



**DB Cargo**  
**Scandinavia A/S**  
Spotorno Allé 12, DK-2630 Høje-Taastrup

**Annual Report**  
**2023**

CVR-nr. 26 09 24 85

The Annual Report is presented and adopted at the general meeting the

11/4 2024

Chairman

A handwritten signature in blue ink is written over the printed name 'Chairman'. The signature is stylized and appears to be 'H. V. Ø.' followed by a flourish.

## Table of contents

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<b>Management Statement</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4 - 5</b>
<b>Company Information</b>	<b>6</b>
<b>Financial Highlights</b>	<b>7</b>
<b>Review</b>	<b>8 - 12</b>
<b>Income Statement</b>	<b>13</b>
<b>Balance Sheet</b>	<b>14 - 15</b>
<b>Statement of changes in Equity</b>	<b>16</b>
<b>Cash Flow Statement</b>	<b>17</b>
<b>Notes to the Annual Report</b>	<b>18 - 26</b>

## Management Statement

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The Executive Board and Board of Directors have today considered and adopted the Annual Report of DB Cargo Scandinavia A/S for the financial year 1 January – 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations and cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Taastrup, 11 / 4 2024

### Executive Board



Birgit Wirth  
Chief Executive Officer



Oliver Gesche  
Chief Financial Officer

### Board of Directors



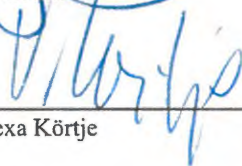
Ralf Günter Kloß  
Chairman



Carola Belitz



Tom Allan Green



Verena Alexa Körtje

Sylke

Hußmann

Sylke Elisabeth Hußmann

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Sylke Hußmann

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Sylke Elisabeth Hußmann



Jørn Jessen



Michael Puggaard

## **Independent Auditor's Report**

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To the Shareholders of DB Cargo Scandinavia A/S

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DB Cargo Scandinavia A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks 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 control.

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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on 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 Company'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 Company to cease to continue as a going concern.

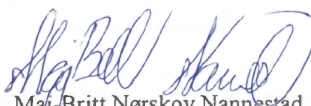
Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures,


- and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Copenhagen, 11 / 4 2024

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

  
Maj-Britt Nørskov Nannestad  
State Authorised Public Accountant  
mne32198

  
Henrik Aslund Pedersen  
State Authorised Public Accountant  
mne17120

## Company Information

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<b>The company</b>	DB Cargo Scandinavia A/S Spotorno Allé 12 DK-2630 Taastrup	
	Telephone:	+45 8830 0900
	Fax:	+45 3354 1853
	Homepage:	<a href="http://www.dk.dbcargo.com">www.dk.dbcargo.com</a>
	CVR-nr. :	26 09 24 85
	Financial year:	1. januar - 31. december
	Registered Office:	Høje Taastrup
<b>Board of Directors</b>	Ralf Günter Kloß Carola Belitz Sylke Elisabeth Hussmann Tom Allan Green Jørn Jessen Michael Puggaard Verena Alexa Körtje	Chairman  Employee representation Employee representation Employee representation
<b>Executive Board</b>	Birgit Wirth Oliver Gesche	Chief Executive Officer Chief Financial Officer
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

## Financial Highlights

DKK 1.000	2023	2022	2021	2020	2019
Net turnover	546.532	469.526	447.260	559.711	544.144
Profit/(loss) before financial items	-9.029	6.714	-21.424	-7.283	-26.007
Profit/(loss) of financial items	-2.088	-1.702	-787	-1.938	-2.096
Profit/(loss) for the year after tax	-8.721	3.497	-16.061	-8.297	-21.967
Balance sheet total	526.586	455.963	471.435	531.198	524.814
Shareholders' equity	237.342	246.063	242.566	258.627	266.924
Investments in property, plant and equipment	42.503	43.488	10.271	5.411	44.907
Average number of Full Time Employees (FTE)	280	287	274	268	262
<b>Top management level</b>					
Total number of members	7				
Underrepresented gender in %	43%				
<b>Other management level</b>					
Total number of members	9				
Underrepresented gender in %	22%				
Target figures in %	40%				
Year of achievement of target figures	2027				
Quantities:					
Million tons	4,94	6,02	5,74	6,82	6,33
Million ton km	1.652	1.979	1.912	2.231	2.180
Net profit ratio (Results before finance / turnover)	-1,7%	1,4%	-4,8%	-1,3%	-4,8%
Return on net assets (Results bef.finance/total assets)	-1,7%	1,5%	-4,5%	-1,4%	-5,0%
Solvency ratio (Shareholders' equity / total assets)	45,1%	54,0%	51,5%	48,7%	50,9%
Return on equity (Results after tax / EQ)	-3,6%	1,4%	-6,4%	-3,2%	-7,4%

Financial Highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

See definitions of key figures in accounting policies.

### Principal activities

DB Cargo Scandinavia A/S has operated as a rail freight undertaker with its own engines and rented terminals and buildings since 2001 to ensure an efficient rail freight corridor between the European continent and the Nordic Region.

Since the merger with DB Cargo Danmark Services A/S as of 01.01.2019 the company is also offering non-rail transport services to the market.

In 2023 transport activities account for 88% of revenues. Terminal activities account for 11%, while other activities account for 1% of revenues.

DB Cargo Scandinavia A/S is 100% owned by DB Cargo AG.

### Terminals

DB Cargo Scandinavia A/S rents and operates two combined terminals in Denmark. One in Taulov and one in Høje Taastrup.

### Rolling stock

DB Cargo Scandinavia A/S owns 13 EG engines and 17 BR185 engines, which are equipped to run on various power systems, i.e. they can be used for cross-border transports. These engines are particularly suitable for pulling very heavy freight trains.

DB Cargo Scandinavia A/S' engines :

#### Main line engines

13 EG, electrical, dual-system

17 BR185, electrical, dual-system

6 MZ, diesel

#### Shunting engines

11 MK, diesel

5 small diesel units

### Development over the year

#### Organization and management

In 2023 the Executive Board consisted of Birgit Wirth (CEO) and Oliver Gesche (CFO).

#### Financial results

The result after tax amounts to DKK -8.7 million. Result before tax is DKK -11.1 million. In 2023, taxes amounted to a income of DKK 2.4 million. The balance sheet at 31 December 2023 shows equity of DKK 237 million.

Business operations in 2023 have been primarily affected by infrastructure works in Denmark and Northern Germany. In addition, business operations faced severe challenges since European wide approved rail freight equipment requires a separate approval process in Denmark constituting a trade barrier in conflict with the interoperability following from the EU regulation.



## Review 2023

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The Danish part of the ScanMed Corridor was in so far exposed to unequal treatment of interoperable vehicles and rail operations as the Danish National Safety Authority (NSA) maintained their 14 tons minimum weight requirement for all trailer transports over the Great Belt Bridge. This national requirement has been embedded in a Governmental order despite of a clear rejection from the EU Agency for Railways (ERA) based on non-compliance with the EU interoperability requirements. Against this background the European Commission initiated a process of issuing an Implementing Act against Denmark. The rail freight undertakers (RUs) operating on the Scan Med Corridor are highly appreciating the attention to the matter from the EU Commission and ERA. Unfortunately, until today the Implementing Act has not yet been formalized.

The Danish authorities have not yet acted upon the detailed wind analysis shared in September 2022 by Deutsches Zentrum für Luft- und Raumfahrt / German Aerospace Center (DLR) concerning the safety on the Great Belt Bridge infrastructure. Instead new regulatory requirements are imposed on rail freight undertakers without proof of any technical or safety reasons. The Danish NSA imposed a national authorization requirement for rail freight equipment applicable as of 1 January 2024. Due to a very slow approval procedure no RU received approval from the NSA in due course. Based on that the Danish NSA imposed further requirements without any technical or safety reasons in December 2023. As of 1st of January 2024 a 14 tons weight requirement is applicable on the entire Danish rail network for an interim period until 1st of June 2024 when all existing approvals issued to RU's will expire. Moreover, it can be concluded that rail freight undertakers have to bear the safety responsibility for the bridge which according to TSI INF lays with the Infrastructure Manager.

The biggest limitation occurs for customers transporting empty trailers on rail as they do not have the possibility to increase its weight to the requested 14 tons minimum weight. Hence, we have unfortunately seen a structural effect on the Scan Med corridor in the intermodal business as goods are continuously moving from rail to road again. This is also compromising the governments CO2 saving targets.

On 30th of May 2022, Banedanmark informed DBC Sc about a suspension of the environmental subsidy in Denmark. Until April 2022, all rail freight undertakers operating in Denmark received environmental subsidy to compensate for the missing road price taxation in Denmark. The scheme was approved by the EU Commission for the period 1st of January 2018 until 31st of December 2020. Unfortunately, the Danish Ministry of Transportation has neglected to apply for prolongation of this scheme and is since then in dialog with the EU Commission in order to have the subsidy scheme re-introduced.

During Summer 2023 the Ministry of Transportation has reached out via Dansk Banegods to RUs asking for their support to provide additional information to facilitate the dialog with the EU commission. DB Cargo Scandinavia A/S has subsequently provided the requested information on a bilateral basis but since then didn't receive any feedback from the Ministry of Transportation on the status quo. Unfortunately, the environmental subsidy has not yet been re-introduced. Therefore, a further vital market distortion exists in Denmark in favour of road transportation due to the non-existence of a road price taxation.

The changing global economic frame conditions resulting from the continuation of the Russian war against Ukraine and the latest development in the Middle East could only be anticipated to a very limited extend in the company's general expectations for 2023.

In the course of 2023 DB Cargo Scandinavia A/S opened it's own maintenance workshop in Fredericia to insource on a forward going basis the full maintenance activities of the company's locomotive fleet and thereby reduce the dependency from 3rd party suppliers. Subsequently, DB Cargo Scandinavia A/S is on a forward going basis operating with 3 business areas: Rail Freight Operations, Terminal Operations and Workshop Operations.

### **Environmental impact**

The most substantial environmental contribution relates to our electric train operations. In 2023 DB Cargo Scandinavia A/S transported more than 4.9 million tons of goods.

Once again DB Cargo Scandinavia A/S contributed considerably to a better climate by facilitating more environmentally friendly transportation solutions. To achieve the same freight transport on road the carbon dioxide emissions would have been approximately 6 times higher compared to rail freight transportation and the energy consumption would have been more than 4 times higher.

It is therefore still important to sharpen the awareness in politics and the media that rail freight can strengthen the transport sector and can strongly support the ambitious CO2 saving targets in Denmark.

### **Staff**

In the course of 2023, the number of staff has decreased from 289 by the end of 2022 to 277 by the end of 2023. At year-end 50 out of the 277 employees were civil servants seconded from DSB. The average number of full-time employees was 280 in 2023.

In 2023 DB Cargo Scandinavia A/S has reacted to the demographical development within the company and hired new apprentices for the operations, to secure the future production needs. In so far, DB Cargo Scandinavia A/S has in close collaboration with EUC Lillebælt continued an educational programme for shunters which was first implemented in 2015.

### **Future prospects of DB Cargo Scandinavia A/S**

The political frame conditions in Denmark remain very difficult as rail freight is not on top of the political agenda as it is in other EU member states. Also in Denmark rail freight should be understood as a lever to facilitate the achievement of the ambitious climate targets.

Moreover, the existing Danish trade barriers for European wide approved rail freight equipment should be stopped as this is in conflict with interoperability under EU regulation. Also the re-introduction of the environmental subsidy scheme is vital in order to stop the existing market distortion in favour of road transportation.

In order to facilitate a shift from road to rail freight as conducted in other European Member States a national land freight transportation analysis should be done. Moreover, RUs should be offered wind-generated electricity on very favorable conditions. Finally, the prices for crossing the bridges should be lowered as rail freight transportation in itself is much more environmentally friendly than road transportation.

The planned roll out of ETCS-on-board equipment is still marked by great uncertainty for rail freight operators on the corridor. To ensure and to further promote rail freight, Banedanmark and the Danish authorities need to set out a stable baseline for ETCS-implementation with longer retention of the Danish ATC.

Even though the Danish authorities have meanwhile established ETCS funding schemes, the engaged supplier Alstom does not have sufficient capacity to provide both the hardware and the installation. DB Cargo still believes that ETCS-on-board equipment needs to be considered as part of the infrastructure and moreover, the Danish authorities should implement an appropriate and non-discriminatory way of refinancing investments into ETCS, e.g. a "Bridge-Toll-Model".

With regard to the company's punctuality, it is still crucial to sharpen the infrastructure manager's awareness of the influence they may have on DB Cargo Scandinavia A/S' punctuality with their prioritization decisions on the net and the planning of their infrastructure works. In addition, the infrastructure manager has been made aware of the consequences for the end customers' just-in-time production chains. Constructive dialogues with the infrastructure manager proved to be fruitful in the past and will be continued on a forward going basis.

### **Special risks**

Special risks for the company are mainly lengthy interruptions of main line traffic, due to major infrastructure works.

DB Cargo Scandinavia A/S hires civil servants from DSB. This hire arrangement restricts the company's possibilities to vary its capacity in line with the level of activity. If DB Cargo Scandinavia A/S returns more than 45 civil servants per year, the company must pay a considerable sum in compensation to DSB.

This arrangement means that DB Cargo Scandinavia A/S does not have equal negotiation rights over such important matters as hiring and releasing this class of employees. Moreover, it has the effect of limiting the company's ability to develop in line with the powerful dynamic that characterizes the transport industry.

DB Cargo Scandinavia A/S is primarily financed by intra-group loans. If DB Cargo Group's ownership share of DB Cargo Scandinavia A/S falls below 50.1%, the loan agreements provided might be terminated.

The present and planned level of activities for the company, do not impose any risk in particular and the liquidity situation is adequately secured.

### **Events after balance sheet date**

There have been no significant events since the balance sheet date.

### **Statutory corporate social responsibility report, cf. Danish Financial Statements Act Statements Act Sections 99(a) and 99(b)**

The Company's corporate social responsibility report can be viewed on the Parent Company Deutsche Bahn's website as an integral part of the 2023 Annual Report:

<https://ir.deutschebahn.com/en/reports/db-group-and-db-ag/>

Corporate social responsibility is part of DB Cargo Scandinavia's DNA. It is deeply embedded in the way we operate as a business. It is reflected in everything DB Cargo Scandinavia says and does. DB Cargo Scandinavia participates actively in various areas of social debate and helps push the boundaries of political agendas and legislation.

### **Gender politics**

DB Cargo Scandinavia A/S is committed to ensure gender balance on senior management level as a step towards promoting equality and diversity. Actions and guidelines to enhance gender equality on general management level include:

- Target setting
- Talent Management, Job insight and education
- Special focus in recruitment and promotion processes
- Mentorship programs

By adhering to these guidelines, the company pledges to create a more equitable and diverse workplace where both male and female talents thrive and contribute to our success.

In accordance with the guidance on targets and policies for the gender mix of management and reporting thereon, it can be reported that DB Cargo Scandinavia A/S's Supervisory Board almost obtained equal representation. This includes the inclusion of employee-elected board members, ensuring diverse perspectives and representation. Similarly, the company's Board of Management has achieved equal representation, reflecting a commitment to gender diversity at the highest levels of leadership. On other management level the company has not yet achieved equal representation.

A detailed overview of the current status and established goals is available as an integral part of the company's key figures.

### **Data ethics**

In accordance with the statutory statement of the company's policy for data ethics, DB Cargo Scandinavia has adopted several internal policies for how DB Cargo Scandinavia works with and processes employee data. DB Cargo Scandinavia does not forward or share person related data with third parties. DB Cargo Scandinavia does not collect data on persons other than those employed and, where the law of railway safety specifically says so, external partners. The amount of person related data is thereby limited, and thus the company has not yet published a 'data ethics policy'. DB Cargo Scandinavia collects and manages person relate data only concerning recruiting and employment. Data is deleted when the process is finalised, i.e. data on all applications is deleted when the right candidate signs the employment contract, and all employee data is deleted from the HR registry with the termination of the employment. Business Intelligence systems rely on anonymized data.

DB Cargo Scandinavia is currently working on formulating a data ethics policy.

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2023</u>	<u>2021</u>
		DKK	DKK
Net turnover	1	546.532.050	469.526.200
Other operating income		65.653.985	152.262.879
Expenses for materials and consumables		-302.146.018	-340.924.777
Other external expenses		-81.914.125	-38.446.237
<b>Gross Profit/loss</b>		<b><u>228.125.892</u></b>	<b><u>242.418.065</u></b>
Staff expenses	2	-178.842.344	-180.992.414
Amortisation, depreciation and impairment losses		-58.312.140	-54.711.808
<b>Operating profit/loss</b>		<b><u>-9.028.592</u></b>	<b><u>6.713.843</u></b>
Financial income	3	2.591.467	6.043.311
Financial expenses	4	-4.679.080	-7.745.291
<b>Profit/(loss) before tax</b>		<b><u>-11.116.205</u></b>	<b><u>5.011.863</u></b>
Tax on profit/(loss) for the year	5	2.395.618	-1.515.188
<b>Profit/(loss) for the year</b>		<b><u><u>-8.720.587</u></u></b>	<b><u><u>3.496.675</u></u></b>
 <b>Distribution of profit/(loss)</b>	 6		

## Balance Sheet 31 December - Assets

	Notes	2023	2022
		DKK	DKK
Deposits		2.564.471	563.654
<b>Financial fixed assets</b>	7	<b>2.564.471</b>	<b>563.654</b>
Software		0	0
<b>Intangible fixed assets</b>	8	<b>0</b>	<b>0</b>
Properties		71.807.634	44.305.170
Technical fittings and machinery		204.891.598	222.348.829
Leasehold improvements		1.981.900	2.172.795
Fixtures and equipment		7.249.638	6.910.072
Payment on account for tangible fixed assets		51.929.186	35.682.366
<b>Tangible fixed assets</b>	9	<b>337.859.956</b>	<b>311.419.230</b>
<b>Fixed assets</b>		<b>340.424.427</b>	<b>311.982.884</b>
<b>Inventories</b>		<b>1.966.961</b>	<b>1.913.895</b>
Trade debtors		16.330.528	65.134.597
Amounts owed by affiliated companies		139.485.544	44.462.389
Other debtors		10.643.026	15.340.245
Prepayments	10	17.429.512	14.370.381
Joint taxation contribution	5	0	2.435.078
<b>Debtors</b>		<b>183.888.610</b>	<b>141.742.690</b>
<b>Cash at bank and in hand</b>		<b>306.128</b>	<b>323.035</b>
<b>Current assets</b>		<b>186.161.699</b>	<b>143.979.620</b>
<b>Total assets</b>		<b>526.586.126</b>	<b>455.962.504</b>

**Balance Sheet 31 december**  
**- Liabilities & Share holders' Equity**

	Notes	2023	2022
		DKK	DKK
Share capital		42.100.000	42.100.000
Share premium fund		171.935.647	171.935.647
Retained profit/(loss)		23.306.501	32.027.088
<b>Shareholders' equity</b>	11	<b>237.342.148</b>	<b>246.062.735</b>
Provision for deferred tax	12	4.702.348	9.752.086
Other provisions	13	19.620.286	19.380.428
<b>Provisions</b>		<b>24.322.634</b>	<b>29.132.514</b>
Amounts owed to affiliated companies	14	44.728.800	4.030.614
Leasing liabilities	15	66.240.498	37.290.351
Other liabilities	16	11.626.044	6.704.820
<b>Long-term liabilities</b>		<b>122.595.342</b>	<b>48.025.785</b>
Trade creditors		66.886.197	71.193.433
Amounts owed to affiliated companies	14	35.646.155	21.706.535
Joint taxation contribution	5	735.999	0
Leasing liabilities	15	13.637.827	12.876.750
Other payables	16	25.419.824	26.964.752
<b>Current liabilities</b>		<b>142.326.002</b>	<b>132.741.470</b>
<b>Liabilities</b>		<b>264.921.344</b>	<b>180.767.255</b>
<b>Total liabilities and shareholders' equity</b>		<b>526.586.126</b>	<b>455.962.504</b>
Other notes	17-20		
Accounting Policies	21		

### Statement of changes in Equity

	<u>Share capital</u> DKK	<u>Share premium fund</u> DKK	<u>Proposed dividend</u> DKK	<u>Retained profit/(loss)</u> DKK	<u>Total</u> DKK
Shareholders' equity 1 January	42.100.000	171.935.647	0	32.027.088	246.062.735
Profit/(loss) for the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>-8.720.587</u>	<u>-8.720.587</u>
<b>Shareholders' equity 31 December</b>	<b><u>42.100.000</u></b>	<b><u>171.935.647</u></b>	<b><u>0</u></b>	<b><u>23.306.501</u></b>	<b><u>237.342.148</u></b>



## Cash Flow Statement

	Notes	2023 DKK	2022 DKK
Profit/(loss) for the year before interest		-9.028.592	6.713.843
Adjustments	19	58.312.141	54.711.808
Operational leasing		-12.538.374	-12.788.180
Change in working capital	20	44.776.785	-72.564.279
<b>Cash flows from operating activities before financial items</b>		<b>81.521.960</b>	<b>-23.926.808</b>
Interest received, etc.	3	2.591.467	6.043.311
Interest paid	4	-4.679.080	-7.745.291
<b>Cash flows from ordinary operating activities</b>		<b>79.434.347</b>	<b>-25.628.788</b>
Company Tax/Group joint taxation		516.956	0
<b>Cash flows from operating activities</b>		<b>79.951.303</b>	<b>-25.628.788</b>
Change in financial fixed assets		-2.000.817	-16.834
Purchase of tangible fixed assets		-42.503.268	-43.488.353
<b>Cash flows from investing activities</b>		<b>-44.504.085</b>	<b>-43.505.187</b>
Change in intercompany balances		-40.385.349	69.152.434
Change in long term liabilities	15-16	4.921.224	0
<b>Cash flows from financing activities</b>		<b>-35.464.125</b>	<b>69.152.434</b>
<b>Change in cash and cash equivalents</b>		<b>-16.907</b>	<b>18.459</b>
Cash and cash equivalents 1 January		323.035	304.576
<b>Cash and cash equivalents per 31 December</b>		<b>306.128</b>	<b>323.035</b>

## Notes to the Annual Report

### 1 Segment information

The company's activities can be allocated to two main segments.

One is transport of goods by rail or road, both transports within Denmark, Transports to and from Denmark and transit traffics passing through Denmark.

The other is the operation of two combi-terminals in Denmark, one in Taulov and one in Høje Taastrup.

	2023	2022
	DKK	DKK
Transport activities	483.555.982	412.052.512
Terminal activities	47.600.859	54.227.682
Other activities	15.375.209	3.246.006
	<b>546.532.050</b>	<b>469.526.200</b>
<b>2 Staff expenses</b>		
Wages and salaries	162.861.347	164.272.772
Pensions	17.881.029	18.721.295
Other social security expenses (incl.wage compensations)	-1.900.032	-2.001.653
	<b>178.842.344</b>	<b>180.992.414</b>
Including total remuneration to the Executive Board	3.494.123	2.973.830
Including total remuneration to the Board of Directors	135.000	135.000
	<b>3.629.123</b>	<b>3.108.830</b>
<b>Average number of Full Time Employees</b>	<b>280</b>	<b>287</b>
<b>3 Financial income</b>		
Exchange rate adjustments	1.294.904	6.043.311
Interest income from affiliated undertakings	1.296.563	0
	<b>2.591.467</b>	<b>6.043.311</b>
<b>4 Financial expenses</b>		
Exchange rate adjustments	3.835.120	1.638.620
Interest expenses to affiliated undertakings	843.960	6.106.671
	<b>4.679.080</b>	<b>7.745.291</b>
<b>5 Tax on profit/(loss) for the year</b>		
Current tax for the year	-735.999	2.435.078
Deferred tax for the year	5.028.874	-4.678.034
Adjustment prior year	-1.897.258	727.768
<b>Total tax for the year</b>	<b>2.395.618</b>	<b>-1.515.188</b>
which breaks down as follows		
<b>Tax on profit/(loss) for the year</b>	<b>2.395.618</b>	<b>-1.515.188</b>
	<b>2.395.618</b>	<b>-1.515.188</b>

## Notes to the Annual Report

6 Distribution of profit	2023	2022		
	DKK	DKK		
Retained profit or loss	-8.720.587	3.496.675		
	<b>-8.720.587</b>	<b>3.496.675</b>		
7 Financial fixed assets	Deposits 2023	Deposits 2022		
	DKK	DKK		
Acquisition cost 1 January	563.654	546.820		
Additions for the year	2.000.817	16.834		
Disposals for the year	0	0		
<b>Acquisition cost 31 December</b>	<b>2.564.471</b>	<b>563.654</b>		
<b>Net book value 31 December</b>	<b>2.564.471</b>	<b>563.654</b>		
8 Intangible fixed assets	Software			
	DKK			
Acquisition cost 1 January	191.100			
Additions for the year	0			
Disposals for the year	0			
<b>Acquisition cost 31 December</b>	<b>191.100</b>			
Depreciation 1 January	-191.100			
Depreciation for the year	0			
Reversal of depreciation of disposals for the year	0			
<b>Depreciation 31 December</b>	<b>-191.100</b>			
<b>Net book value 31 December</b>	<b>0</b>			
9 Fixed assets	Properties	Technical fittings and machinery	Leasehold improvements	Fixtures and equipment
	DKK	DKK	DKK	DKK
Acquisition cost 1 January	68.344.413	922.021.870	4.833.988	26.320.547
Additions for the year	36.923.259	42.503.268	0	5.362.676
Disposals for the year	0	0	0	-315.239
<b>Acquisition cost 31 December</b>	<b>105.267.672</b>	<b>964.525.138</b>	<b>4.833.988</b>	<b>31.367.984</b>
Depreciation 1 January	-24.039.243	-663.990.675	-2.661.194	-19.410.475
Depreciation for the year	-9.420.794	-43.713.679	-190.895	-4.986.773
Reversal of depreciation of disposals for the year	0	0	0	278.902
<b>Depreciation 31 December</b>	<b>-33.460.037</b>	<b>-707.704.354</b>	<b>-2.852.089</b>	<b>-24.118.346</b>
<b>Net book value 31 December</b>	<b>71.807.634</b>	<b>256.820.784</b>	<b>1.981.900</b>	<b>7.249.638</b>
<i>Hereof leased assets</i>	<i>71.807.634</i>	<i>0</i>	<i>0</i>	<i>6.316.547</i>
<i>Hereof payment on account for tangible fixed assets</i>	<i>0</i>	<i>51.929.186</i>	<i>0</i>	<i>0</i>

## Notes to the Annual Report

### 10 Prepayments

Prepayments primarily consist of prepaid expenses for service contracts on locomotives, rent, insurance premiums and subscriptions.

### 11 Shareholders' equity

The share capital consists of 421,000 shares of a nominal value of DKK 100. No shares carry any special rights.

12 Deferred tax	2023	2022
	DKK	DKK
Technical fittings and machinery	17.389.470	22.092.746
Leasehold improvements	427.972	446.290
Fixtures and equipment	-89.870	-119.136
Leasing assets	17.187.320	10.956.987
Trade debtors	-16.307	-15.055
Other provisions	-4.557.722	-4.507.742
Leasing liabilities	-17.574.750	-11.038.243
Tax losses	-8.063.764	-8.063.764
	<b>4.702.348</b>	<b>9.752.086</b>

Tax losses consists of the effect from EBIT interest carry-forwards. It is expected to be utilized under the rules of EBITDA going forward.

Deferred tax is provided with 22%, corresponding to the estimated average utilization tax rate.

Provision for deferred taxes, 1 January	9.752.086	5.074.053
Deferred tax recognized in the income statement	-5.028.874	4.678.034
<b>Provision for deferred taxes, 31 December</b>	<b>4.723.212</b>	<b>9.752.086</b>

### 13 Other provisions

Other provisions and accruals consist of provisions for damages caused on locomotives, waggons and fixtures of others and commercial liabilities, for which the size of the liability and the time of payment is uncertain.

Provision for damages and other accruals 1 January	19.380.428	53.975.570
Applied for the year	-7.293.300	-43.519.137
Provision for the year	7.533.158	8.923.995
<b>Provision for damages and other accruals 31 December</b>	<b>19.620.286</b>	<b>19.380.428</b>

Time of payment is expected to be:

Within a year	4.970.583	3.431.041
From one to five years	14.649.703	15.949.387
	<b>19.620.286</b>	<b>19.380.428</b>

### 14 Amounts owed to affiliated companies

After 5 years	0	0
Between 1 and 5 years	44.728.800	4.030.614
Long-term part	44.728.800	4.030.614
within 1 year	35.646.155	21.706.535
	<b>80.374.955</b>	<b>25.737.149</b>

## Notes to the Annual Report

### 15 Contractual liabilities and other contractual obligations

Contractual obligations	2023	2022
	DKK	DKK
The company has entered		
Payments due after 5 years	0	0
Payments due between 1 and 5 years	66.240.498	37.290.351
Long-term part	66.240.498	37.290.351
Payments due within 1 year	13.637.827	12.876.750
	<b>79.878.325</b>	<b>50.167.101</b>

#### Contractual liabilities

The Danish Group are jointly and severally liable for tax on the Group's jointly taxed income etc. The total amount is shown in the Annual Report for Arriva Danmark A/S, which is the management company of the joint taxation group.

### 16 Other Payables

After 5 years	0	0
Between 1 and 5 years	11.626.044	6.704.820
Long-term part	11.626.044	6.704.820
within 1 year	25.419.824	26.964.752
	<b>37.045.868</b>	<b>33.669.572</b>

### 17 Related parties and ownership

DB Cargo Aktiengesellschaft, Germany

#### Basis

Principal shareholder

The Deutsche Bahn AG, Germany

Group company

#### Transactions

DB Cargo Scandinavia A/S is a part of the Deutsche Bahn AG Group. During the year there have been intercompany transactions with related companies in the Deutsche Bahn AG Group. The transactions have been effected at arm's length principle.

### 18 Group matters

The company's ultimate parent company, which prepares consolidated financial statements in which the company is included as a subsidiary, is Deutsche Bahn AG, Berlin, Germany.

The consolidated financial statements for the foreign parent can be obtained at the following address:

**Deutsche Bahn AG, Potsdamer Platz 2, 10785 Berlin, Germany.**

### 19 Adjustments (cash flow statement)

Amortisation and depreciation of tangible fixed assets for the year including profit and loss on sale of fixed assets	58.312.141	54.711.808
	<b>58.312.141</b>	<b>54.711.808</b>

### 20 Change in working capital (cash flow statement)

Change in debtors	53.501.288	-49.271.726
Change in inventories	-53.066	65.754
Change in accruals and provisions, prepayments	-3.059.131	9.216.544
Change in other provisions	239.858	-34.595.142
Change in current liabilities	-5.852.164	2.020.291
	<b>44.776.785</b>	<b>-72.564.279</b>

## Notes to the Annual Report

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### 21 Accounting Policies

#### **Basis of accounting**

The Annual Report has been prepared in accordance with the Danish Financial Statements Act applying to large enterprises of reporting Class C.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

The accounting policies applied remain unchanged from last year.

#### **Uniting of interests**

Intragroup business combinations are accounted for under the uniting-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The uniting-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

#### **Audit fee**

With reference to section 96(3) of the Danish Financial Statements Act, the Company has not disclosed fees to the elected auditor.

#### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### **Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Variable lease payments that do not depend on an index or a rate and payments associated with leases with a lease term of 12 months or less and low-value assets are recognised as an expense in the income statement, included in other operating expenses.

## Notes to the Annual Report

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### **Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

### **Profit and loss account**

#### **Recognition of income**

Traffic revenues are recognised as income at the time of transport. Discounts in connection with the sale are deducted from net revenues.

As a general rule, revenue from transports carried out by more than one railway company is recognized with the share belonging to DB Cargo Scandinavia A/S.

Revenue from the sale of service is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined;
- and payment has been received or may with reasonable certainty be expected to be received.

The revenue recognition for other goods and services is the time of delivery.

#### **Expenses for materials and consumables**

Expenses for materials and consumables comprise the materials and consumables consumed to achieve revenue for the year.

#### **Other external expenses**

External costs comprises costs of mainly services incurred to achieve revenue for the year.

Cost comprises legal advise and consultancy, advertising and marketing expenses as well as IT expenses, operation of motor vehicles etc.

#### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortization, depreciation and impairment of intangible assets and property plant and equipment.

#### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

In general, environmental subsidies are recognised as income in the period to which they relate.

Gain and loss from individual major sale of assets is placed in "Other operating income".

#### **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Notes to the Annual Report

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and 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 in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

The Company is jointly taxed with the Danish group companies. Foreign group companies are not included in the joint taxation.

Arriva Danmark A/S acts as the administrative company. The total Danish tax from the Danish Companies taxable income is allocated and paid by Arriva Danmark A/S.

The tax effect of the joint taxation with the Danish group companies is allocated in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

### Balance sheet

#### Financial fixed assets

Financial fixed assets consist of deposits.

#### Intangible fixed assets

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over its useful life, which is assessed at 3 years.

#### Tangible fixed assets

Transport equipment, machinery, tools and equipment are valued at cost price minus accumulated depreciation.

Cost includes the purchase price and expenses directly related to the purchase as well as expenses for the set-up of the asset.

Depreciations are linear over the expected useful lives of the assets and down to scrap value, which is between 0% and 5% of the original price. Purchases during the financial year are depreciated proportionally from the date of the initial operation.

Provided that a tangible fixed asset comprises several independent components with varying useful lives, each component is depreciated separately.

The expected useful lives are as follows:

#### Transport equipment:

Engines 20-25 years

#### Machinery, tools and equipment:

Lifting equipment 10 years

Tools and equipment 3-15 years

Leasehold improvements 3-5 years

Payment on account for tangible fixed assets which have not yet been delivered is recognised in the balance sheet under the item "Payment on account for tangible fixed assets".

Expenses paid for replacement or renovation of major individual components are included under assets as well as expenses paid for regular maintenance works are recognised separately.

Expenses are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the original standard of performance of the existing assets, will flow to the enterprise.

All other expenditures are recognised as an expense in the period in which it is incurred.

If the net book value of tangible fixed assets exceeds the recovery value, the asset is written down to the higher of net sales price and capital value.



## Notes to the Annual Report

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### **Inventory**

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery cost.

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### **Prepayments**

Prepayments comprise prepaid expenses concerning salary, rent, insurance premiums and subscriptions.

### **Cash at bank and in hand**

Cash and cash equivalents comprise deposits at banks.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

### **Corporate tax**

Current tax payable and receivable is recognised in the balance sheet at the computed tax on the taxable income for the year adjusted for taxes paid on account.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities and deferred tax assets are calculated based on all temporary differences between booked values and tax values of assets and liabilities.

Deferred tax is recognised in the balance sheet according to the tax rules and at the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax assets and liabilities.

## Notes to the Annual Report

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### Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Other debts and liabilities

Are measured at amortised cost, substantially corresponding to nominal value.

### Cash flow statement

The cash flow statement of the company has been presented under the indirect method on the basis of the income for the year.

The cash flow statement shows the company's cash flows for the year classified as operating, investing and financing activities as well as the impact of these inflows on cash and cash equivalents for the year.

Cash flows from operating activities are stated as the income for the year adjusted for non-cash transactions such as depreciation and write-downs, reserves as well as changes in working capital, interest paid and received and paid taxes.

Cash flows from investing activities comprise cash flows from acquisitions and sales of intangible, tangible and financial fixed assets.

Cash flows from financing activities include cash flow from raising and repayment of long-term debt as well as dividends to shareholders.

Cash and cash equivalents comprise cash at hand, cash in bank and inter company cash deposits.

### Definition of financial key figures

Net profit ratio:  $\frac{\text{Profit/(loss) before financial items}}{\text{Net turnover}}$

Return on net assets:  $\frac{\text{Profit/(loss) before financial items}}{\text{Total assets}}$

Solvency ratio:  $\frac{\text{Shareholders' equity 31 December}}{\text{Total assets}}$

Return on equity:  $\frac{\text{Profit/(loss) for the year after tax}}{\text{Average equity}}$