



**DB Cargo**  
**Danmark Services A/S**  
Spotorno Alle 12, DK-2630 Høje Taastrup

**Annual Report**  
**2018**

**CVR-nr. 31 48 31 58**

The Annual Report is presented and adopted at the general meeting

10 / 5 2019

Chairman

*Frans Rossum*

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## Management Statement

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The Executive Board and Board of Directors have today considered and adopted the Annual Report of DB Cargo Danmark Services A/S for the financial year 1 January – 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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.

Mainz, 22 February 2019

### Executive Board

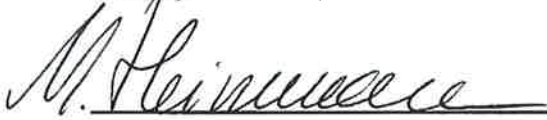


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Bernd Hubert Sieburg  
Managing Director

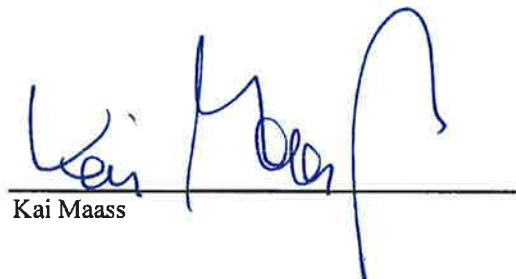
### Board of Directors

Taastrup, 22 February 2019



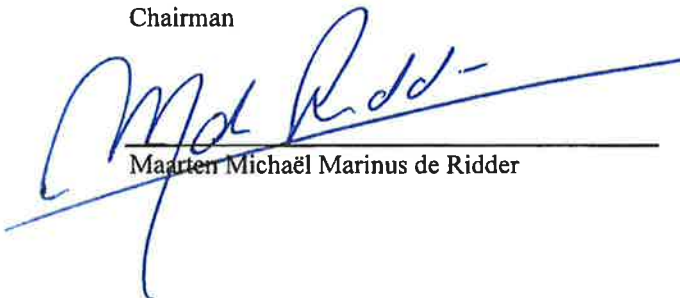
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Michael Mark Heinemann  
Chairman



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Kai Maass



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Maarten Michaël Marinus de Ridder

## **Independent Auditor's Report**

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To the shareholders of DB Cargo Danmark Services 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 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DB Cargo Danmark Services A/S for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes ("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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

### **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 skepticism 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, 22 February 2019

#### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jesper Winholt

State Authorised Public Accountant

mnr 13914

## Company Information

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### **The company**

DB Cargo Danmark Services A/S  
Spotorno Alle 12  
DK-2630 Taastrup

Telephone: +45 8830 0900  
Facsimile: +45 3354 1853  
Homepage: [www.dk.dbcargo.com](http://www.dk.dbcargo.com)

CVR-nr. : 31 48 31 58  
Financial year: 1. januar - 31. december  
Registered Office: Høje Taastrup

### **Board of Directors**

Michael Mark Heinemann Chairman  
Kai Maass  
Maarten Michaël Marinus de Ridder

### **Executive Board**

Bernd Hubert Sieburg Managing Director

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Principal activities

DB Cargo Danmark Services' main activity is to carry out sales activities within transport of goods by rail within Denmark and to/from adjacent countries.

The main activities are split between Intermodal Transports, Single Wagon Load Services and Combi Terminal Activities. The company provides a single wagon load network within Denmark to serve various locations in Denmark.

Until 2nd September 2018 DB Cargo Danmark Services A/S was owned by DB Danmark Holding ApS (100%). DB Danmark Holding ApS is owned by Deutsche Bahn AG (100%). Subsequently, DB Danmark Holding ApS sold their shares in DB Cargo Danmark Services A/S to DB Cargo AG and thereby DB Cargo Danmark Services A/S is owned by DB Cargo AG (100%) since 2nd September 2018.

### Development over the year

#### Organization and management

The management board consists of Bernd Hubert Sieburg (CEO).

#### Operations

As in previous years, 2018 has still to some degree been affected by an overall instable environment for rail freight forwarders in Denmark. Operations in 2018 have been affected by a few minor track works and some storms, therefore implications for the company have been less negative compared to previous years.

As of 1st January the company migrated to DB Groups ERP system and thereby changed the accounting principles, please refer to Accounting Policies.

In line with the migration to the new ERP system several accounting functions have been migrated to a shared service centre established in Rumania by DB Group.

#### Future prospects

DB Cargo Danmark Services A/S is unfortunately still experiencing a general lack of ambition concerning the priority of rail freight. Even though a national rail freight strategy has been developed in 2016 it has unfortunately still not yet been published by the Danish authorities.

With regard to the political environment we have yet again in 2018 experienced unequal treatment of modes of transportation. The reduced bridge fees in Denmark for road transportation and passenger trains are still in place but still no price reductions have been granted to the freight train operators despite the ambitious CO2 targets of the government in Denmark.

Also the terminal rent level for Taulov and Høje Taastrup has again in 2018 not been reduced and it can still be recognized that the terminals in Denmark are generally treated differently to other terminals in Denmark.

The planned roll out of ETCS-on-board equipment is still marked by great uncertainty. In order 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 and ideally aligned with Sweden. Even though the Danish authorities have meanwhile established 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 need to implement an appropriate and non-discriminatory way of refinancing investments into ETCS, e.g. a "Bridge-Toll-Model".

It is therefore still important to sharpen the awareness in politics and the media that rail freight can actually strengthen the transport competition in Denmark and should rather be seen as a growth instrument.

#### Special risks

Special risks for the company are mainly related to the national regulatory authority (Jernbanenævnet) due to an over enforcement of existing rules related to the regulated terminal activities.

## Review

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

On the 2 of January 2019 the sister company DB Cargo Scandinavia A/S has been involved in a severe accident on the Great Belt bridge. The reason for the accident is still under investigation by the Accident Investigation Board Denmark (Havarikommissionen)

### **Corporate Social Responsibility**

Deutsche Bahn AG in Germany has incorporated policies for corporate social responsibility. For further information please refer to its homepage at [www.deutschebahn.com/en/sustainability/corporate\\_social\\_responsibility](http://www.deutschebahn.com/en/sustainability/corporate_social_responsibility).



## Accounting Policies

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### ***Basis of accounting***

The Annual Report has been prepared in accordance with the Danish Financial Statements Act (class B).

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

### **Changes in accounting policies**

The Company has changed its income statement from being classified by function to being classified by nature in the current year. The reason for this is that the income statement classified by nature corresponds to the one reported to the Parent Company. In Management's opinion this type of presentation gives a truer and fairer view of the Company's income statement, which corresponds to Management's own assessment of the income statement.

Due to the change of accounting policy for the presentation of the income statement, previous years' income statement figures have been restated to the new policy. The change has no effect on profit/loss or equity.

### **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.

### **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.

## Accounting Policies

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### Profit and loss account

#### Recognition of income

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.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### 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

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### 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.

#### 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

#### 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.

#### 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.

#### 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.

## Income Statement 1 January - 31 December

	Notes	2018	2017
		DKK	DKK
Net turnover		137.791.205	141.314.778
Expenses for materials and consumables		-89.725.004	-70.893.643
Other external expenses		-46.295.869	-68.462.199
<b>Profit/loss before financial income/expenses</b>		<b>1.770.332</b>	<b>1.958.937</b>
Financial income	2	143.726	53.144
Financial expenses	3	-146.732	-67.125
<b>Profit/(loss) before tax</b>		<b>1.767.326</b>	<b>1.944.956</b>
Tax on profit/(loss) for the year	4	-389.183	-407.797
<b>Profit/(loss) for the year</b>		<b>1.378.143</b>	<b>1.537.159</b>

### Distribution of profit

#### Proposed distribution of profit

Retained earnings	1.378.143	1.537.159
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Profit/(loss) is proposed to be distributed to the equity and covered by the retained profit/loss account.  
This proposal has been recognised in the balance sheet.

## Balance Sheet 31 December - Assets

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
		DKK	DKK
Trade debtors		12.922.961	11.041.290
Amounts owed by affiliated companies		11.304.950	5.143.710
Amounts owed by associated companies		289.682	533.208
Other debtors		1.581.815	1.080.007
Prepayments and accrued income		0	319.904
Deferred tax asset		684.071	1.907
<b>Debtors</b>		<b>26.783.479</b>	<b>18.120.026</b>
<b>Cash at bank and in hand</b>		<b>450.489</b>	<b>5.441.449</b>
<b>Current assets</b>		<b>27.233.968</b>	<b>23.561.475</b>
<b>Total assets</b>		<b>27.233.968</b>	<b>23.561.475</b>

## Balance Sheet 31 December - Liabilities & Shareholders' Equity

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
		DKK	DKK
Share capital		500.007	500.007
Retained profit/(loss)		8.608.524	7.259.521
<b>Shareholders' equity</b>	<b>5</b>	<b><u>9.108.531</u></b>	<b><u>7.759.528</u></b>
Trade creditors		1.937.678	3.230.475
Amounts owed to affiliated companies		11.700.433	11.451.563
Joint taxation contribution		1.070.667	361.076
Others liabilities		3.416.659	0
Deferred income		0	758.832
<b>Current liabilities</b>		<b><u>18.125.437</u></b>	<b><u>15.801.947</u></b>
<b>Liabilities</b>		<b><u>18.125.437</u></b>	<b><u>15.801.947</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>27.233.968</u></b>	<b><u>23.561.475</u></b>
Staff expenses	6		
Other notes	7-9		

## Notes to the Annual Report

### 1 Subsequent events

On the 2nd of January 2019 the sister company DB Cargo Scandinavia A/S has been involved in a severe accident on the Great Belt bridge. The reason for the accident is still under investigation by the Accident Investigation Board Denmark (Havarikommissionen).

	2018 DKK	2017 DKK	
<b>2 Financial income</b>			
Exchange rate adjustments	143.726	53.142	
Other financial income	0	2	
	<b>143.726</b>	<b>53.144</b>	
<b>3 Financial expenses</b>			
Exchange rate adjustments	120.926	45.184	
Other financial expenses	25.806	21.942	
	<b>146.732</b>	<b>67.125</b>	
<b>4 Tax on profit/loss for the year</b>			
Current tax for the year	1.070.667	336.207	
Deferred tax for the year	-682.164	-1.907	
Tax, adjustment to prior years	680	73.497	
<b>Total tax for the year</b>	<b>389.183</b>	<b>407.797</b>	
<b>5 Shareholders' equity</b>	<b>Share capital</b>	<b>Retained profit/(loss)</b>	<b>Total</b>
	DKK	DKK	DKK
Shareholders' equity 1 January	500.007	7.259.521	7.759.528
<i>Correction IFRS9</i>	0	-29.140	-29.140
Profit/(loss) for the year	0	1.378.143	1.378.143
<b>Shareholders' equity 31 December</b>	<b>500.007</b>	<b>8.608.524</b>	<b>9.108.531</b>

The share capital consists of 500,007 shares of a nominal value of DKK 1.  
No shares carry any special rights.

### 6 Staff expenses

Formally, DB Cargo Danmark Services A/S has no employees. All employees are contracted from the fellow subsidiary DB Cargo Scandinavia A/S and are therefore included in the expenses for materials and consumables.

### 7 Contractual liabilities and other contractual obligations

#### Contractual liabilities

The company does not have any contractual obligations, guarantees or other commitments, since all material contracts etc. have been entered into by the sister company DB Cargo Scandinavia A/S.

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.

## Notes to the Annual Report

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<b>8 Related parties and ownership</b>	<u>Basis</u>
DB Cargo Aktiengesellschaft, Germany	Principal shareholder
DB Cargo Scandinavia A/S, Spotorno Allé 12, 2630 Taastrup, Denmark	Group company
The Deutsche Bahn AG, Germany.	Group company

### **Transactions**

DB Cargo Danmark Services 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.

### **Ownership**

The following shareholders are recorded in the company's register of shareholders

DB Cargo Aktiengesellschaft, Rheinstrasse 2, 55116 Mainz, Germany

### **9 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.