

# Hitachi Rail GTS Denmark A/S

Industriparken 39, DK-2750 Ballerup

**Annual Report for  
1 January 2024 - 31 March 2025**

CVR No. 32 07 51 93

The Annual Report was presented and adopted at the  
Annual General Meeting of the company on  
30/09/2025

**Johannes Boyer**  
Chairman of the general meeting

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## Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hitachi Rail GTS Denmark A/S for the financial year 1 January 2024 - 31 March 2025.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2025 of the Company and of the results of the Company operations for 2024/25.

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

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

Ballerup, 30 September 2025

### Executive Board

Filipe Manuel de Valsassina Serra  
CEO

### Board of Directors

Johannes Boyer  
Chairman

Filipe Manuel de Valsassina Serra

Kar Chung Chan

## Independent Auditor's report

To the shareholder of Hitachi Rail GTS Denmark A/S

### Opinion

We have audited the financial statements of Hitachi Rail GTS Denmark A/S for the financial year 1 January 2024 – 31 March 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2025 and of the results of the Company's operations for the financial year 1 January 2024 – 31 March 2025 in accordance with the Danish Financial Statements Act.

### Basis for Opinion

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

### Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's report

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

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

### **Statement on Management's Review**

Management is responsible for the Management's review.

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

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

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

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

Vejle, 30 September 2025

**EY Godkendt Revisionspartnerselskab**

CVR No 30700228

Lene Kamper Jørgensen  
State Authorised Public Accountant  
mne34456

## Company information

<b>The Company</b>	Hitachi Rail GTS Denmark A/S Industriparken 39 DK-2750 Ballerup CVR No: 32 07 51 93 Financial period: 1 January 2024 - 31 March 2025 Incorporated: 6 March 2009 Financial year: 16th financial year Municipality of reg. office: Ballerup
<b>Board of Directors</b>	Johannes Boyer, chairman Filipe Manuel de Valsassina Serra Kar Chung Chan
<b>Executive Board</b>	Filipe Manuel de Valsassina Serra
<b>Auditors</b>	EY Godkendt Revisionspartnerselskab Lysholt Allé 10 7100 Vejle

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

(TDKK)	2024/25 15 months	2023 12 months	2022 12 months	2021 12 months	2020 12 months
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	247,814	243,137	294,452	267,895	164,643
Gross profit	64,238	116,338	103,361	88,532	72,347
Profit/loss of primary operations	-55,553	23,229	-20,917	-23,492	-36,270
Profit/loss of financial income and expenses	69,749	48,688	71,965	43,980	70,938
Net profit/loss for the year	37,962	76,504	80,058	48,809	57,133
<b>Balance sheet</b>					
Balance sheet total	564,309	607,974	757,744	648,759	667,278
Investment in property, plant and equipment	0	54	342	1,299	424
Equity	300,217	262,254	185,750	131,031	82,222
Number of employees	86	84	92	92	87
<b>Ratios</b>					
Gross margin	25.9%	47.8%	35.1%	33.0%	43.9%
Profit margin	-16.1%	14.3%	3.5%	2.3%	-10.1%
Return on assets	-7.1%	5.7%	1.4%	0.9%	-2.5%
Solvency ratio	53.2%	43.1%	24.5%	20.2%	12.3%
Return on equity	13.5%	34.2%	50.5%	45.8%	106.5%

Operating profit/loss corrected here in key highlights for the past 5 years taking into account the other operating income and expenses which was omitted in calculations previously.

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

## Management's review

### Key activities

The Company's main activity consists of developing, exporting, importing, buying and providing services (comprising project management and maintenance) concerning all kinds of electronics, comprising electrical and electronic systems, computer and communication systems, transport signal and security solutions, machines, products and processes and parts for these, and related activities inclusive possession of shares in companies or other assets. The company participates in a consortium, set up between the Company & Strukton Rail Danmark A/S which in December 2011 was selected by Banedanmark A/S for the resigalling of the western railway network in Denmark. The contract was signed on 31 January 2012.

### Development in the year

The income statement of the Company for 2024/25 shows a profit of DKK 37,962,495 end of March 2025, which is less than expected due to change of work in progress estimates identified during acquisition process by Hitachi Rail end of May 2024, (refer Note 1 for details). The balance sheet of the Company shows a positive equity of DKK 300,216,723.

### Operating risks

The Company has a back-to-back agreement with Hitachi Rail GTS Deutschland GmbH in relation to a supplier agreement with Banedanmark (BDK). The Company has no other special operating, market, foreign exchange, interests or credit risks.

### Targets and expectations for the year ahead

The primary objective for the upcoming year is to finalize the settlement related to the generic development and the maintenance settlement. This crucial step is necessary to ensure all contractual and operational aspects are thoroughly addressed and resolved. Furthermore, there is a significant emphasis on improving and expanding the service organization. This enhancement is essential to effectively cope with the increasing demands from the project, given that more than 80% of the line will be operational starting next year.

### Research and development

The Company has no research and development activities.

### Intellectual capital resources

It is essential for the Company to attract and maintain competent employees, and therefore significant resources are invested in training of the Company's employees at all levels. It is the Company's policy that all employees should develop in their positions.

### Change in ownership and Reporting period adjustment

On 31 May 2024, Hitachi Rail completed the acquisition of Thales' Ground Transportation Systems (GTS) business for a total enterprise value of €1.66 billion. As part of this global transaction, the Danish entity formerly known as Ground Transportation Systems A/S became part of the Hitachi Rail group and was subsequently renamed Hitachi Rail GTS Denmark A/S.

This acquisition forms part of Hitachi Rail's strategic ambition to strengthen its signalling and integrated mobility systems business across Europe and globally. The integration of the Danish operations brings local expertise in mainline and urban rail signalling, as well as long-standing customer relationships within the Danish transport infrastructure sector.

As a result of the acquisition, Hitachi Rail GTS Denmark A/S has aligned its financial year-end with that of its ultimate parent company, Hitachi, Ltd., to facilitate joint tax reporting and compliance requirements in Denmark. Consequently, the current reporting period represents a transitional financial year covering 15 months, from 1 January 2024 to 31 March 2025, instead of the standard 12-month period. Subsequent financial years will follow a 1 April to 31 March cycle in line with the Hitachi Group's global reporting calendar.

There is no material change to the operational structure in Denmark, and activities continue uninterrupted, supporting key national and regional rail projects in line with existing contracts and framework agreements.

## Management's review

### **Uncertainty relating to recognition and measurement**

In general, management and reporting on larger projects delivered over longer periods of time is by its nature causing some uncertainty relating to recognition and measurements. In the view of the management no impairment is needed due to a positive trend on commercial prospects leading to less uncertainty on commercial assumptions, and therefore no impairment is applied. Recognition and measurement in the Annual Report have not been subject to other material uncertainty.

### **Unusual events**

The financial position at 31 March 2025 of the Company and the results of the activities and cash flows of the Company for the financial year for 2024/25 have not been affected by any unusual events.

### **Subsequent events**

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

### **Outlook**

The company anticipates a profit before tax in the range of 7 million DKK to 8 million DKK for the financial year ending March 31, 2026. This projection reflects management's expectations based on current market conditions and the company's operational plans for the upcoming year.

## Income statement 1 January 2024 - 31 March 2025

(DKK)	Note	2024/25 15 months	2023 12 months
Revenue	1	247,814,052	243,137,107
Change in inventories of finished goods, work in progress and goods for resale		-17,664,631	-9,478,395
Other operating income		15,719,019	11,607,744
Expenses for raw materials and consumables		-137,435,481	-93,046,092
Other external expenses		-44,195,203	-35,882,754
<b>Gross profit</b>		<b>64,237,756</b>	<b>116,337,610</b>
Staff expenses	2	-103,733,976	-81,132,413
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-337,581	-368,107
<b>Profit/loss before financial income and expenses</b>		<b>-39,833,801</b>	<b>34,837,090</b>
Income from investments in subsidiaries	4	69,093,710	51,801,000
Financial income	5	3,273,952	433,493
Financial expenses	6	-2,618,948	-3,546,428
<b>Profit/loss before tax</b>		<b>29,914,913</b>	<b>83,525,155</b>
Tax on profit/loss for the year	1,7	8,047,582	-7,020,838
<b>Net profit/loss for the year</b>	<b>8</b>	<b>37,962,495</b>	<b>76,504,317</b>

## Balance sheet 31 March 2025

### Assets

(DKK)	Note	2024/25	2023
Software		0	0
<b>Intangible assets</b>	9	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		333,993	629,416
Leasehold improvements		238,113	280,271
<b>Property, plant and equipment</b>	10	<b>572,106</b>	<b>909,687</b>
Investments in subsidiaries	11	35,698,233	35,698,233
Deposits	12	2,057,151	2,194,343
<b>Fixed asset investments</b>		<b>37,755,384</b>	<b>37,892,576</b>
<b>Fixed assets</b>		<b>38,327,490</b>	<b>38,802,263</b>
<b>Inventories</b>	13	<b>43,652,775</b>	<b>61,317,282</b>
Trade receivables		15,588,434	10,327,008
Contract work in progress	14	86,594,180	374,691,321
Receivables from group enterprises	15	170,579,891	74,150,465
Other receivables		83,441	32,796
Corporation tax receivable from group enterprises		0	3,270,140
Prepayments	16	44,660,490	41,224,900
<b>Receivables</b>		<b>317,506,436</b>	<b>503,696,630</b>
<b>Cash at bank and in hand</b>		<b>164,822,158</b>	<b>4,157,998</b>
<b>Current assets</b>		<b>525,981,369</b>	<b>569,171,910</b>
<b>Assets</b>		<b>564,308,859</b>	<b>607,974,173</b>

## Balance sheet 31 March 2025

### Liabilities and equity

(DKK)	Note	2024/25	2023
Share capital		500,000	500,000
Retained earnings		199,716,708	261,754,213
Proposed dividend for the year		100,000,000	0
<b>Equity</b>		<b>300,216,708</b>	<b>262,254,213</b>
Provision for deferred tax	17	15,805,616	24,103,078
Other provisions	18	0	1,646,400
<b>Provisions</b>		<b>15,805,616</b>	<b>25,749,478</b>
Trade payables		47,895,275	19,501,144
Payables to group enterprises		151,461,049	254,333,322
Corporation tax		0	4,335,048
Payables to group enterprises relating to corporation tax		2,406,370	23,000,709
Other payables		46,523,841	18,800,259
<b>Short-term debt</b>		<b>248,286,535</b>	<b>319,970,482</b>
<b>Debt</b>		<b>248,286,535</b>	<b>319,970,482</b>
<b>Liabilities and equity</b>		<b>564,308,859</b>	<b>607,974,173</b>
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## Statement of changes in equity

(DKK)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January	500,000	261,754,213	0	262,254,213
Net profit/loss for the year	0	-62,037,505	100,000,000	37,962,495
<b>Equity at 31 March</b>	<b>500,000</b>	<b>199,716,708</b>	<b>100,000,000</b>	<b>300,216,708</b>

The share capital comprises 5,000 shares of nominal value of DKK 100 each. All shares are rank equally.

## Notes to the Financial Statements

### 1. Special items

(DKK)	2024/25	2023
	15 months	12 months
Revenue	-57,361,823	0
Tax on profit	12,619,601	0
	<b>-44,742,222</b>	<b>0</b>

Special items are related to the change in the estimate of cost to complete on contract work in progress due to new risk and cost factors identified during the acquisition process by Hitachi Rail end of May 2024.

Special items for the year are specified above just as are the items under which they are recognised in the income statement.

### 2. Staff expenses

(DKK)	2024/25	2023
	15 months	12 months
Wages and salaries	96,439,438	75,647,829
Pensions	6,555,879	5,065,484
Other social security expenses	630,969	333,780
Other staff expenses	107,690	85,320
	<b>103,733,976</b>	<b>81,132,413</b>

Including remuneration to the Executive Board:

Executive board	0	2,638,578
Board of directors	0	0
	<b>0</b>	<b>2,638,578</b>

**Average number of employees**

<b>86</b>	<b>84</b>
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Board of directors have not received remuneration for their management positions in the accounting year, nor in 2023. With regard to section 98b(3)(ii) of Danish Financial Statement Act, remuneration of management is not disclosed w.e.f 01-01-2024.

### 3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(DKK)	2024/25	2023
	15 months	12 months
Amortisation of intangible assets	42,158	84,453
Depreciation of property, plant and equipment	295,423	283,654
	<b>337,581</b>	<b>368,107</b>

## Notes to the Financial Statements

### 4. Income from investments in subsidiaries

(DKK)	2024/25	2023
	15 months	12 months
Dividend	69,093,710	51,801,000
	<b>69,093,710</b>	<b>51,801,000</b>

### 5. Financial income

(DKK)	2024/25	2023
	15 months	12 months
Interest from group enterprises	201,794	0
Other financial income	3,072,158	419,992
Exchange adjustments	0	13,501
	<b>3,273,952</b>	<b>433,493</b>

### 6. Financial expenses

(DKK)	2024/25	2023
	15 months	12 months
Interest to group enterprises	1,525	3,175,722
Other financial expenses	2,325,715	25,950
Exchange adjustments, expenses	291,708	344,756
	<b>2,618,948</b>	<b>3,546,428</b>

### 7. Income tax expense

(DKK)	2024/25	2023
	15 months	12 months
Current tax for the year	249,880	4,335,048
Deferred tax for the year	-8,297,462	-7,302,092
Adjustment of deferred tax concerning previous years	0	9,987,882
	<b>-8,047,582</b>	<b>7,020,838</b>

## Notes to the Financial Statements

### 8. Profit allocation

(DKK)	2024/25 15 months	2023 12 months
Proposed dividend for the year	100,000,000	0
Retained earnings	-62,037,505	76,504,317
	<b>37,962,495</b>	<b>76,504,317</b>

### 9. Intangible fixed assets

(DKK)	Software
Cost at 1 January	1,745,798
Cost at 31 March	1,745,798
Impairment losses and amortisation at 1 January	1,745,798
Impairment losses and amortisation at 31 March	1,745,798
<b>Carrying amount at 31 March</b>	<b>0</b>
Amortised over	4 years

### 10. Property, plant and equipment

(DKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	1,470,160	364,782
Cost at 31 March	1,470,160	364,782
Impairment losses and depreciation at 1 January	840,744	84,511
Depreciation for the year	295,423	42,158
Impairment losses and depreciation at 31 March	1,136,167	126,669
<b>Carrying amount at 31 March</b>	<b>333,993</b>	<b>238,113</b>
Amortised over	3-5 years	15 years

## Notes to the Financial Statements

### 11. Investments in subsidiaries

(DKK)	2024/25	2023
Cost at 1 January	35,698,233	35,698,233
Cost at 31 March	35,698,233	35,698,233
<b>Carrying amount at 31 March</b>	<b>35,698,233</b>	<b>35,698,233</b>

The value of CUBRIS ApS has been assessed in all material matters correct and all material assumptions have been included, arriving at a valuation from the net present value of the next 5 years cash flows (as the company is still in a growing phase) based on the current business plan, derived from the commercial prospects, the order backlog and the R&D development. Beyond the 5 years the growth was conservatively limited at 1%. The commercial prospects are benefitting from the Hitachi BL MLS customer base, enabling a broader access to already established customers. The discount rate retained was based on the Hitachi Group discount rate of 8% plus 2% to account for the risk of variation of assumptions due to the development phase the company is in. The value calculated does not give rise to depreciation of the book value of the Cubris shares.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Hitachi Rail RCS Denmark ApS	Ballerup	125.000	100%	101,693,601	100,468,111
Cubris ApS	Ballerup	125.000	100%	-50,420,122	-12,745,224
				<b>51,273,479</b>	<b>87,722,887</b>

The Company has a 50% ownership of the partnership 'Fjernbane West Project I/S' together with Strukton Rail Danmark A/S.

The partnership has domicile in Copenhagen.

As of 31 March 2025 the partnership's capital account amounted to DKK 0 and the result of the year ended 31/03/2025 amounted to DKK 0 as well.

### 12. Other fixed asset investments

(DKK)	Deposits
Cost at 1 January	2,194,343
Additions for the year	-137,192
Cost at 31 March	2,057,151
<b>Carrying amount at 31 March</b>	<b>2,057,151</b>

## Notes to the Financial Statements

### 13. Inventories

(DKK)	2024/25	2023
Finished goods and goods for resale	43,652,775	61,317,282
	<b>43,652,775</b>	<b>61,317,282</b>

### 14. Contract work in progress

(DKK)	2024/25	2023
Selling price of work in progress	2,629,460,753	2,397,674,396
Payments received on account	-2,542,866,573	-2,022,983,075
	<b>86,594,180</b>	<b>374,691,321</b>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	86,594,180	374,691,321
	<b>86,594,180</b>	<b>374,691,321</b>

### 15. Receivables from group enterprises

The company has entered into an agreement for a cash pool arrangement, where Hitachi Rail GTS Holding Ltd. is the account holder and Hitachi Rail GTS Denmark A/S is a sub-account holder along with the company's other affiliated companies. Hitachi Rail GTS Denmark A/S's accounts in the cash pool arrangement, which are recorded under receivables from group enterprises, amount to a receivable of TDKK 170,201 as of March 31, 2025 (as of December 31, 2023: receivable of TDKK 43.396).

### 16. Prepayments

(DKK)	2024/25	2023
Prepayments - Rent	1,245,906	73,779
Prepayments - Others	96,369	63,528
Advances paid to suppliers	43,194,285	41,087,593
Prepayments - Insurance	123,930	0
	<b>44,660,490</b>	<b>41,224,900</b>

## Notes to the Financial Statements

### 17. Provision for deferred tax

(DKK)	2024/25	2023
Deferred tax liabilities at 1 January	24,103,078	31,405,170
Amounts recognised in the income statement for the year	-8,297,462	-7,302,092
<b>Deferred tax liabilities at 31 March</b>	<b>15,805,616</b>	<b>24,103,078</b>

### 18. Other provisions

(DKK)	2024/25	2023
Other provisions	0	1,646,400
	<b>0</b>	<b>1,646,400</b>
The provisions are expected to mature as follows:		
Provisions falling due after 5 years	0	0
	<b>0</b>	<b>0</b>

### 19. Contingent assets, liabilities and other financial obligations

(DKK)	2024/25	2023
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	4,101,103	4,018,564
Between 1 and 5 years	16,125,311	16,074,256
After 5 years	6,786,190	11,405,361
	<b>27,012,604</b>	<b>31,498,181</b>

## Notes to the Financial Statements

### 19. Contingent assets, liabilities and other financial obligations (continued)

#### Other contingent liabilities

The Company has a back-to-back agreement with Hitachi Rail GTS Deutschland GmbH in relation to the supplier agreement with BaneDanmark.

The company has issued a declaration of support to the subsidiary Cubris ApS to ensure its continuing operation, and to meet its liabilities as they fall due for a period until the annual general meeting of the Company in 2025.

The Company is subject to Danish joint taxation for two distinct periods within the current transitional financial year (1 January 2024 to 31 March 2025). From 1 January 2024 to 31 May 2024, the Company was jointly taxed with other Danish entities within the Thales Group, with Ground Transportation Systems Denmark A/S acting as the administrative company for joint taxation purposes during that period.

Following the acquisition by Hitachi Rail on 31 May 2024, the Company became part of the Hitachi Group's Danish joint taxation arrangement. For the period 1 June 2024 to 31 March 2025, Hitachi Rail STS Denmark ApS acts as the administrative company for joint taxation.

For both periods, the Company is jointly and severally liable with the other jointly taxed Danish entities for Danish corporate income tax and withholding taxes, including tax on dividends, royalties, and interest. Any future corrections to corporate or withholding taxes for the relevant periods may lead to additional tax liabilities for the Company under the respective joint taxation regimes.

### 20. Related parties and disclosure of consolidated financial statements

#### Basis

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#### Controlling interest

Hitachi Rail GTS Holding Ltd.	Owner
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#### Transactions

During the year, the Company had the following transactions with other group enterprises:

Sales to group enterprises consists of invoicing to the Fjernbane West I/S consortium and re-invoicing of common costs and in 2024/25 amounts to TDKK 531.758. The sales have been entered into at arm's length.

Purchases from group enterprises consist of engineering work, royalties, re-invoicing of costs, etc. and in 2024/25 amounts to TDKK 88.000. The purchases have been entered into at arm's length.

Receivables from group enterprises at the end of 2024/25 amounts to TDKK 170.579.

Payables to group enterprises at the end of 2024/25 amounts to TDKK 151.461.

#### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Hitachi Ltd. , Japan	Tokyo, Japan

## Notes to the Financial Statements

### 21. Accounting policies

The Annual Report of Hitachi Rail GTS Denmark A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2024/25 are presented in DKK.

The accounting policies used in the preparation of the financial statements are consistent with those of last year. There are made the following reclassifications:

- Some wrong classification of advances and supplier final invoice
- Missing advance invoices from external supplier
- Calculation error in contract work in progress

The following classifications are made to give a more true and fair view of the financial position and the results of the company.

#### **Consolidated financial statements**

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024/25 of Hitachi Ltd., Japan, the Company has not prepared consolidated financial statements.

#### **Cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Hitachi Ltd., Japan, the Company has not prepared a cash flow statement.

#### **Recognition and measurement**

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

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

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

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

#### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Notes to the Financial Statements

### 21. Accounting policies (continued)

#### **Income statement**

##### **Revenue**

The net turnover is recognised in the profit and loss account when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract. IFRS 15 rules applied and Revenue is recognised based on cost-to-cost method.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

##### **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

##### **Other external expenses**

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

##### **Staff expenses**

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

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

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of Intangible and Fixed Assets.

##### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of Fixed Assets.

##### **Income from investments in subsidiaries**

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

## Notes to the Financial Statements

### 21. Accounting policies (continued)

#### Financial income and expenses

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

#### Tax on profit/loss for the year

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

The Company is jointly taxed with Thales for the period Jan 24 to May 24 and with Hitachi for the period June 24 to March 25 is jointly taxed with the other Danish group enterprises. The Company acts as management company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

#### Balance sheet

##### Intangible fixed assets

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software is amortised on a straight-line basis over its useful life, which is assessed at 4 years.

##### Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	15 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

##### Impairment of fixed assets

The carrying amount of fixed assets is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows on the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

## Notes to the Financial Statements

### 21. Accounting policies (continued)

#### **Investments in subsidiaries**

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

#### **Other fixed asset investments**

Other fixed asset investments consist of deposits.

#### **Inventories**

The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

#### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### **Contract work in progress**

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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

#### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums etc.

#### **Dividend**

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

#### **Provisions**

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

#### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

## Notes to the Financial Statements

### 21. Accounting policies (continued)

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

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

#### **Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

#### **Financial liabilities**

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

### Financial Highlights

#### **Explanation of financial ratios**

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$
Operating profit/loss	$\text{Profit/loss before net financials} + / - \text{Other operating income and other operating expenses}$