainability report for 2023/24:

https://www.alstom.com/sites/alstom.com/files/2024/05/15/20240515_Alstom_Universal_Registration_Document_EN.pdf

Account of the data ethics policy is prepared in accordance with the Danish Financial Statements Act section 99d.

Income Statement 1 April - 31 March

	<u>Note</u>	<u>2023/24</u> kDKK	<u>2022/23</u> kDKK
Revenue	3	900.005	328.864
Cost of sales	4	-728.806	-230.320
Gross profit		171.199	98.544
Staff expenses	5	-175.096	-147.418
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	6	-3.493	-3.579
Profit/loss before financial income and expenses		-7.390	-52.453
Financial income	7	5.939	1.371
Financial expenses	8	-34.893	-9.953
Profit/loss before tax		-36.344	-61.035
Tax on profit/loss for the year	9	7.600	3.173
Net profit/loss for the year		-28.744	-57.862

Balance Sheet 31 March

Assets

	<u>Note</u>	<u>2023/24</u> kDKK	<u>2022/23</u> kDKK
Buildings		658	3.521
Vehicles		1.343	947
Property, plant and equipment	10	<u>2.001</u>	<u>4.468</u>
Investments in subsidiaries	11	7.436	7.436
Fixed asset investments		<u>7.436</u>	<u>7.436</u>
Other receivables	12	1.283	1.288
Other receivables		<u>1.283</u>	<u>1.288</u>
Fixed assets		<u>10.720</u>	<u>13.192</u>
Inventories	13	<u>58.682</u>	<u>58.529</u>
Contract work in progress	14	<u>488.401</u>	<u>485.322</u>
Trade receivables		1.002	10.977
Receivables from group enterprises		219.712	73.628
Joint taxation receivable	15	7.600	3.173
Other receivables		3.832	2.569
Prepaid expenses		1.282	1.026
Receivables		<u>233.428</u>	<u>91.373</u>
Currents assets		<u>780.511</u>	<u>635.224</u>
Total Assets		<u>791.231</u>	<u>648.416</u>

Balance Sheet 31 March

Liabilities and Equity

	Note	2023/24 kDKK	2022/23 kDKK
Share capital	16	9.000	9.000
Retained earnings		-313.147	-284.403
Equity		-304.147	-275.403
Accruals for contract loss	17	2.976	3.393
Total non-current liabilities	18	2.976	3.393
Current lease obligations		1.615	3.522
Credit institutions		3.173	0
Prepayments received from customers	14	30.508	170.127
Trade payables		17.393	119.336
Payables to group enterprises		959.167	519.220
Accruals for contract loss	17	9.524	12.773
Other payables		71.022	95.448
Total current liabilities		1.092.402	920.426
Debt		1.092.402	920.426
Total Liabilities and Equity		791.231	648.416
Accounting Policies	1		
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Contingent assets, liabilities and other financial obligations	21		
Related parties and ownership	22		
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Statement of Changes in Equity

	Share capital kDKK	Retained earnings kDKK	Total kDKK
Equity at 1 April 2022	9.000	-226.541	-217.541
Retained earnings for the year	0	-57.862	-57.862
Equity at 31 March 2023	9.000	-284.403	-275.403
Retained earnings for the year	0	-28.744	-28.744
Equity at 31 March 2024	9.000	-313.147	-304.147

Notes to the Annual Report

1 Accounting Policies

Basis of Preparation

The Annual Report of Alstom Transport Danmark A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large-sized enterprises of reporting class C.

IFRS 15 is used for recognition of revenue on construction contracts and long-term service agreements and IFRS 16 for capitalization of property, plant and equipment acquired through lease arrangements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Annual Report for 2023/24 is presented in Danish kroner thousand (kDKK).

Group Annual report

The Company has not prepared a Group Annual Report as the Company is included in the Group Annual Report of Alstom SA in France re. §112, 1 of the Danish Financial Statements Act.

Recognition and measurement

Revenues are recognised in the income statement as earned. 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.

Translation policies

Transactions in foreign currencies are translated into DKK 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 reporting 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.

Notes to the Annual Report

1 *Accounting Policies (continued)*

Income Statement

Revenue

Revenue on construction contracts and long-term service agreements is recognised according to the recognition and measurement principles in IFRS 15 Revenue from Contracts with Customers. Accordingly, revenue is recognised when control is transferred to the customer.

As the Company transfers control over time for construction contracts and long-term service agreements, the recognition of revenue is based on the percentage of completion method, where the stage of completion is assessed based on the cost to cost method, as this reflect the Company's satisfaction of its performance obligations.

Revenue will be recognized for each performance obligation based on the percentage of costs incurred to date divided by the total costs expected at completion. The revenue for the period is the excess of revenue measured according to the percentage of completion over the revenue recognised in prior periods.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the Company.

Cost of sales

Cost of sales comprise the cost incurred to achieve revenue for the year including costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Annual Report

1 *Accounting Policies (continued)*

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. Alstom Transport Danmark A/S is the administrative unit for the joint taxation. 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.

The Company is jointly taxed with other Danish group companies. The tax effect of the joint taxation is allocated to the enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is computed using the straight-line method over the estimated useful lives of each component. The depreciation expense is recorded in the profit and loss account based on the function of the underlying assets.

Property, plant and equipment acquired through lease arrangements are capitalised according to IFRS 16. They are recognised at their fair value at the inception of the lease, or, if lower, at the present value of the minimum lease payments, while a corresponding lease liability is recognized in financial debt.

In the income statement, the right-of-use asset is amortised in cost of sales or in administration costs and a financial expense corresponding to the interest on the lease liability is recorded in financial expenses.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or the term of the relevant lease, when shorter.

Inventories

Raw materials and supplies, work in progress and finished products are stated at the lower of cost, using the weighted average cost method, or net realisable value.

Inventory cost includes direct material and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their existing location and condition.

Work in progress refers to costs incurred on product contracts or short term service contracts whose execution will be finalised during a next period. It refers also to costs incurred on "Contract contracts in progress" not yet allocated to projects at end of the closing period but transferred to project costs in subsequent periods when the asset becomes sufficiently customized and cannot be readily directed for another use.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Notes to the Annual Report

1 *Accounting Policies (continued)*

Receivables

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

Provisions for bad debts are based on an individual assessment.

Contract work in progress

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Company performs by transferring goods or services to a customer before the consideration is received from the customer or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

When the amount due becomes unconditional and only depends on the passage of time it is recognised as a receivable.

If the customer pays consideration in advance (e.g. a milestone payment) before the Company has transferred goods and services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

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.

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work.

Notes to the Annual Report

1 *Accounting Policies (continued)*

Lease obligations

Any contract containing a lease leads to the recognition on the company's balance sheet of a lease liability measured at the present value of the remaining lease payments and a right-of-use asset measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment recognized in the balance sheet. The company has elected to apply the two exemptions proposed by the standard for leases with a term of less than 12 months and/or leases of low-value assets.

Since the interest rate implicit in the leases cannot be readily determined, discount rates are based on company's marginal borrowing rate. The company opted for the calculation method using discount rate per currency and by duration.

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 setoff 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.

Cash flow statement

The Company has not prepared a Cash Flow Statement for the annual report as the Company is included in the Cash Flow Statement in the Group Annual Report of Alstom SA, re. § 86, 4 of the Danish Financial Statements Act.

Financial Highlights

Explanation of financial ratios

Gross profit margin:	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Net profit margin:	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Revenue}}$
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:	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Notes to the Annual Report

2 Going concern

The result for the financial year 2023/24 has been affected by a reduction of the expected gross margin at completion on contracts. This results in a continuing negative equity at 31 march 2024 and therefore constitutes less than half of the registered share capital.

In 2024/25 Management expects continued high activity level on the signaling projects and preparation for the maintenance contract for trains to be delivered to DSB will result in increased activities. Gross profit is expected to increase in 2024/25, but still with an expected loss before tax due to low profitability on the ongoing projects and combined with tender costs. Roll-out on both signaling projects will progress and the projects will in the coming years generate increasing sales and cash-in, but unbilled sales are not expected to be reduced in the near future.

The share capital and equity will be re-established through future positive results over the coming years and/or capital injection from the Parent Company.

Based on budgets approved by the Alstom group and historical support, the Company have the strong expectation to receive the necessary financial support to be a going concern.

3 Segment information

	<u>2023/24</u>	<u>2022/23</u>
	kDKK	kDKK
Breakdown of gross profit by geographical segment:		
Denmark	718.931	301.555
Other countries	<u>181.074</u>	<u>27.309</u>
	<u>900.005</u>	<u>328.864</u>

For competitive reasons, the company does not wish to disclose the distribution per segment, as management considers that this could potentially lead to the company's market shares in the individual segments being inferred.

4 Fees to auditors appointed at Annual General Meeting

Audit fee	<u>540</u>	<u>620</u>
	<u>540</u>	<u>620</u>

5 Staff expenses

Wages and salaries	159.943	135.728
Pensions	13.140	10.012
Other social security expenses	<u>2.013</u>	<u>1.678</u>
	<u>175.096</u>	<u>147.418</u>
Average number of employees	<u>202</u>	<u>177</u>
Remuneration to Board of Directors and Executive Board	<u>2.850</u>	<u>1.880</u>

According to the Danish Financial Statement's Act section 98B(1), remuneration to Board of Directors and Executive Board has been disclosed combined as Executive board consist of only one person.

6 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation of property, plant and equipment	<u>3.493</u>	<u>3.579</u>
	<u>3.493</u>	<u>3.579</u>

Notes to the Annual Report

7 Financial income

	<u>2023/24</u>	<u>2022/23</u>
	kDKK	kDKK
Interest income, group entries	967	0
Exchange adjustments	4.972	835
Other financial income	0	536
	<u>5.939</u>	<u>1.371</u>

8 Financial expenses

Interest expenses, group entries	29.401	9.307
Exchange adjustments	5.337	637
Other financial expenses	155	9
	<u>34.893</u>	<u>9.953</u>

9 Tax on profit/loss for the year

Current tax for the year (income)	<u>7.600</u>	<u>3.173</u>
	<u>7.600</u>	<u>3.173</u>

10 Property, plant and equipment

	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
	kDKK	kDKK	kDKK
Cost at 1 April 2023	4.350	1.125	5.475
Additions	0	1.026	1.026
Disposals	0	0	0
Cost at 31 March 2024	<u>4.350</u>	<u>2.151</u>	<u>6.501</u>
Depreciation and amortization at 1 April 2023	-829	-178	-1.007
Depreciation for the year	<u>-2.863</u>	<u>-630</u>	<u>-3.493</u>
Depreciation and amortization at 31 March 2024	<u>-3.692</u>	<u>-808</u>	<u>-4.500</u>
Carrying amount at 31 March 2024	<u>658</u>	<u>1.343</u>	<u>2.001</u>

All property, plant and equipment balances origin from right-of-use related to leased assets.

11 Investments in subsidiaries

	<u>2023/24</u>	<u>2022/23</u>
	kDKK	kDKK
Opening Cost	<u>7.436</u>	<u>7.436</u>
Carrying amount at 31 March 2024	<u>7.436</u>	<u>7.436</u>

Investments in subsidiaries are specified as follows:

Name and place of registered office:	<u>Share capital</u>	<u>Ownership</u>	<u>Equity</u>	<u>Net profit</u>
	kDKK		kDKK	kDKK
Alstom Transport Danmark NT Maintenance ApS, Copenhagen (Denmark)	7.435	100%	7.470	211

Notes to the Annual Report

12 Other receivables

	<u>2023/24</u>	<u>2022/23</u>
	kDKK	kDKK
Opening Cost	1.288	1.288
Additions	420	90
Disposals	<u>-425</u>	<u>-90</u>
	<u>1.283</u>	<u>1.288</u>

13 Inventories

Raw materials and consumables	58.517	58.364
Work in progress	<u>165</u>	<u>165</u>
	<u>58.682</u>	<u>58.529</u>

14 Contract work in progress and prepayments received from customers

	<u>2023/24</u>	<u>2022/23</u>
	kDKK	kDKK
Contract work in progress	1.589.893	1.447.195
Payments received on account	<u>-1.101.492</u>	<u>-961.873</u>
	488.401	485.322
Prepayments	<u>-30.508</u>	<u>-170.127</u>
	<u>457.893</u>	<u>315.195</u>
Recognized as follows:		
Contract work in progress	488.401	485.322
Prepayments received from customers	30.508	170.127

15 Joint taxation receivable

Current tax for the year	<u>7.600</u>	<u>3.173</u>
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16 Share capital

Analysis of the share capital:

1 A-share of kDKK 9,000 nominal value	<u>9.000</u>	<u>9.000</u>
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The company's share capital has remained kDKK 9,000 over the past five years.

Notes to the Annual Report

17 Accruals for contract loss

	<u>2023/24</u>	<u>2022/23</u>
	kDKK	kDKK
Non-current accruals for contract loss	2.976	3.393
Current accruals for contract loss	<u>9.524</u>	<u>12.773</u>
	12.500	16.166
Within 1 year	9.524	12.773
1-5 years	2.976	3.393
More than 5 years	0	0

The P&L effect of accrual for contract loss current year is kDKK 0 (2022/23: kDKK 0)

18 Non current liabilities other than provisions

Other payables debt at year end	2.976	3.393
Repayment next year	0	0
Long term portion	2.976	3.393
Outstanding debt after 5 years	0	0

19 Distribution of profit

Proposed distribution of profit

Retained earnings	<u>-28.744</u>	<u>-57.862</u>
	-28.744	-57.862

20 Provision for deferred tax

Tax loss carry-forward	-89.314	-96.902
Transferred to deferred tax asset	<u>89.314</u>	<u>96.902</u>
	<u>0</u>	<u>0</u>

Deferred tax has been provided at 22% corresponding to the future tax rate.

Deferred tax asset

Calculated tax asset	89.314	96.902
Write down to assessed value	<u>-89.314</u>	<u>-96.902</u>
Carrying amount	<u>0</u>	<u>0</u>

The company has a deferred tax asset of kDKK 89.314, which is not activated.

Notes to the Annual Report

21 Contingent assets, liabilities and other financial obligations

The company is jointly and severally liable for tax on current and previous group companies' income. Alstom Transport Danmark A/S is the administrative unit for the joint taxation.

The company has issued prepayment and performance bonds to customers for 6.319 mDKK as of 31 March 2024.

22 Related parties and ownership

The Company is included in the Group Annual Report of Alstom SA, 48, rue Albert Dhahenne, 93400 Saint-Ouen, France.

The Company has not prepared a Group Annual Report as the Company is included in the Group Annual Report of Alstom SA, re. §112, 1 of the Danish Financial Statements Act.

The Company has not prepared a Cash Flow Statement for the annual report as the Company is included in the Cash Flow Statement in the Group Annual Report of Alstom SA, re. §86, 4 of the Danish Financial Statements Act.

Related party transactions are not disclosed, re. §98c, 7 of the Danish Financial Statements Act.

Transactions with related parties have been carried out on normal market terms and on an arm's length basis.

23 Subsequent events

The company has received a capital increase of kDKK 43.202 on May 24 2024. Furthermore the company has decided a merger with Alstom Transport Danmark Hvidovre A/S.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.