

2024 HALF-YEAR REPORT

NV Nederlandse Spoorwegen

Unaudited

The half-year report 2024 is published in Dutch and English. In the event of discrepancies between the versions, the Dutch version prevails.



2024 Half-Year Report of NV Nederlandse Spoorwegen

Condensed consolidated income statement
for the first half year ending on 30 June 2024
NV Nederlandse Spoorwegen

(in millions of euros)

	Note	first half year	
		2024	2023*
Revenue	1)	1,846	1,658
Additional government contributions related to COVID-19	1)	-	37
Total revenue		1,846	1,695
Operating expenses		-1,890	-1,704
Share in result of investments accounted for according to the equity method		3	-
Result from operating activities		-41	-9
Net finance result	2)	-8	48
Result before income tax		-49	39
Income tax	3)	11	3
Result from continued operations		-38	42
Discontinued operations			
Result from discontinued operations after tax**	4)	5	-4
Result for the period		-33	38
Attributable to:			
Equity holder of the company		-33	38
Minority interest		-	-
Result for the period		-33	38

* Adjusted for results from discontinued operations ATH GmbH.

** The profit from discontinued operations of €5 million (first half of 2023: loss of €4 million) is fully attributable to the company's shareholder.



Condensed consolidated statement of comprehensive income
for the first half of 2024
NV Nederlandse Spoorwegen

(in millions of euros)

	first half year	
	2024	2023
Result for the period	-33	38
Comprehensive income to be reclassified to the income statement in subsequent periods	2	-16
Comprehensive income reclassified to the income statement in current period	-	30
Comprehensive income not to be reclassified to the income statement in subsequent periods	-	-
Comprehensive income recognised directly in equity	2	14
Total recognised profit the reporting period	-31	52
Attributable to:		
Equity holder of the company	-31	52
Minority interest	-	-
Total recognised profit the reporting period	-31	52

The above table includes the results from discontinued operations, as further disclosed under the income statement on the previous page and in note 4.



Consolidated balance sheet
as at 30 June 2024
NV Nederlandse Spoorwegen

(in millions of euros)	Note	30 June 2024	31 December 2023
Assets			
Property, plant and equipment		3,452	3,317
Investment property		117	122
Intangible non-current assets		176	203
Right-of-use assets		96	268
Investments recognised using the equity method		15	12
Other non-current financial assets, including investments	7)	104	157
Deferred tax assets		438	428
Total non-current assets		4,398	4,507
Inventories		164	177
Trade and other receivables		513	516
Other current financial assets, including investments	7)	604	715
Cash and cash equivalents		231	460
Total current assets		1,512	1,868
Assets held for sale	4)	388	-
Total assets		6,298	6,375
Equity and liabilities			
Total equity	8)	1,883	1,914
Deferred credits		114	123
Loans and other financial liabilities, including derivatives	9)	1,990	1,672
Lease liabilities		78	315
Employee benefits		53	58
Provisions		106	87
Accruals		6	8
Total non-current liabilities		2,347	2,263
Loans and other financial liabilities, including derivatives	9)	387	387
Lease liabilities		34	89
Income tax payable		-	13
Trade and other payables		857	1,004
Deferred income		356	590
Provisions		43	115
Total current liabilities		1,677	2,198
Liabilities held for sale	4)	391	-
Total liabilities		4,415	4,461
Total equity and liabilities		6,298	6,375



Condensed consolidated cash flow statement
for the first half of 2024
NV Nederlandse Spoorwegen

(in millions of euros)

	first half year	
	2024	2023*
Result from continued operations	-38	42
Adjustments for:		
Income tax	-11	-3
Depreciation and amortisation	168	214
Other movements	-29	-276
Result after adjustments	90	-23
Changes in working capital and other positions	-423	-279
	-333	-302
Finance expenses paid and income tax paid	-33	-15
Net cash flow from discontinued operations	27	48
Net cash flow from operating activities	-339	-269
Finance revenues received	12	4
Dividend from investments recognised using the equity method	-	-
Disposal / acquisition of subsidiaries, net of cash disposed of (acquired)	-	-301
Acquisition of assets (tangible and intangible)	-264	-290
Acquisition of investment properties	-2	-4
Acquisition of financial assets, including investments**	-182	-379
Disposal of financial assets, including investments**	227	566
Disposal of intangible assets, property, plant and equipment and investment properties	-	1
Net investment cash flow from discontinued operations	96	-1
Net cash from investing activities	-113	-404
Net cash from operating and investing activities	-452	-673
Repayment of loans taken out	-62	-62
Repayment of lease liabilities	-21	-27
New borrowings	380	449
Net financing cash flow from discontinued operations	-25	-62
Net cash from financing activities	272	298
Net decrease/increase in cash and cash equivalents	-180	-375
Cash and cash equivalents as at 1 January	460	700
Effect of exchange rate fluctuations on cash held	-	-
Cash and cash equivalents classified as held for sale	-49	-
Cash and cash equivalents as at 30 June	231	325

* Adjusted for results from discontinued operations ATH GmbH.

** This mainly concerns the acquisition and sale of money market funds during the first half of the year.



Consolidated statement of changes in equity
for the first half of 2024
NV Nederlandse Spoorwegen

(in millions of euros)	Issued share capital	Other reserves	Retained profits	Undivided result	Capital and reserves attributable to shareholder	Third-party minority interest	Total equity capital
Balance as at 1 January 2024	1,012	44	1,238	-380	1,914	-	1,914
Result for the period	-	-	-	-33	-33	-	-33
Non-realised profit	-	2	-	-	2	-	2
Total comprehensive income for the period	-	2	-	-33	-31	-	-31
Dividend paid to shareholders	-	-	-	-	-	-	-
Other movements	-	-	-380	380	-	-	-
Balance as at 30 June 2024	1,012	46	858	-33	1,883	-	1,883
(in millions of euros)	Issued share capital	Other reserves	Retained profits	Undivided result	Capital and reserves attributable to shareholder	Third-party minority interest	Total equity capital
Balance as at 1 January 2023*	1,012	70	647	574	2,303	1	2,304
Result for the period	-	-	-	38	38	-	38
Non-realised profit**	-	14	-	-	14	-	14
Total comprehensive income for the period	-	14	-	38	52	-	52
Dividend paid to shareholders	-	-	-	-	-	-	-
Other movements	-	2	579	-579	2	-1	1
Balance as at 30 June 2023	1,012	86	1,226	33	2,357	-	2,357

* As a result of adjustment of the value of negative goodwill within one year of acquisition, financial income has been retrospectively adjusted by €5 million negative. The comparative figures as at 1 January 2023 have been adjusted accordingly.

** This concerns the comprehensive income including discontinued operations broken down in the condensed consolidated statement of comprehensive income.



Notes to the condensed consolidated half-year report for 2024

General notes

Reporting entity

NV Nederlandse Spoorwegen has its registered office in Utrecht, the Netherlands. The company's consolidated half-year report for the first six months of 2024 comprises the company and its subsidiaries (collectively referred to as the Group) and the Group's share in associates and companies jointly controlled with third parties. NV Nederlandse Spoorwegen is the holding company of NS Group, which in turn is the holding company of the operating companies that carry out the Group's various business activities.

As of 31 March 2024, ATH Rail Transport Beteiligungsgesellschaft Deutschland GmbH (ATH GmbH) and its subsidiaries are listed as held for sale. The results for the first half of 2024 have been recognised as results from discontinued operations, with adjustment to the results for 2023.

In the first half of 2024, control was regained over holding entity Abellio GmbH. As of 1 May 2024, this entity is included in the consolidation again.

Statement of compliance

This condensed consolidated half-year report has been prepared in accordance with IAS Standard 34 'Interim Financial Reporting', with the exception of the reassessment as at 30 June 2024 of the valuation of MRN (Main Rail Net) -related assets and liabilities (IAS Standard 36 'Impairment of Assets').

The report does not contain all of the information required for full financial statements and should be read in conjunction with the Group's 2023 consolidated financial statements.

This condensed consolidated half-year report was prepared by the Executive Board and was discussed and approved by the Supervisory Board on 31 July 2024. The condensed consolidated half-year report has not been reviewed by an external auditor.

Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated half-year report are the same as those applied in the consolidated financial statements for the 2023 financial year, with the exception of IAS Standard 36 'Impairment of Assets', as explained in the previous section.

New or revised standards for 2024

The revised standards effective from 2024 have no significant impact on the Group's consolidated figures.

Estimates and assessments

In preparing the half-year report, the Executive Board made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. Significant estimates and judgements relate to the valuation of MRN-related assets and liabilities and the fair value of assets arising from the discontinuation of operations in the United Kingdom. These are explained below.



Unless stated otherwise, the Board's significant judgements in applying the Group's accounting policies and the principal sources of estimation uncertainties are the same as those described in the 2023 financial statements.

Financial risk management

The Group's objectives and policy with regard to financial risk management are the same as the objectives and policy set out in the 2023 consolidated financial statements.

Acquisition and disposal of equity interests

No acquisitions or disposals of equity interests took place in the first half of 2024.

Going concern assumption

The Group prepared the 2023 half-year report on a going-concern basis, which assumes the continuity of ongoing business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has prepared financial forecasts for at least 12 months from the date of preparation of the half-year report, which include an estimate of the ongoing business impact of changed passenger behaviour. The group has calculated the effects of various scenarios. Each of those scenarios leaves space for disappointing revenues and/or higher than expected expenditure.

The principal assumptions and uncertainties in the liquidity forecast relate to:

- compensation for a foregone fare increase 2024 in the amount of €120 million in the second half of 2024;
- compensation for recalibration student public transport pass contract 2024 in the amount of €89 million in the second half of 2024;
- student public transport pass, it is assumed that this contract will be continued in its regular form and that these revenues for 2025 will be received in full in advance in the financial forecast period;
- uncertainties about the level of passenger revenue due to changing passenger demand;
- uncertainties about cost levels due to labour market shortages, commodity prices and inflation;
- uncertainties about timing of investments in new rolling stock.

The liquidity available to the Group as at 30 June 2024 amounts to €816 million. This amount includes investments in two money market funds amounting to €585 million. The Group has an existing loan facility of €120 million.

The Group also has access to credit facilities totalling €669 million. Of these credit facilities:

- €500 million concerns a 'revolving credit' facility (available until 20 December 2027);
- €169 million relates to a loan facility with a bank under which draws, linked to an investment project, must be made by 23 April 2027.

The Group expects to be able to use alternative financing options should the situation so require.

Based on the above, the Group concludes that it is appropriate to prepare the 2024 half-year report on a going concern basis and that there is no material uncertainty in that respect.



Developments during the first half of 2024

Reizigersbedrijf NL

At the end of 2023, the Group carried out an impairment test on Reizigersbedrijf NL assets. The reassessment as at 31 December 2023 resulted in an additional impairment charge of €402 million. The recognised impairments have been deducted proportionally from the carrying amounts of the related assets. The revised carrying amounts are depreciated over the remaining life of the assets.

As at 30 June 2024, the carrying amount of the impairment is €1,140 million. In the first half of 2024, as a result of the impairment, an amount of €57 million less was depreciated compared to the situation before this impairment (first half of 2023: €40 million).

The current franchise runs until 2024. From 2025, new franchise conditions will apply. The financial effects of the terms of the new franchise were taken into account in the impairment assessment as at 31 December 2023. As of 30 June 2024, there are no changed economic conditions that would trigger a reassessment.

Abellio Germany

- *ATH GmbH*

In line with its strategy, which requires foreign operations to contribute to the interests of Dutch travellers, NS has been working towards exiting the German market. As of 31 March 2024, ATH GmbH and its subsidiaries have been presented as 'held for sale'. The transaction is expected to close in the second half of 2024. The transaction is subject to approval by regional franchise grantors and authorities. Disclosures are included in note 4.

The presentation of ATH GmbH's balance sheet items as 'held for sale' is the main reason for the development of balance sheet items as at 30 June 2024 compared to 31 December 2023.

- *Abellio GmbH*

The insolvency proceedings concerning the former German holding company Abellio GmbH were settled in the first half of 2024. With this, control was regained over this holding entity. As of 1 May 2024, Abellio GmbH is included in the consolidation again.

Abellio UK

The net results of the UK operations discontinued as at 28 February 2023 are included in 'Result from discontinued operations'. See note 4 for further explanation. The assets arising from the discontinuation of UK operations have been disclosed in note 7.



Notes to the condensed consolidated income statement

1) Revenue

(in millions of euros)

	first half year					
	External revenue	Additional government contributions related to COVID-19	Total 2024	External revenue	Additional government contributions related to COVID-19	Total 2023
Train-related transport in the Netherlands	1,619	-	1,619	1,417	37	1,454
Station development and exploitation in the Netherlands	227	-	227	241	-	241
	1,846	-	1,846	1,658	37	1,695

Additional government contributions - Transition compensation for public transport (TVOV)

Under the 'transitievergoeding OV' scheme, NS was entitled to compensation for loss of turnover for train-related transport in the Netherlands for 2023. In the first half of 2024, the TVOV contribution was definitively set unchanged.

2) Net finance result

In the first half of 2023, a financial gain of €55 million was recognised due to the release of provided liabilities and guarantees in relation to insolvency proceedings in Germany.

3) Income tax

(in millions of euros)

	first half year	
	2024	2023
Result before tax from continued operations	-49	39
Income tax based on Dutch corporate income tax rate (25.8%)	13	-10
Permanent differences	-	13
Adjustment following declaration 2023	-2	-
Total income tax	11	3

4) Assets and liabilities held for sale/ Discontinued operations

The assets and liabilities of the entities held for sale are as follows:



(in millions of euros)	30 June 2024
Assets held for sale	
Property, plant and equipment	12
Intangible non-current assets	1
Right-of-use assets	141
Investments recognised using the equity method	-
Other non-current financial assets, including investments	45
Deferred tax assets	-
Total non-current assets	199
Inventories	17
Trade and other receivables	124
Income tax receivable	-
Other non-current financial assets, including investments	-
Cash and cash equivalents	48
Total current assets	189
Total assets	388
Liabilities held for sale	
Loans and other financial liabilities, including derivatives	-
Lease liabilities	212
Employee benefits	-
Provisions	14
Deferred tax liabilities	-
Total non-current liabilities	226
Loans and other financial liabilities, including derivatives	-
Lease liabilities	44
Income tax payable	8
Trade and other payables	74
Deferred income	-
Provisions	39
Total current liabilities	165
Total liabilities	391

The Group ceased depreciating all fixed assets of ATH GmbH as of 31 March 2024. The assets and liabilities have been valued at book value. The Group has an intercompany loan outstanding on ATH GmbH of €18 million which is not presented in the above statement as it has been eliminated in the consolidation.

The first-half results of ATH GmbH and its group companies have been designated as discontinued operations and disclosed below. The comparative figures have been adjusted accordingly.

Prior to classification as 'assets and liabilities held for sale', the carrying amount of ATH GmbH and its group companies was determined in accordance with the Group's accounting system (NS) and NS subsequently concluded that no impairment exists as the net book value of assets and liabilities of ATH GmbH and its group companies is lower than the expected net realisable value (less expected selling costs). The net book value as at 30 June 2024 is €21 million negative.

The composition of the result from discontinued operations is as follows:

(in millions of euros)	first half year					
	Germany	United Kingdom	Total 2024	Germany	United Kingdom	Total 2023
Revenue	197	-	197	195	368	563
Operating expenses	-195	-	-195	-192	-331	-523
Share in result of investments accounted for according to the equity method	-	-	-	-	1	1
Result from operating activities	2	-	2	3	38	41
Net finance result	-2	5	3	-7	-	-7
Result from sale of participating interest	-	-	-	-	-38	-38
Result before income tax	-	5	5	-4	-	-4
Income tax	-	-	-	-1	1	-
Net result from discontinued operations	-	5	5	-5	1	-4



5) Staffing

The workforce increased from 20,207 FTEs at year-end 2023 to 20,423 FTEs as at 30 June 2024. This concerns the number of FTEs including ATH GmbH, with personnel expenses of these employees being included in the result from discontinued operations.

6) Related parties

Transactions with related parties are conducted on an arm's-length basis.

All issued shares are held by the State of the Netherlands. In the first half of 2024, the Group:

- recognised a franchise fee and high-speed line fee payable to the Ministry of Infrastructure and Water Management totalling €110 million (first half of 2023: €96 million);
- accounted for compensation for a foregone fare increase 2024 of €60 million from the Ministry of Infrastructure and Water Management;
- accounted for a compensation for recalibration of the student public transport pass contract 2024 of €44 million from the Ministry of Infrastructure and Water Management.

User fees for Dutch infrastructure paid to ProRail BV, a State-affiliated company, amounted to €156 million in the first half of 2024 (first half of 2023: €137 million).

A significant transaction with a State-affiliated organisation (DUO, the Dutch Education Executive Agency) concerns the revenue from student public transport passes (first half of 2024: €281 million, first half of 2023: €307 million).

The future settlements associated with the sale of Abellio UK are related party transactions. In the first half of 2024, the result from discontinued operations Abellio UK amounted to €5 million (first half of 2023: €1 million). For further explanation, see notes 5 and 7.

There were no other significant transactions with related parties



Notes to the condensed consolidated balance sheet

7) Other non-current financial assets, including investments

Other non-current financial assets, including investments can be specified as follows:

(in millions of euros)	30 June 2024	31 December 2023	Valuation principle
Other non-current financial assets, including investments			
Interest in Eurofima	92	90	Fair value recognised in other comprehensive income – equity investment
Interest in Transport UK Group Ltd	-	5	Fair value through profit or loss
Long-term receivables Transport UK Group Ltd	3	6	Fair value through profit or loss
Long-term loans Transport UK Group Ltd	7	7	Amortised cost
Other financial fixed assets	2	49	Amortised cost
Total	104	157	
Other current financial assets, including investments			
Interest in money market funds	585	614	Fair value through profit or loss
Interest in Transport UK Group Ltd	13	49	Fair value through profit or loss
Non-current receivables Transport UK Group Ltd	6	3	Fair value through profit or loss
Non-current borrowings Transport UK Group Ltd	-	49	Amortised cost
Total	604	715	

The carrying amounts of financial assets and liabilities recognised in the balance sheet do not differ materially from their fair values.

As a result of the disposal of Abellio UK, the Group recognised non-current financial assets amounting to €29 million as at 30 June 2024 (31 December 2023: €119 million). These consist of:

- Interest in Transport UK Group Ltd (special share; €13 million current). The special share entitles to future cash flows from the settlement of former franchises and claims by local management that cannot be recognised as repayment of loans. The special share is a non-marketable equity instrument, which has been measured at fair value with value changes recognised through profit or loss. The fair value was determined using expected future cash flows (Level 3). In the first half of 2024, a revaluation took place in the amount of €8 million, which was recognised in the result from discontinued operations, and an amount of €49 million was received.
- Receivable earn-out Transport UK Group Ltd (€9 million, of which €6 million is current). NS is entitled, under an earn-out arrangement over the period 2022-2025, to a share of the joint profits earned on the Merseyrail franchise and London Bus business up to a maximum of £10 million. The receivable is measured at fair value, with fair value determined on the basis of expected future cash flows (Level 3).
- Loans issued to Transport UK Group Ltd (€7 million long-term), measured at amortised cost using the effective interest method. As at 30 June 2024, this represents a receivable in respect of cash from Merseyrail due no later than the end of the Merseyrail franchise. Loans made by the Group to Abellio UK operating companies in the past have been repaid early in 2024. The loan to Abellio Transport Holding Group and the loan granted to the buyer to finance the acquisition ('vendor loan note') were also repaid in the first half of 2024.

The management of Transport UK Group Ltd is entitled to a management fee when settling claims and proceedings. The management fee is a percentage of the claim amount and has been recognised as a provision. The provision has been determined based on the present value of the expected management fee amounts and amounts to €3 million as at 30 June 2024 (31 December 2023: €6 million).



8) **Equity and dividends**

At the shareholders' meeting on 6 March 2024, the 2023 financial statements and the appropriation of results were adopted. In accordance with the proposal, the result of €380 million negative was withdrawn from the general reserve.

As a result of the transfer of the shares in Abellio Transport Group Ltd, in the first half of 2023 reserves totalling €30 million (expense) were recycled through the income statement and reserves totalling €16 million were recognised directly within equity.

9) **Loans and other financial liabilities, including derivatives**

The total amount of loans and other financial liabilities can be specified as follows:

(in millions of euros)	30 June 2024	31 December 2023
Non-current liabilities		
Private loans	1,990	1,672
Current liabilities		
Private loans	383	383
Currency derivatives	4	4
Total	387	387
Total liabilities	2,377	2,059

In determining the value of derivatives used for hedging, the Group uses valuation techniques where all significant required data is derived from observable market data.

10) **Settlement of claims and proceedings**

There are no significant developments from the situation described in the 2023 financial statements.

11) **Off-balance sheet commitments**

Energy commitments in the Netherlands

As of 30 June 2024, the purchase commitments under the energy contracts in the Netherlands of the volumes already covered, the payments for Programme for Responsibility and the surcharge for green electricity:

- €44 million for the remaining period 2024 (remainder of the 10-year contract, position at the end of 2023: €87 million);
- €330 million for the period 2025-2028 (position at year-end 2023: €288 million). These relate to purchases under the new contracts with PZEM and Shell for the supply of energy and Guarantees of Origin in the period 2025 to 2027 and the possibility of purchasing energy from PZEM for the period after 2027, which could subsequently be incorporated into a new or existing contract if an extension option with PZEM is eventually exercised and approved by PZEM.

The expected traction energy volumes to be used for the year 2024 are fully covered and the expected volumes for 2025-2028 are partially covered (about 90% for the year 2025, about 70% for the year 2026, about 50% for the year 2027, about 30% for the year 2028 and about 10% for the year 2029). Transport costs and energy taxes are not included in the purchase commitments shown. If the difference between market values and contract value exceeds a certain threshold, the (i) Group or Eneco (for the contract up to and including 2024) and (ii) Group or PZEM must provide cash collateral as security to the other party. The deposit and



obligation, if any, are netted against each other as both are inextricably linked. As of 30 June 2024, NS has no margin obligations/collateral to/from Eneco (year-end 2023: no margin obligations/collateral to/from Eneco). NS has delivered cash collateral of €42 million (year-end 2023: €7 million) to PZEM as at 30 June 2024.

Investment commitments

At the end of June 2024, the Group has investment commitments outstanding amounting to €1,215 million (31 December 2023: €1,304 million), mainly for purchase and overhaul of trains and investments in station environments.

Guarantees

The Group has issued guarantees amounting to €327 million (31 December 2023: €340 million) in respect of performance of (former) franchises in the United Kingdom and Germany. A part of the guarantees relating to Abellio Germany has been provided for.

Other information

Events after the balance sheet date

No matters have come to light after the balance sheet date that provide further information about the actual situation as at the balance sheet date, nor were there any events that are significant for the opinion to be formed by users of the half-year report.

Utrecht, 31 July 2024

Executive Board

W. Koolmees, CEO

A.C.J. Magielse, Finance Director

E.F.W. van Asch, Director of Operations

M.E. Kaashoek, Director People and IT