



TRADING UPDATE, THIRD QUARTER 2023

A sustainable way forward with room for all of us

DSB

Telegade 2, DK-2630 Taastrup, CVR no. 25050053

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Management report

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The trading update is published in a Danish and an English language version. In the event of any discrepancies the Danish language version shall take precedence.

3 Key figure definitions

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

5	Operating profit margin (EBITDA-margin) = Profit/loss before amortization, depreciation and write-downs x 100 / Net revenue
	Profit ratio (EBIT-margin) = Operating profit x 100 / Net revenue
6	Return on invested capital after tax (ROIC after tax) = Operating profit after tax (NOPLAT) x 100 / (average equity + average interest-bearing debt, net)
6	Gearing = Interest-bearing debt, net / Profit/loss before amortization, depreciation and write-downs
	Solvency ratio = Total equity x 100 / Total assets



Management report

Profit before tax in the first 9 months of the year was DKK 427 million

- In the first 9 months of the year, DSB had 120.2 million journeys. This is an increase of 10 percent compared to 2022¹
- In the third quarter of 2023, the number of journeys was 39.9 million. This is 3 percent more than same quarter 2022¹
- Passenger revenue in the first 9 months of the year was 9 percent above the same period in 2022
- Punctuality for S-trains remains at a stable high level, but was challenged for Long-distance & Regional trains
- Three train manufacturers can bid on the driverless S-trains of the Future

Result for the first 9 months of the year

The profit before tax was DKK 427 million compared to DKK 343 million in 2022.

The result for the first 9 months of the year is positively impacted by a compensation from a former supplier of approx. DKK 200 million while higher energy prices have increased costs compared to 2022 with approx. DKK 80 million.

¹ Number of journeys and passenger revenue have been adjusted for relinquished traffic, as 'Øresund - over broen' and 'Kastrup-banen' were handed over to 'Skånetrafikken' in December 2022.

The growth continues

The number of journeys has increased across all markets and the progress is particularly seen in S-trains and in regional traffic on Zealand. Corrected for relinquished traffic, the number of journeys was 10 percent higher than the same period last year where there were still corona restrictions in January. The trend for underlying growth is 3-4% compared to 2022.

Customer punctuality

The Copenhagen S-trains have since the full transition to a modern digital signaling system (CBCT) in the autumn of 2022, run with historically high punctuality.

In the first nine months of the year, customer punctuality on the S-trains has been 96.2 percent.

Customer punctuality for Long-distance & regional trains had a good start to the year and stayed above target throughout the first quarter.

During the periods when Banedanmark has carried out extensive and necessary infrastructure work to modernize the railway, punctuality has been challenged.

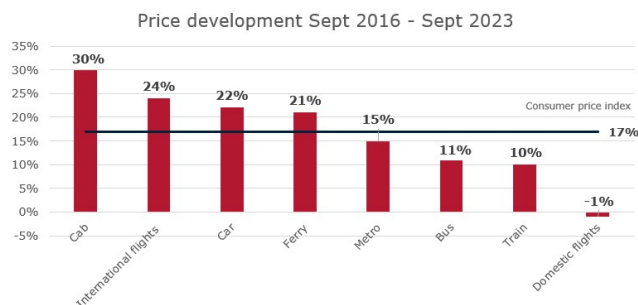
The significant track works in the summer, on lines such as Roskilde – Ringsted, Østfyn, and Fredericia - Vejle – Skanderborg, have now been successfully completed, and punctuality is improving, but the 2nd and 3rd quarters pull the total punctuality for the first nine months of the year below target.

Selected key figures

Amounts i DKK million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022
Passenger revenue	1,339	1,461	3,990	3,906
Passenger revenue, adjusted for relinquished traffic	1,339 ²	1,353 ²	3,990	3,665
Contract revenue	863	704	2,667	2,583
Net revenue	2,615	2,538	7,846	7,548
Total expenses	2,421	2,309	7,228	6,850
Profit/loss before tax	52	84	427	343
Number of journeys (million)	39.9	43.3	120.2	120.6
Number of journeys, adjusted for relinquished traffic (million)	39.9	38.7	120.2	109.3
Customer punctuality for Long-distance & Regional Trains (percent)	70.9	70.3	72.2	73.0
Customer punctuality for S-trains (percent)	96.6	93.7	96.2	93.7

² Passenger revenue, corrected for relinquished traffic, is lower in Q3 2023 than in Q3 2022 despite increasing number of journeys.

The development is driven by a decrease in the number of travelers and thereby revenue in regional traffic in Q3 2023 due to extensive track closures, especially in July and August.



Source: Statistics Denmark

The price of train tickets has generally increased less than other modes of transport as well as the consumer price index in the period 2016 - 2023, according to Statistics Denmark.

Increase of ticket prices in 2024

In January 2024, ticket prices for public transportation across the entire country will be regulated. DSB sets the price for journeys across the Great Belt and has chosen not to fully utilize the tariff increase ceiling on these journeys. DSB is also offering additional 1 million Orange tickets for journeys across the Great Belt and will continue to offer Orange tickets for regional train journeys.

The common prices east and west of the Great Belt are adjusted in collaboration with the other transport companies, providing the best basis for ensuring good and integrated public transport in all parts of Denmark. It is the Transport Authority who sets a ceiling each year for how much the prices in public transport can increase. The tariff increase ceiling for 2024 is driven by high inflation and rising energy prices in 2022.

Driverless S-trains of the Future

DSB has completed the pre-qualification phase in connection with the tender for a minimum of 226 new, fully automated S-trains. Three manufacturers

have been pre-qualified to bid on the future driverless S-trains: Alstom, CAF and a consortium consisting of Stadler and Siemens. These are three strong and experienced train manufacturers, who will ensure healthy competition and a robust tendering process. The three pre-qualified providers have over time proven to have skills to develop, produce and deliver high-quality trains.

DSB will commit the upcoming supplier to minimize the climate impact of the production of the new S-trains. In addition, the supplier is obliged to have a long-term climate plan to ensure ongoing reductions in the climate impact associated with the maintenance of the S-trains. The ambition level is the Paris Agreement.

It is expected to conclude the contract for the delivery and maintenance of the new S-trains in the first half of 2025, and the first new S-trains will be put into operation on 'Ringbanen' around 2030.

"It is satisfying that the positive development in number of journeys continues, and that despite challenges, we can welcome more customers compared to the same period in 2022."

Flemming Jensen, CEO

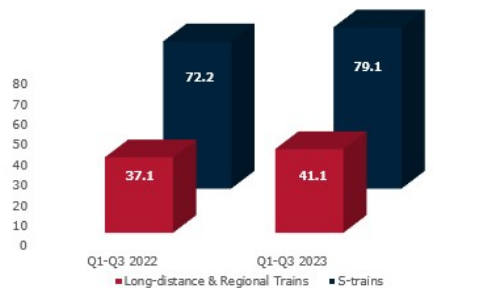
Taastrup, 16 November 2023

Peter Schütze
Chairman

Flemming Jensen
CEO

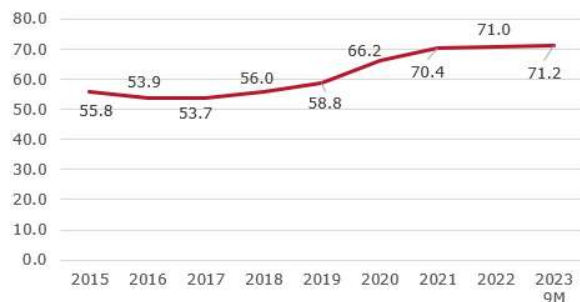
Overview

Number of journeys (million)



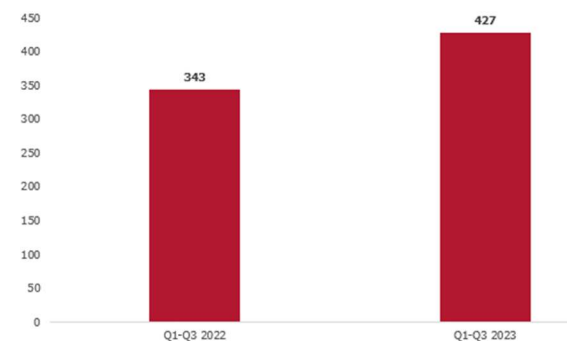
- Adjusted for relinquished traffic, the number of journeys has increased by 10 percent compared to the same period in 2022

Reputation



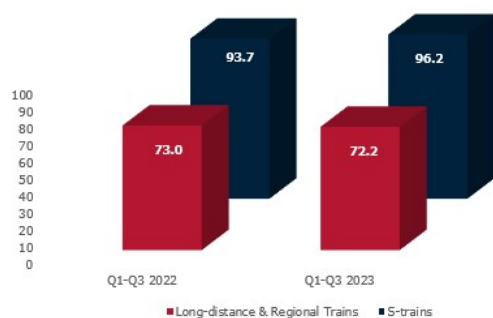
- DSB's reputation remains strong although has been affected by the challenges with punctuality over the summer

Profit/loss before tax (DKK million)



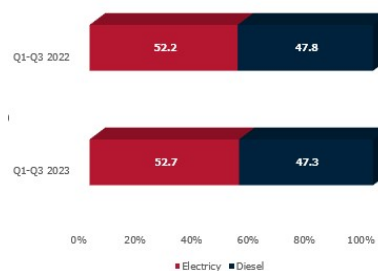
- Development in profit for the period is positively influenced by compensation from a former supplier

Customer punctuality (percent)



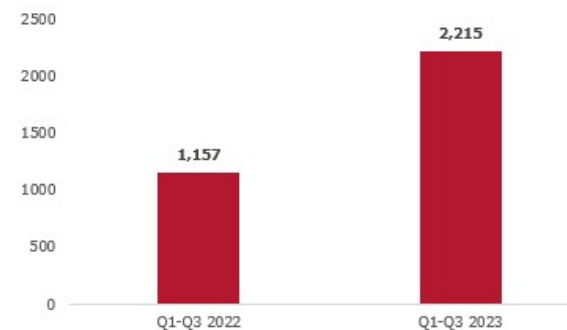
- Customer punctuality is high for S-trains and in particular the extensive infrastructure work has challenged the customer punctuality for Long-distance and Regional Trains

Distribution of kilometres (percent)



- The proportion of electrically operated trains is slightly increasing. The numbers are adjusted for relinquished traffic

Investments (DKK million)



- Investments in the first to third quarter primarily include prepayments on new rolling stock and new workshops

Results

Key Financials and Operating Data

Group (DKK million)	Q3	Q1-Q3		Growth Q1-Q3		Full year
	2023	2023	2022	Abs.	Pct.	2022
Income statement						
Net revenue	2,615	7,846	7,548 ¹⁾	298	4	10,212 ¹⁾
Profit/loss before amortization, depreciation, and write-downs	303	1,166	1,172	-6	-1	1,544
Amortization, depreciation, and write-downs of intangible and tangible fixed assets	234	706	771 ²⁾	-65	-8	1,243
Operating profit/loss	69	460	401	59	15	301
Net financials	-17	-33	-58	25	43	(72)
Profit/loss before tax	52	427	343	84	24	229
Profit/loss for the period	41	334	269	65	24	257
Balance sheet						
Total assets	14,258	14,258	15,635	-1,377	-9	13,990
Investments in property, plant, and equipment	799	2,215	1,157	1,058	91	1,886
Total equity	6,057	6,057	6,269	-212	-3	5,688
Interest bearing debt, net	4,243	4,243	2,143	2,100	98	2,729
Key figures*						
Operating profit margin (EBITDA-margin)	11.6	14.9	15.5	-0.6	-4	15.1
Profit ratio (EBIT-margin)	2.6	5.9	5.3	0.6	11	2.9
Return on invested capital after tax (ROIC after tax)	2.2	5.1	5.2	-0.1	-2	2.9
Gearing	3.5	2.7	1.4	1.4	99	1.8
Solvency ratio	42.5	42.5	40.1	2.4	6	40.7
Average number of full-time employees						
	6,118	6,095	6,025	70	1	6,026

Key Financials and Operating Data

Group (DKK million)	Q3	Q1-Q3		Growth Q1-Q3		Full year
	2023	2023	2022	Abs.	Pct.	2022
Customers						
Number of journeys (million)	39.9	120.2	120.6	-0.4	-0	163.7
Number of journeys, adjusted for relinquished traffic (million)	39.9	120.2	109.3	10.9	10	149.2
Reputation						
DSB	70.2	71.2	70.5	0.8	1	71.0
Customer punctuality						
Long-distance- & Regional trains (percent)	70.9	72.2	73.0	-0.8	-1	73.3
S-trains (percent)	96.6	96.2	93.7	2.5	3	94.2
Productivity						
Passenger revenue per seat kilometre (DKK 0.01/km)	31.7	32.6	31.1	1.5	5	31.7
Costs per seat kilometre (DKK 0.01/km)	63.5	59.1	55.5	3.6	6	57.2

* Calculated pursuant to Key figure definitions.

¹⁾ Items under Other operating income have been reclassified to Net revenue. The change concerns sales from kiosks, etc. as well as income from rental and leasing which are no longer considered of a secondary nature for DSB.

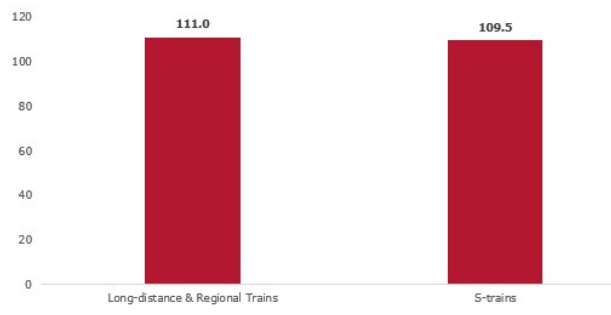
²⁾ In 2022, the expected useful life of S-electric train sets was re-evaluated and altered from approx. 25 years to approx. 35 years. The change in depreciation period caused a positive change of the result before tax in the first 9 months of 2022 by DKK 138 million.

“Higher energy prices and increased costs for repair and maintenance of our aging train sets negatively affect our results. Nevertheless, we have achieved a profit in the first 9 months”
Pernille Damm Nielsen, CFO

Customers

Figure 1: Number of journeys, Q1-Q3

Index compared to 2022



In the first 9 months of the year, DSB had 120.2 million journeys. Adjusted for relinquished traffic, over Øresund, this corresponds to an increase of 10 percent compared to the same period last year, when January was affected by restrictions due to COVID-19.

There has been growth in all markets

- 'Sjælland' - including commuter traffic in and out of Copenhagen - has had a growth of 15 percent, which is especially coming from trips in the capital and longer regional journeys.
- 'Vest (Jylland and Fyn)' has had a growth of 5 percent, which is primarily due to increased sales of Orange tickets. There have been track works over the summer, which have negatively impacted the market, primarily between Slagelse - Fredericia. This has resulted in lower growth during this period.
- 'Øst/Vest (over Storebælt)' has had a growth of 1 percent. Third quarter has been affected by

track works over Funen (Slagelse - Fredericia). This is the reason why the historically good results, which we have had in the first half of 2023, are not seen in the third quarter.

- S-trains have had a growth of 10 percent compared to the same period in 2022. In the third quarter, there is increase in both leisure and everyday journeys.

In collaboration with the other traffic operators, DSB once again offered 'Rejsepas' (Travel Pass) during the summer. Despite major infrastructure works on significant parts of the railway network, customers responded well to the offer to travel anywhere in the country for a week. Almost 50,000 'Rejsepas' were sold - an increase of 5 percent compared to 2022.



The summer sale of DSB's Orange tickets at a maximum price of DKK 99 resulted in sales of almost 600,000 tickets, which is on par with last year. The Orange concept has become a great success in regional train traffic in both Jutland and Zealand. It is expected that the product will

contribute to significant growth for leisure customers.

There is increasing interest from corporations to get their employees to travel more environmentally friendly. By the end of September, approx. 4,700 corporations had entered into an agreement with DSB. This is approx. 650 more than at the same time last year.

The increased demand for international train journeys continues. The introduction of the rented IC1 train coaches from Deutsche Bahn, which are supposed to help meeting the increased demand, unfortunately did not go without problems. Despite this, the number of international train journeys in the first to third quarter increased by 5 percent compared to the same period last year.

The first 'DSB Check In' experiences

Over the past year, DSB has been working on a solution for customers to check in and out of their journey via DSB's app and pay the same price as if the journey was made with a travel card. The solution has previously been tested in trains, and from August it has been tested across collective transport modes throughout Denmark.

A nationwide test of 'DSB Check In' with 990 test participants have been carried out. Dyslexics, visually impaired and others with disabilities have participated in the test. Customers have responded positively to being able to use the solution across transport modes. At the mid-way evaluation, 91 percent of test respondents indicated that they are satisfied with 'DSB Check In', 96 percent would use the solution again, and 93 percent would recommend 'DSB Check In' to others.

The next phase of the test with 10,000 participants is being planned, and the expectation is that 'DSB Check In' will be launched during 2024.

Train operations

Customer punctuality is historically high on the S-line but challenged for Long-distance and Regional Trains.

On the S-line, the customer punctuality remains historically high. Year to date, customer punctuality on the S-line is 96.2 percent compared to 93.7 percent in the same period last year. In the third quarter, customer punctuality was 96.6 percent. Customer punctuality on Long-distance and Regional Trains in the third quarter has been challenged by the large track works, infrastructure failures, and material defects. It is year to date at 72.2 percent compared to 73.0 percent in the same period last year. Isolated, the customer punctuality was 70.9 percent in the third quarter.

The execution of Banedanmark's track works over the summer have generally gone well and finished on time. The handling of planning and operation up to and during the track works have been carried out in close and good cooperation with Banedanmark.

Even though the actual execution of the track works goes well, consequences for the traffic and punctuality cannot be avoided. There is a greater risk of incidents occurring in operations, and the incidents that may occur hit the traffic harder.



Operational stability at par

The number of kilometers between delaying incidents for the entire train fleet in Q1-Q3 is on par with the same period in 2022. IC4 train sets and IR4 electric train sets have on average travelled fewer kilometers between events, while Øresund electric train sets, double-decker coaches, EB electric locomotives and S train sets have travelled longer between incidents compared to 2022.

Material defects and other incidents will always be a risk factor in operations - especially for the aging part of DSB's train fleet. There is focus on ensuring the equipment can at least maintain the current level, and work is being done to ensure and maintain satisfactory operational stability.

Operational stability for the IC4 train sets has been improved, and additional initiatives have been implemented to support this. However, they still have a lower operational stability than the rest of the

train fleet and will be the first train sets to be phased out in favour of the upcoming IC5 electric train sets.

IC3 train sets have for a long time been the backbone of Long-distance & Regional Trains. Despite an average age of 32 years, IC3 train sets have a high operational stability with a Mean Distance Between Failures around 35,000 kilometers.

Investments have also been made to ensure operational stability for the IR4 electric train sets, which have a Mean Distance Between Failures at more than 30,000 kilometers in 2023.

DSB has ordered a minimum of 100 electric train sets from the international train manufacturer Alstom. The train sets are being built on the Coradia Stream production platform and are called IC5 in the Danish version.

The expectation is that the upcoming IC5 electric train sets will have a Mean Distance Between Failures at about 60,000 kilometers after a ramp-up period. This is more than double of the current train fleet delivers on average. The IC5 electric train sets will primarily replace the IC4 and IC3 train sets as well as the IR4 electric train sets.

Financial activities

In the first 9 months of the year, the profit before tax was DKK 427 million. The profit is affected by a compensation from a former supplier.

In the third quarter, profit before tax amounted to DKK 52 million compared to DKK 84 million in the same period of 2022.

Changed accounting presentation

For the first 9 months of the year, items under Other operating income have been reclassified to Net revenue of DKK 1,050 million (DKK 920 million) as well as DKK 1,254 million for the full year of 2022. The change concerns sales from kiosks, etc. as well as income from rental and leasing which are no longer considered of a secondary nature for DSB.

In 2022, the expected useful life of S-electric train sets was re-evaluated and altered from approx. 25 years to approx. 35 years. The change in depreciation period caused a positive change of the result before tax in the first 9 months of the year by DKK 138 million.

Income

Total income amounted to DKK 8,394 million (DKK 8,022 million). Net revenue amounted to DKK 7,846 million (DKK 7,548 million).

Passenger revenue increased DKK 84 million compared to same period last year. The development is positively influenced by the growth in number of journeys, as the first quarter of 2022 was affected by COVID-19 and the related restrictions. For Long-

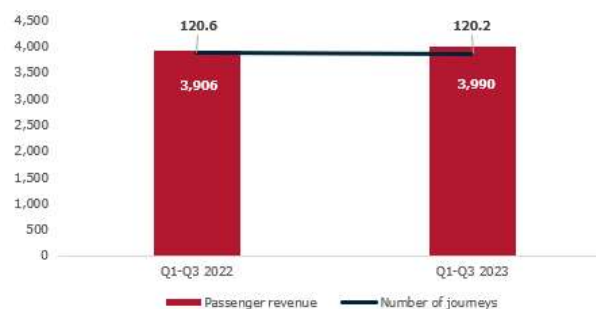
distance & Regional Trains the decrease in passenger revenue was DKK 54 million. For S-trains it was an increase of DKK 138 million.

By year-end 2022, DSB handed over the traffic crossing 'Øresund' to 'Skånetrafiken'. This affected the development negatively by DKK 241 million.

For the third quarter, passenger revenue was DKK 1,339 million (DKK 1,469 million). The decrease is mainly caused by the previously mentioned hand-over of the traffic crossing 'Øresund' amounting to DKK 108 million.

Figure 2: Passenger revenue and Number of journeys

(Passenger revenue in DKK million and Number of journeys in million)



Contract revenue amounted to DKK 2,667 million and has increased by DKK 84 million compared to the same period of 2022. The development is mainly related to the price adjustment of DSB's contract revenue.

In the first 9 months of the year, Other operating income has increased by DKK 91 million compared

to the same period of 2022. The increase is mainly due to the previously mentioned compensation.

Expenses

Total expenses amounted to DKK 7,228 million (DKK 6,850 million) in the first 9 months of the year.

The increasing expenses are among others due to a large increase in energy expenses based on the energy price development. In addition, there have been an increase in the consumption of goods in connection with increased sales from kiosks, increased costs for repair and maintenance of trains, as well as the usual inflation-driven price and wage increases.

For the third quarter, total expenses amounted to DKK 2,421 million (DKK 2,309 million). Primarily, the development is driven by increased costs for repair and maintenance of trains.

Amortization, depreciation, and write-downs

Amortization, depreciation, and write-downs amounted to DKK 706 million (DKK 771 million). This is mainly due to lower depreciation on DSB's buildings as well as a revised accounting estimate of the useful life of the double-decker coaches.

Development in assets and liabilities

By the end of September, total assets amounted to DKK 14,258 million compared to DKK 13,990 million on 31 December 2022.

In the first 9 months of the year, DSB invested DKK 2,215 million (DKK 1,157 million) in tangible fixed assets. Most important are the prepayments for the purchase of future rolling stock and the construction of new green workshops.

Interest bearing debt, net has increased by DKK 1,514 million compared to 31 December 2022 and amounted to DKK 4,243 million on 30 September.

Strong liquidity reserves

Liquidity reserves were DKK 9,173 million at end of September 2023.

No additional funding has been raised during the period and the liquidity will be adjusted through bond issues and bank financing as the need arises.

Expectations for 2023

DSB still expects a profit before tax for the year of DKK 400-500 million. This is in line with the announced expectations in connection with the publication of 'Half year report, 2023'.

Events after 30 September 2023

In the opinion of the management, no events occurred after 30 September 2023 which have a significant impact on the assessment of the trading update, third quarter 2023.



Management's statement

The Board of Directors and the Executive Board have today discussed and approved the trading update, third quarter 2023 for the period 1 January to 30 September 2023 for DSB.

The trading update, which has neither been audited nor reviewed by the corporation's auditors, has been prepared in accordance with the Danish Financial Statements Act and the DSB Act.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, and financial position of the group on 30 September 2023 and of the results of the consolidated operations and cash flows for the period 1 January to 30 September 2023.

Further, in our opinion the trading update gives a fair review of the development in the group's activities and financial conditions, the result for the period and the financial position in general.

Taastrup, 16 November 2023

Executive Board

Flemming Jensen
CEO

Pernille Damm Nielsen
CFO

Jürgen Müller
Executive Vice President,
Strategy & Rolling Stock

Per Schrøder
Executive Vice President,
Operations

Jens Visholm Uglebjerg
Executive Vice President,
Commercial

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

Financial calendar 2023

Expected publication of annual report and convening of Annual General Meeting:

Annual report	8 February 2024
Corporate meeting	14 March 2024

Publications

Trading update, third quarter 2023 is available at www.dsb.dk

Corporation details

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Municipality of domicile

Høje-Taastrup

Ownership

DSB is an independent public corporation owned by Ministry of Transport

Auditors

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Authorised Limited Company of Accountants
CVR no. 30700228

The National Audit Office of Denmark

Bank

Nordea Danmark, a subsidiary of Nordea Bank Abp, Finland

Editors

Anne Rømer
Charlotte R Petersen

