

# **INTERIM REPORT**

# **FIRST QUARTER**

# **2021**

**Room for everyone on the journey  
towards sustainability**



## Interim report first quarter 2021

### Management report ..... 3

#### Results ..... 7

- Key Financial and Operating Data. 7
- Overview ..... 8
- Financial activities ..... 9
- Sustainability ..... 11
- Customers ..... 12
- Punctuality..... 14
- Productivity ..... 15
- Rolling stock..... 15
- Service & Retail..... 17
- Property development..... 17
- Accounting policies ..... 18
- Expectations for 2021 ..... 18
- Events after 31 March 2021 ..... 18

### Consolidated accounts ..... 20

- Management's statement ..... 20
- Income statement ..... 21
- Balance sheet - assets ..... 22
- Balance sheet - liabilities and equity..... 23
- Statement of changes in equity .. 24
- Cash flow statement..... 25
- Income statement by quarter..... 26
- Key figure definitions ..... 27
- Financial calendar 2021 ..... 28
- Publications ..... 28
- Company details ..... 28

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 pre tax result for first quarter 2021 amounts to DKK 256 million. Included in the result is an additional contractual payment as a result of COVID-19.**

- In first quarter 2021 DSB has serviced 17.4 million travellers, corresponding to a drop of 62 percent compared to the same period in 2019
- Similar to previous periods with COVID-19 restrictions, the train timetable has remained unaltered following an agreement with the Danish Government
- DSB has entered into an agreement with the Ministry of Transportation, according to which, the contractual payment attributable to DSB can be revised upwards as a result of COVID-19 restrictions
- Punctuality for Long-distance and Regional trains as well as S-trains has met the contractual obligations
- DSB has awarded Alstom the contract to supply the electrical trains of the future. The other bidder, Stadler, has lodged an appeal concerning the awarding of the contract.

<b>Key Financials</b>			
<b>Amount in DKK million.</b>	<b>First quarter 2021</b>	<b>First quarter 2020</b>	<b>Full year 2020</b>
Passenger revenue	506	1,047	3,411
Contract revenue	1,663	975	4,819
Total revenue	2,798	2,516	10,463
Total expenses	2,189	2,299	9,162
Amortization and depreciation	334	318	1,335
Profit/loss before tax	256	-119	-104
Customers (million)	17.4	38.2	120.1
Customer punctuality Long-distance and Regional trains (percent)	87.1	86.9	86.7
Customer punctuality S-trains (percent)	92.3	92.6	94.4

## The result of the period

DSB has in first quarter 2021 experienced a major decrease in the total number of customers and resultingly lower passenger revenue. This is a consequence of COVID-19 and the associated restrictions and recommendations instituted by the authorities to limit the spread of the virus.

As a provider of critical infrastructure, DSB is required to continue to operate trains based on societal considerations regardless of the reduction in revenue potential. DSB has accordingly, following an agreement with the Danish Government and similar to previous quarters with COVID-19 restrictions, maintained the train timetable in first quarter. This ensures, that the Danish People have had access to reliable public

transport throughout the COVID-19 crisis, and that essential workers have the ability to get to work and back.

The possibility to reduce the costs of train operations following the outbreak of COVID-19 has been very limited.

Passenger revenue has dropped markedly as a result of the COVID-19 restrictions. Consequently a supplemental contract has been signed with the Ministry of Transportation. Subject to appropriations approval, the supplemental contract allows for the 2021 contractual payment to be adjusted upwards depending on the trajectory of the COVID-19 crisis.

As long as the authorities keep restrictions or recommendations in place related to COVID-19, and these affect people's travel habits, the contractual payment for 2021 can be revised upwards corresponding to the periods drop in passenger revenue compared to 2019. Accordingly, for first quarter 2021 there has been recognized an increased contractual payment of DKK 793 million.

DSB's profit before tax amounts to DKK 256 million in first quarter 2021. The result is 375 DKK million higher than the same period in 2020. Collectively, passenger revenue and contractual payments are DKK 147 million higher than the same period last year. Furthermore there are increased profits regarding the sale of properties and constructions rights amounting to DKK 186 million as well as a general reduction in cost levels amounting to DKK 110 million. There has been a decrease in the sale of repair and maintenance services amounting to DKK 52 million. The decrease is attributable to the fact that SJ (the Swedish train operator) has assumed responsibility for maintaining the Swedish-owned Øresund train sets.

### **We have to win back our customers**

17.4 million journeys were completed with DSB during the course of first quarter 2021 compared to 45.9 million in the same period of 2019. This corresponds to a decrease of 62 percent, which can, almost exclusively, be attributed COVID-19 restrictions.

DSB has a continued focus on initiatives to increase passenger security and comfort, which is partially caused by a desire to support the recommendations set out by the authorities and partially to make sure that everyone feels safe when travelling with public transport. In 2021, cleaning has been a major focus area on stations as well as and in trains. Furthermore, DSB has maintained the requirement that all passengers have seat reservations when travelling with Regional Trains.

During the pandemic, a very large proportion of our customers either have not travelled, or have reduced their travel frequencies substantially. As soon as the reopening of society makes it possible, we have to win back the customers. After which we need to again focus on generating growth in completed journeys, which we saw in the period prior to the pandemic. That is important for DSB and for society as a whole.

DSB is conscious about the fact, that we in our efforts to win back the customers, must be cognizant to possible longterm structural changes caused by COVID-19. Not least that there will be an increase in the amount of days people work from home, as well as

an increase in online meetings. These are conditions that we need to take into account in our product offerings and services to among others commuters and business travellers.

This means, for example, that we will launch a new flexible commuter travel pass before summer. The card will be targeted customers, who today do not travel daily during the workweek. Additionally, there will be a continued focus on offering Orange and Orange Free tickets at attractive prices outside of peak hours. This increases the competitiveness of the train as a mode of transport and contributes to a better distribution of travellers between different departure times, which helps to avoid overcrowded trains.

DSB is also planning to launch a new loyalty program. This will enable customers to earn points, which initially can be spent in DSB's 7-Eleven kiosks.

### **The punctuality of Long-distance & Regional trains as well as S-trains has met the contractual obligation**

The customer punctuality of Long-distance & Regional trains was 87.1 percent in first quarter 2021. This level is comparable to the same period last year and furthermore above DSB's contractual obligation which is set to 78.7 percent.

Customer punctuality for S-trains has dropped from 92.6 percent in first quarter 2020 to 92.3 percent this period. Customer punctuality is within the requirements set out in DSB's contractual obligations. The main reason for the decrease in punctuality has been problems with infrastructure and issues relating to Banedanmarks implementation of the Signalprogramme. DSB is actively cooperating with Banedanmark to solve the issues relating to the S-train tracks.

### **Sustainability - environmentally friendly, electric trains will make operations more efficient**

The overall purpose of DSB is: Room for everyone on the journey towards sustainability. The purpose is based on our role in society to alleviate congestion and to be a climate friendly alternative, thereby playing our, not insignificant, part in the ongoing transformation to sustainability and the fulfilment of Denmark's climate objectives.

A significant part of DSB's contribution to a more sustainable Denmark will come from the planned modernization of the railroad, the acquisition of electric trains as well as the establishment of new modern maintenance facilities.

In 2020 Siemens commenced delivery of 42 new EB electric trains. In 2020 DSB placed an order with Talgo for new train carriages that will be deployed for use in international traffic in 2023. 12 April this year, DSB awarded Alstom the contract for no less than 100 electrical train sets of the type Coradia Stream. The losing bidder in the EU tender, Stadler, decided to lodge an appeal concerning DSB's awarding of the contract. DSB expects the Public Board of Appeals for Tenders to decide within 30 days of the lodging of the appeal, whether the appeal will have suspensive effect on the acquisition of the Train of the Future.

***“We have a big task facing us. As the COVID-19 pandemic releases its grip on Denmark we have to win back customers to the public transport. It is crucial, that more travelers choose the train, so that we together can contribute to less congested roads and a better climate.”***  
***Flemming Jensen, CEO***

Taastrup, 12 May 2021

---

Peter Schütze  
Chairman of the  
Board of Directors

---

Flemming Jensen  
CEO

# Results

Key Financial and Operating Data					
DSB Group	First quarter		Growth		Full year
Amounts in DKK million	2021	2020	Abs.	Pct.	2020
<b>Income statement</b>					
Net revenue	2,219	2,111	108	5	8,701
Earnings before amortization, depreciation and write-downs	609	217	392	181	1,301
Amortization, depreciation and write-downs of intangible and tangible assets	334	318	16	5	1,335
Operating profit/loss	275	-101	376	-	-34
Net financials	-19	-18	-1	-6	-70
Profit or loss before tax	256	-119	375	-	-104
Net profit or loss for the period	200	-91	291	-	-57
<b>Balance</b>					
Balance sheet total	12,343	12,189	154	1	12,147
Investments in property, plant and equipment	308	244	64	26	823
Total equity	4,467	4,191	276	7	4,092
Interest-bearing debt, net	3,858	3,366	492	15	2,826
<b>Key figures*</b>					
Operation profit margin (EBITDA margin)	27.4	10.3	17.1	166	15.0
Profit ratio (EBIT margin)	12.4	-4.8	17.2	-	-0.4
Return on invested capital after tax (ROIC after tax) p.a.	11.3	-4.0	15.3	-	0.0
Gearing p.a.	1.6	3.9	-2.3	-59	2.2
Solvency ratio	36.2	34.3	1.8	5	33.7
<b>Average number of full-time employees</b>					
	6,439	6,842	-403	-6	6,757
<b>Customers</b>					
Customers (million)	17.4	38.2	-20.8	-55	120.1
<b>Reputation<sup>1)</sup></b>					
DSB	72.0	61.5	10.5	17	66.2
<b>Customer punctuality*</b>					
Long-distance & Regional trains (percent)	87.1	86.9	0.2	0	86.7
S-trains (percent)	92.3	92.6	-0.3	0	94.4
<b>Operator punctuality*</b>					
Long-distance & Regional trains (percent)	96.6	96.5	0.1	0	96.5
S-trains (percent)	98.6	97.7	0.9	1	98.7
<b>Productivity<sup>1)</sup>*</b>					
Passenger revenue per seat kilometre (DKK 0.01/km)	12.6	26.1	-13.5	-52	21.5
Costs per seat kilometre (DKK 0.01/km)	57.9	54.5	3.4	6	56.2

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

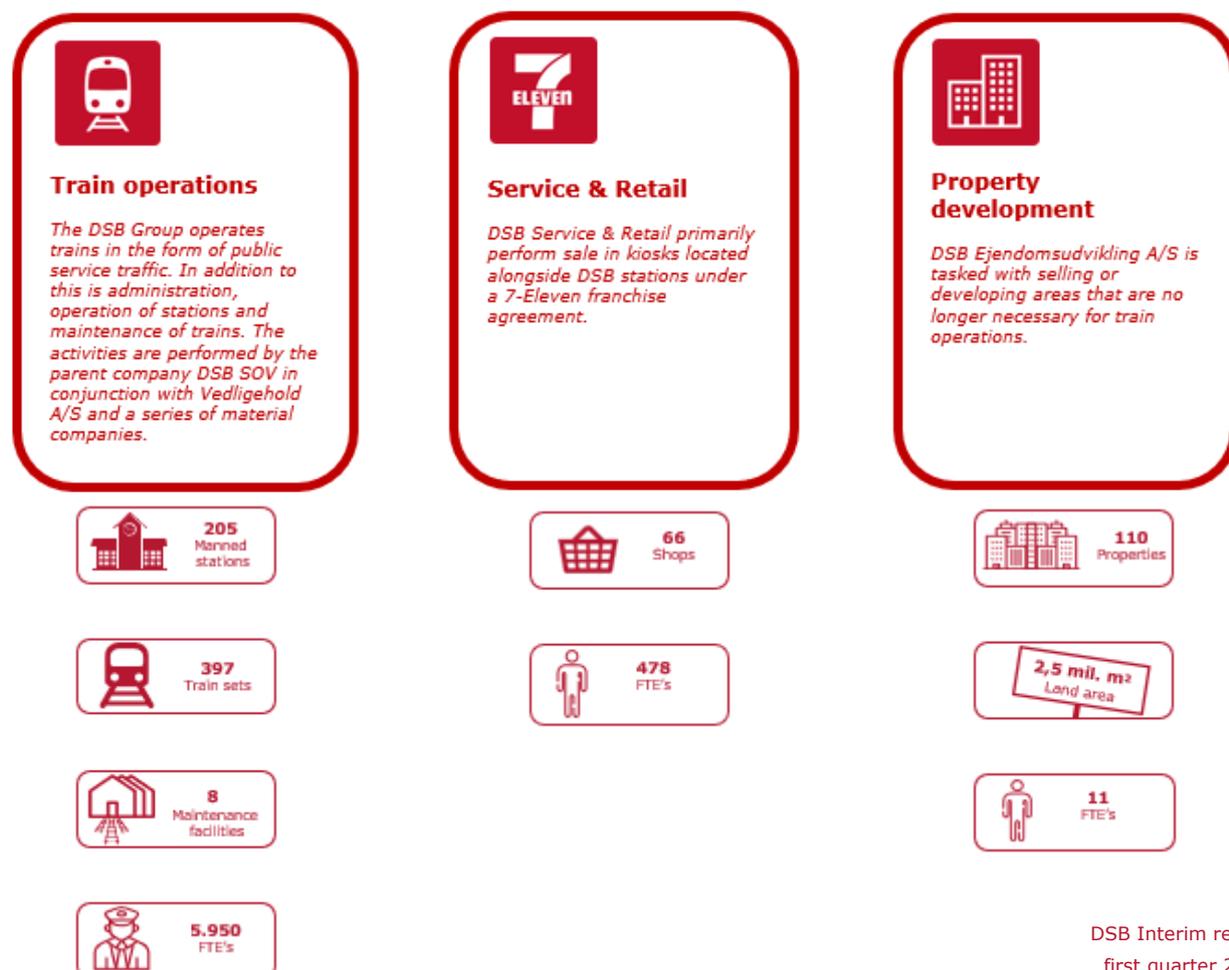
<sup>2)</sup> Calculated pursuant to the definitions laid down in Definitions of key figures.

## Overview

Business areas first quarter 2021					
Amounts in DKK million	Group	Train operations	Service & Retail <sup>1)</sup>	Property development <sup>1)</sup>	Others incl. eliminations
Total revenues	2,798	2,638	148	194	-182
Profit or loss before tax	256	50	-7	188	25
Balance sheet total	12,343	11,449	96	798	-
Operating profit margin (EBITDA margin)	27.4	15.0	-4.7	96.4	-
Solvency ratio	36.2	32.3	36.5	92.0	-

<sup>1)</sup> The activities in Service & Retail and Property development are presented in greater detail on page 17.

DSB's activities are carried out in three business areas: Train operations, Service & Retail and Property development. The main activities are related to Train operations, i.e. train activities as well as ownership, operations and maintenance of rolling stock and train stations. Train operations are the core of DSB. The associated business areas support the primary activity. Service & Retail operates kiosks located 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.



## Financial activities

The pre tax result for first quarter 2021 amounted to a profit of DKK 256 million. The result was DKK 375 million higher than for the same period in 2020. The profit for first quarter 2021 includes increased contract revenues of DKK 793 million, after signing supplemental contract 38, which is an addendum to DSB's main contract. The difference in 2021 is also affected by increased margins on the sale of properties and construction rights.

DSB's passenger revenue have since the partial shutdown of Denmark 11 March 2020 to a substantial degree been negatively affected by COVID-19 and the restrictions imposed in that regard.

### Compensation concerning COVID-19 in 2020

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.

For the period September-December 2020, following a dialogue with the Ministry of Transportation, DSB does not expect that it will be possible to receive EU approval for the compensation relating to lost passenger revenue, according to the same model that was employed in the March-August period. There is an ongoing dialogue with the Ministry of Transportation concerning other potential compensation schemes. There is uncertainty regarding the size of any eventual compensation and it has consequently not been recognized in the first quarter of 2021.

For 2021, supplemental contract 38 covers losses in passenger revenue in 2021 in relation to 2019, in the event of continued COVID-19 restrictions, subject to approval by the Ministry of Finance and the parliamentary financial committee. The anticipated contract revenues have been recognized in first quarter 2021. In first quarter 2020 no additional revenue or any other compensation were recognized as a result of the COVID-19 restrictions that were imposed during March.

The total balance sheet was DKK 12,343 million at the end of March, compared with DKK 12,147 million at 31 December 2020. The balance sheet increased due to receivables from supplemental contract 38. The increase is partially offset by a decrease in cash holdings, among other things due to the settled holiday funds and lower passenger revenue. Net interest bearing debt has increased by DKK 1,032 million, compared to 31 December 2020 and was DKK 3,858 million at 31 March 2021. The increased debt level is primarily attributable to the fact that DSB has not yet received payments from supplemental contract 38.

DSB invested DKK 334 million in first quarter 2021 (DKK 252 million). The investments have mainly been related to the acquisition of new EB electric locomotives and major overhauls of trains.

The investigation into whether part of the maintenance activities covering Supply, Logistics and Equipment overhaul should be sold is still ongoing. Negotiations with potential buyers are still ongoing and a decision concerning a potential divestment is expected during second quarter 2021.

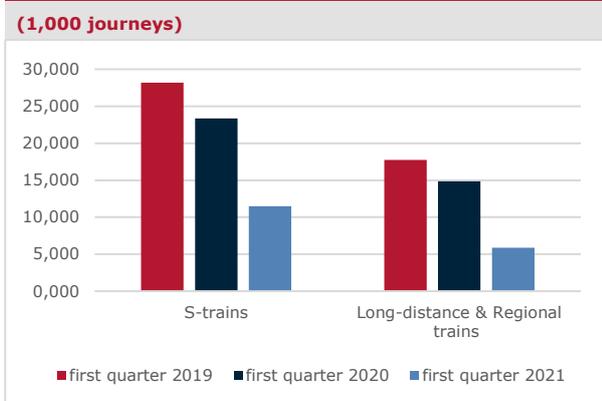
### Net revenue

DSB's net revenue was DKK 2,219 million in first quarter 2021 (DKK 2,111 million).

Passenger revenue amounted to DKK 506 million, which is DKK 541 million lower than in 2020. This is attributable to the substantial decrease in the number of journeys due to COVID-19 throughout first quarter 2021, while first quarter 2020 was very negatively impacted from 11 March.

For Long-distance & Regional trains, the decrease in passenger revenue amounted to DKK 412 million compared to last year.

**Figure 1: Number of journeys, first quarter**



Passenger revenue for S-trains were DKK 129 million lower than in the same period last year.

The Metro double factor is expected to be cancelled effective as of the 2021 fiscal year. Previously, DSB has transferred a disproportionate share of its passenger revenue to Metroselskabet I/S. This over-proportionate share was previously deducted from DSB's passenger revenue and amounted to DKK 64 million in first quarter 2020.

Contract revenues from the state amounted to DKK 1,663 million which is an increase of DKK 688 million compared to 2020. Contract revenues for 2021 include increased payments of DKK 793 million due to the signing of supplemental contract 38. Conversely, contract revenues were reduced by DKK 70 million due to the cancellation of the Metro double factor. On top of this, there is a reduction in traffic contract revenues due to traffic handed over to Arriva as well as a reduction of DKK 15 million attributable to supplemental contract 19 concerning the reduction in DSB's contract payments.

Sales of repair- and maintenance services for rolling stock etc. amounted to DKK 23 million, a decrease of DKK 52 million compared to 2020. The decrease is a result of the responsibility for the maintenance of the 77 Swedish-owned Øresund train sets being

handed over to the state-owned Swedish operator SJ at 13 December 2020.

Sale and leasing of rolling stock amounted to DKK 27 million, an increase of DKK 13 million compared to first quarter 2020. The increase is due to the sale of spare parts resulting from the handover of traffic to Arriva.

Work performed by the entity and capitalized increased by DKK 12 million and amounted to DKK 148 million in first quarter 2021. This increase is due to further capitalisation of IT projects in connection with the completion of DSB's digitalisation strategy.

Other operating income increased by DKK 162 million compared to 2020 and amounted to DKK 431 million. The increase can be attributed to profits from the selling of properties and construction rights amounting to DKK 186 million. It is mainly attributable to the selling of construction rights for the 'Post-byen' project in DSB Ejendomsudvikling A/S. On top of this, there are revenues from the sale of four older EA electric locomotives and spare parts. Conversely, in 2021 there was less revenue generated by DSB's kiosks under DSB Service & Retail A/S due to COVID-19 restrictions.

### Expenses

Expenses totalled DKK 2,189 million in first quarter 2021 (DKK 2,299 million).

Expenses for raw materials and consumables amounted to DKK 464 million, a decrease of DKK 21 million. The development is impacted by a lower consumption of goods resulting from the lower kiosk turnover and decreased expenses for propulsion energy due to both lower production of litra kilometres and lower average prices.

Other external expenses amounted to DKK 842 million, a decrease of DKK 58 million compared with 2020. The decrease is attributable to lower expenses for repair and maintenance of properties, provision cost and leasing of rolling stock.

Staff costs amounted to DKK 883 million, a decrease of DKK 31 million compared to 2020. The decrease is due to fewer employees.

### **Amortization, depreciation and write-downs**

Amortization, depreciation and write-downs amounted to DKK 334 million (DKK 318 million). The increase is due to increased depreciations on rolling stock.

### **Liquidity**

DSB has increased its liquidity contingency to cover the investments of the coming years, which primarily relate to rolling stock. The major investments will be made in the coming 8-10 years.

Loan facilities are established on a continual basis, and loans are accessed in a timely fashion and as payments for investments are due. At the end of the quarter, the liquid reserves amounted to DKK 6,776 million. The reserves were lower than at the start of the year due to the low number of customers and a full settlement of holiday pay (DKK 369 million) plus a timing difference in liquidity from announced compensation schemes. Payments from the signed supplemental contract 38 for first quarter will be received at a later date.

Net financials amounted to costs of DKK 19 million (DKK 18 million).

## **Sustainability**

When it comes to sustainable mobility, DSB wants to be among the best in the business. This ambition involves meeting four ambitious objectives no later than 2030:



Objective 1: Carbon neutral - all of DSB is to be supplied with renewable energy



Objective 2: Reducing energy consumption by 50 percent - driven by improved energy efficiency



Objective 3: No particle emissions from the locomotives' engines - avoiding environmental impact



Objective 4: At least 90 percent of waste is to be reused - to be turned into new resources.

Today trains are already one of the most sustainable means of transportation. To meet DSB's ambitious objectives, it will be essential to replace all rolling stock with electric trains.

In fourth quarter 2020 the first new EB electric locomotives were put into operation on the Copenhagen-Slagelse line. An additional eight EB electric locomotives were received in first quarter 2021. At the end of first quarter 2021, DSB has received 11 of the 42 EB electric locomotives ordered.

As the EB electric locomotives are put into operation in the first half of the year, DSB expects that six ME diesel locomotives will be removed from operations. This will achieve a significant reduction of CO<sub>2</sub> and particle emissions once the ME diesel locomotives have been phased out, which expectedly will be by year-end 2021.

DSB is also working to improve the overview of its energy consumption across localities. With a better overview, it will be easier to set

specific reduction targets for specific localities and to follow up on these. This also supports the objective of reducing energy consumption by 50 percent in 2030. In addition, DSB is continuously working to ensure that improvements are made in the areas of responsible waste disposal, wastage reduction, environmental accident handling as well as noise pollution.

Sustainability is also a factor that is considered in all procurements. As a result, suppliers and business partners will find that sustainability will become an increasingly important parameter in the market dialogue and in the assessment of offers.

In 2021 DSB has started mapping the potential for a higher proportion of waste being recycled. To achieve the objective of reusing 90 percent of waste in 2030 it is necessary to also plan for the waste that customers generate on both DSB's stations and trains. This year, DSB has initiated several trials with customer waste sorting for the purpose of recycling.

## Customers

The ongoing restrictions in 2021 - including requirement to wear a face mask and have a seat reservation as well as the recommendation to travel outside of rush hours and work from home as much as possible - have resulted in reduced demand for train journeys. The situation in first quarter 2021 is thus quite similar to the situation in the second half of March in 2020, when Denmark was shut down for the first time. Total customers have declined by 62 percent compared to first quarter 2019.

DSB has a continued focus on initiatives to increase passenger security and comfort - both to ensure that the recommendations of the authorities are followed and that everyone can feel safe when using public transport. The requirement to make seat reservations in regional trains has been reinstated. In addition, there has also been a major focus on cleaning stations and trains and having more service staff at stations in 2021.

Customers and changes to travel patterns are being monitored closely. DSB routinely conducts customer surveys to monitor the situation. Among other things, the surveys indicate that customers experiencing plenty of space in the train has been a critical factor in having a good travel experience during COVID-19. The awareness that distance is critical in order to avoid infection (but also for a good experience on the journey in general) has resulted in DSB investigating how this perception of space in the trains can be maintained once the restrictions on capacity is no longer imposed by the government.

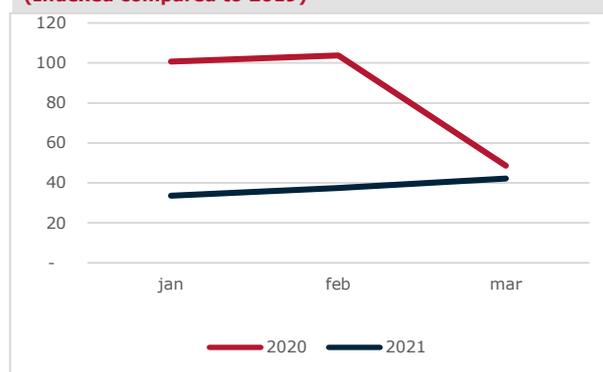
Measures to win customers back to train travel are underway. DSB is working on launching a new flexible commuter product that will address the needs of the growing number of employees working from home and also a bonus concept for DSB Plus customers. Initially, these bonus points can be used in DSB's 7-Eleven kiosks.

**Table 1: Number of journeys**

1,000 journeys	First quarter			Growth (2021 vs. 2020)		Growth (2021 vs. 2019)	
	2021	2020	2019	Abs.	Pct.	Abs.	Pct.
Long-distance & Regional trains	5,887	14,844	17,742	-8,957	-60	-11,855	-67
Øresund - bridge crossing	628	2,099	2,724	-1,471	-70	-2,096	-77
Zealand, including Kystbanen (the Coast Line) and the Kastrup Line	3,237	8,073	9,800	-4,836	-60	-6,563	-67
West (Jutland and Funen)	1,243	2,923	3,215	-1,680	-57	-1,972	-61
East/West (across the Great Belt)	741	1,633	1,872	-892	-55	-1,131	-60
Others	38	116	131	-78	-67	-93	-71
S-trains	11,487	23,361	28,189	-11,874	-51	-16,702	-59
<b>Total</b>	<b>17,374</b>	<b>38,205</b>	<b>45,931</b>	<b>-20,831</b>	<b>-55</b>	<b>-28,557</b>	<b>-62</b>

The number of journeys in first quarter 2021 is still negatively impacted by COVID-19 restrictions. As a result, there were 17.4 million journeys taken with DSB in 2021. This compares to 38.2 million journeys in 2020 and 45.9 million journeys in 2019. The decrease in the number of journeys is distributed across all markets, but Øresund (over the bridge) 'Others' journeys have seen the largest decreases. On these two markets, the decrease was, respectively, 77 and 71 percent, mainly due to closure of the borders with Sweden and Germany.

Besides the impact of COVID-19 restrictions on total journeys, DSB has also been impacted by the handing over of train lines to other operators. In December 2020, DSB handed over the traffic on the Vejle-Struer route, the Svendborg Line and the Lille Syd (Roskilde-Køge route). This has resulted in a decrease in the number of journeys in West (Jutland and Funen) and on Zealand, including Kystbanen (the Coast Line) and the Kastrup Line.

**Figure 2: Total journeys****(Indexed compared to 2019)**

In January, the number of journeys was at index 34, in February they were at index 37 and in March they were at index 42 compared to the same periods in 2019. The effect of Denmark's reopening can be seen as a small increase in each month. An additional opening of Danish society without restrictions together with DSB's own initiatives will form the basis for increasing the number of journeys taken.

First quarter's decrease in the number of journeys is mainly due to COVID-19 restrictions, but it has also been impacted by the factors below.

- Orange and Orange Free tickets are customers' preferred choice for East/West (across the Great Belt) journeys and 0.4 million journeys were taken with such tickets in 2021. This was 35 percent lower than in 2020 and 19 percent lower than in 2019. The Orange products have thus been less negatively impacted than the other tickets for East/West crossings.
- The closure of the border with Sweden has had an impact on the number of journeys across the Øresund (over the bridge).
- The traffic handed over on Zealand and West (Jutland and Funen) amounted to 0.6 million journeys in 2019.
- S-trains is the market segment least impacted by COVID-19.

## Punctuality

**Table 2: Customer punctuality<sup>1)</sup>**

Percent	First quarter		Growth	
	2021	2020	Abs.	Pct.
Long-distance & Regional trains	87.1	86.9	0.2	0
S-trains	92.3	92.6	-0.3	0

<sup>1)</sup> Customers who arrived on time at their final destination with less than a three-minute delay.

In 2021 customer punctuality for Long-distance & Regional trains were at the same level as the year before. Customer punctuality was impacted by more operational disruptions from signal errors, but fewer disruptions due to operational errors and delays from Sweden.

The customer punctuality of 87.1 percent is above the contractual obligations of 78.7 percent.

Customer punctuality for S-trains has decreased. The lower punctuality is particularly due to the fact that there were more days with infrastructure faults in 2021. DSB is cooperating with Banedanmark to solve the current challenges on the S-train tracks.

The customer punctuality of 92.3 percent is in line with the contractual obligations of 92.3 percent.

**Table 3: Operator punctuality<sup>1)</sup>**

Percent	First quarter		Growth	
	2021	2020	Abs.	Pct.
Long-distance & Regional trains	96.6	96.5	0.1	0
S-trains	98.6	97.7	0.9	1

<sup>1)</sup> Trains that arrived on time with less than a three-minute delay, minus any minutes of delay for which DSB is not responsible.

Operator punctuality is the part of the delays that DSB is responsible for only.

For Long-distance & Regional trains, the operator punctuality is on par with last year and remains high due to a more robust time table.

The operator punctuality of 96.6 percent above the contractual obligations of 94.1 percent.

The operator punctuality for S-trains has risen. The higher punctuality is mainly due to the fact that operator punctuality in first quarter 2020 was impacted by an unusually high number of engine drivers taking sick leave.

The operator punctuality of 98.6 percent is above the contractual obligations of 97.5 percent.

## Productivity

Table 4: Productivity				
	First quarter		Growth	
	2021	2020	Abs.	Pct.
Passenger revenue per seat kilometre <sup>1)</sup> (DKK 0.01/km)	12.6	26.1	-13.5	-52
Costs per seat kilometre <sup>1)</sup> (DKK 0.01/km)	57.9	54.5	3.4	6

<sup>1)</sup> 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 52 percent compared to last year. This is due to lost passenger revenue resulting from the decrease in journeys taken due to COVID-19 restrictions, which is partially offset by a lower number of seat kilometres.

The costs per seat kilometre increased by 6 percent compared to 2020. The decrease in the number of seat kilometres of 5 percent as well as the handing over of certain routes is the most important cause of the negative development in this key figure.

Table 5: Number of full-time employees				
	First quarter		Growth	
	2021	2020	Abs.	Pct.
Number of full-time employees – at year-end	6,420	6,848	-428	-6
Average number of full-time employees	6,439	6,842	-403	-6

The number of full-time employees has decreased by 428 to 6,420 over the past 12 months. The employee reductions is mainly related to workshop staff resulting from the handover of the maintenance responsibilities for the Øresund train sets and the handover of traffic to Arriva in Central and Western Jutland. There have also been fewer employees working in the kiosks due to COVID-19 restrictions. That reduction in employees is expected to be temporary, however.

## Rolling stock

The rolling stock has travelled fewer litra kilometres in first quarter 2021 compared to the same period of last year. This is particularly due to a lower kilometre production resulting from the handover of certain routes. Despite the low number of journeys taken, DSB has largely maintained a normal time table.

The desire to reduce the environmental impact has resulted in prioritising the deployment of electric rolling stock. The ongoing deliveries of new EB electric locomotives will continue to make it possible to deploy environmentally friendly electric rolling stock to operations.

The last ME diesel locomotives will be phased out as quickly as possible and they are expected to be completely taken out of operation by the end of 2021.



It is also the EB electric locomotives that will operate on the international routes to Germany from 2023. They will be pulling the new train sets from Talgo, which will be delivered in 2023.

The signing of the agreement on delivering Coradia train sets from Alstom, marks the final agreement that needed to be completed in this context. The deliveries will be made in the 2024-2029 period. As a result, DSB will have a completely electric train fleet in 2029. Initially, the new train sets will be replacing the IC4 train sets and then the IC3 train sets.

**Table 6: Litra kilometres<sup>1)</sup>**

Kilometre (1,000 )	First quarter		Growth	
	2021	2020	Abs.	Pct.
IC4 train sets	1,625	1,753	-128	-7
IC3 train sets	7,174	7,481	-307	-4
IR4 train sets	2,700	2,750	-49	-2
Øresund train sets	1,655	1,775	-120	-7
Double-decker coaches <sup>2)</sup>	3,266	3,497	-231	-7
Desiro train sets <sup>3)</sup>	-	671	-671	-
ME diesel locomotives	615	754	-139	-18
EA electric locomotives <sup>3)</sup>	-	44	-44	-
EB electric locomotives	144	0	144	-
S-train sets	4,468	4,547	-79	-2
<b>Total</b>	<b>21,647</b>	<b>23,272</b>	<b>-1,625</b>	<b>-7</b>

<sup>1)</sup> Litra kilometres represent the total number of kilometres travelled in Denmark.

<sup>2)</sup> Litra kilometres for double-decker coaches are calculated per coach, regardless of the fact that multiple coaches are usually connected.

<sup>3)</sup> No longer in operation at 13 December 2020.

**Table 7: Number of kilometres travelled between incidents<sup>1)</sup>**

Kilometre (1,000 )	First quarter		Growth	
	2021	2020	Abs.	Pct.
IC4 train sets	8.3	14.4	-6.1	-42
IC3 train sets	26.0	43.5	-17.5	-40
IR4 train sets	27.6	25.0	2.6	10
Øresund train sets	22.9	33.0	-10.1	-31
Double-decker coaches	25.3	22.0	3.3	15
Desiro train sets <sup>2)</sup>	-	10.8	-10.8	-
ME diesel locomotives	87.9	30.1	57.8	192
EA electric locomotives <sup>2)</sup>	-	10.9	-10.9	-1
S-train sets	20.1	18.6	1.5	8

<sup>1)</sup> A technical incident on the rolling stock that causes a delay.

<sup>2)</sup> No longer in operation at 13 December 2020.

Generally, the operational stability has been declining for those litra types used for the majority of operations. The IC3 train sets are a core part of the long-distance and regional train traffic, and these have had issues with errors related to the new signal system for the train sets that are operating on both the old and the new safety systems.

The IR4 train sets travelled more kilometres between incidents than they did last year. This is mainly due to an ongoing dynamic monitoring of the train fleet and structured error detection.

The Øresund train sets have travelled fewer litra kilometres and number of kilometres between incidents in 2021 compared to last year, mainly due to the lack of delivery of train sets from SJ and errors on these train sets.

The EB electric locomotives are currently deployed to the regional traffic on Zealand. DSB expects to deploy further EB electric locomotives in 2021 to also cover Kystbanen/the Coast Line where the plan is to deploy them during rush hour. Generally, the EB electric locomotives have had a positive start and there has only been a few startup difficulties.

## Service & Retail

The train station is an important part of a customer's journey, and a good customer experience at the train station results in a better overall experience of the journey. DSB Service & Retail A/S will assume more ownership of the stations with kiosks and also enter into partnerships that create more and better opportunities for customers.

The results for first quarter 2021 were still impacted by an extraordinarily large decrease in the number of customers due to the consequences arising from COVID-19. The possibility to reduce costs in order to compensate for the lower turnover has been very limited.

The total decrease in customer visits constituted 48 percent for first quarter 2021 compared to the same period of 2019. The revenue has declined by a smaller amount, falling by 36 percent compared to 2019. This is due to the positive impact of taxes on tobacco products which took effect from April 2020.

The staffing levels in the kiosks have been adjusted where possible. This has resulted in staffing being reduced by a third compared to 2019.

The Coffee Express, which sells coffee and certain kiosk items in the trains, has been temporarily suspended due to the restrictions and recommendations from the authorities aimed at reducing the risk of infection in trains.

In first quarter 2021 the pre tax results for DSB Service & Retail A/S amounted to a loss of DKK 7 million. DKK 15 million in compensation has been recognized in the financial statements resulting from the Danish Government's aid package.

## Property development

DSB Ejendomsudvikling A/S is tasked with selling or developing areas that are no longer used for train operations. In addition, the company can also enter into commercial property development projects via joint ventures with external partners.

In first quarter 2021, the company entered into a partnership with Danica Pension concerning the development of approximately 25,000 m<sup>2</sup> of floor space in Postbyen (Carsten Niebuhrs Gade 10). The development will be performed via the companies P/S Downtown CBD and Komplementaranpartselskabet Downtown CBD. It is a clear vision that the construction project must be certified to the highest possible standards for sustainable construction. The construction work is expected to begin in 2024. The ambition is for Postbyen to be completed in 2027.

The company's project with Ny Valby Udvikling A/S is proceeding according to plan.

Work is also underway on a number of other commercial property development projects. What characterises these current and future projects is that they will be developed with a focus on sustainability and will be certified based following recognised standards (DGNB).

Besides the revenues from selling real estate, project development and commercial real estate development, the company also earns revenues from renting out existing properties.

In first quarter 2021, the result before tax amounted to a profit of DKK 188 million for DSB Ejendomsudvikling A/S.

## **Accounting policies**

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

The interim report otherwise follows the same accounting policies as the Annual Report 2020.

## **Expectations for 2021**

Final appropriations approval of supplemental contract 38 is still outstanding. The supplemental contract involves DSB receiving additional contractual payments in those months, where DSB's passenger revenue are 15 percent lower than the corresponding month in 2019, provided that there are continued restrictions or recommendations issued by the authorities related to COVID-19.

With the significant amount of uncertainty, particularly related to COVID-19

and the structural follow on consequences from the pandemic, it is expected that the result for the year before tax will amount to DKK 500-1,000 million.

## **Events after 31 March 2021**

The French company Alstom has at 12 April been chosen to deliver and provide maintenance services for the Coradia electric train sets.

10 May Stadler lodged an appeal against DSB's awarding of the contract to Alstom to the Public Board of Appeals for Tenders. The Board of Appeals is expected to process the case within 30 days.

No other events have occurred after 31 March 2021 that in management's opinion have a significant impact on the assessment of the first quarter 2021 interim report.



# Consolidated accounts

## Management's statement

The Board of Directors and the Executive Board have today discussed and approved the interim report for the period 1 January - 31 March 2021 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 at 31 March 2021 and of the results of the Group's activities and cash flows for the period from 1 January to 31 March 2021.

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, 12 May 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

Annette Sadolin  
Vice-Chairman

Henrik Amsinck

Hanne Blume

Carsten Gerner

Christina Grumstrup Sørensen

Thomas Bryan-Lund

Preben Steenholdt Pedersen

Lone Riis Stensgaard

## Income statement

Group	First quarter		Full year
Amounts in DKK million	2021	2020	2020
<b>Income</b>			
Net revenue	2,219	2,111	8,701
Work performed by the entity and capitalised	148	136	468
Other operating income	431	269	1,294
<b>Total revenues</b>	<b>2,798</b>	<b>2,516</b>	<b>10,463</b>
<b>Expenses</b>			
Expenses for raw materials and consumables	464	485	1,941
Other external costs	842	900	3,528
Staff costs	883	914	3,693
<b>Total costs</b>	<b>2,189</b>	<b>2,299</b>	<b>9,162</b>
<b>Earnings before amortization, depreciation and write-downs</b>	<b>609</b>	<b>217</b>	<b>1,301</b>
Amortization, depreciation and write-downs of intangible and tangible assets	334	318	1,335
<b>Operating profit/loss</b>	<b>275</b>	<b>-101</b>	<b>-34</b>
<b>Financials</b>			
Profit after tax in associated companies and joint ventures	1	0	0
Financial income	1	3	13
Financial expenses	21	21	83
<b>Net financials</b>	<b>-19</b>	<b>-18</b>	<b>-70</b>
<b>Profit/loss before tax</b>	<b>256</b>	<b>-119</b>	<b>-104</b>
Tax on profit/loss for the period	-56	28	47
<b>Net profit/loss for the period</b>	<b>200</b>	<b>-91</b>	<b>-57</b>

## Balance sheet - assets

Group	31.3		31.12
Amounts in DKK million	2021	2020	2020
<b>Intangible fixed assets</b>			
Development projects	67	120	77
Intangible fixed assets in progress and prepayments	102	41	76
<b>Total intangible fixed assets</b>	<b>169</b>	<b>161</b>	<b>153</b>
<b>Tangible fixed assets</b>			
Land and buildings	3,928	4,208	4,034
Rolling stock	4,489	4,862	4,420
Operating equipment, fixtures and fittings and other equipment	646	729	678
Tangible fixed assets in progress and advance payments	450	408	499
<b>Total tangible fixed assets</b>	<b>9,513</b>	<b>10,207</b>	<b>9,631</b>
<b>Financial fixed assets</b>			
Equity investments in associated companies and joint ventures	262	0	75
Subordinated loan capital in associated companies	129	165	129
Other receivables	57	33	26
<b>Total financial fixed assets</b>	<b>448</b>	<b>198</b>	<b>230</b>
<b>Total fixed assets</b>	<b>10,130</b>	<b>10,566</b>	<b>10,014</b>
<b>Inventories</b>	<b>420</b>	<b>479</b>	<b>435</b>
<b>Properties held for sale</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>Receivables</b>			
Trade receivables	404	473	495
Corporation tax	-	32	-
Other receivables	950	111	85
Prepayments	172	147	140
<b>Total receivables</b>	<b>1,526</b>	<b>763</b>	<b>720</b>
<b>Cash at bank and in hand</b>	<b>253</b>	<b>366</b>	<b>963</b>
<b>Total current assets</b>	<b>2,213</b>	<b>1,623</b>	<b>2,133</b>
<b>Total assets</b>	<b>12,343</b>	<b>12,189</b>	<b>12,147</b>

## Balance sheet - liabilities and equity

Group	31.3		31.12
Amounts in DKK million	2021	2020	2020
<b>Equity</b>			
Contributed capital	4,760	4,760	4,760
Reserve for hedging transactions	-240	-282	-414
Retained earnings	-53	-287	-254
Proposed dividends	0	0	0
<b>Total equity</b>	<b>4,467</b>	<b>4,191</b>	<b>4,092</b>
<b>Provisions</b>			
Other provisions	107	111	108
Deferred tax liabilities	232	211	152
<b>Total provisions</b>	<b>339</b>	<b>322</b>	<b>260</b>
<b>Non-current liabilities</b>			
Long-term loans	2,591	2,211	3,228
Other non-current liabilities	560	407	650
Other liabilities	163	435	174
<b>Total non-current liabilities</b>	<b>3,314</b>	<b>3,053</b>	<b>4,052</b>
<b>Current liabilities</b>			
Current portion of non-current liabilities	1,170	481	574
Short-term loans	-	1,075	0
Credit institutions	345	0	0
Trade accounts payable	1,510	1,557	1,511
Other liabilities	565	848	1,094
Accruals and Prepayments	633	662	564
<b>Total current liabilities</b>	<b>4,223</b>	<b>4,623</b>	<b>3,743</b>
<b>Total liabilities</b>	<b>7,537</b>	<b>7,676</b>	<b>7,795</b>
<b>Total equity and liabilities</b>	<b>12,343</b>	<b>12,189</b>	<b>12,147</b>

## Statement of changes in equity

Group	Contributed capital	Reserve for hedging transactions	Retained earnings	Proposed dividends	Total equity
<b>Amounts in DKK million</b>					
<b>Equity at 1 January 2020</b>	<b>4,760</b>	<b>-220</b>	<b>-195</b>	<b>0</b>	<b>4,345</b>
Declared dividend	-	-	-	0	0
Net profit or loss for the period	-	-	-91	-	-91
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	-62	-	-	-62
Other changes in equity, tax	-	-	-1	-	-1
<b>Equity at 31 March 2020</b>	<b>4,760</b>	<b>-282</b>	<b>-287</b>	<b>0</b>	<b>4,191</b>
Net profit or loss for the period	-	-	34	-	34
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	-132	-	-	-132
Other changes in equity, tax	-	-	-1	-	-1
<b>Equity at 31 December 2020</b>	<b>4,760</b>	<b>-414</b>	<b>-254</b>	<b>0</b>	<b>4,092</b>
Declared dividend	-	-	-	0	0
Net profit or loss for the period	-	-	200	-	200
Foreign currency translation adjustments	-	-	0	-	0
Value adjustment of hedging instruments	-	174	-	-	174
Other changes in equity, tax	-	-	1	-	1
<b>Equity at 31 March 2021</b>	<b>4,760</b>	<b>-240</b>	<b>-53</b>	<b>0</b>	<b>4,467</b>

## Cash flow statement

Group	First quarter		Full year
Amounts in DKK million	2021	2020	2020
<b>Operating profit/loss</b>	<b>275</b>	<b>-101</b>	<b>-34</b>
<b>Adjustment for non-cash operating items</b>			
Amortization, depreciation and write-downs of intangible and tangible fixed assets	334	318	1,335
Change in other provisions, net	-1	-35	-38
<b>Other adjustments</b>			
Gain and loss on sale and scrapping of intangible and tangible fixed assets	-208	3	-110
Net financial items, paid	-12	1	-75
Corporation tax, paid	-	-104	-68
Change in working capital	-1,240	121	130
<b>Total cash flow from operating activities</b>	<b>-852</b>	<b>-250</b>	<b>1,140</b>
<b>Cash flows from investment activities</b>			
Acquisition of intangible and tangible fixed assets - excluding capitalised interest	-334	-252	-885
Sales of intangible and tangible fixed assets	138	2	230
Repayment of subordinated loan capital	-	-	38
<b>Total cash flows from investment activities</b>	<b>-196</b>	<b>-250</b>	<b>-617</b>
<b>Cash flows from financing activities</b>			
Proceeds from raising of long-term loans	-	-	1,586
Proceeds from raising of short-term loans	-	1,325	2,045
Repayment and payment of instalments on long-term loans	-7	-7	-491
Repayment of, and payment of instalments on, short-term loans	-	-750	-2,545
Change in credit institutions	345	-185	-185
Paid dividends	-	-	-
<b>Total cash flow from financing activities</b>	<b>338</b>	<b>383</b>	<b>410</b>
<b>Total change in cash and cash equivalents</b>	<b>-710</b>	<b>336</b>	<b>933</b>
Cash and cash equivalents at 1 January	963	30	30
<b>Cash and cash equivalents at 31 march</b>	<b>253</b>	<b>366</b>	<b>963</b>

## Income statement by quarter

Group	2021		2020		
	First quarter	First quarter	Second quarter	Third quarter	Fourth quarter
<b>Amounts in DKK million</b>					
Passenger revenue	506	1,047	567	966	831
Traffic contract revenues	1,663	975	976	980	1,888
Sale of repair and maintenance services of rolling stock etc.	23	75	73	81	83
Sale and leasing of rolling stock	27	14	7	81	120
<b>Net revenue</b>	<b>2,219</b>	<b>2,111</b>	<b>1,623</b>	<b>2,045</b>	<b>2,922</b>
Work performed by the entity and capitalised under assets	148	136	106	105	121
Other operating income	431	269	361	329	335
<b>Total revenues</b>	<b>2,798</b>	<b>2,516</b>	<b>2,090</b>	<b>2,479</b>	<b>3,378</b>
Expenses for raw materials and consumables	464	485	405	435	616
Other external costs	842	900	868	805	955
Staff costs	883	914	967	922	890
<b>Total costs</b>	<b>2,189</b>	<b>2,299</b>	<b>2,240</b>	<b>2,162</b>	<b>2,461</b>
<b>Earnings before amortization, depreciation and write-downs</b>	<b>609</b>	<b>217</b>	<b>-150</b>	<b>317</b>	<b>917</b>
Amortization, depreciation and write-downs of intangible and tangible fixed assets	334	318	323	332	362
<b>Operating profit/loss</b>	<b>275</b>	<b>-101</b>	<b>-473</b>	<b>-15</b>	<b>555</b>
Net financials	-19	-18	-15	-19	-18
<b>Profit or loss before tax</b>	<b>256</b>	<b>-119</b>	<b>-488</b>	<b>-34</b>	<b>537</b>
<b>Net profit or loss for the period</b>	<b>200</b>	<b>-91</b>	<b>-371</b>	<b>-32</b>	<b>437</b>
<b>Total equity</b>	<b>4,467</b>	<b>4,191</b>	<b>3,770</b>	<b>3,679</b>	<b>4,092</b>
EBITDA margin	27.4	10.3	-9.2	15.5	31.4
Return on invested capital after tax (ROIC after tax) p.a.	11.3	-4.0	-19.0	-0.9	25.3

## Key figure definitions

### Key figure definitions

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

**Earnings before interest, taxes, depreciation and amortization margin** (EBITDA margin) = Earnings before amortization and depreciation x 100 / Net revenue

**Earnings before interest and taxes margin** (EBIT margin) = Operating profit/loss x 100 / Net revenue

**Return on invested capital after tax** (ROIC after tax) = Operating profit/loss after tax (NOPLAT) x 100 / (average Equity + average Interest-bearing debt, net)

**Gearing** = Interest-bearing debt, net / Earnings before amortization, depreciation and write-downs

**Equity ratio** = Equity x 100 / balance sheet total

**Customer punctuality** = Customers who have arrived on time at their end destination with less than three minutes delay

**Operator punctuality** = Trains that arrive on time with less than three minutes delay, minus delays resulting from issues DSB is not responsible for

## Financial calendar 2021

Expected publication of annual report and interim reports for 2021:

Half year report	24 August 2021
Third quarter report	4 November 2021
Annual report	10 February 2022

## Publications

Interim report first quarter 2021 is available on [www.DSB.dk](http://www.DSB.dk)

## Company details

### Address

DSB  
Telegade 2  
DK-2630 Taastrup  
Tel. +45 70 13 14 15

[www.dsb.dk](http://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

### Auditors

EY Godkendt Revisionspartnerselskab  
CVR no. 30700228

The National Audit Office of Denmark

### Bank

Nordea Bank Danmark A/S

### Editors

Gert Mikkelsen  
Sara Carstensen  
Charlotte R Petersen