

First quarter report 2019.

In Q1, DSB had a loss before tax of DKK 33 million. High punctuality for both Long-distance & Regional trains as well as S-trains.

- The number of journeys sold is 2% higher than the same period in 2018
- The launch of DSB Orange Free doubles the number of cheap Orange tickets offered
- Stable and high levels of customer satisfaction
- Introduction of a new DSB App
- The acquisition of new electric locomotives, new train coaches and new electric train sets is on schedule

On 2 January at 7:35 a.m., Denmark suffered the worst train accident in 30 years. A fast train carrying 131 passengers was struck by parts from a freight train moving in the opposite direction. 8 passengers lost their lives and 16 were injured.

In the aftermath, DSB has been assisting the authorities in investigating the accident, and a large number of initiatives have also been completed to take care of both the survivors of the accident and their next of kin. The work has been completed in close collaboration with the other actors involved in emergency response services - in particular, the Funen Police.

On 14 of March, the Accident Investigation Board of Denmark presented a preliminary conclusion about the cause of the accident. The Accident Investigation Board currently finds it very likely that the semi-trailer's king pin had not been properly secured to the pocket wagon. This meant that the trailer was able to disconnect from the freight train and hit the fast train.

The accident has resulted in new guidelines being established for freight transport across the Great Belt bridge. The Danish Transport, Construction and Housing Authority has issued an order to Rail Net Denmark and the rail operators to ensure that all freight transport on the Great Belt bridge takes place under more regulated conditions in terms of the speed of the freight trains in high winds.

It is still - even in light of the accident - safe to travel by train. DSB's customers should take their safety for granted - but we must never do so.

Finances – as expected a decrease in result

DSB's profit/loss before tax for Q1 2019 amounted to a loss of DKK 33 million, which is DKK 394 worse than in the same period in 2018. The profit/loss before tax for 2019 is negatively impacted by the severance costs associated with the reduction of administrative roles in March, while Q1 2018 was positively impacted by earnings from the sale of DSB's office property on Kalvebod Brygge 32 in Copenhagen.

Adjusted for non-recurring items, the result for Q1 is a profit of DKK 20 million. This is DKK 94 million lower than in the same period in 2018, where the result adjusted for non-recurring items amounted to DKK 114 million. The result is influenced by stagnating revenues and rising costs, among other things, costs associated with the preparations for upcoming rolling stock acquisitions and the completion of a multi-year digitalisation plan. On top of this, there are the normal developments in salaries and prices. The result is in line with the expectation for the year with a zero result.

The passenger revenue was at the same level as in Q1 2018. It is positive that overall we sell more journeys. As a result of our targeted strategy of increasing the number of cheap Orange and Orange Free tickets the sale, however is made at a lower average price per journey.

The interest-bearing debt amounted to DKK 3,784 as of 31 March 2019, and has been reduced by DKK 76 million compared with 31 March 2018 and by DKK 619 million compared with Q1 2018.

More customers and customer satisfaction remain at a high level

In the first three months of the year, there were 46.0 million journeys with DSB in Denmark. This is an increase of 0.9 million journeys amounting to an increase of 2% compared with the same period last year. The increase is mainly due to Easter fell in the second quarter of 2019 and primarily driven by an increase in the number of journeys by S-train and regional train journeys on Zealand.

The number of East/West journeys (crossing the Great Belt) is 1% higher compared with the same period last year. With the introduction of Orange Free on 18 February, by the end of this quarter DSB had succeeded in regaining market share for crossings over the Great Belt for the first time in several years. Altogether, however, DSB is losing market share by 0.3 percentage points if you look at the whole quarter.

The new Orange Free ticket is far cheaper than a standard ticket with transfer to other public transport, and where tariffs must be agreed between the operators. In connection with the launch, DSB has doubled the number of cheap Orange and Orange Free tickets, meaning that each week there are now 120,000 cheap tickets for sale on many more journeys crossing the Great Belt. The new Orange Free ticket can be purchased up to the time of departure, and the ticket can be refunded up to 30 minutes before the train leaves, and this provides the customer with plenty of time to plan - and to change plans.

The customer satisfaction levels for Q1 2019 are as a whole at 8.1 (on a scale of 0-10), and this is at the same level as in 2018. There is a great deal of correlation between punctuality and customer satisfaction with DSB.

In connection with the fare reforms on Zealand and Western Denmark, in Q1 2019 we have worked on the structure for East/West journeys (crossing the Great Belt). Among other things, this simplification provides the customers with easier access to cheap tickets on departures with available seats, a clearer pricing structure and the phasing out of 10-trip cards and cardboard commuter cards by allowing commuter cards to be used via the App or Rejsekort.

In March, we launched a new DSB App which has currently been downloaded by 490,000 customers. This new App is more user-friendly and stable than the previous one. In addition, the Traffic Information and ticket sales are increasingly being integrated into the app, and tickets are

also tied to the users' profiles and can thus be moved to another phone as long as they remain valid.

High punctuality meeting the contract targets

For S-train traffic, the high punctuality levels from 2018 have been maintained into Q1 2019. Both operator punctuality – the punctuality for which DSB is responsible, and customer punctuality levels have increased and are, respectively, at 98.9% and 94.5% and thus exceed the state's contract targets.

Punctuality has also improved for Long-distance & Regional trains. With an operator punctuality of 96.0% and a customer punctuality of 83.8%, both of these punctuality targets exceed the state's contract targets. In total, 8 out of 10 customers using the Long-distance & Regional train traffic arrive on time.

The improvement in punctuality is due to the fact that the new time table for 2019 is more robust and that there have been fewer infrastructure and rolling stock errors. At the same time, the weather in the winter months has been relatively mild.

Rail Net Denmark has also scheduled a number of track works for 2019. From March to September, they will be carrying out extraordinarily large-scale track works on Zealand where, among other things, they will be upgrading the tracks, signals and bridges. The lines between Korsør and Roskilde and Ringsted and Nykøbing Falster/Rødby will be affected. This means that for this period we will be inconveniencing our customers via longer travel times and fewer available seats. It is particularly important that we work together in connection with such major track works. Therefore, we are collaborating closely with Rail Net Denmark in order to minimise the inconveniences faced by our customers to the greatest extent possible.

*"It is very satisfactory for both our customers and us that the punctuality has been high throughout the first quarter."
Flemming Jensen, CEO*

New modern trains will streamline and stabilise train operations

It is our goal to replace the aging diesel trains with a modern and uniform electric train fleet with the benefits that this provides to the customers.

This is a comprehensive renewal of the train fleet that is necessary in order to realise the societal, financial and environmental gains from the electrification of the railways moving towards 2030.

In 2018, DSB and Siemens signed an agreement to deliver 42 new Vectron electric locomotives. The new electric locomotives will be put into operation on an ongoing basis for the regional traffic in Zealand from 2021.

The acquisition of both new electric train sets and new train coaches was called to tender in 2018.

In March 2019, DSB received two indicative negotiation offers for new train coaches from Siemens and Talgo, and we have begun evaluating these offers. The project is on schedule and it is expected that the contract will be awarded in December 2019.

The acquisition will be in the form of a framework agreement including 8 passenger train carriage groups with at least 440 passengers per group, and including the option to acquire further train carriage groups or individual train cars. In addition, a spare parts agreement will be signed under which the supplier will commit to supplying spare parts for the carriages for 16 years and with the option to extend for up to 30 years.

For the new electric train sets, we have in March also received four indicative negotiation offers from Alstom, Bombardier, Siemens and Stadler, and we have begun evaluating these offers. The project is on schedule, and it is expected that the contract will be awarded in August 2020. The tender for new electric trains includes at least 100 trains. The first train sets are expected to be deployed from 2024 and onwards to replace IC3 and IC4 trainsets. The final deployment date in addition to the pace of delivery will only be known once the contract is signed in 2020.

Negotiations between DSB and the Danish Railway Workers' Union.

As negotiations continue between DSB and the Danish Railway Workers' Union, DSB, The Confederation of Danish Industry, The Danish Employers' Association, the Danish Railway Workers' Union and Fagbevægelsens Hovedorganisation have agreed that DSB and the Danish Railway Workers' Union will start a new and intensified round of negotiations aimed at signing local agreements for train and locomotive personnel. Additionally, the negotiations for the adjustment of train station personnel is to be completed.

The parties agree that the negotiations will be concluded by no later than 1 June 2019. The parties also agree that it is particularly important that the work carries on as normal throughout the negotiation period and that the parties refrain from publicly commenting on the negotiations.

The Danish Employers' Association and Fagbevægelsens Hovedorganisation are closely monitoring the negotiation process and are participating in the discussions between the parties, and ongoing status meetings are also held between the top management teams of FH and DA.

DSB is eager to ensure that all employees gain certainty about their future working conditions as soon as possible.

Taastrup, 9 May 2019

Peter Schütze
Chairman of the Board

Flemming Jensen
CEO

The Third quarter report is published in both a Danish and an English language version. In the event of any discrepancies the Danish language version shall prevail

Key Financial and Operating Data

DSB Group	1st quarter		Increase		The whole year
Amounts in DKK million	2019	2018	Abs.	Pct.	2018
Net revenue ¹⁾	2,337	2,342	-5	0	9,684
Total revenue ²⁾	2,837	3,033	-196	-6	11,855
Of which non-recurring items	9	267	-258	-97	347
Total expenses	2,382	2,181	201	9	9,353
Of which non-recurring items	62	-	62	-	-35
Earnings before amortisation and depreciation	455	852	-397	-47	2,502
Amortisation, depreciation and write-downs of intangible and tangible assets	462	465	-3	-1	1,829
Of which non-recurring items	-	20	-20	-100	61
Operating profit/loss	-7	387	-394	-	673
Profit/loss before tax	-33	361	-394	-	568
Profit/loss before tax adjusted for non-recurring items	20	114	-94	-82	247
Profit for the period	-26	268	-294	-	450
Balance sheet total	14,540	16,163	-1,623	-10	14,832
Total equity	5,639	5,678	-39	-1	5,822
Interest-bearing liabilities, net	3,784	4,403	-619	-14	3,860
Profit ratio (EBIT margin)*	-0.3	16.5	-16.8	-	6.9
Return on equity p.a. (ROE)*	-1.8	19.2	-21.0	-	8.0
Return on invested capital after tax (ROIC after tax) p.a.*	-0.2	11.3	-11.5	-	5.3
Gearing p.a.*	2.1	1.3	0.8	62	1.5
Equity ratio*	38.8	35.1	3.7	11	39.3
Interest coverage*	-0.3	11.6	-11.9	-	5.1
Number of full-time employees - year-end	6,896	7,066	-170	-2	6,997
Average number of full-time employees	6,908	7,142	-234	-3	7,092
Productivity – (Danish activities)³⁾					
Passenger and transport contract revenue per seat kilometre (DKK 0.01/km)	54	55	-1	-2	57
Passenger revenue per seat kilometre (DKK 0.01/ km)	30	31	-1	-3	33
Costs per seat kilometre, corrected for non-recurring items (DKK 0.01/kilometre)	60	57	3	5	61
Operator Punctuality⁴⁾					
Long Distance & Regional Trains (%)	96.0	95.4	0.6	1	94.4
S-trains (%)	98.9	98.5	0.4	0	98.2
Passenger punctuality⁵⁾					
Long Distance & Regional Trains (%)	83.8	82.9	0.9	1	79.2
S-trains (%)	94.5	94.4	0.1	0	92.9
Customers					
Customers in Denmark (million customers) ⁶⁾	46.0	45.1	0.9	2	186.7
"Customer satisfaction for this journey" – (Danish activities)	8.1	8.1	0.0	0	8.0
Reputation					
Users of Long-distance & Regional Trains	55.7	51.8	3.9	8	51.6
Users of S-trains	57.7	52.7	5.0	9	53.8
Non-users of Long-distance & Regional trains	46.7	46.5	0.2	0	45.2

¹⁾ Net revenue includes turnover relating to the railway business.

²⁾ Total income includes income from activities not related to the railway business.

³⁾ Seat kilometres are calculated as the number of seats contained in a litra unit multiplied by the number of litra-kilometres travelled.

⁴⁾ Operator punctuality is the total punctuality, minus any delays due to circumstances for which DSB is not responsible. Arrivals are considered punctual if they are less than 3 minutes delayed.

⁵⁾ Cancellations due to circumstances at DSB that are not notified 72 hours in advance are counted as a delay.

⁶⁾ Customer punctuality for long-distance and regional train traffic is defined as the number of passengers riding on punctual trains in relation to the total number of passengers. Customer punctuality for the S-train network is defined as the proportion of passengers who may arrive punctually on the basis of passengers' expected travel pattern and the operated train traffic. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations, which are not notified 72 hours in advance, are counted as delays.

⁶⁾ Customers in Denmark in 2018 have been adjusted compared with previously published figures due to the final journey inventories, etc. calculated as the number of journeys.

* Calculated pursuant to the definitions laid down in Definitions of key figures in DSB's annual report for 2018.

Report - financial activities

The Profit/loss before tax for the 1st quarter 2019 amounted to a loss of DKK 33 million, and the result is DKK 394 million lower than for the same period in 2018. Q1 2019 was negatively impacted by severance costs, while Q1 2018 was positively impacted by profits from the sale of DSB's office property on Kalvebod Brygge in Copenhagen.

Table 1: Profit/Loss before tax, adjusted for non-recurring items¹⁾

DKK million	1st quarter	
	2019	2018
Profit/loss before tax	-33	361
Gains on real estate, net	2	-267
Depreciation, real estate	-	20
Severance costs	51	-
Adjusted earnings before tax	20	114

¹⁾ A minus indicates that the correction has had a positive effect on pre-tax earnings.

Adjusted for non-recurring items, the Profit before tax is DKK 94 million lower than the corresponding profit for the first quarter of 2018. This is mainly due to increased raw material and consumables costs and increased costs for consultants and repair and maintenance. Conversely, Other operating income has risen when adjusted for non-recurring items.

The balance sheet total was DKK 14,540 million compared with DKK 14,832 million as of 31 December 2018.

In the first 3 months of 2019, DSB has invested DKK 214 million (DKK 195 million). The investments were mostly in heavy maintenance of Long-distance & Regional trains and S-trains.

Net interest-bearing debt has been reduced by DKK 76 million compared with 31 December 2018 and stood at DKK 3,784 million as of 31 March 2019.

By the end of Q1 2019, Return on invested capital after tax (ROIC) p.a. was -0.2 (11.3), Gearing p.a. was 2.1 (1.3) and the Solvency ratio was 38.8 (35.1). The negative development in the result was the main cause of the large decline of ROIC and the increase in Gearing.

Net revenue

The net revenue of the DSB Group was DKK 2,337 million in Q1 2019 (DKK 2,342 million).

Passenger revenue amounted to DKK 1,251 million, and this is DKK 6 million higher than in Q1 2018. The comparison with 2018 reflects that Easter in 2019 was in Q2 - adjusted for this, the passenger revenue shows a modest decline.

The development in passenger revenue for Long-distance & Regional Trains is impacted by a decline in regional traffic. The decline is due to a lower average price per journey, as the increased sales of Orange and Orange Free tickets have contributed to a change in the product mix. The decline in passenger revenue in the regional traffic is partly counterbalanced by increasing revenue from regional train traffic on Zealand, which in Q1 2018 was negatively impacted by ME diesel locomotives being suspended from passenger operations due to axle problems.

S-trains had 0.5 million more journeys in the period, which can be attributed to the dates of Easter. The passenger revenue from S-trains is positively impacted by a growing number of journeys and a small increase in the average price of the journeys.

Revenue from transport contracts amounted to DKK 985 million and has thus declined by DKK 28 million compared with Q1 2018. This decline can mainly be attributed to the sale of activities in Germany. The traffic contract payment for Q1 2019 has been reduced by DKK 63 million as a result of the signing of "Supplementary contract 19". The reduction is DKK 10 million larger than in the same period of 2018. This is countered by the regular

pricing indexation of the traffic contract payment.

Selling of repair and maintenance services for rolling stock, etc. amounted to DKK 81 million and increased by DKK 17 million compared with Q1 2018.

Leasing of rolling stock amounted to DKK 20 million, which is unchanged compared with the same period in 2018.

Work performed by the enterprise and capitalised increased by DKK 13 million and amounted to DKK 155 million in Q1 2019. This is due to more capitalisable IT projects and an increase in the value of major overhauls.

Other operating income has fallen by DKK 204 million compared with the same period in 2018 and amounted to DKK 345 million. The decline can in particular be attributed to Q1 2018 being impacted by the profits from the sale of DSB's office building on Kalvebod Brygge in Copenhagen.

Expenses

Expenses totalled DKK 2,382 million in the first 3 months of 2019 (DKK 2,181 million).

Expenses for raw materials and consumables amounted to DKK 495 million and have increased by DKK 76 million. The development is impacted by there being increased expenses for spare parts and energy for train operation during this period.

Other external costs amounted to DKK 931 million, an increase of DKK 58 million compared with the same period in 2018. Among other things, the increase can be attributed to increased costs for consultants in connection with the multi-year digitalisation plan and preparations for acquiring new rolling stock. On top of this, there are increased costs to repair and maintenance.

Staff costs amounted to DKK 956 million and increased by DKK 67 million compared with

the same period in 2018. The increase is due to DKK 51 million in severance costs in connection with the streamlining of the administration and the general salary development. Conversely, staff costs are reduced due to the declining number of full-time employees in Danish activities and the termination of German activity.

Amortisation and depreciation

Amortisation and depreciation amounted to DKK 462 million (DKK 465 million). The unchanged level includes increased depreciation on rolling stock, while Q1 2018 was impacted by the write-offs of properties.

Financials

Net financials amounted to an expense of DKK 26 million (DKK 26 million).

Outlook for 2019

DSB expects a zero result before taxes and non-recurring items, as there has been scheduled major track works for the year with the associated increase in costs for replacement traffic and declining passenger revenues. In addition, competition is growing and this will result in downwards pressure on revenue.

Productivity

Table 2: Number of full-time employees

	1st quarter		Increase	
	2019	2018	Abs.	Pct.
Danish activities	6,896	6,977	-81	-1
German activities ¹⁾	-	89	-89	-
Number of full-time employees – year-end	6,896	7,066	-170	-2
Average number of full-time employees	6,908	7,142	-234	-3

¹⁾ Costs related to these full-time employees are recognised in Staff costs on a pro rata basis by 50%.

The decline in the number of full-time employees in the Danish activities is mainly a result of suspended activities such as the closure of kiosks and there being fewer full-time employees working with operations. The full effects of the completed adjustment of the administration will only be seen later due to notice periods for dismissed employees.

The activities in Germany were sold as of 1 January 2019.

Table 3: Productivity in the Danish train activities

	1st quarter		Increase	
	2019	2018	Abs.	Pct.
Passenger and transport contract revenue per seat kilometre ¹⁾ (DKK 0.01/km)	54	55	-1	-2
Passenger revenue per seat kilometre ¹⁾ (DKK 0.01/km)	30	31	-1	-3
Costs per seat kilometre ¹⁾ (DKK 0.01/km)	60	57	3	5

¹⁾ Seat kilometres are calculated as the number of seats contained in a litra unit multiplied by the number of litra-kilometres travelled. The calculation includes depreciation, but is adjusted for non-recurring items.

Passenger and traffic contract revenue per seat kilometre has declined by 2% compared with the same period last year, while Passenger revenue per seat kilometre has declined by 3% compared with the same period last year. The reason is that for both key figures, passenger revenue has fallen by

1% and the number of seat kilometres have increased by 3%. The increase in the number of seat kilometres should be viewed in the context of Q1 2018 having less seat kilometres due to axle problems with the ME diesel locomotives.

The costs per seat kilometre have increased by 5% in Q1 2019 compared with Q1 2018. This is due to an 8% increase in costs for, among other things, repair and maintenance and costs for consultants working with the acquisition of rolling stock and a multi-year digitalisation plan. Conversely, the number of seat kilometres have increased by 3%.

Punctuality

Table 4: Operator punctuality¹⁾

Percent	1st quarter		Increase	
	2019	2018	Abs.	Pct.
Long-distance & Regional Trains	96.0	95.4	0.6	1
S-trains	98.9	98.5	0.4	0

¹⁾ Operator punctuality is the total punctuality, minus any delays due to circumstances for which DSB is not responsible. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations due to circumstances at DSB that are not notified 72 hours in advance are counted as a delay.

Operator punctuality in Long-distance & Regional trains has risen from 95.4% to 96.0%. Operator punctuality has generally seen improvements as a result of a more robust time schedule and fewer faults on the rolling stock. The operator punctuality of 96.0% exceeds the traffic contract's target of 94.3%.

The operator punctuality for S-trains has risen from 98.5% to 98.9%. Among other things, this is due to the winter weather having only had a limited impact on operations in 2019. The operator punctuality of 98.9% exceeds the traffic contract's target of 97.5%.

Table 5: Customer punctuality¹⁾

Percent	1st quarter		Increase	
	2019	2018	Abs.	Pct.
Long-distance & Regional Trains	83.8	82.9	0.9	1
S-trains	94.5	94.4	0.1	0

¹⁾ Customer punctuality for long-distance and regional train traffic is defined as the number of passengers riding on punctual trains in relation to the total number of passengers. Customer punctuality for the S-train network is defined as the proportion of passengers who may arrive punctually on the basis of passengers' expected travel pattern and the operated train traffic. Arrivals are considered punctual if they are less than 3 minutes delayed. Cancellations, which are not notified 72 hours in advance, are counted as delays.

Customer punctuality for Long-distance & Regional trains has increased from 82.9% to 83.8%. The new robust time schedule has contributed to improving customer punctuality. In addition, there has been fewer signal errors and fewer faults on the rolling stock. The customer punctuality of 83.8% exceeds the traffic contract's target of 83.4%

Customer punctuality for S-trains has risen from 94.4% to 94.5%. Fewer incidents in Q1 2019 compared with the same period in 2018 has contributed to a higher level of customer punctuality. At 94.5%, customer punctuality exceeds the traffic contract's target of 92.3%.

Customers

In Q1 2019, 46.0 million journeys were made with DSB in Denmark, compared with 45.1 million journeys in the same period last year. The increase of 2% is mainly a result of an increase in the number of journeys by S-trains and regional train journeys on Zealand. The increase compared with 2018 is a reflection of Easter in 2019 being in Q2 - if this is adjusted for, the number of journeys is on a level similar to 2018.

Table 6: Total journeys

1,000 journeys	1st quarter		Increase	
	2019	2018 ¹⁾	Abs.	Pct.
Long-distance & Regional trains	17,804	17,463	341	2
East (Øresund - crossing the bridge)	2,679	2,654	25	1
East (Zealand, including Kystbanen/the Coast Line and the Kastrup Line)	9,951	9,674	277	3
West (Jutland and Funen)	3,172	3,160	12	0
East/West (across the Great Belt)	1,871	1,855	16	1
Others	131	120	11	9
S-trains	28,176	27,672	504	2
Denmark, total	45,980	45,135	845	2
Germany, total	-	541	-541	-
Total	45,980	45,676	304	1

¹⁾ Journeys in Denmark in 2018 has been adjusted compared with previously published figures due to the final number of journeys, etc. being calculated. The activities in Germany were sold as of 1 January 2019.

Long-distance & Regional trains had 17.8 million journeys compared with 17.5 million journeys in the same period of 2018. The increase is especially due to more journeys in East (Zealand, including Kystbanen/the Coast Line and the Kastrup Line).

Traffic in East (Øresund, crossing the bridge) and East (Zealand, including Kystbanen/the Coast Line and the Kastrup Line) grew by 2%. The number of journeys in East in Q1 2018 was negatively impacted by the ME diesel locomotives being suspended from operations in January.

For West (Jutland and Funen), the number of journeys is on a similar level compared with the same period in 2018.

The number of journeys in East/West (across the Great Belt) have increased by 1% compared with the same period of last year. Despite this, the market share for journeys crossing the Great Belt has declined by 0.3 percentage points for the quarter. In response to the

increasing competition, more Orange tickets have been offered for sale. Thus, in Q1 2019 0.5 million Orange and Orange Free tickets were sold for East/West journeys compared with 0.4 million in the same period of 2018.

S-trains had 28.2 million journeys in the first three months of the year, representing an increase of 2% compared with the same period in 2018 when not adjusting for the consequences of the Easter dates.

In February, DSB launched Orange Free, which is somewhere between Orange and standard tickets in terms of price and availability. Orange Free tickets can be cancelled up to half an hour before the start of the journey. The tickets can be used for journeys between DSB and Arriva stations. Each week, 120,000 seats are offered via Orange and Orange Free tickets. DSB expects that the sales concept will result in a general increase in sales of Orange products compared with 2018, and it is also expected that the majority of the journeys with Orange and Orange Free tickets will be for journeys crossing the Great Belt.

In March, a new DSB App was also launched, and it currently has 490,000 customer downloads. The new DSB App is intended to be a more user-friendly version and also more stable than the former App. Traffic information and ticket sales are increasingly becoming integrated into the App.

As part of the fare reforms on Zealand and in Western Denmark, DSB has worked to simplify the structure of journeys crossing the Great Belt in Q1 2019. Among other things, the simplification allows customers to have easier access to tickets on departures with empty seats and a better overview of prices, and it also phases out the 10-trip cards and cardboard commuter cards which will then be available via the App and via Rejsekort.

During the periods 24 March - 12 June 2019 and 24 March - 28 September, there will be comprehensive track works between Korsør and Roskilde and on the line between Ringsted

and Nykøbing Falster/Rødby. This will result in some customers experiencing longer travel times. DSB has allocated extra staff to these lines in order to assist customers with questions and advise them about alternative travel routes, etc. At the same time, DSB will allow the commuters to travel through more zones so that they can use alternative routes while track works are in progress. Additionally, a pilot project has been launched aimed at providing the commuters with compensation for the track works, as long as the commuters have bought tickets during the track works for at least 59 days in August and September - if these conditions are met, they can have the price of a 30-day commuter card refunded.

Rolling stock

Table 7: Litra kilometres¹⁾

Kilometre (1,000)	1st quarter		Increase	
	2019	2018	Abs.	Pct.
IC4 train sets	1,792	1,952	-160	-8
IC3 train sets	7,259	7,387	-128	-2
IR4 train sets	2,511	2,650	-139	-5
Øresund train sets	1,884	1,897	-13	-1
Double-decker coaches ²⁾	3,814	1,812	2,002	110
MR train sets	3	119	-116	-97
Desiro train sets	489	656	-167	-25
ME diesel locomotives	841	352	489	139
EA electric locomotives	70	62	8	13
S-train sets	4,478	4,198	280	7

¹⁾ Litra-kilometres is the aggregated number of kilometres travelled by DSB's locomotives, train sets and double-decker coaches in Denmark.

²⁾ Litra kilometres for double-decker coaches are calculated per coach, regardless of the fact that several coaches are usually connected.

Table 8: Number of kilometres travelled between incidents¹⁾

Kilometre (1,000)	1st quarter		Increase	
	2019	2018	Abs.	Pct.
IC4 train sets	7.6	4.0	3.6	90
IC3 train sets	30.3	39.5	-9.2	-23
IR4 train sets	21.3	12.3	9.0	73
Øresund train sets	22.7	20.2	2.5	12
Double-decker coaches	25.5	12.4	13.1	106
MR train sets	1.6	5.9	-4.3	-73
Desiro train sets	9.9	10.3	-0.4	-4
ME diesel locomotives	25.2	19.6	5.6	29
EA electric locomotives	4.4	3.3	1.1	33
S-train sets	17.9	15.6	2.3	15

¹⁾ A technical incident on the rolling stock, which causes a delay.

The IC4 production in Q1 2019 was lower than in the same period in 2018. This is, among other things, due to the fact that in 2018 the IC4 train sets were used to replace the ME diesel locomotives and double-decker coaches in the regional traffic on Zealand, and thus they travelled more litra kilometres in 2018. The IC4 train sets have travelled significantly more kilometres between incidents in Q1 2019 compared with the same period in 2018. Over the last year, DSB has also continued working on the structural issues and launched initiatives related to the planning of the maintenance of IC4 train sets - these initiatives have included software upgrades which have contributed to the increase in the number of kilometres travelled between incidents.

The IC3 production was 2% lower than in Q1 2018, and the IC3 train sets also travelled fewer kilometres between incidents in this period. Two of the reasons are clutch issues and errors on the passenger information screens.

The IR4 train sets have been operating with significantly more kilometres between incidents than in the same period last year. A number of initiatives have been implemented in the IR4 workshop and in operations which have resulted in the reduction of incidents.

The litra kilometres for the Øresund trains were in Q1 2019 comparable to the same period in 2018, while the number of kilometres travelled between incidents increased by 12%.

The double-decker coaches and ME diesel locomotives have travelled significantly more kilometres in Q1 2019 than in the same period in 2018. This is due to the fact that all ME diesel locomotive operations were suspended in January 2018 as a result of axle problems. The increase in the number of kilometres travelled between incidents for the double-decker coaches can be attributed to more work being done to prevent faults on the doors.

The MR production has been significantly lower than in the same period of last year. There are no scheduled operations with MR train sets in 2019.

The Desiro train sets have travelled fewer litra kilometres in Q1 2019 than in the same period last year, as some of the train sets have been out of operation due to scheduled major overhauls.

The S-train production and the number of kilometres travelled between incidents increased compared with Q1 2018. The increase in the number of kilometres travelled between incidents is mainly attributed to there having been fewer errors caused by the new signal system. In addition, there has been a small decrease in the number of technical incidents, but this is mainly attributed to the mild winter weather.

Accounting policies applied

The interim report for the independent public company DSB has been prepared in accordance with the provisions of the Danish Financial Statements Act on the Act on DSB.

Commission income from the sale of tickets from other operators has been reclassified from Net revenue to Other operating income. Comparative figures have been adjusted.

Events after 31 March 2019.

No events have occurred after 31 March 2019, which, in the opinion of the management, have a significant impact on the assessment of this interim report.

Other matters

Jan Sigurdur Christensen, Director of Commercial, has joined the Executive Board as of 1 April 2019.

The activities in Germany were sold as of 1 January 2019.

Statement

Management statement

The Board of Directors and the Executive Board have today discussed and approved the interim report for the period 1 January - 31 March 2019 for DSB.

The interim report, which has neither been audited nor reviewed by the company's auditors, has been presented in accordance with the Danish Financial Statements Act and the Act on DSB. We consider the accounting policies to be appropriate. Accordingly, the first quarter report provides a true and fair view of the Group's assets, liabilities and financial position as of 31 March 2019 and of the results of the Group's activities and cash flows for the period from 1 January to 31 March 2019.

It is also our view that the interim report contains a well-founded assessment of the development in the Group's activities and financial conditions, the result for the period and the financial position in general.

Taastrup, 9 May 2019

Executive Board

Flemming Jensen
CEO

Thomas Thellersen Børner
CFO

Jan Sigurdur Christensen
Member of the Executive Board
for Commercial

Jürgen Müller
Director of Strategy
& Rolling stock

Per Schrøder
Director of Operations

The Board of Directors

Peter Schütze
Chairman

Annette Sadolin
Vice-Chairman

Henrik Amsinck

Hanne Blume

Carsten Gerner

Christina Grumstrup Sørensen

Preben Steenholdt Pedersen

Lone Riis

Morten Færgemann Sørensen



Accounts

Income statement			
Group	1st quarter		The whole year
Amounts in DKK million	2019	2018	2018
Income			
Net revenue	2,337	2,342	9,684
Work performed by the enterprise and capitalised	155	142	578
Other operating income	345	549	1,593
Total revenue	2,837	3,033	11,855
Expenses			
Expenses for raw materials and consumables	495	419	1,866
Other external expenses	931	873	3,883
Staff costs	956	889	3,604
Total expenses	2,382	2,181	9,353
Earnings before amortisation and depreciation	455	852	2,502
Amortisation, depreciation and write-downs of intangible and tangible assets	462	465	1,829
Operating profit/loss	-7	387	673
Financials			
Profit after tax in associated companies	0	0	0
Financial income	0	2	34
Financial expenses	26	28	139
Net financials	-26	-26	-105
Profit/loss before tax	-33	361	568
Tax on profit for the period	7	-93	-118
Profit for the period	-26	268	450

Balance sheet – assets

Group	31.3		31.12
Amounts in DKK million	2019	2018	2018
Intangible assets			
Development projects	157	130	132
Intangible assets in progress and prepayments	58	80	82
Total intangible assets	215	210	214
Tangible assets			
Land and buildings	4,191	4,379	4,233
Rolling stock	7,356	8,244	7,565
Operating equipment, fixtures and fittings and other equipment	741	766	759
Tangible assets in progress and advance payments	400	239	397
Total tangible assets	12,688	13,628	12,954
Investments			
Equity investments in associated companies	0	0	0
Subordinated loan capital in associated companies	183	208	199
Other receivables	25	28	26
Total investments	208	236	225
Total non-current assets	13,111	14,074	13,393
Inventories	407	407	396
Properties held for sale	16	21	17
Receivables			
Trade receivables	485	554	469
Other receivables	303	232	338
Prepayments	163	95	130
Total receivables	951	881	937
Cash in bank and in hand	55	780	89
Total current assets	1,429	2,089	1,439
Total assets	14,540	16,163	14,832

Balance sheet – liabilities and equity

Group	31.3		31.12
Amounts in DKK million	2019	2018	2018
Equity			
Contributed capital	4,760	4,760	4,760
Retained earnings	879	918	942
Proposed dividends	0	0	120
Total equity	5,639	5,678	5,822
Provisions			
Other provisions	176	146	149
Deferred tax liabilities	713	813	755
Total provisions	889	959	904
Non-current liabilities			
Long-term loans	2,162	2,982	2,162
Other non-current liabilities	426	581	377
Other liabilities	245	253	259
Total non-current liabilities	2,833	3,816	2,798
Current liabilities			
Current portion of non-current liabilities	963	2,076	961
Short-term loans	450	0	200
Credit institutions	286	0	640
Trade accounts payables	1,528	1,487	1,379
Corporation tax	38	299	211
Other liabilities	916	896	914
Prepayments	878	952	1,003
Unpaid dividends	120	-	-
Total current liabilities	5,179	5,710	5,308
Total liabilities	8,012	9,526	8,106
Total equity and liabilities	14,540	16,163	14,832

Statement of changes in equity

Group				
Amounts in DKK million	Contributed capital	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2018	4,760	631	106	5,497
Declared dividend	-	-	-106	-106
Profit for the period	-	268	-	268
Foreign currency translation adjustments	-	-3	-	-3
Value adjustment of hedging instruments, 1 January	-	161	-	161
Value adjustment of hedging instruments, at end of period	-	-139	-	-139
Equity at 31 March 2018	4,760	918	0	5,678
Funds allocated to Fonden Danmarks Jernbanemuseum (extraordinary budget item)	-	-43	-	-43
Profit for the period	-	62	120	182
Foreign currency translation adjustments	-	0	-	0
Value adjustment of hedging instruments, 1 January	-	139	-	139
Value adjustment of hedging instruments, at end of period	-	-133	-	-133
Other changes in equity, tax	-	-1	-	-1
Equity at 31 December 2018	4,760	942	120	5,822
Declared dividend	-	-	-120	-120
Profit for the period	-	-26	-	-26
Foreign currency translation adjustments	-	0	-	0
Value adjustment of hedging instruments, 1 January	-	133	-	133
Value adjustment of hedging instruments, at end of period	-	-170	-	-170
Equity at 31 March 2019	4,760	879	0	5,639

Cash flow statement

Group	1st quarter		The whole year
Amounts in DKK million	2019	2018	2018
Operating profit/loss	-7	387	673
Adjustment for non-cash operating items			
Amortisation, depreciation and write-downs of intangible and tangible assets	462	465	1,829
Change in other provisions, net	25	-95	-92
Other adjustments			
Gain and loss on sale and scrapping of intangible and tangible assets	3	-267	-340
Net financial items, paid	-2	-11	-116
Corporation tax, paid	-199	-11	-190
Change in working capital	-20	-147	-269
Total cash flow from operating activities	262	321	1,495
Cash flows from investment activities			
Acquisition of intangible and tangible assets, excluding capitalised interest	-214	-195	-910
Sales of intangible and tangible assets	13	365	457
Subordinated debt repayments	16	-	11
Total cash flows from investment activities	-185	170	-442
Cash flows from financing activities			
Proceeds from raising of short-term loans	250	-	200
Repayment and payment of instalments on long-term loans	-7	-7	-2,091
Change in credit institutions	-354	-	640
Paid dividends	-	-106	-115
Total cash flow from financing activities	-111	-113	-1,366
Total change in cash and cash equivalents	-34	378	-313
Cash and cash equivalents at 1 January	89	402	402
Cash and cash equivalents at end of period	55	780	89

The cash flow statement cannot be derived directly from the income statement and the balance sheet.

Income statement by quarter

Group	2019	2018			
	1st quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
Amounts in DKK million					
Passenger revenue	1,251	1,245	1,367	1,248	1,425
Revenue from traffic contracts	985	1,013	1,012	1,011	1,015
Sale of repair and maintenance services of rolling stock etc.	81	64	80	86	73
Sale and leasing of rolling stock	20	20	6	11	8
Net revenue	2,337	2,342	2,465	2,356	2,521
Work performed by the enterprise and capitalised	155	142	144	151	141
Other operating income	345	549	323	319	402
Total revenue	2,837	3,033	2,932	2,826	3,064
Expenses for raw materials and consumables	495	419	473	454	520
Other external expenses	931	873	1,004	996	1,010
Staff costs	956	889	948	912	855
Total expenses	2,382	2,181	2,425	2,362	2,385
Earnings before amortisation, depreciation and write-offs	455	852	507	464	679
Amortisation, depreciation and write-offs of intangible and tangible assets	462	465	479	436	449
Operating profit/loss	-7	387	28	28	230
Net financials	-26	-26	-45	-34	0
Profit/loss before tax	-33	361	-17	-6	230
Profit/loss before tax adjusted for non-recurring items	20	114	16	-13	130
Profit/Loss for the period	-26	268	0	-5	187
Total equity	5,639	5,678	5,686	5,670	5,822
EBITDA margin	19.5	36.4	20.6	19.7	26.9
Return on equity (ROE) p.a.	-1.8	19.2	0.0	-0.4	13.0
Return on invested capital after tax (ROIC after tax) p.a.	-0.2	11.3	1.4	0.9	7.8

Financial calendar 2019

Expected publication of quarterly and interim reports:

Interim report 2019	27 August 2019
1st - 3rd quarter 2019	7 November 2019

Publications

Interim report for Q1 2019 is available on www.DSB.dk

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www.dsb.dk

CVR No. 25050053

Municipality of domicile

Høje-Taastrup

Ownership

DSB is an independent public corporation owned by the Ministry of Transport, Building and Housing

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Ernst & Young
Authorised Limited Company of Accountants
CVR No. 30700228

The National Audit Office of Denmark

Bank

Nordea Bank Danmark A/S

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