

HALF YEAR REPORT, 2021



Half year report 2021

Management report 3

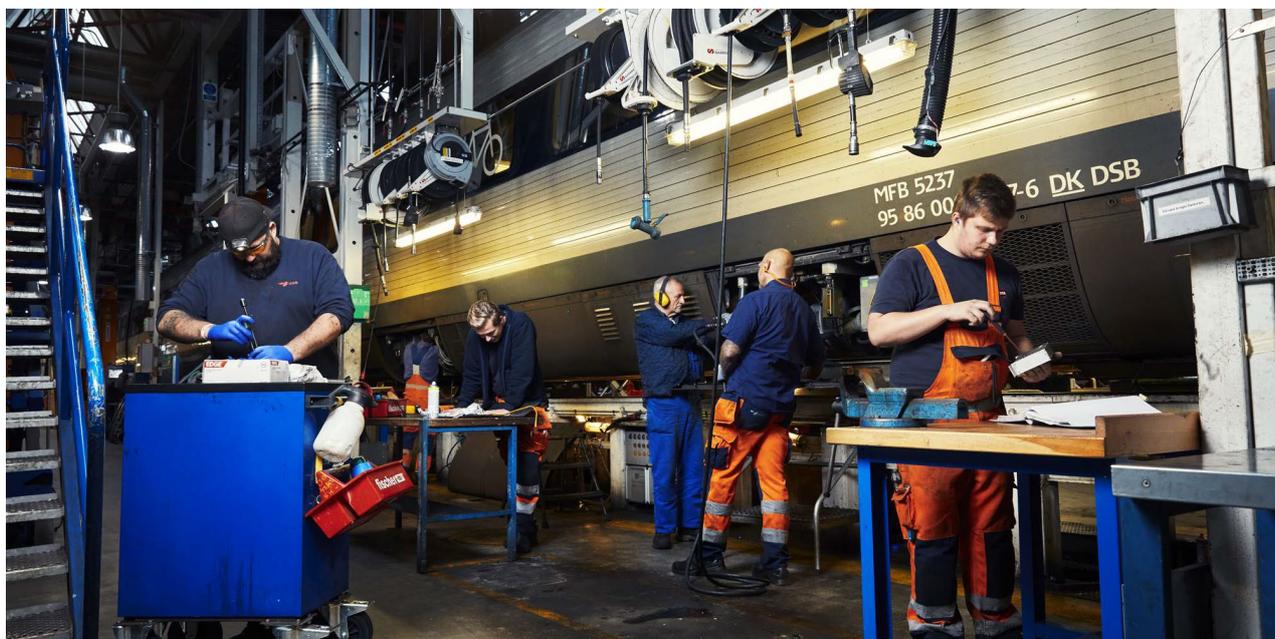
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The interim report is published in both a Danish and an English language version. In the event of any discrepancies the Danish language version shall prevail.

Management report

The result for first half amounted to a profit of DKK 517 million

- In first half of 2021, DSB had 45.8 million journeys - a decrease of 22 percent compared to the same period last year and 51 percent compared to first half of 2019
- Similar to previous periods with COVID-19 restrictions, the train timetable remained unaltered following an agreement with the Danish Government
- The profit for the year includes extra contract revenue of DKK 1,263 million in connection with COVID-19 and the restrictions and recommendations issued by the authorities
- Punctuality for Long-distance & Regional trains as well as S-trains has met the contractual obligations
- New Coradia Stream electric train sets from Alstom will form the backbone of the future's sustainable and electric train operations
- A contract on the sale of DSB's Component Workshop has been signed.

Key financials						
Amounts in DKK million	Q2 2021	Q2 2020	Q2 2019	H1 2021	H1 2020	H1 2019
Passenger revenue	878	567	1,297	1,384	1,614	2,548
Contract revenue	1,446	976	1,057	3,109	1,951	2,042
Total revenue	2,753	2,090	2,901	5,551	4,606	5,738
Total expenses	2,176	2,240	2,379	4,365	4,539	4,761
Profit/loss before tax	261	(488)	34	517	(607)	1
Customers (million)	28.4	20.7	46.6	45.8	58.9	92.6
Customer punctuality for Long-distance & Regional trains (percent)	82.1	88.0	76.1	84.0	87.2	79.8
Customer punctuality for S-trains (percent)	93.9	94.2	91.5	93.1	93.4	93.0

Result for first half of 2021

DSB's passenger revenue continues to be negatively impacted by COVID-19 and the restrictions and recommendations issued by the authorities. For first half, we realised a passenger revenue of DKK 1,384 million - a decrease of 14 percent compared to the same period last year and a 46 percent decrease compared to first half of 2019.

In second quarter, we saw a positive development as customers are gradually returning. The number of customers in second quarter rose by 63 percent compared to first quarter.

The result for first half amounted to a profit of DKK 517 million. A critical factor in this positive result is that DSB has entered into a supplemental contract with the Danish Ministry of Transport which means that contract revenue for 2021 (with reservations for regulatory approval) can be increased by the amount of the lost passenger revenue compared to 2019. For second quarter in isolation, the result before tax amounted to DKK 261 million.

New initiatives launched to win back customers

In close coordination with the authorities' statements on the reopening of Denmark, we will be initiating a number of activities to win back customers.

In order to address the expectation that commuters and business travellers will be working more from home, we have launched a new flexible commuter product - Pender20 (Commuter20). We will also continue the strategy of selling Orange and Orange Free tickets at extra attractive prices outside of rush hours.

Contract signed on the purchase of Coradia Stream electric train sets

DSB has signed a contract with Alstom on the delivery of at least 100 Coradia Stream electric train sets. The train sets will be the backbone of the future's sustainable train operations and customers can look forward to a better travel experience and higher punctuality.

This is the largest single investment in DSB's history. We expect to purchase 150 electric train sets with full maintenance for up to 40 years. The aging diesel-driven trains can therefore be retired within a few years. An important milestone has therefore been reached in the transition towards a more climate-friendly and sustainable public transport system.

Decision on automated operations on the S-train tracks

In June, the political agreement on Infrastructure Plan 2035 was presented. Out of the total investments of DKK 161 billion, around DKK 86 billion will be invested in the railway system. The overall plan for public transport matches really well with DSB's ambitions for the future. The long-term plan with broad support in the Danish Parliament provides an element of predictability.

When agreeing upon the details of the Infrastructure Plan, it was decided that there should be automated 'Metro-type' operations on the S-train tracks. It was also decided that DSB will be charged with implementing the transition. We are pleased to have been assigned this task. A transition of the aging S-train tracks towards 'Metro-type' operations is a major task to undertake, and it is critical that the transition is as smooth as possible for the passengers. DSB will also ensure that employees feel confident about the transition as new technology is adopted.

Sale of DSB's Component Workshop

For the purchased Coradia Stream electric train sets, the maintenance of the rolling stock is fully outsourced to the manufacturer. However, DSB will still need to ensure that there is a reliable production of components and spare parts for the old fleet of diesel trains. But production will at length be more difficult to maintain as the diesel-driven rolling stock is phased out

as the new electric rolling stock is deployed. In order to maintain supply security, we have therefore decided to sell of the Component Workshop to an actor that will continue to operate in this business. In July, an agreement was reached with a major industrial

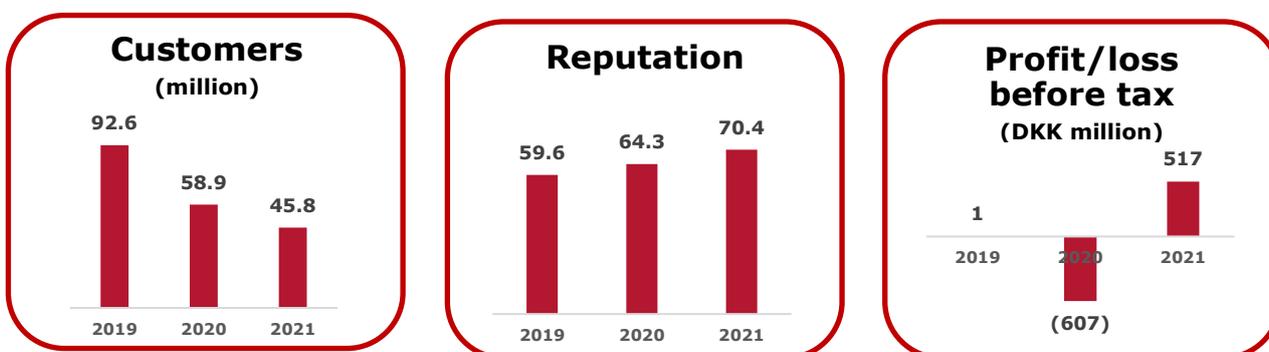
actor to assume the Component Workshop. The agreement is conditional upon approval from the authorities, expected to materialise in second half of 2021. The sale involves the leasing of four workshop locations and the transfer of around 400 employees.

Taastrup, 24 August 2021

Peter Schütze
Chairman of the
Board of Directors

Flemming Jensen
CEO

Overview, first half



- In first half of 2021, there were fewer journeys taken with DSB compared to 2020 and 2019. Compared to 2019, there were 51 percent fewer journeys. However, the customers are returning, and in June the number of journeys was 73 percent of that seen in June 2019
- DSB's reputation reached historically high levels in 2021. High punctuality and good deals on tickets are significant factors, but it was also impacted by DSB's handling of the COVID-19 situation and the general societal focus on climate issues that improved DSB's reputation
- Despite the large decrease in passenger revenue, DSB generated a profit of DKK 517 million - mainly due to higher contract revenue in 2021 pursuant to supplemental contract 38
- The agreements signed concerning property developments and higher efficiency in train operations and at the work shops were also a strong contributing factor towards competitive operations and a market oriented DSB
- The signing of new Facility Management agreements - most recently with Coor and ISS - will result in significant future savings.

Business areas first half of 2021

Amounts in DKK million	Group	Train operations	Service & Retail ¹⁾	Property development ¹⁾	Others, incl. eliminations
Total revenue	5,551	5,161	346	258	(214)
Profit/loss before tax	517	239	(9)	243	43
Total assets	12,751	11,874	106	771	-
Operating profit margin (EBITDA margin)	26.0	17.0	(2.4)	94.2	-
Solvency ratio	37.4	34.1	31.8	89.0	-

¹⁾ Activities in Service & Retail and Property development are presented in greater detail on pages 16-17.

DSB's activities are conducted in 3 business areas: Train operations, Service & Retail and Property development. Train operations are DSB's core area and by far the largest business area. Train operations include train activities, ownership, operations and maintenance of rolling stock and train stations. Service & Retail operates kiosks directly at stations and are part of the service concept for travellers. Property development creates value by developing areas which are no longer used for Train operations.



Train operations

The acquisition of Vectron electric locomotives, Talgo train coaches and Coradia electric train sets are critical factors in allowing DSB to reach its target of being carbon neutral by 2030 for the benefit of all of Denmark.

As at 30 June, a total of 24 Vectron electric locomotives have been delivered, with 16 put into operation.

Sales agreement has been signed concerning DSB's Component Workshop. The handover is expected to take place in second half of 2021.



Service & Retail

Overall responsibility for service and catering in trains and at stations now comes under Service & Retail. The objective is to improve standards and be able to offer better deals for customers.

Energy-saving initiatives in the kiosks have also been implemented. In April and May, savings amounting to 190,000 kWh compared to the same period of 2019.



Property development

The architect firm Cobe A/S has been designated the winner of the master plan competition for Jernbanebyen.

The first leases for apartments in Hibiscus Hus in Valby were signed on 1 July. The first tenants will move in on 1 September.

Joint venture agreement was signed with Danica Ejendomme concerning the Downtown project, which is part of Postbyen.



Results

Key Financial and Operating Data						
Group	Q2	H1		Growth		Full year
Amounts in DKK million	2021	2021	2020	Abs.	Pct.	2020
Income statement						
Net revenue	2,345	4,564	3,734	830	22	8,701
Profit/loss before amortization, depreciation and write-downs	577	1,186	67	1,119	1,670	1,301
Amortization, depreciation and write-downs of intangible and tangible fixed assets	298	632	641	(9)	(1)	1,335
Operating profit/loss	279	554	(574)	1,128	-	(34)
Net financials	(18)	(37)	(33)	(4)	(12)	(70)
Profit/loss before tax	261	517	(607)	1,124	-	(104)
Profit/loss for the period	204	404	(462)	866	-	(57)
Balance sheet						
Total assets	12,751	12,751	11,881	870	7	12,147
Investments in property, plant and equipment	332	640	399	250	63	823
Total equity	4,767	4,767	3,770	997	26	4,092
Interest-bearing debt, net	3,909	3,909	3,798	111	3	2,826
Key figures*						
Operating profit margin (EBITDA margin)	24.6	26.0	1.8	24.2	1,344	15.0
Profit ratio (EBIT margin)*	11.9	12.1	(15.4)	27.5	-	(0.4)
Return on invested capital after tax (ROIC after tax) p.a.	10.3	11.1	(11.5)	22.6	-	0.0
Gearing p.a.	1.7	1.6	28.3	(26.7)	(94)	2.2
Solvency ratio	37.4	37.4	31.7	5.7	18	33.7
Average number of full-time employees	6,053	6,062	6,807	(374)	(5)	6,757
Customers						
Customers (million)	28.4	45.8	58.9	(13.1)	(22)	120.1
Reputation¹⁾						
DSB	68.8	70.4	64.3	6.1	9	66.2
Customer punctuality*						
Long-distance & Regional trains (percent)	82.0	84.0	87.2	(3.2)	(4)	86.7
S-trains (percent)	93.9	93.1	93.4	(0.3)	0	94.4
Productivity¹⁾*						
Passenger revenue per seat kilometre (DKK 0.01/km)	21.4	17.1	20.9	(3.8)	(18)	21.5
Costs per seat kilometre (DKK 0.01/km)	54.8	57.3	56.3	1.0	2	56.2

¹⁾ The methodology for calculating reputation and productivity was changed in January 2021. Comparative figures have been adjusted.

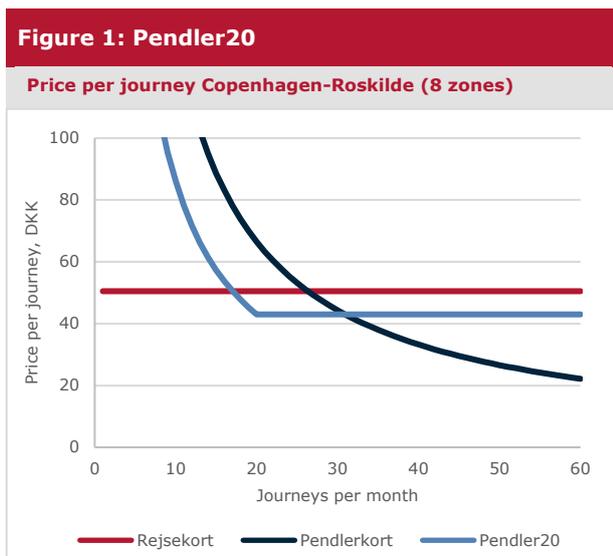
^{*)} Calculated pursuant to the definitions laid down in Key figure definitions.

Customers

Pendler20 (Commuter20)

DSB has launched a new commuter product - Pendler20. This new flexible commuter pass allows customers to pick 20 travel days of their choice within a 60-day consecutive period and is therefore altered to the habits of working more from home that many have adopted due to the COVID-19 pandemic.

Prices for any given line can be seen at pendertjek.dsb.dk. Pendler20 is generally the cheapest product for customers who commute back and forth around three days a week.



Capacity limitations and face coverings

The requirement to wear face coverings while travelling by public transport was completely repealed from 14 August. Repealing the requirement to wear face coverings means that another step has been taken towards a return to normality for customers.

From 1 August, the requirement to book seat reservations was applicable to InterCity and InterCityLyn tickets only, and all seats in both S-trains and Long-distance & Regional trains have been allowed to be occupied since 14 and 26 June, respectively.

DSB supports the recommendations of the authorities and still encourages customers to be considerate and practice social distancing.

Summer campaigns

'Rejsepas' was offered in 2021 in collaboration with the Danish Ministry of Transport. The campaign started on 15 June and is a repeat of the 2020 campaign. The focal point of the campaign has been the message to experience Denmark in summertime with 8 days of free travel throughout the country using all forms of public transport. A total of 50,200 Rejsepas were sold.

The summer has also seen a large sale of Orange tickets for journeys throughout Denmark sold at no higher than DKK 99. The tickets were valid during the school summer holidays.

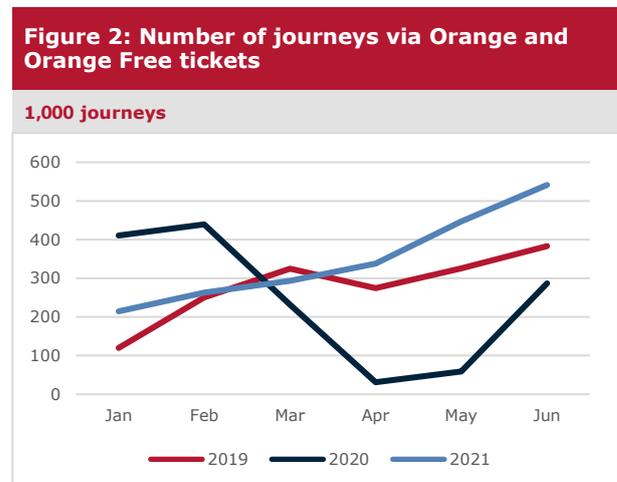


Table 1: Number of journeys

1,000 journeys	H1			Growth (2021 vs. 2020)		Growth (2021 vs. 2019)	
	2021	2020	2019	Abs.	Pct.	Abs.	Pct.
Long-distance & Regional trains	15,840	21,598	36,678	(5,758)	(27)	(20,838)	(57)
Øresund - over broen	1,583	2,692	5,923	(1,109)	(41)	(4,340)	(73)
Sjælland inkl. Kyst- og Kastrupbanen	8,871	11,833	20,142	2,962	(25)	(11,271)	(56)
Vest (Jylland og Fyn)	3,225	4,568	6,585	1,343	(29)	(3,360)	(51)
Øst/Vest (over Storebælt)	2,046	2,371	3,709	(325)	(14)	(1,663)	(45)
Others (including international)	115	134	319	(19)	(14)	(204)	(64)
S-trains	29,926	37,319	55,873	(7,393)	(20)	(25,947)	(46)
Total	45,766	58,917	92,551	(13,151)	(22)	(46,785)	(51)

Number of journeys

In first half of 2021, DSB's passenger revenue continued to be negatively impacted by COVID-19 and the restrictions and recommendations issued by the authorities. In 2021, 45.8 million journeys were taken via DSB compared to 58.9 million journeys in 2020 and 92.6 million journeys in 2019. The decrease has had different impacts on the individual markets:

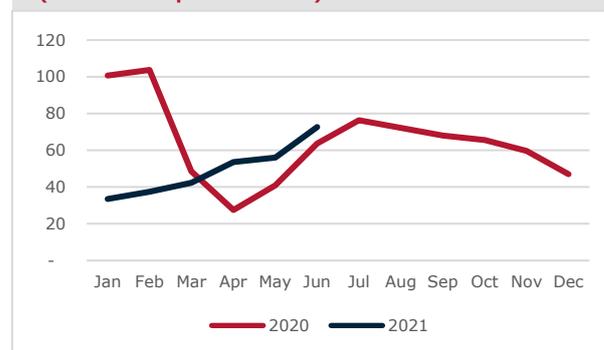
- The traffic on Sjælland - including commuter traffic to and from Copenhagen - decreased by 56 percent compared to 2019. The large decrease is correlated with workers continuing to work from home during the first half of 2021.
- Shutdowns and restrictions on the Danish-Swedish border have also impacted the number of journeys across Øresund - over broen which decreased by 73 percent compared to 2019.
- For Øst/Vest (over Storebælt), Orange and Orange Free tickets remain the customers' favourites with 1.2 million journeys in 2021. This was 26 percent higher than in 2020 and 34 percent lower than in 2019. The Orange products have thus lost less than the other tickets for East/West crossings.

The number of journeys has also been impacted by the handover of traffic on Zealand and in the West (Jutland and Funen), amounting to 1.2 million journeys in 2019.

In January, this number was at index 34, but it has been increasing in line with the reopening of Denmark. Thus, the number of journeys in June 2021 increased to index 73 compared to June 2019. The increase was significant due to many restrictions being phased out, resulting in an increase from May to June of 17 index points.

Figure 3: Total journeys

(Indexed compared to 2019)



The reopening of Denmark combined with DSB's initiatives (for example, the Pendler20 product) is to form the basis for increasing the number of journeys in the coming period.

Punctuality

Punctuality for both Long-distance & Regional trains and S-trains in first half of 2021 were above the traffic contract's targets.

2020 saw very high punctuality figures. Customer punctuality for 2021 encountered more problems for Long-distance & Regional trains and for S-trains.

Table 2: Customer punctuality ¹⁾				
Percent	H1		Growth	
	2021	2020	Abs.	Pct.
Long-distance & Regional trains	84.0	87.2	(.2)	(4)
S-trains	93.1	93.4	(0.3)	0

¹⁾ Customers who arrived on time at their final destination with less than a 3-minute delay.

Customer punctuality for Long-distance & Regional trains in first half of 2021 was lower than the year before. First quarter started out well, but second quarter saw problems with disruptions to operations due to infrastructure faults, delayed trains from Sweden and rolling stock faults.

Customer punctuality of 84.0 percent was higher than the traffic contract's target of 78.7 percent.

Customer punctuality for S-trains decreased compared to the same period last year. The lower punctuality is mainly due to first quarter of 2021 seeing more days with infrastructure faults.

Customer punctuality of 93.1 percent was higher than the traffic contract's target of 92.3 percent.

Sustainability

Contract signed on the purchase of new electric train sets

In June, DSB signed a contract with Alstom concerning the delivery of at least 100 Coradia electric train sets. The electric train sets will form the backbone of the future's sustainable train traffic and they are significantly more energy efficient than the current diesel-driven train sets. The new electric train sets are a critical part of allowing DSB to meet its objective of being carbon neutral and halving its electricity consumption in 2030 (compared to 2018).

According to the schedule, the electric train sets will be delivered from 2024 to 2029. Though it requires that Banedanmark's signal and electrification programmes are completed on schedule, the plan is for DSB's rolling stock to be fully electric from 2029 onwards.

DSB is in the midst of creating two new environmentally certified workshops in Aarhus and Copenhagen. The workshops are 100 percent dedicated to the new electric train sets and will be certified by the DGNB standards, which ensures sustainable construction processes.

Climate-friendly international journeys

During 2019, and until the pandemic hit Denmark in 2020, DSB saw an increase in international journeys, particularly to Hamburg. The increase was due to the increased focus on trains as an environmentally friendly alternative to, for example, flying.

Therefore, DSB has decided to expand the capacity of its future international train traffic lines in order to allow for more climate-friendly international journeys.

“With the expansion of capacity in the new train coaches groups from Talgo, DSB can now offer Danes more opportunities to choose environmentally friendly travel. DSB will have greater capacity to meet an expected future demand for sustainable international travel once people begin travelling again. We look forward to contributing to the fight against climate change.”

Flemming Jensen, CEO



Originally, the new train coaches groups from Talgo were intended to have 442 seats each, but DSB has expanded the order with more train coaches so that the capacity will now be 492 seats per train coaches group.

DSB expects that the new train coaches can be enjoyed by customers from 2023.

Farewell to the diesel locomotives

The deployment of Vectron electric locomotives will gradually increase, and this will result in the ME diesel locomotives being phased out. The phasing out is an important milestone for DSB's objective of being carbon neutral and halving its energy consumption in 2030.

DSB looks forward to being able to increase the number of Vectron electric locomotives being used, which will benefit customers, employees and neighbours to the railway network. The first deployment will be on Sydbanen once Banedanmark completes the electrification of the railway from Ringsted to Næstved and Vordingborg, which is scheduled to October 2021.



Reusing phased out locomotives

DSB's last EA electric locomotive has been sold. The buyer is the Bulgarian company Bulmarket, which operates freight transport in Bulgaria. Bulmarket has already purchased 3 EA electric locomotives. The sale is in line with DSB's sustainability efforts, where reusing and recycling resources - including rolling stock - is an important focus area.

DSB also plans to sell the ME diesel locomotives. ME diesel locomotives have already been sold to the Swedish Nordic Re-Finance, which uses the solid diesel locomotives to transport freight on non-electrified lines of the rail network. The ME diesel locomotives typically replace even older diesel locomotives, which unlike DSB's fleet of ME diesel locomotives, have rarely been upgraded. Thus, selling the newer ME diesel locomotives results in a local reduction of NOx and particle emissions.

Green real estate projects

The first stage of Hibiscus Hus has been completed 1 July 2021. This construction project is certified with the DGNB Gold standard and has been built with a focus on sustainability.

DSB is working to ensure that Jernbanebyen becomes a new attractive district in Copenhagen. Sustainability will be a key parameter in the development of the new city district. This is, among other things, expressed via the desire for mixed housing and green transport with a sharing economy for cars, electric cars and city bikes as well as green bicycle and pedestrian paths. The project aims to achieve an ambitious DGNB sustainability certification.



"We want to be green everywhere we can. One of the things we can address on a day to day basis is canteen operations and the cleaning of buildings and areas. We look forward to reducing our environmental impact in collaboration with Coor."
Mette Rosholm, Director of Procurement & Legal

Sustainable procurement

In first half, DSB completed a tender for facility management which was won by Coor and ISS. The tender weighed the received bids in terms of sustainability and the agreement supports DSB's target of reusing or recycling 90 percent of its waste by 2030 - for example, via initiatives such as targeted canteen operations and waste sorting.

Small changes in behaviour lead to high energy savings in Service & Retail

At the start of the year, Service & Retail launched a concept consisting of 19 initiatives targeting the routines involved in opening and closing a kiosk. The initiatives focus on daily behaviour and involve anything from when to turn on and off the lights to programming the coffee machines to turn off once the kiosks close.

The implementation of energy-saving initiatives has in total resulted in energy savings of 190,000 kWh in April and May alone compared to the same period of 2019. The savings amount to a CO₂ reduction of almost 30 tonnes.

Productivity

Table 3: Productivity

	H1		Growth	
	2021	2020	Abs.	Pct.
Passenger revenue per seat kilometre ¹⁾ (DKK 0.01/km)	17.1	20.9	(3.8)	(18)
Costs per seat kilometre ¹⁾ (DKK 0.01/km)	57.3	56.3	1.0	2

¹⁾ Seat kilometres are calculated as the number of seats contained in a litra unit multiplied by the number of litra kilometres travelled.

Passenger revenue per seat kilometre declined by 18 percent compared with last year. This is due to lost passenger revenue from the lower number of journeys directly resulting from the COVID-19 restrictions. The number of seat kilometres is around the same as in 2020.

The costs per seat kilometre increased by 2 percent compared to 2020. An increase in operating costs for train operations have driven this development, as the number of seat kilometres is same level as in 2020.

The number of full-time employees decreased by 678 to 6,074 over the past 12 months. The decrease is, among other things, seen in rolling stock personnel which is partly due to the handover of traffic in Mid- and West Jutland to Arriva, at the workshops due to the handover of maintenance for the Swedish Øresund trains and due to streamlining in DSB. On top of this, there is a reduction of full-time employees due to the presentation of Component Workshop as discontinued operations.

Rolling stock

Deployment of electric stock is prioritised

The Vectron electric locomotives are being delivered on an ongoing basis in line with Siemens' scheduled deliveries and are running in regional traffic on Zealand, including Kystbanen during rush hour. As at 30 June 2021, a total of 24 electric locomotives had been delivered, of which 16 have been deployed to operations while 8 are still awaiting testing and approval.

Experience with Vectron electric locomotives remains positive, and there is a good collaboration with Siemens. Maintenance of the locomotives has begun, and the first inspections have also been completed.

The Vectron electric locomotives will also be deployed to the international traffic lines to Germany from 2023, where they will be pulling the new train coaches from Talgo.

The plan is still for the final ME diesel locomotives to be phased out in favour of the Vectron electric locomotives at the end of 2021.

The Coradia electric train sets are good for operations - and therefore, also for the customers

The new train sets offer a wide range of operational advantages and the customers will certainly also benefit. For example, with the

coming electric train sets, DSB will achieve even higher punctuality figures.

A new, uniform and electric train fleet also requires less maintenance than the current aging diesel-driven one. It will be simpler to plan operations with fewer train types and staff can operate more trains as they will need to keep up to date with fewer train types.

In this way, the electric train sets contribute both to sustainability (environment and climate) but also to DSB's finances.

In addition, the construction of the trains and their performance contribute to higher levels of operational reliability due to a faster acceleration and higher top speeds, reducing travel times while at the same time making it easier to catch up to the time table in the event of delays.

The supplier, Alstom, will be in charge of maintaining the electric train sets. In order to be able to service and maintain the new electric train sets, DSB is in the process of building 2 workshops that will be dedicated to the new electric train sets.

The new electric train sets will initially replace the IC4 train sets and later the IC3 train sets, which are expected to be fully phased out no later than 2029.



"I am proud that in first half, we have once again achieved high punctuality and robust operations for our customers, who have been very supportive of the COVID-19 initiatives that have been implemented in the public transport system. From August, we will be welcoming back all of the commuters returning to their daily train trips after almost one and a half years of COVID-19 restrictions."
Per Schrøder, Director of Operations

Kilometres travelled in first half

Table 4: Litra kilometres ¹⁾				
Kilometres (1,000)	H1		Growth	
	2021	2020	Abs.	Pct.
IC4 train sets	3,330	3,437	(107)	(3)
IC3 train sets	14,352	13,358	994	7
IR4 train sets	5,584	5,346	238	4
Øresund train sets ²⁾	3,406	3,237	169	5
Double-decker coaches ³⁾	6,858	7,338	(480)	(7)
Desiro train sets ³⁾	-	1,220	(1,220)	-
ME diesel locomotives	1,153	1,662	(509)	(31)
EA electric locomotives ⁴⁾	-	72	(72)	-
Vectron electric locomotives	425	-	425	-
S-train sets	9,014	9,152	(138)	(2)
Total	44,122	44,822	(700)	(2)

¹⁾ 'Litra kilometres' represent the total number of kilometres travelled in Denmark.

²⁾ Litra kilometres for the Øresund train sets include travel with both Danish and Swedish train sets.

³⁾ Litra kilometres for double-decker coaches are calculated per coach, regardless of the fact that multiple coaches are usually connected.

⁴⁾ No longer in operation as of 13 December 2020.

The total number of litra kilometres was 2 percent lower in first half of 2021 than in the same period of 2020. In 2021, kilometre production was lower due the handover of certain lines. In spring 2020, operations were partially reduced due to the COVID-19 initiatives.



Operational stability

Table 5: Mean Distance Between Failures ¹⁾				
Kilometres (1,000)	H1		Growth	
	2021	2020	Abs.	Pct.
IC4 train sets	8.2	12.5	(4.3)	(34)
IC3 train sets	25.6	38.9	(13.3)	(34)
IR4 train sets	27.2	27.4	(0.2)	(1)
Øresund train sets SE ²⁾	19.1	36.7	(17.6)	(48)
Øresund train sets DK ²⁾	42.0	36.7	5.3	14
Double-decker coaches	31.3	24.3	7.0	29
Desiro train sets ³⁾	-	12.6	(12.6)	-
ME diesel locomotives	46.1	29.2	16.9	58
EA electric locomotives ³⁾	-	6.0	(6.0)	-
S-train sets	20.4	19.6	0.8	4

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

²⁾ The Øresund train sets SE are maintained by Mantena in Sweden. The Øresund train sets DK are maintained by DSB.

³⁾ No longer in operation as of 13 December 2020.

More litra types had operational stability problems in 2021 compared to 2020.

Generally, operational stability was lower for most litra types used for the majority of operations.

The IC3 train sets are a core part of the Long-distance & Regional train traffic. They have faced problems with errors related to the new signal system for the train sets operating with both the old and the new signal systems.

The IC4 train sets have also faced problems in first half of 2021. However, the number of Mean Distance Between Failures was particularly high in first half of 2020.

The 77 Øresund train sets SE had a significant lower Mean Distance Between Failures in 2021 compared to last year due to the lack of deliveries of train sets from SJ and more faults on those train sets. For the 34 Øresund train sets DK, the Mean Distance Between Failures increased by 14 percent compared to the same period of last year.

ME diesel locomotives also had significant higher Mean Distance Between Failures compared to first half of 2020. This is mainly due to individual months with extraordinarily few faults, but also due to the ME diesel locomotives having generally travelled fewer kilometres while in operation compared to earlier.

Service & Retail

The result for Service & Retail in first half of 2021 was still marked by a high decrease in the number of customers due to COVID-19 and the issued restrictions. It has only been possible to cut costs to a limited extent to compensate for the lower revenue.

Customers are coming back

Customers are returning to the kiosks as Denmark gradually reopens. In June, the decrease was 18 percent versus 50 percent in January when compared with the same periods of 2019. Revenue shows the same trend but was positively impacted by higher taxes on tobacco products from April 2020.

Staffing levels at the kiosks have been adjusted where possible. In June, however, staffing levels were almost as in June 2019.

Kaffeexpressen and the baggage centre at Copenhagen Central Station was temporarily closed down from December 2020 due to the restrictions and recommendations from the authorities. Both activities have restarted as of May.

Service & Retail has worked with energy-saving initiatives in DSB's 7-Eleven kiosks. This has proven to be a great success and can also be seen in monthly savings.

In first half of 2021, the result before tax for Service & Retail was a loss of DKK 9 million. In June, seen in isolation, however, the result before tax turned into a profit.

Property development

In first half of 2021, the focus was on improving and completing projects as part of DSB's strategy for commercial property development. At the same time, DSB sold off construction rights in places such as Vejle, Horsens, Nyborg and Nørrebro.

Frugtmarkedet

This construction project at the former Grønttorv in Valby is proceeding on schedule. The property called Hibiscus Hus will, when completed, be 340 metres long and contain 375 apartments.

The project is being completed in partnership with Ny Valby Udvikling A/S, a company under FB-gruppen A/S. Rental of the first stage of the project started on 1 July and the first tenants will move in on 1 September 2021. The project is expected to be completed in second quarter of 2022.



Project Downtown in Postbyen

A partnership has been entered into with Danica Ejendomme A/S to develop a project of around 25,000 square metres of floor space in Postbyen.

Construction part of the project is expected to begin in 2024 and leases are expected to be offered from 2027.

Jernbanebyen, Copenhagen

Jernbanebyen will be a new attractive city district in Copenhagen covering 400,000 m² and will be surrounded by Vasbygade, Ingerslevsgade and Enghavevej.

The new city district will consist of 5,000 homes and 200,000 m² of commercial real estate, retail stores, schools and institutions.

In April, Cobe A/S was the winner of the master plan competition for Jernbanebyen.

The final master plan is to be developed in close dialogue with the municipality of Copenhagen, local committees, neighbours and other stakeholders.

In addition, the process of finding one or more joint venture partners for the project has been initiated.

In first half of 2021, the profit before tax for Property development amounted to DKK 243 million.



Financial activities

The result before tax for first half of 2021 amounted to a profit of DKK 517 million. The result was DKK 1,124 million higher than in the same period of 2020.

For second quarter, the result amounted to a profit of DKK 261 before tax compared to a loss of DKK 488 million in the same period of 2020.

Discontinued operations

On 7 July, agreement was reached with a large industrial actor concerning the selling of Component Workshop. The agreement is conditional upon the competition authorities' approval and the handover is expected to take place in second half of 2021.

The purpose of the agreement is to ensure that DSB has the optimal level of security of supply for critical spare parts, while creating a lasting and more attractive workplace for the employees affected.

As a result of the agreement, the activity is presented as discontinued operations as of 30 June 2021. In accordance with the Danish Financial Statements Act, the activity is also no longer included in the individual line items of the income statement. The discontinued operations have impacted the result for the period by DKK 0 million.

Table 6: Impact from discontinued operations

Amounts in DKK million	
Net revenue	(14)
Work performed by the entity at its own expense and capitalised	(8)
Expenses for raw materials and consumables	203
Other external expenses	(272)
Staff expenses	86
Amortization, depreciation and write-downs of intangible and tangible fixed assets	5
Net effect	0

The discontinued operations have only been calculated for first half of 2021 and have not been divided into quarters.

Compensation via new supplemental contract

Since Denmark's lockdown in March 2020, DSB passenger revenue was very negatively impacted by COVID-19 and the issued restrictions.

For 2021, the signed supplemental contract 38 covers the loss of passenger revenue in 2021 relative to 2019 in the event of continuing COVID-19 restrictions - though with reservations for the Ministry of Finance's approval and the consent of the Danish Parliament's Finance Committee.

The result for first half of 2021 has recognised increased contract revenue of DKK 1,263 million after the signing of the supplemental contract to DSB's traffic contract. In addition, a contribution of DKK 88 million for the period 1 September to 31 December 2020 was recognised.

In first half of 2020, the impact of the Danish Government's aid packages to cover fixed costs and salary compensation was recognised. However, compensation payments or increased contract revenue to cover the lost passenger revenue due to COVID-19 and the issued restrictions were not recognised.

For second quarter of 2021, the significant factor in the increased result is higher contract revenue.

Compensation for 2020 due to COVID-19

The Danish Government allocated DKK 1,533 million in 2020 to compensate DSB for lost passenger revenue. In December 2020, DKK 914 million of this was made available to DSB for the period March-August 2020, after receiving approval from the EU.

In June 2021, DKK 88 million in compensation payment was recognised for the period 1 September - 31 December 2020 pursuant to EU decision.

In August, the European Commission approved that notification can be given for compensation for the repayment of infrastructure fees of DKK 180 million for the period September-December 2020.

Trends in financial figures

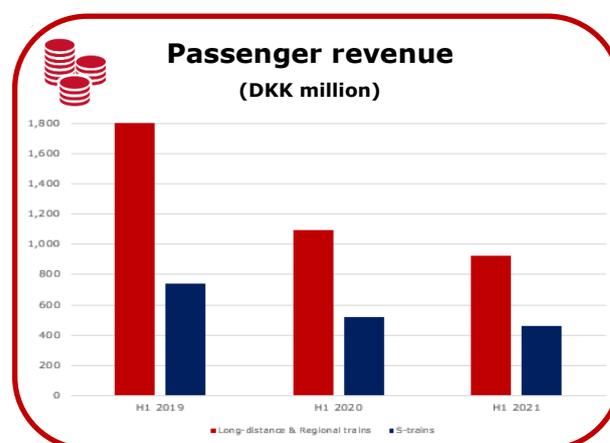
Total assets at the end of June amounted to DKK 12,751 million compared to DKK 12,147 million as at 31 December 2020. Total assets were particularly impacted by receivables from the increased contract revenue due to COVID-19 and the issued restrictions.

Interest-bearing debt, net increased by DKK 1,083 million compared with 31 December 2020 and amounted to DKK 3,909 million as at 30 June 2021. The higher debt levels are mainly a result of contract revenue not yet received.

In first half of 2021, DSB has invested DKK 676 million (DKK 419 million). The investments have mostly been in the acquisition of new Vectron electric locomotives and major overhauls of trains.

DSB's net revenue amounted to DKK 4,564 million in first half of 2021 (DKK 3,734 million).

Passenger revenue was DKK 230 million lower than in 2020. This can be attributed to the large decrease in the number of journeys due to COVID-19 and the issued restrictions impacting the whole of first half of 2021, while first half of 2020 was mostly negatively impacted from 11 March of that year.



For Long-distance & Regional trains, the decrease in passenger revenue amounted to DKK 167 million compared to last year.

The passenger revenue for S-trains was DKK 63 million lower than in the same period last year.

The Metro double factor was dropped as of 1 January 2021. Previously, DSB had transferred a disproportionate share of the passenger revenue to Metroselskabet I/S.

For second quarter, the passenger revenue was DKK 311 million higher than in second quarter of 2020. The increase was due to the gradual reopening of Denmark.

Contract revenue from the state increased by DKK 1,158 million compared to 2020. For second quarter, the increase amounted to DKK 470 million. The signing of the supplemental contract is the main reason for the growth.

Revenue from corrective and planned maintenance of rolling stock, etc. decreased compared to 2020. The decrease is mainly due to the responsibility for the maintenance of the 77 Swedish-owned Øresund train sets being handed over to SJ.

Sales and leasing of rolling stock increased compared to first half of 2020. The revenue is mainly from leasing rolling stock to international traffic.

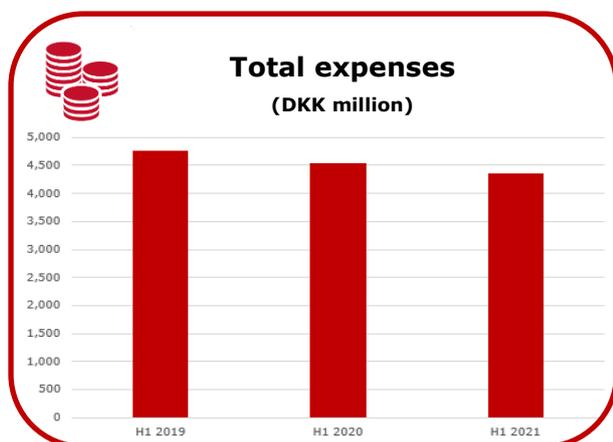
Work performed by the entity at its own expense and capitalised decreased slightly compared to first half of 2020.

Other operating income increased compared to 2020, mainly attributed to the signing of joint venture agreements for the Postbyen project. In addition, there were revenue from selling older locomotives, train components and spare parts. Conversely, in first half of 2021 there were less revenue from the state's aid packages.

In second quarter, Other operating income was lower than in the same period last year. The decrease is due to DSB in second quarter of 2021 relying less on the Danish Government's aid packages than in the same period of 2020. However, there were more sales from kiosks at the stations due to more journeys as Denmark gradually reopens.

Decreasing expenses

Total expenses amounted to DKK 4,365 million in first half of 2021 (DKK 4,539 million).



Expenses for raw materials and consumables decreased compared to first half of 2020 as a result of the Component Workshop no longer being part of this income statement line item. In addition, the development is impacted by lower expenses for energy for train propulsion. For second quarter of 2021, the costs were also impacted by an increasing cost of goods sold due to the higher sales in the kiosks.

Other external expenses rose - compared to first half of 2020 as well as second quarter of 2020. There were higher expenses for corrective and planned maintenance of rolling stock, etc. due to all expenses for Component Workshop being recognised as purchases in the income statement line item. There were less expenses for consultants, etc.

Staff expenses decreased compared to 2020. The decrease is partly due to fewer employees and partly due to staff costs associated with Component Workshop no longer are part of this income statement line item.

Amortization, depreciation and write-downs were comparable to the same period of last year.

Solid levels of liquidity

In first half of 2021, the change in cash and cash equivalents amounted to DKK (938) million, which is DKK 1,049 million lower than in first half of 2020. This is due to the fact that compensation from the state pursuant to the signed supplemental contract 38 has not yet been paid.

At the end of first half, the liquidity reserves amounted to DKK 6,738 million. The liquidity reserves are maintained at an appropriately high level relative to the significant investments initiated for the coming years.

The level of liquidity will grow further via bank financing and bond issuances as the need arises.

The liquidity reserves are positively impacted by a deferred payment of personal income taxes and will grow further once payments from the supplemental contract, etc. are received.

Accounting policies

The half year report for the independent public corporation DSB has been prepared in accordance with the provisions of the Danish Financial Statements Act and the DSB Act.

The half year report follows the same accounting policies as the Annual report 2020.

Discontinued operations

Discontinued operations cover the operations and cash flows that will be handed over, shut down or given up on as per a comprehensive plan, but only if they can be separated from other operations. Discontinued operations are presented as a separate line item in the income statement.

Discontinued operations include assets expected to be handed over in connection with discontinued operations. Liabilities associated with discontinued operations are liabilities directly associated to these assets which will be transferred during the transaction. Assets and liabilities held for sale are presented as a separate line item in the balance sheet.

Expectations for 2021

Budgetary approval for supplemental contract 38 is still awaited. The supplemental contract means that DSB will get extra contract revenue in months when DSB's passenger revenue is more than 15 per cent lower than in the same month of

2019, but on the condition that there are restrictions or recommendations from the authorities related to COVID-19.

With the significant amount of uncertainty, particularly due to COVID-19 and the scope of the restrictions and the structural consequences of COVID-19, the profit for the year before tax is expected to amount to DKK 600-800 million.

The expectations for the year's result include the impact of divestment of Component Workshop.

In order to secure the capital basis in connection with the coming year's significant investments, DSB is working on strengthening its equity.

Events after 30 June 2021

In August, the European Commission approved that notification can be given for compensation for the repayment of infrastructure fees of DKK 180 million for the period September-December 2020. The transfer of the amount to DSB requires an approved document. The amount is not recognised in the figures for first half of 2021.

There are no other events after 30 June 2021 which the management expects to have a significant impact on the assessment of the half year report for 2021.

Consolidated accounts



**Profit/loss
before tax**
(DKK million)

517
(2020: (607))



Investments
(DKK million)

676
(2020: 419)



**Operating profit
margin (EBITDA
margin)**

26.0
(2020: 1.8)



Solvency ratio

37.4
(2020: 31.7)



Management's statement

The Board of Directors and the Executive Board have today discussed and approved the half year report for the period 1 January to 30 June 2021 for DSB.

The half year 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 DSB Act. We consider the accounting policies to be appropriate. Accordingly, the half year report provides a true and fair view of the group's assets, liabilities and financial position at 30 June 2021 and of the results of the group's activities and cash flows for the period 1 January to 30 June 2021.

It is also our view that the half year 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, 24 August 2021

Executive Board

Flemming Jensen
CEO

Thomas Thellersen Børner
CFO

Jan Sigurdur Christensen
Director of Commercial

Jürgen Müller
Director of Strategy
& Rolling Stock

Per Schrøder
Director of Operations

The Board of Directors

Peter Schütze
Chairman

Anne Hedensted Steffensen
Vice-Chairman

Henrik Amsinck

Hanne Blume

Carsten Gerner

Christina Grumstrup Sørensen

Thomas Bryan-Lund

Preben Steenholdt Pedersen

Lone Riis Stensgaard

Income statement

Group	H1		Full year
Amounts in DKK million	2021	2020	2020
Revenue			
Net revenue	4,564	3,734	8,701
Work performed by the entity at its own expense and capitalised	233	242	468
Other operating income	754	630	1,294
Total revenue	5,551	4,606	10,463
Expenses			
Expenses for raw materials and consumables	767	890	1,941
Other external expenses	1,906	1,768	3,528
Staff expenses	1,692	1,881	3,693
Total expenses	4,365	4,539	9,162
Profit/loss before amortization, depreciation and write-downs	1,186	67	1,301
Amortization, depreciation and write-downs of intangible and tangible fixed assets	632	641	1,335
Operating profit/loss	554	(574)	(34)
Financials			
Profit after tax in associated companies and joint ventures	2	0	0
Financial income	1	6	13
Financial expenses	40	39	83
Net financials	(37)	(33)	(70)
Profit/loss before tax	517	(607)	(104)
Tax on profit/loss for the period	(113)	145	47
Profit/loss for the period for continued operations	404	(462)	(57)
Profit/loss from discontinued operations	0	-	-
Profit/loss for the period after discontinued operations	404	(462)	(57)

Balance sheet - assets

Group	30 Jun		31 Dec
Amounts in DKK million	2021	2020	2020
Intangible fixed assets			
Development projects	57	103	77
Intangible fixed assets in progress and prepayments	112	52	76
Total intangible fixed assets	169	155	153
Tangible fixed assets			
Land and buildings	3,877	4,183	4,034
Rolling stock	4,418	4,718	4,420
Operating equipment, fixtures and fittings and other equipment	597	725	678
Tangible fixed assets in progress and prepayments	627	423	499
Total tangible fixed assets	9,519	10,049	9,631
Financial fixed assets			
Equity investments in associated companies and joint ventures	262	0	75
Subordinated loan capital in associated companies	114	153	129
Other receivables	55	25	26
Total financial fixed assets	431	178	230
Total fixed assets	10,119	10,382	10,014
Inventories	167	497	435
Commercial properties	4	15	15
Receivables			
Trade receivables	459	452	495
Other receivables	1,416	216	85
Prepayments	152	178	140
Total receivables	2,027	846	720
Cash and cash equivalents	25	141	963
Assets held for sale	409	-	-
Total current assets	2,632	1,499	2,133
Total assets	12,751	11,881	12,147

Balance sheet - equity and liabilities

Group	30 Jun		31 Dec
Amounts in DKK million	2021	2020	2020
Equity			
Contributed capital	4,760	4,760	4,760
Reserve for hedging transactions	(143)	(333)	(414)
Retained earnings	150	(657)	(254)
Proposed dividends	0	0	0
Total equity	4,767	3,770	4,092
Provisions			
Other provisions	107	117	108
Deferred tax liabilities	263	65	152
Total provisions	370	182	260
Non-current liabilities			
Long-term loans	2,574	2,347	3,228
Other non-current liabilities	502	457	650
Other liabilities	154	222	174
Total non-current liabilities	3,230	3,026	4,052
Current liabilities			
Current portion of non-current liabilities	664	998	574
Short-term loans	560	400	0
Credit institutions	77	286	0
Trade accounts payable	1,649	1,544	1,511
Corporation tax	71	17	-
Other liabilities	603	982	1,094
Accruals and prepayments	471	676	564
Liabilities held for sale	289	-	-
Total current liabilities	4,384	4,903	3,743
Total liabilities	7,614	7,929	7,795
Total equity and liabilities	12,751	11,881	12,147

Statement of changes in equity

Group	Contributed capital	Reserve for hedging transactions	Retained earnings	Proposed dividends	Total equity
Amounts in DKK million					
Equity at 1 January 2020	4,760	(220)	(195)	0	4,345
Declared dividend	-	-	-	0	-
Profit/loss for the period	-	-	(462)	-	(462)
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	(113)	-	-	(113)
Equity at 30 June 2020	4,760	(333)	(657)	0	3,770
Profit/loss for the period	-	-	405	0	405
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	(81)	-	-	(81)
Other changes in equity, tax	-	-	(2)	-	(2)
Equity at 31 December 2020	4,760	(414)	(254)	0	4,092
Declared dividend	-	-	-	0	0
Profit/loss for the period	-	-	404	-	404
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	271	-	-	271
Equity at 30 June 2021	4,760	(143)	150	0	4,767

Cash flow statement

Group	H1		Full year
Amounts in DKK million	2021	2020	2020
Operating profit/loss	554	(574)	(34)
Adjustment for non-cash operating items			
Amortization, depreciation and write-downs of intangible and tangible fixed assets	632	641	1,335
Change in other provisions, net	(1)	(29)	(38)
Other adjustments			
Gain and loss upon sale and scrapping of intangible and tangible fixed assets	(276)	(61)	(110)
Net financial items, paid	(52)	(31)	(75)
Corporation tax, paid	-	(68)	(68)
Change in working capital	(1,445)	(14)	130
Total cash flow from operating activities in discontinued operations	65	-	-
Total cash flow from operating activities	(523)	(136)	1,140
Cash flows from investment activities			
Acquisition of intangible and tangible fixed assets - excluding capitalised interest	(676)	(419)	(885)
Sales of intangible and tangible fixed assets	132	70	230
Repayment of subordinated loan capital	15	13	38
Total cash flow from investment activities in discontinued operations	(9)	-	-
Total cash flows from investment activities	(538)	(336)	(617)
Cash flows from financing activities			
Proceeds from raising of long-term loans	-	596	1,586
Proceeds from raising of short-term loans	560	1,675	2,045
Repayment and payment of instalments on long-term loans	(514)	(14)	(491)
Repayment and payment of instalments on short-term loans	-	(1,775)	(2,545)
Change in credit institutions	77	101	(185)
Dividends paid	-	-	-
Total cash flow from financing activities in discontinued operations	-	-	-
Total cash flow from financing activities	123	583	410
Total changes to Cash and cash equivalents	(938)	111	933
Cash and cash equivalents at 1 January	963	30	30
Cash and cash equivalents at period-end	25	141	963

Income statement by quarter

Group	2021		2020			
	Q1	Q2	Q1	Q2	Q3	Q4
Amounts in DKK million						
Passenger revenue	506	878	1,047	567	966	831
Contract revenue	1,663	1,446	975	976	980	1,888
Sale of corrective and planned maintenance of rolling stock, etc.	23	11	75	73	81	83
Sale and leasing of rolling stock	27	10	14	7	18	120
Net revenue	2,219	2,345	2,111	1,623	2,045	2,922
Work performed by the entity at its own expense and capitalised	148	85	136	106	105	121
Other operating income	431	323	269	361	329	335
Total revenue	2,798	2,753	2,516	2,090	2,479	3,378
Expenses for raw materials and consumables	464	303	485	405	435	616
Other external expenses	842	1,064	900	868	805	955
Staff expenses	883	809	914	967	922	890
Total expenses	2,189	2,176	2,299	2,240	2,162	2,461
Profit/loss before amortization, depreciation and write-downs	609	577	217	(150)	317	917
Amortization, depreciation and write-downs of intangible and tangible fixed assets	334	298	318	323	332	362
Operating profit/loss	275	279	(101)	(473)	(15)	555
Net financials	(19)	(18)	(18)	(15)	(19)	(18)
Profit/loss before tax	256	261	(119)	(488)	(34)	537
Profit/loss for the period	200	204	(91)	(371)	(32)	437
Total equity	4,467	4,767	4,191	3,770	3,679	4,092
EBITDA margin	27.4	24.6	10.3	(9.2)	15.5	31.4
Return on invested capital after tax (ROIC after tax) p.a.	11.3	10.3	(4.0)	(19.0)	(0.9)	25.3

Note: Discontinued operations

	H1
Amounts in DKK million	2021
Income statement	
Net revenue	357
Work performed by the entity at its own expense and capitalised	8
Expenses for raw materials and consumables	203
Other external expenses	71
Staff expenses	86
Amortization, depreciation and write-downs of intangible and tangible fixed assets	5
Net financials	0
Tax on profit/loss for the period	0
Profit/loss for the period	0
Assets	
Total intangible fixed assets	0
Total tangible fixed assets	109
Inventories	260
Cash and cash equivalents	40
Total assets	409
Liabilities	
Total provisions	0
Total current liabilities	289
Total liabilities	289

As of 30 June 2021, Component Workshop is recognised as a discontinued operation.

Comparative figures for the income statement have not been adjusted, as the discontinued operation was not previously separated from other activities related to the maintenance of trains. The separation would have impacted the items Net revenue, Work performed by the entity at its own expense and capitalised, Expenses for raw materials and consumables, Other external expenses, Staff expenses and Amortization, depreciation and write-downs of intangible and tangible assets.

Key figure definitions

Key figure definitions

Key figures and designations have been prepared in accordance with the below

Operating profit margin (EBITDA margin) = Profit/loss before amortization, depreciation and write-downs x 100 / net revenue

Profit ratio (EBIT margin) = Operating profit/loss x 100 / net revenue

Return on invested capital after tax (ROIC after tax) = Result for the period for continued operations x 100 / (average equity + average interest-bearing debt, net)

Gearing = Interest-bearing debt, net / Profit/loss before amortization, depreciation and write-downs

Solvency ratio = Total equity x 100 / Total assets

Customer punctuality = Customers who have arrived on time at their final destination with less than a 3-minute delay

Financial calendar 2021

Expected publication of annual report and interim report:

Third quarter 2021	4 November 2021
Annual report 2021	10 February 2022

Publications

Half year report 2021 is available at www.dsb.dk

Corporation details

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DK-2630 Taastrup
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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

Auditors

EY Godkendt Revisionspartnerselskab
CVR no. 30700228

The National Audit Office of Denmark

Bank

Nordea Danmark, a subsidiary of Nordea Bank Abp, Finland

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