# Annual Report 2023

A sustainable way forward
with room for all of us

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# Contents






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

# Management's review

## Profit before tax was DKK 425 million in 2023, and DSB pays dividends of DKK 180 million

- Customers made a total of 162 million journeys in 2023 – or 9 percent more than in 2022 [1]
- Passenger revenue was DKK 406 million (8 percent) up on the previous year [1]
- Customer punctuality for S-trains was at a historically high level, whereas Long-distance & Regional trains faced challenges in this regard
- DSB's climate footprint improved – cutting $CO_2e$ emissions by 14 percent over the past year
- The schedule for delivery of electric IC5 train sets has been adjusted – production is in progress
- The first Talgo coaches have arrived in Denmark

### Profit for the year

DSB came out of 2023 with a profit before tax of DKK 425 million against DKK 229 million in 2022.

Financial performance was positively impacted by a compensation of approx. DKK 200 million from a former supplier and gains on the sale of 10 ET train sets of DKK 125 million. Higher energy prices increased energy costs for train operation by DKK 196 million compared to 2022.

### Customer growth in spite of challenges

More customers switched to rail in 2023. After adjusting for relinquished services and taking into account that coronavirus restrictions existed in January 2022, we succeeded in creating underlying growth of 4-5 percent[2] over the year.

We see growth in all markets, although multiple lines served by Long-distance & Regional trains, during some periods, were faced with challenges in meeting our customer punctuality target, according to which customers must arrive at their final destination within 2:59 minutes of the timetable.

Although the punctuality of Long-distance & Regional trains is challenged, it should be noted that more than seven out of ten customers arrive at their final destination less than three minutes late, and nine out of ten customers are less than ten minutes late.

Customer growth was partly driven by an abundant supply and substantial sales of Orange tickets. More than 50 percent of all journeys across the Great Belt were made at discounted fares with Orange tickets.

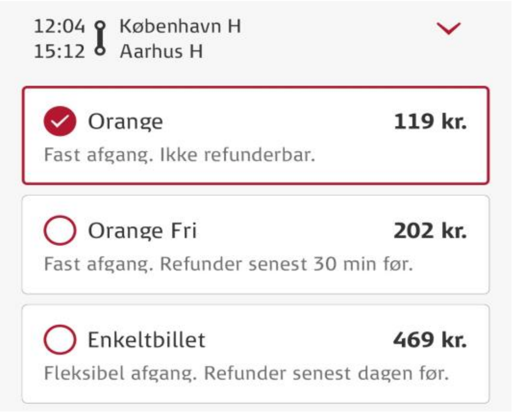
Regional services are essentially dominated by commuter journeys. Through a targeted marketing approach, growth has mainly been generated among leisure travelers.

The regional services area has also been successful in using Orange tickets as a lever to make more new customers shift to rail in particular and public transport in general. Fares on regional services start at DKK 20, and 21 percent of all regional rail journeys were made with Orange tickets.

To drive growth further, we will scale up the supply of Orange tickets across the Great Belt by 1 million tickets to a total of 8 million in 2024 and will also continue the targeted marketing of Orange tickets on shorter regional lines.

Orange tickets offer customers favourable off-peak fares, attract new customers and at the same time ensure more efficient capacity utilisation on the trains.

Orange tickets offer more affordable travel:




### Key financial highlights

| Amounts in DKK million | Q4 2023 | Q4 2022 | 2023 | 2022 |
|---|---|---|---|---|
| Passenger revenue | 1,414 | 1,412 | 5,404 | 5,318 |
| Passenger revenue adjusted for relinquished services | 1,414 | 1,333 | 5,404 | 4,998 |
| Contract revenue | 898 | 867 | 3,565 | 3,450 |
| Total income | 3,023 | 2,751 | 11,417 | 10,773 |
| Total expenses | 2,678 | 2,379 | 9,906 | 9,229 |
| Profit or loss before tax | -2 | 24 | 425 | 229 |
| Number of journeys (million) | 42 | 43 | 162 | 164 |
| Number of journeys adjusted for relinquished services (million) | 42 | 39 | 162 | 149 |
| Customer punctuality for Long-distance & Regional Trains (%) | 70 | 74 | 72 | 73 |
| Customer punctuality for S-trains (%) | 95 | 96 | 96 | 94 |

[1] Number of journeys and passenger revenue have been adjusted for relinquished services as the Øresund bridge-crossing line and Kastrupbanen were transferred to Skånetrafiken in December 2022.

[2] Calculated as growth in the number of journeys for Q2 to Q4 in 2022 and 2023, respectively.

## S-trains – high punctuality and more customers

More customers chose to take the S-train in 2023. The number of customers was up by 8 percent.

Growth in rail travel was most pronounced during weekends, and the S-train market, in spite of more customers, is still marked by the possibility of working from home.

S-train passengers can truly feel the effect of the work undertaken in recent years to implement the new signalling system, Communication-Based Train Control (CBTC), and the S-train services ran at a customer punctuality rate of 96 percent in 2023.

Alongside this, we have implemented local growth initiatives, where we use tele data, local customer insights and more tools to analyze users' travel patterns and identify potentials for increasing the number of customers and, accordingly, the market share of rail in the area.

2023 saw the implementation of initiatives in Køge and Hillerød where DSB, in collaboration with the individual local authorities and relevant stakeholders, focused on rail as an affordable and sustainable alternative. We are planning to continue this approach in 2024.

We also want to continue the development of more new offers together with our DOT partners on Zealand. In December 2023, we launched a 12-hour ticket for unlimited travel on bus, train and metro services at a fare of DKK 50.

## International journeys

The number of international journeys was on a par with 2022. The introduction, operation and ongoing maintenance of the German coaches that were rented to be rolled out on international routes have unfortunately not been satisfactory. In many cases, we did not deliver the positive travel experience our customers had expected when travelling to foreign destinations.

We predict growing demand for international journeys in the years to come and will continuously upgrade our solutions in this area, for instance by putting new coaches from Talgo into service during the autumn of 2024.

## More corporate agreements

Heightened environmental awareness and targeted sales efforts were instrumental in increasing the number of corporate agreements by 18 percent. Thus, additional 700 companies seized the opportunity to buy tickets their employees could use to travel during working hours or between home and work.

DSB's $CO_2e$ calculator was launched in 2023, enabling our corporate customers to calculate their $CO_2e$ footprint, both at the employee level and for the company as a whole, including the savings achieved over taking the car.

The level of actual travel activity among our corporate customers was lower than in 2022. This is because quite a few corporate customers chose not to travel by rail, primarily during the extensive track works in 2023.

We make a contribution to the Danish Climate Forest Foundation for every registered business journey undertaken with DSB. We agreed in 2023, through contributions to the foundation, that about 200,000 sqm of woodland will be planted in Denmark, corresponding to about 7,000 $CO_2e$.

> "We have experienced customer growth for S-trains as well as for Long-distance & Regional trains and are back to pre-Covid levels. It's positive that customers have opted for the train although the punctuality of long-distance and regional services has been unsatisfactory at times"
>
> Flemming Jensen, CEO

## Customer punctuality for Long-distance & Regional Trains was below target

Long-distance & Regional Trains faced challenges in terms of customer punctuality in 2023, which ended the year at 71.7 percent. This was below the transport contract target of 75.0 percent and lower than in 2022 (73.3 percent).

In Q1 2023, customer punctuality was up on the same period of 2022. From Q2 onwards, however, punctuality was challenged in 2023. As in previous years, customer punctuality was particularly below target due to numerous faults in old signals and during the periods when Banedanmark was working to renew tracks and signals.

In 2023, we paid more than DKK 60 million in compensation to customers under the travel time guarantee scheme, primarily for long-distance and regional services. Travel time compensation consists of a basic travel guarantee and a commuter travel time guarantee.

## Growth at DSB Plus

DSB Plus has more than 1 million members, and in 2023 we welcomed over 250,000 new members into the club. More than 700,000 members now collect points when buying tickets in the DSB app and on our website at dsb.dk. The points can be used in 7-Eleven convenience stores at the stations where customers can redeem them for refreshments for the journey.

DSB Plus is crucial to our ambition to provide relevant and more personalized customer experiences. By knowing our customers better, we can provide more relevant information, for instance about their current journey, traffic information and ticket products.

## Easy check-in and check-out with DSB's app

In 2023, we continued our work at improving DSB's check-in solution where customers simply have to "check in and out" on their mobile phones and book journeys at the same fare as when using the Rejsekort (travel card). The solution is going to offer easier and faster access to public transport and will become an integral part of the ticket solutions available in the DSB app.

Over the past year, we have completed three test phases, and the test customers' satisfaction with the solution is high. We are currently conducting the fourth test phase together with the other transport operators, expecting the solution to be rolled out on a continuous basis during 2024.

## Timetable 2024

On 10 December 2023, the new timetable, K24, came into effect for both S-trains and for Long-distance & Regional trains.

As far as S-trains are concerned, the timetable involves the opening of the new S-train station in Favrholm south of Hillerød. The station will connect passengers travelling by local train on the Frederiksværkbanen line with the S-train on the Hillerødbanen line and will connect the S-train to the new Hospital Nordsjælland (North Zealand Hospital).

In connection with the timetable change, Ny Ellebjerg Station was renamed København Syd (Copenhagen South). The name change coincides with the development of the station from a small local station to a major regional hub serving Copenhagen and the metropolitan area.

The new metro line with its terminus at Copenhagen South will open in 2024, and with the new platforms for Long-distance & Regional trains, scheduled for completion in early 2025, Copenhagen South will become a major interchange station serving not only local travelers, but also international customers heading for Copenhagen Central Station.

As far as Long-distance & Regional trains are concerned, changes have been made especially in the regional traffic on Zealand, which means that the new timetable will be more robust and predictable, preventing a single delay from spreading and affecting other departures.

For longer journeys, this involves longer travel time. The changes mean that there will be two fewer services per hour running between Elsinore and Copenhagen Central Station and between Copenhagen Central Station and Roskilde. Trains from Elsinore still continue to Næstved, now alternately via Roskilde and Køge, and during peak hours also to Holbæk.

The Kystbanen line has introduced a 15-minute train service stopping at all stations. In addition, the line is served by peak-hour trains that cut travel time by skipping some stations so commuters have a fast connection from the northernmost stations on Zealand to the Copenhagen area.

## Adjustment of fares in 2024

Public transport, in common with the rest of Denmark, is affected by recent years' rising costs, high energy prices and inflation. Unlike most industries, we cannot adapt fares to rising costs on a continuing basis.

Fares across the public transport sector are regulated by annual fare agreements and are not allowed to increase at a rate beyond the so-called fare cap, which is set by the Danish Civil Aviation and Railway Authority on the basis of, among other factors, general price trends, fuel prices and wage developments. The fare cap for 2024 is 10.3 percent.

The common fares east and west of the Great Belt, respectively, have been adjusted in cooperation with the other transport operators and increase at the maximum rates allowed within the fare cap. The regional transport operators, in particular, have been financially challenged by rising costs, and the price increases provide the best platform for delivering reliable and coherent public transport in all parts of Denmark.

Setting the fare for journeys across the Great Belt, DSB has chosen not to exercise its option of increasing fares on these journeys to the full amount of the capped fare. In 2024, we are going to ensure that eight million discounted Orange tickets for journeys across the Great Belt are put up for sale and expect about six out of ten journeys across the Great Belt to be made with Orange tickets. We do not expect the average fare for a journey across the Great Belt to increase between 2023 and 2024. We will continue to offer Orange tickets for regional journeys.

## Sustainability

We have applied for and been found eligible for the recognised corporate net zero standard in the climate area, the Science Based Targets initiative (SBTi). In this context, DSB has now set science-based reduction targets for the overall climate impact. This means, among other effects, that we will reduce $CO_2e$ emissions from suppliers (scope 3) by 30 percent up to 2030 and achieve a long-term net zero target by 2050.

The formulation of a financing strategy focusing on green investments has been completed. We have established what is known as a Green Bond Framework with the possibility of issuing bonds up to EUR 3 billion under the EMTN programme.

The framework aligns with the international standards of the Green Bond Principles of the International Capital Market Association (ICMA) and has been rated Dark Green by S&P Global Ratings.

In Q3 2023, we conducted a double materiality assessment as part of the preparations for the phasing-in of the Corporate Sustainability Reporting Directive (CSRD) from the reporting year 2024.

## Modernising the rail network

The railway network in Denmark is undergoing comprehensive modernization and upgrade works, both now and into the coming years. Banedanmark is working to electrify the main lines, replace old analogue signalling systems with new digital signals and renew tracks and rails. We are gradually replacing our aging diesel-powered train fleet with state-of-the-art electric locomotives, electric train sets and new coaches.

The combine investments in new rolling stock and new certified workshops for Long-distance & Regional trains will be approx. DKK 16 billion, and approx. DKK 4 billion was spent per 31 December 2023. See page 7 for further details.

Besides the obvious environmental benefits and improved passenger comfort, fewer, uniform and electric train types will offer enhanced operational reliability and lower operating expenses.

42 new electric EB locomotives have replaced the 40-year-old ME diesel locomotives. In the

course of 2024, we will receive new sets of passenger coaches from Spanish Talgo. They will to go into service in 2024.

In spring 2024, the production of the first electric IC5 train set will be completed at Alstom's facilities in Salzgitter, Germany. It will then be thoroughly tested before it is delivered to Denmark in 2025. We expect to buy a total minimum of 100 train sets, and the first IC5 train sets are planned to run with passengers in 2027.

This is later than originally planned, but it has been necessary to adjust the timetable for various reasons. First of all, it has taken Alstom longer than expected to complete the final technical design of the IC5 and ensure that the train sets meet the strict requirements for quality, comfort and reliability we have set for these trains. Moreover, Alstom, in common with the rest of the world, has been coping with major challenges in terms of logistics and the supply of components as a consequence of the coronavirus pandemic and global insecurity of supply.

S-trains of the future will be fully automated and driverless. This will allow for metro-like operation offering a higher frequency of service and greater punctuality. The train sets were put out to tender in August 2023. Siemens is going to upgrade the CBTC signalling system from the current semi-automatic (level 2) to a full-automatic (level 4) system.

Our older rolling stock is also being renovated to deliver a positive passenger experience over the coming years. The engines in the IC4 train sets will be repaired, the interior of Double decker coaches will be upgraded, and IR4 trains and S-trains are going to be refurbished and upgraded internally and externally.

### Transport contract

DSB and the Danish Ministry of Transport have entered into a contract for passenger transport performed as a public service, covering the period from 15 December 2023 to 10 December 2033.

### Consistently strong reputation

DSB's reputation among the Danish population remains strong, although its score showed slightly more fluctuations during the year compared to previous years. We ended December with a reputation score of 73.1 and therefore have a solid foundation to build on.

## Outlook for 2024

DSB expects its result before tax for 2024 to come close to breakeven. The expected performance is strongly influenced by increased train maintenance efforts.

Taastrup, 8 February 2024

| | |
|---|---|
| Peter Schütze<br>Chair | Flemming Jensen<br>CEO |

# Investment in new rolling stock and new certified workshops

## New locomotives & passenger coaches

**Modern and sustainable electric locomotives and passager coaches** for the traffic on Zealand and Denmark-Germany

In total DKK 3.4 billion
Per 31 December 2023 DKK 1.7 billion

## Electric IC5 train sets 1)

**Modern and sustainable electric trains** for the traffic in Denmark

In total DKK 9.2 billion
Per 31 December 2023 DKK 0.4 billion

## Næstved

- Approx. 17,000 sqm
- DGNB-certified
- 8 workshop tracks and wheel lathe facilities

In total DKK 1.4 billion
Per 31 December 2023 DKK 0.8 billion

## Godsbanegården

- Approx. 11,000 sqm
- DGNB-certified
- 4 workshop tracks and wheel lathe facilities

In total DKK 0.7 billion
Per 31 December 2023 DKK 0.7 billion

## Aarhus

- Approx. 20,000 sqm
- DGNB-certified
- 8 workshop tracks and wheel lathe facilities

In total DKK 1.4 billion
Per 31 December 2023 DKK 0.6 billion

1) 100 train sets incl. maintenance

# This is how we add value

## Section 99a of the Financial Statements Act

The CR report must ensure an understanding of DSB's development, performance and situation and describe how the activities of the enterprise affect climate, social and employee matters, matters related to respect for human rights and the fight against corruption and bribery.

DSB is Denmark's largest provider of public transport. We are an independent public enterprise and are owned by all Danes through the ownership of the Danish Ministry of Transport.

Our purpose is: A sustainable way forward with room for all of us. Guided by this phrase, we seek to add value to our customers and employees as well as to Denmark at large. In other words, we proactively live up to our corporate responsibility.

Sustainability is a central part of our strategy and day-to-day operations. We are actively working to reduce our environmental footprint through investments in energy-efficient electric trains and in our endeavors to minimize the corporation's consumption of resources.

To achieve our objectives, it is necessary to attract and retain dedicated, competent and highly qualified employees. This will only happen if we take care to build a working environment that promotes diversity, inclusion and equal opportunities for our more than 6,000 employees.

## Business model

Our business model is built around the ambition to provide a seamless travel experience for our customers.

**Timetable**
Our timetable has been prepared to deliver the best possible customer experience on the available railway infrastructure. This applies both on long-distance routes (Fjernbanen) and on the S-train network. We achieve this through timely planning and robust traffic management in co-operation with Banedanmark.

Up to 2030, extensive infrastructure works will be carried out to modernise the railway. They will sometimes affect the possibilities of running rail services. On the affected lines, we will be running to a changed timetable with fewer services or will need to use replacement buses if we cannot run services at all.

The upgraded infrastructure, in combination with DSB's investments in new rolling stock on long-distance and regional lines, will result in less disruption to services and fewer delays, more frequent services, and shorter travel times, especially between regions.

We call it Traffic Vision 2030.

**Operations management**
DSB has more than 3,800 customer-facing employees to ensure that daily rail services keep to the timetable. They also ensure that our fleet of over 400 trains undergoes systematic maintenance and preparation. The workshops are spread across Denmark, which supports reliable and efficient operations.

To ensure stable operations management, DSB invests in cutting-edge IT systems, and we gain and implement valuable experience from our passengers with a view to optimizing operations management. We continuously work to improve our emergency plans and risk management systems for rapid responses to any service disruption and crisis situation that may occur.

Traffic information supports operations management by providing frequent information to our employees. Traffic information is collected and

Reading guide:

The statutory CR report provided for under section 99a of the Danish Financial Statements Act is made up of



The statutory reports on the gender composition and diversity of management in compliance with section 99b and section 107d, respectively, of the Danish Financial Statements Act are made up of



The statutory report on data ethics policy in compliance with section 99d of the Danish Financial Statements Act is made up of disseminated in close collaboration with Banedanmark.

**Services**
Our services must support our objective of delivering more than 500,000 seamless travel experiences every day.

We invest in technological solutions to make it easier for our customers to travel on public transport in Denmark.

The DSB app combines national traffic information and ticket purchases, and its new check-in feature allows customers to travel by swiping their mobile phones without having to worry about their departure point or destination, as known from the travel card (Rejsekort).

We are making a dedicated effort to create opportunities for first and last-mile services through third-party partnerships.

It is still possible to buy tickets and other services at our stations, on our website and at our customer centres, which respond to close on 2.7 million enquiries annually.

DSB manages and develops almost 200 stations across Denmark. Passengers should feel well guided at safe and clean stations. Up to 2030, we are investing more than DKK 1 billion in station improvements such as better bicycle parking facilities and station alteration and redevelopment projects to deliver improved safety and add more life.

We involve local communities in and around our station improvements.

DSB Service & Retail operates 59 7-Eleven stores at our stations and, since 2020, has opened four station lounges that interconnect local communities around food, relaxation and togetherness.

Finally, we enter into joint venture partnerships for the development of sites to the benefit of urban regeneration, among other advantages. All income from the property development partnerships is reinvested in railway operations.

**Social responsibility**
DSB seeks out and enters into partnerships with organisations that support our purpose while demonstrating a deep commitment to social responsibility.

We collaborate with the Night Owls, a project that contributes to the sense of safety at the stations, and with Livslinien on its focused efforts to prevent suicide on the railway.

Since 2019, we have been collaborating with VELKOMMEN HJEM (WELCOME HOME), an association supporting veterans in making a balanced and realistic transition from the military to the civilian labour market.

In 2022, we entered into a five-year strategic partnership with the Danish Red Cross to develop activities aimed at supporting vulnerable people in both Denmark and the world's hot spots.

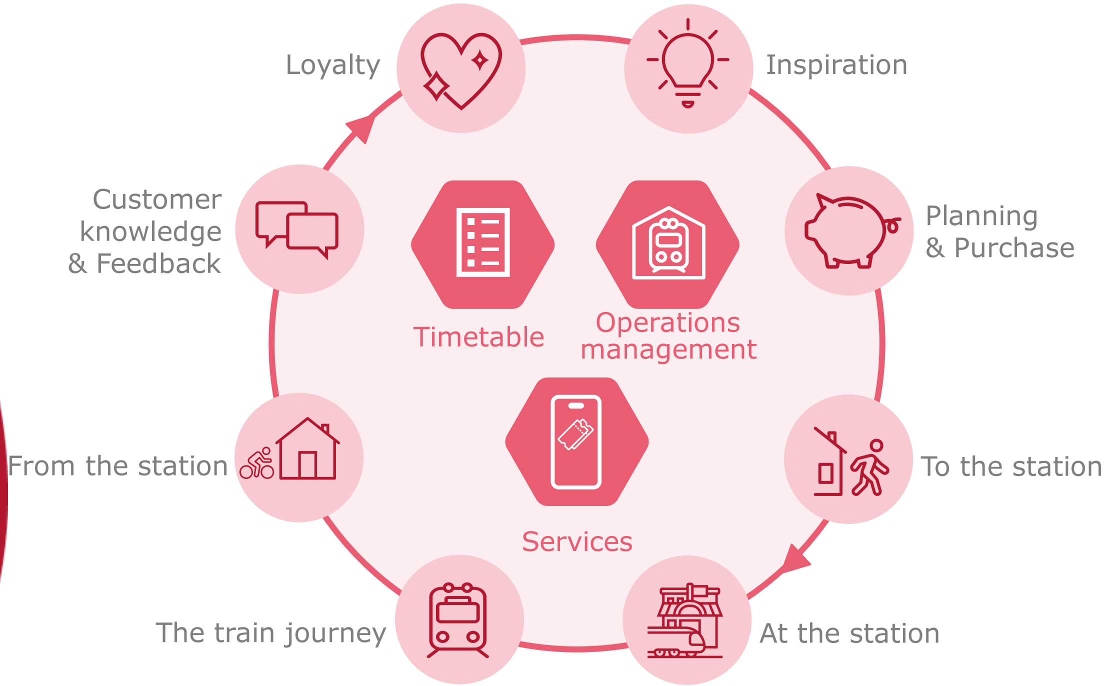
In 2023, we expanded our commitment by signing up as an official corporate member supporting InterForce, making it possible for DSB's employees to be allowed time off to serve as reservists.

We also continue our partnership with the Danish Climate Forest Foundation to contribute to the foundation's afforestation efforts by making a contribution for every business journey sold.

# This is how we add value

As Denmark's largest provider of public transport, we take responsibility for leading the way in the green transition and promote the movement towards a more sustainable Denmark free of congestion.

- In this way, we ensure **a sustainable way forward with room for all of us**




**Who are we?**

An independent public enterprise operating on a commercial basis. We have brought Denmark together for more than 138 years

**Finances**

We are a financially sound company with a high credit rating, operate on a commercial basis and rely on passenger revenue and contract revenue from the Danish State as our main sources of income

**Our assets (rolling stock & stations)**

Our more than 400 trains travel upwards of 50 million kilometres every year, serving almost 200 stations

**People and culture**

We employ 6,000-plus skilled and talented people representing more than 70 nationalities and a rich diversity

**Partnerships**

We have built strong strategic partnerships with both commercial and non-profit organisations

**Customers**

Through attractive products and fares, combined with services centred around customer proximity, it is our ambition to deliver value to 500,000 seamless travel experiences every day

**Community & Owners**

We are committed to reducing traffic congestion and strengthening sustainable mobility

We strive to match Europe's best operators in terms of attractiveness, competitiveness and sustainability. We streamline to give value back to our customers and owners

**Employees**

We are a diverse workplace, we are working to ensure a sustainable working life, and we focus on promoting gender balance

## Service & Retail

The purpose of Service & Retail is to provide service and catering on trains and at stations. The business area plays a key role in offering customers physical ticket sales, food, beverages and snacks, regardless of where they are on their journey.

Service & Retail operates 59 7-Eleven stores, 4 station lounges, Kaffeexpressen, the Luggage Centre at Copenhagen Central Station and the catering business on trains.

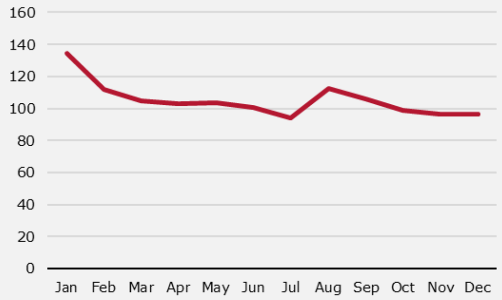
In 2023, Service & Retail opened an additional DSB 7-Eleven store at Flintholm Station. The stores at Tårnby, Ølby, Hundige and Bagsværd stations have closed.

In autumn 2023, Service & Retail opened its first NOAH concept restaurant in Roskilde. The restaurants will provide customers with high-quality food for their train journeys or on their way home to the family, and at the same time bring more life to the stations – giving customers improved quality before, during and after the journey when it comes to food to go and on the move.

Service & Retail reported a 10 percent increase in revenue, and its profit before tax was DKK 27 million in 2023 (2022: DKK 4 million).

**Figure 1: Number of Service & Retail customers**

**Index against 2022**




## Property development

The main activity of DSB Ejendomsudvikling A/S is, on a commercial basis, to develop, sell and manage properties that are no longer used for railway operations. The aim is to build property leasing projects and, in that fashion, generate a source of continuous earnings that can contribute to the financing of DSB's train operations.

The projects will contribute to the fulfilment of DSB's sustainability strategy, and this is done by striving to be awarded DGNB certification for sustainable construction, at least at the Gold level.

One of the projects along these lines in 2023 was seen when DSB Ejendomsudvikling A/S in Agerbæk initiated a circular demolition of an old building from the 1950s. After demolition, the old bricks will be cleaned and later reused in new buildings, possibly within the urban development plan for Jernbanebyen in Copenhagen. The same applies to the old steel rafters, which also need to find new life elsewhere. In total, we expect to reuse and recycle more than 240 tonnes of materials from the old building. A direct comparison with using new bricks and steel rafters shows that DSB can save over 50 tonnes of $CO_2e$ by reusing or recycling the materials.

Property Development derives its income from sales and project development, commercial property development through joint ventures and from leasing of properties. Until now, three joint venture agreements have been concluded:

- Frugtmarkedet, Grønttorvet in Valby
- Project Downtown, Postbyen in central Copenhagen
- Jernbanebyen in Copenhagen

DSB Ejendomsudvikling A/S made a profit before tax of DKK 25 million in 2023 (2022: DKK 47 million).

**Frugtmarkedet, Grønttorvet, Valby**
2022 saw the completion of the first commercial development project, Hibiscus Hus, which features 375 flats and has been awarded a DGNB Gold certificate for its sustainable building design. In 2023, Hibiscus Hus was fully let all year round.

**Project Downtown in Postbyen**
The project is the final phase of the development of Postbyen in central Copenhagen, involving the development of approx. 27,000 sq. metres of residential and commercial floor space – half of which to be accounted for by social housing and youth housing, while the rest will be business premises and commercial units. There will also be approx. 10,000 additional sq. metres of floor space in the basement/plinth on the site covering 7,400 sq. metres.

Together with the rest of Postbyen, the project is going to form the centrepiece of a new urban district with a focus on sustainability with open facilities targeting the general public.

The project will be carried out in partnership with Danica Ejendomsselskab ApS, which is a company under Danica Pension. Construction will commence in 2025 with completion scheduled for 2028.

**Jernbanebyen, Copenhagen**
Jernbanebyen will be Copenhagen's new green district, offering approx. 494,000 sqm of floor space and bordered by Vasbygade, Ingerslevsgade and Enghavevej. When completed, the new urban district will contain approx. 4-5,000 homes and approx. 175,000 sqm of floor space for business premises and commercial tenants, retail stores, schools and institutions.

A conditional joint venture agreement has been entered into with Industriens Pension, Novo Holding and NREP for the development of Jernbanebyen. The agreement means that Jernbanebyen will be brought under joint ownership once a local development plan for the area has been adopted.

A local development plan for the area is being prepared. The final plan is expected to be approved during the first quarter of 2025 at the earliest, after which construction can begin.

"We are pleased that Industriens Pension, Novo Holding and NREP have agreed to join us in the development of Jernbanebyen in Copenhagen. Together, we make up a strong team capable of ensuring that Jernbanebyen becomes a green district focused on health and communities."

Søren Beck-Heede, CEO,
DSB Ejendomsudvikling A/S

## Strategy – Market-oriented DSB

Our purpose is **A sustainable way forward with room for all of us**.

By saying **with room for all of us**, we mean:

- Room for more – and for all types of customers
- Door-to-door travel with a minimum of congestion
- Attractive offers to everyone
- Safe and positive station experiences
- Business partners and partnerships
- Customers must be able to take safety on the journey for granted
- A workplace committed to a high degree of wellbeing and a culture of cooperation

And by saying **a sustainable way forward**, we mean:

- Mobility with minimal climate impact
- Sustainable travel
- Minimal environmental impact at all stages of operations – reduction of harmful particulate matter
- Waste must be recycled into new resources
- A financially sustainable DSB

Society invests massively in public transport. Up to 2040, more than DKK 100 billion has been allocated to infrastructure improvements.

Banedanmark, which maintains and develops the railway, is currently replacing all outdated signals on the rail network. New signalling systems provide improved safety and enable better operations management and, therefore, more punctual train services. The new digital signalling system (CBTC), which displays the signals directly on the train driver's screen, was rolled out by Banedanmark on the entire S-train network in 2023. As a result, the conventional trackside signals have become superfluous.

Banedanmark is also working on the process of electrifying all main lines, which is a prerequisite to be able to deploy climate-friendly electric trains.

The political agreement on the Infrastructure Plan 2035 has also set aside funding for the modernisation of platforms and stations.

All these measures help provide the basis for ensuring sustainable public transport. Our contribution to the green transition of public transport takes a very concrete form.

We have been given a political mandate to purchase new electric rolling stock and, in doing so, replace our diesel-powered train fleet. The biggest investment in DSB's history. We have already received and put into service 42 electric locomotives. In 2024, we will receive 120 coaches and, from 2025, at least 100 new electric train sets to be brought into service from 2027.

Finally, we have been given responsibility for the transition to a new generation of S-trains, which will be fully automated and driverless and will allow for metro-like operation offering a higher frequency of service and greater punctuality.

| | | | | |
|---|---|---|---|---|
| 1 | **Why do we exist?** | A sustainable way forward with room for all of us | | |
| 2 | **How do we behave?** | Positive | Collaboration | Dedication |
| 3 | **What do we do?** | We create and sell mobility products and services to our customers and operate trains in Denmark | | |
| 4 | **What is our strategy?** | "Market oriented DSB": As attractive to our customers and as competitive and sustainable as the best operators in Europe | | |
| 5 | **How do we succeed?** | Put the customer at the centre | Deliver a competitive and sustainable DSB | Develop employees and corporate culture |
| 6 | **What is our overall success?** | Significant boost in customer experience | Increased market shares | Denmark's green transport choice |

# 'We are working on our "Market-oriented DSB" strategy through three tracks'

Our long-term targets were updated in 2023 in two areas:

- We have set targets for our emissions in the value chain (scope 3). For more information, see the Environment section.
- We have adjusted our targets for injured employees. In future, the long-term target not only relates to serious injuries, but will be altered to the long-term target for LTIFR (Lost Time Injury Frequency Rate). The change is implemented in order to use a definition that is easily comparable to other companies. The definition is also in line with the Corporate Sustainability Reporting Directive (CSRD), to which DSB will be subject from 2024. Definitions of key figures and ratios can be found under ESG KPIs.Our long-term targets have been set as changes from the baseline, which is 2019.

## Put the customer at the centre

**Understand and deliver the customer's entire journey** – more cheaper tickets and better products and services

**Enhance links between modes of transport** – more and deeper partnerships

**Targets 2030**

- Increased market shares
- No serious injuries on trains

## Deliver a competitive and sustainable DSB

**Sustainable operations**
- simple, digital and electric fleet

**Simplifying and streamlining the entire business**
– of processes as well as systems

**Targets 2030**

- At least 98% $CO_2e$ neutral in scopes 1 & 2
- 30% $CO_2e$ reduction in scope 3
- Energy consumption reduced by 50%
- No particulate matter from train engines
- At least 90% waste recycling
- DKK 2 billion for efficiency improvements

## Develop employees and corporate culture

**Empower employees**
- meaningful work and managers who inspire action

**Common corporate culture and direction**
– purpose-driven work based on inclusive values and objectives

**Targets 2030**

- At least 40% women in management
- Motivated and proud employees
- 50% reduction in work accidents causing absence

## Double materiality

We believe that sustainability and good corporate governance are crucial to our success as a corporation and to our ability to generate long-term values for our stakeholders.

In Q3 2023, we conducted a double materiality analysis in the context of preparing for the upcoming Corporate Sustainability Reporting Directive (CSRD).

The analysis identifies and gives priority to the key aspects that are material to DSB as a corporation, while taking into account the aspects that are material to our stakeholders and society at large. The identification was performed in compliance with the European Sustainability Reporting Standards (ESRS) and with external assistance with, for instance, categorisation by topic, evidence gathering and assessing the impact materiality and financial materiality of relevant matters.

Our double materiality analysis comprises a major survey of and dialogue with our stakeholders, including passengers, board members, employees, suppliers, authorities and civil society organisations. The results of the analysis have helped us prioritise our sustainability efforts in relation to our overall strategy and decision-making processes.

The analysis has also been instrumental in identifying the areas in which we need to make an extra effort to reduce environmental impacts and raise the level of knowledge where we are weakest.

### Method of the materiality analysis

The gross list of matters is based on the CSRD / ESRS reporting standards and other standards employed in the transport sector, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

The list of sustainability matters is categorised by topics, sub-topics and sub-sub-topics based on the ESRS standards and is tested against existing documents and internal processes such as employee satisfaction surveys, customer satisfaction surveys, risk assessments, etc., as well as a review of similar companies' ESG focus and double materiality analyses.

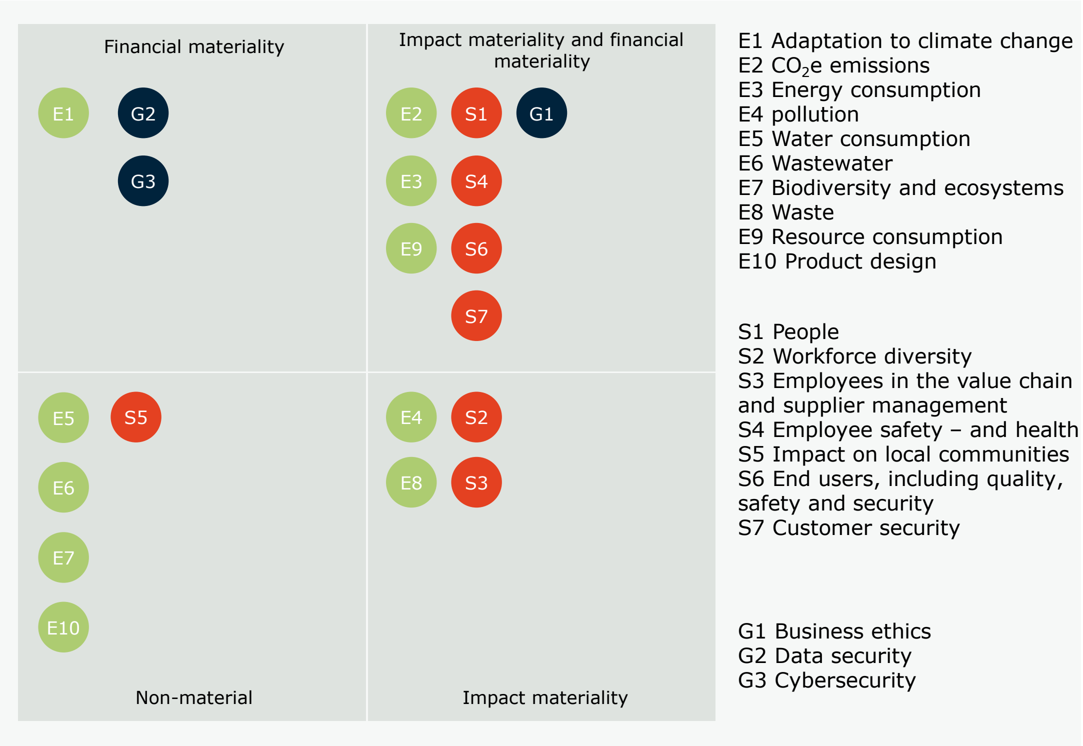
### Evidence gathering

Evidence was gathered through an in-depth examination of internal ESG-related material and interviews of both internal and external stakeholders. Interviews were held to uncover both DSB's positive and negative sustainability impacts and to identify potential risks and opportunities.

18 interviews were held, and one corporation-specific topic was added to the list of ESG matters based on input from interviews.

### Assessment of matters

A sustainability matter meets the criteria of double materiality if it is material from an impact perspective or from a financial perspective – or both.



In the assessment of impact materiality, the severity of matters is determined by the scale, scope and irremediable character of the impact as well as the likelihood of occurrence if the impact is potential.

As far as financial materiality is concerned, potential risks and/or opportunities are identified and assessed on the basis of likelihood and consequence, i.e. by applying thresholds to determine when a risk is material.

Both financial materiality and impact materiality are assessed on a scale from 1 to 5, where materiality is the union of impact at 3, calculated as an average of the parameters in financial materiality and impact materiality, respectively.

Moreover, a qualitative assessment has been made of matters that were assessed as non-material if one dimension scored 4 or 5.

For each matter assessed as material, documentation has been prepared explaining the results of the impact materiality assessment and/or the financial materiality assessment.

A total of 20 matters have been identified, broken down into Environment, Social and Governance as shown in the fact box.

The analysis shows that five matters are assessed to be non-material. They are:

- E5 – Water consumption
- E6 – Wastewater
- E7 – Biodiversity and ecosystems
- E10 – Product design
- S5 – Impact on local communities

**Water consumption**
DSB uses water in its operations, primarily for cleaning trains. However, DSB has a strong focus on collecting and recycling water, which is why its water consumption is not considered high (corresponding to approx. 700 households per year).

**Wastewater**
DSB collects water from cleaning processes in tanks where the water is treated and recycled. Water is only changed every one to two years. Graffiti cleaning is primarily a dry process, and small amounts of "residual" water are collected on trays and disposed of.

**Biodiversity and ecosystems**
DSB has an impact on biodiversity, both through direct operations (train operations and properties) and indirectly through the value chain (purchases of goods).

Biodiversity and ecosystems have been provisionally assessed as a non-material matter in a reporting context.

Our focus of attention is on the area, however, and we are already actively working on our biodiversity impacts from our activities by pursuing ambitious objectives of being awarded DGNB certification in recognition of our property development projects and New Workshops. Furthermore, we promote biodiversity through a range of projects on and near railway sites – for example at Rødby Havn in collaboration with Banedanmark.

Biodiversity is a relatively new area, where new knowledge is constantly emerging about the impact of companies as well as the risks associated with biodiversity – for instance in the extraction of raw materials required for train operations.

We therefore find that a need exists for generating additional knowledge in this area. In 2024, with external assistance, we will take a comprehensive approach to mapping out our most profound direct and indirect biodiversity impacts.

**Product design**
Is found of no relevance since DSB does not design and make products itself. Circularity and sustainable resources are addressed under Resource consumption. Specifications for purchased products (for instance IC5 trains) are addressed as part of supplier management.

**Impact on local communities**
DSB has a noise impact on people living near the railway. Analyses from the Danish Environmental Protection Agency show that noise from trains is generally lower than road noise. In 2023, DSB received 43 noise complaints, which are fewer than in 2022, and the overall noise impact is assessed as low. However, DSB is at all times responsible for ensuring that our operations comply with current noise limit values and, where relevant, any tighter regulations in local development plans.

The other matters on the list are all assessed as material from either a sustainability impact perspective, from a financial perspective – or both.

All the material matters are described in the sections dealing with (E) Environment, (S) Social and (G) Governance, respectively.

The double materiality analysis will in future be updated in line with the requirements of the CSRD and the reporting standards of the ESRS. The purpose of this is to identify any new matters or topics that could be of relevance in terms of assessing impact materiality and/or financial materiality.

## DSB enters cooperation with Armed Forces and allows its employees time off to serve as reservists

A new agreement will give volunteers in Denmark's Armed Forces and the Emergency Service slightly improved conditions for making a dedicated effort to serve their community.

DSB has signed up as an official corporate member supporting InterForce, which means that all DSB employees who are reservists or volunteers in the Armed Forced can now receive full pay for up to five days to participate in training sessions, exercises or other forms of community service.

This could for instance be exercises, planning, training and tasks related to the cordoning off of areas or coordination of traffic conditions during natural disasters, festivals or sports activities.

DSB also participates in the annual 'Uniform-on-the-Job' day. The day is a tribute to the volunteers in the Armed Forces, who pull on the uniform when needed.

InterForce is affiliated with Defence Command Denmark, which aims at creating close relations between the Armed Forces and civil society. Today, InterForce is supported by just over 2,300 Danish companies, which combined employ around 1 million people.

**Support for several years**
DSB has been actively engaged in the veterans area for several years. Since 2019, DSB has been collaborating with VELKOMMEN HJEM (WELCOME HOME), an association supporting veterans in making a balanced and realistic transition from the military to the civilian labour market.

Specifically, DSB makes mentors available who, through their personal commitment, guide the individual veterans and help them open doors to the civilian business world.

A number of executive officers serve as mentors to the veterans and help them translate their military experience into civilian skills for employment in the civilian labour market with other companies.

Three of DSB's Executive Board members and various senior executives are active mentors to veterans.

"Talent comes from everywhere, and we need to be able to embrace and attract all kinds of employees and ensure that all skills come into play in the best possible manner. At DSB, we seek to attract veterans by supporting their re-integration into the civilian labour market".

Tine Moe Svendsen, Executive Vice President, HR

"We value and are proud of our employees, who solve an important public-service task by being part of Denmark's military reserve forces, and we want to create favourable conditions for enabling them to fulfil their duties in the reserve forces while working with us."

Flemming Jensen, CEO

The association Velkommen Hjem (Welcome Home) was founded in 2016 and today collaborates with many Danish companies.

# Environment

# Environment

In this section, we give an account of our efforts to prevent and minimise our material environmental impacts, see the double materiality analysis, in the following areas:

- Climate change, including climate change adaptation, $CO_2e$ emissions and energy consumption
- Pollution
- Resource consumption and circular economy, including waste

In 2023, DSB was certified to the ISO14001 environmental standard. The certification is a milestone in our efforts to prevent and minimise our direct and indirect environmental impacts across all our activities.

The framework for our environmental work is provided by our environmental policy. The policy sets the framework for a holistic effort to minimise the corporation's overall environmental impact on its surroundings.

The environmental policy shows that we take a structured approach to preventing, minimising, prioritising and managing environmental risks and opportunities.

## Climate change

In 2023, we set and further tightened our climate impact reduction targets to align with the Paris Agreement target of keeping global warming within 1.5°C.

Previously, our targets were exclusively concerned with our $CO_2$ emissions, which account for by far the greatest climate impact from our own activities. We continue to strive for $CO_2$ neutrality by 2030, but from 2023, in line with scientific recommendations, we have extended our targets to include our overall climate impact. More specifically, we have therefore extended our targets and reporting to include all greenhouse gases – known as $CO_2$ equivalents – including emissions across our full value chain (scope 3).

In November 2023, our extended climate reduction targets received validation from the independent organisation Science Based Targets (SBTi) to be in alignment with the Paris Agreement targets. The SBTi aims to promote best practice in greenhouse gas emissions reductions in line with climate science and to guide companies in setting ambitious climate targets.

As a result of our extended climate reduction targets and the affiliation with the SBTi, DSB will calculate its annual emissions in the value chain (scope 3). The scope 3 report will initially be prepared with a timing difference as this calculation is still time-consuming and challenging. This is also the reason why the scope 3 report presented in this Annual Report is based on emissions in 2022.

**Climate reduction targets validated by SBTi**

**Net zero:**
- We are committed to achieving net zero greenhouse gas emissions, including the entire value chain, by 2050

**2030 targets – relative to our 2019 baseline:**
- We are committed to reducing our $CO_2e$ emissions for scopes 1 and 2 by a minimum of 98% by the end of 2030
- We are committed to reducing our indirect $CO_2e$ emissions from sales of fossil fuels (diesel) by 100% by 2030 (scope 3.3)
- We are committed to reducing our indirect $CO_2e$ emissions from downstream transportation by 28% (related to transportation of customers to/from stations) (scope 3.9)
- We are committed to reducing all other scope 3 $CO_2e$ emissions by 30%

**Long-term targets – relative to our 2019 baseline:**
- We are committed to reducing our scope 3 $CO_2e$ emissions by a minimum of 90% by 2050

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Read more on https://sciencebasedtargets.org/companies-taking-action

## Action plan for achieving climate reduction targets

**2019 - 2030**

**In 2030, we will reduce scope 1 and scope 2 emissions by 98 %**
**By 2030, we will reduce scope 3 emissions by 30 %**
**By 2030, we will reduce our energy consumption by 50 %**

**2030-2050**
**Achieve net zero in DSB's value chain**
**By 2050, we will achieve net zero**

### Scope 1 and 2

- Train operations switch from diesel to electricity
- Service cars switch to electricity
- Heating with fossil fuels is phased out across all locations
- Energy consumption is covered by renewable energy, and we will support the construction of renewable energy facilities

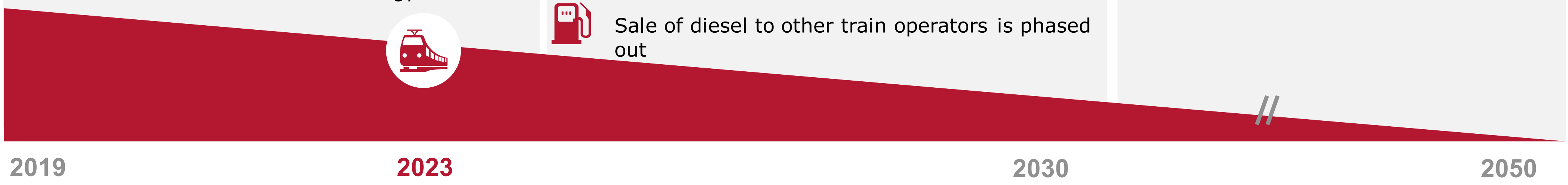
### Scope 3

- Replacement transport switches to electricity
- Consumption of spare parts is reduced
- 90% of our waste is recycled
- Dialogue with selected suppliers on ways to identify reduction measures
- New calls for tenders will set out requirements for $CO_2e$ reductions
- Sale of diesel to other train operators is phased out

### Scope 3

Together with our suppliers and partners, we will work hard to identify and implement the solutions that will ensure that we can achieve our goal of reaching net zero by 2050. A substantial part of the remaining reductions is to be found in our purchases of products and services. Here we will require $CO_2e$ reductions and engage in collaboration with strategic partners.

We invite partners to join us in our strategy for a "sustainable way forward"



## Material impacts, risks, and opportunities

As described in the section on double materiality, climate change has been identified as an area that is material to DSB. This could be in the form of:

- Our impact on climate change through emissions of greenhouse gases from our direct and indirect activities
- Our energy consumption that drives our greenhouse gas emissions
- Adaptation to climate change that may cause disruption to services and, consequently, poses financial risks.

In this section, the three topics, together with their impacts, risks and opportunities, are described in more detail.

### Climate impact

We have a material impact on climate change due to our direct (scope 1) and indirect (scope 2) emissions from our train operations and due to other operations. Our overall climate impact from scope 1 and 2 emissions in 2023 was 145,440 tonnes of $CO_2e$.

Most of our overall climate impact arises in our value chain (scope 3) as an indirect consequence of our activities. Our climate impact from scope 3 emissions in 2022 was 252,009 tonnes of $CO_2e$.

### Energy consumption

Our activities require large amounts of energy. Energy generation drives emissions of greenhouse gases and more. In 2023, we used 2.91 million GJ. The replacement of diesel-powered train sets with electric train sets will, overall, lower energy consumption.

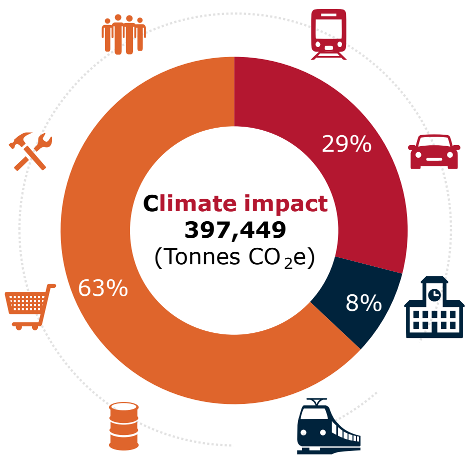
### Adaptation to climate change

Climate change involves risks in relation to our operations. In the future, we expect more disruption to services due to more extreme weather conditions (extreme rainfall events, storms, etc.).

The expected consequences of this, besides the general inconvenience to our passengers caused by disruption, are a) reduced travel activity and, therefore, reduced income as well as b) increased expenses for:

1. Replacement services
2. Compensation under the travel time guarantee scheme
3. Repair of damage caused by weather conditions.

One example of such weather conditions was the storm surge that hit Denmark on Friday, 20 October 2023. When the surge arrived, Banedanmark rolled out their contingency plan, resulting in fewer and slower rail services. This caused delays and lost revenue due to lower travel activity and increased cost of ticket refunds.




**Scope 1: Own operations**

GHG emissions caused by burning of fossil fuels as a direct impact of our activities.

In total, these emissions were about 115,000 tonnes of $CO_2e$ in 2023

The emissions come primarily from diesel trains (IC3 and IC4)

**Scope 2: Purchased electricity and heat** (location-based)

Indirect GHG emissions generated from our electricity and district heating consumption.

In total, these emissions were about 30,000 tonnes of $CO_2e$ in 2023.

The emissions come primarily from the production of traction electricity.

**Scope 3: Value Chain (2022)**

Indirect GHG emissions generated in our value chain because of our activities in **2022**.

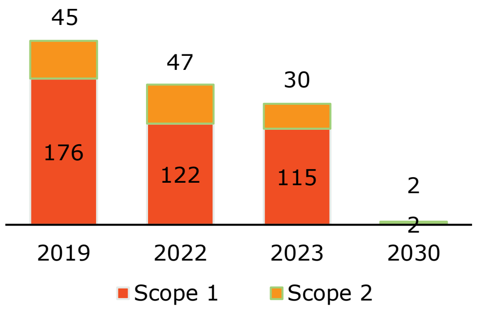
In total, these emissions were about 252,000 tonnes of $CO_2e$ in **2022**.

The emissions come primarily from purchased goods and services (32 %), our customers' transport to/from stations (26 %) and emissions from energy consumptions (18 %).

## Status of climate and energy reduction targets

### Figure 2: Change in $CO_2e$ emissions

**1,000 tonnes of $CO_2$**



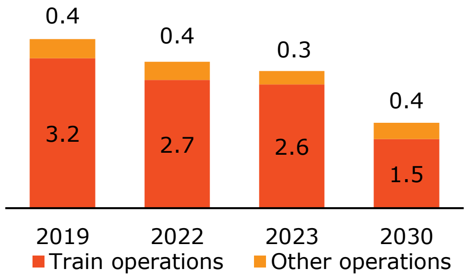

In 2023, we emitted 14 percent less greenhouse gases compared to 2022. The downward trend is primarily driven by a decline in emissions from train operations, mainly emissions from electric trains.

The decline is mainly due to changes of methodology resulting from Energinet's improvement of its environmental declaration for electricity generation through a breakdown into eastern and western Denmark, and to DSB's energy efficiency improvements, which have driven a reduction in energy consumption.

As far as the change of methodology is concerned, the decline is due to the fact that the share of renewable energy in electricity generation is higher in eastern Denmark, which is why the climate impact per kWh in eastern Denmark is significantly lower than the national average

### Figure 3: Energy consumption

**Million GJ**




we have applied earlier. Since most of our electric operations are based in eastern Denmark, this change of methodology becomes a significant factor.

Total energy consumption dropped by 6 percent relative to 2022. We use 90 percent of our energy consumption for train operations. Energy consumption for train operations contributed to a decrease of 3.5 percent. The decrease can primarily be ascribed to reductions in diesel consumption as a result of reduced use of IC4 trains, coupled with energy efficiency initiatives. The lower energy consumption from train operations is also linked to the phasing out of Øresund trains and increased production with EB electric locomotives, which are more energy-efficient.

Energy consumption for other operations was down by 25 percent, which was mainly associated with a stronger basis of reliable data for determining energy consumption based on

### Table 1: Environmental declaration for train products

| Per passenger kilometre | Energy consumption in GJ | Change from 2022 | Climate impact in grams of $CO_2e$ | Change from 2022 |
|---|---|---|---|---|
| Long-distance and regional trains | 0.55 | 0% | 32 | -9% |
| - Diesel-powered trains | 0.76 | -2% | 52 | -9% |
| - Electric trains | 0.31 | 2% | 8 | -28% |
| S-trains | 0.33 | -18% | 6 | -56% |
| **Total train operations** | **0.49** | **-4%** | **25** | **-16%** |

meter readings instead of a partial estimate, and a decision to lower the temperature in all buildings to 19 degrees centigrade as a result of the energy situation in 2022.

Both large and small energy-saving measures contribute to putting us on the right track to achieving the target of a 50 percent reduction in energy consumption by 2030. Many of DSB's 7-Eleven stores have for instance installed doors and lids on refrigerated cabinets, and old coolers and refrigerators have been replaced, contributing to a reduction of 700 MWh. Another measure has been to switch to electric company cars. Accordingly, in 2023, we replaced 27 petrol- and diesel-fuelled cars and hybrid cars with 15 electric cars, which are more energy-efficient. The goal is a fully electrified car fleet by 2030.

## Actions and activities related to climate

Much of our climate impact comes from train operations as a result of the traction technologies used for our diesel or electric-powered rolling stock.

As can be seen from table 1, significant energy and climate reductions may be gained from increasing the share of electric services. Thus, our electric rolling stock (S-trains, EB electric locomotives, IR4 and Øresund train sets) produces significantly lower $CO_2$ emissions than diesel-powered trains.

In 2023, we extended services with EB electric locomotives by 40 percent compared to 2022. This means that rail services using EB locomotives and the Double decker coaches and IC1 coaches, respectively, accounted for approx. 21 percent of our seat kilometres on long-distance and regional services in 2023. One example of this is the services on the international line to Hamburg, where we previously used IC3 train sets. On this line, from June 2023, we put EB electric locomotives into service to pull the leased IC1 coaches, which has resulted in significant reductions in greenhouse gas emissions from international traffic.

**Table 2: Energy consumption**

| | Unit | 2023 | 2022 | Change |
|---|---|---|---|---|
| Electricity, long-distance and regional trains | MWh | 115,650 | 119,995 | -4% |
| Electricity, S-trains | MWh | 160,302 | 168,860 | -5% |
| **Electricity, traction** | MWh | **275,952** | **288,855** | **-4%** |
| **Diesel, traction** | litres | **45,544,962** | **46,903,081** | **-3%** |
| Electricity, buildings and fixed installations | MWh | 42,505 | 47,647 | -11% |
| Electricity, leased cars | MWh | 25 | 0 | N/A |
| **Electricity, non-traction** | MWh | **42,530** | **47,647** | **-11%** |
| District heating, adjusted for degree days | MWh | 29,715 | 48,370 | -39% |
| Heating oil, adjusted for degree days | MWh | 4,759 | 8,384 | -43% |
| Heating gas, adjusted for degree days | MWh | 743 | 872 | -15% |
| **Heat - adjusted for degree days** | MWh | **35,217** | **57,626** | **-39%** |
| **Oil for production processes[1)]** | MWh | **48** | **572** | **-92%** |
| Diesel | litres | 119,445 | 121,854 | -2% |
| Petrol | litres | 6,518 | 9,955 | -35% |
| **Fuel for leased cars** | litres | **125,963** | **131,809** | **-4%** |

[1)] The change is due to the divestment of component production to Knorr-Bremse

**Environmental improvements to IC4 train sets**
In 2023, we updated the software on IC4 train sets. One of the benefits gained is that two or three out of four engines automatically switch off after six minutes of idling. The initiative saves engine wear and reduces energy consumption substantially. We estimate that annual savings of more than 400,000 litres of diesel and about 1,000 tonnes of $CO_2e$ can be achieved as a result of the initiative.

In 2023, we started to alter the heating system of IC4 train sets. The alteration will enable cabin heating to come from the engines in future rather than from the separate oil-fired boiler, which has generated the heat until now. The alteration is scheduled for completion in 2024. We estimate that the initiative can further reduce diesel consumption by more than 200,000 litres of diesel annually, thereby contributing to a $CO_2e$ reduction in the order of 500 tonnes.

**Use of regenerative brake in EB electric locomotives**
In 2023, we intensified our efforts to identify measures capable of reducing energy consumption from train operations. Our particular focus was on the line between Elsinore and Næstved, where our EB electric locomotives operate with Double decker coaches . Through an in-depth analysis of energy consumption on this line, we discovered that the train used 15 percent more energy on the journey from Næstved to Elsinore than in the opposite direction.

The reason is that the control trailer, when the train is running from Næstved to Elsinore, does not allow the driver to apply maximum power to the electric brake. This will be changed by a software update to ensure that the electric brake of the EB electric locomotive, by default, will operate at maximum braking power. The change will result in a higher amount of regenerative braking energy and, in this manner, reduce energy consumption. We estimate that the measure, when fully implemented, can reduce electricity consumption by more than 15,000 MWh. The update is scheduled for completion in 2024.

In addition to this technical solution, we have also intensified our focus on the training of our train drivers. We are confident that a combination of technical progress and training can help us reduce energy consumption.

**Switching to LED lighting on trains**
In 2023, with a view to reducing energy consumption from train operations, we initiated the replacement of cabin lighting in all train sets across the S-train, IC3, IC4 and IR4 train sets as well as in Double decker coaches .

The replacement includes the lighting inside the trains, which has until now been provided by conventional fluorescent lamps. DSB estimates that the switchover to LED fluorescent lamps across all types of rolling stock will offer annual energy savings in the order of 1,500 MWh. The diesel savings result from the fact that lighting in IC3 and IC4 train sets, respectively, is generated by the diesel engines. The replacement is expected to be completed across all types of rolling stock in 2026.

**Converting from heating with fossil fuels**
84 of our 550 buildings are heated with fossil fuels, distributed on 69 natural gas boilers and 15 oil boilers. In 2023, five locations converted to district heating or heat pumps. In the context of our conversion plan, we will replace the remaining heating systems by 2030, so that all our buildings will be heated with renewable energy sources.

One of the locations we converted into renewable energy in 2023 was the preparation centre in Kastrup, which was heated with natural gas until November 2023. Using about 4,500 MWh of gas annually, the preparation centre in Kastrup accounted for approximately half of our total natural gas consumption, which made it the location with the highest gas consumption.

We expect to initiate 20 additional conversions in 2024, but the implementation of the conversions depends on receiving specific project proposals from the local district heating companies.

## Emissions of greenhouse gases

### Table 3: Scope 3 greenhouse gas emissions in tonnes of $CO_2e$

| | 2023 | 2022 | Change |
|---|---|---|---|
| Diesel, traction | 113,177 | 118,271 | -4% |
| Heating gas | 545 | 1,110 | -51% |
| Heating oil | 281 | 205 | 37% |
| Oil for production processes | 11 | 132 | -92% |
| Fuel for leased cars | 311 | 329 | -5% |
| Refrigerants (HFC) | 1,145 | 1,610 | -29% |
| **Scope 1 Direct energy consumption*** | **115,470** | **121,657** | **-5%** |
| Electricity, S-trains | 7,876 | 15,659 | -50% |
| Electricity, long-distance and regional trains | 14,435 | 22,036 | -34% |
| Electricity, non-traction | 5,820 | 6,561 | -11% |
| District heating | 1,838 | 2,818 | -35% |
| **Scope 2 Indirect energy consumption*** | **29,969** | **47,074** | **-36%** |
| Purchases of goods and services | | 80,198 | |
| Capital goods | | 19,598 | |
| Fuel- and energy-related activities | | 44,829 | |
| Upstream transportation and distribution | | 9,869 | |
| Waste | | 1,845 | |
| Business travel | | 311 | |
| Employee commuting | | 5,884 | |
| Downstream transportation and distribution | | 65,398 | |
| Use of sold products | | 12,448 | |
| Processing of sold products | | 114 | |
| Leased activities | | 5,961 | |
| Investments | | 5,554 | |
| **Scope 3 Indirect energy consumption*** | | **252,009** | |

* $CO_2e$ categorised according to "The Greenhouse Gas Protocol". Scope 2 is location-based emissions.

We are not yet able to calculate our scope 3 emissions at the time of publication of the Annual Report. In 2023, unrelated to the financial year, we therefore calculated our scope 3 emissions for 2022. These total greenhouse gas emissions have been broken down into 12 relevant scope 3 categories and are presented in table 3.

## Pollution to air, soil and water

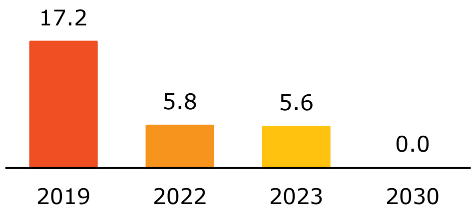
Identifying risks of pollution and preventing incidents are central elements of our environmental work. When it comes to potentially polluting activities, we ensure that all necessary licences, permits, etc. are obtained and incorporate control measures to minimise any consequences.

### Target related to pollution

Our target is to cut emissions of particulate matter from the engines of our trains to zero by 2030. This target has been set to eliminate our main source of pollution to the wider community.

**Figure 4: Particulate emissions**

**Tonnes**




We saw a 3 percent reduction in particulate emissions from train engines between 2022 and 2023. The reduction was due to reduced diesel operations with IC4 train sets. The target has been incorporated into our strategy and is expected to be achieved due to the planned replacement of diesel-powered trains with electric IC5 train sets by 2030. The phasing-out is going to eliminate particulate emissions from train engines.

### Material impacts, risks, and opportunities

As described in the section on double materiality, pollution has been identified as an area that is material to DSB. The impact is characterised as material due to our environmental impact in the form of air pollution and risks in the form of pollution to soil and water. Pollution is considered to pose financial risks to a lesser extent. Our material impacts and risks in regard to pollution will be briefly outlined below.

Our material risks of pollution are associated with train operations and with the maintenance and preparation of trains.

Our trains emit both greenhouse gases and particulate matter, contributing to air pollution. Besides, our train operations, maintenance and preparation may cause noise and vibration nuisance to our lineside neighbours.

For the planned maintenance and preparation of trains, we are required by law to manage and minimise the risk of pollution. Here, the material risks are pollution to soil in the form of oil and chemical spills as well as pollution to water via wastewater discharge, both of which can lead to local environmental impacts. We take a structured approach to managing and minimising these risks. To this end, we have implemented a contingency plan, and we are continuously working to prevent and minimise local environmental consequences associated with the identified risks. In case of any instances of non-compliance with statutory terms, we engage with the specific authority to remedy the matter and, in this manner, mitigate the potential risks.

**Table 4: Environmental declaration for types of rolling stock**

| Per seat kilometre | $CO_2$ g | $SO_2$ mg | $NO_x$ mg | HC mg | CO mg | Particulate matter mg |
|---|---|---|---|---|---|---|
| S-train sets (electric) | 1.4 | | | | | |
| EB locomotives (electric) and double decks | 2.0 | | | | | |
| ET train sets (electric) | 2.3 | | | | | |
| IR4 train sets (electric) | 3.5 | | | | | |
| IC3 train sets (diesel) | 20.6 | 0.1 | 126.4 | 6.7 | 14.2 | 1.0 |
| IC4 train sets (diesel) | 24.7 | 0.2 | 149.9 | 8.7 | 18.5 | 1.3 |

### Actions related to pollution

Train operations are the primary cause of air pollution from our range of activities. However, we have taken several steps to minimise this impact in the future.

**Withdrawal of diesel-powered rolling stock**

Up to 2030, the planned replacement of diesel-powered rolling stock with electric trains will remove the main source of air pollution from train operations.

The number one source of our particulate emissions is the emission of particulate matter from train engines. Diesel consumption is accompanied by emissions of NOx, HC, CO and particulate matter.

The engines meet the requirements for the best heavy goods vehicle engine at the time of acquisition, which was Euro III. This has already brought about significant cuts in total emissions of particulate matter due to the phasing-in of EB locomotives (electric) and the related phasing-out of ME locomotives (diesel).

**Noise and vibration**

As a train operator serving passengers across Denmark, we receive complaints from lineside neighbours over the course of the year.

In 2023, we saw a fall in the number of enquiries about noise nuisance to a more normal level compared to previous years. In 2022, we received an extraordinarily large number of enquiries from neighbours of the Kystbanen line and on the Køge to Næstved line in connection with the putting into service of the EB locomotives and the Double decker coaches . We also noticed an increase in air quality enquiries. These enquiries concern various matters, including the air inside the trains as well as odour nuisance from diesel smoke and during braking of IC3 and IC4 trains.

**Graffiti cleaning**

We are challenged by vandalism against our trains in the form of graffiti. This contributes to safety concerns when customers encounter graffiti sprayed onto trains, but also poses a risk of pollution of soil and water.

**Table 5: External enquiries**

| | 2023 | 2022 | Change |
|---|---|---|---|
| Noise | 43 | 73 | -41% |
| Smoke | 0 | 0 | N/A |
| Noise and smoke | 5 | 1 | 400% |
| Air quality | 25 | 7 | 257% |
| **Total** | **73** | **81** | **N/A** |

We work to reduce the environmental impact of graffiti cleaning by preventing graffiti appearing in the first place. The preventive activities include the installation of fences, surveillance, etc. We also work to reduce the environmental impact of the actual graffiti cleaning process.

The graffiti that is sprayed onto our trains contains unwanted, environmentally harmful substances. This is why we are taking action to find solutions to remove the unwanted graffiti with minimal environmental impact.

In 2023, we established a covered, closed-off facility dedicated to graffiti cleaning. This is going to improve the process and make it simpler to protect the soil and the aquatic environment.

We will continue to test solutions in 2024, for instance solutions capable of purifying the wash water with the aim of being able to discharge the water to sewer. In 2024, we will also continue our work at establishing more locations where graffiti cleaning can be done at a dedicated facility.

## Contamination of soil

We undertake a range of activities that involve a risk of soil contamination, for example in connection with oil spills when refuelling trains. We take action to prevent these incidents through customised control measures. In the event of incidents, we engage in dialogue with the relevant authority.

In 2023, we experienced a soil contamination case that involved a spill accident on one of our sites in Horsens. About 1,500 litres of diesel from a construction tank were spilled. The contaminated soil was immediately dug away, and a decision not to issue an enforcement notice was made on the basis on documentation submitted to Horsens Municipality.

We are in dialogue with Guldborgsund Municipality about the enforcement notice for examination that followed an oil spill in Nykøbing Falster in 2019. There is currently no contamination.

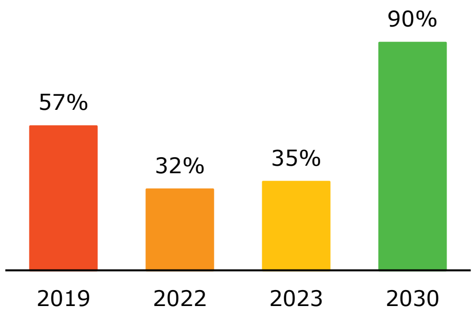
## Resource consumption and circular economy

We are working to reduce the environmental impacts of our resource consumption by being environmentally conscious in our purchasing options and when planning and implementing projects. One of the ways to achieve this is by making demands on our suppliers and business partners. We also endeavour to reduce our environmental impacts from our resource consumption by minimising, reusing and recycling as much of our waste as possible.

### Targets related to resource consumption and circular economy

DSB has set a target to reuse or recycle 90 percent of waste by 2030. This will contribute to reducing the environmental impact of waste treatment.

**Figure 5: Recycling rate**




The waste recycling rate was up by 3 percentage points on the previous year. The increase can be ascribed to our intensified focus on waste management, including better possibilities for separating waste at source in our 7-Eleven stores and in our administration. However, progress is not being made at the pace required to achieve the target, and in 2024 we will focus even greater attention on correct source separation of in-house waste across our activities and will improve the possibilities for separating customers' waste at source.

### Material impacts, risks, and opportunities

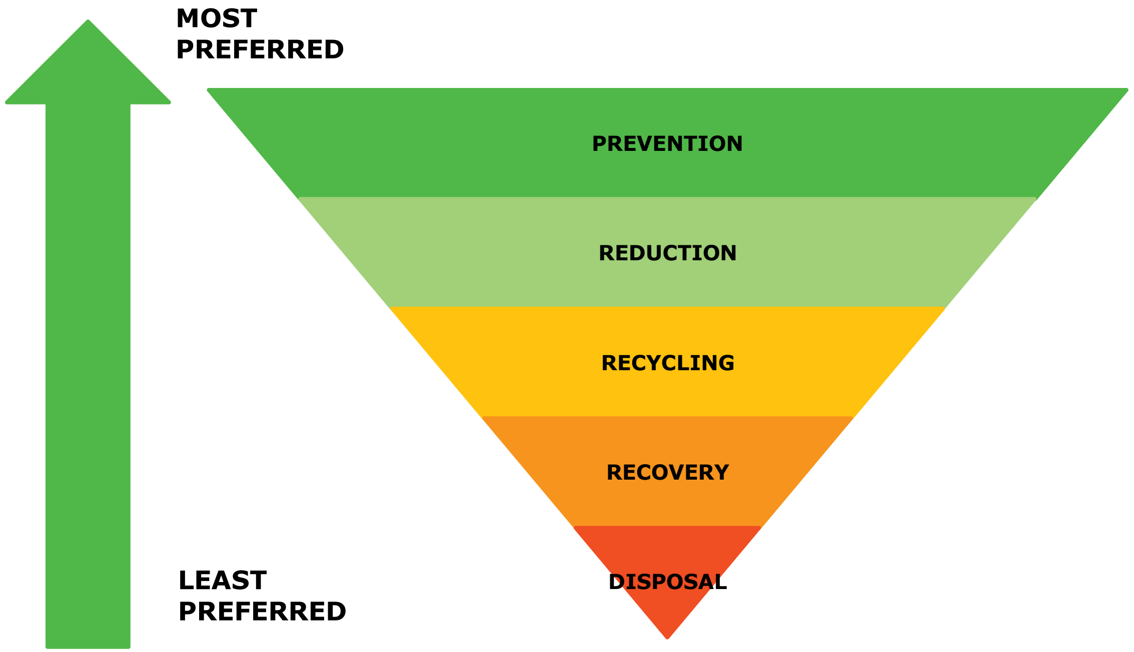
As described in the section on double materiality, resource consumption and waste have been identified as areas that are material to DSB. Our activities in both of these areas involve material environmental impacts, combined with financial risks and opportunities associated with them.

**Resource consumption**

Train operations and planned maintenance are associated with a considerable resource consumption, resulting in significant environmental impacts. This applies, for example, to spare parts and materials associated with the maintenance, inspection and conversion of our trains, and to the maintenance and rebuilding of our stations, workshops and other properties.

In addition, the environmental impacts of the products we buy and use vary substantially. For instance, the climate impact of our spare parts is particularly high. Spare parts account for 9 percent of our overall climate impact. This is largely due to the fact that the materials used in the production of our spare parts are very energy-intensive, resulting in high greenhouse gas emissions.

We manage this impact and risk by minimising our usage of new spare parts. One of the ways we achieve this is by reusing replaced components that have remaining useful lives. This is done in cooperation with our supplier of braking systems, Knorr-Bremse, which receives our replaced components and examines whether they are recyclable. In addition, through increased use of condition-based maintenance, we seek to optimise the consumption of spare parts.




Besides, we expect the phasing-in of tomorrow's IC5 electric trains and the phasing-out of existing diesel-powered trains to reduce the consumption of spare parts.

**Waste management**
Moreover, environmental impacts and a range of risks and opportunities are associated with our waste management. Our total waste volumes correspond to the waste generated by 20,000 households annually. We manage waste from customers, workshops, stores, sites and building projects.

## Actions related to resource use and circular economy

**Extension of the useful lives of trains**
We operate our train fleet in a way that not only ensures onboard passenger comfort and efficiency, but also protects the environment for future generations. An essential part of this effort is our strategy to extend the useful lives of trains and to reuse the trains when they have reached the end of their service life at DSB. The production of new trains entails considerable resource consumption, which is associated with climate and environmental impacts.

By investing in upgrades and planned maintenance, we can significantly extend the lives of trains. This approach reduces the need to produce new trains, which in turn reduces the overall environmental impact considerably. Life extension of rolling stock thus contributes directly to the reduction in raw materials consumption and waste generation, supporting circular economy and resource efficiency.

**Recycling of waste**
Our commitment to increasing the amount of recycled waste is targeted at both the waste we generate ourselves and the waste that comes from our customers. We endeavour to make it possible for our customers to separate their waste easily and conveniently.

Today, 10 of our stations offer the possibility of separating waste into three fractions. So far, the solution has not improved the waste recycling rate. Incorrect separation of food waste is too frequent and, consequently, the waste cannot be utilised for biogas production.
We expect to extend the waste separation scheme to more stations in 2024 and 2025, planning to roll out uniform waste separation at all S-train stations and, in addition, at 10 Long-distance & Regional train stations. DSB will offer waste separation at approx. 125 stations by the end of 2025.

In 2023, we also started an experiment with waste separation on S-trains and IC4 trains. On these trains, waste is separated into two fractions. Here, too, we have not managed to minimise incorrect separation behaviour sufficiently for the food waste to be converted into biogas. The experiment will continue in 2024.

Moreover, we have established post-separation of our customers' waste on trains at two preparation centres (Aarhus and Fredericia) in addition to the centre in Kastrup where post-separation has been standard practice for years. At the preparation centres, the waste is emptied from the latest journey of the train sets. At this point, the waste is post-separated manually by employees into up to seven fractions. The solution minimises the challenges of separating at source and ensures a high waste recycling rate.

**Bricks and steel rafters are reused**
In connection with the demolition of an old building from the 1950s in Agerbæk, DSB is going to reuse the old bricks and steel rafters in a pilot project. The production of new building materials has a material climate impact, and the practice of reusing the building materials therefore has substantial potential for mitigating adverse climate impacts. After demolition, the old bricks will be cleaned and later reused in new DSB buildings. The same applies to the old steel rafters, which, instead of being cut up for scrap, will also be reused in other building projects. Altogether, we expect to reuse over 240 tonnes of materials from the old building, and in direct comparison with using new bricks and steel rafters, we can save over 50 tonnes of $CO_2e$ by reusing the materials.

## Waste treatment
Our total waste volumes were down by 13 percent between 2022 and 2023. The decline is partly due to the possibility of separating waste generated by external tenants, which is therefore no longer included in the calculation.

**Table 6: Waste disposal**

**Waste disposal in tonnes**

| | 2023 | 2022 | Change |
|---|---|---|---|
| Recycling | 2,436 | 2,462 | -1% |
| Incineration | 3,108 | 3,583 | -13% |
| Special treatment | 1,380 | 1,809 | -24% |
| Landfill | 36 | 45 | -21% |
| **Total waste, excluding construction waste** | **6,960** | **7,899** | **-12%** |
| Recycling | 48 | 95 | |
| Incineration | 9 | 21 | |
| Special treatment | 21 | 3 | |
| Landfill | 11 | 69 | |
| **Construction waste** | **89** | **188** | |
| **Total waste volume** | **7,049** | **8,087** | |

As the number of construction and development projects varies from year to year, we also see large variations in waste volumes. In 2023, there were few construction and development projects that generated construction waste. This contributed to the reduction in total waste volumes.

# Social

# Social

DSB's targets and policy for the gender composition and diversity of management are set out below in accordance with the reporting requirements laid down in sections 99a, 99b and 107d of the Danish Financial Statements Act.

## Diversity, equality and inclusion

DSB's purpose – 'A sustainable way forward with room for all of us' – sets the direction for our diversity efforts. Our goal is to create a diverse workplace in terms of gender, age, ethnicity and education. Our ambition is to be a workplace where our employees reflect the Danish society we serve.

We work determinedly to be a workplace with equal access and opportunities for all employees. We want all employees to have a sense of community and belonging with DSB as a workplace and to feel respected for their views.

An important criterion for success in our diversity efforts is to achieve a more equal gender distribution and increased representation of women in management.

DSB's policy on diversity and equal opportunity underpins our commitment to ensure that DSB is an attractive workplace with equal treatment of applicants and employees of different backgrounds, including in terms of education, age and ethnicity. The policy is applied to attract, develop and retain members of the Board of Directors and Executive Board as well as other managers and employees with strong skills to ensure the continued success of our corporation.

To ensure compliance with the policy, the focus in the recruitment process is on diversity and inclusion in choosing the right candidates for management so as to achieve a more diverse composition of employees.

DSB's diversity policy, which supports the goal of a more balanced gender distribution, is available at www.dsb.dk.

DSB's target for women in management is 38 percent by 2025, and rising to 40 percent by 2030.

The diversity strategy has four strategic priorities:

- Gender diversity – a more balanced gender distribution at DSB
- Inclusive management and culture – curiosity, involvement and acceptance of differences
- Ethnicity – international employees – we make room for everyone
- Social responsibility – adapted jobs, integration and education for the future

All departments are working actively to translate the diversity strategy into concrete action plans that can deliver the overall strategy of improved gender balance.

**Gender diversity**

We have a specific strategic focus on achieving greater gender balance. Studies show that companies that succeed in achieving increased representation of women pave the way for increased representation of different minority groups as well. A higher percentage of female managers is therefore a target, which will also pave the way for increased inclusion and diversity in other areas. Specifically, we have set a target of minimum 38 percent women out of the total number of managers with HR responsibilities by 2025, and 40 percent by 2030.

We have implemented stricter requirements of targets and policies with respect to the underrepresented gender effective from 1 January 2023. By focusing on diversity in the recruitment process and establishing networks for women with leadership ambitions, we work actively to attract and develop talented women with a view to increasing the proportion of female managers.

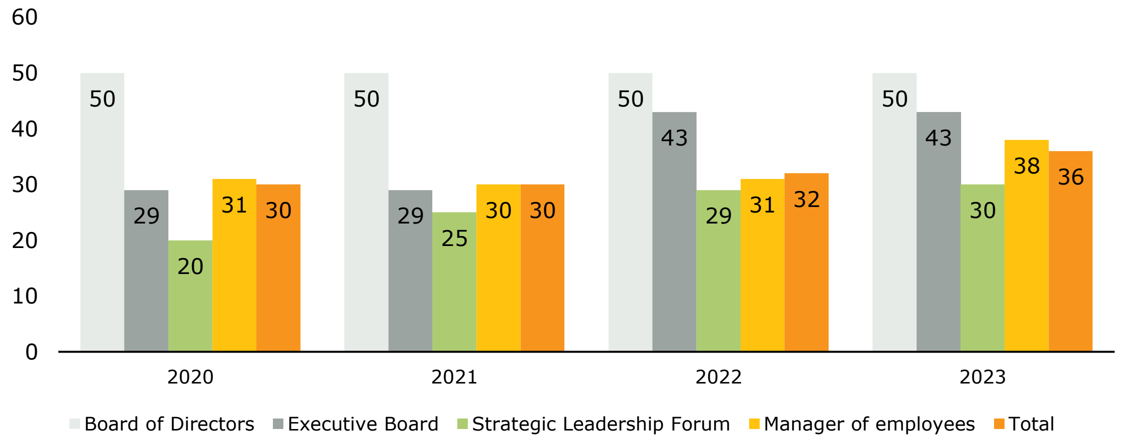
The targets will be achieved as part of the natural turnover of employees at DSB.

In addition, we support initiatives aimed at increasing the proportion of female managers in society at large. To this end, we have signed the Gender Diversity Pledge of Danish Industry and the Women in Rail agreement through the Community of European Railway and Infrastructure Companies (CER).

Figure 6 shows that our focus on diversity has resulted in a higher proportion of female managers at DSB.

**Figure 6: proportion of female managers at different organisational levels**

**Proportion in percentage**



## Gender distribution on DSB's Executive Board and Board of Directors

**Board of Directors**
In 2023, DSB's Board of Directors comprised six members appointed by the Minister for Transport at the annual meeting, as well as three members elected by the employees.

The proportion of the underrepresented gender on the Board of Directors was 50 percent in 2023, corresponding to an equal distribution and the target set by the Board of Directors.

From 2024 onwards, the proportion of the underrepresented gender is expected to be retained at minimum 50 percent.

**Other management levels**
DSB's management levels 1 and 2 comprise 50 members, of which the underrepresented gender accounted for 30 percent in 2023.

DSB has set a target of at least 38 percent women at all levels of management, including management levels 1 and 2 by 2025, and at least 40 percent by 2030.

Table 7 shows the composition of DSB's Board of Directors and other management levels, including the proportions of the underrepresented gender.

The table also shows expectations of future targets for the proportion of the underrepresented gender both on the Executive Board and at other levels of management.

Despite our focus on diversity and inclusion in the recruitment process, DSB has not achieved the target for the underrepresented gender in managements positions at management levels 1 and 2.

**Table 7: Gender distribution on DSB's Board of Directors and at other management levels**

| | **2023** |
|---|---|
| Board of Directors | |
| Number of members[1] | 6 |
| Underrepresented gender | 50% |
| Target | 50% |
| Year of target achievement | 2023 |
| Other management levels (levels 1 and 2) | |
| Other members | 50 |
| Underrepresented gender[2] | 30% |
| Target | 35% |
| Year of target achievement | 2023 |

[1] Not including board members elected by employees.
[2] Having signed the Gender of Diversity Pledge of Danish Industry, DSB has set a target of 40 percent of the underrepresented gender by 2030.

**Inclusive management and culture**
Succeeding with DSB's target for women in management requires a focused effort across the entire business.

In 2023, we introduced an updated manager-employee model as a catalyst of inclusive behaviour. As part of the implementation of this new foundation for management, all managers have been trained in inclusive management, driving the diversity agenda within their own areas, and involving and training own employees.

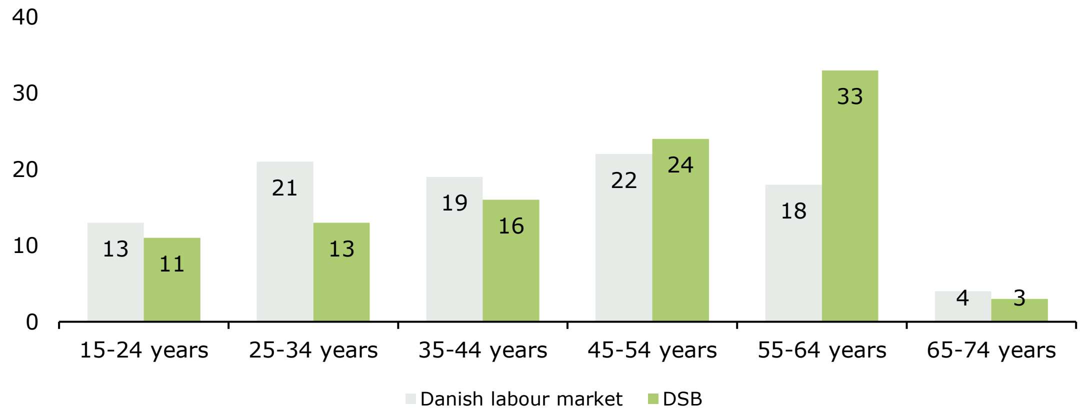
**Age**
We have set a target for the age composition at DSB to reflect the Danish workforce at large. To reach this target, we have formed strategic partnerships with universities and vocational colleges.

We have introduced a graduate programme, Growth, where young graduates are provided with knowledge and tools to get off to a good start in their working life and quickly acquire knowledge, in lieu of experience, enabling them to contribute faster and feel valued.

Also, we have established a network for Young Professionals at DSB. The focus is on strengthening the young employees in their professional role and providing a space for exchanging experience on being newcomers in the labour market.

The average age at DSB is 46.4 years, compared with 44.4 years in the Danish labour market.

**Figure 7: Age distribution – all employees of DSB compared to Danish labour market**
**Percent**

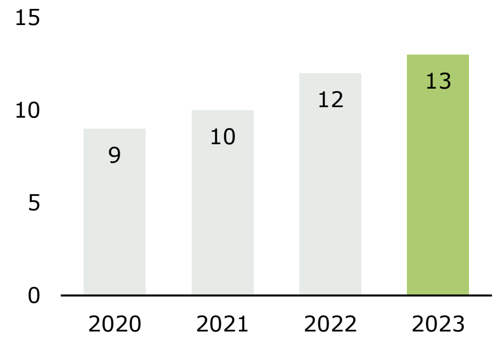



**Ethnicity**
The dedicated work to make room for all ethnicities and carry a greater social responsibility will contribute to a more inclusive culture and increased diversity among our employees. This will have a positive effect on various minority areas – also among employees of other ethnicities.

The target for 2023 was 15.1 percent, which reflects the ethnicity in the Danish population. The target for 2023 was not met, but we achieved significant progress among employees of other ethnicities compared with the preceding years.

The target for 2024 is 15.4 percent, which reflects the composition of the Danish population.

**Figure 8: Proportion of employees of other ethnicities than Danish – immigrants and descendants**
**Percent**




**Social responsibility**
DSB collaborates closely with job centres in and around Copenhagen with a view to offering adapted schemes such as traineeships and job testing to citizens on the edge of the labour market, which we consider as part of our social responsibility.

In 2023, we entered into a partnership with AspIT, a vocationally oriented IT educational institution for young people with autism spectrum disorder (Asp). Through this partnership, we can offer traineeships to students with special competencies, which may potentially lead to permanent positions. The initiative is part of our ongoing efforts to promote an inclusive and diverse workplace.

In 2023, we made a targeted effort to attract more students and trainees,

**Equal pay**
DSB is committed to ensuring equal pay between genders in the same jobs at the same level. To this end, we lay down objective criteria for pay supplements, pay grading and pay setting, for example relevant work experience, education, profile and qualifications for the position concerned.

Moreover, DSB's position structure enables a comparison of pay for positions deemed to be of equal complexity, which can be used for analysis of equal pay and other purposes. An analysis of equal pay between genders in the same jobs at the same level in 2022, made in collaboration with Mercer, showed an overall gender pay gap of 0.04 percent.

Lastly, the Remuneration Committee oversees the current status of equal pay.

## Increased safety and security at train stations across Denmark

Patrolling guards and increased surveillance contribute to reducing violence, vandalism and graffiti at S-train stations across the country.

Since August 2022, commuters may have come across uniformed guards at selected S-train stations in the Greater Copenhagen area.

This means that a number of guards will daily be patrolling 29 stations on Ringbanen and the line between Hellerup and Copenhagen Central Station. These guards will be particularly visible during evening and night hours.

The guard system is designed to be flexible, which means that the number of guards and stations can be adjusted up or down if the situation changes.

**Increased surveillance at stations**
The surveillance cameras at the stations are being upgraded markedly. As many as 700 new cameras will be installed at 46 stations to improve image quality and enhance passengers' sense of security.

DSB's surveillance department will also see a staffing level increase. Going forward, staff will be available 24 hours a day for handling video surveillance tasks in addition to the guards patrolling the stations.

**Activity and initiatives at stations**
Outside the large cities, we launch initiatives aimed at creating a lively atmosphere at the stations. This includes initiatives that support and promote developments in the local communities.

Among other projects, the station buildings in Kalundborg, Ringe, Ringkøbing and Svendborg will be completely refurbished.

The refurbishment will be carried out with due respect for the history of the buildings while integrating sustainable solutions, which will optimise energy consumption while accommodating customer needs, for example with improved bicycle parking facilities.

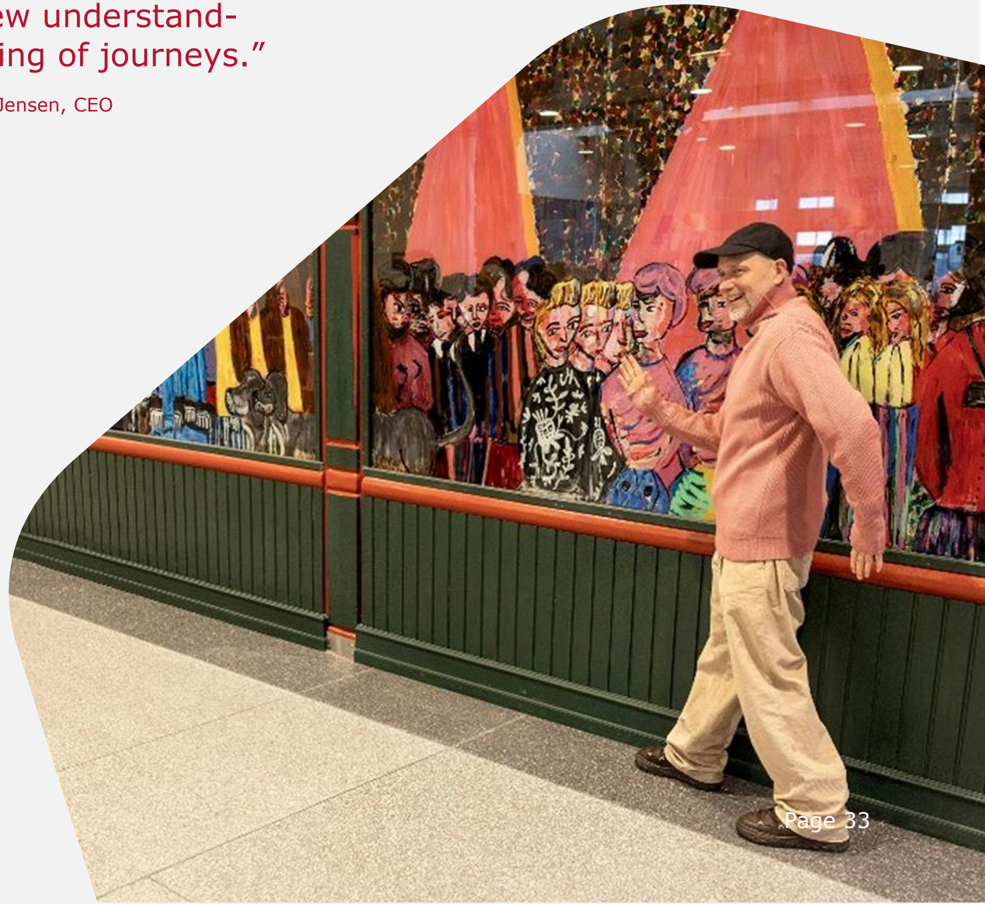
At Østerport Station, a new glass mosaic in the hinterglass technique with the title ”Rejsen begynder her” (the journey starts here) by acclaimed artist Tal R was revealed. The photo on the right shows the artist when the work was presented on 12 December 2023.

The artwork measures 3.40 x 4 metres and will become a distinct and inevitable part of the journey and experience for the thousands of people using the station every day.

The work was created thanks to donations from A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Augustinus Fonden, Ny Carlsberg-fondet, Villum Fonden and William Demant Fonden.

”I'm proud that we can bring such a distinct piece of art to life at one of the most beautiful train stations in Denmark. The work also completes the extensive refurbishment of Østerport Station and lends it a new and lively expression, giving our passengers a new understanding of the meaning of journeys.”

Flemming Jensen, CEO



# People

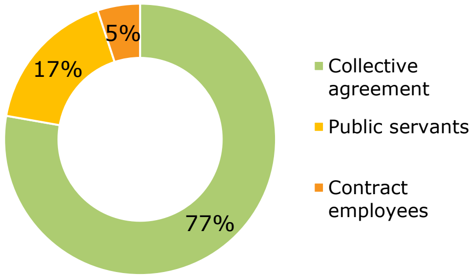
### Collective agreement coverage and social dialogue

The employment and pay conditions of our employees are extensively determined by central collective agreements entered into with relevant trade organisations in the transport sector and in industry. We are a member of Danish Industry (DI), Denmark's largest business and employers' organisation.

DSB has entered into several collective agreements for our employees. We have entered into three of DI's industry-wide agreements – the Industrial Agreement (Industriens Overenskomst), the Collective Agreement for Salaried Employees in Industry (Industriens Funktionæroverenskomst) and the Railway Collective Agreement (Jernbaneoverenskomsten). In addition, we have concluded three collective company agreements, a collective store agreement applying to sales assistants in our 7-Eleven stores, a collective agreement for Kaffeexpressen applying to our employees handling onboard sales and a collective agreement applying to academic employees in the organisation.

- 77 percent of all employees are covered by a collective agreement
- 17 percent of our employees are civil servants, whose employment and pay conditions are determined by the Danish Employee and Competence Agency under the Ministry of Finance
- 5 percent of our employees are managers employed on contractual terms in accordance with the provisions of the Danish Salaried Employees Act

**Figure 9: Employees by terms of employment**




Due to our membership of DI, the Management Agreement concluded between the Confederation of Danish Employers and the Danish Association of Managers, Maskinmestrenes Forening and Dansk Formands Forening applies to our managers who are members of one of the trade unions mentioned.

### Process for engaging with own employees and employee representatives about impacts

In order to ensure healthy and safe working conditions as well as higher employee wellbeing, equality, integration and security, we have organised a structured and systematic collaboration with employees through a joint consultation committee and an occupational health and safety committee with the participation of management representatives and representatives elected by the employees at all levels of DSB.

### Joint consultation committee

The terms of reference for the joint consultation committee are laid down in a cooperation agreement establishing a main joint consultation committee, which sets up a number of joint consultation committees and any sub-committees, which may be permanent or temporary.

The joint consultation committees discuss matters to ensure respect for human rights:

- Establishment of principles for conditions for local working conditions and wellbeing as well as principles and policies applicable to employees for the groups of employees represented on the joint consultation committees. This includes discussions of efforts to identify, prevent and handle problems in association with work-related stress, bullying, harassment, sexual harassment or violence
- Preparation of principles for training and retraining of employees who are to operate new technology
- Determination of principles for our internal collection, storage and use of personal data in accordance with the EU's General Data Protection Regulation
- Preparation of principles for a general training policy
- Exchange of views and discussion of proposals concerning guidelines for production and work organisation and implementation of major restructuring
- Assessment of the technical, financial, employment, employee, training and environmental consequences concerning the introduction of new technology or changes to existing technology, including new technology and systems, where such introduction or change is extensive.
- Preparation of principles for a progressive retirement policy
- Notification of proposals for the conceptual structure, function and usability of any productivity-enhancing pay systems as well as opportunities for establishing foundations with educational purposes
- Preparation of principles for equal treatment and integration in accordance with supplementary agreements in this regard between the Confederation of Danish Employers and the Danish Trade Union Confederation
- Employee satisfaction and wellbeing, including the psychological working environment
- Work-related stress.

All joint consultation committees hold four scheduled meetings annually and any extraordinary meetings.

The members of the main joint consultation committee are representatives of DSB's Executive Board and senior trade union representatives from each trade organisation. DSB's CEO is chair of the main joint consultation committee, and the senior trade union representative of the union of Danish railway workers, Dansk Jernbaneforbund (DJF), the head of local locomotive staff, is vice chair, which means that discussions take place at the highest level of our corporation.

In 2023 we increased the awareness of DSB's wellbeing course: "Mindre stress – mere trivsel i DSB" (Less stress, more wellbeing at DSB) aimed at strengthening our employees' ability to recognise their own and others' stress signals while getting tools to establish and maintain a good work-life balance. The course has three parts and is available as e-learning modules targeting employees, managers and trade union/health and safety representatives, respectively.

Stress management workshops have been held for management teams to provide them with tools for preventing stress and supporting employees suffering from stress and helping them back at work.

In addition, several workshops have been held for managers and for selected departments in handling abusive behaviour at DSB.

**Social protection**
All our employees are covered by social security schemes such as the Danish Labour Market Supplementary Pension Fund (ATP) and Labour Market Insurance (AES). In addition, DSB has taken out private workers' compensation insurance (work accidents) and private health insurance.

Furthermore, all our employees are covered by a pension scheme which, in addition to pension savings, includes insurance cover for loss of earning capacity, disability and death.

All our employees receive full pay during parts of their maternity/paternity, child-care and adoption leave. This is governed by our collective agreements and corporation policies.

In the Danish labour market, employees are free to choose whether to join an unemployment insurance fund, and DSB therefore has not taken out any such insurance.

**People with disabilities**
DSB is committed to inclusion and diversity through our diversity policy. However, we currently do not record the number of employees with disabilities as this involves sensitive personal data related to health, for which we find no legitimate basis to record according to the General Data Protection Regulation (GDPR) and the Danish Health Information Act.

**Processes mitigating adverse impacts and channels for own employees to raise concerns**

**Employee representatives**
We have a sharp focus on ensuring a healthy and safe working environment at DSB and cooperate with employees to foster and maintain a good physical and psychological working environment for all employees – with openness and respect for each other's differences and limits.

All our employees – except for managers employed on a contract basis – have employee representatives, both in the form of health and safety representatives and trade union representatives. These representatives can raise concerns or demand that issues be discussed in our cooperation forums, e.g. in the health and safety organisation and the joint consultation committee.

By virtue of their role, health and safety representatives and trade union representatives are protected against dismissal.

**DSB supports the labour law system**
DSB is a member of DI and supports the labour law system in relation to employees under collective agreements.

This system ensures that employees can raise and settle disputes with their employers in the labour law system through their respective trade organisations. Employee representatives and the trade organisations can also raise cases concerning the interpretation of collective agreements, local agreements or practice directly against DSB's management, which will deal with such cases in accordance with applicable labour law rules in the field concerned.

**Internal reporting channels**
It is essential that information on irregularities at DSB be brought to light. Employees are often the first ones to discover irregularities, fraudulent behaviour and the like. However, even an open corporate culture is not always sufficient to ensure that the information is passed on to the correct recipient.

Under DSB's whistleblower scheme, employees and external stakeholders can submit anonymous or non-anonymous reports of objectionable matters. The scheme is described in detail under Governance below.

In cases about abusive conduct, we have furthermore established a channel to HR through which employees can contact HR Health & Safety confidentially. We have drawn up clear guidelines for handling abusive conduct at DSB. These guidelines are available on DSB's intranet and can be accessed by all employees.

**Focus on employee wellbeing**
We seek to promote the wellbeing and engagement of our employees with a view to solving core tasks in a professional and meaningful way, while strengthening DSB as an attractive workplace. Our efforts include both initiatives to promote employee wellbeing and engagement and initiatives to prevent and handle abusive conduct, bullying and harassment. We believe wellbeing and engagement is something we achieve together and something we are all responsible for. DSB has therefore set a target for employee satisfaction. We also want to invest in employee retention and measure the employee turnover rate.

Satisfaction surveys are performed once a year across DSB. Responsibility for following-up on survey results lies with the immediate superior, and dialogue meetings were held with employees and employee representative to follow up on the results and decide on initiatives to retain and enhance employee satisfaction.

There are relatively large differences between results, with low satisfaction scores among customer-facing employees in particular, but the general trend in employee satisfaction at DSB is positive.

Over the coming year, we will work actively to improve employee satisfaction at DSB and to promote equality and diversity throughout the organisation. Efforts will include workshops and seminars targeting our employees across the organisation aimed at raising their understanding of the human rights principles.

The objective is to raise our employees' awareness of these rights and engaging them in protecting and promoting these rights throughout the organisation going forward.

# Occupational health and safety

## Strategic focus on occupational health and safety

A central element of DSB's strategy is the development of our employees and culture while being competitive and sustainable.

Responsibility for the health and safety policy lies with Group management, and the policy applies to all DSB employees as well as external suppliers operating in DSB's areas. The policy sets out DSB's basic positions, including that work accidents can be prevented and that it is possible to create a healthy and safe working environment. These positions are implemented by:

- Developing and conforming to DSB's occupational health and safety management system and complying with applicable agreements and legislation in this area
- Setting goals for health and safety efforts and following up diligently
- Reducing and preventing work accidents and occupational diseases
- Working systematically and in a preventive manner to reduce risks of working environment impacts
- Working with ongoing improvement of the working environment and the health and safety management system
- Supporting employees who have been exposed to an incident
- Engaging employees through the health and safety organisation.

All DSB workplaces should be perceived as having a common approach to an effective health and safety effort which supports the day-to-day work via specific initiatives, policies and guidelines. The key issue is that occupational health and safety should be a natural part of the day-to-day planning and performance of work – through advice and guidance from the health and safety organisation and skills development of employees.

The health and safety policy is communicated through relevant channels to DSB's management forum and the health and safety organisation. Managers are responsible for implementing the policy within their respective fields.

The health and safety policy is available to employees on DSB's intranet and externally at www.dsb.dk.

It is assessed whether the health and safety policy is relevant and appropriate at the annual health and safety discussion in the health and safety organisation and at the management evaluation.

## Health and safety organisation

DSB's health and safety organisation has three levels comprising a strategic health and safety council, four health and safety committees and various health and safety groups.

The health and safety committees plan and coordinate the local health and safety initiatives and ensure that the principles laid down in DSB's health and safety policy and management system are dealt with effectively and preventively in the health and safety organisation.

The health and safety council is DSB's supreme liaison body and coordinating forum on health and safety issues. The COO is chair of the health and safety council. The health and safety council discusses and implements both current and long-term key action areas for improving the working environment. Health and safety initiatives are prioritised, and DSB's efforts are discussed and evaluated, focused on building a systematic and preventive health and safety framework.

The entire health and safety organisation at DSB takes part in the annual health and safety discussion where health and safety activities for the coming year are planned and initiatives and results of the preceding year are evaluated.

The health and safety council, committees and groups each hold four annual meetings.

In addition, an annual health and safety conference is held for the health and safety organisation, which is focused on skills development and knowledge sharing.

Employees are engaged and involved in health and safety initiatives at the relevant level of the health and safety organisation, including in the preparation of the health and safety policy, target setting, handling of incidents, risk assessments to identify risks and opportunities, and preparation of action plans.

All employees are free to contact the health and safety organisation if they experience health and safety challenges or see an opportunity for improvements.

## Certified to the occupational health and safety standard ISO 45001

All DSB locations and wholly-owned undertakings are certified according to DS/ISO45001. All DSB employees as well as consultants, temps, contract staff and other employees working at DSB's locations are covered by DSB's occupational health and safety management system.

Compliance with the ISO45001 standard is supported by an occupational health and safety management system that ensures a systematic and preventive approach to health and safety activities, including compliance with applicable legislation in this field. This means that DSB identifies and controls health and safety risks and opportunities, sets goals, prepares action plans and carries out activities that improve DSB's health and safety performance. The occupational health and safety management system is available to DSB employees through DSB's intranet.

Focusing on employees' physical and psychological working environment through concrete measures and a systematic and structured approach to health and safety initiatives, DSB is making a sustained effort to reduce work accidents and sickness absence.

We are committed to retaining the occupational health and safety certification.

Force Certification A/S, an independent certification body, makes an annual external audit of DSB's occupational health and safety management system.

Internal audits are conducted on an ongoing basis to check the implementation of the system in the business areas.

Audit results are reported to Group management in connection with the annual management evaluation process.

According to the report on the external audit in spring 2023, management at all levels supported the health and safety strategy and targets. In addition, the health and safety management system was regarded as robust and well-implemented, ensuring processes for ongoing improvements. The report also noted a high degree of consultation and engagement of relevant employees and health and safety representatives in change processes.

The deviations identified were all remedied satisfactorily on time, and DSB thus retained the certification.

## Work accidents

DSB has a well-established practice of reporting work accidents and near accidents. We have developed an IT system enabling everybody to report a work accident or a near accident (also called 'near miss'), on their own or others' behalf. Reporting has been made simple and easy by PC, mobile phone or tablet. Cases are processed by the local health and safety group and quality assured by HR Health & Safety before being reported to the authorities. We have decided to report all work accidents regardless of whether they result in absence.

The data are used for statistics and reports showing all work accidents and near accidents, including type and cause and in which organisational unit. Data are accessible by everyone at DSB and used actively in the individual areas to make improvements.

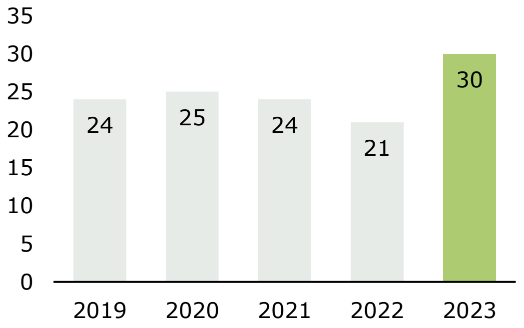
DSB has a special focus on serious work accidents causing 21 days of absence from work or more.

The number of serious work accidents rose in 2023, driven by a rise in incidents of violence, threats and falls/trips.

Other serious work accidents were injuries due to twists, squeezes and shocks and occurred at workshops in connection with operation of machinery and among customer-facing staff, primarily in connection with work onboard the trains.

**Figure 10: Serious work accidents**

**Work accidents causing 21 days of absence or more**




The number is expected to fall in 2024 as a result of our initiatives to reduce work accidents due to violence, threats, falls and trips, and our general focus on occupational health and safety.

Violence and threats of violence from external persons are a serious occupational hazard, especially for our customer-facing units onboard our trains, on platforms and in convenience stores and ticket offices.

DSB makes every effort to constantly becoming better at preventing and managing these situations. Our efforts include conflict management courses, local initiatives and strong backing from management with respect to safety and own health taking priority above all else.

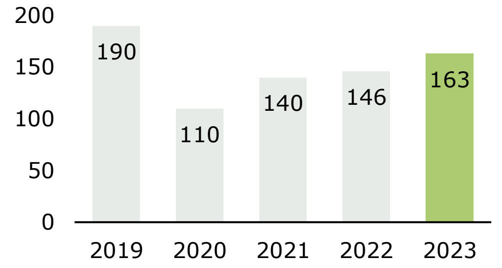
One of the places with most incidents of this type was among train staff in connection with ticket checking. Carrying body cameras as a voluntary option has proved effective.

The number of work accidents due to violence and threats rose from 146 in 2022 to 163 in 2023. The rise related mainly to work accidents with no absence and may, in part, be a result of our focus in 2023 on reporting of incidents of violence and threats.

In addition, accidents or near accidents involving collisions with people are a big challenge. Many of these incidents are due to external persons intentionally or unintentionally being present on the track or platforms and causing a risk of collision. There is a well-functioning preparedness system in place for handling such incidents when they occur. DSB is collaborating closely with Banedanmark to minimise such incidents, which will continue in 2024 and focus on developing barriers for the most exposed areas.

**Figure 11: Work accidents due to violence and threats**

**Number of accidents**




## Reduction in the number of work accidents

DSB has set a long-term target of reducing work accidents causing absence (LTIFR*) by 50 per cent to 6.4 from the 2022 recorded in 12.7.

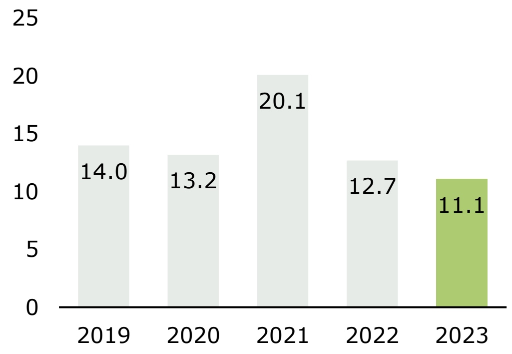
** Lost time injury frequency rate, the number of lost time injuries per 1 million hours worked*

LTIFR decreased from 12.7 in 2022 to 11.1 in 2023, and there is a favourable trend over the years, except for 2021, which was characterised by multiple Covid-19 incidents.

The decrease was due to a systematic analysis of causes and scope as well as the focus on preventing work accidents, preparing action plans and implementing activities aimed at continued improvement of the working environment. The target for 2024 is a 10 per cent reduction.

**Figure 12: Lost time injury frequency rate**

**Number of accidents**




## Material health and safety issues, risks and opportunities

Material health and safety issues are identified on the basis of input from, i.a., work accidents, near accidents, occupational diseases, working environment reviews, workplace assessments, audits or in connection with changes/change activities, using DSB's materiality criteria.

The health and safety organisation is involved in the work of identifying hazards, assessing risks and opportunities and determining actions to eliminate hazards and reduce health and safety risks.

Material health and safety issues are assessed in terms of risk and in terms of opportunities/improvements. Material health and safety issues are managed and monitored locally, e.g. risks of violence and threats in the customer-facing areas.

## Workplace assessment

A workplace assessment ('APV survey') is performed every two years and is an important indicator of the working environment. In 2023, a high response rate of 82 percent was recorded, indicating an overall increase in satisfaction. The APV survey for 2023 showed continued challenges with stress as well as violence and threats from external persons.

Action plans are drawn up locally and by the health and safety committees. The action plans reflect the response in the areas and are particularly focused on improvements in the following:

- Stress
- Abusive conduct
- Violence and threats in the customer-facing areas
- Falling and tripping accidents in operating areas

The action plans are reviewed regularly through management and the health and safety organisation.

## Absence due to sickness

DSB's absence strategy supports our strategy of developing our employees and culture. The purpose of the absence policy is to have satisfied and healthy employees and to provide support to sick employees. Because of the close connection between wellbeing and sickness absence, DSB wants to establish settings that promote wellbeing and minimise sickness absence – not least by being an attractive workplace focused on prevention and a good working environment that underpins a sustainable working life.

Sickness absence is handled early in and during the process with the necessary consideration, respect and integrity. We are working on system-supported processes so as to minimise absence and keep the employee at work. If this is not possible, the employee must be ensured a quick resolution of the situation. DSB also offers a preventive and curative health insurance, contribution to fitness scheme, etc.

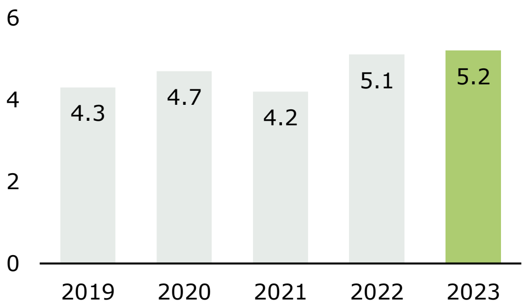
Sickness absence is defined as the average sickness absence as a percentage. Sickness absence in 2023 was on a level with 2022. In 2023, we had particular focus on short-term sickness absence between 1 and 14 days, which saw a large decline. By contrast, long-term sickness absence (>14 days) increased.

In 2023, efforts included improving reports and system support for managers as well as offering all DSB employees vaccines against the flu and Covid-19.

The target for 2024 is a 4.9 percent reduction, to be achieved through targeted analysis and development of new measures in areas with high levels of sickness absence, including training of managers.

**Figure 13: Absence due to sickness**

**Sickness absence (percent)**




## Railway safety

Again in 2023, our safety certification to operate public rail services with Long-distance & Regional trains and S-trains, respectively, was subject to supervision by the Danish Civil Aviation and Railway Authority, which must be conducted at least quarterly.

In this connection, we demonstrated that we satisfied applicable requirements for railway safety and maintenance. We presented our work on the focus areas with respect to safety improvements and our focus on safety indicators and targets. Furthermore, we monitor the performance of our external suppliers.

In 2023, we continued the integration of the maintenance activities following the merger between DSB SOV and DSB Vedligehold A/S. With the ECM certification achieved in 2022, our safety certificates now also cover maintenance of Long-distance & Regional trains as well as S-train maintenance.

### Prevention of injuries and significant accidents

In 2023, we maintained our ambition of reducing the number of significant accidents to a maximum of 10 significant accidents. In 2023, we recorded 12 significant accidents (2022: 18), mainly made up of personal accidents as in the preceding year, and one accident caused by a fallen overhead line.

Since 2022, we have had a long-term strategic goal stating that no customers should be injured onboard our trains. Since the train accident on the Great Belt bridge in 2019, no passengers have been seriously injured onboard DSB's trains as a consequence of railway safety incidents.

### Campaigns to promote safe behaviour

Over a number of years, we have seen far too many serious accidents on platforms and railway areas in Denmark. The reasons are most often inattention, alcohol and ignorance. In many cases, the victims are young boys in their teens. Over the years, we have launched a number of safety campaigns directed at specific target groups by using platforms and messages that reach the specific target groups where they interact in the digital world or the real world. That way, they will notice the messages.

In 2022, this involved collaborating with the Danish rapper ICEKIID to raise awareness of safety, especially among teenagers. In 2023, we worked on the award-winning campaign DSB Safety in Minecraft. The activities target children aged 8+ and take place in Minecraft Education in a virtual version of Copenhagen Central Station. This initiative uses interactive exercises to teach children about the potential dangers of train travel. We hope that the importance of taking care of yourself and each other near the railway tracks will set in as a permanent lesson and understanding with the young generation.

Based on the data accumulated, our campaigns have become more differentiated over the years. Impact surveys show that the campaigns are well received by the target groups. The relatively low number of accidents makes it difficult to determine the direct impact of the campaigns, but in our view, every personal accident is one too many. Accordingly, we will continue our work of improving railway safety and preventing accidents.

### New technology helps prevent collision with persons

In 2023 we continued testing a system to detect people on the tracks. The testing took place at Nordhavn Station. This initiative can help stop a train before it hits a person – either a person who is inadvertently in danger or a person who is attempting to commit suicide. Against this background, we continued our joint effort with Livslinien (a suicide prevention hotline) on a research project on initiatives for prevention of suicide and attempted suicide on the rail network. The research project is supported by TrygFonden and runs until 2028. If possible, Livslinien records whether the signboards with contact information installed at the stations where suicides or attempted suicides have most often occurred have been instrumental in the calls received.

### Prevention of signal overruns is a permanent focus area

Again in 2023, the number of signal overruns (A-B-C) was below the safety target for the year. Full implementation of the new Communication Based Train Control (CBTC) signalling system has been instrumental in reducing the dangerous signal overruns on the S-train network.

With the implementation of CBTC, the role of the train driver has changed from driving the train to operating the system, for which reason we introduced S-train operators in 2023. With the reduced risk of dangerous signal overruns, focus in 2024 will be on retaining the S-train operators' attention to the surroundings outside the cab to better prevent potential collisions with persons or objects.

Prevention of signal overruns will continue in 2024 with existing initiatives and new measures related to the new signalling system and the complexity of major track works. The technology used for detection of persons on the tracks also contributes to a current pilot project on detection of shunting signals.

### Enhanced safety and security for our customers and colleagues

In 2023, we ramped up our efforts against graffiti and vandalism at stations and on trains. These efforts are supported by the use of drones for flying over areas and by our collaboration with the Police and the Home Guard. Also, we introduced the use of body cameras and also deploy separate guards when there is a need to create a safer environment for our customers and colleagues.

We remain committed to ensuring a safe and secure transport experience for all our passengers, and we will continue our efforts to achieve this goal.

**Table 8: Incidents[1-2)]**

| Number | 2023[3)] | 2022[3)] | Change Abs. | Change % |
|---|---|---|---|---|
| **Significant accidents** | **12** | **18** | **-6** | **-33** |
| Fatalities | 9 | 7 | 2 | 29 |
| Seriously injured | 2 | 10 | -8 | -80 |
| Slightly injured | 60 | 46 | 14 | 30 |
| **Personal injury** | **71** | **63** | **8** | **13** |
| Secured area (A-B-C)[4)] | 172 | 159 | 13 | 8 |
| Non-secured area (D-E) | 72 | 58 | 14 | 24 |
| **Signal overruns** | **244** | **217** | **27** | **12** |
| **Defective wheel or axle** | **3** | **1** | **2** | **200** |

1) The table includes the main safety indicators for Long-distance & Regional Trains and S-trains.
2) The table does not include suicide or attempted suicide.
3) Figures for 2022 have been revised compared to previously published figures due to final calculation in connection with the annual reporting to the Danish Civil Aviation and Railway Authority. Similarly, figures for 2023 show the current status at the time of reporting, but may be revised at a later point in time in connection with the annual safety report to the Danish Civil Aviation and Railway Authority.
4) Despite a nominal increase in 2023, the result was an improvement relative to the safety targets for the year.

## DSB is building new workshops according to DGNB's sustainability standards

Over the next years, DSB will replace its train fleet so that all trains will be electric powered by 2030. To service the new trains, we are building three new workshops.

They will be located at Godsbanegården at Copenhagen Central Station, at Brabrand in Aarhus and in Mogenstrup south-east of Næstved.

The new workshops in Copenhagen and Aarhus will service the coming electric train sets from Alstom, while the workshop in Næstved will handle Double decker coaches , EB electric locomotives and Talgo coaches for international traffic.

Activities at the other workshops used today will be reduced or transferred as the new workshops are completed.

**Focus on sustainability**
The common feature of the workshops is that they will be as sustainable as possible. To this end, DSB has joined forces with the Green Building Council Denmark, an organisation working to promote sustainable construction through the so-called DGNB certification system, which is the standard used in the Danish construction industry today.

The workshops located in Copenhagen and Næstved will be DGNB certified to the Gold standard, and the workshop in Aarhus will be certified to the Platinum standard. DGNB certification requires prioritisation of sustainable choices of materials as well as increased focus on good employee and working environment conditions and on minimising the $CO_2e$ footprint of the building.

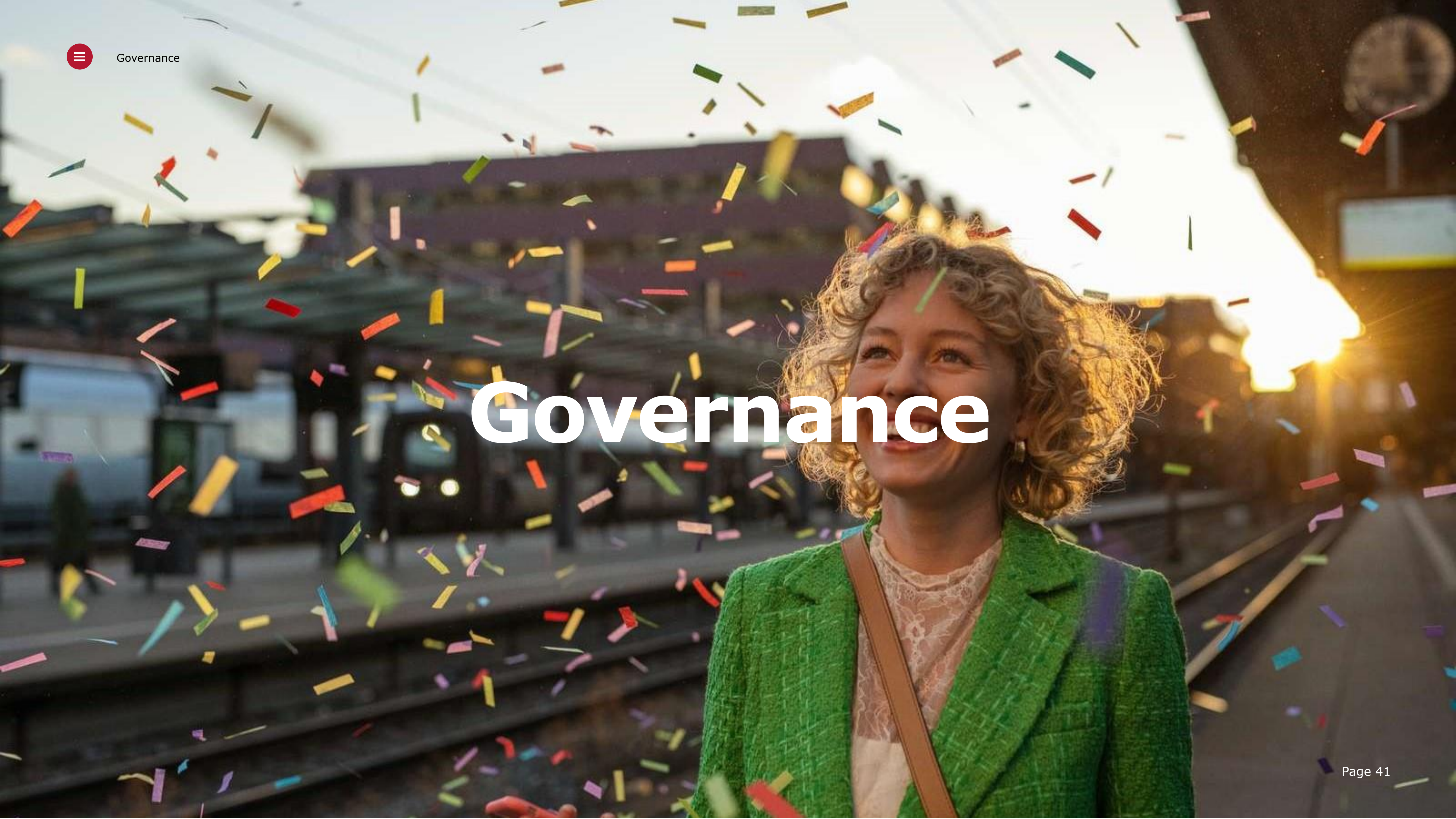
Achieving a Gold and a Platinum certificate, respectively, requires i.a. that the workshops are built in such a way that the building materials can be reused to the widest possible extent and that their manufacture consumed as little as possible, and that recycled materials are used in the new building.

The buildings will be equipped with green roofs, a rainwater retention system to ease the pressure on sewers and solar cells for generating electricity.

DSB has to consider several hundreds of different parameters in connection with the certification and construction project.

**Meeting climate targets**
DSB's investment in new electric trains and workshops represent a big step towards meeting our ambitious environmental and climate targets of being 98 percent $CO_2e$ neutral by 2030, halving energy consumption, eliminating particulate emission from train engines and ensuring at least 90 percent waste recycling.

# Governance



# Governance

## Corporate responsibility

It is DSB's ambition that sustainable public modes of transport should be the natural choice for Danes. But our responsibility extends far beyond that. We also have social, ethical and environmental responsibilities in relation to our customers, employees, business partners, stakeholders and general society.

The section about corporate responsibility represents DSB's statutory reporting pursuant to sections 99a, 99b and 107d of the Danish Financial Statements Act.

**Corporate culture and policies**

The overall framework for our corporate responsibility efforts, business ethics and ESG is described in DSB's corporate responsibility policy.

The policy is based on DSB's core values and serves as our guidelines for socially responsible and ethical business conduct in various key areas, including safety and security, environment, sustainability, human rights, anti-discrimination, diversity, occupational health and safety and the ILO Convention (International Labour Organisation).

The policy has been adopted by DSB's Board of Directors and is an overarching policy setting the framework for DSB's other and supporting policies. Read more about DSB's other policies on corporate responsibility at www.dsb.dk.

Together, these policies set out the governing principles for DSB's basic positions and values across the organisation – including governing principles based on legislation.

All policies conform to our strategic purpose 'A sustainable way forward with room for all of us' and can be found on our website at www.dsb.dk.

**UN Sustainable Development Goals**

Trains are the backbone of public transport and ensure equal access to passenger transport with low environmental impact. DSB has decided to focus on seven selected Sustainable Development Goals (SDGs), all integrated into our strategic work towards 2030.


The SDGs Industry, Innovation and Infrastructure, Sustainable Cities and Communities, and Climate Action are the goals where DSB has the best chance of steering society towards a more sustainable future, given the fact that trains are a reliable, safe and sustainable mode of transport providing equal access for all at affordable prices.

The goals Gender Equality, Affordable and Clean Energy, Decent Work and Economic Growth, and Responsible Consumption and Production are supported by DSB's activities through objectives, policies and action plans.

Read more about DSB's work with SDGs at www.dsb.dk.

Reading guide:

Ethical business conduct - Double materiality assessment

Definition: Ethical business conduct, including anti-corruption, bribery, good business management and maintaining rules for public tenders

Impact on sustainability: As Denmark's largest provider of public transport, we have a great potential to influence ethical business behavior both positive and negative, which is why the subject is assessed as significant.

Financial impact: The main risks are possible cases of corruption, bribery or violation of public procurement rules, which can result in significant fines. The subject has been assessed as significant.

## Corporate governance

DSB is an independent public enterprise, which is owned by the Danish State and managed by a Board of Directors composed of representatives appointed by the owner and representatives appointed by employees.

DSB complies with the recommendations on corporate governance set out in the ownership policy of the Danish State. The policy contains guidelines for the management of state-owned enterprises, including requirements, expectations and recommendations on corporate governance.

Furthermore, DSB takes into consideration the recommendations of the Corporate Governance Committee. The corporate governance report prepared using the 'comply or explain' approach is published on DSB's website.

**How we are regulated**

DSB is governed by Consolidation Act no. 1184 of 12 October 2010 as amended by Consolidation Act of 7 May 2019 on DSB (the DSB Act). DSB's articles of association dated 15 March 2021 were issued pursuant to the DSB Act.

**Communication**

DSB aims to make the dialogue between the corporation, the owner, customers, partners and employees as open and broad as possible, and to ensure that communication is simple, factual and professionally correct.

**Disclosure of material matters**

DSB discloses information – as soon as possible and to the Danish Business Authority or other relevant parties – on material matters concerning the corporation and which may be assumed to be of importance to DSB's future, owner, creditors or employees.

**Annual and interim reports**

DSB presents its financial statements in accordance with the Danish Financial Statements Act and the DSB Act. The annual report is audited by a state-authorised public accountant and the Auditor General.

The annual and interim reports are submitted to the Minister for Transport and the Danish Business Authority.

DSB holds quarterly meetings with the Minister for Transport to discuss the financial situation and other matters.

The Ministry of Transport has laid down Accounting Regulations for DSB pursuant to the Danish Railway Act.

**Public access**

In accordance with the articles of association, the annual meeting is held once a year before the end of April and is open to the public.

The articles of association, interim reports and annual reports are published at www.dsb.dk.

According to the DSB Act, the Danish Act on Public Access to Documents on Public File, the Danish Public Administration Act and the Danish Act on the Parliamentary Ombudsman apply to cases concerning employees and the railway activities carried out in the context of the provision of negotiated traffic.

**Compliance**

DSB's Data Protection Officer (DPO) & Compliance function is responsible for advising and following up on acts and rules of relevance to the corporation as a whole which do not naturally belong with the corporation's other compliance functions.

Also, the function ensures a uniform approach to the implementation of compliance work throughout the organisation in accordance with DSB's compliance strategy and by improving knowledge of this area through training and guidance.

The function also performs the role of DPO for DSB. The DPO's primary tasks are to ensure, through advising and monitoring, that DSB complies with the General Data Protection Regulation (GDPR), the Danish Data Protect Act and the internal policies on the protection of personal data. The DPO also acts as the point of contact for the Danish Data Protection Agency and the data subjects (employees and citizens) in connection with the reporting of security breaches as well as enquiries and complaints from data subjects.

**Board of Directors, election and eligibility**

In 2023, the Board of Directors was composed of six members appointed by the Minister for Transport at the annual meeting and three members elected by the employees.

The members appointed by the Minister must be selected based on social, managerial and business considerations and so that the Board as a whole possesses insight into traffic matters. The composition of the Board of Directors further ensures insight into financial matters. The board members appointed at the annual meeting are considered to be independent. The majority of the current members of the Board of Directors are considered to be independent.

Employee-elected board members are elected in accordance with the provisions of the Danish Companies Act on election of employee representatives.

The Chair carries out an annual evaluation of the work of the Board of Directors and the collaboration with the Executive Board. In addition to complying with the recommendations on corporate governance, the aim is to ensure that the Board of Directors, via its composition and skills, always supports DSB and DSB's purpose in the best possible manner.

The evaluation takes place as a group discussion and is supported by a questionnaire-based survey. One-to-one discussions between the Chair and the individual board members also take place. In accordance with the recommendations on good corporate governance, DSB engages external assistance in the evaluation at least every three years. All board members participate in the evaluation, and the conclusion in 2023 was that the Board as a whole possessed the required qualifications and skills to contribute to the development of DSB and to generating results.

Board members are elected for a term of one to two years. Board members are eligible for re-election. Employee-elected board members are elected for a term of four years.

The specific qualifications held by board members are described at www.dsb.dk.

**Management's duties and responsibilities**
The Board of Directors is in charge of the overall and strategic management of DSB's affairs. The Board of Directors appoints and dismisses the Executive Board and specifies its terms of employment/service. The Executive Board may be composed of one or more members, who must be registered with the Danish Business Authority. The Executive Board is in charge of the day-to-day management. The duties of the Board of Directors are set out in the articles of association and in the rules of procedure of the Board of Directors.

**Board meetings**
In 2023, the Board of Directors had six board meetings, two extraordinary board meetings and one strategy seminar, and the main agenda items included:

- Corporate strategy
- Annual report and interim reports
- Budget for the coming year
- The future acquisition of rolling stock – including the New Green Workshops
- The S-trains of the future
- Rolling stock, general
- Signalling programme
- Electrification programme
- Digitalisation
- Fare adjustments
- Compliance
- Corporate governance
- Railway safety
- Significant policies
- Sustainability - including ESG and the EU Taxonomy Regulation
- Punctuality
- Traffic information
- Commercial and operational activities
- Sector collaboration

The Board of Directors has set up three management committees: Rolling Stock Committee, Remuneration Committee and Audit Committee. The framework for the work of the individual committees is defined in the terms of reference available at www.dsb.dk.

**Rolling Stock Committee**
The Rolling Stock Committee assists the Board of Directors in preparing recommendations for acquisitions, investing in and selling rolling stock and investments needed in order to operate the rolling stock.

At the end of 2023, the Rolling Stock Committee comprised the following members:

- Christina Grumstrup Sørensen, Chair
- Peter Schütze
- Anne Hedensted Steffensen
- Preben Steenholdt Pedersen
- Thomas Bryan-Lund

The Committee had six meetings in 2023, and the main agenda items included:

- Long-term plan for rolling stock
- Environmental upgrades
- Future rolling stock acquisitions
- The S-trains of the future
- New trains (IC5 electric train sets)
- Acquisition of new coaches and locomotives
- New Green Workshops
- Operational status
- Life extension of rolling stock
- Rolling stock disposals

**Remuneration Committee**
The Remuneration Committee assists the Board of Directors in the preparation of recommendations concerning remuneration policy and remuneration.

At the end of 2023, the Remuneration Committee comprised the following members:

- Anne Hedensted Steffensen, Chair
- Peter Schütze
- Lene Feltmann Espersen

The Committee had four meetings in 2023, and the main agenda items included:

- Remuneration policy
- Remuneration of the Executive Board, chief executives, managers reporting directly to the CEO and highly paid employees
- Remuneration report
- Analysis and evaluation of pay developments and payroll trends
- Targets for the underrepresented gender in management
- Ensuring that the remuneration policy and remuneration conditions are in accordance with statutory requirements and support DSB's goals of ensuring equal pay for equal work

**Audit Committee**
The Audit Committee assists the Board of Directors in an independent assessment of whether the corporation's financial reporting, internal controls, risk management and statutory audit are organized appropriately in relation to DSB's size and complexity.

At the end of 2023, the Remuneration Committee comprised the following members:

- Carsten Gerner, Chair
- Henrik Amsinck
- Lone Riis Stensgaard

The Committee had five meetings in 2023, and the main agenda items included:

- Annual report and interim reports
- Double materiality analysis
- Long-form audit reports and reports from internal and external auditors and from the National Audit Office of Denmark.
- Reports from the whistleblower scheme
- External auditors' independence and provision of non-audit services
- Functional description, budget and staffing of internal audit department
- Risk management
- IT security – including IT security policy
- Internal controls structure
- Briefing on DPO & Compliance function activities and Planning Systems of the Future

**Interest organisations**
DSB's corporate form as an independent public enterprise is due to its sector political assignment, in that rail transport in Denmark is operated as public service transport under a negotiated contract.

The framework for the State's exercise of ownership is defined in the government's policy for state-owned enterprises (Statens ejerskabspolitik), setting out the guiding principles of reliability, legitimacy and transparency in the interaction between the Danish State and state-owned enterprises. There must be confidence in the ownership being exercised on a professional and objective basis.

DSB is a member of the Community of European Railway and Infrastructure Companies (CER), which is the official lobby organisation. CER's role is to represent its members' interests in the political decision-making process of the EU, in particular, to promote improvements of the business and regulatory framework for European railway operators and infrastructure companies. DSB participates in the Passenger Working Group, among others.

DSB is also a member of the International Rail Transport Committee (CIT), an association that assists railway undertakings in handling passenger rights, international travel rules and issuance of international tickets, and a member of the International Union of Railways (UIC), the global worldwide railway organisation, whose activities include standards setting and promoting the value and significance of rail transport globally.

DSB is a member of the International Association of Public Transport (UITP), a worldwide organisation for public transport operators, focusing on transport by bus, S-trains, trolleybuses, the metro and regional trains. DSB is also a member of Forum Train Europe (FTE), an organisation engaged in cross-border rail transport, including coordination of timetables, capacity management, production plans and requests for cross-border train paths, etc. among operators.

**Customer ambassador**
The customer ambassador helps strengthen DSB's customer focus, processes customer complaints and takes on cases at own initiative. All DSB's customers have a right to have a complaint re-examined by the customer ambassador.

The customer ambassador cooperates with relevant departments across DSB on specific proposals for improvement of the customer experience on the train. This work includes formal recommendations and input for development of products, customer-facing communication and work processes.

The customer ambassador offers ongoing guidance to departments and employees on how case processing can live up to good administrative practices and the applicable passenger rights.

The customer ambassador further prepares the complaint cases filed against DSB with the Appeal Board for Bus, Train and Metro. In 2023, 14 such cases were filed, which mostly involved complaints about penalty fees.

The customer ambassador prepares half-yearly status reports published at www.dsb.dk.

## Risk management

As a provider of critical infrastructure, our business is exposed to various risks and uncertainties. We have established a risk management process for identifying, assessing and mitigating risks that can affect our initiatives on sustainability, consolidating our position as a reliable partner to our customers and business partners.

In 2023, we continued the work of integrating sustainability-related risks in our risk management process. We prepared a double materiality analysis in order to prioritize our ESG initiatives, which will be incorporated into our risk management process.

**Governance**
The Executive Board is responsible for the development and maintenance of DSB's internal control and risk management systems following approval by the Board of Directors, which has overall management responsibility.

Based on reporting from the Executive Board, the Audit Committee continually monitors whether the corporation's internal control and risk management systems are effective, and it also monitors developments in and handling of major risks.

The Board of Directors holds overall responsibility for monitoring risks and the overall framework for the risk management process. At least once a year, the Board of Directors receives an outline of key risks and the estimated consequences for DSB's earnings and operational performance.

**Financial and liquidity risks**
We are also exposed to a number of financial risks, mainly related to interest rates, exchange rates and prices of raw materials. Liquidity risks involve ensuring sufficient liquidity and managing counterparty risks.

Management of these risk is described under 'Financial risks'.

Material risks identified by DSB in 2023 are described on the following pages, including how they are mitigated.

**Data security**
It is important to us that our customers, employees and partners feel confident that we have processes in place that handle and store data securely. We comply with the GDPR and other applicable data protection legislation and have established guidelines and policies on data governance, data ethics and data security. The policy is available at www.dsb.dk and sets out six guiding principles:

DSB's policy for data governance and data ethics specifies six guiding principles:

- DSB does not use the data of customers, employees or business partners without having a legal basis for doing so
- DSB commits to ensuring transparency with respect to the use of data collected
- DSB protects the personal data of individuals so that they do not fall into the wrong hands
- Only necessary data are collected and will be used exclusively for a clearly defined purpose
- When collecting and analyzing data, the risk of any unintended consequences is always considered
- Particular attention is paid to ethical challenges that may arise from the use of machine learning and algorithms.

DSB has set up a data governance forum, which has the overall responsibility for implementation of the policy and its associated guidelines and procedures. Efforts in 2023 focused on data ethics and specification thereof through an expansion of the guidelines for data governance.

We do not store sensitive personal data to a degree that is assessed as material from a double materiality perspective as any breach could be restored. However, a breach would give rise to a fine depending on the nature and scope of the incident.

## Railway infrastructure works

**Description of risk**
DSB is widely affected by the extensive infrastructure works carried out these years on several railway lines across Denmark. The track possessions, which are a consequence of the infrastructure works, continued to be of great inconvenience to passengers again in 2023. This situation will persist for a number of years as a result of politically decided investments in a necessary upgrade of the railway network. As a train operator, we help facilitate the upgrade, but we are also affected by the extensive need for planning and replanning and by the increased complexity of running train operations caused by track possessions.

**Potential consequences**
As a train operator, we are dependent on functional infrastructure. Replacement of the outdated signalling system on the railway network as well as electrification of all main lines, which is a prerequisite to be able to deploy climate-friendly electric trains, affect our operational efficiency as it places huge restrictions on how the rail traffic can be run. The heightened pressure on traffic increases the risk of incidents causing major delays across the railway network and of decreasing customer punctuality. The many infrastructure works also increase the pressure on traffic planning as more track possessions mean markedly increased demands for the replanning of timetables, rolling stock and train staff plans to be delivered during the year. Changes to the plans at a very late stage may ultimately affect the quality of the plans, thus increasing the risk of reduced punctuality and ensuing inconvenience to customers.

**Mitigating initiatives**
We are continually working to minimise the inconvenience to our customers from current and scheduled future infrastructure works. We are continually working to minimize the inconvenience to our customers from current and scheduled future infrastructure works. We seek to prepare long-term plans to better allow for restoring the traffic flow following any delays in scheduled services. Moreover, we have a well-functioning collaboration with Banedanmark on coordinating the many replanning activities, and in 2023 we developed a joint process management tool for supporting the execution of the planning process. Lastly, we implemented a more conservative approach to planning in connection with possessions, which means that we scale down traffic. That way, the plans can better absorb minor delays.

## Cyber attacks

**Description of risk**
Digitalisation of DSB's business processes plays an increasingly greater role in the way we work. Like many other companies, DSB is dependent on technology and IT infrastructure that can support day-to-day operations, from planning and delivery of safe and timely train services to development of commercial products that reflect customer needs and reporting to the owner.

**Potential consequences**
A breakdown or an attempt at harming the corporation, our customers, employees or suppliers through unauthorized access, destruction of data and systems, corruption or manipulation of data would constitute a significant risk for DSB. The consequences are potentially long-term business disruptions causing major consequences for customers, reputational damage and a potential loss of customers to alternative forms of transport.

**Mitigating initiatives**
IT security has been a strategic focus area for several years, resulting in a strengthening of DSB's preparedness and defenses against cyber crime. DSB has strengthened and implemented technical, organisational and process improvements and upgrades, including increased control of users, access management, networks, monitoring and backup, as well as a strong focus on employee awareness of cyber threats. DSB has also strengthened its risk management framework and implemented an ISO27001-certified management system. In the course of 2023, DSB further increased collaboration with the transport sector and other critical sectors, e.g. through SektorCERT.

In 2024, we will continue the work of reinforcing DSB's IT infrastructure and systems to ensure that critical and sensitive data, assets and DSB's business are protected against the ever increasing global threat from cyber crime and other threat actors.

## Climate change

**Description of risk**
Climate change plays an increasingly larger role, and according to the Danish Meteorological Institute, Denmark will see an increase in the period towards 2100 in the number of extreme weather events with more heatwaves, storm surges, cloudbursts and higher water levels.

**Potential consequences**
Extreme weather events must be expected to have an increasing direct impact on DSB's operations in the future. In collaboration with Banedanmark, operative decisions are made on an ongoing basis, involving e.g. fewer train departures, speed reductions and in some cases suspension of operations on part of or the entire rail network. This type of incidents affects DSB's customers and by extension DSB's income, while on the other hand preventing the risk of personal injury and property damage.

Apart from the direct consequences for the actual running of train services, more extreme weather can cause prolonged impacts, such as extensive damage to rolling stock, stations, workshop facilities and sustained breakdowns or decreased functionality of central infrastructure.

Although DSB and Banedanmark collaborate on mitigating risks to passengers and always put safety first, extreme weather may ultimately lead to extensive damage to property, rolling stock and infrastructure as well as injuries and fatalities among both staff and passengers.

**Mitigating initiatives**
DSB has operational emergency response measures in place for buildings and train operations in case of extreme weather events. Decisions are made in close collaboration with Banedanmark, which is currently investing in improved digital surveillance of the railway that will make it easier to predict and manage severe weather.

In addition, DSB and Banedanmark regularly adapt infrastructure and buildings, partly to secure existing infrastructure against climate change and partly to ensure that the infrastructure in new construction projects is designed and dimensioned to meet the future adverse impacts of climate change.

At the overall level, DSB is committed to reducing the corporation's climate impacts in accordance with the Paris Agreement.

# Suppliers

**Ethical guidelines**

Our suppliers are acting as ambassadors of DSB when collaborating and performing tasks for us. We therefore expect our suppliers to share our fundamental values and to meet expectations of proper conduct.

DSB actively assumes co-responsibility for societal challenges, and we expect our suppliers to support and apply this approach.

We have joined the UN Global Compact and expect our suppliers to act in accordance with its 10 universal principles on human and labour rights and to contribute to meeting the 17 SDGs in their work.

Our suppliers must respect fundamental human rights, see the UN Declaration of Human Rights and the European Convention on Human Rights, including the prohibition on the use of child labour and of forced labour or the exploitation of involuntary labour.

Our suppliers must further ensure that all employees who perform work under the supplier's agreement with DSB, in accordance with ILO Convention no. 94 (1955), are guaranteed wages, working hours and other working conditions which are no less favourable than those applying to work of the same kind under a local collective agreement or other locally regulated labour market conditions applicable in the area where the work is carried out.

We will not tolerate that our suppliers accept discrimination on the basis of race, color, religion or belief, political opinion, sexual orientation, age, disability, or national, social or ethnic origin.

We further require our suppliers to have an environmental policy in place and to maintain an officially approved environmental management system such as ISO 14001, EMAS, or alternatively to comply with corresponding requirements as determined by DSB, throughout the contract period.

Suppliers may also be required to comply with more specific requirements, for example requirements related to railway safety, GDPR, IT security etc.

Our collaboration with suppliers is thus based on DSB's fundamental values with respect to socially responsible and ethical business conduct.

Details on DSB's ethical guidelines for suppliers are available at www.dsb.dk.

DSB is subject to the EU's public procurement rules, and the procurement process therefore follows a set framework which cannot be deviated from. All purchases are handled through our procurement department, which ensures proactive and systematic follow-up on compliance with policies and guidelines.

**Anti-corruption**

DSB has a risk-based approach to procurement. In connection with EU tenders, we request submission of a service certificate and will rely on exclusion grounds, if necessary. We also perform a risk assessment in respect of corruption relating to the geographic location of the suppliers. All contracts with suppliers incorporate DSB's Ethical Guidelines (Code of Conduct), which include anti-corruption requirements to be met by the supplier.

In 2023, DSB did not record any cases in which a supplier was involved in corruption.

Also, DSB regularly carries out awareness campaigns about anti-corruption aimed at managers and employees. The most recent awareness campaign aimed at managers took place in late December 2022. The campaign was based on DSB's guidelines for accepting gifts and other benefits.

An awareness campaign has been planned for the autumn of 2024 based on DSB's corporate responsibility policy, of which anti-corruption will constitute an important element. In connection with the campaign, employees will be encouraged to complete the e-learning programme "Samfundsansvar" (corporate responsibility) that sets out the framework for proper conduct at DSB.

Based on our risk assessment of suppliers, we will contact suppliers in 2024 with the highest risk scores and ask them to account for anti-corruption efforts undertaken in relation to the requirements set out in our ethical guidelines (Supplier Code of Conduct). Based on their response, we will decide whether further dialogue with the suppliers is required and possibly prepare actions plans.

**Payment practice**

DSB's payment terms are the same for all businesses, regardless of size or contract value, i.e. 30 days net.

## Whistleblower

We want to promote an open culture where employees should feel safe in contacting management, colleagues, HR, union representatives or health and safety representatives if they experience unlawful activities or serious irregularities. It is essential that information on irregularities at DSB be brought to light and handled promptly.

DSB's whistleblower scheme facilitates this by enabling people to submit – anonymous or non-anonymous – reports on objectionable matters or transactions, suspicions of irregular conduct, such as violation of business ethics, harassment or fraud, which may uncover criminal activity, serious and/or repeated violation of legislation or significant internal guidelines at DSB that could result in a financial loss or damage to DSB's reputation.

The whistleblower scheme serves as a supplement to the direct and everyday dialogue at the workplace. The whistleblower scheme is intended to improve the opportunity for employees and business partners to point out objectionable matters at DSB without having to fear that doing so may have adverse consequences for them, to protect persons who in good faith report information to the whistleblower scheme, and to detect errors and omissions and thereby heighten the level of DSB's services.

The whistleblower scheme covers the parent corporation and the group enterprises, DSB Service & Retail A/S, DSB Vedligehold A/S and DSB Ejendomsudvikling A/S.

The whistleblower scheme is managed by the head of the internal audit function, who reports to the Audit Committee. Reporting takes place through an external service provider portal, accessible via DSB's internal and external websites. If a report concerns members of the Board of Directors, the Executive Board or internal audit, the case will be handled by an external attorney. The external attorney will review all reports before they are passed on to the administrator.

In accordance with DSB's corporate responsibility policy, we do not tolerate reprisals against persons who raise a concern in good faith about an actual or potential violation, assist in raising a concern or cooperate on examining a violation. Reprisals constitute a violation of our corporate responsibility policy and our values, and being a whistleblower should not have any adverse consequences.

The details of the whistleblower scheme are described in the whistleblower policy and the associated guidelines, which are available on DSB's website and can be accessed by all employees and external parties.

**Incidents**
In 2023, 18 reports were filed through the scheme. All 18 cases were concluded, and none of the cases led to a police report. Ten of the cases were rejected as they did not fall within the scope of the whistleblower scheme, and eight cases were taken under active consideration. The eight cases taken under active consideration concerned sexual harassment, abuse and severe harassment, a claim of poor wellbeing and lack of management response to this, and a claim of quality defects in supplies from a building contractor.

The active consideration found no evidence of the reported claim of sexual harassment. The other claims were confirmed in full or in part, and measures were taken for further clarification and remediation. None of the reports resulted in labour law or legal/financial sanctions.

# Organisation
## Board of Directors

**The Board of Directors' directorships and other offices with Danish and foreign commercial enterprises. The specific skills held by board members are described at www.dsb.dk.**

### Peter Schütze, Chair
Joined DSB's Board of Directors on 1 June 2011 (extraordinary general meeting).
Re-elected - elected as Chair on 16 March 2023 (annual general meeting).
Term of office ends: 2025.

**Born:** 1948

**Chair of:**
- The Boards of Directors of Nordea-fonden and Tietgen-fonden
- Investeringskomiteen - the Danish SDG Investment Fund
- Dronning Margrethe II's Arkæologiske Fond

**Vice chair of:**
- The Boards of Directors of Lundbeckfonden and Lundbeckfonden Invest

**Member of:**
- The Board of Directors of Falck A/S
- The Board of Directors of Axcel Future
- The Board of Directors of Gösta Enboms Fond
- The Systemic Risk Council

### Anne Hedensted Steffensen, Vice Chair
Joined DSB's Board of Directors on 28 May 2021. Re-elected - elected as Vice Chair on 16 March 2023 (annual general meeting).
Term of office ends: 2025.

**Born:** 1963

**Vice chair of:**
- The Board of Directors of Ulykkesforsknings-forbundet for Dansk Søfart
- The Board of Direcctors of Danmarks Nationalbank's Anniversary Foundation
- Danmarks Nationalbank's Committee of Directors

**Member of:**
- The Board of Directors of Tænketanken Europa
- The Board of Directors of Danmarks Nationalbanks Pensionskasse under afvikling
- The Board of Directors of Det Dansk-Franske Dampskibsselskabs Understøttelsesfond af 1950

CEO of Danish Shipping

### Henrik Amsinck
Joined DSB's Board of Directors on 19 May 2017 (extraordinary general meeting).
Re-elected on 16 March 2023 (annual general meeting).
Term of office ends: 2025.

**Born:** 1961

**Member of:**
- The Board of Directors of Eltronic A/S
- The Board of Directors of STG A/S
- The Board of Directors of Falck IT Poland Sp. Z.o.o.

CIO of Falck A/S
CEO of Falck Digital Technology Denmark A/S

### Lene Feltmann Espersen

Joined DSB's Board of Directors on 22 August 2022
(extraordinary general meeting).
Term of office ends: 2024.

**Born:** 1965

**Chair of:**
- The Board of Directors of Green Hub Denmark

**Member of:**
- The Board of Directors of KV Fonden
- The Board of Directors of Comundo
- The Board of Directors of Michael Goldschmidt HOLDING
- The Board of Directors of Green Building Council Denmark
- The Board of Directors of UIA2023

### Carsten Gerner

Joined DSB's Board of Directors on 24 April 2012 (annual general meeting).
Re-elected on 19 April 2022 (annual general meeting).
Term of office ends: 2024.

**Born:** 1953

**Chair of:**
- The Board of Directors of Ib Andresen Industri A/S
- The Board of Directors of IAI Holding A/S

**Member of:**
- The Board of Directors of Impero A/S

CEO of CARGER INVEST ApS

### Christina Grumstrup Sørensen

Joined DSB's Board of Directors on 17 March 2015
(annual general meeting).
Re-elected on 16 March 2023 (annual general meeting).
Term of office ends: 2025.

**Born:** 1972

Senior Partner of Copenhagen Infrastructure Partners

### Thomas Bryan-Lund

Joined DSB's Board of Directors on 10 March 2020
(elected by employees).
Term of office ends: 2024.

**Born:** 1974

Locomotive instructor (S-trains)

## Preben Steenholdt Pedersen

Joined DSB's Board of Directors on 27 April 2011 (elected by employees).
Re-elected on 10 March 2020 (elected by employees).
Term of office ends: 2024.

**Born:** 1956

**Chair of:**
- Dansk Jernbaneforbund
- TJM bolig A/S
- Forsikringsagenturforeningen afd. 1

**Member of:**
- The Board of Directors of LÅN & SPAR bank
- The Board of Directors of Jernbanernes Samarbejds- og Uddannelsesfond
- The Board of Directors of Dan Ejendomsservice A/S
- The Board of Directors of Tjenestemændenes Forsikring
- The Board of Directors of Interesseforeningen
- The Board of Directors of Transporterhvervets Uddannelser (TUR).

Locomotive instructor

## Lone Riis Stensgaard

Joined DSB's Board of Directors on 08 March 2019
(elected by employees).
Re-elected on 10 March 2020 (elected by employees).
Term of office ends: 2024.

**Born:** 1974

**Senior trade union representative for:**
- HK Tjenestemænd

Senior Traffic Controller

# Executive Board

**The Executive Board's directorships and other offices with Danish and foreign commercial enterprises.**

**Flemming Jensen, CEO**
Employed with DSB since 2015.

**Born:** 1959

**Chair of:**
- The Board of Directors of TP Aerospace
- The Board of Directors of Naviair

**Member of:**
- The Board of Directors of Industriens Arbejdsgivere i København
- The Executive Committee and Central Board of Danish Industry

**Pernille Damm Nielsen, CFO**
Employed with DSB since 2022.

**Born:** 1974

**Member of:**
- The Board of Directors of Codeex

**Jens Visholm Uglebjerg, Executive Vice President, Commercial**
Employed with DSB since 2022.

**Born:** 1970

**Chair of:**
- The Board of Directors of DOT I/S

**Member of:**
- The Board of Directors of Rejsekort & Rejseplan A/S
- The Board of Directors of Andel Energi A/S
- The Board of Directors of DI Transport
- The committees DI Transport and Infrastruktur

**Jürgen Müller, Executive Vice President, Strategy & Rolling Stock**

Employed with DSB since 2015.

**Born:** 1970

**Vice chair of:**

- The Board of Directors of Rejsekort & Rejseplan A/S

**Member of:**

- The Audit Committee of Rejsekort & Rejseplan A/S

**Per Schrøder, Executive Vice President, Operations**

Employed with DSB since 2018.

**Born:** 1957

# Management

**Management's directorships and other offices with Danish and foreign commercial enterprises.**

**Mette Rosholm, Executive Vice President, Procurement & Legal**

Employed with DSB since 2014.

**Born:** 1973

**Chair of:**
- The Board of Directors of Danmarks Jernbanemuseum

**Member of:**
- The Board of Directors of M/S Museet for Søfart
- The Board of Directors of Rejsekort & Rejseplan A/S
- The Remuneration Committee of Rejsekort & Rejseplan A/S

**Tine Moe Svendsen, Executive Vice President, HR**

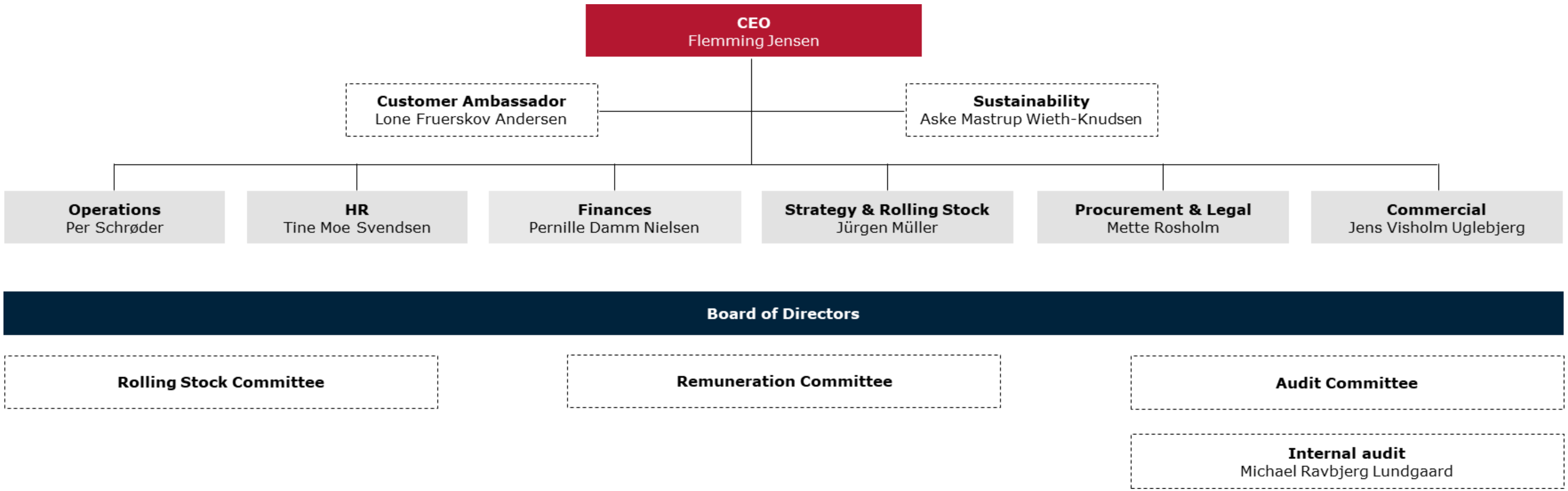
Employed with DSB since 2015.

**Born:** 1970

**Chair of:**
- The Board of Directors of Jernbanernes Arbejdsgiverforening
- The Board of Directors of Jernbanernes Samarbejds- og Uddannelsesfond

**Member of:**
- DI's committee for diversity
- Sounding Board for CBS Executive Fonden

## Organisation chart



ESG reporting

# ESG reporting

# ESG reporting

## EU Taxonomy

The EU Taxonomy is a European classification system of economic activities based on common definitions of sustainability.

When an economic activity is environmentally sustainable, it makes a substantial contribution to meeting the EU's climate and environmental objectives. The majority of DSB's activities are covered by the EU Taxonomy (taxonomy-eligible), and a large part meet the requirements for being classified as sustainable (taxonomy-aligned).

**Sustainable activities**

The activities can be classified as sustainable if they meet the technical screening criteria and make a substantial contribution to at least one of the six environmental objectives identified.

Furthermore, it must be documented that the activities 'do no significant harm' to any of the other environmental objectives and comply with the social minimum safeguards.

As a railway enterprise, we are subject to the requirements in the following categories:

- Passenger interurban rail transport, CCM 6.1
- Urban and suburban transport, road passenger transport, CCM 6.3
- Transport by motorbikes, passenger cars and light commercial vehicles, CCM 6.5
- Infrastructure for rail transport, CCM 6.14
- Renovation of existing buildings, comprising construction and civil engineering works or preparation thereof, CE 3.2
- Acquisition and ownership of buildings, CCM 7.7

Taxonomy-aligned activities are calculated as the proportion of revenue, capital expenditure and operating expenses, respectively, that qualifies as sustainable by meeting the screening criteria set out in the Taxonomy Regulation relative to the Group's total taxonomy-eligible revenue, capital expenditure and operating expenses.

The accounting policies in the context of the EU Taxonomy Regulation are provided on the following pages.

**Revenue**

Taxonomy-eligible revenue made up 88 percent, a decline of 1 percentage point compared to 2022. Taxonomy-aligned revenue made up 53 percent, which was in line with the level in 2022.

There were no material changes, apart from the sale of diesel and older electric-powered locomotives, respectively, having an opposite effect by 1 percentage point.

The sale takes place in accordance with the gradual replacement of our older diesel-powered train fleet with more up-to-date electric locomotives and train sets.

**Capital expenditure**

Taxonomy-eligible capital expenditure represented 88 percent, a rise of 1 percentage point compared to 2022.

Taxonomy-aligned capital expenditure represented 88 percent, a rise of 12 percentage points compared to 2022.

The most significant changes relative to 2022 were increased prepayments in connection with the construction of DSB's New Green Workshops for handling of electric rolling stock as well as prepayment in connection with acquisition of new rolling stock.

**Operating expenses**

Taxonomy-eligible operating expenses represented 36 percent, a rise of 1 percentage point compared to 2022.

Taxonomy-eligible and environmentally sustainable operating expenses represented 56 percent, up 2 percentage points compared to 2022, and taxonomy-eligible but not environmentally sustainable operating expenses represented 44 percent, down 2 percentage points compared to 2022.

The most significant change relative to 2022 in taxonomy-aligned operating expenses were a decrease in infrastructure charges paid due to the transfer of the Øresund traffic to the Swedish company Skånetrafiken in December 2022.

There was a corresponding decrease in taxonomy-eligible non-sustainable operating expenses due to increased use of electric locomotives in the part of international traffic to and from Germany previously operated with diesel-powered IC3 train sets.

The tables show key figures for environmental, social and managerial aspects respectively in accordance with section 99a, subsection of the Annual Accounts Act. 3, No. 3.

The key figures are also in accordance with the "Corporate Sustainability Reporting Directive (CSRD)", which was adopted by the EU Commission on 28 November 2022 and which sets the reporting requirements for sustainability with effect from the reporting year 2024.

## Table 9: EU Taxonomy – Revenue (turnover)

| | | | | Substantial contribution criteria | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | Turnover (3) DKK million | Proportion of turnover (4) Pct | Climate Change Mitigation (5) Yes/No | Climate Change Adaptation (6) Yes/No | Water (7) Yes/No | Pollution (8) Yes/No | Circular Economy (9) Yes/No | Biodiversity (10) Yes/No | Climate Change Mitigation (11) Yes/No | Climate Change Adaptation (12) Yes/No | Water (13) Yes/No | Pollution (14) Yes/no | Cirkular Economy (15) Yes/no | Biodiversity (16) Yes/no | Minimum Safeguards (17) Yes/No | Proportion of Taxonomy-aligned (A.1) turnover, 2022 (18) Pct | Category enabling activity (19) | Category transitional activity (20) |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Passenger interurban rail transport | CCM 6.1 | 4,237 | 37% | Yes | N/A | N/A | N/A | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 37% | Yes | No |
| Infrastructure for rail transport | CCM 6.14 | 1,810 | 16% | Yes | N/A | N/A | N/A | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 16% | Yes | No |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **6,047** | **53%** | **100%** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | | | | | | | | **53%** | | |
| **Of which enabling** | | | **39%** | | | | | | | | | | | | | | | | |
| **Of which transitional** | | | | | | | | | | | | | | | | | | | |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Passenger interurban rail transport | CCM 6.1 | 2,963 | 26% | | | | | | | | | | | | | | 26% | | |
| Infrastructure for rail transport | CCM 6.14 | 865 | 8% | | | | | | | | | | | | | | 9% | | |
| Acquisition and ownership of buildings | CCM 7.7 | 167 | 1% | | | | | | | | | | | | | | 2% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **3,995** | **35%** | | | | | | | | | | | | | | **37%** | | |
| **A. Turnover of Taxonomy-eligible activities (A.1 + A.2)** | | **10,042** | **88%** | | | | | | | | | | | | | | **89%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy-non-eligible activities** | | **1,375** | **12%** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **11,417** | **100%** | | | | | | | | | | | | | | | | |

## Table 10: EU Taxonomy – CapEx

| | | | | Substantial contribution criteria | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | CapEx (3) DKK million | Proportion of CapEx (4) Pct | Climate Change Mitigation (5) Yes/No | Climate Change Adaptation (6) Yes/No | Water (7) Yes/No | Pollution (8) Yes/No | Circular Economy (9) Yes/No | Biodiversity (10) Yes/No | Climate Change Mitigation (11) Yes/No | Climate Change Adaptation (12) Yes/No | Water (13) Yes/No | Pollution (14) Yes/no | Cirkular Economy (15) Yes/no | Biodiversity (16) Yes/no | Minimum Safeguards (17) Yes/No | Proportion of Taxonomy-aligned (A.1) CapEx, 2022 (18) Pct | Category enabling activity (19) | Category transitional activity (20) |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Passenger interurban rail transport | CCM 6.1 | 1,231 | 38% | Yes | N/A | N/A | N/A | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 62% | Yes | No |
| Infrastructure for rail transport | CCM 6.14 | 1,615 | 50% | Yes | N/A | N/A | N/A | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 13% | Yes | No |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **2,846** | **88%** | **100%** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | | | | | | | | **76%** | | |
| **Of which enabling** | | | **62%** | | | | | | | | | | | | | | | | |
| **Of which transitional** | | | | | | | | | | | | | | | | | | | |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Passenger interurban rail transport | CCM 6.1 | 217 | 7% | | | | | | | | | | | | | | 15% | | |
| Infrastructure for rail transport | CCM 6.14 | 18 | 1% | | | | | | | | | | | | | | 4% | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **235** | **7%** | | | | | | | | | | | | | | **19%** | | |
| **A. CapEx of Taxonomy-eligible activities (A.1 + A.2)** | | **3,081** | **95%** | | | | | | | | | | | | | | **94%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-non-eligible activities** | | **157** | **5%** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **3,238** | **100%** | | | | | | | | | | | | | | | | |

## Table 11: EU Taxonomy – OpEx

| Economic Activities (1) | Code (2) | OpEx (3) DKK million | Proportion of OpEx (4) Pct | Substantial contribution criteria: Climate Change Mitigation (5) Yes/No | Climate Change Adaptation (6) Yes/No | Water (7) Yes/No | Pollution (8) Yes/No | Circular Economy (9) Yes/No | Biodiversity (10) Yes/No | DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation (11) Yes/No | Climate Change Adaptation (12) Yes/No | Water (13) Yes/No | Pollution (14) Yes/no | Cirkular Economy (15) Yes/no | Biodiversity (16) Yes/no | Minimum Safeguards (17) Yes/No | Proportion of Taxonomy-aligned (A.1) OpEx, 2022 (18) Pct | Category enabling activity (19) | Category transitional activity (20) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Passenger interurban rail transport | CCM 6.1 | -1,681 | 48% | Yes | N/A | N/A | N/A | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 47% | Yes | No |
| Infrastructure for rail transport | CCM 6.14 | -290 | 8% | Yes | N/A | N/A | N/A | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7% | Yes | No |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **-1,971** | **56%** | **100%** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | | | | | | | | **54%** | | |
| **Of which enabling** | | | **31%** | | | | | | | | | | | | | | | | |
| **Of which transitional** | | | | | | | | | | | | | | | | | | | |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Renovation of existing buildings | CE 3.2 | -38 | 1% | | | | | | | | | | | | | | 1% | | |
| Passenger interurban rail transport | CCM 6.1 | -1,320 | 37% | | | | | | | | | | | | | | 38% | | |
| Urban and suburban transport, road passenger transport | CCM 6.3 | -69 | 2% | | | | | | | | | | | | | | 2% | | |
| Transport by motorbikes, passager cars and light commercial vehicles | CCM 6.5 | -8 | 0% | | | | | | | | | | | | | | 0% | | |
| Infrastructure for rail transport | CCM 6.14 | -129 | 4% | | | | | | | | | | | | | | 4% | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **-1,564** | **44%** | | | | | | | | | | | | | | **46%** | | |
| **A. OpEx of Taxonomy-eligible activities (A.1 + A.2)** | | **-3,535** | **100%** | | | | | | | | | | | | | | **100%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy-non-eligible activities** | | **0** | **0%** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **-3,535** | **100%** | | | | | | | | | | | | | | | | |

## Accounting policies in the context of the EU Taxonomy Regulation

We report on the EU Taxonomy Regulation pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and supplementing Regulation (EU) 2023/2486 and pursuant to Directive 2013/34/EU on non-financial reporting.

The Taxonomy Regulation and the supplementing rules with technical screening criteria set out the conditions which an economic activity must meet in order to qualify as environmentally sustainable within the framework of the EU classification system. These include that the economic activity must contribute substantially to fulfilling one or more of the six environmental objectives and, at the same time, do no significant harm ('DNSH') to any of the other environmental objectives.

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

**Minimum safeguards**

In addition, the activity must be carried out in alignment with a number of minimum safeguards, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well as fundamental principles and rights established under the auspices of the International Labour Organisation and in international instruments on fundamental human rights.

The overall framework regarding human rights, including social and employee matters, is described in the Social and Governance sections and is laid down in DSB's corporate responsibility policy.

The policy has been adopted by DSB's Board of Directors and guides how DSB's employees, management and Board of Directors should exhibit socially responsible behavior, make the right decisions on a day-to-day basis, and treat each other, customers and other stakeholders. The Board of Directors has overall responsibility for the policy and evaluates it at least once a year.

The corporate responsibility policy is available at www.dsb.dk

**Screening process for activities**

Taxonomy-eligible activities indicate the proportion of the Group's revenue (turnover), capital expenditure (CapEx) and operating expenses (OpEx), respectively, derived from economic activities covered by the EU Taxonomy. Taxonomy-aligned activities indicate that they also meet the technical screening criteria to qualify as environmentally sustainable.

Based on the descriptions of activities, we have identified the following taxonomy-eligible activities of the Group with the relevant technical screening criteria:

**Passenger interurban rail transport, CCM 6.1**, where the activity must meet one of the following criteria: Trains and passenger coaches have zero direct (tailpipe) $CO_2$ emissions, or trains and passenger coaches have zero direct (tailpipe) $CO_2$ emissions when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).

- DSB's activities comprise train operations with either diesel or electric-powered rolling stock. Electric traction meets the stated criteria as it produces no direct $CO_2$ emissions.

**Urban and suburban transport, road passenger transport, CCM 6.3**, comprising purchase, financing, leasing, rental and operation of urban and suburban transport vehicles for passengers and road passenger transport. The direct (tailpipe) $CO_2$ emissions from the activity must be zero.

- In connection with track works, for example, DSB provides replacement services to passengers in the form of bus services on the affected lines.

**Transport by motorbikes, passenger cars and light commercial vehicles, CCM 6.5**, comprising purchase, , renting, leasing and operation of vehicles. Until 31 December 2025, the activity must produce specific emissions of CO2 lower than 50 g $CO_2$/km, and from 2026, zero emissions.

- DSB's activities comprise leasing of a number of passenger and freight vehicles, e.g. in connection with the operation of stations and workshops.

**Infrastructure for rail transport, CCM 6.14**, comprising, i.a., transfer of passengers from rail to rail or from other modes to rail, including stations.

- DSB's maintenance of stations is included under this item.

**Renovation of existing buildings, CE 3.2,** comprising construction and civil engineering works or preparation thereof.

- Expenses and income in connection with renovation and maintenance of buildings and areas other than stations are included under this item.

**Acquisition and ownership of buildings, CCM 7.7**

- Expenses and income in connection with operation and maintenance of buildings and areas relating to train operations or property development projects relating to train operations are included under this item. Expenses and income relating to future sales and leasing of buildings and areas are also included.

## Taxonomy-eligible activities

**Accounting policies for KPIs**

Taxonomy-eligible activities are expressed by a Key Performance Indicator (KPI) and calculated as the proportion of revenue, capital expenditure and operating expenses, respectively, deemed to be covered by the EU Taxonomy relative to the Group's total revenue, capital expenditure and operating expenses.

Taxonomy-aligned activities are expressed by a KPI and calculated as the proportion of revenue, capital expenditure and operating expenses, respectively, that qualifies as sustainable by meeting the screening criteria relative to the Group's total revenue, capital expenditure and operating expenses.

**Revenue**

Taxonomy-eligible revenue is calculated as the proportion of DSB's revenue that can be attributed to one of the above economic activities and includes passenger revenue, contract revenue, revenue from corrective and planned maintenance of rolling stock, income from sale and leasing of properties and areas, from leasing of rolling stock as well as own work capitalised. Income from sale of convenience store products etc. is taxonomy-non-eligible and therefore not included.

**Capital expenditure**
Capital expenditure is calculated as the proportion of DSB's capital expenditure that can be attributed to one of the above economic activities, primarily investments in new electric-powered rolling stock, New Green Workshops, major overhauls, including purchase of rotable and spare parts as well as investments in stations. Capital expenditure relating to convenience store activities is taxonomy-non-eligible and therefore not included.

**Operating expenses**
Operating expenses comprise the proportion of DSB's expenses that can be attributed to one of the above economic activities, including primarily expenses in connection with corrective and planned maintenance of rolling stock, renovation of buildings, short-term leases, and other direct expenses relating to the day-to-day maintenance of property, plant and equipment. The definition has been assessed not to include staff expenses for train operation, energy expenses for train operation, general overhead expenses, and expenses in connection with the sale of convenience store products, etc.

## Taxonomy-aligned activities

**Revenue**
Numerator: The proportion of revenue that complies with the technical screening criteria of zero direct (tailpipe) CO2 emissions is included. It comprises mainly passenger revenue and contract revenue generated by electric train operations, which produce no $CO_2$ emissions, and revenue from operation and maintenance of stations. Safety and traffic management systems as well as planning services are also included. Revenue from activities carried out using diesel traction is not included.

There is no risk of double counting in the numerator as none of the proportions of revenue allocated can be classified as being included in multiple activities.

Denominator: The DSB Group's total income as specified in notes 2.1, 2.2 and 2.3.

**Capital expenditure**
Numerator: Capital expenditure is the proportion of DSB's capital expenditure that can be attributed to one of the above economic activities and consists of, i.a., investments in new electric-powered rolling stock, green workshops, major overhauls, including purchase of rotable and spare parts as well as investments in stations and in sales and information systems. Capital expenditure related to convenience store activities and sale of properties and areas is not included as these economic activities are taxonomy-non-eligible.

There is no risk of double counting in the numerator as none of the proportions of revenue allocated can be classified as being included in multiple activities.

Denominator: The DSB Group's additions of intangible assets and property, plant and equipment as specified in notes 3.1 and 3.2

**Operating expenses**
Numerator: Operating expenses comprise the proportion of DSB's expenses that can be attributed to one of the above economic activities, primarily expenses in connection with corrective and planned maintenance of rolling stock, renovation of buildings, and direct expenses relating to the day-to-day maintenance of property, plant and equipment.

There is no risk of double counting in the numerator as none of the proportions of revenue allocated can be classified as being included in multiple activities.

Denominator: The Group's total operating expenses less the proportion of DSB's taxonomy-non-eligible operating expenses. The definition has been assessed not to include staff expenses for train operation, energy expenses for train operation, general overhead expenses, and expenses in connection with the sale of convenience store products, etc.

**DNSH - do no significant harm**
DSB's economic activities are assessed in relation to whether they contribute to climate change mitigation and in relation to the principle of doing no significant harm to the other environmental objectives. The DNSH review has been based on Regulations (EU) 2020/852 and 2023/2486 as well as the technical screening criteria.

The same considerations apply in relation to revenue, CapEx and OpEx.

**Climate change mitigation**
Passenger transport by rail is fundamentally an activity contributing to climate change mitigation as the $CO_2$ emissions generated are lower than for other modes of transport. Electric rail transport is stated as contributing to climate change mitigation.

DSB's overall strategy is to convert train services to become exclusively electric powered. DSB still operates diesel-powered rolling stock, and these activities are deemed not to contribute to climate change mitigation.

DSB is in the process of acquiring new electric rolling stock in replacement of the existing diesel-powered stock. Over the coming years, this will gradually result in a significant reduction in the consumption of diesel oil and thus a significant reduction in $CO_2$ emissions.

$CO_2$ emissions will be reduced to zero by 2030, partly due to the conversion to electric-powered operations, partly due to Denmark's national ambition of a 100 percent renewable energy supply by 2030.

S-train services are 100 percent electric, while the corresponding percentage for Long-distance & Regional services is 45 percent. A total of 64 percent of train services were electric powered in 2023.

As with train services, DSB's other operations will be converted to become $CO_2$ neutral by 2030.

**Climate change adaptation**
DSB's operates train services on infrastructure that is owned and managed by Banedanmark and Sund & Bælt. The most significant consequences for DSB's business operations occur when climate change affects the use of the traffic infrastructure.

The infrastructure (Banedanmark's and Sund & Bælt's) and largely all of DSB's assets have a useful life of over 10 years. Part of DSB's rolling stock will be replaced within a 10-year period.

In accordance with Appendix A, II, of Council Regulation (EU) 2020/852, the greatest hazards to DSB's business are related to:

- Wind, primarily fallen trees blocking tracks and/or tearing down overhead lines
- Storm surges causing flooding of low-lying areas
- Cloudbursts causing flooding of low-lying areas
- Track buckling at high temperatures
- Landslides along railway lines

The consequences will typically be in the form of relatively short-term (½-2 days) restrictions on train services and hence short-term consequences for DSB's business operations. The consequences will be in the form of reduced speed, reduced service frequency or suspended operations.

The damage and consequences do not differ from those occurring regularly in connection with broken rails, torn-down overhead lines, etc.

Banedanmark, in collaboration with the railway companies in Denmark, has drawn up contingency plans to ensure that the traffic consequences are known and that contingency measures can be implemented quickly with as little disruption as possible.

Specifically, a storm contingency plan has been drawn up that describes the sequence from the decision-making process to activation of the plan, different levels of changes to traffic and the reopening of services when the wind subsides.

In the event of storm, the general level of activity in Denmark is reduced, and so is the number of passengers on DSB's trains, with an ensuing short-term impact on DSB's income.

Storms are the most frequent reason for restrictions on train services in Denmark. On the basis of climate forecasts, this is expected to continue to be the case, which is the reason why a comprehensive plan has been drawn up for this particular weather situation.

The UN climate forecasts have been translated into Danish conditions by the Danish Meteorological Institute and made available through a climate atlas displaying the various climate changes. This shows the consequences for RCP4.5 – an intermediate scenario from the UN – and RCP8.0 – a pessimistic scenario from the UN – as well as for different time horizons.

The other climate impacts on the infrastructure occur less frequently and not every year. If this should change in future, DSB will take the initiative to extend the contingency plans to cover new relevant areas as well.

In addition, Banedanmark has drawn up a circular on normal winter measures. The circular describes the management of situations in connection with snow and ice, as regards traffic conditions, clearance and skid prevention.

Based on experience, the impact on DSB's own assets (rolling stock, workshops, preparation facilities, stations etc.) has been very short-lived and limited. This is deemed to be the case in future as well.

Traffic consequences are managed as they arise. If weather conditions require restrictions on customer journeys, these will be implemented.

**Sustainable use and protection of water and marine resources**
Pursuant to Regulation (EU) 2020/852, this is regarded as not relevant in relation to passenger rail transport.

**Transition to a circular economy**
DSB is working towards the goals of reducing the waste volumes and ensuring that the largest possible proportion is recycled. DSB has set a strategic goal for 2030 of at least 90 percent waste recycling.

Currently, DSB has in place waste collection at all workshops, at construction and development projects as well as collection of waste paper at the administrative workplaces. New steps will be taken in line with developments in the waste management sector with regard to the management of new waste fractions.

In the coming years, we will be focused on separation at source of customer-facing waste, which is currently the least recycled waste.

A number of rolling stock components are sent for restoration before being reinstalled, which helps to keep down the volume of waste.

**Pollution prevention and control**
DSB is working actively to reduce pollution from the corporation's activities. The transition from diesel to electric train operations will cause a distinct reduction of air pollution and reduce the risk of soil contamination in connection with refuelling of diesel.

The engines for DSB's diesel-powered IC3 and IC4 train sets were supplied before 2006 when the EU requirements for engines in rolling stock entered into force. The engines meet the requirements for the best heavy goods vehicle engine at the time of acquisition, which was Euro III. This means that the engines do not meet the requirements laid down in Regulation (EU) 2016/1628, Annex II.

Concurrently with the electrification of train services in the coming years, DSB will build three new workshops, which will all be certified to the DGNB standards. Washing facilities and faeces disposal are designed according to the latest standards to reduce the risk of impact on the environment.

In addition, DSB uses drip trays in connection with the refuelling of rolling stock, oil separators on sewers and separated collection of waste in workshops etc.

On an ongoing basis, DSB sells or develops land that is no longer used for railway purposes. Any soil contamination from previous activities is handled in this connection.

**Protection and restoration of biodiversity and ecosystems**
Pursuant to Regulation (EU) 2020/852, this is regarded as not relevant in relation to passenger rail transport.

# KPI results

| ESG | No. | KPI | Unit | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|
| Environmental | 1 | Taxonomy-aligned revenue (turnover) | % | | | | 53 | 53 |
| | 2 | Taxonomy-aligned OpEx | % | | | | 54 | 56 |
| | 3 | Taxonomy-aligned CapEx | % | | | | 76 | 88 |
| | 4 | $CO_2e$, scope 1 | Tonnes $CO_2e$ | 175,996 | 172,026 | 146,930 | 121,657 | 115,470 |
| | 5 | $CO_2e$, scope 2 | Tonnes $CO_2e$ | 45,360 | 40,669 | 45,913 | 47,074 | 29,969 |
| | 6 | $CO_2e$, intensity | Tonnes $CO_2e$/DKK | 0.000021 | 0.000022 | 0.000019 | 0.000017 | 0.000014 |
| | 7 | Energy consumption, total DSB | Million GJ | 3.59 | 3.50 | 3.23 | 3.11 | 2.91 |
| | 8 | Energy intensity | GJ/DKK | 0.000333 | 0.000359 | 0.000321 | 0.000304 | 0.000276 |
| | 9 | Water consumption | m3 | 179,247 | 145,528 | 129,662 | 138,214 | 144,969 |
| | 10 | Particulate emissions | Tonnes | 17 | 16 | 11 | 6 | 6 |
| | 11 | Waste disposal | Tonnes | 12,520 | 8,137 | 7,423 | 8,087 | 7,049 |
| | 12 | Waste recycling | % | 57 | 46 | 40 | 32 | 35 |
| | 13 | Environmental conditions (enquiries) | Number | 89 | 93 | 85 | 81 | 73 |
| Social | 14 | Sickness absence, DSB | % | 4.3 | 4.7 | 4.2 | 5.1 | 5.2 |
| | 15 | Work accidents LTIFR, DSB | Number | 14.0 | 13.2 | 20.1 | 12.7 | 11.1 |
| | 16 | Serious work accidents | Number | 24 | 25 | 24 | 21 | 30 |
| | 17 | Work accidents due to violence and threats | Number | 190 | 110 | 140 | 146 | 163 |
| | 18 | Signal overruns | Number | 217 | 169 | 202 | 159 | 172 |
| | 19 | Significant accidents | Number | 10 | 8 | 10 | 18 | 12 |
| | 20 | Serious injuries on trains | Number | 12 | 0 | 0 | 0 | 0 |
| | 21 | Employee satisfaction | 5-point scale | 3.5 | 3.9 | 3.8 | 3.9 | 3.9 |
| | 22 | Employee turnover rate | % | 10.6 | 10.5 | 11.5 | 14.4 | 14.6 |
| | 23 | Full-time employees | FTEs | 6,866 | 6,757 | 6,061 | 5,951 | 5,894 |
| | 24 | Gender diversity in the organisation | % | 23.9 | 24.3 | 25.2 | 26.8 | 27.5 |
| | 25 | Gender diversity, supreme governing body (Board of Directors) | % | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| | 26 | Gender diversity, senior management levels | % | 29.6 | 30.0 | 30.6 | 41.8 | 40.5 |
| | 27 | Gender diversity, other management levels | % | 28.6 | 30.0 | 28.6 | 33.2 | 35.1 |
| | 28 | Gender pay gap | Ratio | 1.08 | 1.08 | 1.07 | 1.06 | 1.05 |
| | 29 | Employees of other ethnicities | % | 8.5 | 8.8 | 10.2 | 12.1 | 13.3 |
| | 30 | Office trainees and apprentices | Number | 99 | 90 | 94 | 84 | 68 |
| | 31 | Child guides | Number | 15,591 | 11,411 | 11,063 | 11,072 | 10,791 |
| | 32 | Disability assistance | Number | 18,000 | 9,167 | 13,284 | 18,814 | 19,644 |
| Gover-nance | 33 | CEO to worker pay ratio | Ratio | 13.5 | 15.5 | 14.0 | 13.5 | 13.5 |
| | 34 | Whistleblower scheme | Number | 3 | 5 | 4 | 5 | 18 |
| | 35 | Compliance, number of certifications | Number | 4 | 4 | 5 | 6 | 6 |
| | 36 | Safety management systems – a natural part of everyday work | 5-point scale | 3.4 | 3.7 | 3.8 | 3.8 | 4.0 |

# KPI definitions

| ESG | No. | KPI | Definition |
|---|---|---|---|
| Environmental | 1 | Taxonomy-aligned revenue (turnover) | The proportion of DSB's revenue attributed to economic activities covered by the EU Taxonomy definitions under 6.1 Passenger interurban rail transport, 6.14 Infrastructure for rail transport and related screening criteria.<br>Standard: EU Taxonomy, Regulation (EU) 2023/2486 of 27 June 2023, proportion covered by the EU Taxonomy alignment definition. |
| | 2 | Taxonomy-aligned OpEx | The proportion of DSB's OpEx attributed to economic activities covered by the EU Taxonomy definitions under 6.1 Passenger interurban rail transport, 6.14 Infrastructure for rail transport, 6.3 Urban and suburban transport, road passenger transport, 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and related screening criteria.<br>Standard: EU Taxonomy, Regulation (EU) 2023/2486 of 27 June 2023, proportion covered by the EU Taxonomy alignment definition. |
| | 3 | Taxonomy-aligned CapEx | The proportion of DSB's CapEx attributed to economic activities covered by the EU Taxonomy definitions under 6.1 Passenger interurban rail transport and 6.14 Infrastructure for rail transport and related screening criteria.<br>Standard: EU Taxonomy, Regulation (EU) 2023/2486 of 27 June 2023, proportion covered by the EU Taxonomy alignment definition. |
| | 4 | $CO_2e$, scope 1 | CO2 emissions, scope 1. Total emission of CO2 equivalents from diesel for trains, fuel for vehicles, and fuels and gas for heating.<br>Standard: The Greenhouse Gas Protocol (GHG). |
| | 5 | $CO_2e$, scope 2 | CO2 emissions, scope 2. Total emission of CO2 equivalents from electricity for trains and other operations, and district heating.<br>Standard: The Greenhouse Gas Protocol (GHG). |
| | 6 | $CO_2e$, intensity | Total emission of CO2 equivalents for scopes 1 and 2 divided by net revenue.<br>Standard: The Greenhouse Gas Protocol (GHG). |
| | 7 | Energy consumption, total DSB | Total energy consumption for train operations and other operations (buildings, fixed installations, company cars), calculated based on consumption statements according to meter readings and annual statements from suppliers. |
| | 8 | Energy intensity | Total energy consumption divided by net revenue. |
| | 9 | Water consumption | Consumption of water from waterworks based on consumption statements according to meter readings and annual statements from suppliers. |
| | 10 | Particulate emissions | Amount of particulates from diesel train engines measured in tonnes. |
| | 11 | Waste volumes | Waste volumes disposed of incl. construction waste.<br>Standard: Municipal waste regulations, guidelines from the Danish Environmental Protection Agency and EWC codes. |
| | 12 | Waste recycling | Proportion of recycled waste relative to total waste volume.<br>Standard: Municipal waste regulations, guidelines from the Danish Environmental Protection Agency and EWC codes. |
| | 13 | Environmental conditions (enquiries) | Enquiries from customers, neighbours and authorities concerning environmental conditions, typically noise pollution or air quality. |
| Social | 14 | Sickness absence, DSB | Own sickness absence per employee as a percentage of number of working hours. |
| | 15 | Absence due to work accidents (LTIFR), DSB | Number of work accidents resulting in at least one full day of absence divided by million hours worked.<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 16 | Serious work accidents | A serious work accident where recorded absence is 21 days or more. |
| | 17 | Work accidents due to violence and threats | Total number of work accidents involving violence or threats against DSB employees. |
| | 18 | Signal overruns | Signal overruns in areas where Banedanmark operates signals.<br>Standard: Executive Order no. 707 of 20 May 2020. |

| ESG | No. | KPI | Definition |
|---|---|---|---|
| Social | 19 | Significant accidents | Any accident involving at least one railway vehicle in motion and resulting in death or serious injury to at least one person, or extensive destruction of rolling stock, track or other facilities or damage to the environment in excess of DKK 1.2 million, or in suspension of train services for 6 hours or more on a main line. Accidents at workshops, warehouses and depots are not included. The accident must be unwanted or unintentional, which excludes vandalism, suicide and acts of terrorism. The KPI includes S-trains and long-distance trains.<br>Definition set out in the Danish Transport, Construction and Housing Authority's guidelines in the Executive Order on railway data reporting. Standard: Executive Order no. 707 of 20 May 2020. |
| | 20 | Serious injuries on trains | Number of passengers who die or are hospitalised for more than 24 hours due to injuries resulting from being onboard a train. |
| | 21 | Employee satisfaction | Annual survey of employee satisfaction. The questionnaire survey helps identify where to implement initiatives to improve wellbeing.<br>Standard: Ennova satisfaction survey. |
| | 22 | Employee turnover rate | Number of FTEs leaving / FTEs * 100.<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 23 | Full-time employees | Average number of employees in the financial year.<br>Standard: Section 68 of the Danish Financial Statements Act. |
| | 24 | Gender diversity in the organisation | Proportion of female employees relative to total employees (FTE).<br>Standard: Recommendation and Ratios by the Danish Finance Society |
| | 25 | Gender diversity, supreme governing body (Board of Directors) | Female board members elected at the annual meeting relative to total board members elected at the annual meeting.<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 26 | Gender diversity, senior management levels | Female chief executives and managers reporting to chief executives (FTE) relative to total chief executives and managers reporting to chief executives (FTE).<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 27 | Gender diversity, other management levels | Female managers not reporting to chief executives (FTE) relative to total managers not reporting to chief executives (FTE).<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 28 | Gender pay gap | Difference between average gross hourly wage of male employees and female employees as a percentage of average gross hourly wage of male employees.<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 29 | Employees of other ethnicities | Number of employees of other ethnicities relative to total workforce. |
| | 30 | Office trainees and apprentices | Number of trainees and apprentices employed with DSB.<br>Standard: Center for ESG Research (2017). Integrated Ratio Guideline, 4.11. |
| | 31 | Child guides | Number of journeys with child guides on train services offering child guides. |
| | 32 | Disability assistance | Number of disability-assistance services provided by DSB, including number performed for external train operators. |
| Governance | 33 | CEO to worker pay ratio | CEO compensation / Median employee pay.<br>Standard: The Danish Business Authority's guidelines on ESG ratios. |
| | 34 | Whistleblower scheme | Reports received in the whistleblower portal system, EQS. |
| | 35 | Compliance, number of certifications | The KPI includes six certificates: ISO14001, ISO 9001, ISO27001, DS/ISO 45001:2018, safety certificate and ECM.<br>The KPI measures whether externally certified and audited certificates have been reobtained/recertified at end of certification period. |
| | 36 | Safety management systems – a natural part of everyday work | Qualitative safety target to support continued integration of safety management at DSB.<br>Standard: EU Regulation 2018/762 of 8 March 2018 and Executive Order no. 712 of 20 May 2020. |


# Results

# Results

## Financial and operating data

| Group (DKK million) | 2019[1] | 2020[1] | 2021[1] | 2022 | 2023 | Growth (pct.) | Q4 2023 |
|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | |
| Revenue[2] | 10,765 | 9,741 | 10,062 | 10,212 | 10,550 | 3 | 2,704 |
| Profit or loss before depreciation, amortisation and impairment losses | 2,014 | 1,301 | 2,186 | 1,544 | 1,511 | -2 | 345 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equip-ment | 3,551 | 1,335 | 1,315 | 1,243 | 1,034 | -17 | 328 |
| Operating profit or loss | -1,537 | -34 | 871 | 301 | 477 | 58 | 17 |
| Net financials | -104 | -70 | -66 | -72 | -52 | -28 | -19 |
| Profit or loss before tax | -1,641 | -104 | 805 | 229 | 425 | 86 | -2 |
| **Profit or loss for the year** | -1,276 | -57 | 623 | 257 | **320** | 25 | **-14** |
| **Balance sheet** | | | | | | | |
| Total assets | 12,081 | 12,147 | 13,722 | 13,990 | 14,094 | 1 | 14,094 |
| Investments in property, plant and equipment | 829 | 823 | 1,361 | 1,886 | 3,157 | 67 | 942 |
| Total equity | 4,345 | 4,092 | 5,093 | 5,688 | 5,868 | 3 | 5,868 |
| **Net interest-bearing debt** | **3,320** | **2,826** | **2,725** | **2,729** | **4,130** | **51** | **4,130** |
| **Key figures** | | | | | | | |
| Operating profit margin (EBITDA margin)* | 18.7 | 13.4 | 21.7 | 15.1 | 14.3 | -5 | 12.8 |
| Profit ratio (EBIT margin)* | -14.3 | -0.3 | 8.7 | 2.9 | 4.5 | 55 | 0.6 |
| Return on invested capital after tax (ROIC after tax)* | -13.8 | 0.0 | 9.2 | 2.9 | 3.9 | 34 | 0.0 |
| Gearing* | 1.6 | 2.2 | 1.2 | 1.8 | 2.7 | 50 | 12.0 |
| Solvency ration* | 36.0 | 33.7 | 37.1 | 40.7 | 41.6 | 2 | 41.6 |
| **Average number of full-time employees** | **6,866** | **6,757** | **6,061** | **6,026** | **6,113** | **1** | **6,031** |

## Financial and operating data (continued)

| Group (DKK million) | 2019[1] | 2020[1] | 2021[1] | 2022 | 2023 | Growth (pct.) | Q4 2023 |
|---|---|---|---|---|---|---|---|
| **Customers** | | | | | | | |
| Number of journeys (million) | 187.5 | 120.2 | 118.1 | 163.7 | 162.4 | -1 | 42.2 |
| Number of journeys, corrected for relinquished traffic (million) | 166.6 | 111.5 | 110.2 | 149.1 | 162.4 | 9 | 42.2 |
| **Reputation[3]** | | | | | | | |
| DSB | 58.5 | 66.2 | 70.4 | 71.0 | 71.1 | 0 | 70.8 |
| **Customer punctuality** | | | | | | | |
| Long-distance & Regional trains (percent) | 79.1 | 86.7 | 78.6 | 73.3 | 71.7 | -2 | 70.1 |
| S-trains (percent) | 93.0 | 94.4 | 92.0 | 94.2 | 95.9 | 2 | 94.8 |
| **Productivity** | | | | | | | |
| Passenger revenue per seat kilo-metre (DKK 0.01/km) | 31.0 | 20.5 | 23.5 | 31.6 | 33.0 | 4 | 34.1 |
| Passenger revenue per seat kilo-metre (DKK 0.01/km), adjusted for Metro double factor | 32.3 | 21.5 | 23.5 | 31.6 | 33.0 | 4 | 34.1 |
| Costs per seat kilometre (DKK 0.01/km)[4] | 59.7 | 56.2 | 56.5 | 57.2 | 61.1 | 7 | 67.1 |

[1] Comparative figures for 2019-2021 have been restated in connection with the reclassification in 2023.
[2] Revenue includes revenue from the railway business.
[3] The method applied to determine reputation and productivity changed in 2021. Comparative figures have been restated ac-cordingly.
[4] Costs per seat kilometre for 2019 have been adjusted for items of a non-recurring nature.
* Calculated according to the definitions provided under key Financial ratio definitions.

”We saw increasing energy costs and expenses for corrective and planned maintenance. On account of significant non-recurring income, we came out with a profit before tax of DKK 425 million. Effective cost management remains high on the agenda.”

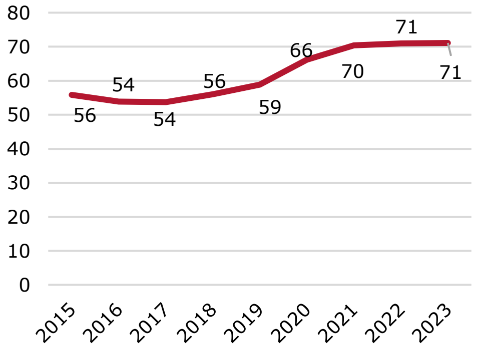
Pernille Damm Nielsen, CFO

# Customers

## Good reputation

We ended December with a reputation score of 73.1 and therefore have a solid foundation to build on.

**Figure 14: Reputation – average for the year**




## Customer punctuality historically high for S-trains, while Long-distance & Regional Trains faced challenges

The S-trains area was characterised by historically high customer punctuality in 2023. Customer punctuality was 95.9 percent in 2023, up from 94.2 percent the year before.

Long-distance & Regional Trains faced challenges in terms of customer punctuality in 2023, which ended at 71.7 percent. This was below the transport contract target of 75.0 percent and lower than in 2022.

**Table 12: Customer punctuality [1]**

| % | 2023 | 2022 | Growth Abs. | Growth Pct. |
|---|---|---|---|---|
| S-trains | 95.9 | 94.2 | 1.7 | 2 |
| Long-distance & Regional Trains | 71.7 | 73.3 | -1.6 | -2 |

[1] Customers who arrived at their final destination on time, i.e. less than three minutes late.

The high customer punctuality for S-trains in 2023 can be attributed to the significantly lower number of faults in the infrastructure, including both signals and tracks, coupled with fewer faults, defects and errors for which DSB is responsible.

We have seen a continuous improvement in customer punctuality on the S-train lines in step with the full-scale roll-out of CBTC in 2022. The full implementation of the digital signalling system underpinned a substantial reduction in the number of signal faults.

Customer punctuality presented challenges to Long-distance & Regional Trains most of the year. Customer punctuality came off to a good start in Q1, up on the same period of 2022. This was achieved as a result of a catalogue of adjustments to the timetable for 2023, which ensured more stable operations.

From Q2 2023 and beyond, customer punctuality was challenged and below the 2022 level. One of the challenges was the major infrastructure works, as track works entail an increased risk of faults and generally put train services under pressure.

In addition to the effects from extensive infrastructure works, customer punctuality for Long-distance & Regional Trains in 2023 was also challenged by major faults in conventional infrastructure as well as faults and defects in DSB's rolling stock.

Major incidents that caused acute service disruption and adversely affected punctuality in 2023 included a fallen overhead line mast near Fjenneslev on 21 April, work stoppages in breach of collective agreements by station officers and craftsmen at DSB's workshops in June, a fallen overhead line between Sorø and Slagelse on 18 August and several days of extreme weather conditions, including storms in January, February and August, combined with the November storm surge that hit large parts of Denmark.

In 2023, we paid more than DKK 60 million in compensation to customers under the travel time guarantee scheme, primarily for long-distance and regional services.

## Major infrastructure works in 2023

During 2023, major infrastructure works were undertaken in connection with electrification and track renewal projects in eastern Jutland and track works between Slagelse and Odense. In connection with these works, both the main line serving Slagelse-Odense-Fredericia and the line between Roskilde and Ringsted were completely closed off in week no. 30, and replacement buses were put into service on both lines.

Banedanmark's infrastructure works during the summer of 2023 were generally conducted in a satisfactory manner and were completed on time, which made it possible for DSB to resume rail services as planned. The planning of operations and running of services up to and during the infrastructure works were handled in close and well-functioning collaboration with Banedanmark.

## Timetable 2024 initiatives

On 10 December 2023, the new timetable came into effect for both S-trains and for Long-distance & Regional trains.

As far as S-trains are concerned, the new timetable involves, among other initiatives, the opening of the new S-train station in Favrholm south of Hillerød. The station will connect passengers travelling by local train on the Frederiksværkbanen line with the S-train on the Hillerødbanen line and will connect the S-train to the new North Sealand Hospital.

In connection with the timetable change, Ny Ellebjerg Station was renamed København Syd (Copenhagen South). The name change coincides with the development of the station into a major regional hub serving Copenhagen and the metropolitan area.

The new metro line with its terminus at Copenhagen South is expected to open in 2024. With the new platforms for long-distance and regional trains, scheduled for completion in early 2025, Copenhagen South will become a major interchange station serving the Greater Copenhagen area.

Changes to Timetable 2024 have been made, especially in the regional traffic on Zealand. The new timetable will be more robust and predictable, preventing a single delay from spreading and affecting other departures.

For longer journeys, this involves longer travel time. The changes mean, among other effects, that there will be two fewer services per hour running between Nivå and Copenhagen Central Station and between Copenhagen Central Station and Roskilde. Trains from Elsinore still continue to Næstved, now alternately via Roskilde and Køge, and during peak hours also to Holbæk.

The Kystbanen line has introduced a 15-minute train service stopping at all stations. In addition, the line is served by peak-hour trains that cut travel time by skipping some stations so commuters have a fast connection from the northernmost stations on Zealand to the Copenhagen area.

## Increase in number of journeys

162.2 million journeys were made with DSB in 2023, which is 9 percent more than in 2022 when adjusted for relinquished services. Coronavirus restrictions also affected January 2022.

Zealand – including commuter traffic in and out of Copenhagen – experienced 17 percent growth, which was mainly accounted for by journeys in Copenhagen and longer regional journeys. Fewer people travelled in Q1 2022 due to coronavirus restrictions. 2023 was affected by new and reconfigured train systems to the benefit of customers travelling short distances in Copenhagen.

Western Denmark (Jutland and Funen) experienced 2 percent growth, primarily driven by Orange tickets at discounted fares. During the summer, ongoing track works had an adverse effect on the market, especially on the line between Slagelse and Fredericia.

East/West (across the Great Belt) showed an increase of 1 percent. Track works on the line across Funen in Q3 2023 meant that the first-half growth did not continue in the second half of 2023.

S-train journeys were 8 percent up on 2022. Both leisure journeys and commuter journeys recorded progress.

**Table 13: Numbers of journeys**

| | | | Growth | |
|---|---|---|---|---|
| 1,000 journeys | **2023** | **2022** | **Abs.** | **Pct.** |
| Zealand | 35,118 | 29,904 | 5,213 | 17 |
| West (Jutland and Funen) | 10,493 | 10,322 | 171 | 2 |
| East/west (across the Great Belt) | 8,261 | 8,216 | 45 | 1 |
| Other | 2,366 | 2,092 | 274 | 13 |
| **Long-distance & Regional Trains** | **56,238** | **50,534** | **5,703** | **11** |
| S-trains | 106,178 | 98,548 | 7,630 | 8 |
| **Total, including relinquished services** | **162,416** | **149,082** | **13,333** | **9** |
| Relinquished services | 0 | 14,546 | -14,546 | - |
| **Total** | **162,416** | **163,628** | **-1,213** | **-1** |

# Train operations

## Productivity

### Table 14: Productivity of train activities

| | 2023 | 2022 | Growth Abs. | Growth Pct. |
|---|---|---|---|---|
| Passenger revenue per seat kilometre[1] (DKK 0.01/km) | 33.0 | 31.6 | 1.4 | 4 |
| Costs per seat kilometre[1] (DKK 0.01e/km) | 61.1 | 57.2 | 3.9 | 7 |

[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 increased in line with the increased passenger revenue. The number of seat kilometres in 2023 was on a par with 2022.

Costs per seat kilometre were up 7 percent on 2022, the rise in costs mainly being due to rising energy prices.

## Rolling stock

2023 saw an increase in litra kilometres travelled compared to 2022. Among the reasons was the introduction of IC1 coaches into international traffic, which have replaced part of our operations with IC3 train sets for international traffic to and from Germany since mid-June 2023.

Overall operational stability was higher in 2023 compared to 2022, driven in particular by markedly higher operational stability for DSB's EB electric locomotives as well as the Øresund and S-electric train sets.

Electric rolling stock accounted for 52.8 percent of total litra kilometres produced (2022: 52.3 percent). The share of operations with electric rolling stock will increase in the coming years as the electrification programme is rolled out on more lines and as DSB receives the new electric train sets and phases out the diesel-powered stock.

### Table 15: Litra kilometres [1]

| Kilometres (1,000) | 2023 | 2022 | Growth Abs. | Growth Pct. |
|---|---|---|---|---|
| IC4 train sets | 5,784 | 6,591 | -807 | -12 |
| IC3 train sets | 27,820 | 28,569 | -749 | -3 |
| IR4 electric train sets | 11,815 | 12,310 | -495 | -4 |
| Øresund electric train sets[2] | 2,060 | 5,830 | -3,770 | -65 |
| Duble decks[3] | 20,387 | 16,999 | 3,388 | 20 |
| IC1 coaches[3] | 2,355 | - | 2,355 | - |
| EB electric locomotives | 5,195 | 3,700 | 1,495 | 40 |
| S-electric train sets | 18,351 | 19,000 | -649 | -3 |

[1] Litra kilometres represent the total number of kilometres travelled in Denmark.
[2] In 2022 litra kilometres for Øresund trainsets included travel with both Danish and Swedish trainsets. In 2023 the Litra kilometres for Øresund electric trainsets only include travel with Danish trainsets owned by DSB.
[3] Litra kilometres for double decker coaches and IC1 are calculated per coach, regardless of the fact that multiple coaches are usually connected

### Table 16: Number of kilometres travelled between incidents [1][2]

| Kilometres (1,000) | 2023 | 2022 | Growth Abs. | Growth Pct. |
|---|---|---|---|---|
| IC4 train sets | 6.0 | 8.7 | -2.7 | -31 |
| IC3 train sets | 34.7 | 37.3 | -2.6 | -7 |
| IR4 electric train sets | 31.1 | 45.8 | -14.7 | -32 |
| Øresund electric train sets DK | 29.9 | 16.3 | 13.6 | 83 |
| Double decks | 31.3 | 26.5 | 4.8 | 18 |
| IC1 coaches | 10.0 | - | 10.0 | - |
| EB electric locomotives | 40.3 | 19.8 | 20.5 | 104 |
| S-electric train sets | 25.5 | 21.4 | 4.1 | 19 |

[1] A technical incident with the rolling stock causing a delay.
[2] The calculation of kilometres travelled between incidents is based on kilometres travelled and incidents registered in Denmark.

### IC4 train sets

The operational stability of IC4 was challenged throughout 2023, with approx. 6,000 kilometres travelled between incidents with IC4, compared to approx. 8,700 kilometres between incidents in 2022.

Since May 2023, we recorded an increasing number of engine failures. This resulted in more faults and delays in services and put additional pressure on the capacity in our workshops.

We have launched various initiatives to reduce the number of faults in IC4 and ensure a stable contribution to operations in the coming years. We commenced a major overhaul of engines for IC4, and we are in the process of preparing DSB's workshop at Helgoland, Copenhagen, so that the IC4 trains can be repaired there as well. This will add to the capacity for IC4 repairs in eastern Denmark and workshop capacity in general for IC4 train sets while Banedanmark is rolling out the electrification of the line to and from Aarhus, particularly in 2025 and 2026.

The plan is for IC4 train sets to operate long-distance and regional services for some more years and then to be phased out as the IC5 electric train sets are gradually introduced.

### IC3 train sets

The IC3 train sets remain the central part of the train fleet for long-distance and regional traffic and were, with 27.8 million litra kilometres, the type of train that travelled the highest number of kilometres in 2023. This was on a level with 2022 although part of the international traffic was replaced by operations with EB electric locomotives and IC1 coaches.

In 2023, IC3 travelled fewer kilometres between incidents than in 2022, but operational stability remained high. IC3 train sets will be part of DSB's operations in the years until the new IC5 electric trains sets have been fully phased in, so we focus on ensuring continued high operational stability and stable supplies of IC3 now and in the years ahead.

### IR4 electric train sets

IR4 electric train sets travelled slightly fewer kilometres in 2023 compared to 2022 and were used as InterCity trains between Copenhagen and Odense-Fredericia-Esbjerg and for regional train services on Zealand in particular.

The number of kilometres travelled between incidents for IR4 was lower in 2023 compared to 2022. However, with approx. 31,100 kilometres between incidents, the IR4 is still one of DSB's most reliable type of train and delivers high operational stability. The plan is for the IR4 train sets to operate for some years after the phase-in of the IC5 electric train sets has been completed.

### Øresund electric train sets
DSB's Øresund electric train sets travelled more kilometres between incidents in 2023 than in 2022, but travelled markedly fewer litra kilometres overall in 2023.

In connection with the new timetable on 10 December 2023, DSB sold the remaining 10 DSB-owned Øresund electric train sets to Skånetrafiken and thus no longer had any of these train sets in operation at the end of 2023.

### Double decker coaches
In 2023, Double decker coaches travelled 20 percent more litra kilometres than in 2022. The reason was that the Double deck coaches pulled by EB electric locomotives took over part of the services on the Kystbanen line, which was served by the Øresund electric train sets in 2022.

With approx. 31,300 kilometres between incidents in 2023, the Double decker coaches travelled 18 percent more kilometres compared to 2022.

### EB electric locomotives
In 2023, the EB electric locomotives travelled a total of 5.2 million litra kilometres and approx. 40,300 kilometres between incidents. This was an improvement on 2022 when the EB electric locomotives travelled approx. 19,800 kilometres between incidents.

Following a running-in period and software updates, the EB electric locomotives have taken up a prominent role in DSB's operations. The increase in litra kilometres is due partly to EB electric locomotives together with Double decker coaches having taken over some of the services with Øresundstog on the Kystbanen line, partly to EB electric locomotives from mid-June having taken over part of the international traffic to and from Germany, which was previously operated with IC3 trains. In international traffic, the EB electric locomotives operate with IC1 coaches from Deutsche Bahn.

In October, the EB electric locomotives set a record of a full 97,000 kilometres travelled between incidents. Earlier in 2023, they had reached 95,000 kilometres between incidents in January and 88,000 in February.

### IC1 coaches
Since 17 June, international traffic between Copenhagen and Hamburg has mainly been operated with IC1 coaches from Deutsche Bahn pulled by DSB's EB electric locomotives. The introduction of IC1 between Copenhagen and Hamburg released IC3 train sets for serving other lines, including between Aarhus and Hamburg.

The IC1 coaches suffered a number of challenges, particularly in the startup phase, but operations have become smoother. International traffic will be operated with the IC1 coaches until the EC coaches ordered from Talgo are put into service.

### S-electric train sets
S-trains travelled fewer litra kilometres in 20223 compared to 2022, partly due to the use of longer trains on selected lines.

S-electric train sets delivered high operational stability at 25,500 kilometres between incidents, up 19 percent on 2022.

### Life extension of older rolling stock
IC3, IR4, Double decker coaches and S-trains today form the backbone of DSB's total rail services in Denmark and will continue to do so in the years ahead during the phasing-in of the new IC5 electric train sets, and later also the new driverless S-trains.

We have since 2017 invested in life extensions across the different types of train. So far, we have had particular focus on life extension of IC3 trains, but have now also commenced various activities with respect to life extension of Double decker coaches, S-trains and IR4 train sets.

Life extension activities include major tasks such as coach renovation, cosmetic upgrades and system upgrades, which will be implemented in the period up to around 2029.

### Changed schedule for delivery of IC5 electric train sets
The delivery of IC5 electric train sets (Coradia) from French manufacturer Alstom is delayed. According to the revised schedule, the IC5 electric train sets are expected to operate with passengers in 2027.

# Financial activities

Profit before tax was DKK 425 million in 2023 and, therefore, within the guidance range announced in the Interim Report for Q3 2023. Financial performance was positively impacted by a compensation of approx. DKK 200 million from a former supplier and gains on the sale of 10 ET train sets of DKK 125 million.

For the fourth quarter of 2023, DSB posted a loss before tax of DKK 2 million, against a loss of DKK 114 million in Q4 2022.

**Reclassification**
Items under Other operating income of DKK 1,401 million (DKK 1,254 million) have been reclassified to Revenue. The reclassification concerns the sale of convenience store products etc. as well as leasing and letting, which are no longer considered to be activities of a secondary nature to DSB.

The Parent Corporation has reclassified prepayments relating to purchases of assets intended for resale from Prepayments (assets) to Inventories for an amount of DKK 3,703 million (2022: DKK 1,354 million).

**Income**
Total income were DKK 11,417 million (DKK 10,773 million), while revenue came to DKK 10,550 million (DKK 10,212 million).

Passenger revenue was up by DKK 86 million from the prior-year period. Developments were positively affected by the growth in the number of journeys, as Q1 2022 was hampered by corona and the resulting restrictions. Long-distance & Regional Trains experienced a drop in passenger revenue of DKK 85 million, while S-trains saw an increase of DKK 171 million.

At the end of 2022, DSB relinquished traffic across Øresund by transferring these services to Skånetrafiken, which negatively affected passenger revenue by DKK 320 million.

Passenger revenue in Q4 2023 was DKK 1,414 million (DKK 1,412 million), and the above-mentioned decision to abandon all rail services across Øresund negatively affected revenue by DKK 79 million.

Contract revenue amounted to DKK 3,565 million, up by DKK 115 million compared to 2022. This was primarily affected by the general adjustment of DSB's contract revenue. Other operating income was up by DKK 265 million compared to 2022. The increase was mainly due to the compensation referred to above and, to a lesser extent, to a higher profit from sales of rolling stock.

**Expenses**
Expenses totalled DKK 9,906 million (DKK 9,229 million), equivalent to an increase of 7 percent compared to 2022.

The increase in expenses can be ascribed to, among other factors, a large increase in traction energy costs based on developments in energy prices. In addition, a higher cost of goods sold associated with increased sales of convenience store products, increased expenses for corrective and planned maintenance as well as the general inflation-driven price and pay increases.

In Q4 2023, expenses totalled DKK 2,678 million (DKK 2,379 million). This was primarily driven by increased traction energy costs as well as higher expenses for corrective and planned maintenance.

**Depreciation, amortisation and impairment losses**
Depreciation, amortisation and impairment losses were DKK 1,034 million in 2023 (DKK 1,243 million). The decline was primarily due to lower depreciation and impairment losses relating to DSB's building stock.

**Developments in assets and liabilities**
Total assets were DKK 14,094 million at end-December, against DKK 13,990 million at 31 December 2022.

In 2023, DSB invested DKK 3,157 million (DKK 1,886 million) in property, plant and equipment. The most important investments included purchases of rolling stock of the future and the construction of new workshops.

Net interest-bearing debt, up by DKK 1,401 million from 31 December 2022, was DKK 4,130 million at 31 December 2023.

**Solid cash resources**
It is necessary for DSB to maintain an appropriate level of cash resources at all times to support its investment projects and be able to pay ongoing costs and expenses.

In 2023, DSB's cash resources were at a solid average level of DKK 9.7 billion. Cash resources stood at DKK 8,891 million at 31 December 2023 (2022: DKK 10,618 million).

The European Investment Bank has previously granted DSB a total project loan framework of EUR 600 million (DKK 4,474 million) for investments in the new train fleet. Under the loan framework, loan agreements have been signed for EUR 600 million with the possibility of establishing loans with terms of up to 25 years. At the end of 2023, no loan disbursements have yet been made.

In the context of DSB's financing strategy, DSB obtained an Aa1 credit rating from Moody's Investor Service in May 2023. The strong credit rating, which is one level below the Danish State, emphasises DSB's high creditworthiness and provides a solid platform for DSB's future financing activities. In May 2023, DSB published a new EMTN (European Medium Term Note) programme with a maximum of EUR 3 billion. The programme effectively enables DSB to issue bonds in the capital markets.

## Dividends to the Ministry of Transport

The Board of Directors proposes to the general meeting that dividends in the amount of DKK 180 million be paid for 2023.

## Outlook for 2024

DSB expects its financial results before tax for 2024 to come close to breakeven. The expected performance is strongly influenced by increased train maintenance efforts.

## Events after 31 December 2023

No events have occurred after 31 December 2023 which, in management’s opinion, would materially affect the assessment of the Annual Report for 2023.


# Consolidated accounts and annual accounts

# Consolidated accounts and annual accounts

## Management's statement and auditors' report

### Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of DSB for the financial year 1 January – 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act and the DSB Act.

In our opinion, the consolidated accounts and annual accounts give a true and fair view of the assets, liabilities and financial position of the group and the parent corporation at 31 December 2023 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management report gives a fair review of the matters discussed in the Management Report.

We recommend that the annual report be approved at the Annual Meeting.

Taastrup, 8 February 2024

### Executive Board

Flemming Jensen
CEO

Pernille Damm Nielsen
CFO

Jens Visholm Uglebjerg
Executive Vice President, Commercial

Jürgen Müller
Executive Vice President, Strategy & Rolling Stock

Per Schrøder
Executive Vice President, Operations

### Board of Directors

Peter Schütze
Chairman

Anne Hedensted Steffensen
Vice-Chairman

Henrik Amsinck

Lene Feltmann Espersen

Carsten Gerner

Christina Grumstrup Sørensen

Thomas Bryan-Lund

Preben Steenholdt Pedersen

Lone Riis Stensgaard

# Independent auditors' report

## To the Minister for Transport

**Opinion**
We have audited the consolidated accounts and the annual accounts of the independent public corporation DSB for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the group and the parent corporation and a consolidated cash flow statement, pages 78-113. The consolidated accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act and the DSB Act.

In our opinion, the consolidated accounts and the annual accounts give a true and fair view of the group and the independent public corporation DSB's assets, liabilities and financial position at 31 December 2023 and of the result of the group's and the independent public corporation DSB's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act and the DSB Act.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as the Danish Standards on Public Sector Auditing (SOR) as the audit was constructed on the basis of the provisions of the DSB Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated accounts and the annual accounts" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**
The Auditor General is independent of the independent public corporation DSB in accordance with The Auditor General Act §1, stk. 6, and the Approved auditor is independent of the independent public corporation DSB in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

**Management's responsibility for the financial statements**
Management is responsible for the preparation of the consolidated accounts and the annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act and the DSB Act. Moreover, Management is responsible for such internal controls as Management determines is necessary to enable the preparation of consolidated accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark as well as the public auditing standards according to the DSB Act, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the independent public corporation DSB's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- Conclude the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the independent public corporation DSB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the independent public corporation DSB to cease to continue as a going concern
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying

transactions and events in a manner that gives a true and fair view
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervising and performance of the group audit. We remain solely responsible for our audit opinion

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

**Statement on the Management report**
Management is responsible for the Management report.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's report page 3-76 and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management report provides the information required by relevant law and regulation.

Based on the work we have performed, we conclude that the Management report is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulation. We did not identify any material misstatement of the Management report.

## Report on other legal and regulatory requirements

**Statement on compliance audit and performance audit**
Management is responsible for ensuring that the transactions included in the financial statements comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice, and that due financial consideration has been taken of the management of the funds and operations covered by the corporations included in the financial statements. Consequently, Management is responsible establishing systems and procedures supporting economy, productivity and efficiency.

In performing our audit of the financial statements, it is our responsibility to perform compliance audit and performance audit of selected items in accordance with public accounting standards. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial reporting comply with the relevant provisions of appropriations, legislation and other regulations as well as agreements entered into and usual practice. When conducting a performance audit, we perform assessment to obtain reasonable assurances as to whether the tested systems, processes or transactions support due financial considerations in relation to the management of the funds and operations covered by the project financial statements.

We must report on any grounds for significant critical comments, should we find such when performing our work.

We have no significant critical comments to report in this connection.

Copenhagen, 8 February 2024

| **EY** | | **Rigsrevisionen** | |
|---|---|---|---|
| Godkendt Revisionspartnerselskab<br>CVR-nr. 30700228 | | CVR-nr. 77806113 | |
| Søren Skov Larsen<br>State-authorised public accountant<br>mne26797 | Michael N. C. Nielsen<br>State-authorised public accountant<br>mne26738 | Birgitte Hansen<br>Auditor-General | Søren Vadskjær Skyum<br>Head of Office |

## Income statement

| Parent Corporation 2022 | Parent Corporation 2023 | Note | Amounts in DKK million | Group 2023 | Group 2022 |
|---|---|---|---|---|---|
| | | | **Income** | | |
| 9,652 | 9,747 | 2.1 | Revenue | 10,550 | 10,212 |
| 411 | 400 | 2.2 | Own work capitalised | 466 | 425 |
| 123 | 390 | 2.3 | Other operating income | 401 | 136 |
| **10,186** | **10,537** | | **Total income** | **11,417** | **10,773** |
| | | | **Expenses** | | |
| 1,574 | 1,566 | 2.4 | Raw materials and consumables used | 2,270 | 1,964 |
| 4,117 | 4,372 | 2.5,2.6, 2.7 | Other external expenses | 4,021 | 3,826 |
| 3,176 | 3,328 | 2.8,2.9 | Staff costs | 3,615 | 3,439 |
| **8,867** | **9,266** | | **Total expenses** | **9,906** | **9,229** |
| **1,319** | **1,271** | | **Profit or loss before depreciation, amortisation and impairment losses** | **1,511** | **1,544** |
| 1,095 | 892 | 3.1,3.2, 3.3 | Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 1,034 | 1,243 |
| **224** | **379** | | **Operating profit or loss** | **477** | **301** |
| | | | **Financials** | | |
| 66 | 69 | 4.3 | Profit or loss after tax from group enterprises and associ-ates and from joint ventures | 4 | 6 |
| 27 | 59 | 4.1 | Financial income | 43 | 24 |
| 101 | 100 | 4.1 | Financial expenses | 99 | 102 |
| **-8** | **28** | | **Net financials** | **-52** | **-72** |
| **216** | **407** | | **Profit or loss before tax** | **425** | **229** |
| -38 | -87 | 5.1 | Tax on profit or loss for the year | -105 | -51 |
| **178** | **320** | | **Profit or loss from continuing operations** | **320** | **178** |
| **79** | | 8.5 | **Profit or loss from discontinuing operations** | - | **79** |
| **257** | **320** | | **Profit or loss for the year after discontinuing opera-tions** | **320** | **257** |

## Appropriation of profit or loss

| Parent Corporation 2022 | Parent Corporation 2023 | Note | Amounts in DKK million | Group 2023 | Group 2022 |
|---|---|---|---|---|---|
| | | 4.2 | **The net profit or loss for the year is appropriated as follows:** | | |
| | | | Owner of DSB | 320 | 257 |
| | | | **Total** | **320** | **257** |
| | | 4.2 | **It is proposed that the profit or loss of the Parent Corporation be appropriated as follows:** | | |
| 0 | 180 | | Dividend for Ministry of Transport | | |
| 15 | 29 | | Reserve for development costs | | |
| 242 | 111 | | Profit or loss to be carried forward | | |
| **257** | **320** | | **Total** | | |

## Balance sheet - assets

| Parent Corporation 2022 | Parent Corporation 2023 | Note | Amounts in DKK million | Group 2023 | Group 2022 |
|---|---|---|---|---|---|
| | | 3.1 | **Intangible assets** | | |
| 49 | 22 | | Development projects | 22 | 49 |
| 150 | 199 | | Intangible assets in progress and prepayments | 199 | 151 |
| **199** | **221** | | **Total intangible assets** | **221** | **200** |
| | | 3.2 | **Property, plant and equipment** | | |
| 3,114 | 2,954 | | Land and buildings | 3,218 | 3,395 |
| 2,934 | 2,520 | | Rolling stock | 4,073 | 4,532 |
| 589 | 586 | | Operating equipment, furniture, fixtures and other equipment | 612 | 601 |
| 357 | 380 | | Property, plant and equipment in progress and prepayments | 4,181 | 1,721 |
| **6,994** | **6,440** | | **Total property, plant and equipment** | **12,084** | **10,249** |
| | | 4.3 | **Investments** | | |
| 1,204 | 1,044 | | Equity investments in group enterprises and associates and joint ventures | 117 | 113 |
| 1,057 | 785 | | Loans etc. to group enterprises | - | - |
| 49 | 65 | | Subordinated loan capital in associates | 65 | 49 |
| 239 | 179 | | Other receivables | 180 | 241 |
| **2,549** | **2,073** | | **Total investments** | **362** | **403** |
| **9,742** | **8,734** | | **Total non-current assets** | **12,667** | **10,852** |
| **1,453** | **3,873** | 6.1 | **Inventories** | **204** | **182** |
| **1** | **0** | 3.2 | **Commercial properties** | **0** | **1** |
| | | 6.2 | **Receivables** | | |
| 414 | 331 | | Trade receivables | 333 | 433 |
| 59 | 310 | | Receivables from group enterprises | - | - |
| 69 | 42 | | Income tax | 41 | 46 |
| 70 | 184 | | Other receivables | 209 | 145 |
| 200 | 139 | 6.3 | Prepayments | 139 | 152 |
| **812** | **1,006** | | **Total receivables** | **722** | **776** |
| **2,157** | **471** | | **Securities** | **471** | **2,157** |
| **16** | **23** | | **Cash** | **30** | **22** |
| **4,439** | **5,373** | | **Total current assets** | **1,427** | **3,138** |
| **14,181** | **14,107** | | **Total assets** | **14,094** | **13,990** |

## Balance sheet - equity and liabilities

| Parent Corporation 2022 | Parent Corporation 2023 | Note | Amounts in DKK million | Group 2023 | Group 2022 |
|---|---|---|---|---|---|
| | | | **Equity** | | |
| 4,760 | 4,760 | | Contributed capital | 4,760 | 4,760 |
| 136 | 165 | 2.2 | Reserve for development costs | - | - |
| 260 | 132 | 7.6 | Hedging reserve | 132 | 260 |
| 532 | 631 | | Retained earnings | 796 | 668 |
| 0 | 180 | | Proposed dividends | 180 | 0 |
| **5,688** | **5,868** | | **Total equity** | **5,868** | **5,688** |
| | | | **Provisions** | | |
| 70 | 76 | 8.1 | Other provisions | 76 | 70 |
| 254 | 281 | 5.2 | Deferred tax liabilities | 360 | 317 |
| **324** | **357** | | **Total provisions** | **436** | **387** |
| | | | **Non-current liabilities other than provisions** | | |
| 4,350 | 4,182 | | Long-term loans | 4,182 | 4,350 |
| 81 | 262 | | Other non-current liabilities other than provisions | 262 | 81 |
| 108 | 79 | | Other payables | 79 | 108 |
| **4,539** | **4,523** | 4.5 | **Total non-current liabilities other than provisions** | **4,523** | **4,539** |
| | | | **Current liabilities other than provisions** | | |
| 64 | 64 | 4.5 | Current portion of non-current liabilities | 64 | 64 |
| 207 | 71 | | Bank loans | 71 | 207 |
| 55 | - | | Credit institutions | 0 | 55 |
| 1,764 | 1,721 | | Trade payables | 1,823 | 1,877 |
| 365 | 272 | | Debt to group enterprises | - | - |
| 32 | - | | Income tax | - | - |
| 449 | 457 | | Other payables | 487 | 450 |
| 694 | 774 | 6.4 | Deferred income | 822 | 723 |
| **3,630** | **3,359** | | **Total current liabilities other than provisions** | **3,267** | **3,376** |
| **8,169** | **7,882** | | **Total liabilities other than provisions** | **7,790** | **7,915** |
| **14,181** | **14,107** | | **Total equity and liabilities** | **14,094** | **13,990** |

**1.1** General accounting policies, **1.2** Material accounting policies , **1.3** Significant accounting estimates, **4.4** Borrowing, **7.1** Interest rate risk, **7.2** Exchange rate risk, **7.3** Commodity risk, **7.4** Liquidity risk, **7.5** Counterparty risk, **7.7** Fair value disclosures, **8.2** Contingent assets and liabilities and other financial obligations, **8.3** Related parties, **8.4** Gains and losses on the sale and scrapping of intangible assets and property, plant and equipment, **8.6** Events after the balance sheet date

## Statement of changes in equity - Parent Corporation

| Amounts in DKK million | Contributed capital | Reserve for development costs | Hedging reserve | Ratained earnings | Proposed dividends | Total equity |
|---|---|---|---|---|---|---|
| **Equity at 1 January 2022** | **4,760** | **121** | **-35** | **247** | **0** | **5,093** |
| Dividends declared | - | - | - | - | 0 | 0 |
| Net profit or loss for the year | - | 15 | - | 242 | 0 | 257 |
| Value adjustment of hedging instruments | - | - | 378 | - | - | 378 |
| Tax on value adjustment of hedging instruments | - | - | -83 | - | - | -83 |
| Changes in equity in group enterprises | - | - | - | 43 | - | 43 |
| **Equity at 31 December 2022** | **4,760** | **136** | **260** | **532** | **0** | **5,688** |
| Dividends declared | - | - | - | - | 0 | 0 |
| Net profit or loss for the year | - | 29 | - | 111 | 180 | 320 |
| Value adjustment of hedging instruments | - | - | -164 | - | - | -164 |
| Tax on value adjustment of hedging instruments | - | - | 36 | - | - | 36 |
| Changes in equity in group enterprises | - | - | - | -12 | - | -12 |
| **Equity at 31 December 2023** | **4,760** | **165** | **132** | **631** | **180** | **5,868** |

## Statement of changes in equity - Group

| Amounts in DKK million | Contributed capital | Hedging reserve | Ratained earnings | Proposed dividends | Total equity |
|---|---|---|---|---|---|
| **Equity at 1 January 2022** | **4,760** | **-35** | **368** | **0** | **5,093** |
| Dividends declared | - | - | - | 0 | 0 |
| Net profit or loss for the year | - | - | 257 | 0 | 257 |
| Value adjustment of hedging instruments | - | 378 | - | - | 378 |
| Tax on value adjustment of hedging instruments | - | -83 | - | - | -83 |
| Other changes in equity | - | - | 43 | - | 43 |
| **Equity at 31 December 2022** | **4,760** | **260** | **668** | **0** | **5,688** |
| Dividends declared | - | - | - | - | 0 |
| Net profit or loss for the year | - | - | 140 | 180 | 320 |
| Value adjustment of hedging instruments | - | -164 | - | - | -164 |
| Tax on value adjustment of hedging instruments | - | 36 | - | - | 36 |
| Other changes in equity | - | - | -12 | - | -12 |
| **Equity at 31 December 2023** | **4,760** | **132** | **796** | **180** | **5,868** |

## Cash flow statement

| Amounts in DKK million | Note | Group 2023 | Group 2022 |
|---|---|---|---|
| **Operating profit or loss** | | **477** | **301** |
| **Adjustment for non-cash operating items** | | | |
| Depreciation, amortisation and impairment of intangible as-sets and property, plant and equipment | 3.1, 3.2, 3.3 | 1,034 | 1,243 |
| Change in other provisions, net | 8.1 | 6 | -10 |
| **Other adjustments** | | | |
| Gains and losses on the sale and scrapping of intangible assets and property, plant and equipment | 8.4 | -141 | -105 |
| Net financials, paid | 4.6 | 21 | -93 |
| Income tax, paid | 5.1 | -65 | -296 |
| Change in working capital | 6.5 | 20 | 129 |
| Cash flows from operating activities in discontinuing operations | 8.5 | - | 48 |
| **Total cash flow from operating activities** | | **1,352** | **1,217** |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets and property, plant and equip-ment - excluding capitalised interest | 3.1, 3.2 | -3,238 | -1,939 |
| Sale of intangible assets and property, plant and equipment | 3.1, 3.2 | 485 | 173 |
| Change in subordinated loan capital | 4.3 | -16 | 30 |
| Changes in securities | | 1,550 | -450 |
| Dividends from joint ventures | | - | 164 |
| Cash flows from investing activities in discontinuing operations | 8.5 | - | 393 |
| **Total cash flows from investing activities** | | **-1,219** | **-1,629** |
| **Cash flows from financing activities** | | | |
| Proceeds from raising of long-term loans | | - | 498 |
| Proceeds from raising of short-term loans | | - | 430 |
| Repayment in full or in part of long-term loans | | -70 | -665 |
| Repayment in full or in part of short-term loans | | - | -430 |
| Change in credit institutions | | -55 | 55 |
| **Total cash flows from financing activities** | | **-125** | **-112** |
| **Total change in cash** | | **8** | **-524** |
| Cash at 1 January | | 22 | 546 |
| **Cash at 31 December** | | **30** | **22** |

# Notes and accounting policies

# Section 1 Interpretations

The notes are classified by subject and based on materiality. The purpose is to ensure that the financial reporting reflects and is adapted to specific conditions based on materiality.

The notes are therefore divided into eight classes according to subject:

| | |
|---|---|
| Section 1 | Interpretations |
| Section 2 | Operations |
| Section 3 | Operating equipment |
| Section 4 | Financing and capital structure |
| Section 5 | Taxation |
| Section 6 | Working capital |
| Section 7 | Financial matters |
| Section 8 | Other notes |

This section contains the following notes:



## 1.1 General accounting policies

The financial statements of the independent public enterprise DSB are presented in accordance with the provisions of the Danish Financial Statements Act covering company class D and the DSB Act.

The accounting policies applied in the preparation of the financial statements are consistent with those applied in the financial statements for 2022, except for the addition below regarding change of classification.

### Change in classification

Reclassification has been made between Other operating income and Net revenue with DKK 1,401 million (2022: DKK 1,254 million, 2021: DKK 1,023 million, 2020: DKK 1,040 million, 2019: DKK 1,219 million). The changes relates to sale of Kiosk goods and Rental and leasing, which is not considered to be income of a secondary nature in relation to the railway business any longer.

In the Parent Corporation prepaid expenses concerning assets intended to be sold amounting to DKK 3,703 million (2022: DKK 1,305 million) has been reclassified from Prepayments (assets) DKK 3,653 million and from Property, plant and equipment in progress DKK 50 million to Inventories.

The changes has no financial impact.

### Merger between DSB and DSB Vedligehold A/S

The planned merger between DSB and DSB Vedligehold A/S has been decided in the first quarter and has been completed with accounting effect as of 1 January 2023.

The merger has and been completed using the group method and comparative figures for the Parent Corporation has been adjusted.

### Consolidated financial statements

The consolidated financial statements comprise the Parent Corporation and group enterprises in which the Parent Corporation directly or indirectly holds more than 50 percent of the voting rights and exercises control. Enterprises in which the Group holds between 20 percent and 50 percent of the voting rights and exercises significant influence, but not control are regarded as associates. Enterprises owned and operated jointly with others and over which the parties exercise joint control are regarded as joint ventures.

The note Investments shows group enterprises (subsidiaries and joint ventures) and associates.

The consolidated financial statements have been prepared consolidating the financial statements of the Parent Corporation and the individual group enterprises stated under the Group's accounting policies, eliminating intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions.

### Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Enterprises divested or wound up are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated to reflect acquisitions, divestments or enterprises wound up.

Gains or losses on the disposal or winding-up of group companies and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including unamortised goodwill, and expected selling and winding-up costs.

Acquisitions are accounted for using the purchase method, according to which the identifiable assets and liabilities of acquired enterprises are measured at fair value at the date of acquisition. Restructuring costs that are recognised in the acquired enterprise before the acquisition date and were not scheduled as part of the acquisition are included in the pre-acquisition balance sheet and, accordingly, in the calculation of goodwill. Restructuring projects scheduled by the acquirer are recognised in the income statement. The tax effect of revaluations is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the economic life of the asset. Any negative difference (negative goodwill) is recognised as income in the income statement at the date of acquisition when the general revenue recognition criteria are met.

**Intra-group business combinations**
Business combinations such as the sale and purchase of equity investments, mergers, demergers, contribution of assets and exchange of shares, etc. that involve enterprises controlled by the Parent Corporation are accounted for under the book-value method where the combination is deemed to have been completed at the date of acquisition without restatement of comparative figures. The difference between the agreed consideration and the carrying amount of the acquired enterprise is recognised in equity.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent corporation included in the merger. The group method is applied as if the entities had been combined from the date when the parent corporation acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

**Foreign currency translation**
On initial recognition, transactions in foreign currencies are translated at the exchange rates ruling at the date of transaction. Exchange differences arising between the exchange rate at the transaction date and the date of payment are recognised in the income statement under financials.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement under financials.

**Non-deductible VAT**
DSB has a partial right to deduct input VAT since the Group is engaged both in activities subject to VAT and in activities exempt from VAT. The VAT-exempt activities relate to passenger transport. DSB is also subject to payroll tax.

The non-deductible proportion of input VAT is included in the individual income statement and balance sheet items. In the context of the joint registration for VAT, the Parent Corporation pays compensation to group enterprises in cases where full deductibility would have been allowed if the group enterprise had registered for VAT separately.

**Equity**
Reserve for development costs
The reserve for development costs comprises recognised development costs. The reserve cannot be used to pay dividends or cover losses. The reserve is reduced or dissolved if the recognised development costs are amortised, written down or withdrawn from the operations of the corporation. This is done by a direct transfer to distributable reserves in equity.

Hedging reserve
The hedging reserve comprises recognised financial instruments classified as hedges of future cash flows. The reserve cannot be used to pay dividends or cover losses. The value of the reserve is adjusted by the change in financial instruments.

Dividends
Dividends are recognised as a liability at the time of their adoption at the Annual General Meeting (the date of declaration). Dividends proposed for the financial year are shown as a separate item under equity.

**Cash flow statement**
The cash flow statement shows cash flows for the year from operating, investing and financing activities, changes for the year in cash as well as cash at the beginning and end of the year.

The cash flow statement includes a share of cash flows from consolidated enterprises.

No separate cash flow statement has been prepared for the Parent Corporation as this is included in the consolidated cash flow statement.

Cash flows from operating activities
Cash flows from operating activities are calculated as operating profit or loss adjusted for non-cash operating items, financials paid, income tax paid and changes in working capital. Working capital comprises the change in current assets less the change in current liabilities other than provisions, exclusive of items included in cash resources. Changes in working capital are adjusted for movements with no cash flow effect.

Cash flows from investing activities
Cash flows from investing activities comprise the sale and purchase of non-current assets

Cash flows from financing activities
Cash flows from financing activities comprise proceeds from raising of loans, repayment in full or in part of loans etc. and dividends received and paid.

**Securities**
Securities comprise listed bonds, which are measured at fair value at the balance sheet date.

**Cash**
Cash comprises bank deposits.

**Other accounting policies**
Other accounting policies applied are provided in the respective relevant notes set out below.

## 1.2 Material accounting policies

In preparing the financial statements, an individual assessment is made as to whether an item is material. This is assessed on the basis of qualitative as well as quantitative factors. If the individual presentation in the income statement, balance sheet or notes is found to be of no relevance to the reader's decisions, the information is considered to be immaterial.

Management regards the accounting policies for the following areas as the most material the Group: consolidated financial statements, non-deductible VAT, property, plant and equipment - including rolling stock, land and buildings and derivative financial instruments. Accounting policies are described above and in the notes for the areas to which they relate.

## 1.3 Significant accounting estimates

Various accounting estimates have been used in determining and complying with accounting policies.

Measurement of the carrying amounts of certain assets and liabilities is based on estimates of how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates material to the financial reporting include, but are not limited to, the useful lives of non-current assets, expected future cash flows and related discount rates, selling prices, provisions and contingent liabilities.

The estimates and assumptions applied are also based on historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable.

Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, business activities are subject to risks and uncertainties that cannot be controlled and which may cause actual outcomes to deviate from these estimates.

### Rolling stock

The valuation of rolling stock is based on significant accounting estimates.

The significant accounting estimates include, but are not limited to, expectations for future revenue, use of rolling stock, residual value and technical and economic life.

The estimates applied are further described in the note for property, plant and equipment (section 3), to which reference is made.

# Section 2 Operations

This section deals with items included in operating profit or loss.

The section provides information on income and expenses from the execution of operations.

Main events of 2023 are described in detail in Results - Financial activities.

This section contains the following notes:



## Note 2.1: Revenue

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| | | Passenger revenue by business area: | | |
| 3,809 | 3,718 | Long-distance & Regional trains | 3,724 | 3,809 |
| 1,509 | 1,680 | S-trains | 1,680 | 1,509 |
| **5,318** | **5,398** | **Total passenger revenue** | **5,404** | **5,318** |
| 3,450 | 3,565 | Contract revenue | 3,565 | 3,450 |
| 3 | 3 | Kiosk goods | 1,000 | 916 |
| 223 | 252 | Rental and leasing | 263 | 240 |
| 244 | 269 | Corrective and planned maintenance of rolling stock, etc. | 78 | 121 |
| 302 | 102 | Sale and leasing of rolling stock | 102 | 69 |
| 112 | 158 | Other revenue | 138 | 98 |
| **9,652** | **9,747** | **Total** | **10,550** | **10,212** |

Total passenger revenue in the parent corporation and the group includes penalty fares of DKK 73 million (2022: DKK 110 million).

Sale and leasing of rolling stock are impacted by the parent corporation having sold EB electric locomotives to a group corporation.

Sales from kiosks, etc., relates to the sales from the 7-Eleven kiosks at stations where DSB is the franchisee.

### Accounting policies

DSB applies IAS 18 as a basis for revenue recognition.

Passenger revenue is recognised at the time of transport. Reservations are made in respect of the value of tickets sold that have not been used at the balance sheet date. Revenue is shown net of discounts and bonuses, etc. in connection with sales and payments relating to travel-time guarantee schemes. Income from penalty fares is measured net of expected losses.

Contract revenue is recognised in the periods to which the revenue relates.

Income from corrective and planned maintenance of rolling stock is recognised as revenue in proportion to the work completed so that revenue matches the selling price of the work carried out during the year (the percentage of completion method).

Income from the sale of rolling stock acquired with a view to resale is recognised at the time of delivery and at the time of passing of the risk.

## Note 2.2: Own work capitalised

In the parent corporation, the addition of capitalized development projects covered by the rules of the Danish Financial Statements Act for binding of separate equity reserve amounted to DKK 82 million in 2023 (2022: DKK 51 million). At 31 December 2023, the reserve amounted to DKK 165 million (2022: DKK 136 million) and has been reduced by amortization and deferred taxes.

In the group, Work performed by the entity at its own expense and capitalized constituted DKK 466 million in 2023 (2022: DKK 425 million), consisting of capitalized development projects and major maintenance inspection of trains.

### Accounting policies

The item comprises work performed by the corporation for its own account in connection with, for instance, major maintenance inspections of trains and development projects that are capitalised. The value is measured on the basis of expenses incurred in the execution of the work based on expenses in the form of own work, etc. The item also includes directly attributable costs and a proportionate share of production overheads.

## Note 2.3: Other operating income

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 28 | 255 | Compensations and operating subsidies | 257 | 29 |
| 95 | 135 | Gains on the sale of intangible assets and property, plant and equipment | 144 | 107 |
| **123** | **390** | **Total** | **401** | **136** |

Other operating income in the group is in 2023 impacted by a compensation from a former supplier of approx. DKK 200 million and gain of sales of 10 ET train sets of DKK 125 million.

### Accounting policies

Other operating income comprises income of a secondary nature in relation to the railway business – including gains on the sale of intangible assets and property, plant and equipment.

Income is recognized when delivery and transfer of risk have taken place at the fair value of the agreed consideration exclusive of discounts, VAT and taxes collected on behalf of a third party.

## Note 2.4: Raw materials and consumables used

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 708 | 903 | Energy for train operation | 904 | 708 |
| 9 | 8 | Kiosk products, etc. | 711 | 645 |
| 857 | 655 | Spare parts and rolling stock, etc | 655 | 611 |
| **1,574** | **1,566** | **Total** | **2,270** | **1,964** |

Spare parts and rolling stock was in 2022 impacted by the parent corporation having purchased 10 EB electric locomotives with the intention for onward sale to a group corporation.

### Accounting policies

Raw materials and consumables used comprise purchases for the year and the change for the year in the valuation of inventories of energy for train operation, kiosk products, etc. as well as spare parts and rolling stock, etc.

Energy for train operation is adjusted for the effect of realised derivative financial instruments.

## Note 2.5: Other external expenses

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 607 | 474 | Infrastructure charges | 474 | 607 |
| 1,179 | 1,446 | Corrective and planned maintenance, cleaning, etc. | 1,284 | 1,077 |
| 569 | 670 | Administrative expenses | 690 | 586 |
| 194 | 182 | Operation of buildings and premises, etc. | 198 | 224 |
| 494 | 483 | Consultancy fees etc., including audit fee | 484 | 495 |
| 217 | 201 | Leasing of rolling stock | 28 | 19 |
| 88 | 76 | Replacement services, etc. | 76 | 88 |
| 272 | 251 | Commissions, etc. | 202 | 224 |
| 132 | 145 | Sales and marketing | 145 | 132 |
| 118 | 104 | Staff-related expenses | 107 | 121 |
| 123 | 148 | Payroll tax | 152 | 124 |
| 2 | 2 | Losses on the sale and scrapping of intangible assets and property, plant and equipment | 3 | 2 |
| 122 | 190 | Other external expenses | 178 | 127 |
| **4,117** | **4,372** | **Total** | **4,021** | **3,826** |

The reduction in Infrastructure charges in the parent corporation and group in 2023 were primary affected by relinquished traffic over Øresund from DSB to Skånetrafiken in late 2022.

### Accounting policies

Other external expenses comprise expenses in relation to the railway business and other operating activities. Non-deductible VAT is presented as part of the related expense.

## Note 2.6: Consultancy fees excluding audit fees

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 30 | 23 | Attorneys | 23 | 30 |
| 252 | 236 | IT consultants | 236 | 252 |
| 25 | 18 | Management consultants | 18 | 25 |
| 1 | 2 | Tax, VAT and accounting advice | 2 | 1 |
| 78 | 74 | Technical consultancy services | 74 | 78 |
| 101 | 124 | Programme management | 124 | 101 |
| **487** | **477** | **Total** | **477** | **487** |

Programme mangement primarily comprises expenses for the programme entitled S-trains of the future.

## Note 2.7: Audit fees

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| | | Audit fees to EY Godkendt Revisionspartnerselskab: | | |
| 3.5 | 3.4 | Statutory audit | 3.8 | 4.3 |
| 0.5 | 2.1 | Other assurance engagements | 2.1 | 0.9 |
| 0.3 | 0.2 | Tax and VAT advisory services | 0.2 | 0.3 |
| 2.1 | 0.5 | Other services | 0.6 | 2.2 |
| **6.4** | **6.2** | **Total** | **6.7** | **7.7** |

Auditing fee comprises the fee for the external auditor appointed at the Annual Meeting.

The note Consultancy fees excluding audit fees and the note Audit fee constitute Consultancy fees etc., including audit fee in the note Other external expenses.

## Note 2.8: Remuneration of the Board of Directors and Executive Board

| Amounts in DKK million | 2023 | 2022 |
|---|---|---|
| Remuneration of Board of Directors | 2.7 | 2.6 |
| Remuneration of committees | 1.1 | 0.9 |
| **Total remuneration of the Board of Directors** | **3.8** | **3.5** |
| Fixed remuneration | 19.9 | 18.4 |
| Pension contributions | 3.0 | 2.8 |
| Value of employment benefits | 0.0 | 0.6 |
| Variable remuneration | - | 0.0 |
| **Total remuneration of the Executive Board** | **22.9** | **21.8** |
| **Total remuneration of the Board of Directors and Executive Board** | **26.7** | **25.3** |

## Note 2.9: Staff costs

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 2,807 | 2,951 | Wages and salaries | 3,210 | 3,045 |
| 315 | 323 | Pension contributions | 348 | 337 |
| 54 | 54 | Other social security costs | 57 | 57 |
| **3,176** | **3,328** | **Total** | **3,615** | **3,439** |
| **5,347** | **5,397** | **Average number of full-time employees** | **6,113** | **6,026** |

Severance pays of senior employees in connection with dismissal by the corporation not due to breach of contract or similar on the part of the employee does not exceed 12 months' salary.

Pension contribution in 2023 amounted to 15 percent (2022: 15 percent) of the pensionable salary. See also the note Contingent assets and liabilities as well as other financial obligations. Pension contributions for other employees are expensed in accordance with collective and individual agreements.

### Accounting policies

Staff costs comprise wages and salaries, pension contributions, remuneration and other social security costs relating to the employees of the corporation – including the Executive Board and Board of Directors.

# Section 3
# Operating equipment

This section on operating equipment provides information about DSB's intangible assets and property, plant and equipment.

Main events of 2023 are described in detail in Results: Customers, Train operations and Financial activities.

This section contains the following notes:



## Note 3.1: Intangible assets – Parent Corporation

| Amounts in DKK million | Development projects | Intangible assets in progress and prepayments | Total intangible assets |
|---|---|---|---|
| **Cost at 1 January 2023** | **1,253** | **150** | **1,403** |
| Adjustment regarding the merger with DSB Vedligehold A/S | 18 | - | 18 |
| **Cost at 1 January 2023 – adjusted** | **1,271** | **150** | **1,421** |
| Additions during the year | - | 82 | **82** |
| Transferred | 33 | -33 | **0** |
| Disposals during the year | -15 | - | **-15** |
| **Cost at 31 December 2023** | **1,289** | **199** | **1,488** |
| | | | |
| **Amortisation and impairment losses at 1 January 2023** | **-1,212** | **-** | **-1,212** |
| Adjustment regarding the merger with DSB Vedligehold A/S | -10 | - | -10 |
| **Amortisation and impairment losses at 1 January 2023 – adjusted** | **-1,222** | **-** | **-1,222** |
| Amortisation for the year | -35 | - | -35 |
| Impairment losses for the year | -25 | - | -25 |
| Disposals during the year | 15 | - | 15 |
| **Amortisation and impairment losses at 31 December 2023** | **-1,267** | **-** | **-1,267** |
| | | | |
| **Carrying amount at 31 December 2023** | **22** | **199** | **221** |
| Carrying amount at 31 December 2022 | 49 | 150 | 199 |

## Note 3.1: Intangible assets – Group

| Amounts in DKK million | Development projects | Intangible assets in progress and prepayments | Total intangible assets |
|---|---|---|---|
| **Cost at 1 January 2023** | **1,280** | **151** | **1,431** |
| Additions during the year | - | 81 | 81 |
| Transferred | 33 | -33 | 0 |
| Disposals during the year | -15 | - | -15 |
| **Cost at 31 December 2023** | **1,298** | **199** | **1,497** |
| | | | |
| **Amortisation and impairment losses at 1 January 2023** | **-1,231** | **-** | **-1,231** |
| Amortisation for the year | -35 | - | -35 |
| Impairment losses for the year | -25 | - | -25 |
| Disposals during the year | 15 | - | 15 |
| **Amortisation and impairment losses at 31 December 2023** | **-1,276** | **-** | **-1,276** |
| | | | |
| **Carrying amount at 31 December 2023** | **22** | **199** | **221** |
| Carrying amount at 31 December 2022 | 49 | 151 | 200 |

The additions to Development projects and Intangible assets in progress and prepayments mainly comprise the development of new planning tools for train and staff management and system support for digital sales and information channels. Additions are mainly expenses for IT development, external consultants and direct salaries. In 2023 a need for impairment for Development projects has been identified for projects which no longer expects to create value for DSB.

### Accounting policies

Intangible assets primarily comprise development projects – including rights of use and software.

Development projects are recognised as intangible assets if the cost can be reliably measured and there is sufficient certainty that future earnings can cover selling costs, administrative expenses and actual development costs. It is a condition that the projects are clearly defined and identifiable and that the technical rate of utilisation, sufficient resources and a potential future market or business opportunity in the corporation can be demonstrated. Other development costs are recognised in the income statement as incurred. Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment.

The cost of development projects comprises expenses - including staff costs and amortisation – that are directly attributable to the corporation’s development activities. Interest expenses on loans and other borrowing expenses to finance development projects are included in cost if they relate to the development period. All other finance costs are recognised in the income statement. After completion of the development work, development costs are amortised on a straight-line basis over the estimated economic life. The amortisation period is generally 3-10 years.

Gains and losses on disposals are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other external expenses, respectively.

Costs relating to development projects are tied to equity as described in section 1 of the accounting policies under Reserve for development costs.

## Note 3.2: Property, plant and equipment – Parent Corporation

| Amounts in DKK million | Land and buildings | Rolling stock | Operating equip-ment, fur-niture, fix-tures and other equipment | Property, plant and equipment in progress and pre-payments | Total prop-erty, plant and equip-ment |
|---|---|---|---|---|---|
| **Cost at 1 January 2023** | **7.566** | **22.742** | **2.337** | **288** | **32.933** |
| Adjustment regarding the merger with DSB Vedligehold A/S | - | -234 | 406 | 119 | 291 |
| Reclassification to Inventories | - | - | - | -50 | -50 |
| **Cost at 1 January 2023 - adjusted** | **7.566** | **22.508** | **2.743** | **357** | **33.174** |
| Additions during the year | - | 412 | 3 | 142 | 557 |
| Transferred | 31 | 9 | 79 | -119 | 0 |
| Disposals during the year | -18 | -1.142 | -61 | - | -1.221 |
| **Cost at 31 December 2023** | **7.579** | **21.787** | **2.764** | **380** | **32.510** |
| | | | | | |
| **Depreciation and impairment losses at 1 January 2023** | **-4.452** | **-19.734** | **-1.798** | **-** | **-25.984** |
| Adjustment regarding the merger with DSB Vedligehold A/S | - | 160 | -356 | - | -196 |
| **Depreciation and impairment losses at 1 January 2023 - adjusted** | **-4.452** | **-19.574** | **-2.154** | **-** | -26.180 |
| Depreciation for the year | -149 | -564 | -84 | - | -797 |
| Impairment losses for the year | -40 | - | - | - | -40 |
| Disposals during the year | 16 | 871 | 60 | - | 947 |
| **Depreciation and impairment losses at 31 December 2023** | **-4.625** | **-19.267** | **-2.178** | **0** | **-26.070** |
| | | | | | |
| **Carrying amount at 31 December 2023** | **2.954** | **2.520** | **586** | **380** | **6.440** |
| Carrying amount at 31 December 2022 | 3.114 | 2.934 | 589 | 357 | 6.994 |

## Note 3.2: Property, plant and equipment – Group

| Amounts in DKK million | Land and buildings | Rolling stock | Operating equip-ment, fur-niture, fix-tures and other equipment | Property, plant and equipment in progress and pre-payments | Total prop-erty, plant and equip-ment |
|---|---|---|---|---|---|
| **Cost at 1 January 2023** | **8,206** | **24,944** | **2,762** | **1,721** | **37,633** |
| Additions during the year | - | 554 | - | 2,603 | 3,157 |
| Transferred | 32 | 8 | 103 | -143 | 0 |
| Disposals during the year | -27 | -1,142 | -61 | 0 | -1,230 |
| **Cost at 31 December 2023** | **8,211** | **24,364** | **2,804** | **4,181** | **39,560** |
| | | | | | |
| **Depreciation and impairment losses at 1 January 2023** | **-4,811** | **-20,412** | **-2,161** | **-** | **-27,384** |
| Depreciation for the year | -151 | -685 | -87 | - | -923 |
| Impairment losses for the year | -52 | 0 | -4 | - | -56 |
| Disposals during the year | 21 | 806 | 60 | - | 887 |
| **Depreciation and impairment losses at 31 December 2023** | **-4,993** | **-20,291** | **-2,192** | **0** | **-27,476** |
| | | | | | |
| **Carrying amount at 31 December 2023** | **3,218** | **4,073** | **612** | **4,181** | **12,084** |
| Carrying amount at 31 December 2022 | 3,395 | 4,532 | 601 | 1,721 | 10,249 |

Land and buildings, in 2023 and 2022 a need for impairment of properties no longer relevant for train operations or supporting DSB's strategy was identified.

In 2023, there have been no indications of a need to write down Rolling stock. The expected useful life of Double decker coaches and EB Electric locomotives has been re-evaluated and altered from an average of 25 years to an average of 30 years. In 2023, the altered depreciation period has not affected profit/loss before tax significantly.

The disposals of Rolling stock during the year can be attributed to the sale of trains as well as to larger maintenance projects which, in accounting terms, are fully amortized and which were replaced by new equivalent larger maintenance projects during the year.

Based on previous experiences, the scrap value of Rolling stock is estimated to be DKK 0.

## Note 3.3: Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| 2022 | 2023 | Amounts in DKK million | 2023 | 2022 |
| 43 | 60 | Development projects | 60 | 43 |
| 392 | 188 | Land and buildings | 204 | 396 |
| 568 | 565 | Rolling stock | 681 | 710 |
| 98 | 84 | Operating equipment, furniture, fixtures and other equipment | 94 | 100 |
| -6 | -5 | Set-off for received grants | -5 | -6 |
| **1,095** | **892** | **Total** | **1,034** | **1,243** |

### Accounting policies

Land and buildings, rolling stock and operating equipment, furniture, fixtures and other equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. For assets produced in-house (primarily major maintenance inspections, Life Cycle Cost (LCC) of capitalised train sets), cost comprises direct and indirect costs of materials, components and labour as well as borrowing costs relating to specific and general borrowing directly related to the construction of the individual asset.

Expenses for major maintenance inspections (LCC) of train sets are recognised separately and depreciated over the useful life of the train set, which corresponds to the period until the next major maintenance inspection or the date when the train set is phased out of operation. Expenses for major maintenance inspections relating to rolling stock classes whose phase-out dates are not yet known are depreciated on the basis of an individual assessment.

Assets are depreciated on a straight-line basis over their estimated useful lives based on the following assessment of the expected useful lives of the assets:

| | |
|---|---|
| Buildings | 30-60 years |
| Installations | 10-15 years |
| Rolling stock | 2-35 years |
| Operating equipment, furniture, fixtures and other equipment | 3-25 years |

Capitalisation involves a breakdown of cost into the most important individual components (component approach) and a depreciation of cost over the useful lives of such assets. The basis of depreciation is calculated in due consideration of the asset's residual value at the end of its useful life, reduced by any impairment losses.

The depreciation period and the residual value are determined at the acquisition date and reviewed annually. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated.

If the depreciation period or the residual value is changed, the effect on depreciation going frecognised as a change in accounting estimates.

Gains or losses on the disposal or scrapping of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal or scrapping. Gains and losses are recognised in the income statement as other operating income or other external expenses, respectively.

### Commercial properties

Commercial properties comprise land and buildings that have been sold or are expected to be sold, but where passing of the risk is expected to occur within 12 months.

Commercial properties are measured at cost. Commercial properties that were previously classified as property, plant and equipment are measured at cost less accumulated depreciation made before their reclassification from property, plant and equipment to commercial properties, after which they will no longer be depreciated.

### Leasing

DSB applies IAS 17 as a basis for classification and recognition of leases.

For financial reporting purposes, lease liabilities are classified as either finance or operating lease liabilities. Operating lease expenses are recognised in the income statement as they occur over the term of the lease. Total liabilities regarding operating leases and other lease agreements are disclosed in contingent assets and liabilities and other financial obligations.

### Impairment of non-current assets

The carrying amounts of non-current assets are reviewed at the balance sheet date to determine whether there are any indications of impairment in excess of the amount provided for by normal depreciation. If there are any indications of impairment, an impairment test must be performed for the relevant asset or group of assets to determine whether the recoverable amount is lower than the carrying amount, in which case the asset or assets are written down to the lower recoverable amount. Any impairment losses are recognised in the income statement.

If impairment losses are subsequently reversed as a result of changes in the assumptions on which the calculation of recoverable amount is based, the carrying amount of the asset is increased to the adjusted recoverable amount, not exceeding the carrying amount that the asset would have had if the impairment had not been made.

# Section 4 Financing and capital structure

This section describes the financing of DSB's activities.

The net interest-bearing debt was increased by DKK 1,401 million in 2023.

This section contains the following notes:



## Note 4.1 Financial income and expenses

| Parent Corporation | | Financial income | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 19 | 20 | Interest on intra-group balances with group enter-prises | - | - |
| 1 | 17 | Interest on intra-group balances with associates | 17 | 1 |
| - | - | Recognized dividends from associated corporations and joint ventures | 0 | 16 |
| - | 20 | Foreign exchange gains | 26 | - |
| 7 | 2 | Other | 0 | 7 |
| **27** | **59** | **Total** | **43** | **24** |

| Parent Corporation | | Financial expenses | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 96 | 97 | Interest on loans, debt to credit institutions, etc. | 97 | 96 |
| 5 | 3 | Foreign exchange losses etc. | 2 | 6 |
| **101** | **100** | **Total** | **99** | **102** |

### Accounting policies

Financials comprise interest income and expenses, foreign exchange gains and losses on liabilities and transactions in foreign currencies as well as amortisation of financial assets and liabilities.

## Note 4.2 Appropriation of profit or loss

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | | **2023** | **2022** |
| | | **The net profit or loss for the year is appropriated as follows:** | | |
| | | Owner of DSB | 320 | 257 |
| | | **Total** | **320** | **257** |
| | | **It is proposed that the profit or loss of the Parent Corporation be appropriated as follows:** | | |
| 0 | 180 | Dividends to the Ministry of Transport | | |
| 15 | 29 | Reserve for development costs | | |
| 242 | 111 | Profit or loss to be carried forward | | |
| **257** | **320** | **Total** | | |

## Note 4.3: Investments - Parent Corporation

Amounts in DKK million

| Parent corporation | Equity investments in group enterprises | Equity investments in associates | Loans etc. to group enterprises | Subordinated loan capital in associates | Other receivables | Total investments |
|---|---|---|---|---|---|---|
| **Cost at 1 January 2023** | **2,327** | **413** | **1,057** | **49** | **239** | **4,085** |
| Adjustment regarding the merger with DSB Vedligehold A/S | -451 | - | - | - | - | -451 |
| **Cost at 1 January 2023 - adjusted** | **1,876** | **413** | **1,057** | **49** | **239** | **3,634** |
| Additions during the year | 9 | - | 61 | 43 | 12 | 125 |
| Disposals during the year | - | - | -333 | -27 | -72 | -432 |
| **Cost at 31 December 2023** | **1,885** | **413** | **785** | **65** | **179** | **3,327** |
| | | | | | | |
| **Value adjustments at 1 January 2023** | **-525** | **-413** | **-** | **-** | **-** | **-938** |
| Adjustment regarding the merger with DSB Vedligehold A/S | -147 | - | - | - | - | -147 |
| **Value adjustments at 1 January 2022 - adjusted** | **-672** | **-413** | **-** | **-** | **-** | **-1,085** |
| Profit or loss for the year | 69 | - | - | - | - | 69 |
| Dividends received | -226 | - | - | - | - | -226 |
| Disposals during the year | 0 | 0 | 0 | - | - | 0 |
| Other adjustments | -12 | 0 | 0 | - | - | -12 |
| **Value adjustments at 31 December 2023** | **-841** | **-413** | **0** | **0** | **0** | **-1,254** |
| | | | | | | |
| **Carrying amount at 31 December 2023** | **1,044** | **0** | **785** | **65** | **179** | **2,073** |
| Carrying amount at 31 December 2022 | 1,204 | 0 | 1,057 | 49 | 239 | 2,549 |

## Note 4.3: Investments - Parent Corporation (continued)

**Equity investments in group enterprises:**
Amounts in DKK million

| Name | Registered office | Ownership interest (%) | Share capital | Share of equity value in Parent Corporation 2023 |
|---|---|---|---|---|
| DSB Ejendomsudvikling A/S | Denmark | 100 | DKK 101 million | 557 |
| - Frugtmarkedet 11 Holding ApS[1] | Denmark | 50 | DKK 80,000 | - |
| - Ejendomsselskabet Frugtmarkedet 11 ApS[1] | Denmark | 50 | DKK 80,000 | - |
| - Komplementaranpartsselskabet Downtown CBD1) | Denmark | 50 | DKK 80,000 | - |
| - P/S Downtown CBD1) | Denmark | 50 | DKK 370 million | - |
| - DSB EU Jernbanebyen 1 ApS | Denmark | 100 | DKK 40,000 | - |
| DSB Service & Retail A/S | Denmark | 100 | DKK 6.0 million | 51 |
| Selskabet af 23.05.2017 46DD A/S | Denmark | 100 | DKK 1.5 million | 117 |
| Selskabet af 28.08.2017 67DD A/S | Denmark | 100 | DKK 1.5 million | 97 |
| Selskabet af 04.09.2020 EB A/S | Denmark | 100 | DKK 1.4 million | 28 |
| Selskabet af den 04.01.2021 EB A/S | Denmark | 100 | DKK 1.4 million | 143 |
| Selskabet af 03.01.2022 EB A/S | Denmark | 100 | DKK 1.4 million | 51 |
| DOT - Din Offentlige Transport I/S[1] | Denmark | 33 | DKK 0.9 million | 0 |
| BSD ApS | Denmark | 100 | DKK 125,000 | 0 |
| **Total** | | | | **1,044** |

[1] Corporations owned and operated jointly with others and where the parties together exercise a controlling influence (joint ventures) are consolidated on a book value basis.

### Accounting policies

Equity investments in associates are measured according to the equity method. This means that equity investments are measured at the proportionate share of the enterprises' equity value calculated in accordance with the Group's accounting policies minus or plus their share of unrealised intra-group profits and losses.

Equity investments in group enterprises with negative equity values are measured at DKK 0, and any receivable from these enterprises is written off to the extent it is deemed to be irrecoverable. To the extent that the Parent Corporation has a legal or constructive obligation to cover any negative balance that exceeds the receivable, the residual amount is recognised under other provisions.

Net revaluation of equity investments in group enterprises is taken to the reserve for net revaluation according to the equity method under equity to the extent that the carrying amount exceeds cost.

The proportionate share of group enterprises' profits or losses after tax is recognised in the income statement of the Parent Corporation after elimination of the proportionate share of intra-group profits/losses.

## Note 4.3: Investments - Group

| Amounts in DKK million | Equity investments in associates[1] | Equity in-vest-ments in joint ventures[1] | Subordinated loan capital in associates | Other receivables | Total investments |
|---|---|---|---|---|---|
| **Cost at 1 January 2023** | **413** | **179** | **49** | **241** | **882** |
| Additions during the year | - | - | 43 | 12 | 55 |
| Disposals during the year | - | - | -27 | -73 | -100 |
| **Cost at 31 December 2023** | **413** | **179** | **65** | **180** | **837** |
| | | | | | |
| **Value adjustments at 1 January 2023** | **-413** | **-66** | **-** | **-** | **-479** |
| Profit or loss for the year | - | 4 | - | - | 4 |
| Other adjustments | - | 0 | - | - | 0 |
| **Value adjustments at 31 December 2023** | **-413** | **-62** | **0** | **-** | **-475** |
| | | | | | |
| **Carrying amount at 31 December 2023** | **0** | **117** | **65** | **180** | **362** |
| Carrying amount at 31 December 2022 | 0 | 113 | 49 | 241 | 403 |

[1] Presented on the balance sheet as 'Equity investments in group enterprises and associates and joint ventures' .

**Equity investments in associates :**

| Name | Registered office | Ownership interest (%) | Share capital, DKKm | Share of equity value in Parent Corporation, DKKm | Group, DKKm |
|---|---|---|---|---|---|
| Rejsekort & Rejseplan A/S | Denmark | 45 | 122 | 0 | 0 |
| **Total** | | | | **0** | **0** |

**Equity investments in joint ventures:**

| Name | Registered office | Ownership interest (%) | Share capital, DKKm | Group, DKKm |
|---|---|---|---|---|
| - Frugtmarkedet 11 Holding ApS[1] | Denmark | 50 | 80,000 | - |
| - Ejendomsselskabet Frugtmarkedet 11 ApS[1] | Denmark | 50 | 80,000 | - |
| - Komplementaranpartsselskabet Downtown CBD1) | Denmark | 50 | 80,000 | - |
| - P/S Downtown CBD1) | Denmark | 50 | 370 mio. | 117 |
| **Total** | | | | **117** |

## Accounting policies

Equity investments in associates and joint ventures are measured according to the equity method. This means that equity investments are measured at the proportionate share of the enterprises' equity value calculated in accordance with the Group's accounting policies minus or plus their share of unrealised intra-group profits and losses.

Equity investments in associates and joint ventures with negative equity values are measured at DKK 0, and any receivable from these enterprises is written off to the extent it is deemed to be irrecoverable. To the extent that the Parent Corporation has a legal or constructive obligation to cover any negative balance that exceeds the receivable, the residual amount is recognised under other provisions.

Subordinated loan capital in associates and other receivables are measured at amortised cost.

The proportionate share of associates' and joint ventures' profits or losses after tax is recognised in the income statement of both the Parent Corporation and the Group after elimination of the proportionate share of intra-group profits/losses. If the distribution of dividends from an associate or joint venture means that the value of an equity investment becomes negative at the time of distribution, the negative value is recognised as dividends in the income statement under financials. Any dividends recognised as income in this manner is therefore treated as a realised profit from the equity investment. Subsequent profits from the investment can only be recognised in the income statement at the value exceeding such dividends.

## Note 4.4: Borrowing

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| 2022 | 2023 | Amounts in DKK million | 2023 | 2022 |
| 1,518 | 1,478 | Issued, unlisted bonds | 1,478 | 1,518 |
| 3,193 | 3,163 | Other | 3,163 | 3,193 |
| **4,711** | **4,641** | **Total** | **4,641** | **4,711** |

All foreign currency loans have been converted into DKK via currency swaps.

In the parent corporation and the group, DKK 4,477 million of the debt portfolio was raised without state guarantee (2022: DKK 4,506 million). The remaining loans are all guaranteed by the Danish state, to which a guarantee commission is payable.

### Accounting policies

Financial liabilities are recognised at the time the loans are obtained at the amount of the proceeds less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, corre-sponding to their capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are recognised at amortised cost.

## Note 4.5: Net interest-bearing debt

| | Group | |
|---|---|---|
| Amounts in DKK million | 2023 | 2022 |
| Long-term loans | 4,182 | 4,350 |
| Current portion of non-current liabilities | 64 | 64 |
| Bank loans | 71 | 207 |
| Credit institutions | - | 55 |
| Other | 395 | 296 |
| **Interest-bearing liabilities** | **4,712** | **4,972** |
| | | |
| Securities | 471 | 2,157 |
| Cash | 30 | 22 |
| Deposits | 16 | 15 |
| Subordinated loan capital, receivable | 65 | 49 |
| **Interest-bearing assets** | **582** | **2,243** |
| | | |
| **Total** | **4,130** | **2,729** |

DSB's securities portfolio of DKK 471 million (2022: DKK 2,157 million) consists of short-term listed bonds. Of this amount, DKK 71 million (2022: DKK 207 million) consists of bonds received as collateral for the market value of derivative financial instruments.

In the parent corporation and group, long-term debt liabilities due after more than 5 years amount to DKK 3,246 million at 31 December 2023 (2022: DKK 3,485 million).

## Note 4.6: Net financials, paid

| Amounts in DKK million | 2023 | 2022 |
|---|---|---|
| Financial income | 43 | 24 |
| Financial expenses | -69 | -102 |
| Other - including financial instruments | 47 | -15 |
| **Total** | **21** | **-93** |

# Section 5 Taxation

In 2023, Tax on profit for the year amounted to an expense of DKK 87 million in the parent corporation and DKK 105 million in the group.

This section contains the following notes:



## Note 5.1: Tax on profit or loss for the year

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| -64 | -61 | Estimated tax on profit or loss for the year | -62 | -54 |
| 34 | -26 | Change in deferred tax relating to profit or loss for the year | -40 | 16 |
| 0 | 0 | Tax relating to intra-group profits | -3 | -4 |
| -30 | -87 | **Tax on profit or loss for the year** | **-105** | **-42** |
| -8 | 0 | Adjustment of prior-year tax charge | 0 | -9 |
| **-38** | **-87** | **Total** | **-105** | **-51** |
| | | **Reconciliation of tax rate:** | | |
| 22.0% | 22.0% | Tax on profit or loss for the year | 22.0% | 22.0% |
| -1.6% | 3.1% | Tax effect of non-taxable income and non-deductible expenses | 3.0% | -3.0% |
| -6.7% | -3.7% | Tax effect relating to equity investments in group enterprises, associates and joint ventures | -0.2% | -0.6% |
| 3.6% | 0.0% | Adjustment of prior-year tax charge | 0.0% | 3.8% |
| **17.3%** | **21.4%** | **Effective tax rate for the year** | **24.8%** | **22.2%** |
| **296** | **65** | **Tax paid during the year** | **65** | **296** |

### Accounting policies

The corporation is subject to the Danish rules on compulsory joint taxation of the Group's Danish enterprises. Group enterprises are covered by the joint taxation arrangement from the date at which they are included in the consolidation until the date when they cease to be consolidated.

The Parent Corporation is the designated management unit for the joint taxation and consequently handles the settlement of all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by the settlement of a joint tax contribution between the jointly taxed corporations relative to their respective taxable incomes. In this connection, enterprises with negative taxable incomes will receive joint taxation contributions from enterprises that have been able to utilize such losses to reduce their own taxable profits.

Total tax consists of the current tax charge for the year, joint taxation contributions for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly on equity.

Current tax liabilities and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet under intragroup balances with group enterprises.

## Note 5.2: Deferred tax liabilities

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| 2022 | 2023 | Amounts in DKK million | 2023 | 2022 |
| **289** | **254** | **Deferred tax liabilities at 1 January** | **317** | **316** |
| -5 | 1 | Adjustment at 1 January | -1 | 4 |
| 8 | - | Adjustment related to prior years | - | 9 |
| - | - | Change in deferred tax relating to intra-group profits | 4 | 4 |
| -38 | 26 | Change in deferred tax relating to profit or loss for the year | 40 | -16 |
| **254** | **281** | **Deferred tax liabilities at 31 December** | **360** | **317** |
| | | **Deferred tax liabilities concerns:** | | |
| 42 | 49 | Intangible assets | 48 | 42 |
| 266 | 282 | Property, plant and equipment | 368 | 356 |
| -8 | -6 | Current assets | -8 | -8 |
| -46 | -44 | Other provisions | -48 | -51 |
| - | 0 | Intra-group profits | 0 | -22 |
| **254** | **281** | **Deferred tax liabilities at 31 December** | **360** | **317** |

The group's Danish corporations are jointly and severally liable for tax on the group's consolidated taxable income, etc. The total corporation tax receivable is DKK 42 million at 31 December 2023 (2022: corporation tax receivable of DKK 46 million). The group's Danish corporations are jointly and severally liable for Danish withholding tax in the form of tax on dividend, royalty and interest. Any subsequent corrections of corporation and withholding taxes may increase the corporation's liability.

DSB, DSB Service & Retail A/S, DSB Ejendomsudvikling A/S, Selskabet af 23.05.2017 46DD A/S and Selskabet af 28.08.2017 67DD A/S are jointly registered for VAT and payroll tax purposes as well as jointly and severally liable for payment of the corporations' aggregate VAT and payroll tax liabilities.

### Accounting policies

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax on temporary differences relating to goodwill which is not deductible for tax purposes and office buildings and other items is not recognised where temporary differences – other than business acquisitions – arise at the date of acquisition without affecting either the profit/(loss) for the year or the taxable income. In cases where the tax base may be computed according to several sets of tax regulations, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability planned by Management.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax relating to eliminations of unrealised intra-group profits and losses is adjusted on consolidation.

Deferred tax is measured based on the tax rules and rates that will apply under the legislation in force at the balance sheet date when the deferred tax asset is expected to materialize as current tax.

# Section 6
# Working capital

The main items relating to working capital are inventories, receivables, accruals (prepayments and deferred income), trade payables and other debt.

This section contains the following notes:



## Note 6.1: Inventories

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 7 | 14 | Oil for train operation | 14 | 7 |
| 141 | 156 | Spare parts, etc. | 156 | 141 |
| 0 | 0 | Kiosk products, etc. | 34 | 34 |
| 1,305 | 3,703 | Prepayments for assets held for sale | - | - |
| **1,453** | **3,873** | **Total** | **204** | **182** |

Spare parts, etc. are used for repair and maintenance of rolling stock. For certain groups of Spare parts, etc. there is an element of uncertainty surrounding the time when they are used, while emergency stockpiles are created for critical product groups with long delivery times.

At 31 December 2023, the inventory has been written down due to inventory obsoleteness with a total of DKK 215 million (2022: DKK 184 million), almost entirely related to Spare parts, etc.

The parent corporation's prepayments for assets held for sale mainly consist of property plant and equipment under construction sold to group corporations when put into service. Development is mainly a result of the conclusion of contracts regarding the upcoming new workshops.

### Accounting policies

Oil for train operation and spare parts are measured at cost in accordance with the average method. Cost comprises the acquisition price with addition of delivery costs and, if applicable, processing expenses and other costs and expenses directly or indirectly attributable to inventories.

Kiosk products are measured at cost in accordance with the FIFO method. The cost price comprises the purchase price plus delivery expenses.

Inventories are written down to the net realisable value if this is lower than the cost price. The net realisable value for inventories is calculated as the sales amount less completion expenses and expenses incurred to effect the sale.

## Note 6.2: Receivables

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 31 | 32 | Receivables from issued penalty fares | 32 | 31 |
| 161 | 92 | Receivable, Passenger revenue | 92 | 161 |
| 117 | 61 | Reimbursement from government agencies | 61 | 117 |
| 105 | 146 | Other | 148 | 124 |
| **414** | **331** | **Total** | **333** | **433** |

DSB is not significantly exposed to single customers, since receivables from sales and services are distributed across a significant number of customers, including private individuals, private corporations and public institutions. There is no significant amount of collateral received for Trade receivables.

All Trade receivables are due for payment within 1 year.

### Provision for losses on receivables

There is an ongoing assessment of indications for loss of value for Trade receivables.

In the statement of provisions for expected losses, a segmentation of the population of Trade receivables has been made. The segmentation separates the portfolio into types of customers, types of receivables and historical experiences in relation to determining losses. An average expected loss percentage is calculated based on the segmentation.

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At 31 December 2023, provisions for losses have not been made concerning Receivables from group corporations, Receivable joint taxation contribution, Other receivables, Accruals and prepayments, Debt to group corporations, or Subordinated loan capital in associated corporations.

### Accounting policies

Receivables are measured at amortised cost, which usually corresponds to nominal value. Provisions for expected losses are based on historical experience and are made when there is objective evidence that a receivable or a portfolio of receivables is impaired. If there is objective evidence that an individual receivable is impaired, a provision for loss is made on an individual level.

DSB applies IAS 39 as a basis for impairment of financial receivables.

## Note 6.3: Prepayments (assets)

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 121 | 86 | Prepaid expenses, etc. | 86 | 73 |
| 44 | 20 | Financial instruments | 20 | 44 |
| 35 | 33 | Prepaid wages and salaries and pension contributions (civil servants) | 33 | 35 |
| **200** | **139** | **Total** | **139** | **152** |

### Accounting policies

Prepayments (assets) comprise costs incurred relating to subsequent financial years.

## Note 6.4: Deferred income (liabilities)

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 420 | 470 | Tickets sold, but not used | 511 | 448 |
| 199 | 185 | Prepaid contract revenue | 185 | 199 |
| 61 | 76 | Grants for facilities | 82 | 61 |
| 1 | 42 | Financial instruments | 42 | 1 |
| 13 | 1 | Other | 2 | 14 |
| **694** | **774** | **Total** | **822** | **723** |
| | | **Deferred income (liabilities) falls due in the following periods:** | | |
| 529 | 601 | Within 1 year | 649 | 558 |
| 165 | 173 | After 1 year | 173 | 165 |
| **694** | **774** | **Total** | **822** | **723** |

### Accounting policies

Deferred income (liabilities) comprises payments received relating to income in subsequent financial years.

Tickets sold, but not used comprise tickets sold for travel after 31 December.

## Note 6.5: Change in working capital

| | Group | |
|---|---|---|
| Amounts in DKK million | **2023** | **2022** |
| Change in total receivables | 52 | 105 |
| Change in total inventories | -22 | -17 |
| Change in trade payables and other payables, etc | -10 | 41 |
| **Change in total working capital** | **20** | **129** |

# Section 7
# Financial matters

DSB defines risk as an uncertainty associated with future targets having the potential to have wide-ranging impacts on safety, punctuality, reputation and finances.

Financial risks include interest rates, foreign exchange rates, raw material prices, liquidity and counterparties.

Interest rate risks are related to changes in financing interest.

The primary currency risks relate to oil purchases in USD and trade with international counterparties in EUR and SEK, respectively.

Raw materials price risk occurs in connection with the purchase of electricity and diesel.

Liquidity risks relate to the opportunities for ensuring liquidity.

Counterparty risks occur when a counterparty fails to fulfil their obligations.

This section contains the following notes:



As a result of operations, investments and financing, DSB is exposed to changes in interest, currency exchange rates, raw material prices and liquidity and the credit rating of counterparties. The financial management aims to address the associated financial risks. The overall framework is set out in the financial policy, which is approved by the Board of Directors.

In accordance with this policy, DSB monitors, calculates, administers and manages risks, in addition to continuously monitoring risk exposure and liquidity reserves.

The purpose of financial hedging is to limit and control the impact on profit caused by fluctuations in the financial markets. There are no significant changes in risk exposure or risk management compared with 2022.

## Accounting policies

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative changes in fair values of derivative financial instruments are recognised under other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying as hedges of the fair value of a recognised asset or liability are recognised through profit or loss together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised as other receivables or payables and in equity. If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged transaction affects the income statement.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as they occur.

## Note 7.1: Interest rate risk

| | Out-standing debt, local currency (million) | Out-standing debt, DKK (million) | Floating rate | Fixed rate | Time to maturity (years) | Average effective interest rate | Duration (years) | Fair value of foreign ex-change and interest rate swaps |
|---|---|---|---|---|---|---|---|---|
| **At 31 December 2023** | | | | | | | | |
| DKK | 2,975 | 2,975 | - | 100% | 6.9 | 0.7% | 6.3 | 162 |
| JPY | 20,000 | 1,315 | - | 100% | 16.5 | 4.4% | 11.7 | -241 |
| SEK | 212 | 164 | - | 100% | 2.4 | 0.4% | 2.3 | -12 |
| EUR | 25 | 187 | - | 100% | 3.2 | 4.0% | 2.9 | -7 |
| **Total** | | **4,641** | **-** | **100%** | **9.3** | **1.9%** | **7.9** | **-98** |
| **At 31 December 2022** | | | | | | | | |
| DKK | 2,975 | 2,975 | - | 100% | 7.9 | 0.7% | 7.1 | 223 |
| JPY | 20,000 | 1,315 | - | 100% | 17.5 | 4.4% | 12.2 | -68 |
| SEK | 265 | 205 | - | 100% | 2.9 | 0.4% | 2.7 | -10 |
| EUR | 29 | 216 | - | 100% | 3.7 | 4.0% | 3.3 | -3 |
| **Total** | | **4,711** | **-** | **100%** | **10.1** | **1.9%** | **8.5** | **142** |

As a result of financing activities, DSB is exposed to fluctuations in interest rates in Denmark and abroad. The exposure to interests rates is related to fluctuations in CIBOR, STIBOR and EURIBOR. The policy is to contract loans so that there are only unhedged currency risks in DKK and EUR. Normally, interest rate risks are hedged using interest rate swaps in which variable rate loans are converted to a fixed rate.

Within a 12-month period, interest rate sensitivity may not exceed DKK 100 million (with a change in interest rates of one percentage point), the debt portfolio must have a duration of less than 15 years, and at least 25 percent of the liability portfolio must be at a fixed rate. Accordingly, the weighted average duration of gross debt is 7.9 years (2022: 8.5 years). Of the financial liabilities, 100 percent were converted to a fixed rate of interest with maturity of longer than 1 year (2022: 100 percent). Variable-rate debt is rate fixed regularly during the year.

At times, DSB needs to place surplus liquidity in instruments other than bank deposits - among other things to reduce counterparty risk. Therefore, there is a bond portfolio at year-end of DKK 400 million in short-term bonds (2022: 1,950 million). If the yield rates increase by 1 percent, the market value of the bonds will decrease by 0.0 percent or DKK 0 million.

## Note 7.2: Exchange rate risk

Currency risks in recognized financial assets and liabilities are hedged so that the risk is in DKK. In relation to the financial policy, risks in EUR or other currencies are only permitted if they are included in the group corporations’ financing or hedging of exposure from group corporations.

The most significant currency exposure relates to loans in JPY, SEK and EUR, which are hedged using derivative financial instruments. After hedging, DSB is not exposed to significant currency risks from financing activities.

Currency risks associated with operations are, among other things, related to diesel consumption (USD). Other currency risk from trading with suppliers is limited except for EUR currency risks. The exposure to EUR is particularly related to the acquisition of rolling stock.

Other registered positions represent an insignificant share of the exchange rate risk; the future cash flow in currency is hedged 30-70 percent on average, as calculated for a rolling 12-month period.

DSB has no other significant currency risks.

## The hypothetical impact on profit or loss for the year and equity from changes in exchange rates is as follows:

| | Nominal position in local currency (million) | | | | Sensitivity in DKK million | | |
|---|---|---|---|---|---|---|---|
| | Cash and receivables, total | Financial liabilities (non-derivative) | Derivative financial instruments to hedge future cash flows | Total | Change in exchange rate | Hypothetical impact on profit or loss before tax | Hypothetical impact on equity before tax |
| **At 31 December 2023** | | | | | | | |
| JPY | 0 | -20,000 | 20,000 | 0 | 10.0% | 0 | 0 |
| SEK | 9 | -213 | 212 | 8 | 10.0% | 1 | 14 |
| EUR[2] | 5 | -336 | 231 | -100 | 0.5% | -4 | 22 |
| USD[1] | 0 | -33 | 30 | -3 | 10.0% | -1 | 154 |
| **At 31 December 2022** | | | | | | | |
| JPY | 0 | -20,000 | 20,000 | 0 | 10.0% | 0 | 0 |
| SEK | 63 | -267 | 265 | 61 | 10.0% | 4 | 18 |
| EUR | 3 | -33 | 29 | -1 | 0.5% | 0 | 10 |
| USD[1] | 1 | -36 | 24 | -11 | 10.0% | -8 | 159 |

[1] The hypothetical impact on equity before tax is due to interest and principal payments on loans in JPY being made in USD.
[2] Commercial payments in EUR relating to purchase of rolling stock and hedging hereof are recognized for the following 24 months.

Sensitivity analysis assumptions:

- Unchanged price and interest rate level
- Financial instruments recognised in the balance sheet at 31 December 2023 (2022)

## Note 7.3: Commodity risk

| | | Nominel | | | Sensitivity | | |
|---|---|---|---|---|---|---|---|
| Amounts in DKK million | Fair value of commodity price agreements | Next year's expected consumption of raw materials | Next year's expected commodity purchase | Next year's commodity price agreements | Change in commodity prices | Hypothetical impact on profit or loss before tax | Hypothetical impact on equity before tax |
| **At 31 December 2023** | | | | | | | |
| Raw materials - diesel | -6 | 36,902 ton | 233 | 187 | 10% | 0 | 17 |
| Raw materials – electricity | -123 | 352,230 MWh | 378 | 320 | 10% | 0 | 19 |
| **At 31 December 2022** | | | | | | | |
| Raw materials - diesel | -18 | 38,431 ton | 333 | 151 | 10% | 0 | 13 |
| Raw materials – electricity | -89 | 339,166 MWh | 827 | 411 | 10% | 0 | 36 |

Sensitivity analysis assumptions:

- Financial instruments which are recognised in the balance sheet 31 December 2023 (2022)

DSB uses diesel and electricity in the operations and is therefore exposed to raw material price risks which are hedged. The hedging is ongoing throughout the year and is carried out through the conclusion of raw materials price agreements.

80 percent of the expected purchase of diesel in 2024 is hedged at 31 December 2023 (2022: 45 percent). Similarly, 85 percent of the expected purchase of electricity in 2024 is hedged at 31 December 2023 (2022: 50 percent).

## Note 7.4: Liquidity risk

Amounts in DKK million

| Group | Carrying amount | Total con-tractual cash flows | Within 1 year | Year 1-5 | After 5 years |
|---|---|---|---|---|---|
| Long-term loans and subordinated loan capital | 4,247 | 4,641 | 67 | 1,230 | 3,344 |
| Long-term loans and subordinated loan capital (interest) | 1,142 | 1,151 | 84 | 339 | 728 |
| Other financial instruments | 127 | 152 | 149 | 3 | - |
| Bank loans and credit institutions | 71 | 71 | 71 | - | - |
| Trade payables | 1,823 | 1,823 | 1,823 | - | - |
| **Total at 31 December 2023** | **7,410** | **7,838** | **2,194** | **1,572** | **4,072** |

Amounts in DKK million

| Group | Carrying amount | Contractual cash flows, total | Within 1 year | Year 1-5 | After 5 years |
|---|---|---|---|---|---|
| Long-term loans and subordinated loan capital | 4,414 | 4,711 | 64 | 988 | 3,659 |
| Long-term loans and subordinated loan capital (interest) | 1,338 | 1,235 | 87 | 345 | 803 |
| Other financial instruments | 105 | 69 | 63 | 6 | - |
| Bank loans and credit institutions | 262 | 262 | 262 | - | - |
| Trade payables | 1,877 | 1,877 | 1,877 | - | - |
| **Total at 31 December 2022** | **7,996** | **8,154** | **2,353** | **1,339** | **4,462** |

DSB's policy is to always maintain sufficient liquidity reserves. The target is to have a cash reserve corresponding to the development in the approved budget year's expected net debt plus DKK 200 million, but at least DKK 1,000 million. The cash reserve is calculated as cash and cash equivalents plus access to drawing on bank facilities.

At 31 December 2023, agreements were concluded on uncommitted bank facilities of DKK 6,222 million and committed bank facilities of DKK 5,231 million, expiring during the period 2024-2028 (2022: uncommitted for DKK 6,462 million and committed for DKK 5,225 million, expiring during the period 2023-2028). Of these cash resources, DKK 8,891 million is not utilized (2022: DKK 10,618 million).

## Note 7.5: Counterparty risk

Counterparty risk arises when financial derivative instruments are concluded to hedge fi-nancial risks or when liquidity is placed with financial counterparties. The risk is that the counterparties will fail to fulfil their obligations.

All Cash and cash equivalents and agreements on financial instruments are either placed in banks, bonds or as part of agreements with financial institutions rated as a minimum of A according to Standard & Poor's rating.

Receivables from derivative financial instruments, Cash and cash equivalents and deposits amount to a total of DKK 216 million at 31 December 2023 (2022: DKK 281 million). If the access to offsetting exposure in financial contracts with financial counterparties and collateral is included, the receivables from these items at 31 December 2023 amount instead to DKK 48 million (2022: DKK 29 million).

In order to reduce counterparty risks, DSB receives collateral for the market value of derivative financial instruments with financial counterparties in the form of bonds. At 31 December 2023, DSB has received securities in the amount of DKK 71 million (2022: DKK 207 million). DSB does not provide collateral.

## Note 7.6: Fair values recognised in equity

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 218 | 140 | Currency swaps | 140 | 218 |
| 220 | 156 | Interest rate swaps | 156 | 220 |
| -89 | -123 | Electricity price swaps | -123 | -89 |
| -18 | -6 | Oil price swaps | -6 | -18 |
| 2 | 2 | Forward exchange contracts | 2 | 2 |
| -73 | -37 | Deferred tax | -37 | -73 |
| **260** | **132** | **Total** | **132** | **260** |

The fair value of the received financial instruments that are classified as ensuring future cash flows are included directly in the equity.

The fair value of derivative financial instruments used for hedging foreign exchange and interest rate risks associated with the above borrowing and liquidity is DKK -98 million at 31 December 2023 (2022: DKK 142 million), of which DKK 296 million is recognized in equity (2022: DKK 438 million).

At 31 December 2023, derivative financial instruments with a positive and a negative fair value amounted to DKK 169 million (2022: DKK 245 million) and DKK 394 million (2022: DKK 208 million).

## Note 7.7: Fair value disclosures

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 260 | 132 | Fair value at 31 December | 132 | 260 |
| - | - | Value adjustments in the income statement | - | - |
| 295 | -128 | Changes recognised in the hedging reserve | -128 | 295 |
| 2 | 2 | Fair value level | 2 | 2 |

The valuation of the derivative financial instruments is based on common methodologies, as observable prices at fixed times are spread out over the lifetime of the instruments for the purposes of forming price curves. They are used to discount the payment of the instruments. The market prices are provided by a well-known information system, and the calculations of the valuations are made in a treasury system. The calculated fair values are compared with the fair values calculated by the counterparties. The derivative financial instruments are categorized at level 2 in the fair value ranking. No significant unobservable inputs are included in the valuation

# Section 8
# Other notes

This section contains notes that are important, but unrelated to the other sections.

This section contains the following notes:



## Note 8.1: Other provisions - Parent Corporation

| Amounts in DKK million | Other liabilities | Total other provisions |
|---|---|---|
| **Other provisions at 1 January 2023** | **68** | **68** |
| Adjustment due to merger with DSB Vedligehold A/S | 2 | 2 |
| **Other provisions at 1 January 2023 - adjusted** | **70** | 70 |
| Provisions | 13 | 13 |
| Applied | -7 | -7 |
| Reversed | 0 | 0 |
| **Other provisions at 31 December 2023** | **76** | **76** |

## Note 8.1: Other provisions - Group

| Amounts in DKK million | Other liabilities | Total other provisions |
|---|---|---|
| **Other provisions at 1 January 2023** | **70** | **70** |
| Provisions | 15 | 15 |
| Applied | -9 | -9 |
| Reversed | 0 | 0 |
| **Other provisions at 31 December 2023** | **76** | **76** |

Other provisions comprise provisions relating to, for instance, seconded civil servants and provisions for claims.

### Accounting policies

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, DSB has a legal or constructive obligation and it is probable that there may be an outflow of economic benefits to settle the obligation.

Provisions are recognised and measured as management's best estimate of the amount expected to be required to settle the obligation. If settlement is expected to be far into the future, the obligation is measured at fair value.

## Note 8.2: Contingent assets and liabilities and other financial obligations

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| **2022** | **2023** | Amounts in DKK million | **2023** | **2022** |
| 0 | 0 | Contingent assets | 0 | 0 |
| 64 | 55 | Contingent liabilities | 121 | 147 |
| 14,788 | 15,408 | Other financial obligations | 15,260 | 14,316 |

### Contingent assets and liabilities

DSB pays an ongoing pension contribution for civil servants, calculated as a percentage of the pensionable salary, to cover the state's pension obligation to civil servants. Upon retirement, the state assumes the full pension obligation. The contribution rate for the ongoing pension contributions is based on assumptions about expected pension age, wage development, etc. Deviations from these assumptions, under certain conditions, can result in an adjustment of the contributions in the form of additional payment to or from the state at the time of retirement.

DSB has an obligation to pay redundancy payment for 3 years to civil servants who are dismissed for a cause that is not the fault of the civil servant, see section 32 of the Danish Civil Servant Act. DSB also has a commitment to the Agency for Public Finance and Management to pay pension costs for civil servants until the expected retirement age of 62 years. At the balance sheet date, DSB has only recognized a liability for dismissed civil servants.

DSB is a party to a small number of pending cases. Also, there are ongoing dialogues with SKAT, Denmark's tax agency, regarding the interpretation of rules. The outcome of these cases and dialogues is not expected to have a significant impact on the financial position of the corporation.

Other financial obligations
Other financial obligations mainly consist of agreements to purchase Talgo train coaches, IC5 electric trainsets and New Green Workshops. The increase in obligations in relation to 2022 can be mainly attributed to the contractor agreement entered into regarding additional purchase of Talgo train coaches and the extension of the agreement for IC5 electric trainsets

As part of DSB's agreement with Rejsekort & Rejseplan A/S concerning the use of the Rejsekort (Travel card) system, DSB is obliged to pay an annual subscription fee until the year 2028. The total liability amounts to DKK 1,037 million (DKK 1,067 million), of which DKK 190 is due for payment in 2024 (DKK 178 million in 2023) and DKK 847 million will fall due in the period 2025-2028 (DKK 711 million in the period 2024-2027).

DSB has outsourced the majority of its IT operations covering IT services and operations of networks, telephony, data centres and systems. The total liability in this regard is DKK 212 million (DKK 363 million) of which DKK 152 million is due for payment in 2024 (DKK 182 million in 2023) and DKK 57 million will fall due in the period 2025-2028 (DKK 181 million in 2024-2027)

DSB's lease agreement for Telegade 2 in Taastrup is non-terminable by DSB for the period until 2041. The total liability in this regard is DKK 725 million (DKK 759 million) of which DKK 34 million is due for payment in 2024 (DKK 33 million in 2023) and DKK 142 million will fall due in the period 2025-2028 (DKK 140 million in the period 2024-2027)

As part of the normal business operations, DSB has service and maintenance obligations as well as purchase and selling obligations

DSB is a partner in DOT - Din Offentlige Transport I/S - and is jointly and severally liable for the partnership's total debts and liabilities amounting to DKK 7 million (DKK 6 million). The other partners include Trafikselskabet Movia and Metroselskabet I/S.

Collateral
In connection with the financing of 10 train sets for the Øresund traffic, a loan was obtained from Eurofima, with security in the 10 train sets. The train sets were sold to Skånetrafikken in December 2023, after which Eurofima obtained security in the form of transportation in the contract with Alstom for 5 IC5 train sets. The remaining debt amounted to EUR 25.2 million as of 31 December 2023.

### Accounting policies
Contingent assets and liabilities and other financial obligations comprise conditions or situations existing at the balance sheet date, but whose accounting effect cannot be finally determined until the outcome of one or more uncertain future events becomes known.

## Note 8.3: Related parties

Related parties

| | **Basis** |
|---|---|
| Ministry of Transport | 100 percent owner |
| Board of Directors and Executive Board | Management control |

DSB's transactions with the Ministry of Transport and related government agencies and institutions (primarily the Danish Civil Aviation and Railway Authority and Banedanmark) comprise:

| | **Group** | |
|---|---|---|
| Amounts in DKK million | **2023** | **2022** |
| **Income** | | |
| Contract revenue | 3,565 | 3,450 |
| Leasing and sale of corrective maintenance, goods and services, etc. | 4 | 10 |
| **Expenses, etc.** | | |
| Infrastructure charges | 474 | 607 |
| Guarantee commission | 0 | 0 |
| **Prepayments** | | |
| Prepaid contract revenue | 185 | 199 |

Transactions with related parties are conducted on an arm's length basis - including a cost-allocation basis. Transactions are disclosed as a result of their special nature.

## Note 8.4: Gains and losses on the sale and scrapping of intangible assets and property, plant and equipment

| | Group | |
|---|---|---|
| Amounts in DKK million | 2023 | 2022 |
| Gains on sales of intangible and tangible fixed assets | 144 | 107 |
| Losses on sale and scrapping of intangible and tangible fixed assets | -3 | -2 |
| **Total** | **141** | **105** |

## Note 8.5: Discontinuing operations

| Parent Corporation | | | Group | |
|---|---|---|---|---|
| 2022 | 2023 | Amounts in DKK million | 2023 | 2022 |
| | | **Income statement** | | |
| - | - | Revenue1) | - | 435 |
| - | - | Own work capitalised | - | 40 |
| - | - | Raw materials and consumables used | - | 246 |
| - | - | Other external expenses | - | 104 |
| - | - | Staff costs | - | 118 |
| - | - | Depreciation, amortisation and impairment of in-tangible assets and property, plant and equipment | - | 7 |
| - | - | Net financials | - | 0 |
| - | - | Tax | - | 0 |
| - | - | **Profit or loss after tax** | - | 0 |
| **79** | **-** | **Gain on divestment** | **-** | **79** |
| **79** | **-** | **Profit or loss from discontinuing operations** | **-** | **79** |
| | | **Assets** | | |
| - | - | **Total assets** | - | - |
| | | **Liabilities** | | |
| **-** | **-** | **Total liabilities** | **-** | |

[1] In 2023, the intragroup revenue amounted to DKK 0 million (2022: DKK 400 million)

## Note 8.5: Discontinuing operations (continued)

| | Group | |
|---|---|---|
| Amounts in DKK million | 2023 | 2022 |
| **Cash flow statement** | | |
| Cash flows from operating activities | - | 48 |
| Cash flows from investing activities | - | 393 |
| Cash flows from financing activities | - | - |
| **Total cash flows** | **-** | **441** |

In July 2021, an agreement was concluded on the sale of DSB's component production, and on September 1, 2022, the German corporation Knorr-Bremse Group formally took over DSB's component and spare parts workshops.

The average number of full-time employees was 0 in 2023 (2022: 373)

### Accounting policies

Discontinuing operations comprise the activities and cash flows to be disposed of, closed down or given up in compliance with an overall plan, provided that they can be distinguished from the other activities. Discontinuing operations are presented as a separate line item in the income statement.

Assets relating to discontinuing operations comprise assets that are expected to be disposed of in connection with discontinuing operations. Liabilities relating to discontinuing operations are liabilities directly associated with the assets to be transferred in the transaction.

Assets and liabilities relating to discontinuing operations are presented as separate balance sheet items.

Cash flows from operating, investing and financing activities of discontinuing operations are presented as separate line items in the cash flow statement for the Group.

## Note 8.6: Events after the balance sheet date

No events have occurred after 31 December 2023 which, in the opinion of management, have a significant impact on the assessment of the annual report for 2023.

### Other circumstances

There are no other circumstances which, in the opinion of management, have a significant impact on the assessment of the annual report for 2023.

Supplementary key figures

# Supplementary key figures

## Supplementary key figures

| Number of journeys ('000) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Zealand | 33,722 | 20,821 | 21,296 | 29,904 | 35,118 |
| West (Jutland and Funen) | 11,203 | 8,436 | 7,881 | 10,322 | 10,493 |
| East/west (across the Great Belt) | 7,843 | 5,151 | 5,775 | 8,216 | 8,261 |
| Other[1)] | 1,839 | 742 | 999 | 2,092 | 2,366 |
| **Long-distance & Regional trains** | **54,607** | **35,149** | **35,950** | **50,534** | **56,238** |
| **S-trains** | **111,960** | **76,345** | **74,206** | **98,548** | **106,178** |
| **Total, including relinquished traffic** | **166,567** | **111,494** | **110,156** | **149,082** | **162,416** |
| **Relinquished traffic** | **20,901** | **8,666** | **7,902** | **14,546** | **-** |
| **Total number of journeys** | **187,468** | **120,160** | **118,058** | **163,628** | **162,416** |

| Passenger kilometres (million) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Zealand | 1,286 | 809 | 829 | 1,119 | 1,278 |
| West (Jutland and Funen) | 771 | 554 | 553 | 705 | 745 |
| East/west (across the Great Belt) | 1,691 | 1,082 | 1,259 | 1,781 | 1,782 |
| Other[1)] | 136 | 54 | 84 | 182 | 189 |
| **Long-distance & Regional trains** | **3,884** | **2,498** | **2,724** | **3,787** | **3,994** |
| **S-trains** | **1,304** | **893** | **874** | **1,182** | **1,269** |
| **Total, including relinquished traffic** | **5,188** | **3,391** | **3,598** | **4,969** | **5,263** |
| **Relinquished traffic** | **488** | **201** | **172** | **290** | **-** |
| **Total passenger kilometres** | **5,676** | **3,592** | **3,770** | **5,259** | **5,263** |

[1)] Other includes International

## Supplementary key figures (continued)

| Train kilometres (1,000) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Zealand | 11,683 | 11,698 | 11,493 | 11,630 | 11,540 |
| West (Jutland and Funen) | 3,883 | 3,608 | 3,400 | 3,273 | 3,184 |
| East/west (across the Great Belt) | 18,171 | 18,106 | 18,603 | 17,952 | 17,755 |
| Other[1)] | 720 | 771 | 1,008 | 1,102 | 1,073 |
| **Long-distance & Regional trains** | **34,457** | **34,183** | **34,504** | **33,957** | **33,552** |
| **S-trains** | **15,329** | **15,087** | **15,444** | **15,495** | **15,858** |
| **Total, including relinquished traffic** | 49,786 | 49,270 | 49,948 | 49,452 | 49,410 |
| **Relinquished traffic** | 4,433 | 3,756 | 1,448 | 1,400 | - |
| **Total passenger kilometres** | **54,219** | **53,026** | **51,396** | **50,852** | **49,410** |

[1)] Other includes International

## Supplementary key figures (continued)

| Rolling stock in operation[1] | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| IC4 trainsets | 63 | 63 | 62 | 60 | 60 |
| IC3 trainsets | 96 | 96 | 96 | 96 | 96 |
| IR4 electric trainsets | 44 | 44 | 44 | 44 | 44 |
| Øresund electric trainsets[2] | 111 | 34 | 34 | 10 | - |
| Double decker coaches | 113 | 113 | 113 | 113 | 113 |
| IC1 coaches | - | - | - | - | 56 |
| Leased Desiro trainsets | 12 | - | - | - | - |
| Desiro trainsets | 4 | - | - | - | - |
| Desiro trainsets on loan/leased from Ministry of Transport, Building and Housing | 4 | - | - | - | - |
| ME locomotives | 29 | 28 | - | - | - |
| EA electric locomotives | 5 | - | - | - | - |
| EB electric locomotives | - | 3 | 32 | 42 | 42 |
| S-electric trainsets (eight coaches) | 104 | 104 | 104 | 104 | 104 |
| S-electric trainsets (four coaches) | 31 | 31 | 31 | 31 | 31 |
| Shunting locomotives/tractors | 14 | 5 | 5 | 4 | 5 |

1) Rolling stock included in the group's operations at year-end.
2) 24 Øresunds electric trainset have since December 2022 been leased to Skånetrafiken. 10 Øresunds-trainsets are sold in December 2023.

## Supplementary key figures (continued)

| Mean Distance Between Failures [1] [2] (1,000 km) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| IC4 trainsets | 8.1 | 10.0 | 8.4 | 8.7 | 6.0 |
| IC3 trainsets | 35.0 | 34.9 | 26.6 | 37.3 | 34.7 |
| IR4 electric trainsets | 17.5 | 26.0 | 25.6 | 45.8 | 31.1 |
| Øresund electric trainsets SE[3] | 22.5 | 36.5 | 18.6 | 4.2 | - |
| Øresund electric trainsets DK[3] | 22.5 | 36.5 | 41.5 | 16.3 | 29.9 |
| Double decker coaches | 22.1 | 26.1 | 36.8 | 26.5 | 31.3 |
| IC1 coaches | - | - | - | - | 10.0 |
| MR trainsets | 1.6 | - | - | - | - |
| Desiro trainsets | 12.0 | 13.1 | - | - | - |
| ME diesel locomotives | 25.0 | 34.5 | 46.5 | - | - |
| EA electric locomotives | 4.2 | 6.5 | - | - | - |
| EB electric locomotives | - | 0.8 | 3.0 | 19.8 | 40.3 |
| S-electric trainsets | 16.9 | 20.7 | 19.8 | 21.4 | 25.5 |

1) A technical failure of the rolling stock which causes a delay.
2) From January 2022, the measurement of Mean Distance Between Failures has been changed. Thus, the calculation is exclusively based on kilometres driven and incidents registered in Denmark. Previously, the figures included kilometres driven and failures in Denmark as well as abroad (Sweden and Germany). Comparative figures have been adjusted.
3) The Øresund electric trainsets SE are maintained by Mantena in Sweden. The Øresund electric trainsets DK are maintained by DSB

## Supplementary key figures (continued)

| Average number of full-time employees | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| DSB | 6,312 | 6,231 | 5,506 | 5,347 | 5,397 |
| - of which social chapter[1] | 116 | 105 | 85 | 80 | 85 |
| DSB Service & Retail A/S | 550 | 516 | 545 | 670 | 702 |
| - of which social chapter[1] | 12 | 11 | 9 | 11 | 0 |
| DSB Ejendomsudvikling A/S | 4 | 10 | 10 | 9 | 14 |
| - of which social chapter[1] | - | - | - | - | |
| **DSB group, total** | **6,866** | **6,757** | **6,061** | **6,026** | **6,113** |

[1] The social chapter includes programmes such as flex jobs, sheltered employment, vocational rehabilitation, partial retirement and early retirement benefit, and was introduced in 1996 with the aim of promoting employment in the government labour market for people with reduced working capacity in Denmark

## Supplementary key figures (continued)

| Negotiation-entitled organization (number of employees at year-end) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| AC | 488 | 484 | 541 | 633 | 661 |
| Individuel | 251 | 254 | 284 | 284 | 286 |
| DJ | 3,448 | 3,400 | 3,165 | 3,021 | 3,061 |
| FO DSB | 1,127 | 1,045 | 615 | 602 | 608 |
| HK | 1,907 | 1,829 | 1,880 | 1,982 | 2,064 |
| Other | 35 | 32 | 19 | 20 | 22 |
| **Total** | **7,256** | **7,044** | **6,504** | **6,542** | **6,702** |

## Supplementary key figures (continued)

| Employee group - type of employment (number of employees at year-end) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Contract staff | 251 | 254 | 284 | 284 | 286 |
| Collective agreement employees | 5,443 | 5,351 | 4,937 | 5,088 | 5,318 |
| Hourly-paid employees | 17 | 11 | 16 | 34 | 71 |
| Civil servants | 1,545 | 1,428 | 1,267 | 1,136 | 1,027 |
| **Total** | **7,256** | **7,044** | **6,504** | **6,542** | **6,702** |

## Supplementary key figures (continued)

| Total operated railway stations (year-end) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Long-distance train stations, including joint stations | 140 | 126 | 119 | 119 | 119 |
| S-train, including joint stations | 86 | 87 | 87 | 87 | 88 |
| S-train joint stations with Long-distance & Regional trains | -11 | -10 | -10 | -10 | -10 |
| S-train, excluding joint stations | 75 | 77 | 77 | 77 | 78 |
| **Total operated railway stations** | **215** | **203** | **196** | **196** | **197** |
| **Kilometres of track operated by DSB in Denmark** | **1,576** | **1,406** | **1,287** | **1,287** | **1,287** |

## Income statement by quarter

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Amounts in DKK million | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Passenger revenue | 1,295 | 1,356 | 1,339 | 1,414 | 1,028 | 1,417 | 1,461 | 1,412 |
| Contract revenue1) | 901 | 903 | 863 | 898 | 1,018 | 861 | 704 | 867 |
| Kiosk goods | 226 | 267 | 262 | 245 | 188 | 250 | 237 | 241 |
| Sale of corrective and planned maintenance of rolling stock, etc. | 35 | 16 | 19 | 8 | 23 | 30 | 31 | 37 |
| Sale and leasing of rolling stock | 22 | 21 | 26 | 33 | 25 | 14 | 16 | 14 |
| Rental and leasing | 70 | 69 | 72 | 52 | 62 | 59 | 63 | 56 |
| Other revenue | 20 | 30 | 34 | 54 | 16 | 19 | 26 | 37 |
| **Revenue** | **2,569** | **2,662** | **2,615** | **2,704** | **2,360** | **2,650** | **2,538** | **2,664** |
| Own work capitalised | 45 | 148 | 99 | 174 | 129 | 101 | 79 | 116 |
| Other operating revenue | 219 | 27 | 10 | 145 | 42 | 55 | 68 | -29 |
| **Total income** | **2,833** | **2,837** | **2,724** | **3,023** | **2,531** | **2,806** | **2,685** | **2,751** |
| Raw materials and con-sumables used | 624 | 551 | 586 | 509 | 431 | 457 | 458 | 618 |
| Other external expenses | 882 | 963 | 931 | 1,245 | 953 | 980 | 976 | 917 |
| Staff costs | 885 | 902 | 904 | 924 | 845 | 875 | 875 | 844 |
| **Total expenses** | **2,391** | **2,416** | **2,421** | **2,678** | **2,229** | **2,312** | **2,309** | **2,379** |
| **Profit or loss before de-precia-tion, amortisation and impair-ment losses** | **442** | **421** | **303** | **345** | **302** | **494** | **376** | **372** |
| Depreciation, amortisa-tion and impairment of intangible assets and property, plant and equipment | 246 | 226 | 234 | 328 | 251 | 256 | 264 | 472 |
| **Operating profit or loss** | **196** | **195** | **69** | **17** | **51** | **238** | **112** | **-100** |
| Net financials | -8 | -8 | -17 | -19 | -21 | -9 | -28 | -14 |
| **Profit or loss before tax** | **188** | **187** | **52** | **-2** | **30** | **229** | **84** | **-114** |
| **Profit or loss for the period** | **146** | **147** | **41** | **-14** | **24** | **186** | **59** | **-12** |
| **Total equity** | **5,770** | **5,950** | **6,057** | **5,868** | **5,451** | **5,967** | **6,269** | **5,688** |
| Operating profit margin (EBITDA margin) | 17.2 | 15.8 | 11.6 | 12.8 | 12.8 | 18.6 | 14.8 | 14.0 |
| Return on invested capital after tax (ROIC after tax) p.a | 7.0 | 6.6 | 2.2 | 0.0 | 2.0 | 9.2 | 4.3 | -5.3 |

[1] Ministry of Transport has cancelled supplementary contract 44 on extra contract revenue due to COVID-19. Consequently, DSB in third quarter 2022 reversed DKK 157 million which had previously been recognized as revenue in first quarter

## Financial ratio definitions

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

**Operating profit margin** (EBITDA margin) = Profit or loss before depreciation, amortization and impairment losses x 100 / Net revenue

**Profit ratio** (EBIT margin) **=** Operating profit x 100 / Revenue

**Return on invested capital after tax** (ROIC after tax) = Operating profit after tax (NOPLAT) x 100 / (average equity + average  net interest-bearing debt

**Gearing** = Net interest-bearing debt / Profit or loss before depreciation, amortization and impairment losses

**Solvency ratio** = Total equity x 100 / Total assets

**Interest coverage** = (Operating profit + Financial income) / Financial expenses

# Other company information

## Notifications to the Danish Business Authority

6 February 2023
Company notification concerning Jernbanebyen

9 February 2023
DSB's Annual Report 2022

2 March 2023
Notice convening ordinary Annual Meeting 2023

24 March 2023
Minutes of ordinary Annual Meeting of DSB

16 May 2023
DSB's Interim Report for Q1 2023

31 August 2023
DSB's Interim Report for H1 2023

16 November 2023
DSB's Interim Report for Q1-Q3 2023

## Financial calendar 2024

Expected publication of interim reports:

| | |
|---|---|
| Q1 2024 | 8 May 2024 |
| H1 2024 | 22 August 2024 |
| Q3 2024 | 14 November 2024 |

## Publications

Annual Report 2023 is available at www.dsb.dk

Remuneration report 2023 is available at www.dsb.dk.

## Company facts

### Address

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

www.dsb.dk

Company reg. (CVR) no. 25050053

### Municipality of registered office

Høje-Taastrup

### Ownership

DSB is an independent public enterprise owned by the Danish Ministry of Transport

### Auditors

EY
Godkendt Revisionspartnerselskab
Company reg. (CVR) no. 30700228

Rigsrevisionen

### Banker

Nordea Danmark, Filial af Nordea Bank Abp, Finland

### Editors

Anne Rømer
Malene Richter Christensen

# Line accounts

# Line accounts

## Management's statement

DSB's management has today considered and approved DSB's line accounts for 2023.

The accounts have been prepared in accordance with the principles and methods specified in the Accounting Regulations for DSB, taking into account the interpretations agreed with the Danish Ministry of Transport.

In our opinion,

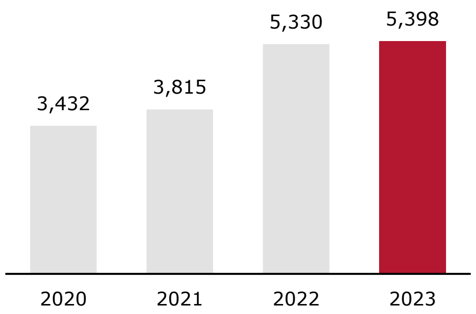
- the Accounting Regulations were complied with in 2023, including by way of implementation of the necessary accounting breakdown, see section 2 of the Accounting Regulations, so that DSB can account for the need for subsidies for passenger train traffic,
- the model instrument and the bases of allocation used have been documented in accordance with section 3 of the Accounting Regulations so that DSB can account for the allocation of finances to the lines.

Taastrup, 8. February 2024

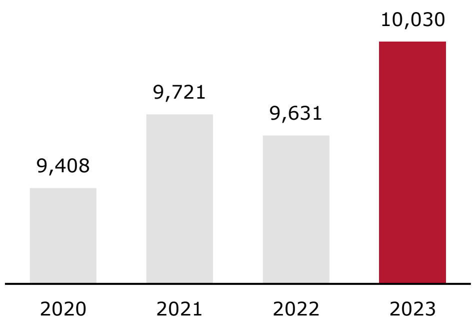
| | |
|---|---|
| Flemming Jensen<br>CEO | Pernille Damm Nielsen<br>CFO |

# Highlights for 2023[1]

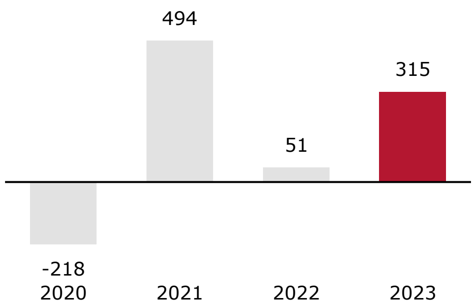
## Passenger revenue
**(DKK million)**



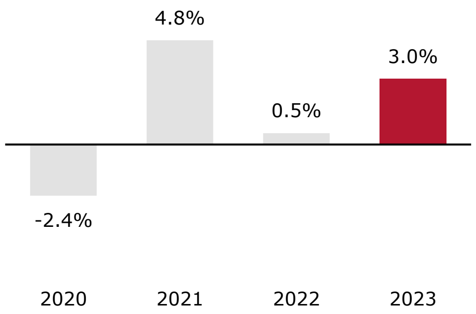

## Expenses & depreciation
**(DKK million)**



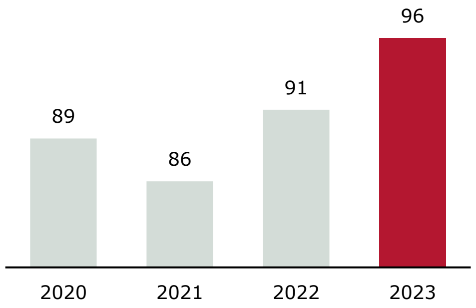

## Operating profit or loss
**(DKK million)**



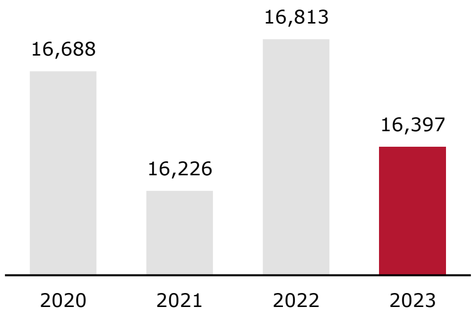

## EBIT-margin



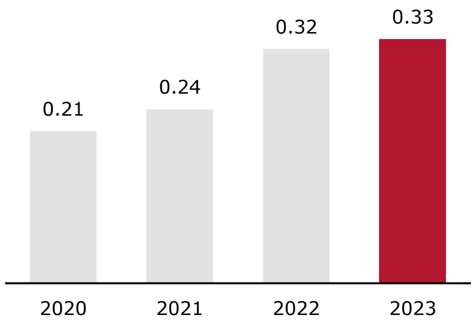

## Litra kilometres
**(Million kilometres)**



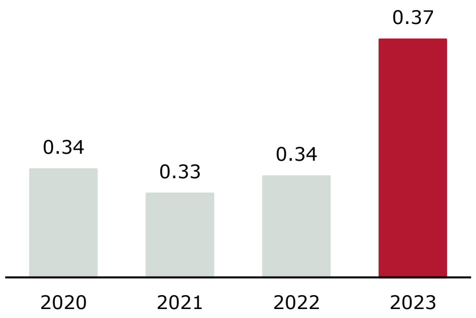

## Seat kilometres
**(Million kilometres)**




## PASK Train Services
**(DKK)**




## CASK Train Services
**(DKK)**




[1] Profit/loss figures are 'Public services' from the parent corporation DSB.

## Presentation of results

The purpose of accounting by line is to provide transparency about DSB's train operations. In addition, DSB uses the results of the line accounts to deliver ongoing efficiencies. Reporting of train operations finances is divided into activity areas to increase transparency further still.

Highlights include:

- Overall passenger revenue in 2023 was higher than in 2022 in spite of the transfer of Øresund traffic to Skånetrafiken
- Developments in expenses were mainly due to the generally increased energy prices in 2023.
- Long-distance train lines delivered a profit before tax, primarily driven by increased passenger revenue. Accordingly, long-distance train lines contributed to financing the loss-making lines.
- Regional train lines in both East and West produced an overall loss and therefore required a contribution of funds from the profitable services and the contract payment from the State
- S-train services generated an overall profit before tax and thus contributed to financing the loss-making lines. S-train services recorded increasing passenger revenue compared to 2022, but also increasing expenses.

## Activity area accounts

Public services provided by DSB pursuant to the transport contract are broken down into Train Services, Train System, General Obligations and Other, see Table 17.

- Train Services relate to the operational task of operating trains
- Train System is a collective designation for the activities supporting the task of operating trains, from operation of stations, provision of rolling stock, planning and monitoring of daily train operations to traffic information, ticket sales and customer service.
- General Obligations are activities that are not related to train operations:
  - Contributions to Fonden Danmarks Jernbanemuseum
  - Expenses for stations not serviced, but operated and maintained by DSB, and for which there is no cost recovery from other operators
  - Job exchange database concerning seconded civil servants and management of surplus employees – both own and seconded
  - Training of train drivers in the public train driver education programme
- Other covers activities that cannot be defined as being related to train operations or DSB's general obligations. They include sale of properties in the Parent Corporation, extraordinary items related to arbitration proceedings and elimination items.

[2] This is an analytical choice as the passenger revenue is in fact also used for co-financing stations, sales channels, timetable planning, traffic information, etc. If passenger revenue was also allocated to Train System, the amount of contract revenue to be allocated to these areas of activity would be reduced.

Train Services are further divided into Long-distance & Regional Train services and S-train services. Train System is divided into Stations, Rolling Stock and Systems & Channels. Systems & Channels cover Sales Channels and Customer Service as well as Traffic Management and Shared Functions.

In 2023, income before leasing of rolling stock came to DKK 10,345 million. This income finances the Public services provided.

Passenger revenue in 2023 was DKK 5,398 million, allocated in the line accounts to Train Services[2], i.e. passenger rail services. The principal income for Train System is the contract revenue allocated. Also included is commission income from the sale of tickets from other operators, which in 2023 amounted to DKK 43 million of other income.

Danish passenger rail services are characterised by a desire for cohesion in public transport, including an integrated and uniform customer experience for the entire journey. In order to deliver this, the public transport sector is characterised by a high degree of integration and collaboration across transport companies and operators, in addition to joint and integrated commercial solutions such as Rejsekort (travel card), Rejseplanen (travel planner) and DOT. The calculation of passenger revenue has been based on agreements on revenue sharing between transport companies and operators.

As of 1 January 2023, amendments to the Danish Executive Order on the sharing of ticket revenue in the metropolitan area entered into force. The amendments involve switching from the use of the parties' tallying systems and travel data statements to increased use of Rejsekort data for distribution purposes. In 2023, two revenue distribution models were used in parallel, and any consequences with respect to proceeds are offset between the parties. The amendments to the Executive Order facilitate greater transparency and faster settlement between the parties as is already the case with the revenue sharing between the parties in the West and for East/West journeys.

Again in 2023, DSB operated rail services under contract with Arriva Danmark on a single line in central and western Jutland. This should be viewed in the context of train services in that area generally having been handed over to Arriva Danmark from DSB as part of a political decision. In practice, contracted rail services mean that DSB pays the expenses for operating a number of departures from central and western Jutland in order to ensure direct departures for customers to the rest of Denmark. Income from the contracted rail services accrues to Arriva Danmark, while DSB is compensated by way of contract payments.

In 2023, total contract revenue amounted to DKK 3,565 million. This amount financed the loss-making train services and other activity areas according to the principles laid down in the transport contract with the State.

DSB has an overarching purpose of delivering a sustainable way forward with room for all of us based on DSB's social responsibility of helping to reduce congestion and being a climate-friendly alternative to taking the car. DSB's investments in new electric trains and green workshops will, together with the Danish Government's investment in railway infrastructure, help to ensure the realisation of the societal, financial and environmental gains from the electrification of the railway network. For customers, this will mean shorter travel times, higher departure frequencies and increased punctuality and comfort.

Of total income before leasing to rolling stock, passenger revenue represented 52 percent, contract revenue 34 percent and other income the remaining share. This distribution has changed since 2022 as a result of extraordinary other income.

In accordance with the contract with the State, contract revenue is allocated to activity areas on the basis of a number of criteria.

For Stations, an annual return on invested capital (ROIC) of 3 percent must be ensured. Rolling Stock and General Obligations are based on cost recovery at no return, and for Systems & Channels, a profit margin of 5 percent applies.

Contract revenue is not allocated to Other as this activity area primarily concerns items of a special nature not related to ordinary train operations. Accordingly, the remaining contract revenue is allocated to Train Services.

The positive results for Stations and Systems & Channels are thus explained by the technical distribution of contract revenue.

Of total income before leasing of rolling stock, 60 percent financed Train Services and 35 percent financed Train System activities, while the remaining 5 percent financed General Obligations and Other.

In 2023, expenses before leasing of rolling stock amounted to DKK 9,160 million for Public Services. Of this amount, 66 percent was allocated to Train Services, 31 percent to Train System activities and the rest to General Obligations and Other.

In respect of both income and expenses, expenses relating to leasing of rolling stock have been disregarded, as rolling stock is treated in the line accounts as an intra-group transfer with no earnings impact. For accounting purposes, it is assumed that the rolling stock is leased to Train Services at no return.

Leasing of rolling stock covers a pool of all income, expenses, depreciation, amortisation and impairment losses as well as financials relating to the rolling stock owned.

Pursuant to the contract with the State, the Rolling Stock activity area must be financed by imputed rent for the trains made available for traffic. This means that the Rolling Stock activity area leases the rolling stock to Train Services and that expenses for this must be recovered.

Activities involving acquisition of new rolling stock, construction of new workshops and the S-trains of the future project are covered by contract revenue.

The breakdown of train operations into activity areas is based on Public services, comprising the activities carried out by DSB under the transport contract.

The basis for this breakdown of activities is the line economy model. This model divides the income statement into areas of activity and calculates the economy of each individual area of activity based on the estimated use of resources for the respective area.

## Table 17: Train Operations results by activity area

| Amounts in DKK million | Public services | Train Services: Long-Distance and Regional train services | Train Services: S-train services | Train System: Stations | Train System: Rolling Stock | Train System: Systems & Channels | General Obligations [1] | Other [2] |
|---|---|---|---|---|---|---|---|---|
| Passenger revenue | 5,398 | 3,718 | 1,701 | 0 | 0 | 0 | 0 | -21 |
| Contract revenue | 3,565 | 563 | 0 | 879 | 383 | 1,710 | 30 | 0 |
| Other income [3] | 1,382 | 198 | 52 | 217 | 227 | 177 | 6 | 505 |
| **Income before leasing of rolling stock** | **10,345** | **4,479** | **1,753** | **1,096** | **610** | **1,887** | **36** | **484** |
| Leasing of rolling stock | 496 | 0 | 0 | 0 | 496 | 0 | 0 | 0 |
| **Total income** | **10,841** | **4,479** | **1,753** | **1,096** | **1,106** | **1,887** | **36** | **484** |
| Raw materials and consumables used | 1,539 | 1,165 | 336 | 0 | 0 | 6 | 0 | 32 |
| Other external expenses | 4,309 | 1,719 | 372 | 567 | 430 | 943 | 65 | 213 |
| Staff costs | 3,312 | 1,868 | 578 | 127 | 118 | 633 | -36 | 24 |
| **Expenses before leasing of rolling stock** | **9,160** | **4,752** | **1,286** | **694** | **548** | **1,582** | **29** | **269** |
| Leasing of rolling stock | 496 | 221 | 275 | 0 | 0 | 0 | 0 | 0 |
| **Total expenses** | **9,656** | **4,973** | **1,561** | **694** | **548** | **1,582** | **29** | **269** |
| **Profit or loss before depreciation, amortisation and impairment losses** | **1,185** | **-494** | **192** | **402** | **558** | **305** | **7** | **215** |
| Depreciation, amortisation and impairment losses | 870 | 80 | 24 | 143 | 565 | 52 | 6 | 0 |
| **Operating profit or loss** | **315** | **-574** | **168** | **259** | **-7** | **253** | **1** | **215** |
| Net financials | -5 | 3 | 1 | -14 | 7 | -1 | -1 | 0 |
| **Profit or loss before tax** | **310** | **-571** | **169** | **245** | **0** | **252** | **0** | **215** |
| Tax on profit or loss for the year | -73 | | | | | | | |
| **Proft or loss for the year** | **237** | | | | | | | |
| Percentage distribution | | | | | | | | |
| Contract revenue | | 16% | 0% | 24% | 11% | 48% | 1% | 0% |
| Income before leasing of rolling stock | | 43% | 17% | 11% | 6% | 18% | 0% | 5% |
| Expenses before leasing of rolling stock | | 52% | 14% | 8% | 6% | 17% | 0% | 3% |
| **Expenses as well as decpreciation, amortisation, impairment losses and financials** | **10,531** | **5,050** | **1,584** | **851** | **1,106** | **1,635** | **36** | **269** |
| Of which supporting functions | 1,999 | 904 | 286 | 82 | 326 | 356 | 45 | 0 |

[1] General Obligations concern contributions to Fonden Danmarks Jernbanemuseum in Odense, seconded civil servants, own surplus civil servants, relative income and expenses for traffic-independent stations not covered by other operators, and training of train drivers in the public train driver education programme.

[2] Other concerns adjustment of net profits from property sales in the parent corporation DSB, extraordinary income from arbitration award and elimination items.

[3] Other income includes sale of maintenance services for rolling stock, gains on the sale of rolling stock, commission income from the sale of tickets from other operators, leasing of rolling stock to third parties and extraordinary income from arbitration award.

## Expenses for Train Services

In 2023, most of DSB's expenses including depreciation, amortisation and impairment losses, and financials related to Train Services (DKK 6,634 million) broken down into Long-distance & Regional Train services (DKK 5,050 million) and S-train services (DKK 1,584 million), see Table 17.

Rolling stock maintenance and leasing of rolling stock totalled DKK 2,736 million, or 41 percent of total expenses for Train Services, while expenses for onboard staff were DKK 1,291 million, or 19 percent, see Figure 17.

Following the merger of DSB Vedligehold A/S and the Parent Corporation DSB, the former DSB Vedligehold A/S still serves external customers. Income from external customers and the related expenses are treated as an activity open to competition and therefore not included under Public services. As the other similar activities open to competition in the Parent Corportatoin DSB, this activity is deducted from the Parent Corporation's profit or loss in the general accounts, which are separate audited accounts specifically presenting Public services.

A very substantial number of infrastructure works will be undertaken in Denmark over the coming years. These works are absolutely essential and once completed, they will – together with the new electric trains – ensure well-functioning and sustainable rail services to the benefit of DSB's customers. During the infrastructure projects, DSB's finances are impacted to a very significant degree, particularly so in the form of reduced passenger revenue as customers opt out of taking the train and use other modes of transportation, but also in the form of increased expenses for replacement services.

Banedanmark's grants cover the project costs of infrastructure works, while DSB pays the expenses of replacement services when train operations are prevented due to track possessions. In 2023, DSB spent DKK 69 million on replacement services. Banedanmark plans and carries out the infrastructure works.

Leasing of rolling stock is an expression of DSB's net expense for the train fleet. It covers income from the sale of rolling stock, dedicated contract revenue[3], leasing of rolling stock as well as expenses in the form of insurance and train leasing from, among others, the rolling stock companies as well as depreciation, amortisation, impairment losses and interest.

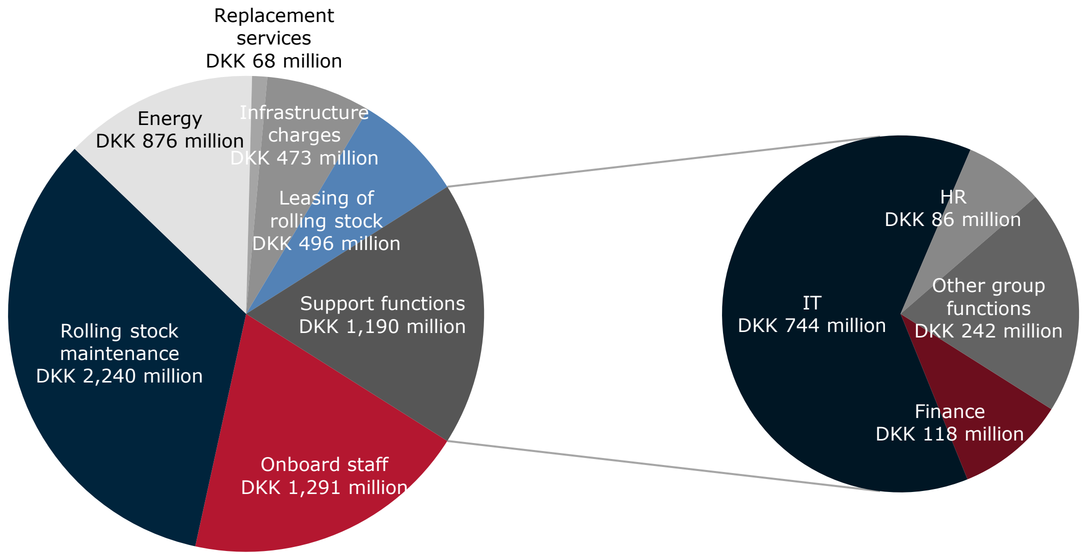
In accordance with the Accounting Regulations, DSB must allocate total expenses to the individual activities and thus also part of the supporting functions, which represented DKK 1,190 million or 18 percent of Train Services expenses. Supporting functions cover interdepartmental IT functions, Finance and Staff functions and other staff.

More than half of the expenses of supporting functions are staff and consultancy expenses. The remainder includes expenses for software development, licences, outsourced data operations centre, insurance, rent and consumption

3 See "Indkøb af dobbeltdækkere" (Purchase of Double decker coaches) of 1 April 2014.

**Figure 15: Expenses of Train Service**

**Amounts in DKK million**




charges, marketing, depreciation and amortisation, etc.

Expenses for Supporting functions are allocated to the activity areas based on the number of employees, calculated as FTEs, involved in carrying out the individual activities. This means that employee-intensive activities account for a substantial part of the expenses.

Consequently, Train Services, to which the largest share of employees contributes directly as onboard staff, account for a relatively large share of the total expenses for Supporting functions.

Expenses for Supporting functions are only variable to a limited extent in relation to the extent of Train Services. The transfer of traffic to other operators thus has no substantial effect on the expenses for interdepartmental IT functions or other supporting functions.

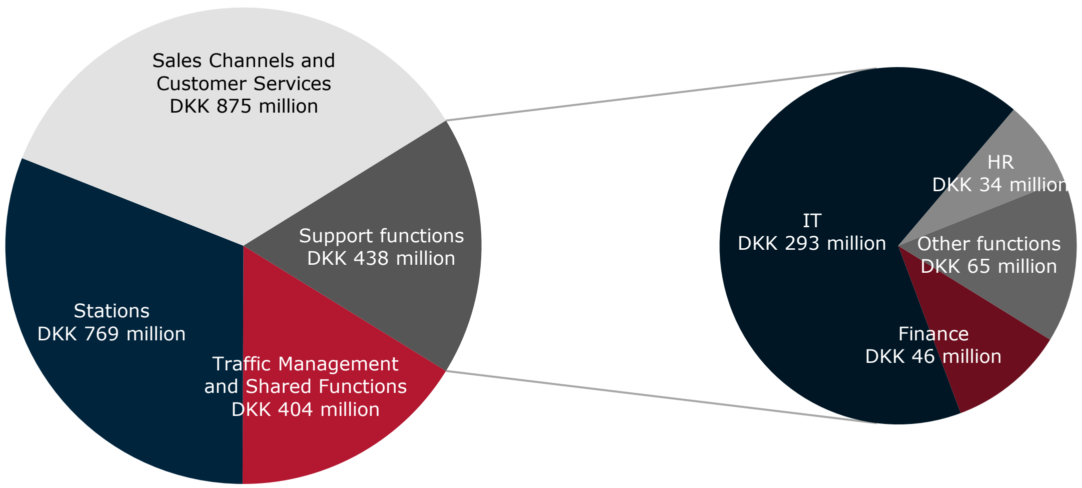
## Expenses for Train System

Expenses for Train System, excluding Rolling Stock, which are essential to the coherence of rail services in Denmark, amounted to DKK 2,486 million in 2023, including depreciation, amortisation and impairment losses and financials, see Table 17. Of this amount, DKK 1,635 million, or 66 percent, related to Systems & Channels comprising Traffic Management and Shared Functions (DKK 404 million), Sales Channels & Customer Service (DKK 875 million) and a share of total Supporting functions (DKK 356 million), while DKK 851 million, or 34 percent, related to Stations, of which Supporting functions represented DKK 82 million, see Figure 16.

As is the case with Train Services, Train System must be calculated at fully distributed expenses and must therefore carry a share of total Supporting functions, which amounted to an aggregate DKK 438 million, or 18 percent of total Train System expenses.

**Figure 16: Expenses for Train System**

**Amounts in DKK million**




Sales Channels & Customer Service cover customer-facing activities such as ticket sale channels (personal service, self-service sales and other sales channels), customer service, traffic information, travel cards, marketing, strategic traffic planning and catering.

Traffic Management & Shared Functions cover traffic-oriented activities such as planning of staffing, rolling stock and traffic, safety, monitoring and control of rail services at the operation centres, etc. operated jointly by DSB and Banedanmark.

Stations cover operating expenses for all station buildings, including energy and service staff as well as depreciation, amortisation and impairment losses, and interest

## VAT and tax

DSB has a partial right to deduct input VAT since the Group carries on both activities subject to VAT and activities exempt from VAT. The non-deductible share of input VAT is included in the individual line items in the income statement. The non-deductible VAT then follows the actual expenses through the allocation model.

In 2023, the non-deductible share of input VAT amounted to a total expense of DKK 781 million. DSB and a number of group enterprises are registered jointly for VAT purposes.

Tax is not allocated to activity areas and lines. In the general accounts, tax on profit or loss for the year is divided between Public services according to the negotiated contract and Activities open to competition. Tax related to Public services totalled DKK 73 million in 2023.

## Profit for the year

Profit for the year for Public services amounted to DKK 237 million. Profit for the year is transferred to DSB's equity, thus increasing the owner's – the State's – value of DSB correspondingly. Contract revenue is less taxes and charges such as VAT and payroll tax, which are returned to the State, and DSB also pays infrastructure charges for the infrastructure (tracks and fixed links) which DSB uses for long-distance and regional train services.

Accordingly, the final net profit is considerably lower than the contract revenue received from the State.

## Line accounts

The line accounts are primarily an internal analysis tool used by DSB to understand the correlations between operations and to analyse and optimise the financial structure of the individual lines. The data on the financial performance of train operations on the individual lines provide a good overview of the societal priorities in Danish trains operations.

From a broader perspective, the line accounts are suitable for presenting the significant extent of DSB's activities apart from the train service activities – ranging from planning and monitoring of traffic to customer service, distribution systems and station operation. These are tasks which DSB also manages on behalf of, and in collaboration with, the other public transport operators.

However, the line accounts are not well suited for a direct financial comparison between operators, even if such comparison focuses solely on the train service activities. Nor can the line accounts be used as a reference work with respect to adjustment of expenses in connection with the transfer of lines.

The reason for this is partly that the line accounts are allocation accounts, partly that DSB's expenses, as is the case for all other companies, are variable to different degrees, depending on production volumes. This means that parts of the expenses have little or no correlation with the number of litra or seat kilometres travelled. Therefore, there is no notable correlation between the extent of the train services and expenses for, e.g. sales and distribution channels, planning systems and monitoring centres. When DSB transfers train traffic, this means that DSB loses economies of scale and opportunities for transversal synergies.

The line accounts for the activity area Train Services reflect the expenses related to operating train services. The expenses are allocated to the lines according to their use of activities, and the supporting functions are allocated to the lines according to the number of full-time employees involved in the individual activities, see Table 18.

A positive figure reflects that the line has operated at a profit and can, therefore, be operated without any state subsidies. On the other hand, a negative figure reflects that the line operates at a loss and requires financing from profitable lines and/or government contract revenue.

According to the Accounting Regulations, DSB is required to specify the individual lines, including all expenses, regardless of whether the individual expense relates to the production volume. Accordingly, Train System expenses, as far as Stations and Systems & Channels are concerned, are broken down into lines in Table 19. In practice, this means that expenses are included regarding, for example, operation of stations, the travel card system, ticket machines, traffic information and operation centres managing traffic to reduce delays, etc.

The expenses are broken down by line, even if the activities are not directly correlated with the actual finances of the train operations on the individual lines.

The key figures for passenger revenue per seat kilometre and costs per seat kilometre provide the best indication of how the seat capacity is utilised on the individual lines, see Table 19. Seat kilometres take into account the number of seats available in the individual rolling stock class and the number of train sets/coaches coupled on a line.

The calculation of seat kilometres is subject to uncertainty, since the calculation of journeys, and thus how far the individual customer travels, is widely based on spot checks, customer surveys and passenger counts. For example, it cannot be determined precisely how often and how far a commuter with a season ticket travels, nor what travel route the commuter uses.

## Table 18: Line accounts for Train Service

| Amounts in DKK million | Passenger revenue | Total income | Onboard staff | Rolling stock maintenance | Energy | Replacement services | Infrastruc-ture charges | Total direct costs | Leasing of rolling stock | Expenses for supporting functions | Profit/loss |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Copenhagen - Aarhus - Aalborg (InterCityLyn) | 1,138 | 1,165 | 144 | 330 | 129 | 15 | 124 | 742 | 81 | 143 | 199 |
| Copenhagen - Aalborg (InterCity) | 715 | 744 | 176 | 279 | 124 | 16 | 147 | 742 | 70 | 164 | -232 |
| Copenhagen - Esbjerg (InterCity) | 467 | 479 | 56 | 77 | 60 | 8 | 58 | 259 | 11 | 58 | 151 |
| Copenhagen - Odense - Hamburg (InterCity) | 61 | 71 | 21 | 64 | 28 | 1 | 22 | 136 | -13 | 20 | -72 |
| **Long-Distance** | **2,381** | **2,459** | **397** | **750** | **341** | **40** | **351** | **1,879** | **149** | **385** | **46** |
| Aarhus - Hamburg | 34 | 35 | 6 | 14 | 5 | 0 | 2 | 27 | -14 | 6 | 16 |
| Aarhus - Fredericia - Esbjerg | 108 | 116 | 43 | 157 | 31 | 2 | 15 | 248 | 7 | 45 | -184 |
| Odense - Fredericia | 22 | 24 | 18 | 26 | 13 | 0 | 5 | 62 | 2 | 16 | -56 |
| Aarhus - Fredericia - Flensborg | 69 | 73 | 20 | 24 | 8 | 1 | 7 | 60 | 3 | 20 | -10 |
| Fredericia - Sønderborg | 43 | 47 | 24 | 23 | 15 | 0 | 6 | 68 | 3 | 24 | -48 |
| Fredericia - Vejle - Struer | 0 | 2 | 13 | 11 | 4 | 1 | 3 | 32 | 4 | 12 | -46 |
| **Regional West** | **276** | **297** | **124** | **255** | **76** | **4** | **38** | **497** | **5** | **123** | **-328** |
| Copenhagen - Holbæk - Kalundborg | 222 | 237 | 92 | 270 | 51 | 2 | 19 | 434 | 18 | 91 | -306 |
| Copenhagen - Slagelse | 60 | 63 | 22 | 26 | 18 | 1 | 5 | 72 | -15 | 20 | -14 |
| Helsingør - Copenhagen - Roskilde - Næstved | 60 | 63 | 22 | 26 | 18 | 1 | 5 | 72 | -15 | 20 | -14 |
| Copenhagen - Køge Nord - Næstved - Nykøbing F. | 125 | 135 | 65 | 86 | 32 | 1 | 17 | 201 | 28 | 61 | -155 |
| Helsingør - Copenhagen - Køge - Næstved | 70 | 88 | 55 | 101 | 32 | 2 | 10 | 200 | 32 | 52 | -196 |
| **Regional East** | **1,061** | **1,160** | **416** | **793** | **243** | **13** | **84** | **1,549** | **67** | **396** | **-852** |
| **Long-Distance and Regional trains** | **3,718** | **3,916** | **937** | **1,798** | **660** | **57** | **473** | **3,925** | **221** | **904** | **-1,134** |
| Central (Hellerup-Valby) | 656 | 668 | 92 | 86 | 36 | 6 | 0 | 220 | 59 | 75 | 314 |
| Køge (Sydhavn - Køge) | 218 | 228 | 62 | 91 | 47 | 2 | 0 | 202 | 51 | 50 | -75 |
| Høje Taastrup (Danshøj - Høje Taastrup) | 149 | 152 | 26 | 32 | 16 | 0 | 0 | 74 | 20 | 21 | 37 |
| Frederikssund (Langgade - Frederikssund) | 190 | 199 | 54 | 78 | 40 | 2 | 0 | 174 | 44 | 43 | -62 |
| Farum (Ryparken - Farum) | 114 | 119 | 33 | 43 | 21 | 0 | 0 | 97 | 28 | 27 | -33 |
| Hillerød (Bernstorffsvej - Hillerød) | 208 | 215 | 45 | 67 | 34 | 1 | 0 | 147 | 37 | 36 | -5 |
| Klampenborg (Charlottenlund- Klampenborg) | 39 | 40 | 10 | 12 | 6 | 0 | 0 | 28 | 7 | 8 | -3 |
| Ringbanen (Ny Ellebjerg - Hellerup) | 127 | 132 | 32 | 33 | 16 | 0 | 0 | 81 | 29 | 26 | -4 |
| **S-trains** | **1,701** | **1,753** | **354** | **442** | **216** | **11** | **0** | **1,023** | **275** | **286** | **169** |
| **Train Services before contract revenue** | **5,419** | **5,669** | **1,291** | **2,240** | **876** | **68** | **473** | **4,948** | **496** | **1,190** | **-965** |
| Calculated payment of contract revenue | 0 | 563 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 563 |
| **Train Services after contract revenue** | **5,419** | **6,232** | **1,291** | **2,240** | **876** | **68** | **473** | **4,948** | **496** | **1,190** | **-402** |

## Table 19: Line accounts for Train operations

| Amounts in DKK million | Train Services Passenger revenue | Train Services Other income | Train Services Expenses | Train Services Proft/loss | Other income | Other expenses | Train Operations Profit/loss | Passenger revenue per seat kilometre [1] | Train Services Cost per seat kilometre [1] | Train Operations Profit/loss per passenger kilometre [1] | Passenger kilometres million units [2] | Train kilometres million units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Copenhagen - Aarhus - Aalborg (InterCityLyn) | 1,138 | 27 | 966 | 199 | 46 | 276 | -31 | 0.54 | 0.46 | -0.02 | 1,215 | 6.00 |
| Copenhagen - Aalborg (InterCity) | 715 | 29 | 976 | -232 | 42 | 266 | -456 | 0.36 | 0.50 | -0.59 | 777 | 7.06 |
| Copenhagen - Esbjerg (InterCity) | 467 | 12 | 328 | 151 | 24 | 145 | 30 | 0.59 | 0.41 | 0.06 | 513 | 2.62 |
| Copenhagen - Odense - Hamburg (InterCity) [3] | 61 | 10 | 143 | -72 | 3 | 20 | -89 | 0.11 | 0.26 | -1.68 | 53 | 1.37 |
| **Long-Distance [3]** | **2,381** | **78** | **2,413** | **46** | **115** | **707** | **-546** | **0.44** | **0.44** | **-0.21** | **2,558** | **17.05** |
| Aarhus - Hamburg [3] | 34 | 1 | 19 | 16 | 2 | 10 | 8 | 0.37 | 0.20 | 0.27 | 30 | 0.42 |
| Aarhus - Fredericia - Esbjerg | 108 | 8 | 300 | -184 | 11 | 79 | -252 | 0.24 | 0.66 | -1.98 | 127 | 2.35 |
| Odense - Fredericia | 22 | 2 | 80 | -56 | 3 | 26 | -79 | 0.12 | 0.46 | -4.11 | 19 | 0.80 |
| Aarhus - Fredericia - Flensborg [3] | 69 | 4 | 83 | -10 | 4 | 24 | -30 | 0.49 | 0.58 | -0.51 | 59 | 0.79 |
| Fredericia - Sønderborg | 43 | 4 | 95 | -48 | 4 | 29 | -73 | 0.21 | 0.46 | -1.39 | 52 | 0.96 |
| Fredericia - Vejle - Struer | 0 | 2 | 48 | -46 | 2 | 18 | -62 | 0.00 | 0.66 | -1.15 | 54 | 0.44 |
| **Regional West [3]** | **276** | **21** | **625** | **-328** | **26** | **186** | **-488** | **0.24** | **0.55** | **-1.43** | **341** | **5.76** |
| Copenhagen - Holbæk - Kalundborg | 222 | 15 | 543 | -306 | 25 | 162 | -443 | 0.29 | 0.70 | -1.82 | 243 | 2.93 |
| Copenhagen - Slagelse | 60 | 3 | 77 | -14 | 6 | 44 | -52 | 0.26 | 0.33 | -0.76 | 68 | 0.88 |
| Helsingør - Copenhagen - Roskilde - Næstved | 584 | 53 | 818 | -181 | 69 | 439 | -551 | 0.28 | 0.39 | -1.08 | 512 | 5.10 |
| Copenhagen - Køge Nord - Næstved - Nykøbing F. | 125 | 10 | 290 | -155 | 15 | 94 | -234 | 0.22 | 0.51 | -1.31 | 179 | 2.62 |
| Helsingør - Copenhagen - Køge - Næstved | 70 | 18 | 284 | -196 | 12 | 76 | -260 | 0.11 | 0.44 | -3.59 | 73 | 1.59 |
| **Regional East** | **1,061** | **99** | **2,012** | **-852** | **127** | **815** | **-1,540** | **0.25** | **0.47** | **-1.43** | **1,075** | **13.12** |
| **Long-Distance and Regional trains [3]** | **3,718** | **198** | **5,050** | **-1,134** | **268** | **1,708** | **-2,574** | **0.34** | **0.46** | **-0.65** | **3,974** | **35.93** |
| Central (Hellerup-Valby) | 656 | 12 | 354 | 314 | 52 | 250 | 116 | 0.70 | 0.38 | 0.41 | 283 | 2.66 |
| Køge (Sydhavn - Køge) | 218 | 10 | 303 | -75 | 16 | 108 | -167 | 0.18 | 0.25 | -0.63 | 266 | 3.43 |
| Høje Taastrup (Danshøj - Høje Taastrup) | 149 | 3 | 115 | 37 | 6 | 55 | -12 | 0.37 | 0.29 | -0.10 | 104 | 1.17 |
| Frederikssund (Langgade - Frederikssund) | 190 | 9 | 261 | -62 | 15 | 112 | -159 | 0.18 | 0.25 | -0.78 | 204 | 2.92 |
| Farum (Ryparken - Farum) | 114 | 5 | 152 | -33 | 10 | 61 | -84 | 0.21 | 0.29 | -0.86 | 99 | 1.55 |
| Hillerød (Bernstorffsvej - Hillerød) | 208 | 7 | 220 | -5 | 11 | 89 | -83 | 0.23 | 0.24 | -0.33 | 246 | 2.48 |
| Klampenborg (Charlottenlund- Klampenborg) | 39 | 1 | 43 | -3 | 2 | 17 | -18 | 0.26 | 0.29 | -1.26 | 14 | 0.41 |
| Ringbanen (Ny Ellebjerg - Hellerup) | 127 | 5 | 136 | -4 | 5 | 45 | -44 | 0.38 | 0.41 | -0.83 | 54 | 1.24 |
| **S-trains** | **1,701** | **52** | **1,584** | **169** | **117** | **737** | **-451** | **0.31** | **0.29** | **-0.36** | **1,270** | **15.86** |
| **Total lines [3]** | **5,419** | **250** | **6,634** | **-965** | **385** | **2,445** | **-3,025** | **0.33** | **0.40** | **-0.58** | **5,244** | **51.79** |
| **Public services [3]** | **5,419** | **250** | **6,634** | **-965** | **884** | **3,121** | **-3,202** | **0.33** | **0.40** | **-0.61** | **5,244** | **51.79** |

[1] Calculated key figures are not rounded.
[2] Passenger kilometres is exclusive the transport obligation as well as third-party sales via apps in Western Denmark.
[3] Train production includes traffic in Germany.

## Method used

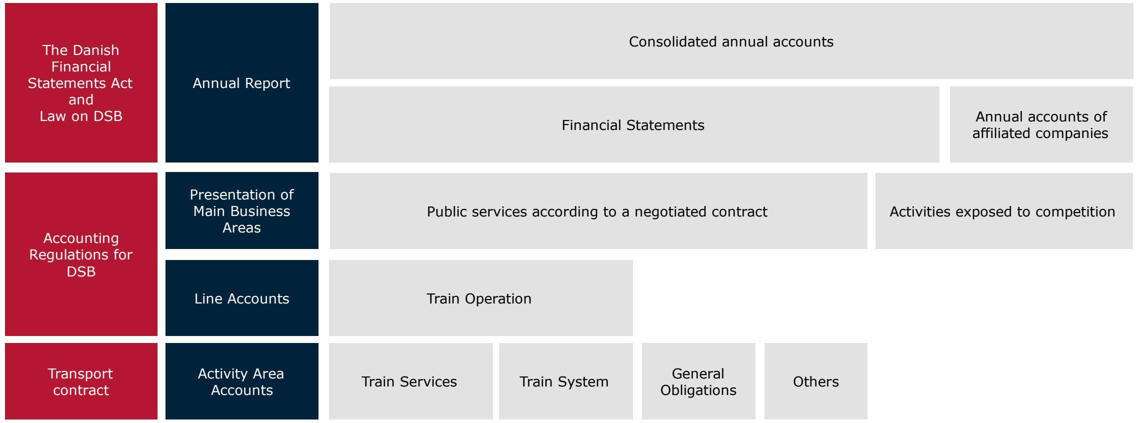
As a public enterprise, DSB must satisfy a number of reporting requirements. The reporting requirements each have their own background and purpose, and all aim at creating transparency and control of DSB matters. However, the requirements consider the enterprise from different perspectives, which makes it difficult to determine the connection between the individual reports and, at the same time, negatively affects transparency.

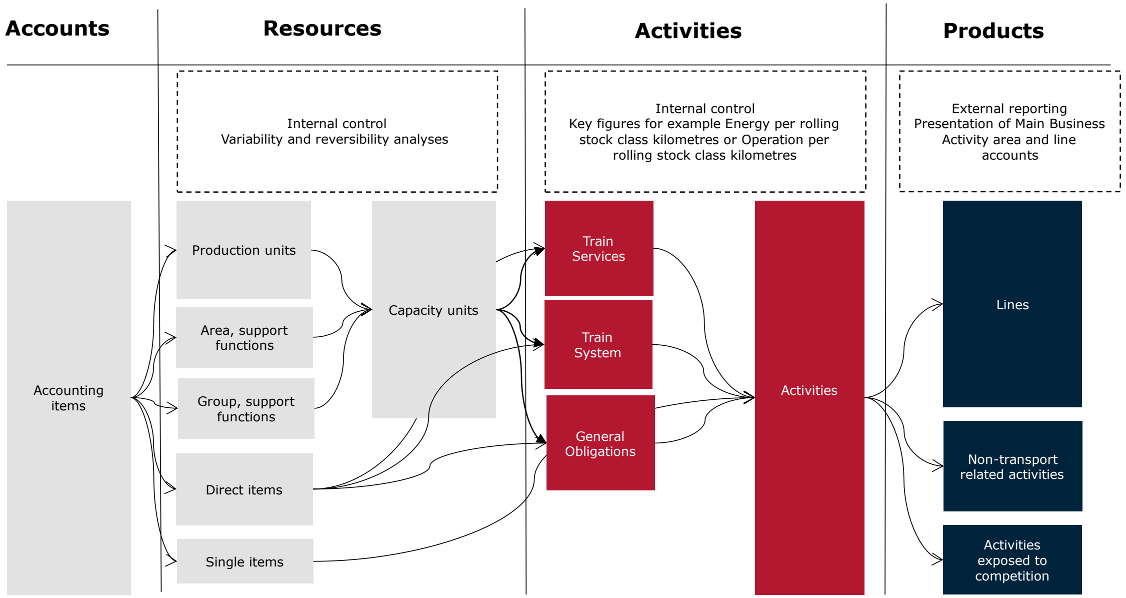
The Danish Financial Statements Act requires the preparation of financial statements that comprise the entire Group and provide an insight into the financial position of the whole enterprise.

The purpose of the Accounting Regulations for DSB is to separate public services from activities open to competition in order to provide an insight into the activities which are subject to transport contract revenue and to ensure that no illegal state subsidy is granted. The general accounts, which are reviewed by the external auditors, divide the Parent Corporation's results into public services under a negotiated contract and activities open to competition.

The transport contract only covers public services performed under the contract. These services represent a proportion of the activities DSB undertakes as an independent public enterprise. This means, for example, that DSB Service & Retail A/S is not covered by the public service obligation either.

The line accounts are based on the general accounts excluding public services. The activity area accounts represent a segmentation of the areas of activity according to the transport contract. The line accounts are a breakdown of train operations on the lines in accordance with the Accounting Regulations for DSB.




DSB provides train operations in Denmark as one overall activity but must, for purposes of the transport contract, prepare and implement a separation of train operations into activities related to the actual operation of trains (Train Services) and activities related to the maintenance of the production apparatus (Train System).

## Line economy model

The line economy model provides a basis for DSB's general accounts and line accounts. This creates a clear correlation and a complete transaction trail between the individual accounts.

The model creates the general accounts setup by dividing activities into public services under a negotiated contract and activities open to competition, such as, for example, letting of properties to external customers.

Public services are further divided into activity areas and the activities that DSB performs in order to operate the individual lines. The lines include all items relating to Train Services, see definition above.

The figure describes the methodology used in the line economy model, in which accounting records are grouped and allocated to lines by activity. At resource level, the accounts are grouped and classified according to production proximity so that the supporting functions are distributed according to the capacity unit's relative use of resources. The model mainly uses objective and systematic bases of allocation based on production data.

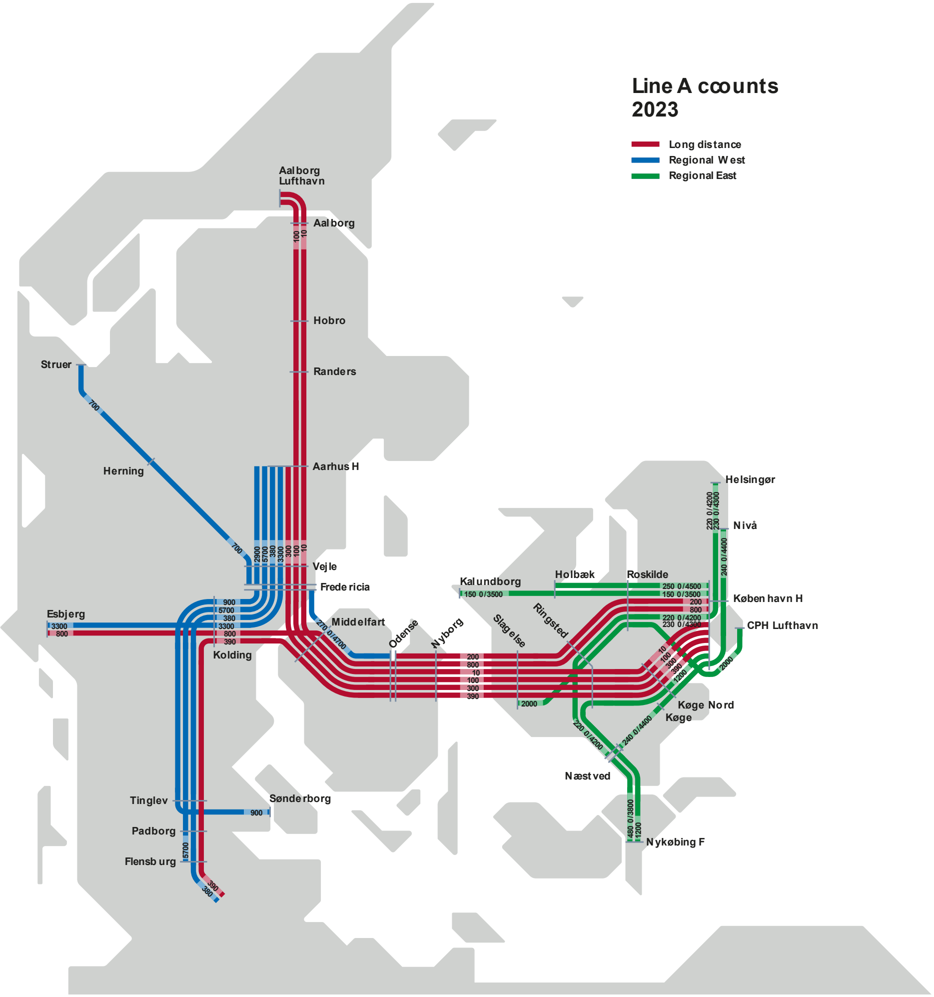
The line economy model is based on a combination of full cost allocation and activity-based cost allocation. The full cost allocation results from the Accounting Regulations requirement that all expenses be allocated to the lines.

## Definition of lines

The map shows the definitions used for the individual lines that have been adapted to DSB's services production and timetables in 2023. The changes compared to 2022 are primarily that a new line has been introduced from Kystbanen over the new line to Køge and on to Næstved via Lille Syd. At the same time, all traffic across Øresund has been transferred to Skånetrafikken.

The lines operated by DSB in 2023 are defined as follows:

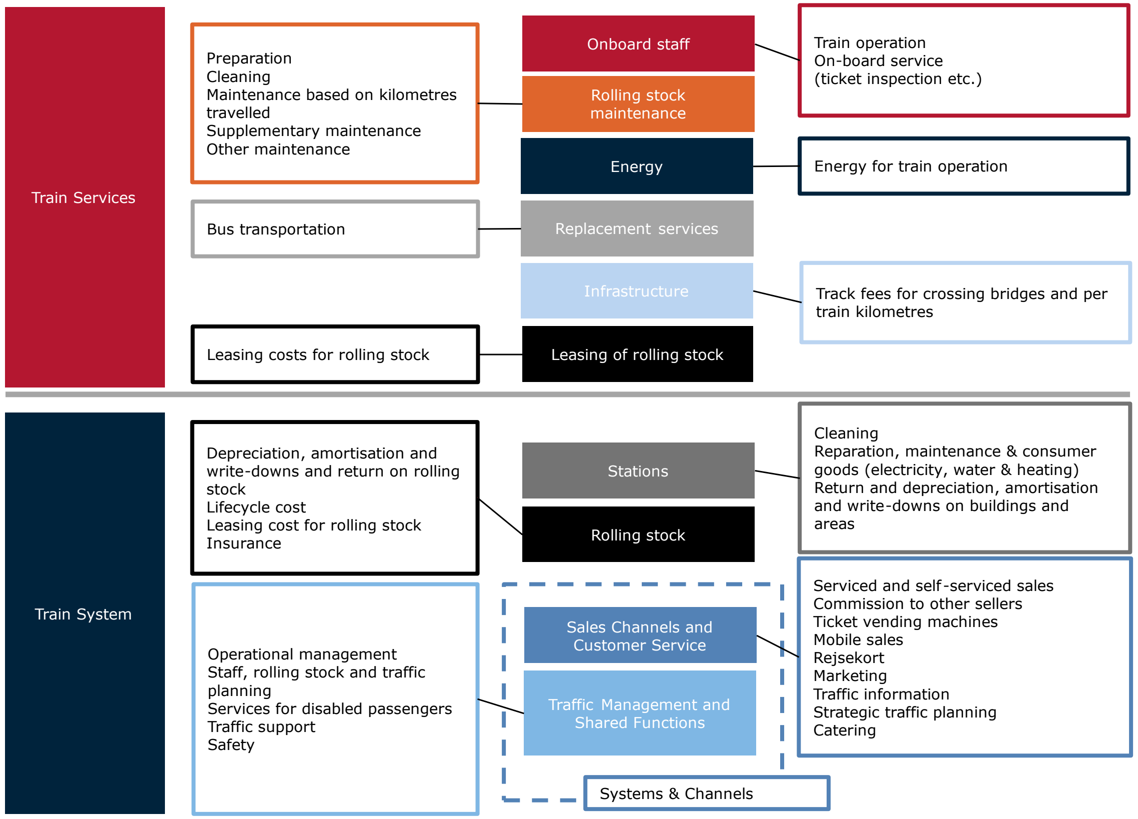
- Long-distance trains are defined as trains crossing the Great Belt and comprise the InterCityLyn and InterCity lines Copenhagen - Odense - Aarhus - Aalborg, Copenhagen- Esbjerg and Copenhagen - Odense - Hamburg
- The remaining InterCityLyn and InterCity lines are defined as regional trains, as in practice, this is regional train traffic, because the trains stop at all stations (Fredericia - Vejle - Struer, Aarhus - Hamburg and Fredericia - Sønderborg)
- Fredericia - Vejle - Struer is considered a separate line as DSB is obliged, under the transport contract, to operate the line eight times per day and does not receive the associated passenger revenue, but is instead compensated by Arriva
- The train categories Regional Vest and Regional Øst follow the underlying train services production
- S-train have not changed.



## Definition of activities and division into the activity areas Train Services and Train System

The central element of the line economy model is the definition of the activities carried out by DSB in Train Operations. The activity definitions and groupings used support the distinction between Train Services and Train System, on which the activity area accounts are based.

The basic accounting records do not directly support a division of the train operation services according to the activity area perception set out in the transport contract. The basic records are aimed at supporting the enterprise's current organisation and thus the most effective overall reporting. Accordingly, the activity area reporting is based on the line economy model's bases of allocation.



## Bases of allocation

Development of the line economy model is based on the objective that the model should reflect the income, expense and production structure. Since it is an allocation model, the amount of income and expenses per line will depend on the choice of activity groupings and bases of allocation.

The train service activities are generally allocated to lines according to the following principles:

- If the activity is performed only for the operation of a single line, direct allocation is made to the line concerned
- If, instead, the activity is performed in order to be able to operate multiple lines, the expenses will be allocated to lines according to an appropriate production parameter.

The figure shows the main production-based bases of allocation used in the allocation of the train service activities to the individual lines. This can be illustrated by the examples below:

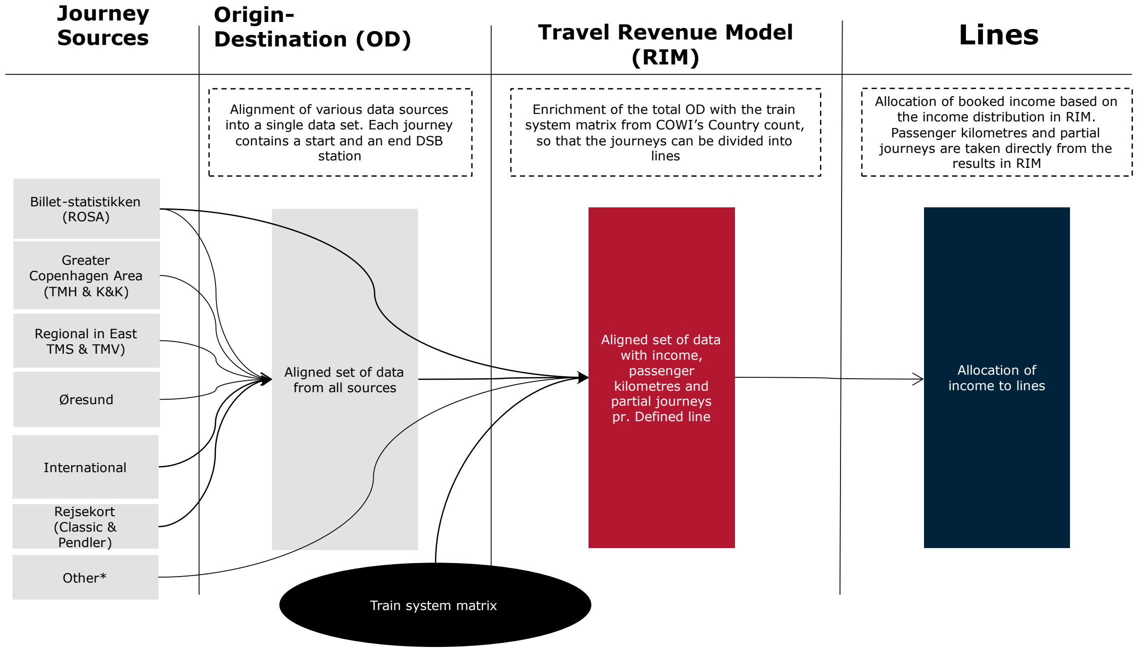
- The total expenses of the train operation activity under on-board staff are allocated to the lines based on the locomotive drivers' time registration connected to the individual lines via the rolling stock
- The total maintenance expenses of, for example, IC3 train sets are allocated relative to the lines where IC3 train sets are used based on the number of litra kilometres travelled by the IC3 train sets
- The infrastructure charges for crossing the Great Belt are allocated according to the number of bridge crossings made on the individual line and the number of kilometres travelled by the individual train.

| | |
|---|---|
| Onboard staff | Time registrations by train drivers, conductors and the number of travellers |
| Rolling stock maintenance | Rolling stock class hours and rolling stock class kilometres |
| Energy | Rolling stock class kilometres |
| Replacement services | Partial journeys and directly attributed to specific lines |
| Infrastructure | Bridge crossings and per train kilometres |
| Leasing of rolling stock | Average |

## Allocation of passenger revenue to lines

It is not possible to quantify the number of DSB journeys directly due to the fact that, in public transport, passengers can ride on buses, the metro and trains without necessarily having a ticket for a specific departure. This applies both to journeys made on season tickets and journeys made on single tickets, since it is possible to buy an open ticket for, e.g., Copenhagen - Odense. Thus, it is not possible to determine whether the journey was made on the long-distance train headed for Esbjerg, Aarhus or Aalborg. In addition, a journey can be made using multiple operators and lines. For example, a journey from Tisvildeleje to Aarhus involving Lokaltog from Tisvildeleje to Hillerød, S-train from Hillerød to Copenhagen H, and a long-distance train from Copenhagen to Aarhus can be made on the same ticket.

The quantification is further complicated by the multiple ticket systems and fare zones that must be coordinated across different operators, both with regard to the individual journeys and in terms of the corresponding revenue.




* Other consists of school camp, free, Travel Pass, ITS Youth Card and School Card in West etc.

For Long-distance & Regional Trains, DSB uses several travel sources, of which the most significant are DSB's own ticket statistics, journeys within the Greater Copenhagen area and journeys made using the Rejsekort travel card. Data is generated on the basis of sales statistics and models, which are based on various types of passenger counts and interview surveys. The methods may vary from travel source to travel source and are agreed with the other operators in a given tariff area.

The journeys and the associated revenue are then collected in a data set which, based on ticket information, shows where the journey starts and ends – Origin-Destination (OD). After identification of the travel relations, the travel route must subsequently be determined, i.e., which of multiple possible lines were used to travel between the origin and destination points.

On the basis of a train system matrix, which is formed based on the National Census, the individual travel routes can be connected to one or more lines. The National Census is based on interviews, which means that travel patterns can be determined.

For S-trains, line revenues are calculated in a separate passenger count system (APS), which allocates passenger revenues to the eight main lines.

## Allocation of contract revenue to activity areas

The line economy model does not break down contract revenue by line as there is no unique activity-based allocation method.

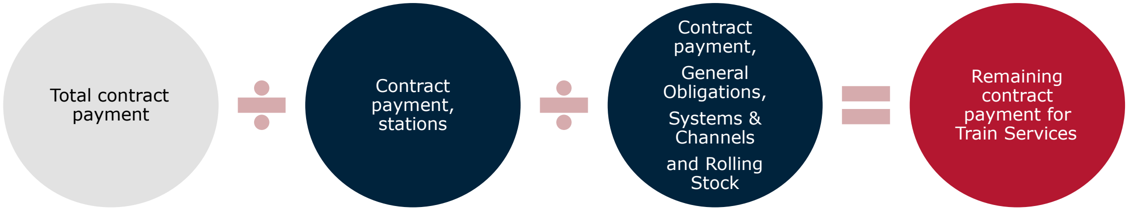
For use for the activity area accounts, DSB allocates contract revenue according to the following method:

- The contract payment to Stations is allocated to ensure an annual return on the invested capital (ROIC) of 3 percent.
- The contract payment to General Obligations is based on expense recovery.
- The contract payment to Systems & Channels is based on a profit ratio of 5 percent.
- The contract payment to Rolling Stock covers all project expenses in connection with the preparations for buying new electric train sets, S-trains of the Future and New Green Workshops, as Leasing of rolling stock is allocated to the train operation activity. Furthermore, the dedicated contract revenue for improvement of the public transport network via the acquisition of Double decker coaches [1] is allocated to Rolling Stock.

The remaining contract revenue accrues to Train Services and is allocated so that the profit ratio is identical for Long-distance & Regional Train services and S-train services. If a line generates a profit without contract revenue, the contract revenue is allocated to the loss-making traffic areas only.

Contract revenue is not allocated to the 'Other' activity area because it primarily concerns items of a special nature not related to ordinary train operations.

In addition, it is assumed that passenger revenue accrues to Train Services and thus, according to the model, does not contribute directly to Train System.




[1] See 'Purchase of double deckers' of 1 April 2014.

DSB

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