

---

# ***Keolis Service Danmark ApS***

Naverland 20 2.sal, DK-2600 Glostrup

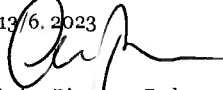
## **Annual Report for 1 January - 31 December 2022**

---

CVR No 34 45 80 73

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

13/6. 2023



Christian Bjørstorp Pedersen  
Chairman of Annual General  
Meeting

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	9
Balance Sheet 31 December	10
Equity	12
Notes to the Financial Statements	13
Accounting Policies	19

## **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 2022.

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

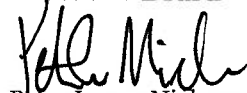
In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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, 13/6. 2023

**Executive Board**



Peter Lang 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 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January–31 December 2022 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.

# 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.

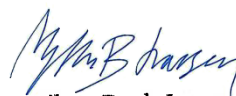
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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, 13/6. 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Birgit Morville Schrøder  
Statsaut. Revisor  
Mne21337



Majken Bech Larsen  
Stataut. Revisor  
Mne46623

## **Company Information**

### **The Company**

Keolis Service Danmark ApS  
Naverland 20, 2. sal  
DK-2600 Glostrup

CVR No: 34 45 80 73

Financial period: 1 January - 31 December

Financial year: 11th 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:

	2022 DKK	2021 DKK	2020 DKK	2019 DKK	2018 DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	124.851.229	133.560.488	120.946.437	20.157.589	0
Gross profit	2.441.525	3.751.426	-665.263	1.164.701	0
Profit/loss before financial income and expenses	-2.532.577	-239.671	-3.620.038	673.125	0
Net profit for the year	8.895.025	5.657.926	5.009.647	2.230.019	34.886
<b>Balance sheet</b>					
Balance sheet total	1.037.900.649	1.139.994.686	776.437.298	906.642.331	2.022.206
Equity	47.173.280	38.266.575	32.608.649	27.599.002	2.012.353
<b>Ratios</b>					
Gross margin	2,0%	1,5%	-0,6%	5,8%	N/A
Profit margin	-2,0%	-0,2%	-3,0%	3,3%	N/A
Return on assets	-0,2%	0,0%	-0,5%	0,1%	N/A
Solvency ratio	4,5%	3,4%	4,2%	3,0%	99,5%
Return on equity	20,8%	16,0%	16,6%	15,1%	1,7%

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**

The income statement of the Company for 2022 shows a profit of DKK 8,895.025 and at 31 December 2022 the balance sheet of the Company shows equity of DKK 47.173.280.

Sale of service to external customers have shown a decline in 2022 to DKK 2.424.169 from DKK 4.198.242. The main part of the business is however still maintaining vehicles owned by the Group. This is done on service contracts.

The Company shows a loss before financial income and expenses. We will address this in the coming year by looking at cost efficiency and increasing our sales to external customers.

The result is deemed satisfactory.

### **Expected development**

We expect improved result from more new service contracts on new busses, as the Group has won more contracts and the retirement of old buses continue. The expectation for 2023 is a turnover between TDKK 130.000 and TDKK 140.000 and a result before tax between TDKK 9.000 and TDK 12.000.

### **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.

## **Management's Review**

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.

### **Environment**

We have a goal of reducing waste and energy consumption, and generally minimize our environmental impact. We also have a goal of having a good working environment for our staff.

We work diligently with both areas and have received "Krone smiley" for our work environment and we are ISO certified for our Environmental Management (ISO 14.001) and Management System for working environment (ISO 45.001 Occupational Health and Safety).

### **Subsequent events**

There are no subsequent events that can have impact the result or financial standing of the Company.

## Income Statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
<b>Revenue</b>	1	<b>124.851.229</b>	<b>133.560.488</b>
Other operating income	2	965.352	2.836.737
Direct operating costs		-62.408.661	-72.720.498
Mechanics wages etc.	3	-43.526.470	-44.453.643
Other external expenses		<u>-17.439.925</u>	<u>-15.471.658</u>
<b>Profit before amortization</b>		<b>2.441.525</b>	<b>3.751.426</b>
Staff expenses	3	-796.698	-1.188.636
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	4	<u>-4.177.404</u>	<u>-2.802.461</u>
<b>Profit before financial income and expenses</b>		<b>-2.532.577</b>	<b>-239.671</b>
Financial income	5	13.816.925	7.660.776
Financial expenses	6	<u>-2.055</u>	<u>-149.259</u>
<b>Profit before tax</b>		<b>11.282.293</b>	<b>7.271.846</b>
Tax on profit for the year	7	<u>-2.387.268</u>	<u>-1.613.920</u>
<b>Net profit for the year</b>		<b><u>8.895.025</u></b>	<b><u>5.657.926</u></b>

## Distribution of profit

	2022 DKK	2021 DKK
<b>Proposed distribution of profit</b>		
Retained earnings	<u>8.895.025</u>	<u>5.657.926</u>
	<b><u>8.895.025</u></b>	<b><u>5.657.926</u></b>

## Balance Sheet 31 December

### Assets

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Software licenses		<u>3.111.527</u>	<u>4.194.509</u>
<b>Intangible assets</b>	<b>8</b>	<b><u>3.111.527</u></b>	<b><u>4.194.509</u></b>
Other fixtures and fittings, tools and equipment		13.074.233	8.825.032
Other equipment – charging stations		7.583.284	5.984.494
Leasehold improvements		<u>202.496</u>	<u>329.719</u>
<b>Property, plant and equipment</b>	<b>9</b>	<b><u>20.860.013</u></b>	<b><u>15.139.245</u></b>
Other investments		<u>81.715</u>	<u>34.722</u>
<b>Financial assets</b>		<b><u>81.715</u></b>	<b><u>34.722</u></b>
<b>Fixed assets</b>		<b><u>24.053.255</u></b>	<b><u>19.368.476</u></b>
Inventories		<u>10.104.323</u>	<u>11.415.359</u>
<b>Inventories</b>		<b><u>10.104.323</u></b>	<b><u>11.415.359</u></b>
Trade receivables		479.725	1.104.372
Receivables from related parties	10	990.906.170	1.094.040.536
Other receivables		7.616.825	6.980.272
Prepayments		578.972	553.934
Deferred tax asset	11	<u>3.510.065</u>	<u>5.289.536</u>
<b>Receivables</b>		<b><u>1.003.091.757</u></b>	<b><u>1.107.968.650</u></b>
<b>Cash at bank and in hand</b>		<b><u>653.012</u></b>	<b><u>1.242.201</u></b>
<b>Currents assets</b>		<b><u>1.013.849.092</u></b>	<b><u>1.120.626.210</u></b>
<b>Assets</b>		<b><u>1.037.902.347</u></b>	<b><u>1.139.994.686</u></b>

## Balance Sheet 31 December

### Liabilities and equity

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Share capital	12	150.000	150.000
Retained earnings		<u>47.023.280</u>	<u>38.116.575</u>
<b>Equity</b>		<u><b>47.173.280</b></u>	<u><b>38.266.575</b></u>
Prepaid service fee from related parties		<u>862.681.951</u>	<u>949.789.541</u>
<b>Long-term debt</b>	13	<u><b>862.681.951</b></u>	<u><b>949.789.541</b></u>
Trade payables		9.138.480	12.802.781
Payables to related parties	13	19.910.064	17.843.804
Prepaid service fee from related parties	13	95.415.119	117.572.807
Corporation tax		609.802	0
Other payables		<u>2.973.651</u>	<u>3.719.178</u>
<b>Short-term debt</b>		<u><b>128.047.116</b></u>	<u><b>151.938.570</b></u>
<b>Debt</b>		<u><b>990.729.067</b></u>	<u><b>1.101.728.111</b></u>
<b>Liabilities and equity</b>		<u><b>1.037.902.347</b></u>	<u><b>1.139.994.686</b></u>
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Group information	16		
Subsequent events	17		

## 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	38.116.575	38.266.575
Adjustment 1 January (prior year)		11.680	11.680
Net profit for the year	<u>0</u>	<u>8.895.025</u>	<u>8.895.025</u>
<b>Equity at 31 December</b>	<b><u>150.000</u></b>	<b><u>47.023.280</u></b>	<b><u>47.173.280</u></b>

## Notes to the Financial Statements

<b>1 Revenue</b>	<u>2022</u> DKK	<u>2021</u> DKK
Sale to external parties	2.424.169	4.198.242
Sale to related parties	1.034.116	1.355.938
Service fee recorded on contracts to related parties	<u>121.392.944</u>	<u>128.006.308</u>
	<b><u>124.851.229</u></b>	<b><u>133.560.488</u></b>
<b>2 Other operating income</b>		
Consultancy for external and parent company	685.319	699.815
Scrap compensation old buses	22.583	23.879
Compensation received for costs incurred due to fire	0	405.884
Gain on fixtures and fittings burned	0	1.707.159
Profit from insurance case	<u>257.450</u>	<u>0</u>
Total operating income	<b><u>965.352</u></b>	<b><u>2.836.737</u></b>
<b>3 Staff expenses</b>		
Wages and salaries	39.758.032	40.687.323
Pensions	3.314.906	3.380.303
Other social security expenses and payroll tax	896.418	1.318.879
Other staff expenses	<u>353.812</u>	<u>255.774</u>
	<b><u>44.323.168</u></b>	<b><u>45.642.279</u></b>
<b>Average number of employees</b>	<b><u>85</u></b>	<b><u>91</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>4 Depreciation, amortization and impairment of intangible assets and property, plant and equipment</b>		
Amortization of other fixtures and fittings	2.293.915	1.741.359
Amortization of charging stations	451.660	314.155
Amortization of leasehold improvements	78.752	135.395
Amortization of software	1.275.511	611.552
Loss from sale of equipment	<u>77.566</u>	<u>0</u>
	<b><u>4.177.404</u></b>	<b><u>2.802.461</u></b>

## Notes to the Financial Statements

	<u>2022</u> DKK	<u>2021</u> DKK
<b>5 Financial income</b>		
Interest received from Group companies	13.814.672	7.660.670
Bank interest	1.599	0
Other financial income	<u>654</u>	<u>106</u>
	<b><u>13.816.925</u></b>	<b><u>7.660.776</u></b>
<b>6 Financial expenses</b>		
Bank interest	0	94.481
Rate of exchange loss	1.407	926
Interest holiday pay fund	0	52.807
Other financial costs	<u>648</u>	<u>1.045</u>
	<b><u>2.055</u></b>	<b><u>149.259</u></b>
<b>7 Tax on profit for the year</b>		
Current tax for the year	-609.802	0
Correction tax prior year	0	-1.470
Deferred tax adjustment	<u>-1.779.466</u>	<u>-1.612.450</u>
	<b><u>-2.387.268</u></b>	<b><u>-1.613.920</u></b>
<b>8 Intangible assets</b>		Software licenses <u>DKK</u>
Cost at 1 January		4.957.634
Additions for the year		<u>192.529</u>
Cost at 31 December		<u>5.150.163</u>
Amortization at 1 January		763.125
Amortization for the year		<u>1.275.511</u>
Amortization at 31 December		<u>2.038.636</u>
<b>Carrying amount at 31 December</b>		<b><u>3.111.527</u></b>
Depreciated over		<u>5 years</u>



## Notes to the Financial Statements

### 9 Property, plant and equipment

	Other fixtures, fittings, tools, and equipment DKK	Charging stations DKK	Leasehold improvements DKK
Cost at 1 January	9.623.653	6.298.649	466.388
Additions for the year	6.729.852	2.050.450	0
Disposals for the year	<u>-1.593.563</u>	<u>0</u>	<u>-78.600</u>
Cost at 31 December	<u>14.759.942</u>	<u>8.349.099</u>	<u>387.788</u>
Amortization at 1 January	798.621	314.155	136.670
Amortization for the year	2.293.915	451.660	78.752
Reversal of amortization of sold/burned assets	<u>-1.406.827</u>	<u>0</u>	<u>-30.130</u>
Amortization at 31 December	<u>1.685.709</u>	<u>765.815</u>	<u>185.292</u>
<b>Carrying amount at 31 December</b>	<b><u>13.074.233</u></b>	<b><u>7.583.284</u></b>	<b><u>202.496</u></b>
Depreciated over	<u>5-12 years</u>	<u>14 years</u>	<u>5 years</u>

### 10 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 and on demand. The loans are interest bearing and primarily concern prepayment of service over 1 year amounting to DKK 862.681.951.

## Notes to the Financial Statements

<b>11 Deferred tax</b>	<u>2022</u> DKK	<u>2021</u> DKK
Deferred tax 1 January	5.289.536	6.901.986
Adjustment prior years	-2.005	0
Adjustment of deferred tax for the year	<u>-1.777.466</u>	<u>-1.612.450</u>
<b>Deferred tax 31 December</b>	<b><u>3.510.065</u></b>	<b><u>5.289.536</u></b>

### Deferred tax relates to

Software	0	140.662
Property, plant and equipment	-644.958	-639.357
Charging stations	-151.588	-90.919
Leasehold improvements	15.026	53.370
Goodwill	4.243.015	5.657.354
Value carried forward losses	<u>48.570</u>	<u>168.426</u>
<b>Deferred tax 31 December</b>	<b><u>3.510.065</u></b>	<b><u>5.289.536</u></b>

The recognition of deferred tax asset is based on expected utilization through future taxable profits.

## 12 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>2022</u> DKK	<u>2020</u> DKK	<u>2020</u> DKK	<u>2019</u> DKK	<u>2018</u> DKK
Share capital at 1 January	150.000	150.000	150.000	125.000	125.000
Capital increase	<u>0</u>	<u>0</u>	<u>0</u>	<u>25.000</u>	<u>0</u>
<b>Share capital at 31 December</b>	<b><u>150.000</u></b>	<b><u>150.000</u></b>	<b><u>150.000</u></b>	<b><u>150.000</u></b>	<b><u>125.000</u></b>

## Notes to the Financial Statements

### 13 Prepaid service fee from related parties

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>2022</u> TDKK	<u>2021</u> TDKK
<b>Prepayments of service fee</b>		
Covering 1 year	<u>95.415.119</u>	<u>117.572.807</u>
Short-term part	<u><b>95.415.119</b></u>	<u><b>117.572.807</b></u>
<b>Prepayments of service fee</b>		
Prepayments covering after 5 years	505.615.511	521.802.696
Prepayments covering between 1 and 5 years	<u>357.066.440</u>	<u>427.986.845</u>
Long-term part	<u><b>862.681.951</b></u>	<u><b>949.789.541</b></u>
<b>Other short term debt</b>		
Other payables to related parties	<u><b>19.910.064</b></u>	<u><b>17.843.804</b></u>

### 14 Contingent assets, liabilities and other financial obligations

#### Security

None

#### Contingent liabilities

The Company is jointly taxed with Danish Group companies and Danish entities ultimately owned by SNCF. The Danish group companies are jointly and severally liable for tax related to the joint taxation income.

## Notes to the Financial Statements

### 15 Related parties

#### Controlling interest

SNCF	Ultimate parent
Keolis Danmark A/S	Controlling shareholder

<b>Transactions with related parties</b>	<u>2022</u> TDKK	<u>2021</u> TDKK
Sale of services to related parties (including recharged costs)	2.131.576	2.100.038
Sale of service fees to related parties	121.392.944	128.006.308
Purchase of service, rent and other services from parent company	-9.490.873	-9.058.133
Interest income from related parties	13.814.672	7.660.670
Receivables from related parties	990.906.170	1.094.040.536
Payables to related parties and prepaid service fee from related parties	-978.007.134	-1.085.206.153

### 16 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.  
34 Avenue Léonard De Vinci  
92400 in Courbevoie  
France

### 17 Subsequent events

There are no subsequent events that could have impact on the Company's result or financial standing.

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of Keolis Service Danmark ApS for 2022 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 2022 are presented in DKK.

### **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.

### **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

## **Accounting Policies**

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 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 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.

### **Wages and staff expenses**

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

### **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.

## Accounting Policies

### 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 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.

### 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
---	------------

## **Accounting Policies**

Residual value are reassessed annually.

Assets costing less than DKK 31.000 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.

### **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



## **Accounting Policies**

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.

### **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.

## Accounting Policies

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