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# ***Keolis Service Danmark ApS***

Naverland 4 1.sal, DK-2600 Glostrup

## **Annual Report for 1 January - 31 December 2020**

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CVR No 34 45 80 73

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

25/6, 2021



Inge Harting Bodskov  
Chairman

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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Keolis Service Danmark ApS for the financial year 1 January - 31 December 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 25/6. 2021

**Executive Board**



Peter Lannig Nielsen

# **Independent Auditor's Report**

**To the shareholders of Keolis Service Danmark ApS**

## **Opinion**

We have audited the financial statements of Keolis Service Danmark ApS for the financial year 1 January –31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January–31 December 2020 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.

## **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 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 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.

## **Independent auditor's report**

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.
- ▶ 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.

# Independent Auditor's Report

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.

## 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25/6. 2021

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 Service Danmark ApS  
Naverland 4 1. sal  
DK-2600 Glostrup

CVR No: 34 45 80 73

Financial period: 1 January - 31 December

Financial year: 9th financial year

Municipality of reg. office: Albertslund

### **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:

	<u>2020</u> TDKK	<u>2019</u> TDKK	<u>2018</u> TDKK	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	121.620.475	20.133.203	0	0	0
Gross profit	-1.575.158	956.997	0	0	0
Profit/loss before financial income and expenses	-3.620.038	673.125	0	0	0
Net profit for the year	5.009.647	2.230.019	34.886	34.718	17.831
<b>Balance sheet</b>					
Balance sheet total	776.437.298	906.642.331	2.022.206	1.987.273	1.947.778
Equity	32.608.649	27.599.002	2.012.353	1.977.467	1.942.749
<b>Ratios</b>					
Gross margin	-1,3%	4,8%	N/A	N/A	N/A
Profit margin	-3,0%	3,3%	N/A	N/A	N/A
Return on assets	-0,5%	0,1%	N/A	N/A	N/A
Solvency ratio	4,2%	3,0%	99,5%	99,5%	99,7%
Return on equity	16,6%	15,1%	1,7%	1,8%	0,9%

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 main activity is providing maintenance and various repairs of vehicles owned by other companies in the Group under long term maintenance contracts. Also, work is carried out for Keolis Danmark A/S with installing various equipment when new buses are acquired.

In addition, repair and maintenance is also done for external customers.

## **Development in the year and economic situation**

This is the first year of full operation. The income statement of the Company for 2020 shows a profit of DKK 5.009.647 and at 31 December 2020 the balance sheet of the Company shows equity of DKK 32.608.649.

The year was still under impact from the ongoing Covid 19 pandemic. We have diligently followed all the guidelines from authorities and have through it all been able to carry on operations normally. Financially we have not been impacted adversely by the health crisis.

As a first year of operation the result is deemed satisfactory.

## **Expected development**

In the coming year Keolis Danmark A/S will acquire many new buses and many new service contracts will be made. It is expected that this – together with work with equipping the buses – will improve the results for the coming year.

## **Research and development**

The Company has no special research and development activities.

## **Statutory Reporting on Corporate Social Responsibility**

Keolis Service 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 Service Danmark follow Keolis Group's policies on CSR, why the following statement on Corporate Social Responsibility hence elaborates on the general approach of the Group, whose context we operate in.

### ***Environment and Climate***

**Material risks:** Keolis has identified energy consumption, handling of waste, and water consumption as the most material environmental and climate-related risks.

**Policy:** In line with the issues identified through the environmental analyses, the Keolis Group environmental policy commits all subsidiaries to meeting the compliance obligations resulting from regulatory requirements and other contractual or voluntary commitments to its stakeholders, to protecting the environment by managing the environmental impacts of its activities, and to preventing

## Management's Review

pollution.

**Actions and results 2020:** Keolis continuously works to optimize its energy efficiency and reduce energy consumption through the transition to low-carbon energies and increasing the share of alternative energy vehicles. The workshop uses many chemicals in the daily operations and uses various heavy equipment, hence, in 2020 there has been focus on reducing the number of various substances used. We have also obtained certifications and undergo an audit every year to ensure that we fulfill requirements. Similarly, Keolis is on a continuous basis working to manage and reduce water consumption and increasing the rate of waste recovery through various initiatives, which has led to lower water consumption and higher waste recovery rates.

### *Social and employee-related matters*

**Material risks:** The material social and employee-related risks include risks of injuries and unsafe working conditions, as well as failing to maintain the ability to attract and retain talent.

**Policy:** Keolis considers its employees its primary added value. Through the Group Safety policy, Keolis ensures the safety and health of its employees. The policy also covers the safety of passengers and third parties, which is a constant concern of all teams worldwide. Safety is the cornerstone of KeoLife's continuous improvement. The HR policy also fully contributes to protecting the safety and physical and mental health of employees.

**Actions and results 2020:** Improving the health and safety of employees is a permanent concern of all Keolis teams around the world. In 2020, the Covid-19 pandemic made it necessary to strengthen prevention actions in order to protect the health of all employees. All security players were mobilised to establish and implement prevention and protection measures for employees, which among other things worked to ensure the health and safety of the employees in Keolis Service Denmark. In regard to skill and talent development, Keolis provides substantial training resources to support its employees in dealing with the changes underway in the mobility sector. In 2020, 61% of employees in the Group received training, despite challenges associated with the pandemic.

### *Human Rights*

**Material risks:** Key human rights risks are related to activities in the supply chain.

**Policy:** Keolis respects and promotes the international norms and declarations for human rights. In order to ensure that human rights and fundamental freedoms are upheld and promoted in its actions and value chain, Keolis has set out the following key areas: Accessibility, Diversity and Inclusion, Employee Dialogue and Labour Relations, Elimination of Forced or Compulsory Labour and Effective Abolition of Child Labour.

**Actions and results 2020:** In the work with addressing human rights risks in the supply chain, in 2020, the Group launched a review of this CSR purchasing risk matrix so that all Group purchases could be considered internationally. The risk assessment method incorporates environmental, social, ethical and responsible purchasing criteria, as well as purchasing criteria that enable the integration of

## Management's Review

operational and volume risks by purchasing category.

### ***Anticorruption***

**Material risks:** Keolis' entities operate in potentially risky competitive environments, and the Group is subject to a certain number of requirements, as a subsidiary of the SNCF Group and because it has public authorities as customers. Hence, incidents of corruption and bribery can potentially pose a risk to Keolis.

**Policy:** Keolis has for many years asserted its commitment in fair business practice and its rejection of all forms of corruption and influence peddling. It operates a "zero-tolerance" approach, which is not only an objective but an obligation for each of the Group's employees.

**Actions and results 2020:** In 2020, Keolis updated the code of conduct for the prevention of corruption and influence peddling. This new version has been enhanced with new elements, such as accounting and internal controls, the representation of interests, evaluation, and the management of relations with all third parties. Awareness-raising and training activities continued in 2020, with the implementation of training courses dedicated to relations with third parties. An awareness-raising campaign targeting managers through the online training module on free and fair competition was also launched during the last quarter of 2020.

### ***Covid-19***

The roadmap for 2020 had to change very quickly, as it was directly impacted by the management of the Covid-19 crisis. Keolis Services Danmark has put great focus on protecting our employees during this time by prescribing guidelines and providing protective equipment. This has, among other things, ensured the health of employees during the pandemic.

### **Share of the underrepresented gender**

#### ***Target figures for the Board of Directors***

Keolis Service Danmark ApS only has one person in the Executive Board and thus have no Board of Directors.

#### ***Equal opportunities at other management levels of Keolis Letbaner A/S***

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

## **Management's Review**

expected that further results will appear within the coming years.

On other management levels there are 8 men no women.

### **Subsequent events**

On 1 April 2021 the head quarter of Keolis in Denmark and the administrative center for Keolis burned down to the ground. The company had a workshop in the building and all was destroyed in the fire. The workshop was rented from Keolis Danmark A/S. The buses previously on Naverland 20 was moved to another depot (Stamholmen) and are now serviced and maintained from there.

The equipment of a value of DKK 5.288.412 and leasehold improvements of DKK 154.833 have all been destroyed in the fire. The newly installed charging station with a value of DKK 5.240.827 survived the fire and is fully operational. The equipment that was destroyed in the fire was fully insured and we do not expect losses. The final result will first be established once the claim has been finalized with the insurers and the final compensation will be known.

The company is administered by the administrative center that was in the building that burned. As all IT operations (server etc.) are outsourced and thanks to a digital archive, then most data were intact, and the administrative functions could work almost normally.

Following this we do not expect any financial impact on the company's results and financial standing.

## Income Statement 1 January - 31 December

	Note	<u>2020</u> DKK	<u>2019</u> DKK
<b>Revenue</b>	1	<b>121.620.475</b>	<b>20.333.103</b>
Operating expenses		-80.892.091	-11.711.649
Staff expenses	2	<u>-42.303.542</u>	<u>-7.664.457</u>
<b>Profit before amortization</b>		<b>-1.575.158</b>	<b>956.997</b>
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	3	<u>-2.044.880</u>	<u>-283.872</u>
<b>Profit before financial income and expenses</b>		<b>-3.620.038</b>	<b>673.125</b>
Financial income	4	10.074.508	2.189.519
Financial expenses	5	<u>-31.846</u>	<u>-3.646</u>
<b>Profit before tax</b>		<b>6.422.624</b>	<b>2.858.998</b>
Tax on profit for the year	6	<u>-1.412.977</u>	<u>-628.980</u>
<b>Net profit for the year</b>		<b><u>5.009.647</u></b>	<b><u>2.230.018</u></b>

## Distribution of profit

	<u>2020</u> DKK	<u>2019</u> DKK
<b>Proposed distribution of profit</b>		
Retained earnings	<u>5.009.647</u>	<u>2.230.018</u>
	<b><u>5.009.647</u></b>	<b><u>2.230.018</u></b>

## Balance Sheet 31 December

### Assets

	Note	2020 DKK	2019 DKK
Software licenses		<u>2.574.810</u>	<u>517.694</u>
<b>Intangible assets</b>	<b>7</b>	<b><u>2.574.810</u></b>	<b><u>517.694</u></b>
Other fixtures and fittings, tools and equipment		5.288.412	6.397.895
Other equipment – charging stations		5.240.827	0
Leasehold improvements		<u>154.833</u>	<u>294.252</u>
<b>Property, plant and equipment</b>	<b>8</b>	<b><u>10.684.072</u></b>	<b><u>6.692.147</u></b>
Other investments		<u>3.980</u>	<u>0</u>
<b>Financial assets</b>		<b><u>3.980</u></b>	<b><u>0</u></b>
<b>Fixed assets</b>		<b><u>13.262.862</u></b>	<b><u>7.209.841</u></b>
Inventories		<u>17.838.871</u>	<u>15.929.093</u>
<b>Inventories</b>		<b><u>17.838.871</u></b>	<b><u>15.929.093</u></b>
Trade receivables		881.252	118.780
Receivables from group enterprises	9	728.001.515	870.886.370
Other receivables		8.586.463	1.914.551
Corporate tax receivable		0	1.091.860
Prepayments		555.383	181.667
Deferred tax asset	10	<u>6.901.986</u>	<u>8.179.517</u>
<b>Receivables</b>		<b><u>744.926.599</u></b>	<b><u>882.372.744</u></b>
<b>Cash at bank and in hand</b>		<b><u>408.966</u></b>	<b><u>1.130.653</u></b>
<b>Currents assets</b>		<b><u>763.174.436</u></b>	<b><u>899.432.490</u></b>
<b>Assets</b>		<b><u>776.437.298</u></b>	<b><u>906.642.331</u></b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital	11	150.000	150.000
Retained earnings		<u>32.458.649</u>	<u>27.449.002</u>
<b>Equity</b>		<b><u>32.608.649</u></b>	<b><u>27.599.002</u></b>
Prepaid service fee		600.517.649	709.267.913
Other payables, holiday pay fund		<u>3.271.946</u>	<u>690.321</u>
<b>Long-term debt</b>	12	<b><u>603.789.595</u></b>	<b><u>709.958.234</u></b>
Trade payables		11.607.628	6.913.941
Payables to group enterprises		3.341.626	1.351.409
Prepaid service fees	12	118.415.491	120.777.040
Corporation tax		135.447	0
Other payables		<u>6.538.862</u>	<u>40.042.705</u>
<b>Short-term debt</b>		<b><u>140.039.054</u></b>	<b><u>169.085.095</u></b>
<b>Debt</b>		<b><u>743.828.649</u></b>	<b><u>879.043.329</u></b>
<b>Liabilities and equity</b>		<b><u>776.437.298</u></b>	<b><u>906.642.331</u></b>
Contingent assets, liabilities and other financial obligations	13		
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## Statement of changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	150.000	27.449.002	27.599.002
Net profit for the year	<u>0</u>	<u>5.009.647</u>	<u>5.009.647</u>
<b>Equity at 31 December</b>	<b><u>150.000</u></b>	<b><u>32.458.649</u></b>	<b><u>32.608.649</u></b>



## Notes to the Financial Statements

<b>1 Revenue</b>	<u>2020</u> DKK	<u>2019</u> DKK
Sale to external parties	1.479.069	89.752
Sale to related parties	1.205.101	98.151
Consultant fees to related party	600.000	100.000
Service fee recorded on contracts	<u>118.336.305</u>	<u>20.045.200</u>
	<b><u>121.620.475</u></b>	<b><u>20.333.103</u></b>

<b>2 Staff expenses</b>		
Wages and salaries	39.118.074	6.837.447
Pensions	3.133.927	506.698
Other social security expenses and payroll tax	-2.102	301.086
Other staff expenses	<u>53.643</u>	<u>19.226</u>
	<b><u>42.303.542</u></b>	<b><u>7.664.457</u></b>
<b>Average number of employees</b>	<b><u>88</u></b>	<b><u>86</u></b>

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

<b>3 Depreciation, amortization and impairment of intangible assets and property, plant and equipment</b>		
Amortization of other fixtures and fittings	1.753.889	259.612
Amortization of leasehold improvements	139.418	24.260
Amortization of software	<u>151.573</u>	<u>0</u>
	<b><u>2.044.880</u></b>	<b><u>283.872</u></b>

## Notes to the Financial Statements

	<u>2020</u> DKK	<u>2019</u> DKK	
<b>4 Financial income</b>			
Interest received from Group companies	10.074.496	2.189.519	
Other financial income	<u>12</u>	<u>0</u>	
	<b><u>10.074.508</u></b>	<b><u>2.189.519</u></b>	
<b>5 Financial expenses</b>			
Bank interest	7.702	3.553	
Rate of exchange loss	163	42	
Interest holiday pay fund	22.600	0	
Other financial costs	<u>1.381</u>	<u>51</u>	
	<b><u>31.846</u></b>	<b><u>3.646</u></b>	
<b>6 Tax on profit for the year</b>			
Current tax for the year	-135.446	-8.808.497	
Deferred tax adjustment	<u>-1.277.531</u>	<u>8.197.517</u>	
	<b><u>-1.412.977</u></b>	<b><u>-628.980</u></b>	
<b>7 Intangible assets</b>			
	<u>Goodwill</u> DKK	<u>Software licenses</u> DKK	<u>Total</u> DKK
Cost at 1 January	45.001.678	517.694	45.519.372
Additions for the year	<u>0</u>	<u>2.208.689</u>	<u>2.208.689</u>
Cost at 31 December	<u>45.001.678</u>	<u>2.726.383</u>	<u>47.728.061</u>
Amortization at 1 January	45.001.678	0	45.001.678
Amortization for the year	<u>0</u>	<u>151.573</u>	<u>151.573</u>
Amortization at 31 December	<u>45.001.678</u>	<u>151.573</u>	<u>45.153.251</u>
<b>Carrying amount at 31 December</b>	<b><u>0</u></b>	<b><u>2.574.810</u></b>	<b><u>2.574.810</u></b>
Depreciated over		<u>5 years</u>	

## Notes to the Financial Statements

### 8 Property, plant and equipment

	<u>Other fixtures, fittings, tools_ and equipment</u>	<u>Charging stations</u>	<u>Leasehold improvements</u>
	DKK	DKK	DKK
Cost at 1 January	6.657.507	0	318.512
Additions for the year	<u>644.405</u>	<u>5.240.827</u>	<u>0</u>
Cost at 31 December	<u>7.301.912</u>	<u>5.240.827</u>	<u>318.512</u>
Amortization at 1 January	259.611	0	24.261
Amortization for the year	<u>1.753.889</u>	<u>0</u>	<u>139.418</u>
Amortization at 31 December	<u>2.013.500</u>	<u>0</u>	<u>163.679</u>
<b>Carrying amount at 31 December</b>	<b><u>5.288.412</u></b>	<b><u>5.240.827</u></b>	<b><u>154.833</u></b>
Depreciated over	<u>5-12 years</u>	<u>14 years</u>	<u>5 years</u>

### 9 Receivable from group enterprises

These are covered by loan contracts with group enterprises having prepaid service contracts. Loan contracts are short term and can be called when needed. The loans are interest bearing and we estimate that about MDKK 600 will first be drawn after one year.

### 10 Deferred tax

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Deferred tax 1 January	8.179.517	0
Adjustment of deferred tax for the year	<u>-1.277.531</u>	<u>8.179.517</u>
<b>Deferred tax 31 December</b>	<b><u>6.901.986</u></b>	<b><u>8.179.517</u></b>
<b>Deferred tax relates to</b>		
Software	33.346	0
Property, plant and equipment	-233.455	-309.048
Leasehold improvements	30.403	2.534
Goodwill	<u>7.071.692</u>	<u>8.486.031</u>
<b>Deferred tax 31 December</b>	<b><u>6.901.986</u></b>	<b><u>8.179.517</u></b>

# Notes to the Financial Statements

## 11 Equity

The share capital consists of 150.000 shares of nominal value of DKK 1. No shares carry special rights.

The share capital has developed as follows:

	<u>2020</u> DKK	<u>2019</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK	<u>2016</u> DKK
Share capital at 1 January	150.000	125.000	125.000	125.000	125.000
Capital increase	<u>0</u>	<u>25.000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Share capital at 31</b>					
<b>December</b>	<b><u>150.000</u></b>	<b><u>150.000</u></b>	<b><u>125.000</u></b>	<b><u>125.000</u></b>	<b><u>125.000</u></b>

## 12 Prepaid service fee

Prepayments covering 1 year are recognised in short-term debt. Other prepayments are recognised in long-term debt.

The prepayments can be specified as follows

	<u>2020</u> TDKK	<u>2019</u> TDKK
<b>Prepayments of service fee</b>		
Covering 1 year	<u>118.415.491</u>	<u>120.777.040</u>
Short-term part	<b><u>118.415.491</u></b>	<b><u>120.777.040</u></b>
<b>Prepayments of service fee.</b>		
Prepayments covering after 5 years	228.993.523	295.503.512
Prepayments covering between 1 and 5 years	<u>371.524.126</u>	<u>413.764.401</u>
Long-term part	<b><u>600.517.649</u></b>	<b><u>709.267.913</u></b>
<b>Long term debt</b>		
Prepayments	600.517.649	709.267.913
Holiday pay fund (of which DKK 88.686 between 1 and 5 years)	<u>3.271.946</u>	<u>690.321</u>
Long-term part	<b><u>603.789.595</u></b>	<b><u>709.958.234</u></b>

# Notes to the Financial Statements

## 13 Contingent assets, liabilities and other financial obligations

### Security

None

### Contingent liabilities

The Company is jointly and severally liable for Payroll TAX related to the joint registration with the Parent Company. The Danish group companies are jointly and severally liable for tax related to the joint taxation income.

## 14 Related parties

### Controlling interest

SNCF	Ultimate parent
Keolis Danmark A/S	Controlling shareholder

### Transactions with related parties

	<u>2020</u> TDKK	<u>2019</u> TDKK
Sale of services to related parties	1.107.041	268.086
Sale of service fees to related parties	118.336.505	20.045.200
Purchase of service, rent and other services from parent company	-12.773.259	-1.347.182
Interest income from related parties	10.074.496	2.189.518
Receivables from related parties	728.001.515	870.886.370
Payables to related parties	-722.274.766	-831.396.362

## 15 Group information

The Group's direct parent is Keolis Danmark A/S. The ultimate parent is Keolis S.A. who prepares Consolidated Financial Statements, into which the Company is incorporated as a subsidiary.

Consolidated Financial Statements for Keolis S.A. may be obtained at the following address:

Keolis S.A.  
20 rue Le Peletier  
75320 PARIS CEDEX 09  
France

## Notes to the Financial Statements

### 16 Subsequent events

On 1 April 2021 the head quarter of Keolis in Denmark and the administrative center for Keolis burned down to the ground. The company had a workshop in the building and all was destroyed in the fire. The workshop was rented from Keolis Danmark A/S. The buses previously on Naverland 20 was moved to another depot (Stamholmen) and are now serviced and maintained from there.

The equipment of a value of DKK 5.288.412 and leasehold improvements of DKK 154.833 have all been destroyed in the fire. The newly installed charging station with a value of DKK 5.240.827 survived the fire and is fully operational. The equipment that were destroyed in the fire was fully insured and we do not expect losses. The final result will first be established once the claim has been finalized with the insurers and the final compensation will be known.

The company is administered by the administrative center that was in the building that burned. As all IT operations (server etc.) are outsourced and thanks to a digital archive, then most data were intact, and the administrative functions could work almost normally.

Following this we do not expect any financial impact on the company's results and financial standing.

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of Keolis Service Danmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium enterprises of reporting class C.

Financial Statements for 2020 are presented in DKK.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements. The accounting policies used in the presentation of the financial statements are consistent with those of last year.

### **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.

## **Accounting Policies**

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

### **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**

Revenue comprise sale of repair and maintenance of vehicles and revenue on prepaid service contracts for service and maintenance of buses and other vehicles. The revenue is recognized when:

- service has been performed and an invoice issued;
- the company has right to the pre-invoiced fee;

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

### **Other external expenses**

Other external expenses comprise expenses for rent of premises and charging stations, sales and distribution as well as office expenses, etc.



## **Accounting Policies**

### **Wages and staff expenses**

The item comprise wages and salaries as well as other staff related costs.

### **Amortisation, depreciation and impairment losses**

The item comprise 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.

### **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of realised and unrealised exchange adjustments as well as extra payments and repayment under the on account 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 other Group companies. The tax effect of the joint taxation with the these companies 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**

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.

### **Charging stations**

Charging stations are capitalized and cost include entrepreneurial cost to install the charging stations as well as the cost to connect to the public grid. The charging stations are depreciated over the estimated useful life which is estimated as 14 years.

# Accounting Policies

## 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.

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:

Other fixtures and fittings, tools and equipment	3-12 years
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Residual value are reassessed annually.

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

## Impairment of fixed assets

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

# **Accounting Policies**

## **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.

## **Prepayments**

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

## **Dividend**

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

## **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.

## 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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$