



# Annual Report 2020



# Content

1.	Report of the Supervisory Board	4
2.	Report of the Executive Board	9
3.	2020 Financial Statements	18
4.	Other information	77

# 1

## Report of the Supervisory Board

The report of the Supervisory Board is available at the head office of the Company.

Intentionally left blank.

Intentionally left blank.

Intentionally left blank.





# 2

## Report of the Executive Board

The report of the Executive Board is available at the head office of the Company.

Intentionally left blank.

Intentionally left blank.

Intentionally left blank.

Intentionally left blank.

Intentionally left blank.

Intentionally left blank.

Intentionally left blank.





# 3

## 2020 Financial Statements

3.1	Consolidated statement of financial position	19
3.2	Consolidated statement of income	21
3.3	Consolidated statement of comprehensive income	22
3.4	Consolidated statement of cash flow	23
3.5	Consolidated statement of changes in equity	25
3.6	Notes to the consolidated financial statements	27
3.7	Company statement of financial position	70
3.8	Company statement of income	72
3.9	Notes to the company financial statements	73

## 3.1 Consolidated statement of financial position

Before proposed profit appropriation

In EUR millions	Notes	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3.6.3	5.8	4.9
Property, plant and equipment	3.6.4	174.1	172.6
Right of use assets	3.6.5	71.5	135.1
Non-current operating financial assets	3.6.6	86.4	–
Investments in associates and joint ventures	3.6.7	2.5	1.8
Other investments, including derivatives	3.6.8	2.1	2.7
Deferred tax assets	3.6.9	0.6	0.6
<b>Total non-current assets</b>		<b>343.0</b>	<b>317.7</b>
<b>Current assets</b>			
Inventories	3.6.10	3.2	3.9
Current operating financial assets	3.6.6	6.6	–
Current tax assets		–	–
Trade and other receivables	3.6.11	53.5	59.0
Cash and cash equivalents	3.6.12	98.0	69.7
<b>Total current assets</b>		<b>161.3</b>	<b>132.6</b>
<b>Total assets</b>		<b>504.3</b>	<b>450.3</b>

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

In EUR millions	Notes	2020	2019
Equity and liabilities			
<b>Equity attributable to equity holders</b>	3.6.13	<b>93.0</b>	<b>120.3</b>
<b>Non-current liabilities</b>			
Non-current lease liabilities	3.6.14	55.9	109.0
Non-current financial liabilities	3.6.6	41.4	–
Provisions	3.6.15	12.0	11.6
Contract Liabilities	3.6.16	4.1	2.1
Payroll tax liability	3.6.18	57.2	–
Deferred tax liabilities	3.6.9	0.6	0.6
<b>Total non-current liabilities</b>		<b>171.2</b>	<b>123.3</b>
<b>Current liabilities</b>			
Current lease liabilities	3.6.14	16.3	26.1
Current financial liabilities	3.6.6	6.4	–
Current tax payable		0.1	0.1
Trade and other payables, including derivatives	3.6.18	126.3	98.3
Deferred income	3.6.19	82.3	73.4
Provisions	3.6.15	8.7	8.8
<b>Total current liabilities</b>		<b>240.1</b>	<b>206.7</b>
<b>Total equity and liabilities</b>		<b>504.3</b>	<b>450.3</b>

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

## 3.2 Consolidated statement of income

In EUR millions	Notes	2020	2019
<b>Revenue from contracts with customers</b>	3.6.23	<b>624.1</b>	<b>717.0</b>
<b>Operating costs</b>			
Cost of sales	3.6.24	(67.1)	(84.3)
Personnel costs	3.6.25	(386.6)	(416.5)
Depreciation, amortisation and impairments	3.6.26	(55.9)	(57.7)
Other fleet cost		(76.0)	(83.3)
Other operating costs		(62.5)	(65.0)
<b>Total operating costs</b>		<b>(648.1)</b>	<b>(706.8)</b>
<b>Results from operating activities</b>		<b>(24.0)</b>	<b>10.2</b>
Finance income and finance expense	3.6.27	(3.1)	(4.3)
Net finance result	3.6.27	(3.1)	(4.3)
Result of associates and joint ventures including result on disposal	3.6.28	–	(0.1)
<b>Result before income tax</b>		<b>(27.1)</b>	<b>5.8</b>
Income tax	3.6.29	–	(0.6)
<b>Result for the year attributable to equity holders of the Company</b>		<b>(27.1)</b>	<b>5.2</b>

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

### 3.3 Consolidated statement of comprehensive income

In EUR millions	2020	2019
<b>Result for the year</b>	<b>(27.1)</b>	<b>5.2</b>
Other comprehensive income:		
Changes in fair value of cash flow hedges	(0.3)	(0.3)
<b>Other comprehensive income</b>	<b>(0.3)</b>	<b>(0.3)</b>
<b>Comprehensive income attributable to equity holders of the Company</b>	<b>(27.4)</b>	<b>4.9</b>

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

## 3.4 Consolidated statement of cash flow

In EUR millions	Notes	2020	2019
<b>Cash flows from operating activities</b>			
Result before income tax		(27.1)	5.8
Adjustments for:			
Depreciation, amortisation and impairments	3.6.26	55.9	57.7
Result on disposal of non-current assets		(0.4)	(0.2)
Addition to, release from and usage of provisions	3.6.15	2.0	(2.5)
Finance income and expense	3.6.27	3.1	4.3
Result of associates and joint ventures including result on disposal	3.6.28	(0.4)	0.1
		<b>33.1</b>	<b>65.2</b>
Change in working capital		109.7	(13.4)
Change in long term contract liabilities	3.6.16	0.3	0.3
		<b>110.0</b>	<b>(13.1)</b>
<b>Net cash generated from / (used in) operating activities</b>		<b>143.1</b>	<b>52.1</b>
<b>Cash flows from investing activities</b>			
Disposal of subsidiaries, net of cash		–	0.8
Investments in property, plant and equipment and intangible assets		(91.8)	(28.7)
Proceeds from sale of property, plant and equipment and intangible assets		3.8	21.8
Change in financial receivables		1.5	1.6
Change in other investments		(0.3)	(0.5)
<b>Net cash generated from / (used in) investing activities</b>		<b>(86.8)</b>	<b>(5.0)</b>
<b>Cash flows from financing activities</b>			
Principal payments on IFRS 16 lease liabilities	3.6.14	(25.0)	(32.0)
Interest paid on IFRS 16 lease liabilities	3.6.27	(2.3)	(3.7)
Other interest paid	3.6.27	(0.7)	(0.2)
<b>Net cash from / (used in) financing activities</b>		<b>(28.0)</b>	<b>(35.9)</b>
<b>Net increase / (decrease) cash and cash equivalents</b>		<b>28.3</b>	<b>11.2</b>
Cash and cash equivalents (incl. bank overdrafts) at beginning of year		69.7	58.5
Cash and cash equivalents (Incl. bank overdrafts) at end of year		98.0	69.7
<b>Net increase / (decrease) cash and cash equivalents</b>		<b>28.3</b>	<b>11.2</b>

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

### Change in working capital

In 2020, as part of the COVID-19 relief measures, the company has deferred payroll taxes of EUR 84.8 million at the end of 2020. Those will be paid back on a monthly basis, ending in 2023. Working capital includes Student card money received in advance. In 2020 the Group received EUR 61.8 million Student card money for 2021 (2019: EUR 61.9 million).

### Investments in property, plant and equipment and intangible assets

Investments in property, plant and equipment and intangible assets mainly relate to investments in rolling stock and payment systems, net of the change in payables related to capital expenditures of EUR 2.7 million negative (2019: EUR 7.0 million negative).

### Proceeds from sale of property, plant and equipment and intangible assets

The proceeds from sale of property, plant and equipment and intangible fixed assets mainly relate to disposal of rolling stock and real estate.



## 3.5 Consolidated statement of changes in equity

2019

In EUR millions

Equity attributable to equity holders

	Share capital	Statutory and other non-distributable reserves	Other reserves	Profit / (loss) for the period	Retained earnings	Total equity
<b>Carrying amount at</b>						
<b>1 January 2019</b>	<b>79.5</b>	<b>6.2</b>	<b>–</b>	<b>(7.2)</b>	<b>37.4</b>	<b>115.9</b>
Profit / (loss) for the year	–	–	–	5.2	–	<b>5.2</b>
Allocation of prior year profit	–	–	–	–	–	–
Other comprehensive income	–	–	(0.3)	–	–	<b>(0.3)</b>
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(0.3)</b>	<b>5.2</b>	<b>–</b>	<b>4.9</b>
First time adoption						
IFRS 16 Lease	–	–	(0.5)	–	–	–
Allocation of prior period profit / (loss)	–	–	–	7.2	(7.2)	–
<b>Carrying amount at</b>						
<b>31 December 2019</b>	<b>79.5</b>	<b>6.2</b>	<b>(0.8)</b>	<b>5.2</b>	<b>30.2</b>	<b>120.3</b>

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

2020

In EUR millions

## Equity attributable to equity holders

	Share capital	Statutory and other non-distributable reserves	Other reserves	Profit / (loss) for the period	Retained earnings	Total equity
<b>Carrying amount at</b>						
<b>1 January 2020</b>	79.5	6.2	(0.8)	5.2	30.2	120.3
Profit / (loss) for the year	–	–	–	(27.1)	–	(27.1)
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive income</b>	–	–	–	(27.1)	–	(27.1)
Allocation of prior period						
Profit / (loss)	–	–	–	(5.2)	5.2	–
<b>Carrying amount at</b>						
<b>31 December 2020</b>	79.5	6.2	(0.8)	(27.1)	35.4	93.2

The notes on pages 27 to 68 are an integral part of these consolidated financial statements.

## 3.6 Notes to the consolidated financial statements

### 3.6.1 General information

Transdev Nederland Holding NV (hereafter referred to as 'the Company') is a company limited by shares incorporated under the laws of the Netherlands registered in the Chamber of Commerce under number 30065787. All shares are held by Transdev Connexion Holding B.V. The Company has its statutory seat in Utrecht, the Netherlands and its head office is located in Hilversum, the Netherlands. The consolidated financial statements of the Group for the financial year ended 31 December 2020 comprise the information of the Company and its subsidiaries (jointly referred to as 'the Group' or 'Transdev Nederland') and the Group's interest in (non-consolidated) associates and joint ventures.

The Group's principal activities are providing public and private passenger transport and ambulance care and related services. The Company statement of income has been prepared using the exemption pursuant to Section 402, Part 9, Book 2 of the Dutch Civil Code.

The Executive Board prepared the financial statements and the Supervisory Board authorised the financial statements for issue on 17 June 2021. The financial statements will be submitted for adoption by the Annual General Meeting of Shareholders.

### 3.6.2 Summary of significant accounting policies

#### Basis of preparation

The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU-IFRS"). The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, and have been applied consistently by all group entities. The consolidated financial statements are prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value.

Unless stated otherwise, amounts in these financial statements are stated in millions of euros, rounded to the nearest 0.1 million.

#### Preparation of the financial statement on the basis of going concern

Management has made an assessment of the Company's ability to continue as going concern based on the year to date results in combination with an 18 month cashflow forecast taking into account all available information (including sector wide passengers recovery scenario's) about the future and including the analysis of the possible impacts in relation to the uncertainties caused by COVID-19. As basis for our prognoses we have used the most conservative scenario.

The company has received extensive aid measures/packages in 2020 and will continue to receive these in fiscal year 2021. The NOW (EUR 8.8 million) is not recognized in the profit and loss as we are not able, given the current validation protocols in place, to demonstrate that we are fully compliant with the NOW regulation. The NOW compensation as such is neither included in the outlook and the assessment of going concern.

The aid measures/packages have been announced by government to continue up and till December 2021. Transdev expects the result and cashflows for 2021 will improve in comparison to 2020 due to the financially improved regulation BVOV 2021 compared to the BVOV 2020. The assumption is an earnings before taxes zero-result for Public Transportation activities during the BVOV 2021 period instead of a loss of 5% of Public Transportation activities costs which was the case for 2020.

As basis for our 18 Month cash flow forecast we have taken into account several considerations and assumptions.

Most important are:

#### 2022 government aid package (BVOV)

In the assumptions for 2022 forecast, management has taken into account, as for 2021, a zero EBT level for Public Transportation activities. Our outlook assumes continuation of these packages in 2022 if needed. Management expects a partial recovery of passenger revenues as well as a continuation of BVOV type measures that would allow public transport companies to be compensated for the shortages caused by maintaining the public transport services required from them as instructed by the government. Management expects the continuation of the measures based upon prior experiences in implementing special measures for public transport companies by the government where as a basis the (longer term) recovery scenario's will be taken into account. Discussion are currently ongoing. The Government has made no formal announcements yet and this therefore remains uncertain.

#### Concession portfolio.

The current market conditions, caused by COVID-19 also led to a postponement of new market tenders in 2020 and future years. The lack of certainty around expected passenger revenue has led to a market environment, in which it is not possible for public transport companies and market participants to develop tender requirements and sufficient basis to prepare a bid. As a result, public transportation authorities are postponing tenders and extending existing concession periods. Refer to page 41 for an overview of the Transdev Public Transport concessions including their duration. For the concessions Zaanstreek, Arnhem-

Nijmegen and Valleilijn, we have received confirmation from the PTA that they will negotiate the implementation of an emergency concession for these concessions which have an ending date before the end of December 2022. The emergency concessions will be for two years.

#### Financing/ facilities

Transdev has financing facilities of EUR 47,5 Million available which is elaborated in note 3.6.22. As per today Transdev has not used these facilities.

Taking the above into consideration the consolidated financial statements of Transdev Netherlands have been prepared on a going concern basis.

### Changes in accounting policies and disclosures

New and amended standards and interpretations, effective for financial years starting on 1 January 2020

The following new standards and interpretations, which are endorsed in the European Union, became effective as of the financial year 2020:

- Amendments to IAS 1 and IAS 8 standards on materiality;
- Interest Rate Benchmark Reform (Amendments to IFRS 9 and IFRS 7 standards);
- Amendments to IFRS 3 on the definition of a business;
- Amendments to IFRS 16 on leases - COVID-19 related rent concessions;
- Amendments to the Conceptual Framework in IFRS standards.

The adoption of the aforementioned standards and interpretations, has no material effect on the company's equity attributable to equity holders and result for the year and will not require additional disclosures.

The comparative figures for 2019 have not been restated.

#### Main texts applicable after 31 December 2020 and not adopted early by Transdev

The amendments which became mandatory after 31 December 2020 are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current";
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts, concept of costs that relate directly to the contract";
- Amendments to IAS 16 "Property, Plant and Equipment - Recognition of Pre-Commissioning Revenue";
- Improvements as a result of the IFRS 2018-2020 annual improvement process.

The amendments were not adopted by the European Union as of 31 December 2020. Transdev is currently assessing the impacts of the initial application of these texts.

#### Points for attention with respect to IFRS 16 'Leases'

Interpretation of the IFRS Interpretations Committee on determining the enforceable period of leases and the depreciation of non-removable leasehold improvements.

On December 16, 2019, the IFRS Interpretations Committee (IFRS IC) published its final decision on determining the enforceable period of leases and the useful life of non-removable leasehold improvements. The IFRS IC confirmed that:

- the enforceable period must be determined considering the broader economics of the contract, beyond merely its legal provisions;
- the useful life of leasehold improvements not removable from the leased property must be consistent with the period used to measure the lease liability.

A review of material leases, did not result in any adjustments to their terms or to the useful life determined for non-removable leasehold improvements.

#### Significant accounting policies

##### Subsidiaries

Subsidiaries are companies in which Transdev Nederland Holding NV directly or indirectly exercises control. Control is achieved when the Group is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of such subsidiaries are included in the consolidated financial statements as from the date control is acquired up to the date the Group ceases to hold control. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition related cost are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. On an acquisition to acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

For combinations of entities or business under common control, the pooling of interest method of accounting is applied when this best reflects the substance of the combination. Whether a combination was not included in the consolidation of Group is not relevant when determining whether a transfer is a transaction under common control. The financial information is included in the consolidated financial statement from the moment control existed for the carrying amount of net assets acquired. Financial information for comparative purposes is restated. Any difference between the consideration paid for acquisition of the combination and the carrying amount of net assets acquired is recognized in equity.

The principal Group companies included in the consolidation of Transdev Nederland Holding NV in 2020 and 2019 are:

- Connexion Openbaar Vervoer NV, Haarlem, 100%
- Hermes Groep NV, Weert, 100%
- Connexion Taxi Services BV, IJsselmuiden, 100%
- Witte Kruis Ambulancezorg BV, Den Haag, 100%
- Transdev BBA Holding BV, Hilversum (100%)
- Transdev Nederland Mobility Services N.V. (100%)

#### Transactions eliminated on consolidation

Intra group balances, intra group transactions and any unrealised gains or losses arising from intra group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that there is no evidence of impairment.

#### Associates and joint ventures

Associates are companies over which financial and operational policies the Group has significant influence but not control. These are investments in equity accounted investees, net of any impairments from the date the significant influence commences to the date it effectively ceases. The principal associates and the Group's percentage of ownership in the capital of the associates are:

- REISinformatiegroep BV, Utrecht, the Netherlands, 32.8%
- Regionale Ambulancevoorziening Haaglanden UA, Den Haag, the Netherlands, 37.8%
- Vereniging Ambulancezorg Regio NHN in coöperatief verband UA, Alkmaar, the Netherlands, 38.6%
- Regionale Ambulancevoorziening Kennemerland UA, Haarlem, the Netherlands, 31.7%
- Tranzer B.V., Amersfoort, the Netherlands, 15%
- Amaze Mobility B.V., Utrecht, the Netherlands, 15%
- Yeller B.V., Amsterdam, the Netherlands, 12.6%

Joint ventures are companies in which the Group has joint control with two or more parties under contractual arrangements. Joint ventures are investments in equity accounted investees from the date joint control commences to the date it effectively ceases.

The principal joint venture is:

- Schiphol Travel Taxi BV, Schiphol, the Netherlands, 50%

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil in the Group's statement of financial position and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The accounting policies joint ventures and associates have been aligned with those of the Group.

The list with information on capital interests as referred to in Sections 379 and 414, Part 9, Book 2 of the Dutch Civil Code, has been filed with the Trade Register of the Hilversum Chamber of Commerce.

#### Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. Transactions in foreign currencies are translated into the respective functional currencies of group entities at exchange rate on the date of transaction. Any result on translation is recognised as profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

#### Goodwill

All business combinations are accounted for using the purchase method. Goodwill is recognised upon acquisition of subsidiaries. Goodwill represents the difference between the acquisition price and the fair value of the net identifiable assets acquired. Goodwill is valued at historical cost net of accumulated impairments and is tested annually for impairment or more frequent if events indicate that the asset might be impaired. Hereby the cash generating units are equal to the product lines; Public Transport, Taxi Services and Witte Kruis. Negative goodwill arising upon acquisition is recognised directly in the statement of income.

For joint ventures and associates, the carrying amount of goodwill is included in the carrying amount of the investment in the joint venture or associate.

### Capitalised contract rights

Capitalised contract rights relate to acquired passenger transport contracts recognised upon acquisition of businesses. The fair value upon acquisition is determined using future cash flows of revenues and costs of passenger transport contracts. Capitalised contract rights are amortised on a straight-line basis over the contract period. At each reporting date the Group assesses whether there is an indication for a possible impairment of the capitalised contract rights. If such an indication exists, the Group determines the recoverable value of the capitalised contract rights. An impairment loss is recognised when the book value exceeds the recoverable value. The recoverable value is based on future cash flows discounted at a rate that reflects the risks of the underlying contract.

### Concession activities

A share of the Group's assets is used in connection with concession or public service management contracts granted by public sector customers ("concession grantors"). IFRIC Interpretation 12, Service Concession Arrangements, is applicable to concession arrangements comprising a public service obligation and meeting the following criteria:

- The concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied, and
- The concession grantor controls the residual economic value of the infrastructure at the end of the arrangement.

Pursuant to IFRIC Interpretation 12, such infrastructures are not recognized as fixed assets of the operator, but as financial assets ("financial asset model") and/or intangible assets ("intangible asset model"), depending on the compensation paid by the concession grantor.

### Financial asset model

The financial asset model applies if the operator has an unconditional right to receive cash or another financial asset from the concession grantor, in remuneration for concession services.

In the case of concession services, the operator has such an unconditional right if the concession grantor contractually guarantees payment of:

- Amounts specified or determined in the contract, or
- Any shortfall, i.e. the difference between amounts received from users of the public service and amounts specified or determined in the contract.

In cases where the contractual framework fulfills the offset criteria defined by IAS 32 Financial Instruments: Presentation, no amount is recognized in the Group's consolidated financial statements.

Financial assets resulting from the application of IFRIC Interpretation 12 are recorded in the consolidated statement of financial position under a separate heading entitled "Operating financial assets". They are recognized at amortized cost.

Unless otherwise indicated in the contract, the effective interest rate retained is equal to the weighted average cost of capital of the entities carrying the relevant assets.

Cash flows associated with these operating financial assets are included in the consolidated statement of cash flows in net cash used in investing activities.

In accordance with IFRS 9 "Financial Instruments," these assets are impaired using a model based on expected credit losses.

The portion that matures in less than one year is presented in "Current operating financial assets", and the portion that matures in more than one year is presented in "Non-current operating financial assets".

Revenue from ordinary activities associated with this financial model includes remuneration of the operating financial asset accounted for in Revenue from operating financial assets (excluding principal payments) and also the compensation for the service.

### Intangible asset model

The intangible asset model applies if the operator is paid by the users or if the concession grantor makes no contractual guarantee concerning the recoverable amount.

### Mixed or bifurcation model

The choice of the financial asset or intangible asset model depends on the existence of payment guarantees made by the concession grantor.

However, certain contracts may include a payment commitment on the part of the concession grantor covering only part of the investment, with the balance covered by fees charged to users. In such a case, the investment amount guaranteed by the concession grantor is recognized using the financial asset model and the balance is recognized using the intangible asset model.

### Investments grants related to concession arrangements

Investment grant received in connection with concession arrangements are generally vested and are therefore not repayable.

In accordance with the option offered by IAS 20, these grants are presented as a deduction from intangible assets or financial assets, depending on the model chosen when the concession arrangement is interpreted (IFRIC 12):

- Under the intangible asset model, investment grants reduce the amortization expense for intangible assets within the scope of the concession over the residual term of the concession arrangement,
- Under the financial asset model, investment grants are treated as a method of repaying the operating financial asset.

#### Assets made available to the Group by concession grantors

Under certain concession arrangements, the rolling stock is provided to the Group in consideration for lease payments, in which case the arrangement takes the legal form of a lease contract. At the same time, the concession grantor grants the Group unconditional repayment rights for an equivalent amount. Due to the fact that the concession grantors control the use of the rolling stock, the Group cannot apply IFRS 16 to these contracts. Therefore, these future lease payments are treated as the acquisition costs of the concession contract, and their present value is reported in the “Provision of rolling stock under concession arrangement – non-current part” items of the consolidated statement of financial position. These liabilities are future lease payments for rolling stock that are fully secured by revenues, of the same amount and with the same maturities, to be paid by the concession grantors. These transactions have no impact on the consolidated statement of cash flows throughout the term of the contract. In the consolidated income statement, amounts paid by concession grantors are set off against the lease payments made by the Group for the rolling stock provided to it.

#### Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost, net of accumulated depreciation and impairments. The cost includes expenditure that is directly attributable to the acquisition of the item. Property, plant and equipment that are expected to be recovered primarily through sale, are classified as not used in operations. Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within expenses in the statement of income. Insofar as an item of property, plant or equipment contains substantial components having different useful lives, these components are recognised as individual items of property, plant and equipment, where possible. The Group applies a component-based approach in depreciating these substantial components. Fixed assets under construction are carried at expenditure incurred.

Replacement costs relating to property, plant and equipment are capitalised if the future economic benefits of the asset will flow to the Group and the costs of such replacement investments can be reliably measured. All other costs are recognised in the statement of income as incurred. The replaced part is derecognised in accordance with the provisions of IAS 16.7.

Depreciation is based on the useful life and calculated using fixed percentages of cost, taking into account any (guaranteed) residual value. Depreciation starts as from the moment the asset is put into use. The annual depreciation as a percentage of cost for various categories of property, plant and equipment, based on the estimated useful life of the asset, taken into consideration the duration of the concession, is listed below:

Land	0%
Buildings <sup>1)</sup>	2%
Rolling stock <sup>2)</sup>	3% – 20%
Other	5% – 34%

1) Buildings on leased land are depreciated over shorter of the term per the depreciation policy and the term per the lease agreement.

2) Depending on the term of the concession and relating assets.

#### Leases

Leases, as defined by IFRS 16 “Leases”, are recorded in the consolidated statement of financial position, which leads to the recognition of:

- an asset representing a right-of-use of the asset leased during the lease term of the contract;
  - a liability related to the payment obligation.
- Lease term is defined on a contract-by-contract basis and corresponds to the firm period of the commitment plus any optional periods that are reasonably certain to be exercised.

#### Lease liability

At commencement date, the lease liability is measured at the present value of the lease payments over the lease contract term that are not paid, which include:

- fixed lease payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the commencement date of the lease;
- amounts expected to be payable by the lessee under residual value guarantees;

- the payment of penalties in the event of the lessee exercising an option for the termination or non-renewal of the lease, if the lease term reflects the lessee exercising such an option. Non-lease components, such as management fees, taxes or the provision of a maintenance service, are not included.

#### Right-of-use assets

At commencement date, the right-of-use asset is measured at cost and comprises:

- the amount of the initial measurement of the lease liability, to which is added, if applicable, any lease payments made before the commencement date, less any lease incentives received from the lessor;
- where relevant, any initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs which would not have been incurred if the contract had not been concluded;
- estimated costs for restoration and dismantling of the leased asset according to the terms of the contract.

The right-of-use asset is depreciated over the lease term.

#### Exemptions

For short-term leases and leases for which the underlying asset is of low value, the Group uses the two exemptions permitted by the standard (recognition of full lease expenses in the operating result).

#### Non- financial assets

##### Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

##### Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and other intangible assets with indefinite lives or which are not yet

available for use, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. For all other assets, impairment tests are conducted at the level of cash-generating units, generally represented by a customer contract.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Financial assets

##### Initial Recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial



asset not at fair value through profit or loss, transaction costs. Refer to the accounting policies below 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise to specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables and 'other investments including derivatives'.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial

recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a

guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Debt instruments at fair value through OCI (not applicable to the Group)
- Trade receivables, including contract assets note 3.6.11.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

### Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the

recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.

- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

#### Inventories

Inventories are carried at the lower of historical cost and net realisable value. Provisions for inventories are determined by means of an individual assessment of the inventories at product group level. Realisable value is the estimated selling price in ordinary operations, net of estimated costs of completion and costs to sell. Historical cost is based on weighted average prices, and includes the costs of purchase and transport.

#### Contract balances

##### Contract assets

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

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when

the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and cash at banks. Demand deposits are considered cash and cash equivalents. All cash and cash equivalents are at immediate disposal of the Group. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### Equity attributable to equity holders

The share capital is classified as equity. Dividends are recognised as a liability in the period in which they are declared.

### Provisions

#### General

Provisions are recognised for present, legal or constructive obligations on statement of financial position date, when the liability can reliably be estimated and settlement is likely to require an outflow of resources in the future. Provisions with a term exceeding one year are measured by discounting expected future cash flows based on a pre-tax discount rate that reflects the current market situation and risks specific to the liability. Provisions with a term of less than one year are recognized at nominal value. Provisions with a term of less than one year are presented as current provisions at nominal value.

#### Long-term employee benefits

For defined benefit plans, the operating and financing costs are recognised separately in the statement of income. The amount charged to operating cost in the statement of income is the cost of accruing pension benefits promised to employees over the year, plus the costs of individual events such as past service benefit enhancements, settlements and curtailments (such events are recognised immediately in the statement of income). Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The defined benefit plan surplus or deficit in the balance sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds). As Transdev Nederland Holding NV will not pay more than the agreed premium a potential liability will be limited to zero. In the Netherlands special guidance is applicable how to treat the liability cap under Dutch pension plans. Included is that

a decrease of the DBO will be applicable till the level that the net pension liability is equal to the maximum of the present value of the maximum contributions decreased by the service cost. As the service cost is set equal to the contribution the net pension liability after capping is zero. The indexation parameter will be set as such that the assets and liabilities are equal resulting in a zero liability.

For defined contribution plans and multi-employer plans to which the company is a relatively small contributor, the charges to the statement of income are the company contributions payable, as the company's obligation is limited to contributions paid into the plans. The assets and liabilities of such plans are not included in the balance sheet of the company. Other long-term employee benefits relate to provisions for long-term absenteeism, future jubilee benefits, employment termination benefits and job-related discharge from service dictated by age.

#### Provision for pending damage claims

The provision for pending damage claims mainly pertains to future settlements of bodily injuries involving the Group's vehicles. The provision is determined by the WAM-insurers (Wet Aansprakelijkheidsverzekering Motorrijtuigen – Dutch Motor Insurance Liability Act) on the basis of the applicable standards for bodily injuries using insurers' historical data.

#### Restructuring provision

Restructuring provisions are recognised based on detailed and formal restructuring plans, which have been approved by the Executive Board and which have either been started or communicated.

#### Environmental provision

The environmental provision is used for the restoration of contaminated land caused by the Group or its legal predecessors. The extent of the provision has been determined with the assistance of experts in this field based on specific environmental reviews.

#### Risks from claims, disputes and legal proceedings

Provisions for present obligations arising from claims, disputes and legal proceedings to the extent that it is more likely than not that an outflow of economic benefits will occur.

#### Other provisions

In the ordinary course of business, the subsidiaries of Transdev Nederland are subject to a number of loss contingencies arising from litigation and claims brought by private parties and governments, including tax authorities. The operations and

earnings of its subsidiaries continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments. The markets in which the subsidiaries of Transdev Nederland are engaged are also subject to risks of various types. The nature and frequency of these developments and events, as well as their effect on future operations and earnings, are unpredictable.

## Income Tax

### Tax Group

The Company and its subsidiaries are members of a tax group headed by the Company's immediate parent company, Transdev Connexion Holding B.V. In the consolidated financial statements, the Group presents its tax position as if it were a stand alone taxed group. Current and deferred taxes are presented as such and not as current and deferred payable or receivable on the immediate parent company. Current and deferred taxes are settled with the parent company in the same manner, as if the Group were a stand alone taxed group.

### Current income tax

The amount of tax included in the statement of income represents the total amount of taxes based on the reported result adjusted for non-deductible expenses and non-taxable income. Corporate income tax is allocated to the subsidiaries as if they were autonomous taxpayers.

### Deferred tax

Deferred tax assets and deferred tax liabilities are recognised for temporary differences, non-utilised net operating losses or unused tax facilities. Deferred tax assets and deferred tax liabilities are calculated based on the statutory tax rates prevailing at year-end or at the rates prevailing in the next few years that have been enacted or substantively enacted. Temporary differences arise from the difference between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized for temporary differences and unused tax losses to the extent that realization of the related tax benefits is probable. The ultimate realization is dependent upon the generation of future taxable income during the periods when the deferred tax assets become deductible and/or the tax losses can be utilized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. The carrying amount of the deferred tax assets are reviewed at statement of financial position date and reduced insofar as it is no longer likely that sufficient profits for tax purposes will be available to realise the asset in whole or in part.

The Group considers whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Current and deferred tax assets and current and deferred tax liabilities are only netted if the Group has a right enforceable at law to do so, and the assets and liabilities relate to the same tax authorities and taxpayer.

## Revenues from customers

### Five-step model

IFRS 15 "Revenue from Contracts with Customers," which is applicable as of 1 January 2018, establishes a five-step model for determining when to recognize revenue and in what amount. The general principle of the model is that all companies should recognize revenue on the basis of the transfer of goods or services promised to customers for an amount that corresponds to the consideration they expect to receive in exchange for such goods or services.

The Group's primary business is the public transportation of passengers. It consists in managing a portfolio of multi-year contracts that can have very different characteristics (modes of transport, start date, term, margin profiles and compensation terms, indexation formulas, etc.). In the vast majority of cases:

- a performance-related system of bonuses/penalties is applied to these contracts. They are calculated and settled over periods ranging from month to year and are approved by the governance bodies of the mobility authorities;
- contracts usually have revenue per unit of work (kilometers, hours, etc.) that is stable over time, assuming constant modes of transportation.

The customers are passengers and mobility authorities.

Under most contracts, the promise to the customer is to provide an overall service, in which the identified services are interdependent components. The main costs for providing this overall service are primarily for rolling stock (depreciation, leasing, financing), payroll, energy (electricity, fuel, hydrogen) and maintenance.

The customers simultaneously receive and consume the benefits of the service as it is provided by the Group. They verify the public service provided as it is provided (i.e., as kilometers/hours/services are consumed).

### Principal/agent analysis

If a third party is involved in providing goods or services to a customer, an entity must determine whether it is acting on its

own behalf (principal: revenue recognized is the gross amount to which the entity expects to be entitled in consideration for the specified good or service provided) or as an agent (agent: revenue recognized is a net amount equal to the commission to which the entity expects to be entitled in consideration for the arrangements made for the specified good or service to be provided by the third party).

The key principle is that an entity acts as a principal if it obtains control of the promised good or service before it is transferred to the customer.

The standard provides three indicators that an entity acts as a principal:

- the entity has primary responsibility for fulfilling the promise, including responsibility for the acceptability of the good or service and its compliance with the customer's specifications;
- the entity bears the risks associated with holding inventory, either before the goods are transferred to the customer or in the event of a return;
- the entity has the discretion to set the prices the customer pays for the goods or services.

The Group most often acts as a principal.

#### Contract costs

IFRS 15 requires capitalizing the costs of obtaining contracts if both of the following conditions are met:

- these costs must be incremental, i.e., costs the entity would not have incurred if it had not obtained the contract; and
- the entity expects to recover them, i.e., the entity expects that the profit generated by the contract will be sufficient to absorb these costs.

The standard also addresses costs incurred to perform a contract. If the accounting treatment for such costs is not prescribed by another IFRS standard and they come within the scope of IFRS 15, the costs of performing the contract must be recognized as an asset only if they meet the following three conditions:

- they relate directly to the contract;
- they generate or enhance resources of the entity that will be used to satisfy its performance obligations in the future; and
- the entity expects to recover them.

Costs incurred to fulfil a contract that are recognized as an asset include certain costs incurred after the Group has been selected

as a preferred bidder (restricted bid procedure) in a bidding process but before it receives any payment from customers. Capitalized contract costs are amortized over the term of the contracts. Impairment is recognized if their carrying amount, less amortization, exceeds the economic benefits expected from the contract.

#### Finance income and Finance expense

Finance income and finance expense include interest paid on loans and interest received on funds invested and realised gains or losses on the ineffective portion of a hedge. Interest income is recognised in the statement of income as incurred. The interest expense component of payments under finance lease contracts is recognised in the statement of income based on the implicit interest rate. The effect of discounting non-current statement of financial position items is included in profit or loss in the net finance expense.

#### Cash flow statement

The cash flow statement is prepared using the indirect method and distinguishes cash flows from operating activities, investing activities and financing activities and reconciles earnings before tax to net cash flows to the change in cash and cash equivalents. Interest paid is presented as financing cash flow, interest received is presented as operating cash flow.

#### Managing financial risk

Inherent to the nature of the Group's ordinary activities in the field of public and private passenger transport and related services, the Group is exposed to certain financial risks. The Group's strategy within the alliance Transdev focuses on reinforcing its leading position in the Netherlands. The Group finances its activities in a proper balance between interest-bearing facilities and equity.

#### Capital management

Capital of the Group includes equity and can be broken down as follows:

- share capital;
- other comprehensive income;
- statutory and other non-distributable reserves;
- retained earnings.

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern;
- to provide an adequate return on capital by choosing a capital structure in line with business risk;
- to comply with external capital requirements.

The Group manages its capital on the long run by forecasting the development of its asset base and using target leverage levels. These multi-year forecasts and the underlying capital expenditure budget are an integral part of the business plan, which has a forecast horizon from 2021 through 2026. In the annual plan the most recent information is included on concessions that have been awarded to the Group. These concessions largely determine the amount of capital expenditures in the coming years. The Group uses a revolving credit facility to fund its operations. For further detail, reference is made to Section 3.6.22.

### Credit risk

The Group management has formulated a credit policy. For each counterparty, including clients, a credit rating is performed and credit limits are set, if relevant. These limits are reviewed periodically. The Group considers the credit risk exposure to be limited, since the main part of the revenues is realised with (local) government authorities. Derivative transactions are solely concluded with financial institutions having a credit rating which is equal to or higher than an A-credit rating. In addition, The Group always requires a settlement agreement with the counterparty. For details on the hedge policy, reference is made to Section 3.6.16. For an overview of exposure to credit risk, reference is made to Section 3.6.12.

### Liquidity risk

The Group's policy is to have adequate access to financial resources at all times in order to fulfil its obligations. In this context, it should be noted that a change of control clause has been included in the agreements with financial institutions. This means that the financing agreements are cancellable if an important change in ownership occurs. For details on the maturity of non-current receivables and liabilities, reference is made to Section 3.6.8 and Section 3.6.14 respectively. The Group uses a revolving credit facility for the funding of its operations. For further detail, reference is made to Section 3.6.22. The amount available under the facility totalled EUR 40.0 million at 31 December 2020 (2019: EUR 40.0 million).

### Market risk

Market risks consist of:

- Price risk;
- Interest rate risk;
- Currency risk.

### Price risk

The policy in relation to price risk is to hedge price risks resulting from the purchase of diesel fuel for current transport concessions, insofar as this price risk has not been hedged or has been hedged insufficiently by stipulations in the contract for revenue indexation. The fair value of the outstanding positions amounts to EUR 0.1 million at year-end 2020 (2019: EUR 0.1 million). Under these contracts, the Group is obliged to settle the difference between the fixed and variable price with the hedging party.

The Group periodically tests the sensitivity of the diesel hedges and interest rate hedges. A 1% change in the fuel price (excluding excise taxes) would have an impact of EUR 0.1 million (2019: EUR 0.1 million) on the profit for the period on a yearly basis. Also part of the fuel price risk is mitigated through indexation of revenue contracts.

### Interest rate risk

With a view on the strategy of the Group, the Group constantly evaluates capital markets for opportunities to adjust her financing. The Group mainly finances its activities through long-term interest-bearing loans, lease commitments. The long-term loans have a floating interest rate. The lease commitments in general have a longer maturity with an accompanying long-term interest rate. Cash and cash equivalents, comprising cash and bank balances, are EUR 98.0 million at year-end 2020 (2019: EUR 69.7 million). The Group's exposure to interest rate risk is limited.

### Currency risk

The Group is not exposed to currency risks, as nearly all transactions are conducted in euros.

### Liability risk

Owing to its size, the Group only insures risks for which an existing legal obligation exists and/or risks that may have a material effect on the Group. As a result, the Group is insured for liability risks. Furthermore, assets are insured against a number of risks with a significant level or retained exposure. The Group has procedures in place to prevent damage to vehicles and allow for frequent monitoring of the insured risks.

### Liabilities for subsidiaries

The Company and its subsidiaries form a tax group for corporate income tax purposes and for VAT purposes. As a result, the Group

is jointly and severally liable for all tax debts of subsidiaries for the period during which it was a member of this tax group.

### Legal proceedings

The Group recognised a provision for risks resulting from claims, disputes and legal proceedings. Based on the currently available data, legal advice sought and the amounts provided for, the Group does not expect the outcome of legal proceedings to have a material adverse effect on the Group's financial position.

### Fair value estimates

The table below summarizes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

1. Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (derived from prices) (level 2).
3. Inputs for the assets or liabilities that are not based on observable market data (level 3).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transactions have occurred between levels in the hierarchy by (re)-assessing categorisation, based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for fair value are observable, the instrument is included in level 2. If one or more of the significant inputs is not traded on an active market and not based on observable market data, the instrument is included in level 3.

The Group's specific credit risk was taken into account to determine the fair value of long term loans. The Group's own non-performance risk as at 31 December 2020 was assessed to be insignificant.

As at 31 December 2020 and 31 December 2019 the fair value was materially the same as the carrying value for assets and liabilities not measured at fair value.

The value measurement classification is as follows:

#### Fair value measurement

- Quoted prices (level 1)
- Observable (level 2)
- Unobservable inputs (level 3)

#### Financial assets and financial liabilities

- Not applicable
- Diesel swaps, finance lease obligations
- Not applicable

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are commodity forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity. As at 31 December 2020, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value. Long-term fixed and floating rate receivables and borrowings are evaluated by the Group based on parameters such as interest rate and individual creditworthiness of customers. Based on this evaluation, allowances are taken into account for expected losses as at balance sheet date.

#### Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying



disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period. In note 3.6.31 other impact on future periods are disclosed.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### (1) Public Transport revenue

In Public Transport, passenger transport revenue from subscriptions and student travel cards are estimated for the fourth quarter. This estimate is based on an extrapolation of historical data derived from information received from third parties with regard to passenger transport revenue year to date October.

In the past, deviations from these estimates proved not to have a significant influence on the prior-year revenues. Any deviation, relative to sales which is recognised in the subsequent year, is however directly taken as a component of profit and loss.

#### (2) Deferred tax assets

The Group recognises deferred tax assets for losses carried forward based on the probability that sufficient future taxable profits will be available to utilise the losses carried forward before expiration. The assessment is based on the Group's business plan. The plan has a planning horizon through 2026.

#### (3) Impairment testing

The Group performed its annual impairment tests in December 2020 and 2019. The outcome of this test is largely dependent on a number of assumptions including future operating margins, discount rates and market shares. The estimate of these parameters involves management judgment. Any deviation will be taken as a component of profit and loss.

#### Service Concession Arrangements

The Group operates numerable concessions in three different product lines.

#### Public Transport

The Public Transport division executes passenger transport by bus, train and ferry. This involves several concessions as shown below. The concessions indicate conditions on frequency, accessibility and service levels. Transdev's Public Transport

division operated the below mentioned concessions in 2020. The concession end date may be subject to change.

Concession	End-date
Amstelland-Meerlanden	December 2032
Noord-Holland Noord	July 2028
Parkshuttle	December 2033
Zaanstreek	December 2021
Gooi- & Vechtstreek	December 2030
IJsselmond	December 2023
Hoeksche Waarde – Goeree-Overflakkee	December 2023
Zeeland	December 2024
Zuid-Oost Brabant	December 2026
Arnhem – Nijmegen	December 2022
Haarlem IJmond	September 2027
Valeilijn	December 2021

The table above reflects the end dates including extensions and concession grants post balance sheet date. The concessions are granted by the province or city's involved. Transdev receives a subsidy for the execution of the concessions of the grantor.

Transdev has no significant residual interest for the concession arrangements Haarlem IJmond, Amstelland-Meerlanden, Arnhem - Nijmegen and Zuid-Oost Brabant. When the contracts end, the concession infrastructure is generally returned to the grantor or succeeding PTO for a pre-determined consideration. In the event that the contract is terminated or the concession asset is bought out early by the grantor, compensation is generally payable to the concession holders. Its amount is determined in accordance with contractual or statutory provisions.

#### Transport on Demand

Within the Transport on Demand division, the company operates a significant number of contracts with a varying duration between 12 and 60 months.

#### Witte Kruis mobile care

The Dutch Ambulance market operated under a temporary Law Ambulance Care (Tijdelijke wet Ambulance Zorg), which expired on 1 January 2021. As per 1 January 2021 there is a new law applicable for the Ambulance Care. The new Ambulance Care law creates a stable and predictable activity outlook.



connexion 

ve & Velligheid

### 3.6.3 Intangible assets

	Goodwill		Capitalised contract rights		Other intangible assets		Total	
In EUR millions	2020	2019	2020	2019	2020	2019	2020	2019
<b>Cost</b>								
Balance at 1 January	6.3	6.3	5.0	4.7	2.5	2.5	13.8	<b>13.5</b>
Additions	–	–	–	–	2.1	–	2.1	–
Disposals	–	–	(0.1)	–	–	–	(0.1)	–
Reclassification	–	–	–	0.3	(1.5)	–	(1.5)	<b>0.3</b>
<b>Balance at 31 December</b>	<b>6.3</b>	<b>6.3</b>	<b>4.9</b>	<b>5.0</b>	<b>3.1</b>	<b>2.5</b>	<b>14.3</b>	<b>13.8</b>
<b>Accumulated amortisation and impairments</b>								
Balance at 1 January	(3.1)	(3.1)	(4.4)	(4.2)	(1.4)	(1.4)	(8.9)	<b>(8.7)</b>
Amortisation	–	–	(0.1)	(0.1)	–	–	(0.1)	<b>(0.1)</b>
Disposals	–	–	0.1	–	–	–	0.1	–
Reclassification	–	–	–	(0.1)	0.4	–	0.4	<b>(0.1)</b>
<b>Balance at 31 December</b>	<b>(3.1)</b>	<b>(3.1)</b>	<b>(4.4)</b>	<b>(4.4)</b>	<b>(1.0)</b>	<b>(1.4)</b>	<b>(8.5)</b>	<b>(8.9)</b>
<b>Carrying amount</b>								
<b>At 1 January</b>	<b>3.2</b>	<b>2.9</b>	<b>0.6</b>	<b>0.5</b>	<b>1.1</b>	<b>1.1</b>	<b>4.9</b>	<b>4.8</b>
<b>At 31 December</b>	<b>3.2</b>	<b>3.2</b>	<b>0.5</b>	<b>0.6</b>	<b>2.1</b>	<b>1.1</b>	<b>5.8</b>	<b>4.9</b>

#### Goodwill

Goodwill relates to acquired businesses which have been integrated in our divisions and is tested for impairment annually at balance sheet date or more often when conditions indicate an impairment may exist. Goodwill primarily relates to Witte Kruis.

In 2020 no goodwill impairment charges were recorded (2019: EUR 0 million). No Goodwill was disposed in 2020 (no Goodwill was disposed in 2019).

#### Capitalised contract rights

Capitalised contract rights mainly relate to acquired businesses within Witte Kruis and implementation costs for certain Public Transport contracts. In 2020 no impairment charges were recorded (2019: no impairment).

#### Other intangible assets

Other intangible assets relate to the contractual right to transfer initial financing costs towards future concession operators. The right of transfer is depreciated in a straight line over 30 years.

### 3.6.3.1 Impairment testing of goodwill, intangible assets with indefinite lives and tangible assets

The Group performed its annual impairment tests in December 2020 and 2019. For the purpose of impairment testing, the Group recognizes three cash flow generating units presenting its three main product groups and a corporate unit. All corporate assets and cash flows are allocated to the three product groups (CGU's). The recoverable amount of each CGU as at 31 December 2020 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a six-year period. The pre-tax discount rate applied to cash-flow projections is 6.5% (2019: 6.5%) and cash flows beyond the six-year period are extrapolated using a 2.4% growth rate (2019: 2.4%).

The table below presents the carrying amount of Goodwill, Other Intangible Assets and Tangible assets at year-end.

Carrying amount of goodwill, other intangible assets and tangible assets	Goodwill		Other intangible assets		Tangible assets		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
In EUR millions								
Public Transport	–	–	2.5	1.7	133.6	136.8	136.1	<b>138.5</b>
Taxi Services	–	–	–	–	8.7	7.3	8.7	<b>7.3</b>
Witte Kruis	3.2	3.2	–	–	12.4	8.0	15.6	<b>11.2</b>
Other	–	–	–	–	19.4	20.4	19.4	<b>20.4</b>
<b>Total</b>	<b>3.2</b>	<b>3.2</b>	<b>2.5</b>	<b>1.7</b>	<b>174.1</b>	<b>172.5</b>	<b>179.8</b>	<b>177.4</b>

#### Sensitivity of impairment tests

As the recoverable amount exceeds the carrying value, no sensitivity analysis is disclosed.

## 3.6.4 Property, plant and equipment

2019

In EUR millions	Land and buildings	Rolling stock	Under construction	Not used in operations	Other property, plant and equipment	Total
<b>Cost</b>						
Balance at 1 January 2019	30.6	357.6	4.1	2.2	180.3	<b>574.9</b>
Additions	0.1	24.0	3.8	–	2.5	<b>30.4</b>
Effect of sale subsidiary	(0.3)	(0.2)	–	–	(1.7)	<b>(2.2)</b>
Disposals	(0.1)	(47.2)	–	–	(15.4)	<b>(62.7)</b>
Reclassification	(4.0)	(76.1)	(1.8)	–	(18.1)	<b>(100.0)</b>
<b>Balance at 31 December 2019</b>	<b>26.3</b>	<b>258.1</b>	<b>6.1</b>	<b>2.2</b>	<b>147.6</b>	<b>440.4</b>
<b>Accumulated depreciation and impairments</b>						
Balance at 1 January 2019	(15.8)	(169.2)	–	(2.2)	(126.9)	<b>(314.1)</b>
Depreciation	(0.8)	(19.6)	–	–	(5.9)	<b>(26.3)</b>
Effect of sale subsidiary	0.2	0.2	–	–	1.4	<b>1.8</b>
Disposals	0.1	28.1	–	–	15.4	<b>43.6</b>
Reclassification	3.4	23.7	–	–	1.8	<b>28.9</b>
Other changes	–	–	–	–	(1.7)	<b>(1.7)</b>
<b>Balance at 31 December 2019</b>	<b>(12.9)</b>	<b>(136.8)</b>	<b>–</b>	<b>(2.2)</b>	<b>(115.9)</b>	<b>(267.8)</b>
<b>Carrying amount</b>						
<b>At 1 January 2019</b>	<b>14.8</b>	<b>188.4</b>	<b>4.1</b>	<b>–</b>	<b>53.4</b>	<b>260.8</b>
<b>At 31 December 2019</b>	<b>13.4</b>	<b>121.4</b>	<b>6.1</b>	<b>–</b>	<b>31.7</b>	<b>172.6</b>

2020

In EUR millions	Land and buildings	Rolling stock	Under construction	Not used in operations	Other property, plant and equipment	Total
<b>Cost</b>						
Balance at 1 January 2020	26.3	258.1	6.1	2.2	147.6	<b>440.4</b>
Additions	–	37.7	38.3	–	3.7	<b>79.7</b>
Disposals	(4.6)	(31.1)	–	–	(1.4)	<b>(37.1)</b>
Reclassification	–	(12.5)	(33.4)	1.5	(1.9)	<b>(46.3)</b>
<b>Balance at 31 December 2020</b>	<b>21.7</b>	<b>252.2</b>	<b>11.0</b>	<b>3.7</b>	<b>148.0</b>	<b>436.7</b>
<b>Accumulated depreciation and impairments</b>						
Balance at 1 January 2020	(12.9)	(136.8)	–	(2.2)	(115.9)	<b>(267.8)</b>
Depreciation	(0.6)	(20.9)	–	–	(6.3)	<b>(27.8)</b>
Impairment losses recognised in the income statement	–	(1.8)	–	–	–	<b>(1.8)</b>
Disposals	2.6	30.1	–	–	1.4	<b>34.1</b>
Reclassification	–	0.3	–	(1.5)	1.9	<b>0.7</b>
<b>Balance at 31 December 2020</b>	<b>(10.9)</b>	<b>(129.1)</b>	<b>–</b>	<b>(3.7)</b>	<b>(118.9)</b>	<b>(262.6)</b>
<b>Carrying amount</b>						
<b>At 1 January 2020</b>	<b>13.4</b>	<b>121.4</b>	<b>6.1</b>	<b>–</b>	<b>31.7</b>	<b>172.6</b>
<b>At 31 December 2020</b>	<b>10.8</b>	<b>123.1</b>	<b>11.0</b>	<b>–</b>	<b>29.1</b>	<b>174.1</b>

Reclassifications contains IFRIC 12 reclassification from tangible fixed assets to Financial assets, refer to note 3.6.6.

### Investment subsidy

In 2020 the Group received an amount of EUR 1.2 million (2019: EUR 1.6 million) investment grants. Grants received in relation to capital expenditures are presented as a reduction from the purchase price of the asset. For the Grants received of 1.2 million in 2020 the assets will be received in 2021.

### Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale of net EUR 0.0 million (2019: EUR 0.0 million) relate to disposal of busses to be disposed of within 1 year after balance sheet date and is valued at the lower of the carrying amount and expected recoverable amount. The assets not used in operations contains an additional depreciation charge of EUR 1.8 million.

## 3.6.5 Right of use assets

In EUR millions	Right-of-use Rolling stock and other transportation equipment	Right-of-use Real estate	Right-of-use other	Total
<b>Total as at 1 January 2019</b>	<b>98.6</b>	<b>38.7</b>	<b>2.7</b>	<b>140.0</b>
Investments	14.2	12.7	1.0	<b>27.9</b>
Disposals	(1.0)	(0.4)	(0.3)	<b>(1.7)</b>
Depreciation	(21.2)	(8.5)	(1.4)	<b>(31.1)</b>
<b>Total as at 31 December 2019</b>	<b>90.6</b>	<b>42.5</b>	<b>2.0</b>	<b>135.1</b>
Investments	1.9	7.6	1.0	<b>10.5</b>
Disposals	–	(0.7)	(0.2)	<b>(0.9)</b>
Depreciation	(17.3)	(7.9)	(1.1)	<b>(26.3)</b>
Change in consolidation scope	–	–	–	–
Currency impact	–	–	–	–
Other movements	(46.9)	–	–	<b>(46.9)</b>
Other changes				
<b>Total as of 31 December 2020</b>	<b>28.3</b>	<b>41.5</b>	<b>1.7</b>	<b>71.5</b>

Other movement contains IFRIC 12 reclassification from right-of-use assets to Financial assets, refer to note 3.6.6.

The rents resulting from leases which are not capitalized are shown below:

	<b>2020</b>
Expense relating to short-term leases	1.0
Expense relating to leases of low-value asset	–
Expense relating to variable lease payments	–
Other	–
<b>Total</b>	<b>1.0</b>

### 3.6.5.1 Financial assets and financial liabilities

The carrying amounts of each of the categories as defined in IFRS 9 is broken down below:

In EUR millions	2020	2019
<b>Derivative financial instruments</b>		
<b>Debt instruments at amortized costs</b>		
Trade and other receivables	53.5	59.0
Cash and cash equivalents	98.0	69.7
Trade and other payables	(126.3)	(98.3)
Contract liability	(82.3)	(73.4)
Payroll tax liability	(57.2)	–
Finance lease obligations	(72.2)	(135.1)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2020:

In EUR millions	Level 1	Level 2	Level 3	Total
<b>Debt instruments at amortized costs</b>				
Finance lease obligations	–	(72.2)	–	<b>(72.2)</b>
<b>Balance at 31 December</b>	<b>–</b>	<b>(72.2)</b>	<b>–</b>	<b>(72.2)</b>

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019:

In EUR millions	Level 1	Level 2	Level 3	Total
<b>Debt instruments at amortized costs</b>				
Finance lease obligations	–	(135.1)	–	<b>(135.1)</b>
<b>Balance at 31 December</b>	<b>–</b>	<b>(135.1)</b>	<b>–</b>	<b>(135.1)</b>



### 3.6.6 Current and non-current operating financial assets

In EUR millions	Operating financial assets representing property plant and equipment (1)	Operating financial assets covering future lease payments (2)	Total
<b>Total as of 31 December 2019</b>			
Additions	30.7	–	<b>30.7</b>
Other movements	16.3	49.2	<b>65.5</b>
Repayments / disposals	-1.9	-1.3	<b>-3.2</b>
<b>Total as of 31 December 2020</b>	<b>45.1</b>	<b>47.9</b>	<b>93.0</b>

**2020**

In EUR millions	< 1 year	1 - 5 year	> 5 years	Total
Operating financial assets	6.6	71.4	15.0	<b>93.0</b>
Financial liabilities	6.4	41.4	0.0	<b>47.8</b>

(1) These amounts correspond to the unconditional rights to receive remuneration from the concession grantors in respect of the financing of rolling stock on behalf of concession grantors.

(2) These amounts correspond to the unconditional rights to receive remuneration from the concession grantors in respect of lease payments to be made related to rolling stock (at the end of 2019, these lease payments are due to a concession grantor).

Operating financial assets include financial assets recognized as a result of applying IFRIC 12 to concession arrangements.

With respect to operating financial assets representing property, plant and equipment restated applying IFRIC 12 (Group assets):

- Cash flows associated with these operating financial assets (new assets and principal repayments) are broken down in the net cash flows associated with investment transactions presented in the consolidated statement of cash flows.
- Revenue generated by operating financial assets is reported as revenue from ordinary activities.

### 3.6.7 Investments in associates and joint ventures

Investments in equity accounted investees includes associates and joint ventures entities. The movement is detailed in the table below:

In EUR millions	Associates		Joint ventures		Total	
	2020	2019	2020	2019	2020	2019
Balance at 1 January	1.9	1.5	(0.1)	(0.1)	1.8	1.4
Direct changes in equity	0.7	0.4	–	–	0.7	0.4
<b>Balance at 31 December</b>	<b>2.6</b>	<b>1.9</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>2.5</b>	<b>1.8</b>

#### Investments in associates

The total amount of assets, liabilities, revenue and profit or loss of the associates as at 31 December can be broken down as follows (based on 100% share):

The numbers 2020 are estimated based on latest financial information available at the date of this Annual Report. The valuation in the balance sheet is based on the latest financial statements which are prepared in accordance with BW 2 Titel 9. Due to the financial impact and size of the associates we adopt the amounts based on the latest financial statements.

In EUR millions	Share Transdev Nederland						Off-balance sheet
		Assets	Liabilities	Equity	Revenue	Profit / loss (–)	commit- ments
<b>2020</b>							
Tranzer BV	15.0%	0.8	0.8	–	0.4	(1.5)	–
REISinformatiegroep BV	32.8%	6.9	1.8	5.1	8.2	–	2.9
Reg. Ambulancev. Haaglanden	33.1%	14.5	14.5	–	36.1	–	–
Ver. Ambulancez. NHN	35.2%	5.0	5.0	–	24.6	–	–
Reg. Ambulancev. Kennemerland	29.6%	5.0	5.0	–	19.8	–	–
Amaze	15.0%	–	–	–	–	–	–
Yeller	12.6%	–	–	–	–	–	–
<b>2019</b>							
Tranzer BV	15.0%	1.6	0.1	1.5	0.1	(0.9)	–
REISinformatiegroep BV	32.8%	6.9	1.8	5.1	8.2	–	1.0
Reg. Ambulancev. Haaglanden	33.1%	5.8	14.5	–	36.1	–	–
Ver. Ambulancez. NHN	35.2%	5.0	5.3	–	24.6	–	–
Reg. Ambulancev. Kennemerland	29.6%	5.0	5.3	–	19.8	–	–

The share in Tranzer BV of 15% is recognized against cost prize.

### Investments in joint ventures

The total amount of assets, liabilities, revenue and profit or loss of the joint ventures as at 31 December can be broken down as follows (based on 100% share):

In EUR millions	Share Transdev Nederland	Assets	Liabilities	Equity	Revenue	Profit / loss (-)	Off-balance sheet commit- ments
<b>2020</b>							
Schiphol Travel Taxi BV	50.0%	0.1	0.2	(0.1)	0.4	-	-
<b>2019</b>							
Schiphol Travel Taxi BV	50.0%	0.3	0.5	(0.2)	2.0	-	-

### 3.6.8 Other investments, including derivatives

Diesel swaps are disclosed under 'derivative financial instruments' (reference is made to Section 3.6.16).

Non-current receivables mainly pertain to Witte Kruis entities acquired in 2008 in relation to past obligations for early retirement.

In EUR millions	2020	2019
Loans receivable	2.1	2.7
<b>Total other investments, including derivatives</b>	<b>2.1</b>	<b>2.7</b>

### Repayments on other non-current loans receivable in the coming year

In EUR millions	2020	2019
Repayments on other non-current loans receivable	6.6	-
<b>Total repayments on other non-current loans receivable in the coming year</b>	<b>6.6</b>	<b>-</b>

## Changes in other non-current loans receivable

The changes in other non-current loans receivable, including repayments in the coming year were as follows:

In EUR millions	2020	2019
Balance at 1 January	3.1	4.1
Repayments	(0.6)	(0.8)
Reclassifications to current	–	(0.2)
<b>Balance at 31 December</b>	<b>2.5</b>	<b>3.1</b>

## Breakdown of other non-current receivables based on their term

In EUR millions	2020			Total
	< 1 year	1 - 5 year	> 5 years	
Other non-current receivables	6.6	(4.1)	–	2.5
<b>Total</b>	<b>6.6</b>	<b>(4.1)</b>	<b>–</b>	<b>2.5</b>

In EUR millions	2019			Total
	< 1 year	1 - 5 year	> 5 years	
Other non-current receivables	–	3.1	–	3.1
<b>Total</b>	<b>–</b>	<b>3.1</b>	<b>–</b>	<b>3.1</b>

### 3.6.9 Deferred tax assets and deferred tax liabilities

The deferred tax assets and deferred tax liabilities can be allocated to the following items:

In EUR millions	2020		2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	2.4	0.6	1.4	0.6
Provisions	5.7	–	5.2	–
Tax losses available for carry-forward	16.4	–	8.6	–
Valuation allowance	(25.1)	–	(15.7)	–
Intangible assets	0.7	–	1.1	–
<b>Total deferred taxes</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>

The deferred tax asset has an expected term of more than one year. A valuation allowance is recognised for all losses available for carry-forward. Reference is made to the Critical accounting estimates and judgements disclosure as included in section 3.6.2.

### Statement of changes in temporary income tax differences

The changes in temporary income tax differences can be shown as follows:

In EUR millions	Balance at	Recognised in income	Recognised in equity	Balance at
	1 January 2020			31 December 2020
Property, plant and equipment	1.3	1.0	–	2.3
Provisions	5.2	0.5	–	5.7
Tax losses available for carry-forward	8.6	7.8	–	16.4
Valuation allowance	(15.7)	(9.4)	–	(25.1)
Acquired contract rights	0.6	0.1	–	0.7
<b>Total deferred taxes</b>	<b>(0.0)</b>	<b>–</b>	<b>–</b>	<b>(0.0)</b>

In EUR millions	Balance at 1 January 2019	Recognised in income	Recognised in equity	Balance at 31 December 2019
Property, plant and equipment	0.5	0.8	–	1.3
Provisions	5.5	(0.3)	–	5.2
Tax losses available for carry-forward	9.6	(1.0)	–	8.6
Valuation allowance	(15.4)	(0.3)	–	(15.7)
Derivative financial instruments	(0.1)	0.1	–	–
Acquired contract rights	0.6	–	–	0.6
<b>Total deferred taxes</b>	<b>0.7</b>	<b>(0.7)</b>	<b>–</b>	<b>(0.0)</b>

#### Expiry date unrecognised deferred tax assets

The deferred tax assets resulting from former tax losses will expire as follows:

In EUR millions	
2021	1.1
2022	2.9
2023	2.0
2024	–
2025	2.1
2026	6.0
2027	2.3
<b>Total deferred taxes</b>	<b>16.4</b>

On 4 June 2021 a Royal Decree was published announcing changes in Dutch tax loss utilization rules. Since the legislation was not (substantively) enacted per balance sheet date the impact is not included in this financial statement. As of today we do not expect significant impact on the unrecognised deferred tax asset valuation.

### 3.6.10 Inventories

In EUR millions	2020	2019
Spare parts	2.8	3.4
Other inventories	0.4	0.5
<b>Total inventories</b>	<b>3.2</b>	<b>3.9</b>

At year-end 2020 the provision amounted EUR 0.0 million (2019: EUR 0.0 million).

### 3.6.11 Trade and other receivables

In EUR millions	Notes	2020	2019
Trade receivables	3.6.11.1	18.5	15.7
Public transport funds receivable		8.2	10.6
Repayments on non-current receivables in the coming year	3.6.8	6.6	-
Receivables relating to capital expenditures		-	0.1
Prepayments and accrued income		18.7	28.4
Other receivables		1.5	4.2
<b>Total trade and other receivables</b>		<b>53.5</b>	<b>59.0</b>

#### 3.6.11.1 Trade receivables

In EUR millions	2020	2019
Gross amount	19.3	16.3
Valuation allowance	(0.8)	(0.6)
<b>Balance at 31 December</b>	<b>18.5</b>	<b>15.7</b>

### Ageing trade receivables

The ageing of trade receivables can be broken down as follows:

In EUR millions	2020	2019
Not due	12.7	14.2
Overdue 0 - 30 days	3.6	0.2
Overdue 31 - 60 days	2.0	0.1
Overdue 61 - 90 days	0.1	0.1
Overdue more than 90 days	–	1.1
<b>Total</b>	<b>18.5</b>	<b>15.7</b>

The Group expects to collect the full amount of undue balances of trade receivables based on experience.

The changes in valuation allowances of trade receivables were as follows:

In EUR millions	2020	2019
Balance at 1 January	(0.6)	(1.0)
Additions	(0.6)	(0.1)
Usage	0.3	0.2
Release	0.1	0.3
<b>Balance at 31 December</b>	<b>(0.8)</b>	<b>(0.6)</b>

### 3.6.12 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In EUR millions	2020	2019
Trade receivables	19.3	16.3
Loans and other receivables	34.2	42.7
Cash and cash equivalents	98.0	69.7
Derivatives used for cash flow hedging	–	0.3
<b>Total</b>	<b>151.5</b>	<b>128.7</b>



### 3.6.13 Equity attributable to equity holders

#### Authorised share capital

The authorised share capital of Transdev Nederland Holding NV amounts to EUR 350.0 million, divided into 350,000 ordinary registered shares with a nominal value of EUR 1,000 each.

Neither the nominal value of the authorised share capital nor the number of shares changed during the current and previous year.

#### Issued capital

The issued capital of Transdev Nederland Holding NV amounts to EUR 79.5 million, divided into 79,553 ordinary shares with a nominal value of EUR 1,000 each. The issued capital is fully paid up.

Neither the value of the issued capital nor the number of shares changed during the current and previous years.

#### Statutory and other non-distributable reserves

The statutory and other non-distributable reserves relate to undistributed profits of subsidiaries, associates and joint ventures.

The restricted capital of Witte Kruis totalled EUR 6.2 million as at year-end 2020 (2019: EUR 6.2 million).

#### Retained earnings

The Executive Board proposes to add the loss for 2020 attributable to equity holders of the Company, an amount of EUR 27.1 million, to the retained earnings (2019: EUR 5.2 million profit).

#### Appropriation of 2020 result

Article 34 of the Articles of Association provides that the Annual Meeting of Shareholders shall decide on the appropriation of the result of Transdev Nederland Holding NV. The Executive Board proposes to add the net loss 2020 for an amount of EUR 27.1 million to the retained earnings.

### 3.6.14 Current and non-current lease liabilities

Lease contracts consist of various items of vehicles and buildings.

In EUR millions	2020	2019
Non-current lease liabilities	55.9	109.0
<b>Total non-current lease liabilities</b>	<b>55.9</b>	<b>109.0</b>
Current lease liabilities	16.3	26.1
<b>Total current lease liabilities</b>	<b>16.3</b>	<b>26.1</b>
<b>Total non-current and current lease liabilities</b>	<b>72.2</b>	<b>135.1</b>

Changes in the current and non-current lease liabilities in fiscal year 2020 are shown below:

In EUR millions	Lease liabilities
<b>Non-current and current lease liabilities</b>	
Balance as of 31 December 2019	<b>135.1</b>
Increases	9.7
IFRIC 12 reclassification	(47.8)
Repayments	(25.0)
Other movements	0.2
<b>Balance at 31 December 2020</b>	<b>72.2</b>

Movements include non-cash loan grants of EUR 8.9 million (2019: EUR 27.9 million) relating to finance leases. In the consolidated statement of cash flow, non-cash movements relating to finance leases are netted with the cash flow from investing activities.

## Maturity of non-current and current lease liabilities

**2020**

In EUR millions

	< 1 year	1 - 5 year	> 5 years	Total
Non-current lease liabilities	–	35.8	20.1	<b>55.9</b>
Current lease liabilities	16.3	–	–	<b>16.3</b>
<b>Total</b>	<b>16.3</b>	<b>35.8</b>	<b>20.1</b>	<b>72.2</b>

Off-balance sheet commitments are broken down in note 3.6.22.

### 3.6.15 Provisions

The movement of the provisions can be broken down as follows:

In EUR millions	Carrying amount	Additions	Usage	Release	Effect of discounting	Carrying amount
	1 January 2020					31 December 2020
Long-term employee benefits	8.3	3.4	(3.6)	(0.1)	–	8.0
Pending damage claims	8.2	5.3	(4.6)	–	–	8.9
Restructuring	0.7	0.1	(0.1)	–	–	0.7
Environmental	0.7	–	–	–	–	0.7
Litigation and claims	2.5	0.1	(0.2)	–	–	2.4
<b>Total provisions</b>	<b>20.4</b>	<b>8.9</b>	<b>(8.5)</b>	<b>(0.1)</b>	<b>–</b>	<b>20.7</b>

In EUR millions	Carrying amount	Additions	Usage	Release	Effect of discounting	Carrying amount
	1 January 2019					31 December 2019
Long-term employee benefits	9.9	2.8	(4.3)	(0.2)	0.1	8.3
Pending damage claims	8.3	4.5	(4.7)	–	0.1	8.2
Restructuring	3.4	0.4	(0.9)	(2.2)	–	0.7
Environmental	1.0	–	(0.1)	(0.2)	–	0.7
Litigation and claims	0.1	2.4	–	–	–	2.5
<b>Total provisions</b>	<b>22.7</b>	<b>10.1</b>	<b>(10.0)</b>	<b>(2.6)</b>	<b>0.2</b>	<b>20.4</b>

In the provisions a provision for litigation and claims is recognized. Litigation and claims are in process against the company relating to disputes and ongoing investigations by third parties who alleges that the company have disadvantage third parties. The information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

The company is involved in legal proceedings regarding contract/concession granting to ensure proper level playing field. Were damages resulted from the loss of contracts/concessions the company will seek financial compensation. Given the inherent uncertainty relating legal proceedings no asset are recognized on the balance sheet as per 31 December 2020. Due to the inherent sensitivity of the information to be disclosed for contingent assets, no further information is disclosed in accordance with the provisions of IAS 37:91 and IAS 37:93.

## Breakdown of provisions based on their term

Term	2020		2019	
	< 1 year	> 1 year	< 1 year	> 1 year
In EUR millions				
Long-term employee benefits	3.5	4.5	2.9	5.4
Pending damage claims	1.9	7.0	2.9	5.3
Restructuring	0.5	0.2	0.4	0.3
Environmental	0.4	0.3	0.2	0.5
Litigation and claims	2.4	–	2.4	–
Other	–	1.7	–	0.1
<b>Total provisions</b>	<b>8.7</b>	<b>13.7</b>	<b>8.8</b>	<b>11.6</b>

For a general description of the provisions, reference is made to the accounting policies (reference is made to Section 3.6.2).

### Long-term employee benefits

The provision for long-term employee benefits is intended for benefits paid to employees due to long-term illness, jubilee benefits, termination benefits and for payments for job-related discharge from service dictated by age.

For the calculation of provisions for future jubilee benefits, termination benefits and discharge from service dictated by age the Group applies a wage trend of 1.5% (2019: 1.5%).

The life expectancy rates are based on 'Prognosetafel AG 2018' without backward age adjustments. Effective market bonds with a double A rating have been used as the discount rate resulting in a discount rate of 0.5% (2019: 0.4%).

### Pending damage claims

The provision presents the best estimate amount for bodily insurance net of payments made.

### Restructuring

Restructuring provisions are provisions for future payments to employees.

### 3.6.16 Contract Liabilities

Contract liabilities of EUR 4.1 million (2019: 2.1 million) relate maintenance obligations that are a separate performance obligation in accordance with the criteria of IFRS 15.

### 3.6.18 Trade and other payables

In EUR millions	2020	2019
Trade payables	17.1	39.7
Personnel costs	25.1	25.1
Accruals	46.3	22.8
Other liabilities	37.8	10.7
<b>Total trade and other payables</b>	<b>126.3</b>	<b>98.3</b>

Trade and other payables are non-interest bearing and are normally settled within one year. Increase of payables due to governmental measures to prevent liquidity shortage the Group could defer EUR 84.8 million end of 2020. Those deferred payroll taxes will be paid back on a monthly basis, ending in 2023.

### 3.6.19 Deferred income

In EUR millions	2020	2019
Public transport funds	69.9	65.1
Other payments received in advance	12.4	8.3
<b>Total deferred income</b>	<b>82.3</b>	<b>73.4</b>

In 2020, public transport funds include Student card money received in advance for the year 2021 of EUR 61.8 million (2019: EUR 61.7 million). All performance obligations in respect of contract liabilities at year and 2019 were satisfied in 2020.

### 3.6.20 Post retirement benefits

#### Multi-employer plans

The Group contributes to a number of separately administered pension schemes. In all cases involving affiliation with industry-wide pension funds, Transdev has no obligation to pay additional contributions in the event of a deficit in the industry-wide pension fund, other than paying future premiums. Nor can Transdev assert any rights on any surpluses in the funds. As a result, these defined benefit plans are recognized in these financial statements as a defined contribution plan in accordance with IFRS. The biggest measured by the number of employees covered by the PVF scheme. As of 31 December 2020, 1,408 employees are covered by the PVF scheme. The PVF plan is a career average plan with discretionary indexation. The coverage ratio amounted to 103.5% per 31 December 2020. Generally, a deficit in the scheme will result in an adjustment of the indexation.

### Pensioen regeling Pensioenfondsen Rail & OV (former: SPOV)

As per 1 april 2020 the SPOV is merged into a new pension fund called Rail & OV. The Rail & OV is a multi-employer defined contribution plan. This plan qualifies for financial reporting purposes as a defined contribution plan. The premium agreed with Pensioenfondsen Rail & OV is a fixed, predetermined annual premium, expressed as a percentage of the pension base.

In 2020 Transdev paid the nominal pension premium of 22,1% to the pension fund. Part of the pension premium paid to the Rail & OV pension fund is paid by the employees. After payment of the agreed premium, the company has no obligation to pay additional amounts in the event of a deficit at the pension fund. The actuarial risks and the investment risks lie with the pension fund and its participants.

The current service cost for 2020 amounts to EUR 28.2 million (2019: EUR 29.5 million) which equals to the employer contribution. The service cost for 2021 is expected to be in line with 2020.

### 3.6.21 Business combinations

In 2020 the Group did not acquire or sell new or current business combinations.

### 3.6.22 Off-balance sheet commitments

#### Capital commitments

The Group entered into contracts for the purchase of assets for an amount of EUR 22.2 million (2019: EUR 99.6 million). Capital commitments relate to 2020 and 2021.

#### Guarantees

As at 31 December 2020, the Group furnished guarantees up to an amount of EUR 10.8 million (2019: EUR 17.9 million). This amount can be broken down as follows:

In EUR millions	2020	2019
< 1 year	10.8	15.1
1 - 5 years	–	2.8
> 5 years	–	–
<b>Total guarantees</b>	<b>10.8</b>	<b>17.9</b>

Guarantees mainly relate to operating lease contracts and future performance obligations under concession contracts.

#### Credit facility

The group has a credit facility of 7.5 million at the ING bank as part of the cashpool agreement.

#### General Purpose Revolving Credit Facility

In 2018 the Group agreed on a general purpose revolving credit facility with Transdev Group. Under the credit facility agreements, the Group must adhere to certain covenants including adjusted leverage ratio. As of 31 December 2020 the Group complied to these covenants. The amount available under the facility totalled EUR 40.0 million at 31 December 2020 (2019: EUR 40.0 million).

### 3.6.23 Revenue from contracts with customers

In EUR millions	2020	2019
Public Transport	440.1	510.7
Taxi on Demand	90.5	118.4
Witte Kruis Mobile Care	91.4	84.9
Other revenue	2.1	3.0
<b>Total revenue</b>	<b>624.1</b>	<b>717.0</b>

### 3.6.24 Cost of sales

In EUR millions	2020	2019
Cost of work contracted-out	(67.1)	(84.3)
<b>Total cost of sales</b>	<b>(67.1)</b>	<b>(84.3)</b>

### 3.6.25 Personnel costs

In EUR millions	2020	2019
Wages and salaries	(252.3)	(260.6)
Social charges	(42.3)	(46.0)
Pension charges	(38.1)	(39.9)
Hired staff	(38.9)	(54.4)
Other personnel costs	(15.0)	(15.6)
<b>Total personnel costs</b>	<b>(386.6)</b>	<b>(416.5)</b>

The average number of employees of the Group in full-time equivalents in 2020 was 5195 (2019: 5682).

The Group expensed EUR 38.1 million in relation to defined contribution pension plans (2019: EUR 39.9 million).

In 2020, one employee of the Group worked abroad (2019: one).



### 3.6.26 Depreciation, amortisation and impairments

In EUR millions	2020	2019
Depreciation of property, plant and equipment	(27.8)	(26.4)
Depreciation of right-of-use assets	(26.2)	(31.2)
Amortisation of intangible assets with useful lives	(0.1)	(0.1)
Impairments of intangible assets	(1.8)	-
<b>Total depreciation, amortisation and impairments</b>	<b>(55.9)</b>	<b>(57.7)</b>

### 3.6.27 Finance income and finance expense

Finance expense can be specified as follows:

In EUR millions	2020	2019
Finance expense	(0.8)	(0.4)
Interest expenses on lease liabilities	(2.3)	(3.7)
Effect of discounting	-	(0.2)
<b>Total finance expenses</b>	<b>(3.1)</b>	<b>(4.3)</b>

### 3.6.28 Results from associates and joint ventures

In EUR millions	2020	2019
Disposals	-	(0.1)
<b>Total results from associates and joint ventures</b>	<b>-</b>	<b>(0.1)</b>

### 3.6.29 Income tax

The following table reconciles the tax amount calculated at the applicable statutory rate with the tax charge recorded in the statement of income.

Reconciliation of effective tax rate	As a %		In EUR millions	
	2020	2019	2020	2019
<b>Profit before taxes</b>			<b>(27.1)</b>	<b>5.8</b>
Income tax using the statutory tax rate	25.0%	25.0%	6.6	(1.6)
Effect of participation exemption	–	1.3%	–	(0.1)
Adjustment valuation deferred tax asset and liability	(28.0)%	17.3%	(7.4)	(1.0)
Non-deductible costs	(1.5)%	4.7%	(0.4)	(0.3)
Benefits exempted from income taxes	–	–	–	–
Settlement of prior periods relating to change of tax status	–	–	–	–
Tax credits on investments	4.5%	(38.2)%	1.1	2.2
Adjustment tax charge prior year	–	–	–	–
<b>Total income taxes</b>	<b>0.0%</b>	<b>10.1%</b>	<b>(0.0)</b>	<b>(0.6)</b>

Please refer to note 3.6.9 for a breakdown of Deferred Tax Assets and Deferred Tax Liability.

### 3.6.30 Related-party transactions

The following related parties of the Group are distinguished: the associates and joint ventures (reference is made to Section 3.6.2), the Executive Board and Supervisory Board of Transdev and its Shareholder, Transdev, a French transport company.

All related-party transactions are conducted at arm's length.

The following related-party transactions took place:

2020

Name of related party	Sold to	Purchased from	Amounts receivable from	Amounts payable to
In EUR millions				
<b>With Shareholder Group</b>				
Transdev Group	0.1	5.8	0.1	1.8
<b>With associates and joint ventures</b>				
REISinformatiegroep BV	–	0.6	–	–
Reg. Ambulancev. Haaglanden	11.4	–	3.1	–
Ver. Ambulancez. Noord-Holland Noord	8.5	–	1.6	–
Reg. Ambulancev. Kennemerland	5.8	–	1.1	–
Tranzer BV, Amersfoort	0.1	–	–	–
<b>Total</b>	<b>25.9</b>	<b>6.4</b>	<b>5.9</b>	<b>1.8</b>

2019

Name of related party	Sold to	Purchased from	Amounts receivable from	Amounts payable to
In EUR millions				
<b>With Shareholder Group</b>				
Transdev Group	–	5.8	–	0.2
<b>With associates and joint ventures</b>				
REISinformatiegroep BV	–	0.6	–	0.1
Reg. Ambulancev. Haaglanden	10.7	–	2.9	–
Ver. Ambulancez. Noord-Holland Noord	8.1	–	1.3	–
Reg. Ambulancev. Kennemerland	5.7	–	1.3	–
<b>Total</b>	<b>24.5</b>	<b>6.4</b>	<b>5.5</b>	<b>0.3</b>

No transactions took place with the Executive Board or the Supervisory Board of Transdev Nederland during the reporting year.

Please also refer to Section 3.6.22 for financing transactions with Transdev Group.

#### Audit fees

Audit fees have not been disclosed pursuant to the provisions of BW 2 art. 382a-3.

## Remuneration and benefits of current and former Executive Board members

### Remuneration of the Executive Board

The Remuneration Committee of the Supervisory Board determined the variable remuneration of the members of the Executive Board.

The remuneration of the Executive Board totalled EUR 1.0 million (2019: EUR 0.6 million).

The amount can be broken down as follows:

Amounts in EUR thousands	Salaries		Variable remuneration		Pension charges	
	2020	2019	2020	2019	2020	2019
<b>Total remuneration of current and former Board of Directors Members</b>	<b>693</b>	<b>322</b>	<b>0</b>	<b>174</b>	<b>144</b>	<b>114</b>

At 31 December 2020 the Executive Board consisted of Mr. P. Eringa, Mr. J. Horstmann and M. Brakenhoff - van Winden (board member since 1 January 2020). Total remuneration of current Executive Board members in 2020 does not exceeds regular level of compensation. In 2019 Mr. C. Schreyer was Chief Executive Officer for the interim period. As per September 2019 a successor, P. Eringa, was nominated and appointed as Chairman and Chief Executive Officer. Mr. C. Schreyer received no remuneration directly from Transdev Nederland. Total remuneration of the Executive Board members in 2019 did not exceeds the regular level of compensation. Salaries include no termination benefits.

The amount can be broken down as follows:

Amounts in EUR thousands	Supervisory Board	As committee member	Total	Total
			2020	2019
<b>Total payments Supervisory Board</b>	<b>66</b>	<b>6</b>	<b>72</b>	<b>85</b>

At 31 December 2020 the Supervisory Board consisted of 3 members in: Prof. Dr. E.J.J. Schenk (chairman), Mr. C Schreyer, Mr. M. Garcia and Mrs. C. Avelines.

### 3.6.31 Subsequent events

There are no subsequent events.

### 3.6.32 Branches

The group has no other branches.

## 3.7 Company statement of financial position

Before proposed profit appropriation

In EUR millions	Notes	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	3.9.2	35.2	33.8
<b>Total non-current assets</b>		<b>35.2</b>	<b>33.8</b>
<b>Current assets</b>			
Trade and other receivables	3.9.3	103.3	132.7
<b>Total current assets</b>		<b>103.3</b>	<b>132.7</b>
<b>Total assets</b>		<b>138.5</b>	<b>166.4</b>

The notes on pages 72 to 75 are an integral part of these company financial statement

In EUR millions	Notes	2020	2019
Equity and liabilities			
<b>Equity</b>			
Share capital	3.9.1	79.5	79.5
Statutory and other non-distributable reserves	3.9.1	6.2	6.2
Retained earnings	3.9.1	34.4	29.4
Profit / (loss) for the period	3.9.1	(27.1)	5.2
<b>Total equity</b>		<b>93.0</b>	<b>120.3</b>
<b>Non-current liabilities</b>			
Provisions	3.9.4	43.8	43.8
<b>Total non-current liabilities</b>		<b>43.8</b>	<b>43.8</b>
<b>Current liabilities</b>			
Trade and other payables	3.9.5	1.7	2.3
<b>Total current liabilities</b>		<b>1.7</b>	<b>2.3</b>
<b>Total liabilities</b>		<b>45.5</b>	<b>46.1</b>
<b>Total equity and liabilities</b>		<b>138.5</b>	<b>166.4</b>

The notes on pages 72 to 75 are an integral part of these company financial statement

## 3.8 Company statement of income

In EUR millions	2020	2019
<b>Revenue</b>	–	–
Operating costs	–	–
<b>Results from operating activities</b>	–	–
Finance income and finance expense	–	–
Share in profit or loss of subsidiaries	(27.1)	5.2
<b>Result before income tax</b>	<b>(27.1)</b>	<b>5.2</b>
Income tax	–	–
<b>Result for the year attributable to equity holders of the Company</b>	<b>(27.1)</b>	<b>5.2</b>

The notes on pages 72 to 75 are an integral part of these company financial statement

## 3.9 Notes to the company financial statements

### 3.9.1 Accounting policies

#### Introduction

A condensed company statement of income has been drafted as permitted by Section 402, Part 9, Book 2 of the Dutch Civil Code.

#### Accounting policies

The company financial statements of Transdev Nederland Holding NV have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code, using the option to apply the valuation principles of the consolidated financial statements (Section 362 (8)).

The investments in subsidiaries are accounted for using the equity method.

For the other policies of the company financial statements, reference is made to the notes to the consolidated financial statements.

The share of profit or loss of subsidiaries comprises the share of Transdev Nederland Holding NV in the profits or losses of these subsidiaries.

Gains or losses on transactions in which assets and liabilities were transferred between Transdev Holding NV and its subsidiaries and among its subsidiaries, have not been recognised insofar as they are unrealised.

For the statement of changes in equity reference is made to the consolidated financial statements in Section 3.5 and relating notes in Section 3.6.13.



### 3.9.2 Investments in subsidiaries

In EUR millions	Notes	2020	2019
Subsidiaries	3.9.2.1	35.2	33.8
<b>Total investments in subsidiaries</b>		<b>35.2</b>	<b>33.8</b>

#### 3.9.2.1 Equity and profit/loss of subsidiaries

Equity and profit/loss of subsidiaries as at 31 December can be broken down as follows:

In EUR millions	% of share capital		Equity		Profit / (loss)	
	2020	2019	2020	2019	2020	2019
Subsidiaries						
Connexion Nederland NV, Utrecht, the Netherlands	100%	100%	35.2	33.8	(27.1)	5.2
<b>Subtotal subsidiaries with a positive equity value</b>			<b>35.2</b>	<b>33.8</b>	<b>(27.1)</b>	<b>5.2</b>
Connexion Vloot BV, Hilversum, the Netherlands	100%	100%	(43.8)	(43.8)	–	–
<b>Subtotal subsidiaries with a negative equity value</b>			<b>(43.8)</b>	<b>(43.8)</b>	<b>–</b>	<b>–</b>
<b>Total subsidiaries</b>			<b>(8.5)</b>	<b>(10.0)</b>	<b>(27.1)</b>	<b>5.2</b>

Subsidiaries with a negative equity value are classified as a provision (reference is made to Section 3.9.4).

### 3.9.2.2 Subsidiaries (including subsidiaries with a negative equity value)

In EUR millions	2020	2019
Balance at 1 January	(10.0)	(17.3)
Profit for the period	(27.1)	5.2
Direct changes in equity	28.6	0.4
Changes in fair value of financial instruments	–	0.3
Effect of sold or discontinued operations	–	1.4
<b>Balance at 31 December</b>	<b>(8.5)</b>	<b>(10.0)</b>

### 3.9.3 Trade and other receivables

In EUR millions	2020	2019
Trade receivables	0.1	0.1
Receivables from subsidiaries	102.8	111.9
Other receivables, prepayments and accrued income	0.5	0.4
<b>Total trade and other receivables</b>	<b>103.3</b>	<b>112.5</b>

### 3.9.4 Provisions

Provisions relate to subsidiaries with a negative equity value for an amount of EUR 43.8 million in 2020 (2019: EUR 43.8 million).

As the Company has submitted guarantees conform Section 403, Part 9, Book 2 of the Dutch Civil Code, a provision was recognised for the subsidiaries with a negative equity value as this is the best estimate of the future cash outflow.

### 3.9.5 Trade and other payables

In EUR millions	2020	2019
Trade payables	(0.0)	0.8
Other liabilities	1.7	1.6
<b>Total trade and other payables</b>	<b>1.7</b>	<b>2.3</b>

### 3.9.6 Off-balance sheet commitments

For the off-balance sheet commitments, including legal proceedings and events after the balance sheet date, reference is made to the notes to the consolidated financial statements and other information.

In addition, the Company has submitted guarantees to their subsidiaries conform Section 403, Part 9, Book 2 of the Dutch Civil Code. Transdev Nederland Holding NV is a member in a tax group for corporate income tax and VAT purposes. By virtue of the standard conditions, the Company is jointly and severally liable for all tax liabilities of the members of the tax group.

### 3.9.7 Related-party transactions

No related party transactions occurred outside the normal course of business in 2020 and 2019.

Hilversum, 17 June 2021

On behalf of the Executive Board of Transdev Nederland Holding NV,

Signed by

M.M.A. Lageirse  
*Chief Executive Officer*

J.C. Horstmann  
*Chief Financial Officer*

M. Brakenhoff - van Winden  
*Chief Human Resources Officer*

E.J.J. Schenk  
*Chairman of the  
Supervisory Board*

M. Garcia  
*Member of the  
Supervisory Board*

C. Avelines  
*Member of the  
Supervisory Board*

B. Charrade  
*Member of the  
Supervisory Board*



witte kruis

Hande is niet de grif  
van deze ambulance  
Steek vingers en voeten  
niet uit de deur open staan.

↔ DEUR VERBODEN TOEGANG ↔

NCE

Gelderland

# 4

## Other information

### 4.1 Statutory provisions regarding appropriation of results

Article 34 of the Company's statutes stipulates that the Executive Board may propose to add between brackets the annual profits to the general reserves. Such proposal is subject to approval by the Supervisory Board. Allocation of any remaining profits is at the discretion of the Shareholder's Meeting.

### 4.2 Independent auditor's report

To: the shareholders and supervisory board of Transdev Nederland Holding NV

#### Report on the audit of the financial statements 2020 included in the annual report

##### Our opinion

We have audited the financial statements 2020 of Transdev Nederland Holding NV, based in Hilversum. The financial statements include the consolidated financial statements and the company financial statements.

##### In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Transdev Nederland Holding NV as at 31 December 2020, and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

- The accompanying company financial statements give a true and fair view of the financial position of Transdev Nederland Holding NV as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2020
- The following statements for 2020: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2020
- The company profit and loss account for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

##### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Transdev Nederland Holding NV in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of matter relating to uncertainty about Corona and going concern.

The developments around the Corona (Covid-19) pandemic have a profound impact on people, society and on the economy. This impacts operational and financial performance of organizations and the assessment of the ability to continue as a going concern.

The impact may continue to evolve, giving rise to complexity and inherent uncertainty. Transdev Nederland holding NV is confronted with this uncertainty as well.

The financial statements and our auditor's report thereon reflect the conditions at the time of preparation, including the uncertainty and the impact on significant assumptions and estimations, that are disclosed in the Executive Board report section 'Key risks and control measures' and 'outlook for 2021' and in note 3.6.2 to the financial statements 'Preparation of the financial statement on the basis of going concern'. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

### Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the Supervisory Board
- Report of the Executive Board
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code
- Appendix continuïteitsbijdrage

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Utrecht, 22 June 2021

Ernst & Young Accountants LLP

**Signed by**

J.H.A de Jong

### 4.3 BIJLAGE Continuïteitsbijdragen

Intentionally left blank.



Intentionally left blank.

Intentionally left blank.

## Colophon

Idea, realisation and editing

Transdev Nederland Holding NV, Hilversum, the Netherlands

Design

BADE creatieve communicatie, Baarn, the Netherlands

Photography

Archive Transdev

