Deutsche Bahn
2022 Integrated Report

ABOUT THIS REPORT

We have added a few helpful features to make this report simpler to read:

We have used the following symbol to refer to further information in a certain section within the report: xxx.

With our environmental brand “This is green.” (Das ist grün.), we make our Green Transformation visible both externally and internally – including on our Web site nachhaltigkeit.deutschebahn.com/en.

This Integrated Report was prepared in accordance with the international standards of the Global Reporting Initiative (GRI). The symbol shows the chapters and sub-chapters in which the relevant content is located.

In this Integrated Report, we publish content recommended by the Task Force on Climate-related Financial Disclosures (TCFD) at various points. The symbol shows the chapters and sub-chapters in which the relevant content is located.

The download icon indicates that the corresponding content can be downloaded online as an Excel file.

Further information can be found on our link page at db.de/links-ir22 or on the specified Web site.

Passages of text that do not fall within the scope of the statutory audit of the management report with reasonable assurance are marked by the section heading “Further information” and a gray background, and have been audited by an auditing firm as part of a limited assurance engagement.

Online report

An online version and a PDF version of this Integrated Report are available online: db.de/ib-e.

ONLINE ADDITIONS

Interactive key figures

You can find our interactive key figure comparison at: db.de/keyfigures.

CONTENTS

AT A GLANCE

To the interactive key figure comparison

SELECTED KEY FIGURES	2022	2021	Change absolute	Change %	2019
KEY FINANCIAL FIGURES (€ MILLION)					
Revenues	56,296	47,075	+ 9,221	+ 19.6	44,430
Profit / loss before taxes on income	932	- 788	+ 1,720	–	681
Net profit / loss for the year	- 227	- 911	+ 684	- 75.1	680
EBITDA adjusted	5,210	2,287	+ 2,923	+ 128	5,436
EBIT adjusted	1,253	- 1,552	+ 2,805	–	1,837
Equity as of Dec 31	14,679	10,621	+ 4,058	+ 38.2	14,927
Net financial debt as of Dec 31	28,827	29,107	- 280	- 1.0	24,175
Total assets as of Dec 31	76,303	71,843	+ 4,460	+ 6.2	65,828
Capital employed as of Dec 31	45,289	43,020	+ 2,269	+ 5.3	42,999
Return on capital employed (ROCE) (%)	2.8	- 3.6	+ 6.4	–	4.3
Debt coverage (%)	13.1	4.3	+ 8.8	–	15.3
Gross capital expenditures	15,353	15,387	- 34	- 0.2	13,093
Net capital expenditures	6,750	6,342	+ 408	+ 6.4	5,646
Cash flow from operating activities	5,644	3,900	+ 1,744	+ 44.7	3,278
KEY PERFORMANCE FIGURES					
Passengers (million)	3,751	2,931	+ 820	+ 28.0	4,874
RAIL PASSENGER TRANSPORT					
Punctuality DB passenger transport (rail) in Germany (%)	91.0	93.8	- 2.8	–	93.9
Punctuality DB Long-Distance (%)	65.2	75.2	- 10.0	–	75.9
Passengers (million)	1,980	1,413	+ 567	+ 40.1	2,603
thereof in Germany	1,737	1,203	+ 534	+ 44.4	2,123
thereof DB Long-Distance	132.0	81.9	+ 50.1	+ 61.2	150.7
Volume sold (million pkm)	82,642	50,831	+ 31,811	+ 62.6	98,402
Volume produced (million train-path km)	692.6	680.3	+ 12.3	+ 1.8	767.3
RAIL FREIGHT TRANSPORT					
Freight carried (million t)	222.3	226.5	- 4.2	- 1.9	232.0
thereof German companies	186.4	187.7	- 1.3	- 0.7	187.3
Volume sold (million tkm)	84,468	84,850	- 382	- 0.5	85,005
thereof German companies	59,607	60,324	- 717	- 1.2	60,702
TRACK INFRASTRUCTURE					
Punctuality (rail) in Germany [1] (%)	89.7	92.9	- 3.2	–	93.1
Punctuality DB Group (rail) in Germany (%)	90.9	93.7	- 2.8	–	93.7
Train kilometers on track infrastructure (million train-path km)	1,133	1,109	+ 24	+ 2.2	1,090
thereof non-Group railways	419.8	414.3	+ 5.5	+ 1.3	368.3
Share of non-Group railways (%)	37.1	37.4	- 0.3	–	33.8
Station stops (million)	159.8	158.8	+ 1.0	+ 0.6	156.4
thereof non-Group railways	45.1	46.1	- 1.0	- 2.2	40.2
BUS TRANSPORT					
Passengers (million)	1,771	1,518	+ 253	+ 16.7	2,271
Volume sold [2] (million pkm)	5,062	4,523	+ 539	+ 11.9	6,462
Volume produced (million bus km)	1,388	1,432	- 44	- 3.1	1,554
FREIGHT FORWARDING AND LOGISTICS					
Land transport shipments (million)	102.8	110.7	- 7.9	- 7.1	107.1
Air freight volume (export) (thousand t)	1,326	1,438	- 112	- 7.8	1,186
Ocean freight volume (export) (thousand TEU)	1,909	2,003	- 94	- 4.7	2,294
Warehouse space contract logistics (million m²)	8.6	8.4	+ 0.2	+ 2.4	8.4
ADDITIONAL KEY FIGURES					
Order book in passenger transport as of Dec 31 (€ billion)	94.1	93.6	+ 0.5	+ 0.5	87.9
Length of line operated (rail network) as of Dec 31 (km)	33,469	33,401	+ 68	+ 0.2	33,423
Passenger stations as of Dec 31	5,699	5,693	+ 6	+ 0.1	5,679
Rating Moody's / S&P Global Ratings	Aa1 / AA-	Aa1 / AA-	–	–	Aa1 / AA
Employees as of Dec 31 (FTE)	324,136	323,716	+ 420	+ 0.1	323,944
Share of women as of Dec 31 (%)	25.0	24.4	+ 0.6	–	24.3
Employee satisfaction (SI)	3.9	–	–	–	–
Specific greenhouse gas emissions compared to 2006 [3] (%)	- 42.1	- 36.1	- 6.0	–	- 34.8
Share of renewable energies in the DB traction current mix [4] (%)	65.2	62.4	+ 2.8	–	60.1
Track kilometers noise-remediated in total as of Dec 31 (km)	2,202	2,110	+ 92	+ 4.4	1,844

[1] Non-Group and DB Group operating companies.
[2] Excluding DB Arriva.
[3] Since 2021 excluding DB Arriva.
[4] In Germany.

SETTING THE COURSE FOR CHANGE

AFTER COVID-19, RAIL IS BACK ON TRACK FOR GROWTH

The turnaround saw a shift from almost empty trains during the height of the Covid-19 pandemic to new demand records, particularly in long-distance passenger transport.

The rapid return of customers shows that it was right to maintain our course even in difficult times and to set ourselves up for further growth with new trains, better offers and more personnel. We have already made great strides towards meeting the boom in demand. Our capital expenditures in the ICE fleet are a key component: by the end of 2026, the long-distance transport fleet will expand to over 430 ICE trains. In late-2022, the first four ICE 3neo trains were put into operation as planned. By late-2029, we will have put a total of 73 ICE 3neo trains into service. In addition, 22 further ICE 4 trains were added in 2022. This makes the ICE 4 the largest ICE series in long-distance transport.

+61%

Number of passengers travelling with DB Long-Distance compared to 2021

THE NEW GERMANY-TICKET MAKES MOBILITY SIMPLE

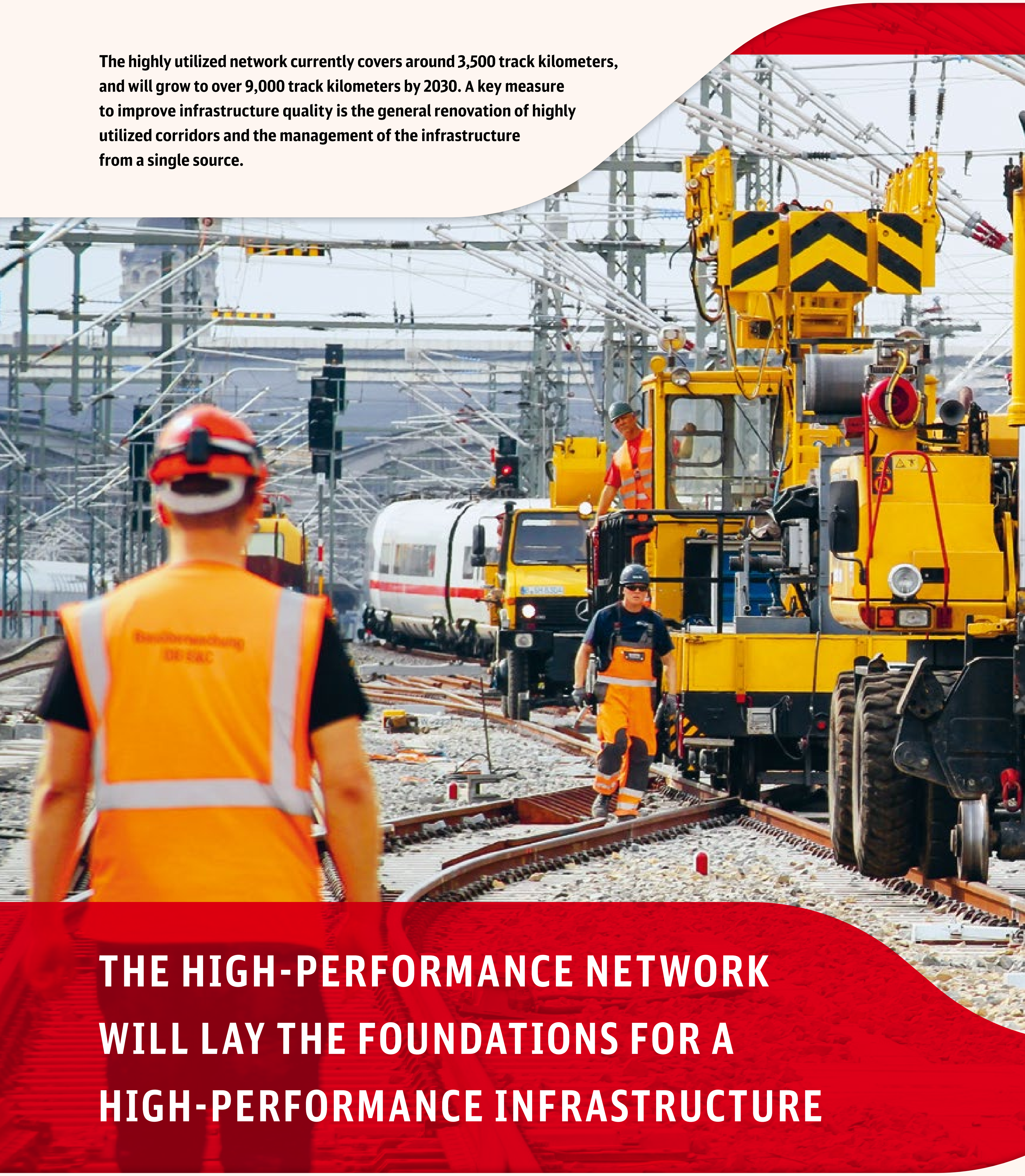
The Germany -Ticket simplifies local transport fares for regional transport, as it makes it possible to travel across state boundaries and different tariff zones with only one ticket throughout Germany. It is therefore a strong argument to switch to climate-friendly rail. The Germany-Ticket follows the 9-Euro-Ticket from the summer months of 2022. The 9-Euro-Ticket was introduced at the initiative of the Federal Government to take the burden off citizens due to sharply increased costs for electricity, food, heating and mobility. In light of the great success of the 9-Euro-Ticket, the Germany-Ticket will be introduced as a permanent season ticket offer in cooperation with the Federal Government and the Federal states.

49 euros per month is the price of the new Germany-Ticket for all local transport in Germany

52 million 9-Euro-Tickets sold from June to August 2022

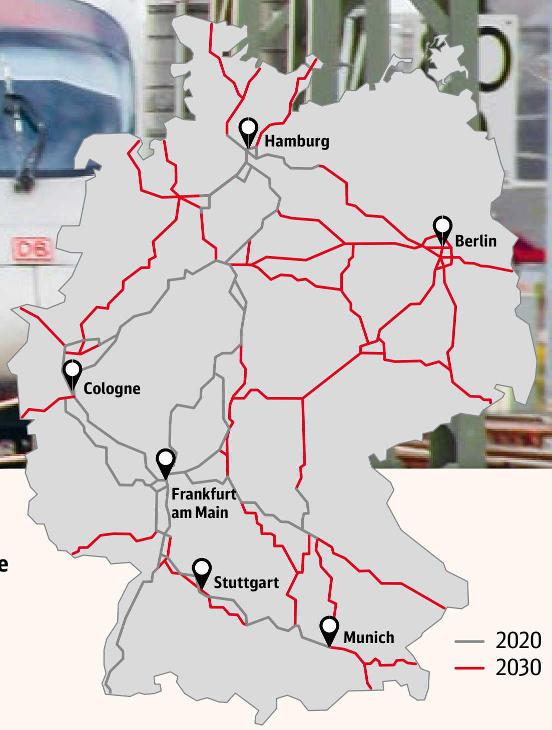
The 9-Euro-Ticket was not only highly successful, but also contributed to climate protection. Around 1.8 million tons of CO_2 were saved during the three-month period in which the ticket was offered.

The highly utilized network currently covers around 3,500 track kilometers, and will grow to over 9,000 track kilometers by 2030. A key measure to improve infrastructure quality is the general renovation of highly utilized corridors and the management of the infrastructure from a single source.



THE HIGH-PERFORMANCE NETWORK WILL LAY THE FOUNDATIONS FOR A HIGH-PERFORMANCE INFRASTRUCTURE

The approach for the large-scale modernisation of the network differs from previous practice in three respects: the measures are bundled together and consistently oriented towards increasing capacity. Modernization rather than just like-for-like replacements. The aim is also to minimize the impact of the construction measures on customers.



Core elements of the general renovation

1. Bundling
Construction work will be bundled and will be tailored towards an increase in capacity.

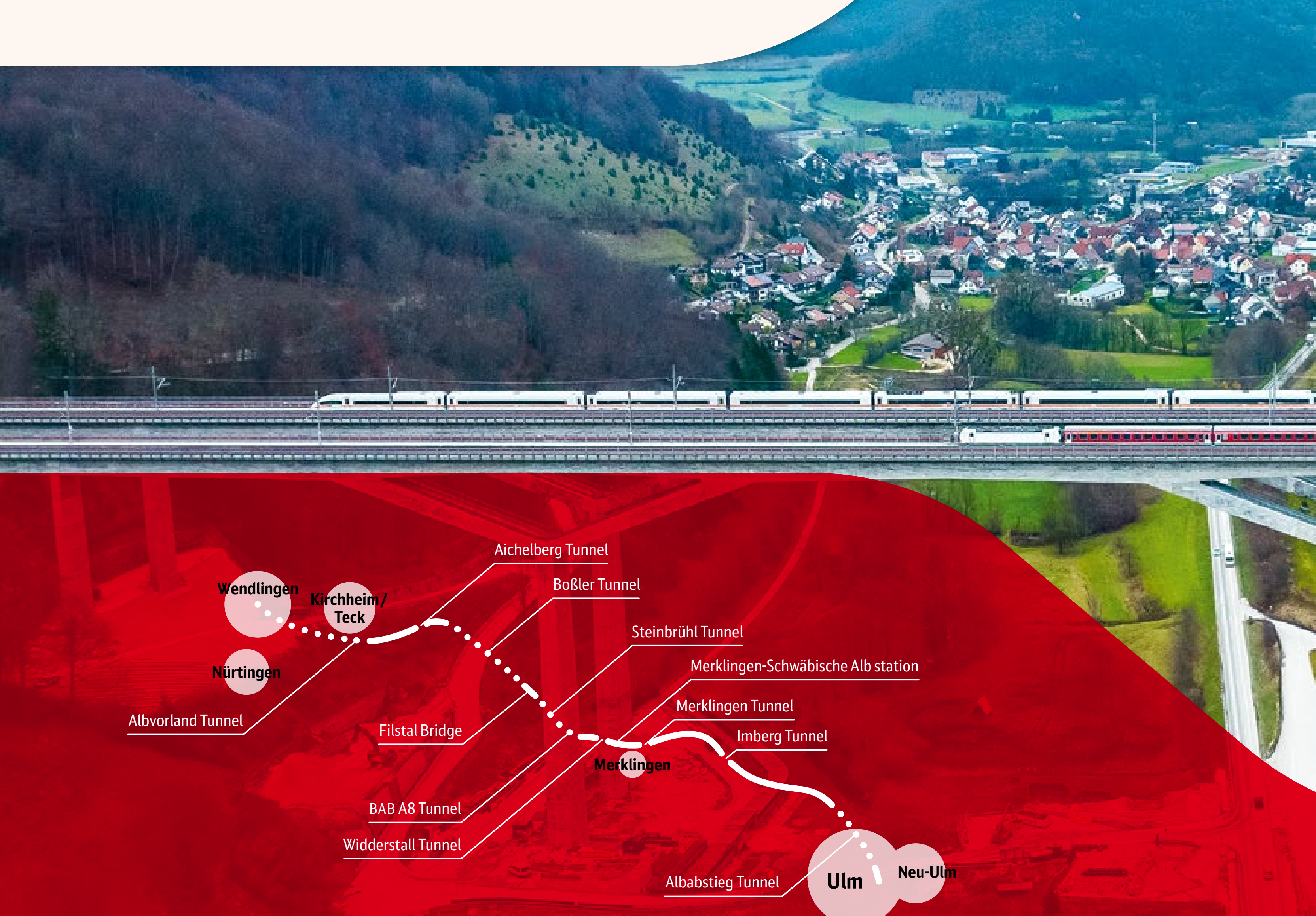
2. Increase in performance
Comprehensive modernization is being sought rather than just like-for-like replacements.

3. Customer-friendly construction
The construction process itself is customer-centered (e.g. through the previous modernization of diversion routes).

Highly utilized network grows to over 9,000 km

2022	2030
Track kilometers: **~3,500**	Track kilometers: **>9,000**
Train kilometers: **235 million**	Train kilometers: **700 million**

SYSTEMATIC NETWORK EXPANSION CREATES MORE ATTRACTIVE AND FASTER CONNECTIONS



Wendlingen – Ulm new line

The new infrastructure creates the basis for more attractive rail transport: in long-distance transport, travel time between Stuttgart and Ulm will be reduced by around a quarter of an hour. At the same time, the daily service between Stuttgart and Munich will increase by around 20 to 90 journeys. Thanks to the high-speed route, there are many new, attractive regional transport services: the new station in Merklingen will open up a whole region for rail transport.

15 minutes shorter travel time between Stuttgart and Ulm

90 daily journeys between Stuttgart and Munich

60 km of new rail tracks, which can handle trains running at up to 250 km/h

New infrastructure and state-of-the-art technology provide improved capacity, reliability and quality, reduce travel times in long-distance transport and create more attractive urban connections in the south and south-west. The Wendlingen – Ulm new line is the first step towards significantly faster connections. When Stuttgart 21 goes into operation, the new line can fully realize its potential: the journey time between Stuttgart and Ulm in long-distance transport will then be almost halved to around half an hour.

WE ARE TRANSPORTING MORE FREIGHT BY RAIL

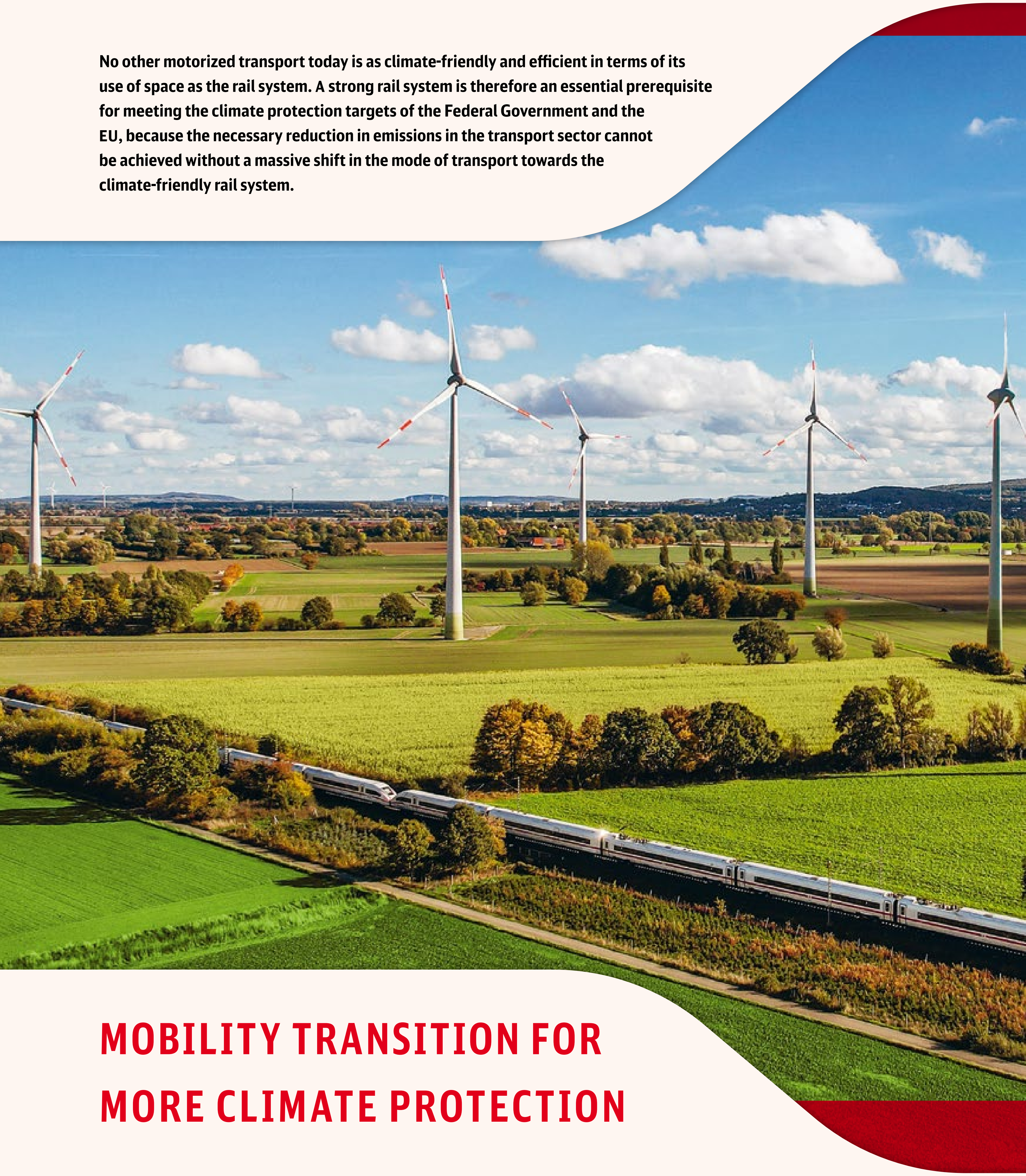
The transport sector is one of the main sources of greenhouse gas emissions in Germany. In order to protect the environment, a shift towards climate-friendly rail is therefore necessary: freight belongs on the rails! The share of rail in freight transport is to be increased to 25% in Germany in the future. This will save the need for 30 million truck journeys. By strengthening rail transport, a reduction of more than 10 million tons of CO_2 per year can be achieved.

Rail freight transport is the most climate-friendly means of transport. Every ton transported by rail saves our environment 80 to 100 % CO_2. DB Cargo therefore offers the switch to 100 % eco-power on electrified lines. DB Cargo operates 94 % of its rail transport in Germany electrically powered. Where the use of diesel is still required, the climate-friendly biofuel HVO (hydrotreated vegetable oil) can be used instead of fossil diesel. A single freight train can replace up to 52 trucks. DB Cargo offers complete logistics chains that have intelligent and intermodal networks. As the largest rail service provider, DB Cargo is consistently attuned to the digitalization and automation of all processes and to digital technology solutions such as digital automatic coupling, which is an integral part of the digitalization of freight cars.

Average emissions (CO_2e g / tkm) of different means of transport in freight transport
in Germany in 2021

Source: German Environment Agency, TREMOD 6.42 (12/2022)

No other motorized transport today is as climate-friendly and efficient in terms of its use of space as the rail system. A strong rail system is therefore an essential prerequisite for meeting the climate protection targets of the Federal Government and the EU, because the necessary reduction in emissions in the transport sector cannot be achieved without a massive shift in the mode of transport towards the climate-friendly rail system.



MOBILITY TRANSITION FOR MORE CLIMATE PROTECTION

With the Strong Rail strategy, we expressly acknowledge our social responsibility and define our concrete contribution to achieving the Federal Government's central transport and climate policy objectives. No motorized means of transport is as climate-friendly today as rail, and no mass transport can achieve a 100 % share of renewable energy as quickly. By 2038, we will be completely switching to eco-power in the DB traction current mix. With the Strong Rail strategy, we have set the course for a shift in the mode of transport. It forms a framework for both creating the conditions for a shift in the mode of transport and ensuring a sustainable orientation with our Green Transformation. With a long-term focus on growth and technological innovations, we are creating the necessary capacities in infrastructure, vehicles and personnel.

65

percent eco-power in the DB traction current mix

in Germany in 2022

WE AIM TO BE CLIMATE-NEUTRAL BY 2040

As DB Group, we will be climate-neutral by 2040. We are using several levers to achieve this objective: the continued commitment to the electrification of lines, the expansion of the proportion of eco-power, the start of the heat transition and the shift away from diesel. In doing so, we pursue a technology-oriented approach and expand the use of alternative drives and fuels. We rely on alternative fuels such as HVO (hydrotreated vegetable oil) produced from biological residues and waste, as well as battery-powered trains and hydrogen drives.

More than 90 % of our rail transport in Germany today is already electric. In our diesel vehicles , we rely primarily on alternative fuels such as biofuel HVO (hydrotreated vegetable oil). Diesel vehicles can be operated with HVO without the need for technical refitting. In addition, as part of the H2goesRail joint funding project, we are working with Siemens on an innovative holistic hydrogen system consisting of a fueling, train and maintenance infrastructure in order to promote the use of hydrogen on rails. Together with the Australian energy group Fortescue Future Industries (FFI), we are working on a new drive technology, the ammonia hydrogen engine. Diesel engines are modified so that they can be operated with zero emissions using green ammonia and green hydrogen, produced using renewable energies. In addition, in 2022, DB Regional worked with Alstom to test the first battery-powered train in passenger operations.

“Deutsche Bahn has made a final decision to say goodbye to diesel. We are doing everything in our power to make the railway even greener. By 2027, we will be investing a total of around € 1.5 billion in the expansion of new drives and fuels, which will bring us closer to climate-neutral railways step by step.”

Dr. Richard Lutz, Chief Executive Officer of Deutsche Bahn AG

TEAM DB HAS AN IMPORTANT ROLE TO PLAY

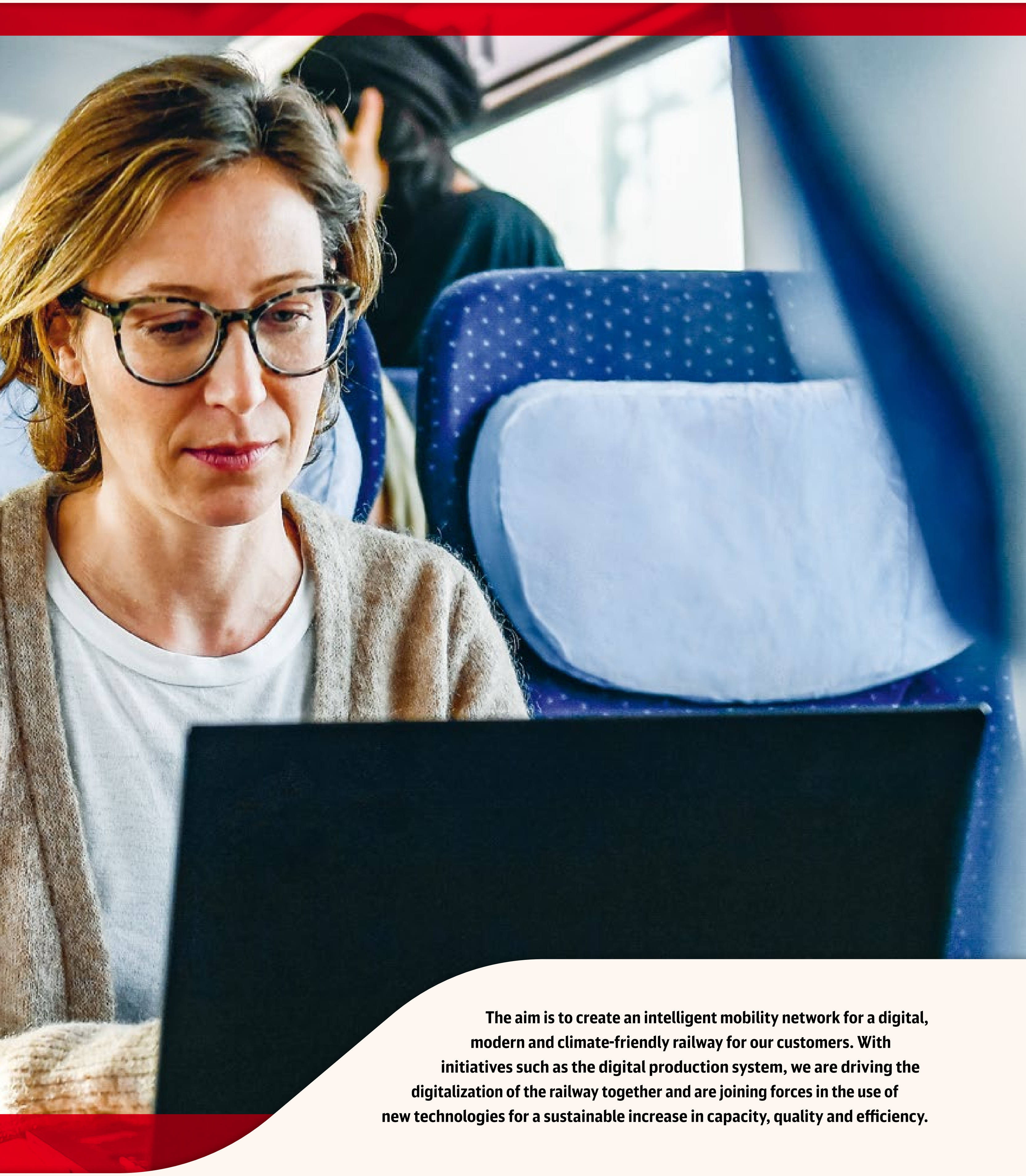
In recent years, DB Group has hired a large number of new employees in Germany. Even during the Covid-19 pandemic, when many other companies were cutting jobs, we recruited heavily to strengthen the climate-friendly rail system. That paid off. In 2022, we were able to make almost 28,000 hiring commitments in Germany. Many new drivers, traffic controllers, IT experts and engineers are now working in Team DB to make our operations more robust, reliable and digital. In order to be an attractive employer for our employees, we are constantly developing our employment conditions. Diversity is of particular importance to us. Strong diversity promotes our ability to innovate, strengthens talent acquisition and loyalty, and brings us closer to our customers – we are convinced of that. We are therefore particularly proud to have received the European Women in Rail Award as the best employer for women in the European rail sector.

Almost **28,000** **hiring commitments in Germany in 2022**

As an attractive employer, DB Group impresses in a competitive labor market.

DIGITALIZATION MAKES RAIL MORE COMPETITIVE

New technologies such as artificial intelligence (AI) are already supporting the dispatchers of the Stuttgart, Frankfurt am Main and Munich S-Bahn (metro) companies in the early detection and resolution of faults, thus increasing punctuality. For maintenance, we use AI to visually detect vehicle damage and automatically recognize materials, thus reducing vehicle downtimes, among other things. High-performance connectivity is also key to a modern travel experience and digital rail operations. Significant successes have already been achieved in this area. These include, for example, cooperation agreements with Deutsche Telekom and Vodafone for an uninterrupted wireless network, as well as the use of mobile radio-transparent windows, through which the mobile radio signals reach the travelers about 100 times better as a result of lasering the heat-insulating metal layer. In concrete terms, this means: the mobile phone coverage for passengers will be significantly improved over the next three years.



The aim is to create an intelligent mobility network for a digital, modern and climate-friendly railway for our customers. With initiatives such as the digital production system, we are driving the digitalization of the railway together and are joining forces in the use of new technologies for a sustainable increase in capacity, quality and efficiency.

FOR A STRONG RAIL SYSTEM

Our targets:

1. Doubling passenger numbers in long-distance transport

260 million passengers at DB Long-Distance (+100 % compared with 2015).

2. Increase in passenger numbers in local transport

+1 billion passengers in local transport (compared with 2015), of which 0.7 billion in DB Regional Rail and 0.3 billion in the area of New Mobility.

3. Increase in volume sold in rail freight transport

+70 % volume sold in rail freight transport in Germany (compared with 2015).

4. Increasing infrastructure capacity

+>30 % train kilometers (compared with 2015) and expansion of stations into hubs of modern mobility.

TO OUR STAKEHOLDERS

DR. RICHARD LUTZ
CEO and Chairman of the Management Board of Deutsche Bahn AG

GRI CHAIRMAN'S LETTER

Dear readers,

The central characteristic of our time is change. Not just in a positive sense, as the events and developments of the past year have made more than clear. Climate change is also forcing us to adapt. We must do everything we can to mitigate its consequences. The railway is essential for this. This is not only something we are convinced of, but it is also the political and social consensus. In the future, only climate-friendly mobility will be viable. And the trend towards climate-friendly mobility is in full swing.

This is impressively demonstrated by the rapid return of our customers last year. In long-distance transport, we were able to increase our revenues by more than two billion euros compared with the previous year and, for example, record passenger records again in summer as well as during the Christmas period. In the area of private travel, we are above the level of 2019. Regional transport is also recovering and was given a particular boost by the 9-Euro-Ticket.

The return of passengers is one of three reasons why, despite a more than challenging environment – with record inflation, the energy crisis and recession concerns – the past year was an economic success for DB Group: the net operating profit was 1.25 billion euros. We were able to outperform our target of "breaking even" for 2022.

Another reason for the positive operating result was energy price hedging and long-term supply contracts, which is why we were not so severely affected by high inflation in 2022, especially the rising energy costs. And thirdly: logistics continued to boom. DB Schenker performed excellently and was able to achieve the highest profit in its company history.

"2022 was a financially successful year for DB Group."

However, for DB, 2022 was also the year in which the rail network reached its limits. It is too old, too prone to faults and has too little capacity. Therefore, in both passenger and rail freight transport, we were unable to offer the quality that our customers quite rightly expect from us and which is also our own aspiration. For this reason, it was clear to all parties involved: we need to radically change course. Germany needs a robust and efficient infrastructure. This means looking at how we renovate and modernize the rail network – we need a completely different approach with immediate effect.

We have set the course for this change in the past year. Together with the Federal Government, we seized the opportunity in the acute crisis to pave the way for sustainable structural changes. By 2030, we will be working together with the Federal Government and the industry as a whole to expand the highly utilized sections of our rail network into a high-performance network – a network that lives up to its name and forms the basis for more quality and growth. The first corridors have already been determined: the general renovation of the Riedbahn between Frankfurt am Main and Mannheim will begin in summer 2024. One year later, the Hamburg—Berlin and Emmerich—Oberhausen lines will follow. 2023 is a year of transition, in which we will get everything ready to implement the high-performance network.

“We will take a completely different approach in the future to the modernization of the rail network.”

But that’s not the only major shift: together with the Federal Government, we are in the middle of the development and implementation of a new architecture for the railway infrastructure in Germany. As provided for in the coalition agreement, the infrastructure will be aligned with the greatest possible benefits for the general public. This is in line with the aspiration formulated in our Strong Rail strategy: we see it as our social responsibility to do everything we can to achieve climate goals and transport policy objectives and to strengthen Europe. Our commitment to sustainable and responsible corporate governance and the principles of the UN Global Compact is also an expression of this responsibility.

“I am convinced that railways are the future!”

2023 marks the new era of change. This offers the great opportunity to advance the climate-friendly rail sector even further through structural changes. That is why we are also looking forward to the introduction of the Germany-Ticket as the successor of the 9-Euro-Ticket. It is another strong argument for the switch to climate-friendly means of transport.

One thing is clear: the overall economic situation remains challenging. We will also have to deal with massive cost increases, for example due to sharp increases in energy costs and purchase prices. But I am convinced that railways are the future! This is demonstrated by the demand, which has continued to recover strongly despite all the crises. This demonstrates the unity with which politics and society are working to strengthen the railway.

Sincerely,

Dr. Richard Lutz
CEO and Chairman of the Management Board of
Deutsche Bahn AG

THE MANAGEMENT BOARD OF DEUTSCHE BAHN AG

EVELYN PALLA
Regional Transport

DR. RICHARD LUTZ
CEO and Chairman of the Management Board

DR. LEVIN HOLLE
Finance and Logistics

DR. MICHAEL PETERSON
Long-Distance Passenger Transport

MARTIN SEILER
Human Resources and Legal Affairs

BERTHOLD HUBER
Infrastructure

DR. SIGRID NIKUTTA
Freight Transport

DR. DANIELA GERD TOM MARKOTTEN
Digitalization and Technology

The CVs of the Board members can be found online.

WERNER GATZER
Chairman of the Supervisory Board
of Deutsche Bahn **AG**

REPORT OF THE SUPERVISORY BOARD

In the year under review, the Supervisory Board of Deutsche Bahn AG (DB AG) observed the entirety of the responsibilities within its remit in accordance with the law, the company's articles of association and its bylaws. The Supervisory Board extensively advised and supervised the Management Board in the management of the company and business operations. The Management Board reported regularly, without delay and in detail, to the Supervisory Board regarding corporate planning and the business, strategic and financial development of DB AG and its subsidiaries. All significant business events were discussed by the Supervisory Board and the responsible committees based on reports of the Management Board. Significant deviations in actual business development were explained by the Management Board and reviewed by the Supervisory Board. The Chairman of the Supervisory Board maintained close contact at all times with the Chairman of the Management Board, who regularly reported on the latest business developments at DB AG, upcoming business decisions and risk management.

Meetings of the Supervisory Board

The Supervisory Board was involved in all decisions of fundamental significance for DB AG. In the year under review, the Supervisory Board held four ordinary meetings and two extraordinary meetings. The 2021 annual financial statements were also presented in detail to the Supervisory Board at an information event in preparation for the resolution at the financial statements meeting. In the reporting period, all members of the Supervisory Board participated in at least half of the meetings in full. In the reporting period, the Supervisory Board passed four resolutions by way of a written procedure. Meetings of the Executive Committee, the Personnel Committee and the Audit and Compliance Committee were held in preparation for the scheduled meetings of the Supervisory Board of DB AG. In the 2022 financial year, as in the previous year, the focus of the deliberations in the full Supervisory Board was still the significant impact of the Covid-19 pandemic on the development of Deutsche Bahn Group (DB Group).

In this context, issues relating to developments in revenues, profit and employment in the individual business units, the company's debt situation, questions about the compensation for losses caused by the Covid-19 pandemic and developments in significant capital expenditure and investment projects were also discussed. At its regular meetings in the reporting period, the Supervisory Board – including the Chairman of the advisory council of DB Project Stuttgart—Ulm GmbH – regularly dealt with the progress and cost development of the major projects Stuttgart 21 and Wendlingen—Ulm new construction line and, in an extraordinary meeting, approved the adjustment of the scope of the total value and the financing framework requested as a result of a deadline and cost analysis.

The Supervisory Board discussed other significant individual matters and passed the necessary resolutions, including a change in the allocation of responsibilities during the reporting period, in which long-distance passenger transport and regional transport were structured as independent Management Board divisions, along with the appointment of two members of the Management Board for these divisions. Following the conclusion of a tender procedure for Group-wide auditing services in the year under review, the Supervisory Board approved a corresponding resolution recommendation to the Annual General Meeting. In turn, at regular intervals, the Supervisory Board once again advised on target figures for the equal participation of men and women in management positions both for the Management Board and the Supervisory Board of DB AG and set ambitious targets with a 50% quota for both bodies by June 30, 2027. The Supervisory Board also discussed and passed resolutions on changes to investments, such as the acquisition of USA Truck Inc., Van Buren/USA, and the sale of shares in five national subsidiaries of DB Arriva and MarkenTechnikService GmbH&Co KG. Most recently, the Supervisory Board also advised on the possible sale of Schenker AG and approved the necessary preparatory work for this purpose. Following the failure of GSM-R train radio control in northern Germany in October 2022, the Supervisory Board discussed this incident and possible conclusions that can be drawn from it at a special meeting. In its December meeting, the Supervisory Board also approved DB Group's budget for the 2023 financial year.

Meetings of the Supervisory Board committees

GRI

The Supervisory Board of DB AG has established four permanent committees to enable it to conduct its work efficiently. The Supervisory Board's Executive Committee held four regular meetings and one extraordinary meeting in the year under review, and was in regular contact with the Management Board regarding all major business policy issues. In its meetings, it focused in particular on preparing the focal topics for each of the Supervisory Board meetings. In the year under review, the Audit and Compliance Committee held four regular meetings, three extraordinary meetings and one conference call, and intensively discussed the economic situation of DB Group and the individual business units in preparation for the discussions in the full Supervisory Board, based on the current monthly and half-year figures. The committee's work in the reporting period focused on managing and guiding the tender process for auditing services. The offers of the bidders were presented to the committee by the applicants as part of a special meeting. During its regular meetings and in several special meetings, the committee dealt in detail with the essential technical and economic aspects of the offers and, after careful consideration, made a recommendation to the Supervisory Board regarding the contract. In addition, at regular intervals, the committee discussed the progress and, in particular, the cost development of the major Stuttgart 21 project on the basis of the quarterly reports of the Management Board, each of which was reviewed by the auditors and an engineering firm. The development of costs, in particular the results of a schedule and cost analysis, was also examined in more detail at an extraordinary meeting in preparation for the discussion of the full Supervisory Board. In addition the committee also discussed in detail the risk report, the submitted budget and investment planning as well as the medium- and long-term planning of the DB Group. The committee also continued to address updates in corporate governance and the internal control system necessitated by the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG). The Audit and Compliance Committee was regularly informed about Group-related compliance issues. The Chief Compliance Officer regularly reports on his work there as well as significant cases for the Group (further information on DB Group compliance instruments 186ff.). Likewise, the intra-Group auditors report to the committee on a regular basis on the audit program and the key findings of the audit activities. The committee also receives regular reports on significant legal disputes. Depending on the circumstances, the various committees are also informed directly about Group-relevant/critical matters in individual cases. The committee also debated the results of a commissioned review of the second S-Bahn (metro) main line in Munich and discussed the M&A decisions requested by the Management Board in preparation for the consultation of the full Supervisory Board. The Chairman of the Audit and Compliance Committee was in regular contact with the Management Board and the external auditor, and reported regularly and in detail on the committee's work to the full Supervisory Board.

In the year under review, the Personnel Committee held four regular and four extraordinary meetings to prepare Management Board-related matters for discussion by the Supervisory Board, discussed questions regarding compensation for the members of the Management Board, and prepared the corresponding resolutions for the Supervisory Board as a result. In further meetings, possibilities of an adjustment of the method for calculating the short-term incentive (STI) for the Management Board were discussed.

The Mediation Committee established in accordance with Section 27 Para. 3 of the Co-Determination Act (Mitbestimmungsgesetz; MitbestG) did not have occasion to meet in the year under review.

Corporate governance

During the year under review, the Management Board and Supervisory Board of DB AG again considered the further development of corporate governance. In a Cabinet decision on July 1, 2009, the Federal Government adopted the Public Corporate Governance Code (PCGK) and revised it in its resolution of September 16, 2020. The PCGK sets out the essential provisions of applicable law governing the management and monitoring of non-listed companies in which the Federal Republic of Germany holds a majority stake, while outlining the internationally and nationally acknowledged principles of good and responsible corporate management. The Supervisory Board of DB AG dealt with the application of the PCGK 2020 within DB Group. At the time of reporting, the approximately 100 recommendations have been largely implemented. The Supervisory Board will continue to address this matter in the 2023 financial year and discuss the progress of its implementation with the Management Board.

Annual financial statements

GRI

The annual financial statements and management report of DB AG, as prepared by the Management Board, and the consolidated financial statements and Group management report for the period ending on December 31, 2022, were audited and awarded an unqualified audit opinion by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), the auditor appointed by resolution of the Annual General Meeting. The auditors' report was reviewed by the Audit and Compliance Committee in its meeting held on March 24, 2023, and was discussed in full at the Supervisory Board's financial statements meeting held on March 29, 2023, in the presence of the auditors who signed the audit reports. The auditors reported on the salient audit findings and were available to answer questions. The Supervisory Board concurred with the audit findings. The Supervisory Board reviewed the annual financial statements and management report of DB AG, the consolidated financial statements and Group management report for the year under review, and the proposal for the disposition of income, noting no objections. The DB AG annual financial statements for the 2022 financial year were approved and thereby adopted. The auditor additionally reviewed the report on relationships with affiliated companies prepared by the Management Board. The auditors issued an unqualified audit opinion and reported on their audit findings. The Supervisory Board also reviewed this report, raising no objections concerning the Management Board's concluding declaration contained in the report or the result of the audit conducted by PwC.

Changes in the composition of the Supervisory Board and the Management Board

In the reporting period, the following changes were made to the Management Board and Supervisory Board of DB AG:
- With effect from April 30, 2022, Mr. Ronald Pofalla left the Management Board of DB AG by mutual consent.
- At the regular Supervisory Board meeting on June 23, 2022, Ms. Evelyn Palla became a member of the Management Board of DB AG for a period of three years with effect from July 1, 2022. She is responsible for the Regional Transport division, which was newly created in the same meeting; and
- also with effect from July 1, 2022, Dr. Michael Peterson was appointed as a member of the Management Board of DB AG for the Long-Distance Passenger Transport division, which was also newly created in the same meeting.
- The Infrastructure division has been managed by Mr. Berthold Huber from July 1, 2022, onwards.

- Mr. Christian Schmidt resigned his Supervisory Board mandate with effect from the end of April 30, 2022, and Ms. Kirsten Lühmann and Mr. Eckhardt Rehberg resigned their respective Supervisory Board mandates with effect from the end of June 15, 2022. With effect from June 16, 2022, Mr. Stefan Gelbhaar (Member of the German Parliament), Ms. Dorothee Martin (Member of the German Parliament) and Mr. Bernd Reuther (Member of the German Parliament) were therefore elected as members of the Supervisory Board of DB AG at the extraordinary general meeting on June 16, 2022. With effect from the end of June 15, 2022, Mr. Enak Ferlemann and Ms. Elisabeth Winkelmeier-Becker each resigned from their Supervisory Board mandates. With effect from June 16, 2022, Parliamentary State Secretary Susanne Henckel, Federal Ministry of Digital and Transport (BMDV), and Parliamentary Secretary of State Anja Hajduk, Federal Ministry of Economics and Climate Protection (BMWK), were appointed to the Supervisory Board of DB AG for the remainder of the term of office. Former State Secretary Michael Odenwald resigned his mandate and, in connection with this, also resigned from his position as Chairman of the Supervisory Board with effect from the end of July 22, 2022. Dr. Ingrid Hengster resigned her Supervisory Board mandate with effect from August 19, 2022. At the Supervisory Board meeting on September 28, 2022, State Secretary Werner Gatzer was elected to the position of Chairman of the Supervisory Board. At the extraordinary general meeting of September 29, 2022, Ms. Daniela Mattheus was elected to the Supervisory Board of DB AG with immediate effect from October 1, 2022, and at the extraordinary general meeting of December 7, 2022, Mr. Michael Sven Puschel was also elected to the Supervisory Board of DB AG with immediate effect for the remaining term of office. Mr. Jürgen Beuttler and Mr. Mario Reiss each ended their Supervisory Board activities with effect from the end of July 31, 2022. Mr. Klaus-Dieter Hommel resigned his Supervisory Board mandate with effect from the end of September 30, 2022, and Mr. Jürgen Knörzer resigned his Supervisory Board mandate with effect from the end of October 31, 2022. Alexander Kaczmarek and Klaus-Peter Schölzke were appointed members of the Supervisory Board of DB AG with effect from September 13, 2022, by way of a judicial appointment by the Charlottenburg District Court. Mr. Ralf Damde and Mr. Manfred Scholze were also appointed members of the Supervisory Board of DB AG by way of a judicial appointment with effect from December 8, 2022. At the Supervisory Board meeting on December 15, 2022, Mr. Martin Burkert was elected Deputy Chair of the Supervisory Board.

The Supervisory Board thanks the departing members of the Supervisory Board and the Management Board for their committed and constructive support of the company.

The Supervisory Board would also like to thank the Management Board, the employees and the works council representatives of DB AG and affiliated companies for their achievements in the year under review.

Berlin, March 2023

For the Supervisory Board

Werner Gatzer
Chairman of the Supervisory Board
of Deutsche Bahn AG

GRI

OPEN STAKEHOLDER DIALOG

Clear guidelines for stakeholder dialog

We believe in partnership-based dialog and trusting engagement with all relevant stakeholders and engage in open discussion of expectations and positions. Our stakeholder charter forms the basis for all dialog. It formulates Group-wide principles for responsible interaction between Deutsche Bahn Group (DB Group) and its stakeholders.

GRI

Dialog with policymakers and the public

DB Group plays an important role in advancing the railway system in Germany and Europe. We are therefore sought after as a dialog partner in public discussions, and actively engage in dialog with the entire sector. We discuss our own transport policy positions at the national and international level and seek to use facts and figures to contribute to the decision-making process. Political decisions can have a significant impact on the competitiveness and growth opportunities of rail transport, as well as the economic development of DB Group and the industry, such as on the level of state financing of rail or regulatory requirements. We provide information on key developments in the political environment in the reporting period in the section Fundamentals 42ff.

Our core objective in political dialog is to demonstrate the necessary prerequisites and framework conditions to strengthen rail as a climate-friendly mode of transport and thus also to achieve the Strong Rail targets 56f. Our work in and with associations plays an important role in this. DB Group is a deeply rooted member of several associations. The following memberships are particularly relevant for political discourse (in alphabetical order based on German designation):

- Pro-Rail Alliance (Allianz pro Schiene; ApS)
- Mobility and Transport Services Association (Arbeitgeber- und Wirtschaftsverband der Mobilitäts- und Verkehrsdienstleiste; AGV MOVE)
- Community of European Railway and Infrastructure Companies (CER)
- German Transport Forum (Deutsches Verkehrsforum)
- Association of German Transport Companies (Verband Deutscher Verkehrsunternehmen; VDV)

In addition to our stakeholder charter, we have set strict internal standards for participation in political processes, which are summarized as "Group Principles Ethics – Code of Conduct" 185ff. and which are binding Group-wide. This stipulates, among other things, that contributions of any kind to political parties, their representatives, political leaders, elected representatives and candidates for political office are generally prohibited. In addition, the Lobby Register Act came into force in Germany on January 1, 2022. The lobby register and corresponding regulations at national and EU level make it possible to transparently track structures of influence by stakeholders on the political decision-making and policy formation process.

Dialog on the Green Transformation

TCFD

We exchange views with our stakeholders, both bilaterally and through committees and discussion formats, on the Green Transformation of DB Group 69ff. We are hosting our own multi-stakeholder formats, such as the Sustainability Forum (formerly the Environmental Forum). We also carry out structured environmental monitoring and analysis. We use these to systematically identify relevant topics and examine their impact on the Green Transformation of DB Group. We also answer questions from stakeholders on matters of sustainability.

SUSTAINABILITY FORUM

The DB Group Sustainability Forum, which takes place once a year in Berlin, has firmly established itself in recent years as the central platform for dialog on current sustainability topics. The 2022 Sustainability Forum took place on October 6 for invited guests at St. Elisabeth's Church in Berlin, and was also held as a virtual meeting. In view of the current crisis situations and the anniversary of the pioneering Club of Rome report, the motto was "50 years of limits to growth – how do we achieve sustainable prosperity?". Representatives of DB's Management Board and high-ranking representatives from politics, business, science and civil society were on the panel.

SUMMIT MEETING WITH ENVIRONMENTAL ASSOCIATIONS

On April 6, 2022, the Chief Executive Officer of Deutsche Bahn AG (DB AG), Dr. Richard Lutz, met with the following environmental associations: the Federation for the Environment and Nature Conservation Germany (Bund für Umwelt und Naturschutz Deutschland; BUND), the German Nature Conservation Association (Deutscher Naturschutzring; DNR), German Environmental Action (Deutsche Umwelthilfe; DUH), Greenpeace and the German Transport and Environmental Association (Verkehrsclub Deutschland; VCD). DB Group's current issues, infrastructure development, the energy situation and other sustainability issues were discussed at the meeting.

Overview of the stakeholder dialog

STAKEHOLDERS	2022 topics	The most important dialog and communication formats
Passengers (private and business)	– Introduction of the 9-Euro-Ticket 36 / Germany-Ticket 47 – Stimuli and incentives after travel restrictions – Punctuality and connection reliability – Improvements to schedules, cycles and services – Contribution to sustainability – Improvement and digitalization of ticket offers – New service offerings / product improvement along the travel chain – Improvement of passenger and construction site information – Vehicle modernization / City Ideas Train (Ideenzug City) 122	– Passenger Advisory Board – Online dialog platforms / social networks – Customer dialog (over-the-phone) / customer inquiries – Virtual and / or hybrid dialog formats and product conferences – Digital road shows / product presentations – DB Smile Chatbot – Ideas workshops "Trains of the future"
Business customers (freight transport)	– Strategic orientation (Strong Cargo) – Green logistics – Initiative for further development of production – Punctuality and reliability – Digitalization / digital automatic coupling – Innovative freight cars – m² freight cars – "We are freight / freight belongs on the rails" campaign	– Direct exchange with customers (including trade fairs and congresses as well as digital formats) – Own dialog and customer events – Customer workshops – Annual customer satisfaction survey – Monthly satisfaction check – Social networks – link2rail digital customer platform (e-services for customers)
Policymakers / regulators	– Pandemic management – Contribution to sustainability / Green Transformation – Infrastructure development and financing – Digitalization – Germany in sync (Deutschland-Takt) – Intermodal competition – Financing public transport – Regulatory frameworks – Infrastructure division focusing on the common good – Station program – Introduction of the 9-Euro-Ticket / Germany-Ticket	– Parliamentary evenings – Association activities – Participation in discussion rounds and expert presentations – Participation by the Federal Government in dialog formats – Own events (for example competition symposium)
Employees	– War in Ukraine, rising energy prices, inflation – Tense operational situation / implementation of 9-Euro-Ticket – Change in cooperation in the wake of the Covid-19 crisis – Contribution to sustainability / Green Transformation – Increase in the proportion of women in management	– Employee strategic building blocks within the framework of Strong Rail – Global employee survey – Group-wide process for developing "Team agreements for the new normal" – Events and networks on the topic of health, new work and diversity – Voluntary social commitments, for example "DB tackles" – Energy-saving bonus for employees combined with energy-saving challenge – Social intranet, internal knowledge platform and newsletter for all employees
Investors	– Impact of the war in Ukraine / inflation – Dividend policy / Covid-19 support measures – Indebtedness / profitability – Competitive situation / regulatory environment – ESG performance	– Roadshows – E-mail contacts – Direct contacts / one-on-ones – Investor relations Web site
Suppliers	– Quality / qualification – Innovation / digitalization – Antitrust law – Ombudsmen – Supplier management – Cooperation in mutual trust – Meeting deadlines – Reviews of business partners – Sustainability in the supply chain – Shortage of skilled labor	– InnoTrans 2022 – Direct supplier development meetings – Innovation workshops – Discussions and expert presentations – Railsponsible industry network – Dialogs on competition – Innovation partnerships – Largely digital dialogs regarding supplier sustainability assessments – In-person and virtual supplier days in the product areas – Railway Construction Initiative for the Future (Zukunftsinitiative Bahnbau; ZIB)
Associations / specialist public	– Contribution to sustainability / Green Transformation – Infrastructure development and financing – Acceleration of planning and construction processes – Innovations in mobility and logistics – Introduction of the 9-Euro-Ticket / Germany-Ticket	– 2022 Sustainability Forum – Annual conference of the Association of German Transport Companies (VDV) – Top-level discussions and expert exchanges – Membership of relevant bodies such as the German CEO Alliance for Climate and Economy (Stiftung KlimaWirtschaft) and econsense – Member of the Administrative Board of the German Compliance Institute (Deutsches Institut für Compliance; DICO) – Corporate member of Transparency International Germany – Stakeholder events and product presentations – Development of digital communication channels (RegioSignals) – InnoTrans 2022
Media	– Increase in employer attractiveness / talent acquisition – Upgrade of digital services for customers – Capital expenditures in high-performance infrastructure – capacity expansion and further digitalization of infrastructure – Expansion of the vehicle fleet – Sustainability, Green Transformation – Delivery of aid supplies for Ukraine, support for refugees from Ukraine – 9-Euro-Ticket	– Press Web site – Press releases – Press and photo events, including digital and hybrid formats – Background discussions, in some cases also digitally – Interviews, in some cases also digitally – Social networks

The topics and dialog formats are not presented in any order of priority.

ADVISORY BOARD FOR A QUIETER MIDDLE RHINE VALLEY

Another meeting of the Advisory Board for a quieter Middle Rhine Valley was held on July 13, 2022. Together with the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV), we reported on the local progress made with the implementation of noise reduction measures. Other items on the agenda at the Advisory Board meeting included the shared 2030/2050 noise reduction target 77 of the Federal Government and DB Group, the successful refitting of freight cars and whisper brakes and the implementation of the Rail Noise Protection Act. The Advisory Board for a Quieter Middle Rhine Valley is composed of citizens' action groups, regional members of the German Parliament, representatives of the BMDV and the responsible state ministries from Hesse and Rhineland-Palatinate, as well as DB Group. It meets annually at various locations in the Middle Rhine Valley.

Dialog with the Passenger Advisory Board

The DB Passenger Advisory Board provides important impetus for improvements to products and services in workshops, surveys and discussions. Twice a year, the Committee, which consists of 30 private customers, comes together with DB Board members and DB managers for ordinary meetings. In addition, it advises on and supports numerous projects relevant to customers. In 2022, there were once again digital and in-person meetings – the DB Passenger Advisory Board was involved in various DB Long-Distance, DB Regional, DB Sales and DB Netze Stations projects, bringing customers' direct perspective into the discussions.

Industry initiative: Capacity Round Table

Since 2019, DB Group has supported the industry initiative Capacity Round Table, launched by DB Netz AG. Representatives of the rail transport industry and associations, as well as participants from Federal agencies advise on effective measures to improve rail network capacity in the short and medium term. In 2022, the focus was on revising and introducing the capacity planning and allocation process, as well as improving the planning of construction works.

Memberships in sustainability networks

GRI

- We underline our commitment to the United Nations Global Compact (UNGC) through the annual presentation of our progress towards the ten principles of the UNGC (Communication on Progress). We are also involved in the UN Global Compact Network Germany (UNGCD), the German Multistakeholder Forum for the Implementation and Promotion of the UNGC Principles 286 and the Sustainable Development Goals (SDGs) 43.
- We are signatories of the German Sustainability Code (Deutscher Nachhaltigkeitskodex), through which we provide our stakeholders with transparent information about our sustainability performance.
- We are a member of econsense, the Sustainable Development Forum for the German economy.
- As a member, we support the German Alliance for Climate and Economy (Stiftung KlimaWirtschaft) in its aim of developing cross-sector solutions for the transition to a climate-neutral economy.
- We are a founding member of the Railsponsible industry initiative. This initiative aims to create transparency regarding social, environmental and socioeconomic effects along the entire supply chain and to support suppliers in improving their sustainability practices.
- As a member of Transparency International, we are committed to fighting corruption.

CHARITABLE COMMITMENT BY THE DEUTSCHE BAHN FOUNDATION

Deutsche Bahn Foundation (Deutsche Bahn Stiftung gGmbH) was founded in 2013 to combine charitable commitment and the DB Museum under one roof. Deutsche Bahn Foundation seeks to cocreate an equitable society, and improve social cohesion. It combines railway history with setting the course for the future. For this reason, it operates the DB Museum, is committed to integrating those on the edges of society, and supports voluntary work.

Deutsche Bahn Foundation solely and directly pursues its charitable purposes in accordance with its articles of association. Organizations without a corporate income tax exemption, individuals, political parties, religious communities, organizations that or whose members do not act in accordance with law, are associated with terrorist activity or are on a sanctions list are not promoted.

DEUTSCHE BAHN FOUNDATION	2022	2021	2020
Charitable projects	24 [1]	33	26
Expenses for charitable projects (€ thousand)	3,167 [1]	2,797	2,569

[1] Preliminary figure.

In response to donation requests, Deutsche Bahn Foundation has also made donations of funds from its general response budget.

DONATIONS / € thousand	2022	2021	2020
Deutsche Bahn Foundation	183 [1]	155	123

[1] Preliminary figure.

The expenses for DB Museum amounted to € 6.6 million in 2022 (previous year: € 6.4 million).

Aid for Ukraine

Deutsche Bahn Foundation has put together a package of relief measures to support and provide aid to people who have fled the country since the start of the Ukraine war. Deutsche Bahn Foundation called for donations and doubled the donations received in the amount of around € 210,000. The measures included both relief services for people who fled Ukraine to Germany and international emergency aid.

At stations, the train station welfare centers (Bahnhofsmission) were able to provide aid that was needed for initial care and further travel thanks to additional funding from Deutsche Bahn Foundation. In addition, at around ten heavily frequented locations of the train station welfare centers, the premises were remodeled as protected retreats for vulnerable groups, such as women with small children or unaccompanied minors.

The use of video interpreters in train station welfare centers to overcome language barriers was also helpful. The costs were covered by Deutsche Bahn Foundation. A service has also been set up to provide assistance between Frankfurt/Oder and Berlin. Employees of the train station welfare centers and DB Group volunteers travel on the train to advise refugees so that they can get to the right point of contact and destination as quickly as possible upon arrival.

In addition, 17 charitable projects were supported by the annual tender from Deutsche Bahn Foundation this year on the topic of "Education and psychosocial services for children and young people who have fled Ukraine."

As part of its international emergency aid, Deutsche Bahn Foundation, in cooperation with the Development Helps Association (Bündnis Entwicklung Hilft), has donated urgently needed medication, medical instruments and materials to the Ushgorod District Hospital in Ukraine. DB Schenker took over the logistics and transport of aid.

The doubling of donations allowed two further projects to be implemented with the Development Helps Association. Together with German Doctors e.V., Libereco Partnership for Human Rights e.V. and Vostok SOS, a building was converted to a nursing home with 40 to 60 places and equipped to deal with persons in need of care from the war zone. With our partners Kindernothilfe e.V. and Concordia Sozialprojekte, the psychosocial care of the refugee women and children in Romania is the main focus.

Education and integration

Deutsche Bahn Foundation, together with the Reading Foundation (Stiftung Lesen), is heavily involved in reading and language support. The joint commitment is expressed in the nationwide reading aloud day and the annual reading study. Since 2022, the reading study has been continued as a monitoring tool. Data on topics such as reading behavior, reading helpers and locations, or reading and media in the domestic environment are collected and updated in a comparable way.

In addition to the digital offer Simply read aloud!, reading help was tested in 2022 at ten day-care centers in cooperation with the Reading Foundation (Stiftung Lesen). Multilingual materials and books are given particular consideration in the pilot project.

For a fourth year running, together with the Open Knowledge Foundation, Deutsche Bahn Foundation is strengthening digital skills for children and adolescents in structurally weak regions. For example, in 2022, another seven local workshops (a total of 22), so-called "youth hack labs," were created, which make a contribution to greater educational justice with a regular free service.

In 2022, the Deutsche Bahn Foundation made a contribution to making up for gaps in education as a result of the Covid-19 pandemic with Balu&Du, a mentoring program for primary school pupils, and Climb learning holidays for disadvantaged children.

Professional integration

In the project "Appointed heroes – learning through engagement for career opportunities" (Berufene Helden – Lernen durch Engagement für Chancen im Beruf), students organize their own project and gain specific training expertise and skills in the process. Working with the Learning through Engagement Foundation (Stiftung Lernen durch Engagement) and through the development of an online training format, the nationwide consolidation and deployment of the project continued.

Together with Teach First Deutschland and Rock Your Life!, we are helping disadvantaged young people without a full education make the transition to work. With the help of Deutsche Bahn Foundation, Teach First qualifies its fellows specifically for this purpose. Rock Your Life! was able to build another location in a structurally weak region. With the help of fellows and mentors, schoolchildren are supported, in particular, in their career orientation and the development of training skills.

Strengthening volunteering

For the seventh time, DB employees who are involved in non-profit organizations in their free time were able to apply to the Deutsche Bahn Foundation for funding in 2022. These grants have enabled 224 projects to be funded and implemented. Deutsche Bahn Foundation, as one of the three main sponsors of the German Engagement Prize, continued to support the top prize for civic engagement in Germany in 2022.

Support for people in need

Deutsche Bahn Foundation works closely with the German Association of Train Station Welfare Centers (Verein Bahnhofsmission Deutschland) and the approximately 100 train station welfare centers (Bahnhofsmissionen) in order to carry out long-term projects for people in need of assistance in the station environment in addition to short-term cooperation in crisis situations.

The "Motivators at the Station" project developed jointly at the Berlin central station is being rolled out nationwide as a qualification program for employees of train station welfare centers. Some 27 motivators are now working at 21 stations to offer qualified advice to people with psychosocial problems.

A new Deutsche Bahn Foundation project, run together with the train station welfare centers, to promote digital participation for guests of the train station welfare centers, aims to improve access for disadvantaged people without a full education, socially excluded people and those affected by poverty to an increasingly digital society.

Since 2014, Deutsche Bahn Foundation has also supported a walk-in clinic near the Berlin central station, where people without health insurance can receive medical assistance at any time of the year free of charge.

Help for homeless children

Together with the nationwide Off Road Kids Foundation and using the online platform sofahopper.de, young people at risk of homelessness can access qualified contact and advice points all over Germany. This enables young people to discuss problems with street advisors and get help anonymously.

Promoting mental health

Deutsche Bahn Foundation is involved in working to destigmatize depression as a mental illness in society and enables those affected to receive assistance. Together with the German Depression Aid Foundation (Stiftung Deutsche Depressionshilfe), it supports the German Federation against Depression (Deutsches Bündnis gegen Depression) in over 80 cities and regions. In 2022, the annual German depression barometer study by Stiftung Deutsche Depressionshilfe (Foundation German Depression Aid) and Deutsche Bahn Foundation examined the main topic "Treatment methods for depression."

In cooperation with Achtung!Kinderseele Foundation and the children and young people's charity Die Arche in Hamburg, Arche staff learn to recognize mental stress and illnesses in children and to provide assistance. The aim is to offer this training course at all Arche locations. Deutsche Bahn Foundation is funding this project to mitigate the negative consequences of the Covid-19 pandemic on the mental health of children and young people.

The prevention and early detection initiative "Masters of tomorrow – psychologically healthy through training" of the Achtung!Kinderseele Foundation is supported by Deutsche Bahn Foundation in expanding its services nationwide. It aims to raise awareness of mental illness among trainees. In 2022, Deutsche Bahn Foundation adapted the exhibition "Keep an eye on mental illness" as a traveling exhibition at stations and presented it at five stations.

DB Museum

Deutsche Bahn Foundation operates the DB Museum in Nuremberg and its branches in Koblenz and Halle (Saale), which are supported by volunteer employees.

In 2022, museum operations were subject to less Covid-19-related restrictions. After all pandemic-related restrictions were lifted in late-March 2022, the number of visitors rebounded. In the summer months, a similar number of guests were welcomed as before the Covid-19 pandemic; with more than 170,000 visitors across all locations, growth of around 180 % compared with the previous year was recorded in 2022. An attractive program of events with several open-air events contributed to this. In addition, major events were held for the first time since 2019, each attracting several thousand visitors to the museum.

As in the previous year, DB Museum also invested in long-term projects. A large facility for historic rolling stock was opened in Koblenz. The operational "Rheingold-TEE" train was restored with funding, and not only has part of the open-air area at DB Museum in Nuremberg been modernized, but a new permanent exhibition unit has also been designed for a ceremonial trophy acquired with funding.

GROUP MANAGEMENT REPORT

OVERVIEW

Covid-19 pandemic

GRI

The effects of the Covid-19 pandemic on the demand for passenger transport were still noticeable in the first quarter of 2022. Since April 2022, however, there has been a significant recovery. However, the ramp-up period of the demand 112 varied greatly across the individual market segments of German passenger transport in 2022. While long-distance rail passenger transport has largely reached pre-Covid-19 levels again over the course of the year, regional rail passenger transport (with the exception of the special effects of the 9-Euro-Ticket) remained noticeably below the pre-Covid-19 level.

Demand in rail freight transport has not been significantly influenced by the effects of Covid-19 since the previous year. The pre-Covid-19 level was almost reached again in 2022.

In freight forwarding and logistics, DB Schenker benefited in 2022 from an exceptionally strong price and margin development that extended into the fourth quarter, which also resulted from Covid-19-related restrictions in China.

In 2020, Deutsche Bahn AG (DB AG) and the Federal Republic of Germany (Federal Government) agreed to jointly bear the effects of the Covid-19 crisis on Deutsche Bahn Group (DB Group). In this context, the Federal Government continued its measures for partial compensation of Covid-19-related damages 44f. 2022:

- The Covid-19-related support for train-path prices in long-distance transport was extended at a reduced level until the end of 2022.
- Despite the lack of a dividend payment by DB AG, the Federal funds to maintain the rail infrastructure were also paid in full in 2022.
- Following the approval of the European Commission, further compensation for Covid-19-related damage was paid out.
- The industry solution for regional transport in Germany was also continued in 2022. The Federal Government and the Federal states continue to share half of the costs for this.

Important events

WIDE-RANGING AID MEASURES FOR UKRAINE

DB Group set up a wide-ranging aid package to support the people affected by the war in Ukraine. A DB Group-wide crisis unit coordinated the activities. These included, for example, an aid fund for refugees and the provision of housing. The free DB helpukraine ticket makes it easier for refugees from the Ukraine to continue their journey in Germany.

DB Group has also built up a logistics network on road and rail to transport aid supplies directly from Germany to Ukraine by truck and freight train.

9-EURO-TICKET

From the beginning of June to the end of August 2022, a 9-Euro-Ticket 47 was available in Germany. The success is documented by around 52 million 9-Euro-Ticket sold and around ten million local public transport subscribers, who automatically received the discounted ticket. According to the Association of German Transport Companies (VDV), 10% of the buyers of the 9-Euro-Ticket did not make at least one of their daily car trips. This saved around 1.8 million tons of CO_2. The results showed that user satisfaction with the 9-Euro-Ticket was very high, with 88% of users of the 9-Euro-Ticket saying they were satisfied or completely satisfied with their last trip. At the same time, the high volume of passengers was a major challenge for our system as a whole and for the DB employees on-site.

HIGH-PERFORMANCE NETWORK

In June 2022, the Federal Ministry for Digital and Transport (BMDV) and DB Group presented plans for a new high-performance network 134 to sustainably increase the quality and reliability of the infrastructure. The high-performance network is to include the most highly utilized rail connections in Germany.

SUPERVISORY BOARD APPROVES PREPARATIONS FOR THE POSSIBLE SALE OF DB SCHENKER

The Supervisory Board of DB AG has given DB Management Board the mandate to examine and prepare a possible sale of up to 100% of DB Schenker shares. A separate decision will be made at a later date on the specific start of a sales process and the way in which a sale will be made.

According to the Supervisory Board's resolution, proceeds from a sale of DB Schenker will remain in full in DB Group, and will contribute, among other things, to a significant reduction of DB Group's debt.

DB GROUP

Organizational structure

GRI

DB Group is a leading provider in the mobility and logistics sector, and primarily consists of the Integrated Rail System and the two major international subsidiaries DB Schenker and DB Arriva. The Integrated Rail System includes our passenger transport activities in Germany, our rail freight transport activities, the operating service units, and the rail infrastructure companies. DB Group, with its head office in Berlin, employs around 340,000 employees. Its business operations are focused on rail transport in Germany.

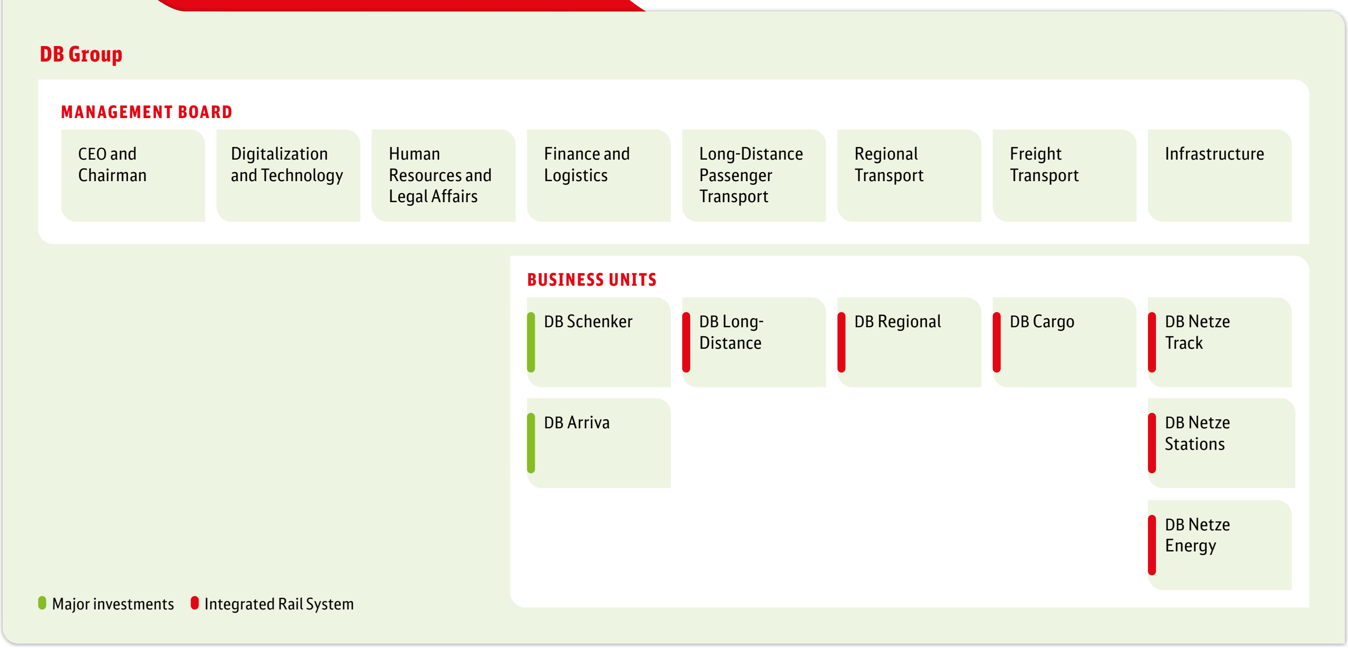
Our primary concern is the shift from road traffic to climate-friendly rail. To this end, we rely on integrated operation of transport and rail infrastructure, the economically and environmentally intelligent linkage of all modes of transport, as well as cooperation in German and European networks. At about 33,000 km, our rail network in Germany is Europe's longest. We are also one of the largest energy suppliers in Germany.

Our national and international services give us leading market positions in our relevant markets.

DB AG is the parent company of the DB Group. It has been a stock corporation under German law since it was founded in 1994 and accordingly has a dual management and control structure comprising a Management Board and a Supervisory Board. It is wholly owned by the Federal Republic of Germany. The changes in the composition of the Supervisory Board and the Management Board 28 are presented in the Supervisory Board report.

In the DB Group, DB AG runs all business units as an operating management holding company and supports the business units through various central group functions (including legal, corporate development, corporate balance sheets, taxes and insurance as well as finance and treasury) as well as administrative service units 183. In addition, operational service units 183 as legally independent DB AG subsidiaries primarily provide services for internal customers. These include DB Systel GmbH, DB Sicherheit GmbH, DB Services GmbH and DB Kommunikationstechnik GmbH.

DB GROUP ORGANIZATION CHART



MARKET POSITIONS

Passenger transport

2 No. 2 in European passenger transport [1] / based on revenues

1. Société Nationale des Chemins de fer Français (SNCF)
2. **DB Group**
3. Transdev
4. First Group
5. Nederlandse Spoorwegen (NS)

1 No. 1 in regional rail passenger transport in Germany / based on train kilometers

1. **DB Group**
2. NS
3. Transdev
4. Ferrovie dello Stato (FS)
5. BeNex

Freight transport and logistics

1 No. 1 in European rail freight transport / based on tkm

1. **DB Cargo**
2. Rail Logistics Europe [2]
3. Rail Cargo Group
4. PKP Cargo
5. Mercitalia Rail

1 No. 1 in European land transport / based on revenues

1. **DB Schenker**
2. Dachser
3. DHL
4. DSV
5. Kuehne + Nagel

4 No. 4 in worldwide air freight / based on t

1. Kuehne + Nagel
2. DHL
3. DSV
4. **DB Schenker**
5. Expeditors

5 No. 5 in worldwide ocean freight / based on TEU

1. Kuehne + Nagel
2. Sinotrans
3. DHL
4. DSV
5. **DB Schenker**

3 No. 3 in worldwide contract logistics / based on revenues

1. DHL
2. Kuehne + Nagel
3. **DB Schenker**
4. DSV
5. XPO Logistics

[1] Only rail and road traffic companies; in some cases including revenues outside Europe.
[2] Formerly Fret SNCF.
Information on competitors is based on annual reports and disclosures from the German Federal Association of Regional Rail Transport (BSN).
Market positions relate to the calendar year 2021.

DB Group train operating companies are legally independent companies with separate balance sheets and statements of income, and thus fulfill all unbundling requirements under European and national law. There is also a functional unbundling, which guarantees the independence of decisions by DB Netz AG in relation to infrastructure access and fees. Reliability and stability form the basis of a high-quality infrastructure. The essential cornerstones for profitable business are sustainable financing of the existing infrastructure and its necessary expansion. The Performance and Financing Agreement (LuFV) 262ff. makes a significant contribution to ensuring the maintenance of the existing network.

With its Strong Rail strategy 17ff., DB Group focuses on the business operations of the Integrated Rail System. As a prerequisite for the further shift in the mode of transport towards rail, the highest priority is to increase operating quality with a view to increasing capacity. To achieve these objectives, the coalition agreement of the Federal Government stipulates, among other things, that the infrastructure companies DB Netz AG and DB Station&Service AG within DB Group be merged into a new infrastructure division focusing on the common good.

Given the importance of Strong Rail for Europe, Europe will continue to be the main sphere of activity for DB Group in the future. Major international investments are measured by their contribution to Strong Rail:

- Strategically relevant subsidiaries such as DB Schenker are therefore held as financial investments. Joint operational initiatives focus on achieving synergies within the network. In late-2022, the Supervisory Board instructed the Management Board to examine sales options for DB Schenker.
- DB Arriva only accounts for a small amount of operational and strategic added value in Strong Rail. The intention to sell remains unchanged.

Business model

GRI

DB Group offers attractive, customer-focused and environmentally friendly mobility, transport and logistics solutions and networks from a single source. We utilize the possibilities of digital technologies to improve our operational and administrative processes, to continuously develop services for customers, to integrate new services, and to simplify the customer interface. The Integrated Rail System is at the heart of our business activities. In addition, we are gradually expanding our business portfolio in the area of mobility and logistics in order to meet our customers' needs more effectively and respond to new market demands.

- Our passenger transport activities have a broad base. In addition to bus and rail transport, this also includes intelligent links with other modes of transport such as cars and bicycles, but also with new forms of mobility that complement the core business and enable door-to-door mobility. We offer long-distance rail passenger transport within Germany and into neighboring countries. DB Arriva has a Europe-wide presence in regional and local transport, enabling participation in the increasing market potential in opening bus and rail transport markets.

- Our business activities in the freight transport and logistics market were moved to an international platform very early on. DB Cargo and DB Schenker operate predominantly in the business-to-business segment. We offer our customers industry-specific solutions in European rail freight transport and global land transport, in global air and ocean freight, and in global contract logistics. Covering all relevant modes of transport allows us to offer complex combined logistics services and to make use of synergies in our networks for the benefit of our customers.

As an operator of networks and provider of services in passenger transport, freight transport and logistics, as well as track infrastructure, our economic success is influenced by the general economic environment and the specific development of the various relevant markets:

- Other than special events such as the Covid-19 pandemic, demand for passenger transport is driven first and foremost by the growth of major cities, the size of the population, the number of people in employment, and real disposable incomes. Competitiveness relative to car transport is heavily influenced by the trend in fuel prices.
- Our freight transport and logistics operations depend largely on economic developments. Due to our global networks, we monitor the development not only of global gross domestic product (GDP) and world trade, but also of economic growth in the regions, countries, and trade relations in which we have a high market share or in which high growth rates in the exchange of goods can be expected. Customary early-warning indicators of the business climate and of the expectations of purchasing managers are an integral part of our monitoring system.

The market environment of DB Cargo is heavily influenced by industrial production. Furthermore, the cross-border movement of goods within Europe is growing in importance.

The development of the economic and early-warning indicators, as presented above, influences how we manage our market activities and resources. Opportunities and risks can therefore be recognized early on, and, as a result, short-term controlling activities and long-term positioning focused accordingly. At the same time, we work systematically on optimizing our operating value drivers.

DB GROUP BUSINESS MODEL

INPUTS

Employees | **Vehicles** | **Networks and infrastructure** | **Electricity and fuel** | **Additional production factors**

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers
- Contracting organizations

Value proposition
- DB Group offers attractive, customer-focused and environmentally friendly mobility, transport and logistics solutions from a single source.

Customer access and retention
- Direct customer access
- Digital offers
- Customer loyalty programs

Key activities
- Transport services across all modes of transport
- Customer care
- Fleet management
- Operating and optimizing regional and global networks
- Managing interfaces
- Providing additional core business services

OUTPUTS [1]

Passenger numbers / quantities / volumes

Volume sold

Volume produced

OUTCOMES [2]

EBIT 99ff.

Employee satisfaction 85f.

Greenhouse gas emissions 71

Customer satisfaction 61

Noise 77f.

Punctuality 61f.

Share of renewable energies in the DB traction current mix 71

Waste 76

[1] Key products and services.
[2] Internal and external outcomes and results from business activities and outputs along the entire value-added chain.

Operating transport networks often necessitates a high level of capital commitment, long investment cycles and distinct fixed cost structures. In this respect, achieving optimal capacity utilization of the networks and systematically developing, integrating and cost-effectively operating these networks with the efficient use of resources are important to DB Group's economic development. Ensuring and improving service quality for our customers is at the center of our activities. By expanding what we offer our customers, particularly digital services and customer loyalty programs, and integrating new forms of mobility and intelligently linking with other modes of transport, we intend to gain additional customers in order to realize increasing volumes and economies of scale.

We generally use operating performance data to measure capacity utilization in our networks and our market shares. In order to determine a relative return, we calculate ratios comparing performance data with the generated revenues (specific revenues).

With our national and international subsidiaries, DB Group operates in almost all segments of the transport market. Our comprehensive service portfolio enables us to offer our customers services combined from a single source.

In DB Regional 121 f. and DB Arriva 158, the order book in the form of long-term transport contracts entered into with the contracting organizations of Germany's Federal states and franchisers in other European countries constitutes a key performance metric for business development. There are also long-term contractual relationships with customers in DB Schenker's contract logistics line of business.

There are five key success factors in the development of DB Group, which are a central component of our business model.

- **Corporate social responsibility:** As a federal provider of mobility and logistics solutions, DB Group has a major responsibility for the future of our country. As the backbone of the green and networked mobility of the future, rail plays a key role for our country: it helps to achieve climate protection targets, promotes integration and quality of life, and makes areas more attractive for business, as well as empowering Europe's people and economy. In short, society as a whole benefits from strong rail transport. We consistently focus our business operations on achieving Strong Rail and prioritize our activities along the value-added chain accordingly.
- **Entrepreneurial approach to business:** In the course of the German rail reform DB Group has established itself as a commercial enterprise. Noteworthy in this context are the establishment of a modern and efficient organization and a value-based corporate management approach.
- **Integrated Group:** As a system integrator in Germany, we are optimizing the Integrated Rail System as a whole. In doing so, we are fulfilling our important role as a technological pioneer. The integrated Group structure enables us to achieve positive synergies and align our infrastructure to support efficiency, market orientation and profitability. The digitalization of rail can only be successfully developed and implemented in the Integrated Rail System. Our customers also benefit from the integrated Group. Thanks to the economically, environmentally and technologically intelligent links between different modes of transport, we offer our customers door-to-door mobility and logistics solutions from a single source.
- **Europe as the field of action:** As the geographical and economic heart of Europe, Germany has a special responsibility for the future of the continent. Given the importance of Strong Rail for Europe, Europe will continue as our main field of action in the future. In order to take into account customers' needs for cross-border solutions, we continue to position ourselves at the European level with our passenger transport activities. Due to the European and worldwide orientation of our freight transport and logistics activities, we offer our customers the access they need to global networks.
- **Digitalization:** We use the technologies and methods of digitalization to offer customers an attractive range of products. This means, on the one hand, that we are incorporating new transport offers into our product portfolio, such as on-demand mobility, and establishing new platforms for our customer interfaces. On the other hand, we support our internal processes with technologies such as artificial intelligence, so that we can continue to offer customers fair prices with efficient processes.

Sustainability management

GRI

TCFD

The importance of sustainability and, in particular, the importance of climate protection are reflected in our sustainability organization as well as being anchored in the Strong Rail strategy 51 ff. The Chief Sustainability Officer (CSO) is responsible for the issues of sustainability and the environment – and therefore also for climate-related opportunities and risks. The role is performed by the Chairman of the Management Board (CEO) of DB AG. The CSO's perspective is therefore incorporated in a very central role in all important Group decisions. In his dual role, the CEO was also significantly involved in the development of the Strong Rail strategy with regard to climate-relevant decisions. A central component is the Green Transformation of DB Group 69ff., which is gradually making all products, services and operating processes more environmentally friendly. The Management Board and Supervisory Board set the climate-related targets for DB Group and its subsidiaries. As part of the medium-term planning, the Management Board decided in 2022 on the starter packages for the diesel phase-out 69 and the heat transition 71.

The central Sustainability and Environment organizational unit and its five specialist departments are responsible for overall coordination of Group-wide sustainability issues. The management of Sustainability and Environment is the highest position responsible for sustainability and climate-related issues under the Management Board and reports directly to the CEO. Specific tasks include the preparation of recommendations for action for DB Group, its business units and service units. In addition, among other things, the division is responsible for planning and monitoring the achievements of the respective targets, for example in relation to our climate protection and noise reduction targets. The business units are responsible for implementing the targets, strategies and measures. The Sustainability and Environment unit designs DB Group's Green Transformation 69ff. and ensures its implementation. In particular, it is responsible for defining the integrated sustainability and environmental strategy, the associated Group-wide targets and key figures, and for planning, managing and implementing Group-wide transformation projects.The respective specialist departments are responsible for the content of sustainability issues. All in all, we use environmental monitoring tools such as a watchlist, which we use to monitor ongoing environmental legislation developments, or a newsletter that summarizes current developments on the topic of sustainability on a weekly basis. The development of further environment monitoring tools, our involvement in sustainability networks 32, participation in ESG ratings 44 and rankings and our participation in national and international committees ensure that trends and drivers, as well as opportunities and risks 172ff. in the field of sustainability and the environment, including climate protection 70ff. and climate resilience management 73f., are monitored and are strategically and professionally addressed for DB Group.This ensures Group-wide access to expertise on sustainability and environmental and climate issues.

Sustainability and the environment are a top priority of the Strong Rail strategy. The Supervisory Board and the Management Board receive quarterly updates on the status of the Environment and 100% green electricity building block for the Green Transformation and thus about sustainability, environmental and climate issues. Progress in greenhouse gas reduction 70f., noise reduction 77f. and in future also on resource conservation 74ff. is reviewed at regular performance review meetings held during the year, which are attended by the Management Board and the executives of the business units. The CEO is informed about environmental issues through regular briefings, monthly jours fixes with the Head of Sustainability and Environment, and regular in-depth workshops on strategies and goals in the field of the environment.

The structure of the variable compensation of Management Board members 197ff. and executives as well as other employee groups 92f. in DB Group is largely geared towards sustainability goals and in particular a significant reduction of CO_2e in the transport sector in Germany in accordance with the Federal government's transport policy objectives. This is mainly due to significant shifts in the mode of transport to environmentally friendly rail. For this reason, in 2022 the contribution to climate protection was taken into account in the long-term variable compensation of senior executives and Management Board members in the form of volume targets for the implementation of shifts in the mode of transport, which have a positive impact on CO_2e reduction in the transport sector, but have no impact on DB Group's CO_2e emissions 71. In addition, the short-term variable compensation of the other employee groups in 2022 also includes an explicit target for reducing DB Group's CO_2e emissions. From 2023, the long-term compensation also includes targets for expanding the share of renewable energies in the traction current mix.

The first Group-wide sustainability trainee program green no. 100 was launched in 2022. In the first year, a total of 12 trainees will take part, who will build up a wide range of skills in sustainability management in the 18-month program.

FUNDAMENTALS

Sustainability reporting

GRI

The 2022 Integrated Report refers to the reporting / calendar year 2022. For the purpose of comparison, most of the key figures are also presented for financial years 2021 and 2020. The Integrated Report is published on an annual basis. The 2022 Integrated Report will be published on March 30, 2023 (2021 Integrated Report: March 31, 2022). The Integrated Report addresses the key stakeholder groups 30ff. of DB Group. The reporting covers all material economic, social and environmental aspects. All fully consolidated DB Group companies are included in the reporting. Deviations from this reporting scope are noted as such.

The data collection methods and bases of calculation used for the data in the Integrated Report are based on the relevant standards:

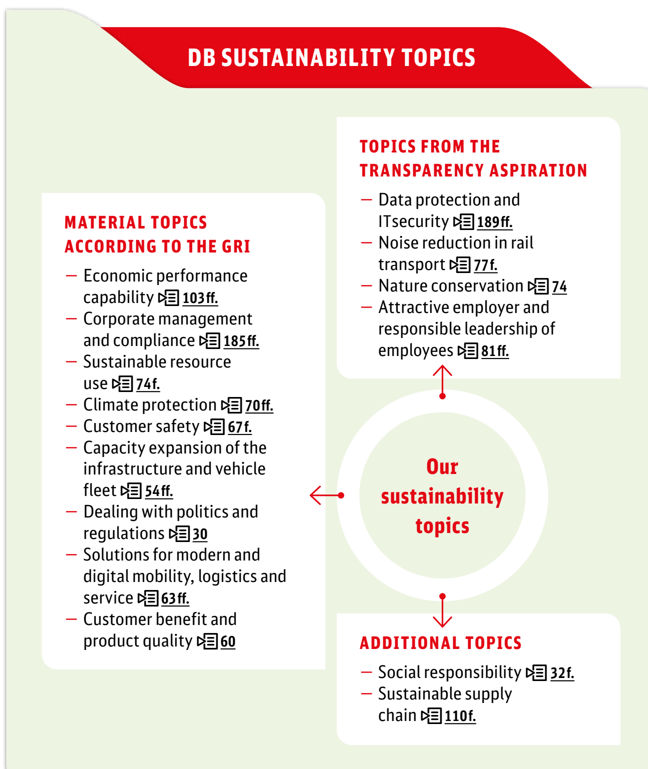
- **GRI standards:** The Integrated Report was prepared in accordance with the Global Reporting Initiative (GRI) standards. In the GRI Index 282ff., we refer to the contents of general and specific disclosures.
- **CSR-RUG:** We also implement the requirements of the CSR Directive Implementation Act (CSR-RUG) on a voluntary basis. Information on the key areas of action can be found in the non-financial statement 43f.
- **UN Global Compact:** In addition, the Integrated Report provides information on the implementation of the ten principles of the UN Global Compact 286 (UNGC).
- **TCFD:** Moreover, DB Group follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on the reporting of climate-related information. The TCFD index 286 lists references to the relevant passages in the report.
- **Audit:** Material sustainability-related content, indicators and text passages that do not fall within the scope of the statutory audit of the management report with reasonable assurance are marked by the section heading "Further disclosures" and a gray background, and are audited with limited assurance by a third party appointed separately by the Management Board, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) 280f.

SELECTION OF SUSTAINABILITY TOPICS

GRI

Our Strong Rail strategy 51ff. also forms the overarching framework for our reporting. We are also reliant on the support and acceptance of our stakeholders 31 in order to successfully implement our strategy. In 2019, as part of a comprehensive materiality analysis (2019 Integrated Report 51), we therefore asked them for an assessment of 16 important areas of action for sustainability in DB Group. These areas of action reflect the focus points of our strategy and supplement them with other topics that our stakeholders deem relevant. Based on the revised GRI standards, a more comprehensive approach was adopted in 2022 than in the previous year in order to validate and update the set of material topics. As part of a step-by-step procedure, two complementary surveys were conducted:

- **The relevant set of topics,** consisting of 16 areas of action and their related aspects, was updated with the help of the respective internal DB representatives of our eight stakeholder groups. The areas of action were maintained and supplemented to include additional individual aspects.



- **The relevance of the areas of action** and the effects perceived in the fields of action were surveyed in the same way as the set of topics. The associated effects should be described, classified as positive and negative, and assigned to one of the business, environment or society sectors. In addition, the stakeholder representatives assessed the impact according to how preventable, difficult and extensive it is and how likely they consider it to occur.
- **In addition, the business relevance of the areas of action** was recorded through a management survey of selected executives.
- **The survey results** were quantitatively evaluated and qualitatively reviewed in a workshop with experts from the Sustainability Strategy and Environment departments as well as Investor Relations and Sustainable Finance and the set of key topics was determined. The CSO/CEO was informed of the results.

Our sustainability topics are made up of:

- **Material topics according to the GRI:** Compared to the previous year, supplemented by the additional topics of corporate governance and compliance, customer safety and the handling of politics and regulation.
- **Topics from the transparency aspiration:** Arise from our comprehensive transparency aspiration towards our stakeholders.
- **Additional topics:** Supplemented on the basis of an internal assessment of their significance.

TCFD RECOMMENDATIONS

Since 2021, our reporting has included the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This underlines our transparent reporting on climate protection as part of our climate protection efforts and our climate resilience management and also enables us to better understand the extent to which our business is affected by climate change and the implications we derive from this. A corresponding overview is provided in the TCFD Index 286. We have also been a TCFD supporter since 2021.

SUSTAINABLE DEVELOPMENT GOALS

We are committed to meeting the objectives of the 2030 Agenda and Sustainable Development Goals (SDGs) of the United Nations. In 2022, we re-examined the SDGs and expanded our previous five focus SDGs to include three that are in line with our strategic focuses, business activities and important topics. Our focus SDGs include the key SDGs for railway companies identified by the International Union of Railways (UIC) and go beyond these:

- **SDG 5 (new):** Gender equality
- **SDG 7 (new):** Sustainable and modern energy for all
- **SDG 8:** Decent work and economic growth
- **SDG 9:** Industry, innovation and infrastructure
- **SDG 11:** Sustainable cities and communities
- **SDG 12:** Responsible consumption and production
- **SDG 13:** Climate action
- **SDG 15 (new):** Protecting terrestrial ecosystems

NON-FINANCIAL STATEMENT

DB Group has opted for the voluntary submission of a non-financial statement (NFS). As part of our integrated report approach, we provide comprehensive reports on all material sustainability issues.

The update of the materiality analysis in 2022 resulted in a change in the key areas of action within the scope of the CSR Directive Implementation Act (CSR-RUG). The issues of climate protection 70ff. and economic performance 95ff. have lost their material status within the scope of CSR-RUG as their impacts are regarded as less significant, but are still reported to be material in accordance with the GRI standards. The area of action customer benefit and product quality 60 was newly classified as material. The contents of the NFS can be found in the relevant chapters of the Group Management Report and were prepared using the GRI standards and taking into account the UNGC reporting requirements. In addition, we provide additional voluntary disclosures on further matters.

COMPONENTS OF THE NFS	DB topics
Business model	Business model 38ff.
Social matters	Capacity expansion of the infrastructure and vehicle fleets 54ff., 116, 122, 136f., 144
Other concerns (customer benefit and product quality)	Customer benefit and product quality 60
VOLUNTARY ADDITIONAL INFORMATION	
Environmental matters	Climate protection 70ff., nature conservation 74, air quality control 80, water consumption 80
Employee matters	Work of the future 86ff., employment conditions 86f., Group security 67f., Transformation 84ff.
Respect for human rights	Human rights 188f.
Combating corruption and bribery	Compliance 185ff.
Other matters (economic performance capability)	Business development 95ff.

Risk management

GRI

In connection with the requirements of the CSR-RUG, we were not able to identify any material risks associated with our business operations, business relationships, products or services that are likely to have serious negative effects on the most important non-financial aspects (environmental, social, employee matters, respect for human rights and the fight against corruption and bribery). We are working intensively on the impacts listed in this Integrated Report.

Our risk management 172 ff. also takes into account the impacts on the non-financial aspects and issues.

ESG RATINGS

The feedback from ESG (environmental, social, governance) rating agencies is an important benchmark and indicator of the interests of our stakeholders. More information is available on our investor relations Web site.

ESG RATINGS	2022	2021	2020	Last update	Scale
CDP (climate rating)	A	A	A	Dec 2022	A to F
EcoVadis	68	61	61	Jun 2022	The best 1% (75 - 100) The best 5% (67 - 74) The best 25% (56 - 66) The best 50% (47 - 55)
ISS ESG	C+	C+	B-	Dec 2021	A+/4.00 to D-/1.00
Moody's ESG (formerly V.E)	52	52	46	Sep 2021	Advanced (60 - 100) Robust (50 - 59) Limited (30 - 49) Weak (0 - 29)
MSCI	AA	A	A	Feb 2023	Leader (AA - AAA) Average (BB - A) Laggard (CCC - B)
Sustainalytics	24.5	19.7	19.5	Nov 2022	Risk assessment: Negligible (0 - 10) Low (10 - 20) Medium (20 - 30) High (30 - 40) Severe (40 - 100)

In alphabetical order.

Changes in 2022:

- DB Group is one of the top 5% rated companies according to EcoVadis, one of the top 3% in the rail transport category and received the gold medal.The industry average was 41 points. We made the greatest improvements in the areas of labor and human rights and sustainable procurement.
- DB Group's MSCI ESG rating improved in 2022. The main drivers for this were improvements in governance and social aspects, as well as improvements relative to peers.
- Sustainalytics adjusted the ESG risk of DB Group in 2022. This is due to the determination of higher risk exposure and a downgraded assessment of the management of individual ESG issues (including partially adjusted assessments in the areas of product governance and human capital).

Development of business environment

NATIONAL ENVIRONMENT

DB Group

2022 FEDERAL BUDGET

The 2022 Federal budget was approved at the beginning of June 2022. The Federal budget for 2022 included the following significant developments for rail:

- The Federal Government's Covid-19-related compensation measures (2021 Integrated Report 46) continued in 2022. These include, among other measures, train-path price support for long-distance transport, the continued payment of funds for replacement capital expenditures within the framework of the LuFV despite the decision not to pay a dividend and compensation for damages.
- The one-off increase in regionalization funds by € 3.7 billion in 2022 to finance the 9-Euro-Ticket 36 as part of the energy relief package (€ 2.5 billion) and the continuation of half of the financing of the Covid-19 industry solution for regional transport together with the Federal states.
- Funds for the development and construction of new Federal rail infrastructure were increased from € 1.56 billion to € 1.9 billion.
- Funds for noise remediation rose from € 139 million to € 185 million.
- Facility price support for rail freight transport was reduced from € 80 million to € 40 million.

2023 FEDERAL BUDGET

The 2023 Federal budget was approved at the end of November 2022. There were some improvements for rail compared with the government draft of 2022. The main reason for this was the decision by the coalition committee to increase funding for rail by € 500 million in 2023 as part of the third package of relief measures and by € 1 billion in commitment appropriations for subsequent years. Compared with the approaches for 2022, there are the following significant developments for rail, among others:

- Funds for the development and construction of new Federal rail infrastructure will be increased from € 1.9 billion in 2022 to € 2.0 billion this year.
- The allocation to the European Rail Traffic Management System (ERTMS) budget item for digitalization is increasing from € 612 million to € 638 million, and € 58 million has been budgeted for measures to remedy bottlenecks and to implement the Germany in sync project (2022: € 11 million).

- Funds for attractive railway stations will be increased from € 165 million to € 262 million and cost subsidies will be made possible.
- The promotion of single wagon transport is being significantly strengthened by increasing the facility price support from € 40 million to € 85 million and the introduction of an additional funding instrument in the amount of € 80 million.
- In addition, train-path price subsidies in rail freight transport will be increased from € 350 million to € 377 million.
- In 2023, € 130 million was earmarked for train-path price support in long-distance transport (2022: € 552 million).
- The additional commitment appropriations for subsequent years are planned in particular for the requirement plan, the ERTMS budget items, attractive railway stations and the new subsidy for single wagon transport.

In addition to the increase in these rail items, regionalization funds were increased as part of the Eighth Law Amending the German Regionalization Act 47, as adopted in December 2022.

PACKAGE OF RELIEF MEASURES FROM THE FEDERAL GOVERNMENT

In view of the sharp rise in energy prices, the Federal Government has decided to ease the burden. As a result, the surcharge under the Renewable Energy Sources Act (EEG) has been waived as of July 1, 2022, among other things. Funding to promote renewable energies under the EEG is financed from the Federal budget as of July 1, 2022, onwards.

In order to relieve citizens, energy taxes on mineral oil were reduced for the months of June, July and August 2022, and a 9-Euro-Ticket 36 was introduced for use on all local public transport.

In a further package of relief measures, the Federal Government provided credit and guarantee programs for companies affected by the war. Equity support can also be provided for “large companies in the real economy across all sectors.” Energy-intensive companies can receive temporary grants due to the rise in energy prices. In this case, the price differential in excess of a doubling of the natural gas and electricity price is subsidized on a pro rata basis. This is based on the Temporary Crisis Framework of the European Commission. Energy companies trading on commodity futures exchanges are to receive liquidity support in order to be able to meet the security requirements of the energy exchanges.

In September 2022, the coalition committee passed a third support package with a volume of more than € 65 billion. An additional € 1.5 billion per year is earmarked for a nationwide local transport ticket (Germany-Ticket 47) if the Federal states pay at least the same amount. In addition, the package provides for an increase in the 2023 budget funds allocated to rail by € 500 million and € 1 billion for commitment appropriations in subsequent years. In addition to additional funds for track infrastructure, this will significantly increase support for single wagon transport.

DEFENSIVE SHIELD TO PROTECT AGAINST THE IMPACT OF THE WAR IN UKRAINE

The Federal Government is using a financial “defensive shield” to reduce rising energy costs and the worst consequences for consumers and companies. To this end, the Economic Stabilisation Fund (Wirtschaftsstabilisierungsfonds; WSF) is being provided with additional lines of credit amounting to € 200 billion to finance the gas price and electricity price brakes. As a first step, it took the strain off households and business by generally providing them with one twelfth of annual gas and heat consumption free of charge in December 2022. Electricity and gas prices will then be limited by law for a basic level of household and company consumption. Funds from the WSF are also used to provide subsidies for the electricity price brake if the excess revenues from electricity production are not sufficient for this. The required laws (German Electricity Price Brake Act (Strompreisbremsegesetz) and the Natural Gas Heat Price Brake Act (Erdgas-Wärme-Preisbremsegesetz)) entered into force on 24 December 2022. The energy price brakes will also take the strain off rail transport.

KEY POINTS FOR IMMEDIATE CLIMATE ACTION PROGRAM

TCFD

The coalition agreement of the Federal Government states that the Climate Protection Act is to be consistently refined in 2022 and a new immediate climate action program is to be launched with all the necessary laws, regulations and measures.

In late-October 2022, inter-departmental coordination on the key points of an immediate climate action program was initiated. The immediate climate action program aims to ensure compliance with the 2030 climate protection targets. It includes measures covering all sectors.

In addition to the areas of drive changes for passenger cars, drive changes for trucks, renewable energies and electrification of air and ocean transport, digitalization, land-use and transport planning, and mobility management, the transport sector is also addressed in the areas of strengthening rail transport and strengthening urban and regional transport.

An agreement on this is to be concluded within the Federal Government by spring 2023.

NATURAL GAS SUPPLY CRISIS

Against the backdrop of greatly reduced exports of Russian natural gas to the EU, the Federal Ministry for Economic Affairs and Climate Protection (BMWK) raised the alert level (second warning level) of the gas emergency plan on June 23, 2022. In addition, numerous legislative changes have already been enacted to secure the energy supply. Under Germany's amended Energy Industry Law, coal-fired power plants that had already been shut down or that are planned to do so shortly may return to the electricity market. In addition, the consumption of natural gas for electricity may be limited. However, due to their great importance to the system as a whole, power plants for producing traction current are to be excluded from this. In order to avert a crisis, the Federal Government was authorized to create a regulation on the rail-based transport of energy sources (Energiesicherungstransportverordnung).

GERMAN ENERGY SECURITY TRANSPORT ORDINANCE

The German Energy Security Transport Ordinance (Energiesicherungstransportverordnung, EnSiTrV) entered into force on August 30, 2022. It initially had a term of six months until the end of February 2023. With the approval of the Upper House of Parliament (Bundesrat), the term was extended until March 31, 2024. The Ordinance regulates the reprioritization of rail-based transport services and in particular makes it possible to alter the existing infrastructure use contracts in favor of energy source transport such as coal. DB Netz AG has changed its terms of use in order to implement the Ordinance.

MASTER PLAN FOR RAIL TRANSPORT AND GERMANY IN SYNC

The Master Plan is the result of the 2020 Rail Future Alliance, a key element of which is Germany in sync. In 2021, as a result of the assessment of a range of measures for Germany in sync, around 180 measures were made urgent priorities in the rail requirement plan. This is linked to a basic ability to finance the measures under the requirement plan. The assessment is based on the target schedule 2030+ drafted by independent Federal Government experts. On June 24, 2022, the first regional conference on Germany in sync was held in Mainz. In this context, Federal Transport Minister Volker Wissing informed about the Germany in sync plan and the planned expansion measures in the south-west. A further three regional conferences followed in 2022.

On July 1, 2022, the BMDV set up a special Germany in sync unit. The aims are the internal and external bundling of efforts, transparent communication and the visibility of all the activities of BMDV in relation to Germany in sync.

RAIL ACCELERATION COMMISSION

On December 13, 2022, the Rail Acceleration Commission presented its final report under the direction of the BMDV. The industry associations and DB Group were involved in its preparation. The Commission provides comprehensive recommendations for action to speed up planning, approval and construction processes in rail transport and to further develop financing processes. The creation of a high-performance network 134 through the general renovation of highly utilized lines is proposed. In addition, the Commission supports the list of proposals for small and medium-sized measures drawn up by VDV and DB Group. Faster approval processes, especially for these measures, are to be achieved through legislation modeled on the example of the energy sector. These include, among other measures, the anchoring of the overarching public interest in railway expansion in the legislation, the waiving of land-use planning procedures and the review of species protection standards. It is also recommended to expand the catalog of measures for rail not subject to plan approval law that has already been regulated in the previous legislative period and to strengthen the planning approval. The rail partnership model already used for the Cottbus plant is recommended for faster planning and construction, among other things. In this model, the expertise of the construction companies is already incorporated in the planning phase. The Commission notes that the financing of the track infrastructure is highly complex and therefore recommends a new financing architecture. This will include, among other things, bundling of financing sources, which is to be implemented by setting up separate rail infrastructure funds. In principle, shares of additional income from truck tolls are also to be used to boost Federal funds. Several of the recommendations require amendments to existing laws, and it is recommended to consolidate them in a modern rail law, which is to be passed at the end of 2023.

FOLLOW-UP TO THE 9-EURO-TICKET

In late-November 2022, the Federal Government and the Federal states agreed on the introduction of a national local public transport ticket (Germany-Ticket) at a price of € 49 per month. The ticket is to be digitally distributed in a subscription that can be canceled each month. The Federal Government and the Federal states will each contribute € 1.5 billion each year to finance the ticket. The parties involved are aiming for the introduction of the Germany-Ticket 202 on May 1, 2023.

INCREASE IN REGIONALIZATION FUNDS

In December 2022, the German Parliament and the Upper House of Parliament passed the Eighth Act Amending the Regionalization Act. This increased regionalization funds by € 1 billion for 2022. In addition, the previous dynamic growth of 1.8 % per year will be increased to 3 % from 2023. In total, the change in the law will result in additional regionalization funds amounting to around €17.3 billion in the period from 2022 to 2031.

Infrastructure

CREATION OF A HIGH-PERFORMANCE NETWORK

Federal Transport Minister Volker Wissing and DB CEO Dr. Richard Lutz announced the development of a high-performance network 134 at a joint press conference on June 22, 2022. As part of a general renovation, DB Group bundled all planned construction work for the coming years within a line closure in a highly utilized corridor for the first time.

TELECOMMUNICATIONS SIGNAL SUPPLY THROUGHOUT RAIL ROUTES

The focus is currently on implementing the supply requirements from the 5G auction in 2019. These requirements include a better supply throughout rail routes. As per the auction conditions, the railways are asked to cooperate. To meet this obligation to cooperate, DB Group has initiated the Rail Connectivity Master Plan. In exchange with the mobile phone companies, central cooperation requirements were disclosed in the project and agreements were reached on the request for cooperation services. DB broadband GmbH is also contributing to the collaboration, with its extensive offer of fiber-optic capacity along the rail routes and is thus supporting the Federal Government's aim of ensuring a comprehensive supply via fiber-optic cables by 2030. In its Gigabit Strategy, the Federal Government is laying the foundations required for this and is supporting a synergistic mobile network expansion along the tracks with the "5G am Gleis" (5G On Track) initiative. The amendment to the Telecommunications Act (Telekommunikationsgesetz), which was passed in 2021, regulates the conditions governing the use of rail infrastructure and provides for a new frequency regulation target, to ensure uninterrupted connectivity along transport routes by 2026 if possible.

In 2021, DB Group reached an agreement with Deutsche Telekom and in 2022 also with Vodafone on the overachievement of the 2019 supply requirements. It was agreed that the two telecommunications companies will expand their network on DB rail lines by 2026, close existing gaps and significantly increase the performance of their networks. Across the two agreements, hundreds of millions of euros will be invested.

Freight transport

MASTER PLAN FOR RAIL FREIGHT TRANSPORT

The implementation of the Master Plan for Rail Freight Transport will continue as per the procedure thus far in order to supplement the work of the Rail Future Alliance. Important issues from the Master Plan for Rail Freight Transport are also included in the Master Plan for Rail Transport. The Future Rail Freight Transport program of the Federal Government provides the basis for pro rata funding of projects in the areas of digitalization, automation and vehicle technology. As a further measure to strengthen rail freight transport, facility prices in the area of train formation have been subsidized since 2020. The funding guidelines for sidings were evaluated and published with new funding options in March 2021. Train-path price support, which also results from the master plan, has been taking the burden off rail freight transport since 2018. The budget was increased from € 350 million to € 377 million for 2023. The funding guidelines currently have a fixed term lasting until 2023, but this is expected to be extended after an evaluation. The funding guidelines are currently being revised.

The combined transport funding guidelines were also evaluated and revised. Following successful notification to the European Commission, the new guidelines were published on November 23, 2022. The major innovation is the first-time promotion of replacement capital expenditures. In addition, the combined transport funding was also extended to other facilities required for combined transport transhipment, such as sidings, train formation tracks and the junction switches. The funding guidelines will apply until the end of 2026.

EUROPEAN ENVIRONMENT

DB Group

THE EUROPEAN FIT FOR 55 PACKAGE

On July 14, 2021, the European Commission submitted a comprehensive legislative package as part of its Green Deal (2021 Integrated Report 49).

The majority of the legislative package was negotiated with the trialogue agreement reached on an intensification of emissions trading of December 18, 2022. In future, emissions rights will be reduced even more. The existing free emissions certificates for air transport and industrial sectors that are particularly exposed to international competition are to be gradually removed. Shipping traffic is also to be included in emissions trading. From 2027, a new emissions trading system for buildings, road traffic and the use of fossil fuels in certain industrial sectors is to be created, similar to the German fuel emissions trading system. The income from the new emissions trading scheme is intended to finance a Social Climate Fund to support measures for more efficient buildings and lower-emissions mobility. Furthermore, the EU institutions agreed to no longer register new cars and light commercial vehicles that emit CO_2 in the EU from 2035 onwards.

REVISION OF THE EU DIRECTIVE ON THE CERTIFICATION OF TRACTION UNIT DRIVERS

The European Commission is revising Directive 2007/59/EC on the certification of traction unit drivers. The proposal for an audit is expected to be available in the first half of 2023. The objectives of the revision of the Directive are to improve the mobility of traction unit drivers throughout the EU's rail network and make it easier for employers to assign drivers to work in various member states.

After a comprehensive sector consultation in several stages (call for evidence in January 2022, public consultation in September 2022, expert interviews and hearings), the critical focal points of the revision were identified. At the moment, these are the requirements to be defined for language competence, the consideration to strive for a second, Europe-wide operating language, changes in the system of traction unit driver's licence and additional certificates, which are kept separate today, as well as the plan to issue a regulation instead of a directive.

THE EUROPEAN GREENING TRANSPORT PACKAGE

By 2050, greenhouse gas emissions from transport are to be reduced by 90% compared with 1990. The European Commission is planning a comprehensive package of measures to make transport in Europe greener, which is expected to be presented in the second quarter of 2023. With direct relevance for rail, it is expected to include proposals for more efficient capacity and traffic management in cross-border rail transport, the revision of the Combined Transport Directive and the revision of the Directive containing maximum permitted dimensions and weights in road freight transport. In order to support these initiatives, a harmonized EU framework for calculating transport-related greenhouse gas emissions is to be implemented. The initiatives are outlined individually below.

Harmonized European Framework for recording and assessing transport-related greenhouse gas emissions (CountEmissions EU)

The initiative provided for under the Greening Transport Package is intended to apply both in passenger and freight transport and to provide transparent information that makes it possible to reduce and compare emissions. It should be a decision-making aid for users and citizens in order to choose the most sustainable means of transport and thus prevent potential greenwashing. Future eco-labeling should also be based on the system.

The European rail sector welcomes these plans. The methodology should be standardized, binding and possible to implement without great effort. The EcoPassenger and EcoTransIT World tools established in the transport sector have been used by DB Group for years. Both comply with the existing non-binding guidelines for the transport sector, standard EN 16258 for calculating and declaring greenhouse gas emissions. This standard is currently being revised and is to be elevated to an international standard as ISO 14083. This international standard would be an important step in laying the foundations for the "CountEmissions EU" initiative.

Infrastructure

REVISION OF THE REGULATION ON EU GUIDELINES FOR THE EXPANSION OF THE TRANS-EUROPEAN TRANSPORT NETWORK

On December 14, 2021, the European Commission submitted a proposal to revise the Trans-European Transport Network (TEN-T) guidelines. The objective, as part of the European Green Deal, is to set the course for faster completion of the multimodal TEN-T core network by 2030 in particular, and the TEN-T comprehensive network by 2050 (2021 Integrated Report 50).

With the "extended TEN-T core network," two new technical infrastructure parameters are to be implemented by 2040: a line speed of at least 160 km/h for most passenger transport lines and a loading gauge profile with a standard of at least P400 in rail freight transport/combined transport. The lauding gauge profile refers to standardized cross-sections of the infrastructure that ensure the space that must be left free for unrestricted passage of vehicles and loads with certain characteristics and dimensions. P400 is a profile that is suitable for 4 m tall semi-trailers. In view of the efficiency gains in links with the European rail freight transport corridors, the draft's proposals include adjustments to governance. Under the Czech Presidency of the Council of the EU, the general approach was adopted at the beginning of December 2022 as a precondition for further negotiations with the EU Parliament and the Commission. The new network design proposed by the Committee with the target horizons of 2030/2040/2050 is essentially confirmed. At the same time, the compromise also sees the less stringent requirements when implementing the TEN-T infrastructure parameters compared with the Commission's draft. Parallel negotiations in the Parliament are ongoing. The draft report was presented in October 2022. Once the TEN-T report has been issued, the negotiations to reach a compromise (trilogue negotiations) can begin. The TEN-T audit is expected to be completed no later than the second half of 2023. Against the backdrop of the war in Ukraine, on July 27, 2022, the European Commission accepted a delegate act to modify the proposed TEN-T regulation of December 14, 2021. This provides for changes to the width of the track (focus on new infrastructure, exceptions possible after cost-benefit analyses) to 1,435 mm and submission of a migration plan within two years; the deletion of Russia/Belarus from the indicative TEN-T maps; the downgrade of connections to Russia/Belarus (core network to the overall network) and an extension of four TEN-T corridors (North-Sea Baltic, Baltic, Black and Aegean Sea, Baltic Sea-Adriatic Sea and Rhine-Danube) in conjunction with solidarity lanes.

Freight transport

REVISION OF THE REGULATION CONCERNING THE CREATION OF A EUROPEAN RAIL NETWORK FOR COMPETITIVE FREIGHT TRANSPORT

The Regulation to create a European rail network for competitive freight transport, adopted in 2010, was the first instrument to improve the operation of the most important international railway lines for freight transport both within the EU and with third countries. Nine European rail freight corridors (RFC) were created to achieve this. Central sales structures, products and committee structures were also established to manage the corridors. A further two RFC were added in 2017 and 2018. Six of the now 11 European RFC run through Germany. The corridors are being developed further in order to implement the European Green Deal and the European Commission's Sustainable and Smart Mobility Strategy. As part of the revision of the TEN-T guidelines, comprehensive proposals have already been submitted to amend the Regulation to establish a rail freight transport corridor. The aim is, among other things, to improve the governance of the rail freight transport corridors between member states, infrastructure operators and advisory groups (including train operating companies and terminal operators), as well as involving customers to a greater extent regarding infrastructure planning. The role of the European coordinator for transport corridors as an intermediary should also be strengthened. In 2022, the European Commission announced that it intends to submit an ambitious proposal for improved cross-border transport and capacity management as part of the Greening Transport Package, which will go beyond the rail freight transport market segment. Among other things, the European Commission would like to focus on operational aspects of rail freight transport. The European Commission is currently reviewing various optimization measures focusing on capacity management, performance, stakeholder management and the use of digital instruments. Stronger centralization at EU level is also to be examined.

REVISION OF THE WEIGHTS AND DIMENSIONS DIRECTIVE

As part of the Greening Transport Package, the European Commission plans to present the revision of the Directive "Setting the maximum permitted dimensions for road vehicles in national and cross-border traffic and establishing the maximum permitted weights in cross-border transport." The use of zero-emissions vehicles with a maximum length of

25.25 m and a weight of 60 t in combined transport and, if applicable, approval of additional load capacities will be examined as part of a follow-up assessment. The European Commission would also like to assess a possible general increase in dimensions and weights and clearer or uniform requirements in cross-border deployments in connection with the impact on infrastructure and intermodal competition. From DB Group's point of view, it is important to avoid effects that would lead to a return to road transport when adjusting the regulations.

REVISION OF THE COMBINED TRANSPORT DIRECTIVE

In the context of the Greening Transport Package, the European Commission is also simultaneously working on a revision of the "Directive on the establishment of common rules for certain types of combined transport of goods between member states" (Combined Transport Directive). The European Commission would like to focus on new approaches to eligibility, for example, which are intended to be oriented directly towards avoiding external costs. The extension of the term "combined transport" to now include multimodal transport chains, rather than just for container handling, is also to be examined. From DB Group's point of view, a clearer definition of combined transport and its uniform design throughout Europe is essential. The promotion of smaller terminals that can be used for handling conventional and combined transport ("tiny terminals") must also be considered. Existing privileges for combined transport must be maintained and it must be guaranteed that it predominantly takes place on the rails. Infrastructural requirements for terminals that provide for improved harmonization of technical standards within Europe are to be set within the revised TEN-T Regulation.

Legal topics

PROCEDURE REGARDING ADDITIONAL FINANCING CONTRIBUTIONS FOR STUTTGART 21

At the end of 2016, in order to avoid risks under the statute of limitations, we initiated proceedings in the Stuttgart Administrative Court against the project partners seeking additional financing contributions on the basis of what is known as the negotiation clause. We submitted our surrejoinder in June 2021, to which the defendants responded in a timely fashion in early 2022. No further pleadings have been filed at this time. The court announced a date for a hearing 202.

CIVIL PROCEEDINGS ON INFRASTRUCTURE UTILIZATION FEES

A large number of disputes relating to train-path and station fees are still pending with the civil courts. This concerns the question of whether, and according to which standards, the civil courts may subject the regulated fees to a further civil court assessment. According to a judgment by the German Federal Supreme Court (Bundesgerichtshof; BGH) in 2011, rail infrastructure usage fees charged on the basis of the legal situation before the entry into force of the ERegG could be reviewed by civil courts for their equity on the basis of Section 315 of the German Civil Code (BGB), even if they were effective under regulatory law. The European Court of Justice (ECJ) ruled in 2017 that a review of the equity of infrastructure charges by civil courts in accordance with Section 315 BGB is incompatible with European railway law. However, the BGH continued to stipulate an antitrust law review by the civil courts. On February 8, 2022, the BGH issued final rulings for the first time, requiring DB Netz AG to repay regional factor fees. On October 27, 2022, the ECJ ruled in a preliminary ruling procedure that the antitrust law applicable to rail infrastructure charges by the civil courts was affirmed in principle, but this was linked to the condition that the regulatory authority will be consulted first, and the civil courts must follow their ruling (ECJ, C-721/20 – DB Station&Service). With reference to the ECJ ruling, the BNetzA has opened proceedings to review the old fees in dispute. It is not yet clear how the proceedings will develop.

EUROPEAN COMMISSION INVESTIGATION SUPPORT MEASURES FOR DB CARGO

The European Commission is carrying out state aid proceedings against the Federal Republic of Germany concerning possible support measures for DB Cargo AG. With the decision of January 31, 2022, it initiated a formal investigation procedure. The investigation is based on a complaint from a competitor. The competitor believes the domination and profit and loss transfer agreement between DB Cargo AG and DB AG, as well as certain other measures, represents competition-distorting aid. The purpose of the investigation that has now been initiated is to clarify the issues raised. The European Commission is conducting the examination without prejudging the outcome. The Federal Republic of Germany and DB Group had already rejected the allegations during the preliminary investigation. In their view, the measures do not in fact contain any aid.

PARTIAL ADMINISTRATION OF SCHENKER ITALIANA S.P.A.

On May 17, 2022, a subsidiary of DB Schenker, Schenker Italiana S.p.A., Peschiera Borromeo/Italy, was put into partial administration. An administrator was appointed. It was not a criminal case against the company or its management, but a preventive measure to prevent the use or infiltration of the company by external parties. The administration was lifted on February 9, 2023, after the company had further strengthened specific aspects of its internal control system.

GRI

ANTITRUST TOPICS

Antitrust proceedings of the Federal Cartel Office (Bundeskartellamt) for online distribution

In administrative proceedings against DB AG conducted by the Federal Cartel Office (Bundeskartellamt, BKartA) since 2019, the Federal Cartel Office sent DB AG a draft prohibition order, known as a warning letter in April 2022. According to its preliminary assessment, the Federal Cartel Office came to the conclusion that the structure of DB AG's relationship with online sales service providers who distribute their tickets for DB AG as a commercial representative is prohibited in certain respects. The proceedings concern new legal issues relating to online sales and distribution, for which established case law and administrative practice has been lacking to date. DB AG has commented on the allegations and is still in dialog with the Federal Cartel Office.

DB Group appeals ruling against rail cartel

DB Group companies filed an appeal against the judgment of the Frankfurt am Main Regional Court of August 3, 2022 before the OLG Frankfurt am Main (Higher Regional Court) due to serious errors in the facts of the case and in the legal assessment. The District Court of Frankfurt am Main rejected the claim for compensation for damages by DB Netz AG and other DB companies against Moravia Steel, a Czech steel manufacturer, and other companies under the statute of limitations. Between 2001 and 2010/2011, several rail suppliers illegally agreed on delivery rates and prices for deliveries of rail to DB Group. In 2012 and 2013, the German Federal Cartel Office imposed fines totaling € 134.5 million on Moravia Steel and other cartel members. In December 2012, DB Group brought an action for compensation for damages in the amount of several hundreds of millions of euros before the Frankfurt am Main Regional Court.

STRONG RAIL

GRI
TCFD

Our inner ambition

Our inner ambition is to ensure that Germany has a strong rail system. Building a strong rail system will help our country to overcome existential challenges:

- **For the climate.** Today, no motorized means of transport is as climate-friendly and takes up less space on average than rail. In addition, no other means of transport is as electromobile – and therefore as low in greenhouse gases and pollutants – as rail, which holds the largest market share of e-mobility in Germany. No other mass transport can achieve a 100% share of renewable energies as quickly – by 2038, we will have converted the DB traction current mix to 100% eco-power. A strong rail system is therefore an essential prerequisite for meeting the climate protection targets of the Federal Government and the EU, because a reduction in emissions in the transport sector cannot be achieved without a massive shift in the mode of transport towards the climate-friendly rail system. Strong Rail is a crucial beacon of hope for our climate. In concrete terms, the shift in the mode of transport towards a strong rail system for the climate means savings of up to 10.5 million t CO_2 per year, which corresponds to the annual CO_2 footprint of around one million people in Germany.
- **For people.** By 2050, almost 85% of the population of Germany is expected to live in metropolitan areas, compared to 75% in the early 2020s. A consequence: the growing amount of passenger and freight transport will present our cities and metropolitan areas with even more logistical, social and ecological challenges than they currently face. The situation is different in many rural areas. Here, one of the key challenges is preserving individual mobility opportunities. In the future, a strong rail system can continue to enable vibrant, urban coexistence and the accessibility of rural regions, because it will enable real mobility and allow travel time to be used in a variety of ways, without wasting valuable hours in our days. In concrete terms, a strong rail system for people means a doubling of passenger numbers in long-distance rail passenger transport and thus five million fewer car journeys and 14,000 fewer air journeys in Germany per day than at

the start of the 2020s. This corresponds to around five times all daily car journeys in Munich and every sixth domestic flight.

- **For the economy.** The demand for the transport of goods will continue to grow steadily in the coming decades. At the same time, commutes between metropolitan areas and surrounding regions as well as increasing flexibility in terms of workplaces and working hours will lead to higher demand on work-related mobility. With a strong rail system, this rising volume of traffic can be overcome, enabling environmentally friendly economic growth. A strong rail system is therefore a crucial competitive factor for Germany's future economic success. It secures Germany's position as a leading exporting nation. With it, we are competing for the most modern transport logistics, and developing decisive technological stimuli for the future. In concrete terms, Strong Rail for the economy means: growth in the modal share of rail freight transport to 25%. This corresponds to about 13 million fewer truck journeys per year on German roads.
- **For Europe.** Germany has a special responsibility for the future of Europe. As well as being the most populous country, it is also the geographic and economic heart of the continent. This role means Germany must be the pioneer and set the precedent for advancing European objectives. Climate protection, jobs, economic growth, social prosperity: much depends on Germany's and Europe's transport routes remaining future-proof. Strong Rail is the necessary link between East and West, and North and South. In this context, it is not only an important instrument for cultural cooperation between the individual countries, but also a crucial factor in jointly achieving the goals set. In concrete terms, Strong Rail for Europe means: working together to realize a European network.

GRI Implementing Strong Rail

We have set ourselves the goal of harmonizing the economic, social and environmental factors with our business goals. Sustainability is anchored in our guiding principles and is an integral part of our DNA. In response to the rapidly changing environmental, social and political framework as well as internal challenges, we have formulated a new structural aspiration – our inner ambition – with the Strong Rail strategy at its heart. With the Strong Rail strategy, we expressly acknowledge our social responsibility and define our concrete contribution to achieving the Federal Government's central transport and climate policy objectives. With our new strategic focus, we are also concentrating more on the core business of the railway in Germany to address the internal challenges and growing expectations of stakeholders in Germany, with regard to the particular responsibility of DB Group. In order to live up to this responsibility, we will measure everything we do at DB Group on the value of its contribution to a strong rail system. This also applies to our affiliated companies. The Supervisory Board of DB AG has given DB Management Board the mandate to examine and prepare a possible sale of up to 100% of DB Schenker shares. Joint operational initiatives will focus on achieving synergies within the integrated network. Subsidiaries without strategic relevance for Strong Rail will be placed under scrutiny.

With the Strong Rail strategy, we have set the course for a shift in the mode of transport and are expecting to create additional capacity, increasing product quality and improving customer satisfaction. Our strategy is a framework with which we both continuously create the internal prerequisites for shifting traffic to the rails and ensure sustainable alignment with the Green Transformation 69ff. of DB Group. In order to create the necessary conditions for the shift in the mode of transport, we have identified three strategic areas within the Strong Rail framework:

- **More robust:** We are committed to the extensive expansion of performance-critical capacities. With a long-term focus on growth and technological innovations, we are creating the necessary capacities in infrastructure, vehicles and personnel. Among other things, together with the Federal Government, we are investing billions in the expansion and construction of lines and hubs, additional terminals for freight transport and the purchase of new vehicles. We achieve more capacity through the digitalization of rail operations, better capacity management and extensive and sustainable measures in recruiting and qualification. More trains, more train-paths and more employees will enable us to transport more people and goods while offering a higher quality of service.
- **More powerful:** In order to be able to achieve a high and sustainable performance level in the long term, we will also carry out structural changes. We are simplifying the organization and aligning it systematically with the common goal of Strong Rail. In order to be more customer-centric and respond more quickly to employees, we rely on a strong regular and functional organization, the introduction of customer-oriented collaborative processes to improve cross-business unit cooperation, and an engaging process philosophy with common standards and methods. With simple processes and clear responsibilities, we become faster and more disciplined in our implementation of strategies.

- **More modern:** We will increase the pace of innovation for our customers. By expanding our activities in the area of new mobility 153f., we provide our customers with an integrated offer that almost extends the rail line right up to their doorstep and complements local public transport in a meaningful way. By using digital technologies, we will also facilitate the effortless switch between the different means of transport. The integration of new and innovative forms of mobility and the use of smart services and digital platforms create clear added value for our customers. In this way, we take into account rising customer expectations and create an attractive offer for sustainable mobility and logistics, both in cities and rural areas.

For each of these three expansion areas, we have identified five central issues, which we call building blocks. The key criterion for selecting the building blocks is their importance across business units for our goal of a strong rail system in Germany and therefore also for the Federal Government's transport and climate policy goals. This has resulted in a total of 15 building blocks to help us to organize the shift in the mode of transport. They are supplemented by building blocks specific to each business unit.

However, the shift in the mode of transport to rail can only achieve its full potential if the railway also continues to strengthen and expand its climate-friendly operations and other environmentally friendly advantages. DB Group's Green Transformation is therefore a central requirement for the effectiveness of the shift in the mode of transport. To live up to the importance of this topic, we have defined another overarching building block through which we aim to ensure the effectiveness of the shift in the mode of transport. Together, these 15 + 1 building blocks form the strategic framework of our business alignment.

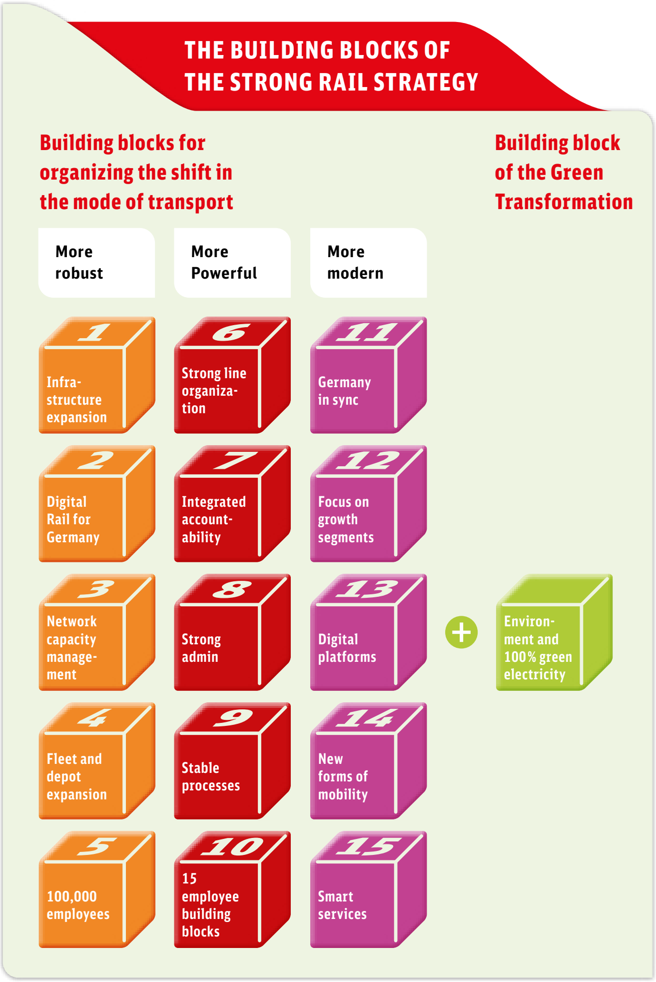
EMPLOYEE BUILDING BLOCKS

Our employees are involved in the implementation of the strategy by means of the "15 employee building blocks." The goal is to develop additional building blocks that reflect the key concerns of employees and support the implementation of the strategy. To date, more than 1,300 employees have contributed as developers.

The building blocks are developed in a six-month participation process. Once a building block has been selected, a "construction manager," together with a team, takes over its concrete design and implementation of this building block within DB Group.

In 2022, the three expansion blocks regarding knowledge management, "My knowledge – Your knowledge – Our knowledge," "Colleagues leave; their knowledge remains" and "Knowing how the railway works," were successfully ended and became standard. In addition, three further employee expansion blocks were identified, which were developed in the participation process:

- **"Just ask me:"** Products continued to be promoted in this area. The building block aims to make better use of employees' practical knowledge during decision-making processes by means of increased integration. To this end, among other measures, a platform was successfully piloted where employees make forecasts on business-related topics and thus give specialist departments guidance when making decisions.
- **"Team DB in rail operations"** was agreed in 2022: The module addresses the key concerns of around 55,000 employees working in rail operations (for example traffic controllers, train drivers and train personnel). For this target group, DB Group has set itself the goal of



increasing the knowledge of the processes and activities of other professional groups, providing relevant information for all rail operations more easily and establishing formats for improvements on-site in everyday life.
- **The wave of expansion "Improving improvements"** began in September 2022. By December 2022, solutions were sought with 180 developers, which were intended to strengthen problem solutions and process improvements by employees on-site in DB Group.

CAPACITY EXPANSION FOR A STRONG RAIL SYSTEM

Expanding fleet and infrastructure capacity also significantly impacts quality, and above all, our punctuality.

Infrastructure expansion

GRI

In order to implement the Federal Government's policy objectives for the transport sector, network capacity must be significantly increased. The Strong Rail strategy envisages an increase in volume produced of about 350 million train-path km, and thus by more than 30% (compared with 2015), for passenger and freight transport combined. According to available forecasts, growth will be disproportionately realized on the existing rail network, which is already highly utilized. At the same time as expanding infrastructure, we also need to ensure a high level of network reliability and capacity, even during the expansion phase. The capacity expansion of the rail network will lay the foundations for sustainable transport and economic development. Mobility is also indirectly facilitated. We can only achieve a high level of performance and growth in the network in cooperation with the Federal Government. To this end, Federal and state policy creates a precise legal framework (for example through LuFV, BSWAG), in which DB Group operates and is measured in terms of meeting the targets. There is a regular exchange with key interest groups on the effectiveness of the measures. Potential environmental impacts are continuously evaluated in accordance with statutory requirements (for example environmental protection, species protection, nature protection and water protection), as well as preventive and countermeasures to minimize environmental impacts (for example noise protection, compensation areas). The results are continuously reviewed in terms of target attainment.

The LUFV 262f. guarantees the financing of the existing network. In addition, there are three main levers to help increase the capacity of the network and the volume produced:
- **New construction and expansion:** The realization of new construction and expansion measures 136f. is a key factor for additional network capacity. We have the potential to create an additional 180 million train-path km (compared with 2015), laying the groundwork for more traffic on corridors and for new service concepts. Necessary projects for this are included in the Federal Government's priority requirement plan and will be implemented successively. Additional measures supplement these projects, such as further expansion measures to enable Germany in sync or line extensions as part of the Structural Development Act (Strukturstärkungsgesetz). Small and medium-sized measures are also a key driver for robustness and growth.
- **Digital Rail for Germany (Digitale Schiene Deutschland; DSD):** With the nationwide roll-out of the European Train Control System (ETCS) in conjunction with digital interlockings and digital rail operations, we are increasing capacity by an additional 100 million train-path km (compared with 2015) – without building new tracks. DSD 65f. includes the completion of ongoing ETCS projects, the implementation of the so-called starter package and the industrialized comprehensive roll-out. In addition to capacity, the program increases the reliability, productivity and interoperability of the railways in Germany and Europe.
- **Capacity management and customer-friendly construction:** With further additional measures, we will be able to increase our volume produced by an additional 70 million train-path km (in relation to 2015). Improved capacity management is an important component of this. This includes coordinating capacity increases, customer-friendly construction, traffic optimization and disruption minimization. In addition, for the first time, there is contractual funding for capacity-efficient construction in the form of additional "customer-friendly construction" requirements in LuFV III. This demand for additional capacity helps further reduce capacity restrictions while construction work is taking place.

Fleet and depot expansion

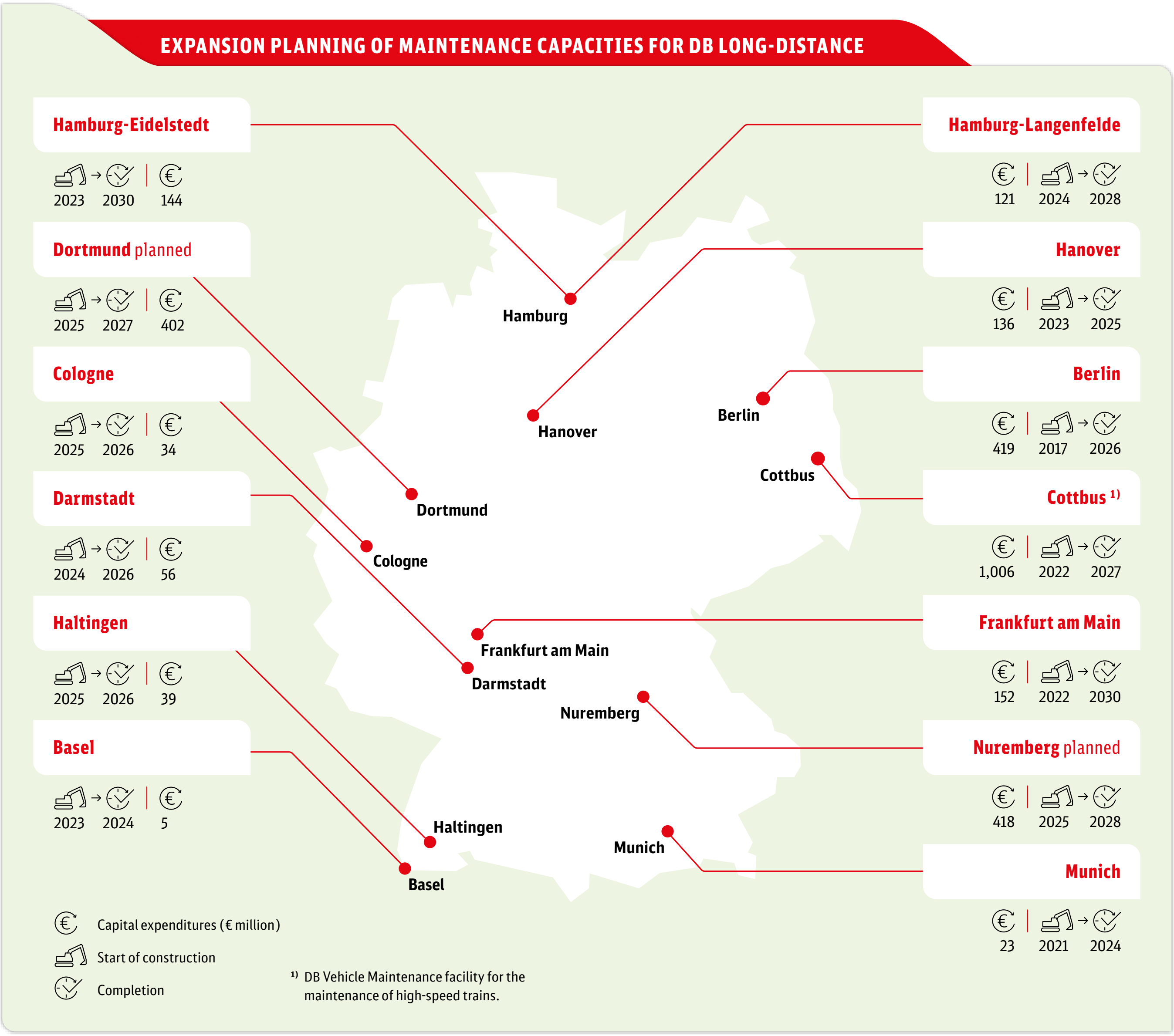
We are continuously investing in the modernization and acquisition of new trains for a strong rail system. In order to meet the rising maintenance needs of the growing fleet, we are expanding our maintenance facilities and investing in new locations for operational maintenance.

By the end of 2030, we will be investing just under € 2.4 billion in the maintenance depots of DB Long-Distance and thus in improving the punctuality and quality of ICE and Intercity trains. New depots, larger halls and expanded workshops at existing sites and new maintenance facilities at local centers ensure that trains will be able to be maintained faster and more quickly in the future. When planning the new ICE facilities in Nuremberg and Dortmund Port, the involvement of public authorities and local people is a matter of course for us.

In addition to expanding the plants, we are optimizing our processes and are also exploiting the opportunities of digitalization and automation for operational maintenance. The main focus is on the automation of visual inspections on trains using camera technology and artificial intelligence, as well as the process optimization of elaborate maintenance levels.

In addition to our depots, we also invest extensively in vehicles. By the end of 2026, the long-distance transport fleet will expand to over 430 ICE trains. This includes 137 ICE 4 trains. Our fleet of ICE 4 trains has been delivered in full.

The ICE fleet continues to grow with the ICE 3neo. The first of the 73 new ICE 3neo trains has been in use since late-2022. We will also receive 23 ICE L and other Intercity 2 trains.



1) DB Vehicle Maintenance facility for the maintenance of high-speed trains.

With the increasing number of new vehicles, we are increasing the reliability of our fleet and creating additional seating capacity for our passengers.

In addition, we have commissioned the manufacturers Alstom Transport Deutschland and Siemens Mobility to develop a new vehicle concept independently of one another. DB Group will contribute its expertise as an operator to the development of the next generation of trains. Upon completion of the concept development, a further tender is expected to follow in the second half of 2023, which will include the development, construction and licensing of the new vehicles and will be open to other manufacturers. The new generation of trains is expected to be used from the early-2030s, replacing ICE 3 trains and expanding the ICE fleet. We rely on trains with a maximum length of 400 m and at least 300 km/h, single-deck trains with around 950 seats, which are to set new standards in terms of energy efficiency and technical availability.

More than 100 trains in the ICE 1 and ICE 3 fleets are being modernized to improve technical reliability and provide more comfort on board. Several measures are being implemented for the ICE T to stabilize the technical facilities. These include, for example, improving drive components to increase availability and refitting to ETCS Baseline 3 in order to enable use on the corresponding line networks.

The implementation of the Strong Rail transport targets at DB Regional aims to deliver a significant increase in passenger numbers. In this context, seat capacity must be increased by up to 30% by 2030. We will meet this additional demand both through increased capacity utilization of the trains in the medium term and by increasing the capacity of the vehicle fleet. In regional transport, too, we continue to invest in our fleet and depots. Extensive modernization work will be carried out over the next few years on the vehicles of the Dresden, Cologne, Rhine-Main and Stuttgart S-Bahn (metro) lines as well as in regional transport on the Elbe-Spree and North-South (Berlin-Brandenburg) networks. In addition to improving the technical reliability and comfort of the vehicles, we are also working to increase utilization.

For transport contracts with the Berlin, Hamburg, Rhine-Main and Stuttgart S-Bahn (metro) lines, the vehicle fleet is scheduled to be expanded with contracting organizations by the end of 2026. In addition, from 2025, battery-powered trains will be used in the Palatinate network (Pfalznetz), which can be operated locally with zero emissions, enabling even more climate-friendly regional transport. Additional single- or multi-level multiple units are being procured as part of the transport contracts awarded to service the additional train kilometers.

In order to increase capacity on the existing rail network, vehicles will be equipped with ETCS. From 2023, for example, the vehicles of the Stuttgart S-Bahn (metro) will be equipped with this technology. The vehicles of the Hamburg S-Bahn (metro) will then be equipped from 2024.

Over the next few years, there will also be capital expenditures in regional transport workshop infrastructure to maintain and expand maintenance capacities. The focus until 2025 will be on workshops for the S-Bahn (metro) in Berlin, Frankfurt am Main, Cologne, Munich, Nuremberg, Tübingen and Ulm.

The implementation of the measures will be communicated using the usual methods, such as press releases.

Strong Rail targets

TCFD

Concrete measures are at the basis of every building block of the Strong Rail. A "construction manager" was named for the operational management of each building block, who is accountable to the Management Board for designing the measures and their operational implementation. The building blocks were incorporated in DB Group's mid-term plan. We monitor contributions to targets with key performance indicators. This measurement is ongoing, and is managed and monitored within the Strong Rail Board, a specially created body, supervised by the Management Board and the Chairs of the business units of the Integrated Rail System.

The basis are the transport policy sector targets of the Federal Government:

- doubling of transport performance in rail passenger transport,
- increase in rail's market share to 25% of freight transport.

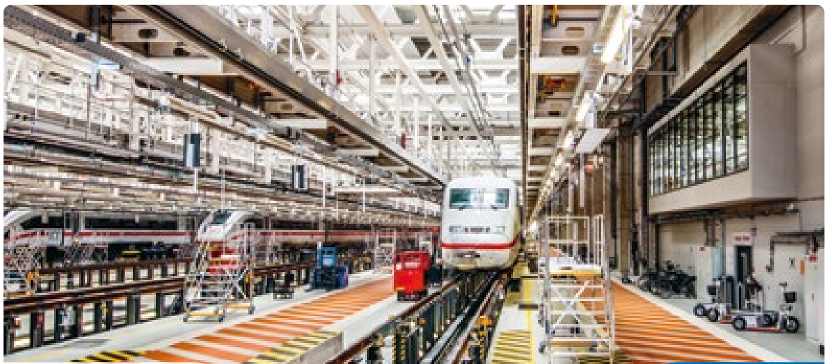
In addition, the German Federal government's climate policy objectives are being supported by the switch of traction current to 100% renewable energies, the electrification of rail lines and the purchase of alternatively driven or hybrid-driven locomotives.

We aim to achieve the objectives of the Strong Rail strategy through a total of ten DB-specific target figures. Our primary objective is our contribution to the shift in the mode of transport. To this end, we are focusing equally on growth in rail passenger and rail freight transport.

TOP TARGETS OF THE STRONG RAIL STRATEGY

What do we want to achieve?	How do we measure this?	What are we doing to achieve this?	
SHIFT IN THE MODE OF TRANSPORT			
Doubling passenger numbers in long-distance transport	260 million passengers at DB Long-Distance	– Introduction of Germany in sync – more railway services for major cities and regions with reliable, faster and more frequent connections. – Shorter travel time between many major cities thanks to additional ICE Sprinter connections.	– More seats thanks to the conversion of existing trains and the procurement of new trains. – Better door-to-door connections in close collaboration with our partners, by integrating new forms of mobility.
Increase in passenger numbers in local transport	+1 billion passengers in local transport (compared with 2015), thereof 0.7 billion on DB Regional (rail) and 0.3 billion in New Mobility	– More reliable, faster and more frequent connections. – More seats thanks to the conversion of existing trains and the procurement of new trains.	– Better door-to-door connections in close collaboration with our partners, by integrating new forms of mobility. – Intuitive travel support for everyday travel needs, thanks to intermodal Mobimeo technology.
Increase in volume sold in rail freight transport	+70% volume sold in rail freight transport (Germany) (compared with 2015)	– Expansion of activities as rail logistics provider and operator, as well as rail logistics solutions. – Further development of single wagon transport.	– Expansion of production capacities through capital expenditures in multi-system locomotives, freight cars, automation and digitalization. – Growth in top European corridors through cross-border management of traffic with coordinated schedules.
Increasing the capacity of the rail network	+>30% train kilometers on track infrastructure (compared with 2015)	– Expansion of network capacity. This also includes the network design plan for 2030 and Germany in sync. – Implementation of small and medium-sized measures (for example control points, track change operations) in order to improve performance in the network in the short-term.	– Driving digitalization (for example roll-out of ETCS, DSTW and digital rail operations). – Make better use of existing capacities: fewer disruptions, in part through major renovations in the high-performance network, capacity-saving driving and construction, and transport optimization.
CUSTOMERS			
Increase of customer satisfaction	>80 SI at DB Long-Distance >75 SI at DB Regional >70 SI at DB Cargo	– Improving the customer experience by expanding digital and personal services and (passenger) information.	– Increasing the quality of stay at stations by offering new waiting areas, improving cleanliness and safety, expanding the range of services offered and integrating new forms of mobility.
Improvement of operational punctuality	>80% at DB Long-Distance >95% at DB Regional >77% at DB Cargo	– Short-term alleviation of bottlenecks, among other things through upgrading heavily used infrastructure with targeted maintenance measures. – Optimization of construction site management for punctual travel and transport chains. – Increasing vehicle availability and quality, among other things through expanding maintenance capacity.	– Introduction of supporting systems, among other things implementation of intelligent systems forecasting (Big Data) for an early response to disruptions. – Digital switches 2.0 for the timely detection of pending track disruptions. – Package of measures to reduce malfunction times.
EMPLOYEES			
Improving employee satisfaction	≥3.8 SI	– Anchoring of "compass for strong collaboration" (Kompass für ein Starkes Miteinander). – Employee participation in the building block "15 employee building blocks."	– Development of modern working and employment conditions, including integration of lessons learned from the Covid-19 pandemic. – Continuation of the employee survey, the culture-barometer and togetherness workshops.
CLIMATE			
Increasing the share of renewable energies in DB's traction current mix in Germany	100% green electricity by 2038	– Replacement of expiring power plant contracts with renewable energies.	– Expansion and digitalization of the traction current grid to feed in increasingly volatile energy sources.
PROFITABILITY			
Return above the cost of capital	ROCE ≥6.0%	– Implementation of all the capital expenditures and expenses required to implement the Strong Rail strategy. – Countermeasures to compensate for a significant portion of the losses caused by Covid-19.	– Simplification and streamlining of structures and processes and (re)alignment with customer benefits.
Ensuring financial stability	Debt coverage ≥20%	– Improvement in the operating profit situation.	– Adjustments to the Group portfolio.

PRODUCT QUALITY AND DIGITALIZATION



Speedier digital maintenance

Trains should be rolling, not standing still. Digitalization and the wide use of new technologies are essential to greater maintenance efficiency. For example, since 2022, AI-based material identification has been used for automatic image recognition for the first time. In addition, the first 140 vehicles were equipped with sensors for condition-based maintenance.

Weaker punctuality performance

The intensity of use on the German rail network has increased by more than 60% since 1994. Infrastructure has not expanded in line with growing demand. At the same time, the condition of the infrastructure has deteriorated, as many tracks, points, bridges and signal towers are old and therefore prone to faults. Construction is at a record level in a drive to accelerate modernization. However, this comes at the cost of additional capacity.

Artificial intelligence for more punctual trains

The pioneering use of artificial intelligence in scheduling saved more than 58,000 minutes of delay in 2022. The technology is already in use on the Stuttgart, Rhine-Main and Munich metro (S-Bahn) lines, detecting potential disruptions in operating schedules at an early stage, providing decision-making suggestions and thus supporting the dispatchers in their day-to-day work.

GRI

Overview of key figures (rail in Germany)

SHIFT IN THE MODE OF TRANSPORT

PASSENGERS LONG-DISTANCE TRANSPORT / million — Target: 260

2027	~199
2022	**132.0**
2021	81.9
2020	81.3
2019	150.7
2018	147.9

PASSENGERS LOCAL TRANSPORT / million — Target: 2,500

2027	~2,250
2022	**1,605**
2021	1,121
2020	1,215
2019	1,972
2018	1,940

VOLUME SOLD RAIL FREIGHT TRANSPORT / million tkm — Target: 107,000

2027	~68,700
2022	**59,607**
2021	60,324
2020	56,224
2019	60,702
2018	64,169

TRAIN KILOMETERS ON TRACK INFRASTRUCTURE / million train-path km — Target: 1,400 [1]

2027	~1,200
2022	**1,133**
2021	1,109
2020	1,066
2019	1,090
2018	1,085

Short/mid-term target — Long-term target

[1] +>30% compared to 2015.

CUSTOMERS

CUSTOMER SATISFACTION DB LONG-DISTANCE / SI — Target: >80

2027	>79
2022	**74.8**
2021	77.8
2020	80.2
2019	76.5
2018	77.1

CUSTOMER SATISFACTION DB REGIONAL / SI — Target: >75

2027	~72
2022	**70.1**
2021	71.6
2020	69.0
2019	66.1
2018	66.3

CUSTOMER SATISFACTION DB CARGO / SI — Target: >70

2027	~64
2022	**67**
2021	70
2020	68
2019	61
2018	60

Short/mid-term target — Long-term target

PUNCTUALITY

PUNCTUALITY DB LONG-DISTANCE / % — Target: >80

2027	~79
2022	**65.2**
2021	75.2
2020	81.8
2019	75.9
2018	74.9

PUNCTUALITY DB REGIONAL / % — Target: >95

2027	~95
2022	**91.8**
2021	94.3
2020	95.6
2019	94.3
2018	94.0

PUNCTUALITY DB CARGO (GERMANY) / % — Target: >77

2027	~73
2022	**66.1**
2021	69.8
2020	77.6
2019	73.8
2018	72.9

Short/mid-term target — Long-term target

The customer is at the center of our actions

MANAGEMENT APPROACH AND TARGETS

High product quality is one of the most important prerequisites for implementing our Strong Rail strategy 51ff. The greatest levers for improving product quality include high levels of punctuality, the use of modern vehicles, reliable and comprehensive customer and transport information, the quality and reliability of the services offered and appropriate transport and transport times. That is why we continually invest in our fleet and infrastructure 54ff., and optimize cooperation with our suppliers and sector partners. We are also intensively exploiting the opportunities offered by digitalization.

Improving punctuality is particularly important as it is the key factor influencing customer satisfaction and therefore makes a positive contribution to meeting our customer needs, even in the context of increasing mobility needs. Only if trains and buses operate sustainably with a high degree of punctuality will passengers use rail transport for their private and work-related journeys in the long term, thereby guaranteeing the success of society's shift in the mode of transport. Punctuality is also the key factor in the stability of production systems. In the long-distance and freight transport sectors especially, delays lead to impaired vehicle and personnel cycles, which in turn have a negative effect on maintenance delivery. This ties up the capacity and resources that are urgently needed for the desired growth in traffic in both passenger and freight transport. From an economic point of view, a high level of punctuality also minimizes the risk of penalty payments in contracted local passenger transport as well as compensation via passenger rights in long-distance passenger transport.

The importance of punctuality is also demonstrated by the fact that it is a determining factor in the amount of the variable remuneration received by executives 92f.

Improving punctuality requires continuous internal management, on the basis of lost units (number of delays) and additional key figures, which take into account network capacity and availability, among other things. To measure punctuality, we compare the target arrival time to the actual arrival time for every train/bus run. A stop is considered on time if the scheduled arrival time is exceeded by less than six minutes in passenger transport or less than 16 minutes in freight transport. We use a punctuality rate to summarize the arrival of trains/buses on schedule or up to a defined maximum delay. Punctuality data is recorded daily and made available to managers and employees together with the lost units and other management key performance indicators. The performance is compared with the targets derived from the strategy in order to identify both negative deviations and positive developments in a timely manner.

The development of the management key performance indicators is presented as part of cascading performance dialogs within and across business units, Management Board and Supervisory Board meetings, as well as management reports to the Management Board and Supervisory Board, in order to set baselines for improvement and to derive focused decision-making needs and countermeasures. In addition, the progress of the agreed measures and the effectiveness of the measures are continuously demonstrated on the basis of further performance progress.

DB Group has made a clear commitment to further develop product quality by defining long-term punctuality targets for long-distance rail passenger transport, regional rail passenger transport and rail freight transport within the framework of the Strong Rail strategy. In order to take into account this commitment and the obligation of corporate planning with regard to quality, the primary measures to ensure the achievement of targets are set annually in the medium-term and long-term planning and approved by the Management Board.

In addition to the various aspects of product quality, the continuous optimization of the price-performance ratio and product innovations, especially in digitalization 63ff., are key levers for increasing customer satisfaction. We work extremely hard on our basic service and focus on optimizing product and service quality. We offer our customers a comprehensive range of services for their information needs. Our target is to provide our products at a reasonable price-performance ratio in order to meet the expectations of our customers. The focus is on measures that increase the quality of our services and the efficiency of our processes.

In order to assess the success of our measures from our customers' perspective, we use direct indicators such as revenues, the number of passengers and satisfaction during the customer journey. In addition to this, we use the results of regular customer surveys to measure our success and find potential areas for improvement.

CUSTOMER SATISFACTION

Development in the year under review

CUSTOMER SATISFACTION / SI	2022	2021	2020
DB Long-Distance	74.8	77.8	80.2
DB Regional (rail)	70.1	71.6	69.0
DB Regional (bus)	74	75	71
DB Cargo	67	70	68
DB Netze Stations (passengers/visitors)	71	73	72
DB Arriva (bus and rail, United Kingdom)	73	77	80
DB Schenker	70	68	74

One of DB Group's top goals is to achieve a consistently high level of customer satisfaction. In passenger transport, in addition to the development of operational key indicators such as punctuality and capacity utilization, ticket purchase, offering, space availability, comfort and providing information, play an important role.

Regular evaluation of customer satisfaction is hugely important. The results of the entire travel experience are discussed in regular performance dialogs and efficient management of customer satisfaction is ensured. The data is gathered in each case by independent market research institutes. The aim is to conduct a direct survey after the end of the trip in order to better assess the relationships between buying decisions and repeat use. The identified drivers of satisfaction are ranked against each other. Details on development in the individual business units can be found in the chapter Development of business units 112 ff.

PUNCTUALITY

Development in the year under review

PUNCTUALITY / %	2022	2021	2020
DB Group (rail) in Germany	90.9	93.7	95.1
DB rail passenger transport in Germany	91.0	93.8	95.2
DB Long-Distance	65.2	75.2	81.8
DB Regional	91.8	94.3	95.6
DB Cargo (Germany)	66.1	69.8	77.6
DB Arriva (rail: United Kingdom, Denmark, Sweden, the Netherlands, Poland and the Czech Republic) [1]	90.2	93.5	92.3
DB Regional (bus)	86.0	83.9	83.4
DB Cargo	66.3	69.5	76.9

To measure punctuality, we compare the target arrival time to the actual arrival time for every train/bus run. We summarize the arrival of trains/buses on schedule or up to a defined maximum delay using a punctuality rate.

[1] From July 2022, excluding activities sold by DB Arriva in Sweden 160.

In Germany, punctuality in rail transport decreased significantly. The reasons for this development were:

- **High level of primary disruptions:** Particularly in the infrastructure (for example points, tracks), there was an increase in primary disruptions due to the aging and susceptibility of the facilities to faults. One of our focal points was nationwide testing and the replacement of damaged concrete ties as a result of the train accident in Garmisch-Partenkirchen 135. Due to the high volume of work, slow-running points had to be set up for long periods, which had a negative impact on the operating quality.
- **High level of construction activity:** In 2022, there were often lots of construction activities, particularly in the highly utilized bottleneck network, while at the same time there was strained infrastructure capacity and more traffic. Extensive construction work on the Riedbahn between Mannheim and Frankfurt am Main, the most heavily burdened line in the ICE network, but also in the Hamburg hub, has led to significant additional delays.
- **Highly utilized rail tracks:** Around 25% of all trains run through highly overloaded rail routes 134, which are already very busy due to the high volume of traffic, without additional construction.
- **Special external events:** Weather-related events, in particular, the rapid sequence of hurricane force storms in February 2022, which in some areas caused severe damage throughout Germany, especially in northern Germany and North Rhine-Westphalia, and a number of heat-wave days between June and August. In addition, dangerous events (including suicide, a freight train collision in Leiferde 135) and external effects (including theft of infrastructure facilities, damage caused by vandalism and a targeted attack on the GSM-R infrastructure in the north) led to negative punctuality effects.
- **9-Euro-Ticket:** Demand in regional rail passenger transport increased significantly from June to August 2022 due to the temporary introduction of the 9-Euro-Ticket 36. This led primarily to more excessive stopping times and train delays on tourist routes and at weekends.
- **Tense personnel situation:** Among other things, there were high levels of sick leave for key operational functions (for example drivers, traffic controllers, maintenance personnel) due to Covid-19 or flu, partly limited to certain areas.
- **Impaired operating processes:** The reduced punctuality level and low system resilience mean that personnel and vehicle rotation may no longer function, which means that maintenance allocations and train provision cannot take place as scheduled.

Significant measures for improvement

In 2022, DB Group again implemented a number of measures to improve and/or stabilize the operating quality. However, negative structural effects (high construction activity on highly utilized rail lines with old and fault-prone infrastructure) overpowered their effects. For this reason, measures are being developed and implemented that strongly intervene in the current structures and contribute to a sustainable increase in quality through paradigm shifts.

DIGITAL PRODUCTION NETWORK

Digitalization of rail operations is central to the Strong Rail strategy. In order to ensure the completeness and suitability of activities relating to digital transformation in rail operations, the Digital Production Network (DPV) project unit was created under the Digitalization and Technology division in October 2022. DPV is thus building on the preliminary project Digital DB, among others. The aim of the work carried out by the DPV is a functioning, integrated and holistically digitalized Integrated Rail System. The DPV must ensure that functional and technical targets are harmonized and projects and measures are derived. As an initial focus, DPV aims to make significant contributions to increasing punctuality and capacity, optimizing vehicle availability and reducing costs.

In order to effectively tackle this aim, additional funds amounting to €135 million will be made available for digitalization measures in 2023. The project portfolio financed with these funds addresses all overarching processes. Three levels of action are touched upon in this way:

- The first-aid measures are used to remedy operational inefficiencies in the short term, for example through the automation of interfaces.
- By developing digital platforms, we are creating the conditions for an optimized digital system, for example by providing basic modules which are generally useful.
- Through the gradual further development and implementation of the “Digital DB 2035” vision, we are creating a common model for management and cooperation for business units and central functions.

In addition to the medium and long-term effects, DPV always focuses on rapid and noticeable development of effects for our customers.

MANAGEMENT MODEL AS PART OF CAPACITY MANAGEMENT DURING THE BUSINESS YEAR

In order to achieve the Federal Government’s transport policy objectives, the rail network capacity must be significantly increased. Accordingly, the Strong Rail strategy provides for the expansion of infrastructure as a central pillar. The associated extensive construction activities lead to tense capacity situations in these areas, which, in combination with the forecast strong traffic growth, can lead to negative effects on operational quality, especially in the case of the already existing bottlenecks. The aim is to achieve the growth targets with a view to expanding the infrastructure while stabilizing the operating quality at a good level.

Planning for major construction projects usually begins more than ten years before the start of construction. In order to assess the impact of construction configurations on the operating quality, reliable data on potential impairments is required. The level of detail increases as construction approaches – up to specific details about schedule planning around 20 weeks before the start of construction. As, at this time, the remaining leeway for operational and punctuality stabilizing measures is severely limited, detailed considerations for assessing the capacitive situation prevailing at the time of the final notification of planned construction measures are made 31 weeks before the start of construction. These allow the operational and qualitative risks to be identified and assessed, and countermeasures to be taken. This allows forwarding/diversion lines to be inspected or improved in terms of availability in good time, supply adjustments can be made by train operating companies and, in the case of very critical construction configurations, individual construction work can be relocated. On this basis, further quality gates follow until the actual start of construction.

As a result, the national assessment of the impact of individual construction work, which had already been produced more than two years earlier, is now once again quality-assured on three main transport corridors of the highly utilized rail network and, if necessary, substantiated in order to anticipate and reduce, in particular, the impairment of long-term rail passenger and freight transport lines. The first positive effects of this control are expected at Easter 2023, for example – a period that is usually characterized by major losses in quality (due, among other things, to construction activities).

Digitalization

GRI

MANAGEMENT APPROACH AND TARGETS

Focus on digitalization and technology

Our digital and technical strategy is designed to develop an ultra-smart mobility network by 2030 – connected, automated and customer-oriented. In the future, travel should essentially “plan itself” and adapt to changing circumstances in real time in the event of deviations. To this end, our digitalization processes must be understood and designed as an intelligent overall system – a long-term development, with three core tasks under the Strong Rail strategy:

- fully connected,
- self-organized development, and
- making it easier for customers to use mobility services.

The use cases show where digitalization and technology are the key to success for the Strong Rail strategy 51ff. We will focus in particular on some of these:

- Digital rail operations, because it makes us more robust, for example, thanks to automated timetables and scheduling.
- Digital maintenance, because it makes us more effective, for example, through more efficient materials management and more powerful forward-looking planning.
- Green rail technology, because it makes us more environmentally friendly, for example, through our emissions-free and environmentally friendly rail operations.

All projects are geared towards the sustainable increase in capacity, efficiency and quality. The implementation is accompanied by a new culture created as part of a Compass for Strong Collaboration 85, which promotes ideas and plans for new working environments, and encourages enthusiasm for new technologies.

IT infrastructure is the basis for driving the development of digitalization. Five elements form the foundation of the digital infrastructure for a Strong Rail system:

- **Connectivity** as a basic requirement for data transfer and exchange, because a Strong Rail system needs high-speed communication.
- **Cloud services** as the basis for rapidly scalable and high-performance storage services, because a Strong Rail system needs efficient and flexible IT resources.
- **Cybersecurity** as the basis for continuous security in more digitalized rail operations, because only a secure rail system is a Strong Rail system.
- **Development platforms** as the basis for modular services, IT security and the acceleration of software development, because a Strong Rail system requires high-performance IT.
- **Data management** as the basis for legally secure, standardized and comprehensive data utilization, because a Strong Rail system needs a clear overview of the Integrated Rail System.

By 2030, the goal is to have trained mobility systems to detect, calculate and network automatically and hence, to keep everything permanently up to date. Artificial intelligence (AI) determines the pace of this by facilitating new ways of managing capacity, eliminating barriers and satisfying requirements before they are even identified and formulated. The vehicles are highly automated, communicate with each other, update themselves independently and report potential defects even before they occur – with new sensors, drones and robots.

Stakeholders are informed about the priorities and progress in implementing both the use cases and the foundations as part of regular informative events. The progress and effectiveness of program and technology projects are reviewed regularly with the responsible business units and Group functions. If necessary, options for action are discussed and decided upon.

ECOSYSTEMS AND PARTNERSHIPS

GRI

Digitalization and global competition are fundamentally changing market conditions. Due to much shorter innovation cycles, new markets are created faster, and there is growing pressure on established market players to innovate. We need to transform into an ecosystem-focused company so that we can tap into growth potential in this area and ensure DB Group stays competitive in the long-term. DB Group is therefore using partnerships to drive greater innovation and is systematically expanding collaboration. The innovative power and expertise of partners will be more easily usable thanks to integration into DB Group’s added value chain. In line with the Strong Rail strategy, the current focus is on the areas of production and sustainability:

- **Production:** The digitalization of production processes makes it possible to increase the efficiency and effectiveness of operating processes. This means, among other things, that capacity increases and an increase in the availability of trains and cost savings can be achieved in the Integrated Rail System. As one of the first initiatives, we are driving ahead with the development of a central IT platform for the group-wide maintenance of vehicles.
- **Sustainability:** Partnerships for the development of innovative, environmental and customer-oriented solutions, particularly in the areas of climate protection and greenhouse gas emissions, are encouraged.

DIGITAL TRANSFORMATION

The digital transformation is focused on the inclusion and qualification of employees through training, new working methods and agile structures. In 2022, the focus was on expanding digital skills.

- As a start-up hub and innovation driver, DB mindbox works closely with business units and young companies to support innovative technologies and digital solutions within DB Group. More than 200 companies have already participated in the support program. For around 60%, we continued with follow-up partnerships working on specific products and innovations after the DB mindbox program. In 2022, "the bright platform edge" – a solution by the start-up SIUT – was installed at the Südkreuz Railway Station of the Future in Berlin to ensure better orientation on the platform.
- We created the DB Digital Base in Berlin, a central location for digitalization within DB Group. Here, executives and employees can access free, virtual events and workshops on topics focusing on data.
- In 2022, we reorganized the CDO division. In future, the focus will be on the digitalization of production. Due to this new strategic direction, existing digital competencies are being located, particularly in the IT and Technology divisions, which make a decisive contribution to more capacity, quality and punctuality.
- In 2021, the Digital Transformation Academy (DTA) was developed to expand and deepen expertise in digital and IT contexts. Three programs are currently offered. In 2022, we were able to increase the number of participants in Agile Classes from 80 to around 200 participants and provide training in agile and digital product development skills. Since autumn 2022, we have been piloting the Data Class with around 45 participants, with the aim of enabling employees to implement digital transformation and to establish an overall grasp of data organization.
- Since the beginning of 2018, we have been promoting our digital talent in the areas of digitalization and business model development through our digitalization trainee program, as well as building digital skills for the whole DB Group.
- Deutsche Bahn Digital Ventures is our corporate venture capital arm, which invests in innovative business models. The research fields are based on our Strong Rail strategy and our digital and technology strategy.

INFORMATION SECURITY

Information security is a priority given an increasingly interconnected global environment and the rapid progress of digitalization. It is essential that companies identify risks in good time, establish countermeasures early on, and react quickly and decisively to incidents. Our ultimate goal is to protect information technology (IT) and operational technology (OT) infrastructure on a sustainable basis. The Chief Information Security Officer (CISO) is responsible for information security in DB Group. The CISO reports to DB Group's Chief Information Officer (CIO) and to the Management Board. This ensures that senior executives are aware of these topics. Key responsibilities are to further develop information security in DB Group and develop a permanent information security culture. This includes establishing future-oriented processes, measures and solutions based on internationally recognized, workable standards that apply equally to new and existing IT/OT projects. All suppliers who work with us must also guarantee firmly defined safety requirements. This applies to collaboration with major cloud providers, such as Microsoft Azure or Amazon Web Services, as well as small and medium-sized suppliers and all suppliers in the Digital Rail for Germany 65f. environment. Due to the high momentum around the topic and the rapidly advancing technological development, the information security division works closely with universities to promote research and next-generation training. National and international networking is another of the division's core tasks, especially in European rail transport. An example of this is the collaboration with the French state-owned railway SNCF, TU Darmstadt and TU Berlin.

FOCUS ON DIGITALIZATION PROJECTS AND CONCEPTS

Artificial intelligence in rail operations

- For the Stuttgart, Rhine-Main and Munich S-Bahn (metro) trains, AI is already used to support the dispatchers in controlling traffic as efficiently as possible in the event of a disruption. DB Group has a positive balance sheet on the use of AI in rail operations: the use of the tool, developed in-house, has already prevented more than 58,000 minutes of delay in 2022. This means a significant improvement in the tightly timed S-Bahn (metro) network. Thanks to this development, despite the restrictions caused by construction work to modernize the lines, the S-Bahn (metro) is gaining stability. Due to the outstanding results from the Stuttgart pilot project, DB Group

is now also using the technology for the S-Bahn (metro) in Frankfurt am Main and Munich. The AI processes the current operating situation by the second based on around 500 pieces of information per minute and generates its suggestions from this. Based on live operations, it continuously simulates the development of the traffic situation and reports potential conflicts early on. For the first time, this enables the dispatchers to intervene before a disruption occurs.
- In maintenance, we use AI to visually identify damage to ICEs. In future, this technology will be used in several ICE depots as well as on regional and freight trains.

Digital Rail for Germany

Digitalization, automation and artificial intelligence are the key to higher capacity and optimal utilization of the rail network. One of the targets of Digital Rail Germany green. no. 145 (DSD)is a fully digital, highly automated rail system – from tracks to trains, from digital signaling stations through the European Train Control System (ETCS) to automatic train operation (ATO). In the future, the trains will be highly automated, able to recognize their environment and be located at a highly precise geographical location. Likewise, they should no longer run at fixed block distances, but instead in flexible blocks with optimal intervals between trains. In order to meet these requirements, the entire rail sector needs innovative thinking, design and implementation. Together with industry partners, associations and research institutes, the sector initiative Digital Rail Germany (DSD) is setting the course for the highly automated rail system of the future.

The implementation of the DSD initiative started in 2020. As part of the launch package, the concrete planning and installation of ETCS and digital interlockings has begun in the context of the Stuttgart Digital Hub (Digitaler Knoten Stuttgart; DKS), the Cologne—Rhine/Main high-speed line and the ability to traverse the Trans-European Scandinavia—Mediterranean corridor (ScanMed). Stuttgart will be the first region in Germany to receive the digital train control and interlocking technology. In order to support the corresponding refitting of vehicles, the BMDV has published a vehicle funding directive for the affected vehicles in the DKS, meaning that the vehicle equipment (regional and S-Bahn (metro) multiple units) could begin in 2022. In 2022, the first commissions also took place in the fast-track program (SLP). For example, on the Ruhr-Sieg line, the switching and signaling technology was completely renewed after just 1.5 years. The work on the fast-track program's Cluster 2 projects and pre-series projects is progressing simultaneously. These projects are intended to create modern digital interlockings. To this end, comprehensive development services will also be performed with new market participants from the railway and technology sectors.

At the end of 2022, a first section of the line with ETCS Level 2 also went into operation successfully for the first time on the Rhine-Alpine corridor and in the highly overloaded existing network. The trains now run between Darmstadt Süd and Laudenbach (Bergstrasse) with state-of-the-art train control systems. The trackside approval procedure (TA procedure) was also approved by the European Union Railway Agency (ERA). With the approval, the equipment of ETCS Level 2 is confirmed to comply with the interoperability requirements in accordance with the Control Command and Signaling Technical Specification for Interoperability (TSI CCS). This is the first successfully completed TA procedure for an ETCS project by DB Netz AG and the first ERA ETCS level 2 approval in Europe. Lean processes and new standards essentially form the foundation for acceleration. As a result, valuable findings are collected for the DSD surface rollout. The chosen procedure is an important building block for the digitalization of the rail network within the DSD framework.

Digital interlocking technology continues to be tested at the "Digital Rail Test Site" in the Erzgebirge region, and the development of a 5G test network has become an important research environment, with eight 5G radio masts along the line. Following the realization of the Future Railway Mobile Communication System (FRMCS) test installations together with partners Nokia and Kontron and initial transfers were made possible, the practical testing of various innovative technologies relating to FRMCS/5G is in full swing. Together with DB Erzgebirgsbahn and partners Ericsson and Rohde&Schwarz, the world's first field study of multi-antenna radio technologies in the future FRMCS spectrum was conducted at 1.9 GHz. The investigation provided relevant findings in terms of connectivity between train and infrastructure and showed that innovative antenna systems can unlock the potential of FRMCS in terms of higher transmission rates and high reliability. In addition, existing buildings and their equipment are being expanded and modernized into a central laboratory.

The rollout schedule is currently being adjusted on the basis of clearly defined equipment priorities. An early increase in capacity is to be realized by prioritizing the equipment of closed transport systems, in particular in hubs; obsolescence and operational concerns should be taken into account and the equipment of basic infrastructure should be started in advance. The renovation of the high-performance network 134 was also added to the DSD rollout plan in 2022. Digitalization of the rail network is a decisive and vital step in this direction. DSD is a major lever for advances in Germany's transition to more sustainable mobility.

DB Group as part of Europe's Rail

Europe's Rail supports the European initiative on research, innovation and system integration in the railway sector. The partnership aims to strengthen the cost efficiency, integration and competitiveness of the rail sector in order to achieve the overall vision of a European rail system without system disruptions.

For example, work is being done to harmonize the system architecture and on the technical specifications for interoperability (TSI). Other key topics are the digitalization of freight transport with the digital automatic coupling (DAC), the digitalization of command and control technology and automatic train operation (ATO).

Digital maintenance

Digitalization and automation of maintenance will increase the availability of vehicles and systems.

- The digitalization of vehicle fleets for better condition monitoring is progressing. Digitalization has begun on around 800 vehicles from three series. In 2022, the first 140 vehicles were equipped with sensors to use condition data from the vehicles for condition-based maintenance and thus better asset productivity, availability and cost structures. By the end of 2024, all vehicles are to be converted and serve as a blueprint for further series.
- Digital fleet control is being implemented at DB Regional as a central element of digital vehicle maintenance. The rollout of the "dLox" application to aid train staff in technically recording damage to trains was also launched at DB Regional after successful use at DB Cargo. Since the end of 2022, dLox has been used productively in three regions. By mid-2023, a total of around 24,000 operating personnel at DB Cargo and DB Regional will use the application in their daily operations.
- Automation and digitalization in the depots are gaining momentum. By the end of 2023, the number of automated over-run measurement systems will grow to 15 systems. All DB Long-Distance depots and almost all S-Bahn (metro) trains at DB Regional will then have these modern facilities, which significantly reduces manual work and work hours.
- The E-Check project provides a camera-based partial automation of visual inspections for maintenance of the DB Long-Distance ICE fleet at five locations. In addition, two autonomous vehicles equipped with robots perform the supply of fresh water and the disposal of waste water. The first system will be built up in the first half of 2023. By the end of 2024, further systems will be gradually expanded in five facilities.
- The rollout of the iMate system, which was successfully introduced by DB Long-Distance for AI-based material recognition, was started in other business units. In the future, the application will be available to around 16,000 maintenance employees and will simplify the search for materials. By matching a photo with an image database, the correct component is identified quickly and safely.
- The wheel set workshop at the Kassel depot is being digitalized to improve delivery reliability. In 2022, digital feedback was introduced so that transparency about progress is available at all times in the production process, also enabling a delivery preview.

Digitalization of the vehicle fleet

We have launched the largest modernization program for our vehicle fleet to date. At the InnoTrans 2022 trade fair, we showcased numerous innovations, such as the DB Regional Ideas Train, the new ICE L, the digital automatic coupling for freight trains and the cargo two-engine locomotives. With digitalization and new technologies, we are solving the challenges of the future, bringing more trains to the rail network while at the same time being more punctual and reliable. In our test train, the advanced train lab green. no. 159, we showed how 180 years of railway know-how combines with the latest research.

FURTHER INFORMATION

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GRI

Group Security

MANAGEMENT APPROACH AND TARGETS

Safety is a basic human need. For our customers, safety is an essential criterion when selecting the means of transport. For our employees, safety at the workplace is a prerequisite, and we also bear the responsibility for millions of people and goods on a daily basis. This is precisely why protection against attacks, theft and other criminal offenses along our production processes and the travel chain is the top priority of DB Group's security organization. DB Group's internal agencies are in constant dialog with the security authorities. Consistently sharing status information between the Group Security function and the Federal police headquarters is a round-the-clock task shared by DB Group and the Federal police in the rail security center. The six operations centers in DB Security's regional divisions coordinate regional security issues and are available 24/7 to be contacted by the business units, non-Group train operating companies (TOC), and authorities. DB Group Security and the Federal police are constantly recruiting new employees and expanding their training capacities. In September 2022, around 100 trainees began their three-year apprenticeship to be safety and security specialists. This means that around 300 young people in DB Group nationwide meet the requirements for young talent in this area. In addition to education, continuous further education and training are essential prerequisites for a stable security situation and responsible commitment, taking into account the basic rights of every individual person. All of DB Security's own security forces receive training four times a year. In 2022, a total of more than 93,000 hours of continuing education were completed. In addition to legal topics, including human rights, de-escalation and self-defense, the agenda also includes disseminating intercultural skills. The participants alone ensure a diversity of perspectives and cultures: people from more than 50 countries work at DB Security. The same requirements apply to the continuing education of the security forces commissioned at subcontractors.

In 2022, the number of criminal offenses affecting DB Group and its customers increased overall (+20%). One particular noticeable factor is the increase in the enforcement of house rights on Group-owned property (+35%), which is also due to the increased presence of security forces on trains and in stations and, compared to the previous year, can also be seen in the context of the increasing number of passengers and the increasingly difficult implementation of Covid-19 regulations. The total number of metal thefts (+20%) and ticket machine break-ins (+6%) was at a low level overall, but nonetheless increased. On the other hand, a slight decline was recorded in graffiti offenses (–1%).

Legally binding convictions by security forces in connection with damage to customers or passengers are not known.

SECURITY AT DB GROUP

DB Group spends about €180 million annually on the security of its customers and employees. As part of a law enforcement partnership around 5,500 Federal police officers and around 4,300 DB Group security personnel work together, with technical support, to combat crime and disruptive activity and increase the security of our customers and employees. The Group-wide Safe travel 68 program brings together measures that notably increase security for both employees and customers. An increased presence of security personnel on selected long-distance and local lines increases the sense of security and deters offenders. On DB Long-Distance in particular, significantly more security services were engaged than in previous years. For the first time, these additional services were available not only on special event dates, such as football match-day transport, but also on high-frequency travel days as part of regular operation. For example, customers at DB Regional benefited from a total of almost 180,000 hours of additional security personnel presence beyond the deployments regulated in the transport contracts. Almost 100,000 additional hours of presence were provided on long-distance trains. This is a doubling in both areas compared to the previous year and thus demonstrates DB Group's commitment to meeting employee and stakeholder requirements and making the railway safer for customers and employees.

The effects of the Covid-19 pandemic also resulted in additional challenges for DB employees in 2022. There was still an obligation to wear nose and mouth coverings on DB Group transport vehicles. As in previous years, enforcement of this obligation fell to train staff and security forces. As the acceptance for the obligation to wear masks decreases in general, the proportion of conflicts that resulted in attacks on employees has increased in this context. In addition to escalations at ticket controls, conflicts due to the enforcement of the mask rules are the next largest cause of attacks on employees.

We have involved stakeholder groups in designing new security measures and commissioning new deployment concepts. The stakeholder groups expressed a high degree of support for the measures that were defined and implemented. The common goal is to protect our employees and customers.

24/7 THREAT MANAGEMENT

Threat management has been available to employees 24/7 for the past two years to help with threats and personal stress. The number and diversity of reports confirm the success of this instrument. In 2022, the threat management team recorded more than 50 cases which resulted in further support. Dozens of instances of further contact with those affected were facilitated or supported. Whether employees receive a threat before, during or after their shift, or if they are experiencing stress in their personal lives, Specially trained employees receive their reports and decide how to best support them. Possible measures range from immediate police deployment and preemptive staffing measures to providing advisory services and having security personnel or other security experts clarify unclear situations.

CONTINUOUS EXPANSION OF VIDEO TECHNOLOGY IN TRAINS AND STATIONS

The use of video technology is a decisive component for greater security. Around 9,000 cameras are currently in use at 800 stations. This means an increase of around 1,000 cameras in two years. By the end of 2024, we will increase the number of video cameras on platforms to around 11,000 cameras. The new cameras record high-resolution images. The Federal Government and DB Group are focusing on the expansion of video technology and are investing around €180 million in this field.

The Federal police have exclusive access to the footage saved. Every major railway station in Germany will be equipped with modern video technology by the end of 2024. There is also an increase in the number of cameras on regional and S-Bahn (metro) trains. Currently, more than 45,000 video cameras are in use and provide clear evidence when required in cases. This means that the interior of more than two-thirds of DB Regional's local transport fleet is video monitored.

PREVENTION WORK

In 2022, DB Group's prevention work received a lot of attention from the authorities, associations and other stakeholders in addition to its focus on the topic of dangers at railroad facilities. Strengthening the network and developing new communication channels makes prevention visible and successful. Six prevention teams are deployed in stations and railway facilities to raise awareness of correct behavior in railway facilities, explain the dangers of railway operations and work together with the Federal police to prevent crime. Specially qualified employees enter into dialog with people on railroad facilities and in stations. Another focus is on work in schools. The prevention teams attend schools and youth organizations and organize information events for children and teenagers on the rail sector. For the first time, multiplier training sessions for teaching staff were included in the statutory continuing education course for teachers in cooperation with the education authorities in the Federal states.

PRESENCE OF AND CLOSE COOPERATION WITH THE FEDERAL POLICE

We are continuing to steadily increase the presence of our own security officers. The two-person and on-call teams, which are now formed from about 4,300 DB security personnel members, are being supported in all regions by Mobile Support Groups (MSGs) which are specially qualified for challenging deployments. In addition to the requirements stipulated in transport contracts, this also helps to fulfill safety requirements on trains and in stations. As part of the law enforcement partnership, cooperation between DB Group security personnel and Federal police officers has been further intensified. Joint exercises, the arrangement of qualifications for use in the rail sector and the joint planning and handling of special situations, for example in the case of match-day fan travel, are an expression of the law enforcement partnership and make a concrete contribution to greater security in the rail sector.

ATTACKS ON EMPLOYEES

The enforcement of Covid-19-related rules has led to a sustained high potential for conflict for customer-facing employees. Once again, with increasing passenger numbers, Covid-19-related situations have resulted in a shift in focus and necessitated an adaptation of safety concepts. Our employees have been attacked about 3,140 times nationwide in 2022 (including threats and attempts, +22% compared to the previous year). Around a quarter of cases are related to the implementation of Covid-19-related rules and behavioral standards. The most frequently affected professions are the train attendants, with around half, and the security services, with one-third of cases. The decline in the level of impact among security forces (–25%) is due to further targeted training and the use of bodycams and guard dogs. Employees with bodycams or guard dogs were almost never attacked.

BUILDING BLOCK SAFE TRAVEL

With the Safe travel employee building block, employees defined safety as a core area of action for DB Group. Thanks to cooperation between the Group Security function and the business units, and coordination with employees, measures are being implemented to increase the safety of employees and customers: in 2022, activities focused on the development of the Group-wide, Corporate Security Platform (CSP). The CSP allows faster recognition of danger situations, quicker and more targeted reactions and situational information from continuous evaluation can be incorporated directly into security measures and long-term security concepts. The platform has been put into real-time operation in several steps since autumn 2022. In 2023, all employees who have contact with customers will have direct access to the platform.

SÜDKREUZ SECURITY STATION

DB Group and the Federal Police are continuously developing their security concepts. The joint research project has been established at Berlin Südkreuz station. The subject of testing and trials includes, for example, an illuminated platform edge for better orientation and an app that passengers can use to request support. In a scientific study, software that could help to identify potential hazardous situations and customers' need for help in the future is also being developed and tested under real conditions.

SOCIAL PROJECTS AFFECTING SAFETY IN STATIONS

DB Group Chairman of the Management Board, Dr. Richard Lutz; Federal Minister of the Interior, Nancy Faeser; and Federal Transport Minister, Dr. Volker Wissing, have agreed to expand cooperation between DB Group, the Federal police and the train station welfare center (Bahnhofsmission). The aim is to reach a common understanding of safety-oriented social work to increase objective and subjective security for all station users. The drafting of the agreement provides for a regular dialog and exchange of ideas between the parties involved, as well as internships and continuing education in order to change perspectives. Trainees at DB Security regularly receive sessions on these special social skills. The aim of the project is to resolve the often-assumed contradiction between security and social work.

GREEN TRANSFORMATION

Complete circular economy by 2040

We are committed to making our contribution to the sustainable use of our planet's limited resources. To this end, we are striving to achieve a complete circular economy throughout the DB Group by 2040, with a special focus on the Integrated Rail System. For this reason, we are taking a holistic approach to resource conservation for the first time. By 2030, we will have significantly increased the proportion of recycled materials used for rail steel, ballast and concrete ties by 2030, while maintaining our recycling rate for all of our waste at a high level of at least 95%.

Progress with diesel phase-out

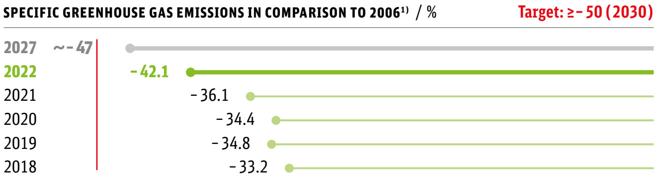
We plan to be climate neutral by 2040. A strong lever for achieving our goal is phasing out diesel through the use of alternative fuels and innovative drive technologies. We are driving the use of the climate-friendly biofuel hydrotreated vegetable oil (HVO) in our business units. Since 2022, HVO has been used in the DB Long-Distance Sylt shuttle, in four DB Regional subnetworks and has been approved for the DB Cargo Germany diesel fleet. Together with partners, we are testing solutions for new vehicles, for the operation and supply of trains with green hydrogen. Since December 2022, the world's largest hydrogen-operated train fleet has been in use in the Taunus network. In addition to the use of hydrogen, we also focus on climate-friendly battery technology. In 2022, DB Regional tested the first battery train in passenger operation with Alstom.

TCFD

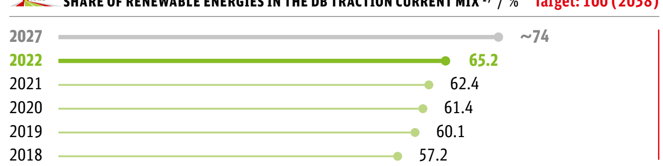
Overview of key figures

GREEN TRANSFORMATION

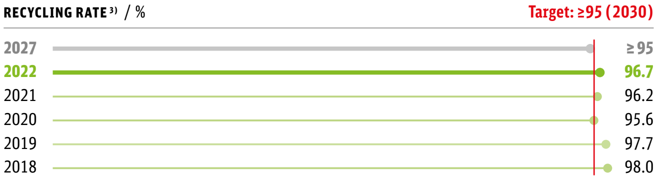
SPECIFIC GREENHOUSE GAS EMISSIONS IN COMPARISON TO 2006[1] / % — Target: ≥ - 50 (2030)



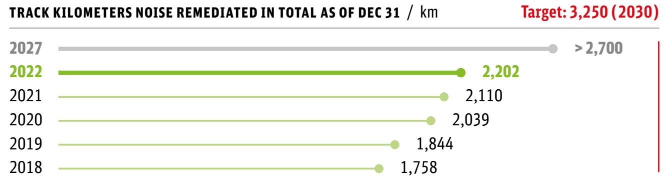
SHARE OF RENEWABLE ENERGIES IN THE DB TRACTION CURRENT MIX[2] / % — Target: 100 (2038)



RECYCLING RATE[3] / % — Target: ≥95 (2030)



TRACK KILOMETERS NOISE REMEDIATED IN TOTAL AS OF DEC 31 / km — Target: 3,250 (2030)



[1] Since 2021, excluding DB Arriva. Excluding fleet vehicles, DB Schenker stationary divisions, DB Arriva and individual divisions of DB Cargo.
[2] In Germany.
[3] Period from October 1 to September 30; DB Schenker January 1 to December 31 of the previous year. Excluding DB Arriva. DB Cargo AG is the only part of the DB Cargo business unit included.

Short/mid-term target — Long-term target

TCFD

Green Transformation of DB Group

Achieving sustainability requires a holistic approach. The Green Transformation is the basis for ensuring that sustainability guides the actions of DB Group. That is why it is also anchored in our Strong Rail strategy 51ff. We are continuously making all of our products, services and the way we work greener.

This is green.

The environmental brand "Das ist grün." (This is green.) represents DB Group's environmental strategy, the Green Transformation and more than 150 supporting measures in climate protection, nature and resource conservation, and noise reduction. The individual measures demonstrate how DB Group firmly anchors sustainability into its operational value chain.

In order to promote the Green Transformation, we have defined four environmental areas of action: climate protection, nature conservation, resources conservation and noise reduction. At DB Group, we also recognize our social responsibility and involve our stakeholders in our actions. The following four attitudes form the basis for our actions: our responsibility for good cooperation, our commitment to society, the strengthening of diversity and our historical responsibility. In particular, we focus on the people who shape us and our core business on a daily basis: our employees, customers, business partners and society.

TCFD GRI

Climate protection

GRI

MANAGEMENT APPROACH AND CLIMATE PROTECTION TARGET

We want to become climate neutral by 2040. This means that our target year is five years ahead of that of the Federal Government for climate neutrality in Germany 45f. Our definition of climate neutrality 288 complies with the net zero standard of the internationally recognized Science Based Targets initiative (SBTi) and thus follows a 1.5 °C path, which we committed to in 2022. We are also part of the UN's Race to Zero initiative. Achieving a shift in the mode of transport to the rails is key to meeting Germany's climate protection targets.

Climate-neutral DB

In order to achieve our climate protection target, we are uniting the related activities across the Group under the umbrella of "Climate-neutral DB." The project is developing greenhouse gas reduction pathways (phase-out plans), improving the transparency of planned measures and optimizing the solutions to the overarching challenges of greenhouse gas reduction. In addition to emissions from rail and road transport operations, emissions from buildings and stationary facilities are also considered. New climate-friendly technologies are being tested and piloted across the business units. The implementation of our starter packages for diesel phase-out and heat transition are also managed and monitored by the project team.

Even as the transport sector moves towards electrification, the low levels of friction generated by wheel-rail contact mean that rail travel will continue to be the most efficient form of energy use.

In order to achieve our climate protection target, to reduce our negative impact on the climate and to completely avoid any negative impact in the future, we have set ourselves ambitious milestones:

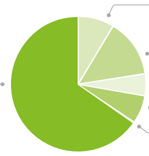
- By 2030, we will have more than halved specific greenhouse gas emissions (i.e. emissions in relation to performance figures such as volume sold) worldwide compared to 2006. We have selected the long duration of 25 years for our target on the basis of our very long-lived means of production, so that the effects of the various efficiency measures are better taken into account. In order to achieve our targets in 2030 and continue on the path to a climate-neutral DB Group, our main measures are to increase the share of renewable energies for our electricity-based transport services, to expand alternative drives and fuels and thus to phase out fossil fuels, to increase energy efficiency and introduce new mobility services, to make transport beyond rail climate-friendly from the first to the last mile. Almost 93% of our transport in rail passenger transport and rail freight transport in Germany (based on Ltkm) is already electric.
- We plan to increase the share of renewable energies in the DB traction current mix in Germany to 80% by 2030.
- By 2038 at the latest, we intend to have completely converted to green electricity for DB train operating companies in Germany.
- In our buildings and stationary facilities, we have also started to switch the power supply to renewable energy sources. From 2025, all of our depots, office buildings and stations no. 147 in Germany will be fully eco-powered.

On our path to climate neutrality, we are in constant communication with our stakeholders. We cooperate, for example, with foreign train operating companies, including as part of the Shift2Rail initiative, which focuses on collaboration in research and development. We also regularly exchange views with political parties and participate in working groups of the Community of European Railway and Infrastructure Companies (CER).

By using green resources, we are saving greenhouse gas emissions. In Cottbus, we are currently building Europe's most modern maintenance depot, setting new standards for speed of construction, innovation, energy consumption and climate protection. For the first time, we are using climate-friendly concrete for construction, which results in up to 30% lower CO_2 emissions during its manufacturing process.

SHARE OF RENEWABLE ENERGIES IN THE TRACTION CURRENT MIX

DB TRACTION CURRENT MIX IN GERMANY / % — **2022** / 2021



Data are based on information and estimates available as of February of the respective year.
[1] Including additionally procured electricity for all of DB Group's green services with 100% eco-power (for example Hamburg S-Bahn (metro) or DBeco plus) and taking into account a forecast based on the German Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz; EEG) subsidy.

In 2022, we also increased the share of renewable energies in the DB rail traction current mix in Germany. The expansion of renewable energies in Germany also presents challenges. Instead of a small number of large fossil-fuel power plants with a constant supply, we need to upgrade our infrastructure to accommodate an increasingly decentralized energy supply from smaller, renewable electricity producers with a variable output. The LuFV III 262f. enables us to carry out the necessary infrastructure measures in the German traction current grid. DB Netze Energy, for example, will set up seven new converters by 2028. We also use sensors and AI so that we can continue to manage the increased complexity of the traction current grid in future with high supply reliability.

GREENHOUSE GAS INTENSITY

GRI

The share of renewable energies in the DB traction current mix in Germany is not the only measure by which we manage our progress in climate protection. We also track the development of our specific greenhouse gas emissions in comparison to 2006.

SPECIFIC CO_2e EMISSIONS IN COMPARISON TO 2006 / %	2022	2021	2020
DB Group	- 42.1	- 36.1	-34.4

Since 2021, excluding DB Arriva.
Excluding fleet vehicles, DB Schenker stationary divisions, DB Arriva and individual divisions of DB Cargo.

As part of our DB Group climate protection target, in 2022, we were able to further reduce specific greenhouse gas emissions and are therefore significantly ahead of our forecast from the 2021 Integrated Report 170. This is due, among other things, to the stronger-than-expected increase in the number of passengers as a result of the rapid recovery in demand. Our absolute greenhouse gas emissions 78f. fell in 2022 and are around 2 million t below the pre-Covid-19 value. In particular, the increased implementation of efficiency and reduction measures in the wake of the energy crisis led to significant energy savings in some cases.

SPECIFIC CO_2e EMISSIONS FROM DB GROUP JOURNEYS AND TRANSPORT BY MODE OF TRANSPORT	2022	2021	Change absolute	Change %	2020
Regional rail passenger transport (g/pkm)	46.9	76.5	- 29.6	- 38.7	72.6
in Germany	44.9	74.1	- 29.2	- 39.4	67.9
Long-distance rail passenger transport (g/pkm)	0.9	1.4	- 0.5	- 35.7	1.5
Bus transport (g/pkm)	75.5	100.4	- 24.9	- 24.8	105.6
in Germany	110.5	117.2	- 6.7	- 5.7	123.1
Rail freight transport (g/tkm) [1]	15.9	17.2	- 1.3	- 7.6	17.0
in Germany	14.5	16.2	- 1.7	- 10.5	16.3
Road freight transport (g/tkm) [2]	80.6	82.0	- 1.4	- 1.7	87.3
Air freight (g/tkm) [3]	666.9	657.3	+ 9.6	+ 1.5	669.5
Ocean freight (g/tkm) [3]	5.7	5.5	+ 0.2	+ 3.6	5.6

Well-to-wheel (WTW); Scopes 1–3; rail transport companies are considered with their own electricity mix or European country mixes.
[1] Up to and including 2020, excluding rail freight transport from/to China by DB Cargo and DB Schenker. Double accounting may be included in 2021, meaning that the values may be slightly higher.
[2] Up to and including 2020, excluding pre-carriage and onward carriage from land, air and ocean freight.
[3] Since 2021, excluding pre-carriage and onward carriage.

In order to further reduce our greenhouse gas emissions, we are focusing on phasing out fossil fuels. In addition to testing new battery-operated vehicles and converting existing vehicles to hydrogen drives, we are also pushing ahead with the rollout of bio fuels green no. 164. We rely, among other sources, on the biofuel hydrotreated vegetable oil (HVO), which is produced from biomass-based residues and waste materials and is therefore not in competition with food and feed production. In addition, it is important to us that the fuel used is free from palm oil and palm fatty acid distillates. DB Long-Distance has set a target of a complete conversion from fossil fuels to HVO by 2025. HVO has been approved for the entire DB Cargo Germany diesel locomotive fleet since mid-2022. DB Cargo UK already runs part of its transport services on HVO.

We are also accelerating the heat transition green no. 97. In the long term, heating supply is also to be climate-neutral and fossil energy sources such as heating oil and natural gas are to be gradually replaced. Oil heating systems are no longer directly replaced at the end of their life cycle, but instead are replaced by efficient alternatives that support climate neutrality, such as heat pumps or biomass systems. New energy supply concepts were created for the top 50 DB Group sites in Germany in 2022. The locations are now gradually being re-equipped.

GRI

ENERGY EFFICIENCY

Increasing energy efficiency is another component of achieving our climate protection target. In the short and medium term, we will also focus on the use of hybrid drives green. no. 44 in our locomotives and multiple unit trains. In addition, we are continuously investing in the research and application of alternative drive systems and are taking an approach that is open to all technologies. Our measures to increase energy efficiency include, in particular, further electrifying our track infrastructure and reducing our energy consumption.

SPECIFIC PRIMARY ENERGY CONSUMPTION BY DB GROUP JOURNEYS AND TRANSPORT	2022	2021	Change absolute	Change %	2020
Regional rail passenger transport (MJ/pkm)	0.83	1.37	-0.54	-39.4	1.29
in Germany	0.82	1.34	-0.52	-38.8	1.23
Long-distance rail passenger transport (MJ/pkm)	0.23	0.35	-0.12	-34.3	0.40
Bus transport (MJ/pkm)	1.11	1.49	-0.38	-25.5	1.56
in Germany	1.57	1.66	-0.09	-5.4	1.74
Rail freight transport (MJ/tkm) [1]	0.28	0.30	-0.02	-6.7	0.29
in Germany	0.26	0.28	-0.02	-7.1	0.28
Road freight transport (MJ/tkm) [2]	1.22	1.23	-0.01	-0.8	1.26
Air freight (MJ/tkm) [3]	9.17	9.29	-0.12	-1.3	9.06
Ocean freight (MJ/tkm) [3]	0.08	0.07	+0.01	+14.3	0.07

Well-to-wheel (WTW); Scopes 1-3; rail transport companies are included with their own electricity mix and/or European country mixes.
[1] Up to and including 2020, excluding rail freight transport from/to China by DB Cargo and DB Schenker. Double accounting may be included in 2021, meaning that the values may be slightly higher.
[2] Up to and including 2020, excluding pre-carriage and onward carriage from land, air and ocean freight.
[3] Since 2021, excluding pre-carriage and onward carriage.

Train utilization in rail passenger transport has risen significantly again, but it remains below the pre-Covid-19 level. As a result, energy efficiency has improved due to the continued efficiency measures, but is still below the pre-Covid-19 level. We expect that the pre-Covid-19 level will be exceeded in the next few years as utilization continues to increase. Since DB Long-Distance rail passengers travel on 100% eco-power in Germany, DB long-distance rail passenger transport remained the most climate-friendly mode of transport in 2022. Further efficiency improvements were achieved in the logistics sector.

One effective lever for reducing our energy consumption in operation is, for example, equipping our locomotives with driver assistance systems such as LEADER at DB Cargo (2021 Integrated Report 115) and RESY at DB Regional 123, as well as buses with the Eco app at DB Regional (2021 Integrated Report 109), as these can have a positive effect on the driver's driving behavior. We are modernizing our electric vehicle fleets by adding new series that achieve greater energy efficiency. In addition, our modern electric locomotives and multiple units make an important contribution to increasing the energy efficiency of the railway in Germany by supplying converted brake energy to the overhead wire. In 2022, the energy recovery rate increased noticeably to 17.9% (previous year: 16.7%). The fleet of vehicles equipped with recovery technology is growing, for example with the addition of further ICE 4 trains 116.

Stationary energy consumption

ABSOLUTE PRIMARY ENERGY CONSUMPTION OF DB GROUP STATIONARY FACILITIES IN GERMANY / TJ	2022	2021	Change absolute	Change %	2020
Rail network operation	5,128	5,600	-472	-8.4	6,086
Passenger stations	2,519	2,640	-121	-4.6	3,693
Maintenance of rolling stock (facilities)	2,978	2,539	+439	+17.3	3,007
Other	3,182	4,157	-975	-23.5	4,145
Total	**13,807**	**14,936**	**-1,129**	**-7.6**	**16,931**

By disclosing primary energy consumption, we also take into account the upstream processes involved in providing energy, such as the extraction, treatment and transport of fuels or processes for generating electricity. Our about 5,400 stations, interlockings and operating facilities, our depots and buildings in Germany, DB Schenker's more than 2,100 locations worldwide and the DB Arriva and DB Cargo locations in other European countries account for 6.1% of DB Group's total primary energy consumption. In order to continuously identify potential savings and sustainably reduce energy consumption and therefore greenhouse gas emissions, ten DB companies, including DB Energie GmbH, DB Regio AG, DB Fernverkehr AG and DB Station&Service AG, are currently operating a certified energy management system green. no. 78 in accordance with DIN EN ISO 50001.

Due to the global energy crisis, DB Group has launched an initiative to save energy in the workplace. As an incentive to save energy and submit ideas, DB employees were paid an energy-saving bonus in December. We are also saving electricity thanks to the ongoing switch to LED lighting green. no. 50 at stations. In 2022, the focus was on small and medium-sized stations.

ALTERNATIVE DRIVES

Joint project H2goesRail

The first test runs of the newly developed Mireo Plus H hydrogen train marked an important milestone in the DB Group's joint project with Siemens H2goesRail green no.53. Hydrogen trains use a particularly climate-friendly drive technology, because they run emissions-free with green hydrogen which only produces water when burned. During the test, the filling process is also trialed. For this, DB Group developed a new method which, for the first time, meant a hydrogen train could be refueled at the same speed as a diesel train. This is a crucial aspect in view of the tightly timed train runs in regional rail passenger transport.

Cooperation for the development of emissions-free engines

DB Group and the Australian energy company Fortescue Future Industries (FFI) have agreed to a comprehensive collaboration to accelerate climate-neutral mobility. In a first project, we are working on modifying diesel engines for locomotives and traction units for the first time, so that they can be operated using ammonia and hydrogen. In addition to the development of emissions-free drive technologies, the agreement also provides for cooperation in logistics and supply chains for green fuels. The ammonia-hydrogen engine green no.56 is based on an existing type of diesel engine. This is being modified so that it can be operated using green ammonia and green hydrogen, made from renewable energies.

Overhead wire islands for battery-powered trains

When using battery-powered trains green no.45, instead of conventional electrification, only short sections of line or individual stations need to be electrified. In Schleswig-Holstein, DB Netze Energy and DB Netze Track have begun construction of an innovative infrastructure (overhead wire islands) for the future supply of battery-powered trains. From the end of 2023, this technology of the future will be used for the first time and will serve as a model nationwide.

TCFD

CLIMATE RESILIENCE

Germany ranked 18th worldwide in the Global Climate Risk Index (CRI), which was last published in 2021 by German Watch. This ranking in the CRI refers to an average view of the period from 2000 to 2019. It shows that Germany is much more severely affected by extreme weather conditions than most other countries. As an infrastructure operator and with our aim of driving the shift in the mode of transport by expanding rail-transport capacity, we are particularly affected in our core business, the railway in Germany, by the effects of climate change here. This is also demonstrated by the studies commissioned by us in 2018 and 2021 from the Potsdam Institute for Climate Impact Research (PIK).

In 2022, we were again faced with several extreme weather events in Germany: among other things, various storms led to losses in DB Group amounting to approximately € 100 million and the impact of physical climate risks on rail transport became clear once again. This highlights the ongoing significance of climate resilience for us.

Analysis of climate scenarios

In 2021, the PIK, which we commissioned again, examined in a study the climatic changes in Germany up to 2060 and their expected impact on DB track infrastructure, using two climate scenarios from the IPCC: RCP 2.6 (compliance with the 2 °C target) and RCP 8.5 ("continue as before"). The results expect significantly more heatwave days and less harsh winters. At the same time, extreme weather conditions such as heavy rains will increase and the intensity of storm events will continue to increase, too. For the first time, the study also provides detailed forecasts of the climatic effects in the 34 transport regions of DB Netze Track. These findings, as well as the methodology used, form an important foundation for further climate impact analyses in the other areas of the railway in Germany. We are already detailing the financial impact of extreme weather events in the context of major loss events. In 2022, the specific requirements for the data basis were formulated. In addition to climatological parameters such as the number of heatwave days, these also include affected system types (assets), such as signaling technology. We take into account these different requirements in the climate impact analyses, which should be carried out as part of opportunity/risk management. As a result, we can then identify and assess specific adjustment measures to further increase DB Group's resilience to extreme weather events.

Measures to adapt to climate change

In response to the expected future development of extreme weather conditions and the simultaneous expansion of rail transport in Germany, we are taking various measures to mitigate the consequences of climate change for DB Group: at DB Netz AG, the natural hazard management-department deals with extreme weather events and adapting to climate impacts in order to reduce the negative effects on the rail infrastructure to a minimum. Natural hazard management has identified three core areas for this purpose. In addition to vegetation management for storm-damage prevention, winter management and heat prevention are also being strategically developed. For example, various technologies are being tested to protect sensitive components in the command and control technology from increasingly long and intense heat waves. In addition, a train-supported embankment irrigation system was approved for operational testing together with industry partners, which will enable fire-hazardous work such as rail welding to be performed safely even during periods of drought.

Nature conservation

MANAGEMENT APPROACH AND TARGETS

For us, the protection of biodiversity is an important commitment, which we take into account from planning through to construction work and operating our facilities. In our activities, for example in the construction and expansion of the rail infrastructure, wherever an intervention cannot be avoided, adequate compensation areas are created to ensure we fulfill all of our legal obligations under nature protection law. For example, for construction work on the final construction phase of Stuttgart 21, around 8,600 common wall lizards were relocated to specially designed alternative areas. We also set ourselves ambitious targets on protecting biodiversity in our vegetation control operations.

PROJECT TO PHASE OUT GLYPHOSATE

Safe rail operations and environmental protection are our top priorities. We therefore plan to refrain from using glyphosate from 2023. DB Group is consistently working on the phase-out of glyphosate, which was announced in 2019. As an alternative to combat the growth on the tracks, we rely on holistic sustainable vegetation management, which provides for coordinated use of various measures. These include digital vegetation control, the use of mechanical-manual procedures and the use of pelargonic acid. We have been in close and constructive discussions with the authorities for the approval of pelargonic acid. In addition to chemical vegetation control, we are also increasingly promoting alternative methods and are in intensive communication with other European railways. Among other things, we are working on the technological development of mowers.

BALIN RESEARCH PROJECT

The multi-year research project BALIN green no. 61 researches the effects of night-time station lighting on insects and potential countermeasures, in order to be able to produce recommendations for action and regulations. By refitting insect-friendly lighting, we are examining the effects on the insect fauna at six stations. A total of 36 insect traps were installed at the stations in Westhavelland and the mast lights on the platforms were changed. Collecting the traps and evaluating samples started in September 2022 and should be completed by mid-2024.

DESTINATION NATURE

For more than 20 years, Destination nature has been bringing people to nature by train. 2022 saw a major anniversary celebration. The cooperation between BUND, NABU, VCD and DB Group is committed to ensuring that biosphere reserves, nature reserves and national parks can be visited car-free and sustainably throughout Germany, Austria and Switzerland. The Schwäbische Alb biosphere region was established in 2022, marking the 24th area to be incorporated into the Destination nature green no. 37 collaboration.

Resource conservation

MANAGEMENT APPROACH AND TARGETS

GRI

Every year, more resources are used worldwide than nature can regenerate in the same period. We have an increased need for resources due to our construction activities. For us, this means we need to use raw materials carefully, keeping them in the value chain for as long as possible and recycling our waste whenever possible. As part of an environmental analysis conducted by us in 2020, the great importance of resource protection was confirmed by our stakeholders. Within various formats of our stakeholder dialog 30ff., we inform our stakeholders about our targets, measures and their progress in the area of resource protection.

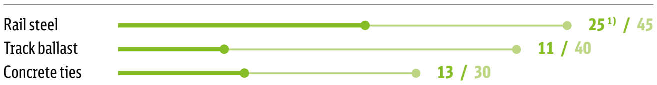
We are striving to achieve a complete circular economy throughout DB Group by 2040, with a special focus on the Integrated Rail System. Our particular focus is on the increasing use of recycled materials and renewable raw materials. Our procured products should also have maximum recyclability. To this end, we will significantly increase the recycling proportions in the products we procure by 2030 compared to 2019. In 2022, we set binding targets for our central resources (track ballast, concrete ties and rail steel), which represent around 80 % of the total material used in the Integrated Rail System, in order to consistently increase their recycling share. In addition, we will maintain our recycling rate at a high level of at least 95 %.

In this way, we make a contribution to future generations, by utilizing resource protection measures to avoid supply risks and actively protect commodities. In addition, as Europe's largest rail infrastructure company, our resource protection targets are an important stimulus for a circular economy overall. The data for our use of resources is collected by DB Netz AG using technical systems.

In addition, we will have a more comprehensive overview of our use of resources by building a transparent web of data. In order to drive the development of recycled and recyclable products, we are expanding and intensifying our cooperative collaboration with suppliers. Through our active involvement in national and international associations and committees such as the BDI, Eurospec and the UIC, we have already networked with various players on the topic of circular economy.

By 2030, we will be significantly increasing the proportion of recycling in our main resources, which make up around 80 % of our consumption.

RECYCLING SHARE OF MAIN RESOURCES / % — 2022 / Target 2030



Period: October 1 to September 30.
[1)] 2019 dataset, database expansion expected to be completed by the end of 2023.

CONSERVING RESOURCES

USE OF MATERIALS IN TRACK INFRASTRUCTURE	2022	2021	2020
Ballast (thousand t)	3,471	3,638	3,186
Share of recycling (%)	11.4	10.7	16.2
Machine ballast processing (million t)	1.3	1.3	1.5
thereof directly recycled	0.6	0.7	0.7
Concrete ties (thousand)	2,089	2,590	2,400
Share of recycling (%)	13.3	10.4	10.0

Period: October 1 to September 30.

For the maintenance of the track network, we have established a material cycle for ballast green no. 51 and concrete ties green no. 73:

- In 2022, around 3.1 million t (previous year: 2.8 million t) of worn-out ballast was removed from the track network and reprocessed in certified disposal facilities into recycled ballast for internal reuse or further use as gravel or crushed sand for road building. As part of our maintenance measures, some of the ballast is processed on-site by track-bound ballast cleaning machines or mobile processing plants, and immediately reused. This significantly reduces the amount of new ballast required and the associated transport-related greenhouse gas emissions.
- In 2022, around 533,000 t of unusable concrete ties were removed (previous year: 535,000 t). The concrete ties are, where feasible, reworked for reuse in the track network. Concrete ties that are not suitable for this are recycled by certified disposal companies and used for other applications, such as road or path construction.
- We use reusable dishes green no. 139 in our restaurants, the DB catering service and in DB Lounges. We also operate a deposit return system. Returnable glasses are used for small snacks. With our partner RECUP's deposit system, we offer 100 % recyclable plastic cups and trays from low-energy production. RECUP and REBOWL were awarded the German eco-recognition "Blauer Engel" (Blue Angel).
- Through the use of innovative 3D printing procedures green no. 149 we are contributing to efficient and resource-saving component production. In particular, this means that components that in the worst case could result in train downtimes can be manufactured at the touch of a button. Since 2015, we have printed over 80,000 (replacement) parts in more than 500 different applications.
- The use of HVO green no. 164 means we do not have to prematurely discard functional diesel trains and locomotives that are currently still being used on non-electrified lines. They can continue to be used until the end of their useful life in a much more climate-friendly way than before.
- DB start-up encore manufactures storage from old lithium-ion batteries from e-vehicles. These second-life battery storage systems green no. 120 can store energy from solar, wind or hydroelectric power and can therefore be used for up to ten years depending on the use case. By reusing old batteries and extending their service life, encore requires fewer primary raw materials such as lithium, nickel or cobalt, which makes a valuable contribution to resource conservation. The first of these battery storage systems was put into operation on the EUREF campus in Berlin in July 2022.

WASTE MANAGEMENT

Within the scope of our environmental management system no. 131 in accordance with DIN ISO 14001, clear regulations regarding the circular economy have been defined for the Integrated Rail System in Germany. For example, when materials and substances are no longer needed, we check whether they can be recycled and via which route they leave the DB Group. We are fundamentally a waste producer, which means that we manage and take active responsibility for implementing legally compliant and environmentally friendly waste disposal via third parties all the way through to final disposal. The contractual design and management of external disposal services is carried out centrally for the Integrated Rail System by Procurement 110f. Specialist waste disposal companies are appointed that have the appropriate waste-related management and economic expertise in accordance with section 56 (2) of the Circular Economy Act (Kreislaufwirtschaftsgesetz; KrwG). All waste produced in the Integrated Rail System that is disposed of in accordance with existing waste disposal contracts or within the scope of the municipal waste disposal obligation applicable in Germany is considered.

Using our internal waste management system, we collect and dispose of almost every type of waste separately according to individual fractions. This allows us to recirculate the waste and generate revenue for specific waste. Hazardous and non-hazardous waste is recorded via a central IT system, which provides transparency about waste flows and disposal routes. A core principle of DB Schenker's extensive global environmental management system is that the relevant locally applicable legal regulations for waste disposal are complied with as a minimum requirement. Corresponding contractual provisions are made and monitored at a local level.

RECYCLING RATE

We will continue to maintain our recycling rate at its high level of at least 95%. Especially in the construction and maintenance of our track infrastructure and our vehicle fleet, we produce waste that contains valuable resources such as metals and mineral building materials. The majority of these resources are already recycled.

VOLUME OF WASTE ACCORDING TO TYPE OF WASTE AND DISPOSAL PROCEDURE / thousand t	2022	2021	2020
Construction waste	7,657	8,342	7,656
Recycling	7,449	8,069	-
Thermal utilization and disposal	208	273	-
Scrap	363	327	331
Recycling	362	327	-
Thermal utilization and disposal	0.2	0.1	-
Electronic scrap	1.3	3.8	1.8
Recycling	0.9	3.3	-
Thermal utilization and disposal	0.4	0.5	-
Municipal waste	71.1	55.3	53.6
Recycling	37.8	23.7	-
Thermal utilization and disposal	33.3	31.6	-
Paper	32.6	37.9	31.4
Recycling	31.0	37.2	-
Thermal utilization and disposal	1.6	0.7	-
Waste oil	2.0	1.7	1.8
Recycling	1.8	1.4	-
Thermal utilization and disposal	0.1	0.2	-
Other [1]	61.0	61.7	58.1
Recycling	32.8	32.5	-
Thermal utilization and disposal	28.2	29.2	-
Total waste	**8,187**	**8,830**	**8,134**
Recycling	7,916	8,495	7,771
Thermal utilization and disposal	272	335	-

Recorded for the first time in 2021 according to the new GRI Standard 306: Waste, thus only limited previous year's figures available.
Period from October 1 to September 30; DB Schenker January 1 to December 31 of the previous year.
Individual values do not add up due to rounding differences.
Excluding DB Arriva. DB Cargo AG is the only part of the DB Cargo business unit included.
The waste has been generated through company activities and is managed by third parties outside DB Group.
[1] For example paint, varnish, sludge and other maintenance-related waste.

- In 2022, a total of around 0.6 million t less waste was generated. The main driver was the construction waste, which decreased by about 8%. The recycling rate was 96.7%. By using targeted measures, such as selective decommissioning and contractual commitments to sorting and recycling facilities, we kept the share of recyclable waste high and the share of waste destined for disposal or incineration at a very low level.
- We generally carry out the thermal waste treatment of waste to be burnt. The energy released during burning is used there and released as electrical energy, heat and/or process steam.
- Municipal waste only accounts for a small share of our total waste generation, but it is the most visible fraction in our trains and stations. The strategy for disposing of mixed municipal waste, which aims to recycle as much of the recyclable material contained therein as possible, has proven a success. Thanks to state-of-the-art sorting methods, at least 85% of recyclable material contained can be clearly separated for recycling. The amount of recycled municipal waste increased noticeably by around 70%.

VOLUME OF HAZARDOUS AND NON-HAZARDOUS WASTE / thousand t	2022	2021
Hazardous waste	385	477
Share of recycling (%)	62.0	67.9
Share of thermal utilization and disposal (%)	38.0	32.1
Non-hazardous waste	7,802	8,352
Share of recycling (%)	98.4	97.8
Share of thermal utilization and disposal (%)	1.6	2.2
Total waste	**8,187**	**8,830**

Period from October 1 to September 30; DB Schenker January 1 to December 31 of the previous year.
Individual values may not add up due to rounding differences.
Excluding DB Arriva. DB Cargo AG is the only part of the DB Cargo business unit included.

Of the waste generated in 2022, about 95% (previous year: 95%) was classified as non-hazardous. This includes, for example, municipal waste and the majority of construction waste. The remainder, about 5%, includes waste that presents a risk to health or the environment – for example waste oil or contaminated waste wood. Special procedures ensure that this waste is disposed of safely. Here, too, we consider the conservation of resources and look at opportunities for recycling or thermal utilization of waste.

Noise reduction

MANAGEMENT APPROACH AND NOISE REDUCTION TARGET

Further reducing the impacts of rail transport noise on local residents is an essential prerequisite for the further shift in the mode of transport towards rail. We are therefore continuing to work on implementing our noise reduction target:

- In continuing the Federal Government's noise remediation program, between 1999 and 2030, we will reduce rail transport noise on a total of 3,250 km of existing lines with around 800,000 residents. This corresponds to half of those affected. By 2020, we had already reached around 2,000 km. By 2030, an additional approximately 1,250 km of existing lines will be included.
- By 2050, we will have alleviated rail transport noise for all residents living near existing lines affected by rail transport noise. A prerequisite for achieving these targets is the adequate provision of funds for local noise remediation measures by the Federal Government in the noise reduction item of the Federal budget.

By implementing our two-pillar noise reduction strategy, which focuses firstly on on-site measures (infrastructure) and secondly on at-source measures (vehicles), we are improving public acceptance of the shift in the mode of transport towards rail 51ff.

- Since 2020, DB Cargo freight cars have been fully converted to quiet brakes green no. 5. By 2025, our electric track locomotives on DB Cargo freight trains in Germany will also be running with quiet brake systems.
- By 2030, DB Cargo will retire the 232/233 series diesel locomotives. Only class 77 series locomotives with less than 2% of DB Cargo train runs will still use gray cast iron block brakes.
- DB Long-Distance will replace all diesel-powered shunting locomotives with particularly quiet and climate-friendly hybrid shunting locomotives green no. 44 by 2025. Noise protection therefore simultaneously contributes to climate protection aims.

The innovative noise remediation project I-LENA green no. 54 enabled the manufacturers of noise protection technologies to have their innovations tested for acoustic effectiveness in real operations on test lines. The final report on I-LENA was published online.

Together with the German Center for Rail Traffic Research (Deutsches Zentrum für Schienenverkehrsforschung; DZSF) and our industry partners, we aim to continue advancing research and development in noise remediation measures for track infrastructure and vehicles so that we can implement more effective noise remediation measures.

NOISE REMEDIATION AND CONTROL

NOISE REMEDIATION AND CONTROL IN GERMANY	2022	2021	2020
NOISE REMEDIATION (EXISTING NETWORK)			
Noise barriers completed (km)	37.7	44.2	75.1
Homes with passive measures	1,484	1,820	1,485
Track kilometers noise-remediated in total as of Dec 31 (km)	2,202	2,110	2,039
Total noise remediation areas relieved by noise prevention (km)	52.1	52.1	49.9
NOISE PREVENTION (NEW AND EXPANSION LINES)			
Noise barriers completed (km)	33.2	41.2	18.4
Homes with passive measures	714	590	1,173

Since the voluntary noise remediation program began on existing Federal rail tracks in 1999, we have reduced noise pollution for local residents. By means of stationary noise protection measures, such as noise barriers green no. 25, soundproof windows green no. 101 and noise-proof ventilators in residential buildings, we are remedying noise on existing, particularly affected lines. We have achieved our target for reduced-noise lines, as forecast in the 2021 Integrated Report 170.

Federal budget utilization

In 2022, about € 115 million of Federal budget funds were spent on active and passive noise remediation measures as part of the noise reduction program, with additional noise barriers being installed and additional apartments being fitted with sound-proofing measures. In addition, Federal funds are being used to finance other special issues in noise reduction, such as the implementation of the measures featured in the feasibility study in the Middle Rhine Valley 32.

Reduction of trigger values

The budgetary legislature 2021 reduced the trigger values for noise remediation on existing Federal rail tracks by a further 3 dB(A) to 54 dB(A) at night in residential areas. Since the revised noise remediation guideline came into force on July 1, 2022, the new trigger values have been applied. This reduction has now been taken into account in an overall concept developed by the Federal Government in cooperation with DB Group. DB Group implements the soundproofing measures which are eligible for funding in the relevant affected areas on the basis of a noise analysis and using the prioritization in the overall concept.

FURTHER INFORMATION

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TCFD

Climate protection | Additional information

GRI

OVERVIEW OF GREENHOUSE GAS FOOTPRINT

ABSOLUTE CO_2e EMISSIONS BY JOURNEYS, TRANSPORT AND STATIONARY FACILITIES / million t	2022	2021	2020
Regional rail passenger transport	1.92	1.99	2.06
thereof in Germany	1.56	1.59	1.62
Long-distance rail passenger transport	0.04	0.04	0.04
Bus transport	1.39	1.58	1.50
thereof in Germany	0.56	0.53	0.51
Rail freight transport [1]	1.48	1.70	1.38
thereof in Germany	0.87	0.98	0.92
Road freight transport [2]	3.32	3.15	2.07
Air freight [3]	6.92	7.07	5.45
Ocean freight [3]	1.51	1.56	1.92
Other transport [4]	0.11	0.11	0.11
Stationary facilities	1.23	1.32	1.46
Total	**17.92**	**18.52**	**15.99**

Well-to-wheel (WTW), Scopes 1–3.
We calculate greenhouse gas emissions using the financial control approach as per the Greenhouse Gas Protocol. We report Scope 2 emissions according to market-based approach and we report significant transport-related emissions (category 3.4 in accordance with GHG protocol) in Scope 3 due to our business model.
[1] Up to and including 2020, excluding rail freight transport from/to China by DB Cargo and DB Schenker. Double accounting may be included in 2021, meaning that the values may be slightly higher.
[2] Up to and including 2020, excluding pre-carriage and onward carriage from land, air and ocean freight.
[3] Since 2021, excluding pre-carriage and onward carriage.
[4] DB Connect, for example, intra-company traffic.

ABSOLUTE CO_2e EMISSIONS ACCORDING TO SCOPES 1–3 / million t	2022	2021	2020
Scope 1 emissions	2.77	3.30	3.04
Share of total emissions (%)	15.5	17.8	19.0
Scope 2 emissions [1]	3.05	3.19	3.41
Share of total emissions (%)	17.0	17.2	21.3
Scope 3 emissions [2]	12.11	12.02	9.53
Share of total emissions (%)	67.5	65.0	59.7
Total	**17.92**	**18.52**	**15.99**

Up to and including 2020, excluding rail freight transport from/to China by DB Cargo and DB Schenker. Double accounting may be included in 2021, meaning that the values may be slightly higher. Upstream fuel- and energy-related emissions (Scope 3.3 as per the GHG Protocol) are reported in Scopes 1 and 2.
Individual figures are rounded and therefore may not add up.
[1] Market-based approach.
[2] Category 3.4 emissions according to the GHG protocol.

Our greenhouse gas footprint shows the amount of greenhouse gases that we emitted in one calendar year. It is made up of:

- our greenhouse gas emissions from the entirety of the rail and road fleet owned by DB Group, stationary facilities such as stations or workshops (Scope 1 and 2) and
- emissions from transport and transport services commissioned by DB Group (Scope 3.4 in accordance with the GHG Protocol).

The specific greenhouse gas emissions and our climate protection target 70ff. are calculated on the basis of absolute greenhouse gas emissions within the limits set. They also act as a benchmark for our efficiency improvement measures and provide a basis for us to compare our performance with other companies. In 2022, absolute greenhouse gas emissions, in particular of our Europe-wide rail freight and bus services, fell significantly as a result of significant efficiency improvements in operations and a decline in volume produced. In global logistics, they are slightly below the previous year's level.

- The Scope 2 emissions take into account market-based mechanisms, meaning that this figure includes all contractually regulated instruments for generating and trading electricity from renewable energies. In accordance with the Scope 2 guidelines of the Greenhouse Gas Protocol on dual reporting, we also report location-based Scope 2 emissions. If we take the respective national energy mixes as a basis for the reporting, the Scope 2 emissions amount to 4.36 million tons of CO_2e.
- Our subcontractors account for the largest share of our greenhouse gas emissions (Category 3.4 according to the GHG Protocol). In DB Schenker's Preferred Carrier Program, we favor working with shipping companies and airlines that have the most modern fleets and that value sustainability. Advising our customers on climate-friendly logistics is an integral part of the service portfolio of DB Schenker and DB Cargo. We also develop strategies for decarbonizing maritime and air transport, particularly in the sector platforms of the World Economic Forum (WEF).

METHODOLOGY

GRI

Greenhouse gas accounting is based on the Group-wide final energy consumption and performance data collected and aggregated, as well as the emissions and energy factors consistently used in DB Group. The sources for the factors and methodology are DIN EN 16258, the Institute for Energy and Environmental Research Heidelberg (ifeu), the EcoTransIT World accounting tool, the German Environment Agency (UBA), our own calculations, as well as the GHG Protocol and ISO 14064-1. In our greenhouse gas accounting, in addition to the most important greenhouse gas in terms of volume – CO_2 – we take into account the greenhouse gases that are relevant to us, methane (CH_4) and nitrous oxide (N_2O). The global warming potential (GWP) values are based on the 5th IPCC status report (100-year GWP).

Nature conservation | Additional information

RESPONSIBILITY FOR WILDLIFE AND PLANTS

DB Group's rail routes, buildings and spaces often provide a unique habitat for protected species. We develop eco-friendly solutions to offset any impact that our work has on the natural world. For the construction involved in the Bamberg hub expansion project, measures will be taken on approximately 33 ha of the Hauptsmoor forest, for example rewetting, forestry measures and species protection measures for sand lizards and bats. When dismantling buildings and facilities, we also provide suitable nesting areas, for example the multifunctional swallow tower green no. 154, which provides space for other bird species and bats, as well as for swallows. In addition, we are currently working on a research project of the German Center for Railway Traffic Research on further solutions to protect birds and small animals even better.

Bird protection measures

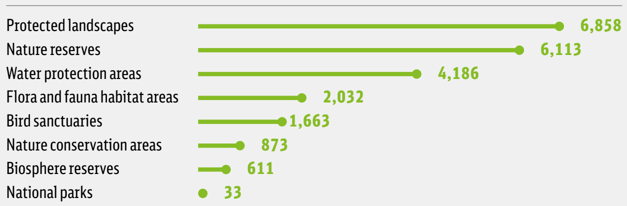
We recorded about 3,300 short-circuit events on overhead wires caused by animals in 2022. About 93% of them involved birds and about 7% involved small mammals (almost unchanged from previous year). To improve the situation, bird protection measures green no. 33 are carried out on the insulators as part of the full overhead line inspection. Traction current lines in areas that have a high risk of bird collisions are also being made safe.

Insect Protection Act

More than 50 million honey bees green no. 10 find their habitats on our land. For wild bees and other insects, structures known as arks are being set up in selected stations. Fifty beehives were also set up at our logistics locations in the Benelux countries and several bee boxes are used as nesting aids in France. To implement measures to protect wild bees, support tools are being developed to improve the environmental quality of compensation areas, for example. Artificially created nesting and overwintering aids also provide space for insects. We are working with our partners to sow the seeds for the sustainable management of our land.

IT systems to document protected areas

WHERE DB LINES MEET CONSERVATION AREAS IN GERMANY / km 2022



There may be overlaps between conservation areas.

We use geographic information systems, which store data about train lines and surrounding land and all digitally available information on protected areas in Germany. This enables us to quickly identify the points of contact between nature and DB Group's tracks and land. There are different restrictions and conditions in each protected area, which are described in protected area ordinances. These are stored in our system and are taken into account in construction work.

MITIGATION AND COMPENSATION MEASURES

We take nature conservation into account in our construction and maintenance measures on the rail infrastructure. The aim is to prevent interventions in nature and the landscape or infringements on species and area protection as far as possible. If any impairments and conflicts nevertheless occur, we compensate for this by implementing compensation or replacement measures as well as species protection and coherence measures. We document all data on these compensation obligations in the online specialist nature protection and compensation information system (Fachinformationssystem Naturschutz und Kompensation; FINK) green no. 59. In this way, we continuously document the status of the compensation obligations and can therefore fulfill the obligation to report to the Federal Railway Authority (EBA) as defined in the Federal Nature Conservation Act (Bundesnaturschutzgesetz). From 2014 to the end of 2022, we have added 8,327 projects with a total of 53,020 compensation measures to the system. These include 18,941 measures for species protection. The development in recent years shows that the number of our projects with conservation protection and compensation measures is increasing by around 1,000 projects annually.

VEGETATION CONTROL

In 2022, the amount of herbicide active substances used on our tracks totaled 7.3 t (previous year: 4.9 t). At a track length of about 61,000 km, about 19% of the tracks (previous year: 16%) were treated. This corresponds to around 0.6 kg (previous year: 0.5 kg) of active substance per kilometer of track treated. Between 2020 and 2022, we developed and tested alternative methods and application strategies. As a result, the amount of glyphosate used can vary significantly. In addition, we only use glyphosate where we have the necessary official permits. For this reason, too, the amount used may vary.

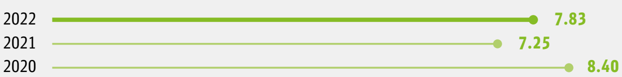
As flazasulfuron, flumioxazin and glyphosate were applied, only substances that have been approved by the German Federal Office of Consumer Protection and Food Safety (Bundesamt für Verbraucherschutz und Lebensmittelsicherheit; BVL) specifically for use in the vicinity of tracks were used during the treatment. In recent years, we have developed and tested a variety of alternative, environmentally friendly procedures 74 and application strategies.

Resource protection | Additional information

WATER CONSUMPTION

In the DB Group, water consumption is defined as consumption from the public supply. In 2022, water consumption increased by 8 % (previous year: decreased by 14 %). There was an increase in both the Integrated Rail System and at DB Schenker. The widespread revocation of Covid-19 measures, the re-increasing volume sold and produced in passenger transport and the increasing presence of employees in offices were among the main reasons for the increase. This can also be attributed to the increase in construction work at DB Netze Track and the optimization of data documentation at DB Schenker. DB Arriva recorded a decline.

WATER CONSUMED / million m³



Includes consumption by DB Schenker from the previous year.

Air quality control

ABSOLUTE AIRBORNE POLLUTANTS AS OF DEC 31 / t	**2022**	2021	2020
Particulate emissions	3,862	5,299	5,758
Nitrogen oxide (NO_x) emissions	92,699	105,079	102,324
Sulfur dioxide (SO_2) emissions	19,729	14,651	13,350
Hydrocarbon (NMHC) emissions	7,865	7,782	7,203

Combustion-related, well-to-wheel (WTW), Scopes 1–3.
Up to and including 2020, excluding rail freight transport from/to China by DB Cargo and DB Schenker.
Since 2022, including stationary combustion processes and correction of the mathematical overestimation of SO_2 reduction in ocean freight.

The ongoing modernization of our vehicle fleet is our most important measure for reducing airborne pollutants. The high proportion of electrically powered rail transport also makes an important contribution, as electric rolling stock does not produce any local air pollutant emissions apart from abrasion, but only during power generation. The calculation is based on the fuel consumption and composition of our vehicle fleets. We have been exclusively using low-emissions construction vehicles and machinery no. 11 at our urban construction sites since mid-2018. Our combustion-related pollutant emissions are largely influenced by our ocean freight activities, which emit over 68 % of soot particles. We are continuing our cooperation with the carriers in this area in various industry forums, where the phasing out of fossil fuels is also being jointly addressed. In addition, stricter statutory regulations on sulfur content in fuels to reduce airborne pollutants have been in force worldwide in shipping since January 2020. Due to the overly optimistic consideration of this legal intensification in 2020 and 2021, and its correction in 2022, SO_2 emissions appear to rise in 2022.

EMISSIONS STANDARDS FOR OUR VEHICLES

Our rail and road vehicles meet current Euro standards and thus ensure a lower level of pollutant emissions. Our trucks used in long-distance transport comply with the strictest emissions standards, Euro 5 and 6, and our entire car fleet meets the Euro 6 emissions standard. Since 2020, around 16 % of the vehicles in our rail transport fleet have had the lowest pollutant level UIC 0. The proportion of rolling stock with low-pollutant electric traction remains at a high level at around 62 %. The share of our buses meeting the Euro 5 and 6 standards increased to around 88 % (previous year: around 82 %).

METHODOLOGY

The accounting principles are the Group-wide and aggregated final energy consumption and performance data as well as relevant emission factors (Emissionsfaktoren, EFA). We take into account the distribution of our fleets according to the pollutant standard in calculating the EFA. In addition, we use limit values for rolling stock (EU Directive 97/68/EC, EU Directive 2004/26/EC, EU Regulation 2016/1628), the TREMOD emissions calculation model, the EcoTransIT World accounting tool and our own calculations. Stationary emissions are accounted based on EFA, which are provided for DB Group by the Institute for Energy and Environmental Research Heidelberg (Institut für Energie- und Umweltforschung Heidelberg, ifeu).

Environmental management

ENVIRONMENTAL MANAGEMENT SYSTEM

SHARE OF COMPANIES IN DB GROUP WITH A CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEM IN ACCORDANCE WITH ISO 14001 AS OF NOV 30 / %	**2022**	2021	2020
DB Group	46	47	48
in Germany	21	20	22
in Europe (excluding Germany)	51	53	53
worldwide (excluding Europe and Germany)	75	73	76

Our environmental targets are supported by a Group-wide environmental management system designed in accordance with DIN ISO 14001. The system's compliant integration into our Group regulations 185 ff. has been verified by an independent institute. Based on this, in 2022, 78 % (previous year: 77 %) of our 255 environmentally relevant Group companies have a corresponding environmental management system. The Sustainability and Environmental division is responsible for compliance with, and the further development of, Group-wide environmental management standards. In 2022, no significant fines or other penalties were issued to DB Group companies for environmental offenses.

Employees for environmental protection

We offer our employees specialist environmental training on issues relating to areas of action for the Green Transformation. In the area of climate protection, employees can, for example, take training in energy management in accordance with DIN 50001. In 2022, 80 events took place (previous year: 80) in Germany with around 1,340 participants (previous year: around 1,430).

EMPLOYEES

Aid for Ukraine

Directly after the outbreak of the war in Ukraine, a crisis unit coordinated rapid aid, including social advice and housing offers for refugees.

Employee satisfaction

Results of the sixth Group-wide employee survey: Team DB demonstrates strength and solidarity in challenging times. The Strong Rail strategy acts as an important anchor here.

The recruitment campaign continues to be successful

DB Group is recruiting successfully on a competitive labor market. The strategic decision to continue to hire employees even during the Covid-19 pandemic is proving to be proactive and correct. Around 5,000 of DB's young talents started vocational training or studies in 2022.

Overview of key figures

EMPLOYEES

EMPLOYEE SATISFACTION / SI — Target: ≥3.8

2027	3.8
2022	3.9
2021	–
2020	3.9
2019	–
2018	3.7

Short-term / medium-term target

EXTERNAL NEW HIRES IN GERMANY (EXCLUDING YOUNG TALENTS) / NP

2022	21,810
2021	18,450
2020	21,700
2019	22,758
2018	20,815

Employees who have already completed their first working day at DB Group.

Management approach and targets

Events with a major impact on society, such as the Covid-19 pandemic, the war in Ukraine or inflation, coupled with corresponding fears for the future, have a direct impact on our business, our customers and, in particular, our employees. We also put the foundations in place for a successful mobility transition in these challenging times by maintaining a focus on the Strong Rail targets.

Our "100,000 employees" strategic target highlights our efforts on a highly competitive labor market to inspire people to work for DB Group, to help them get qualifications to make them fit for the future and to offer them long-term prospects in DB Group. In the context of the Strong Rail strategy 51 ff., "100,000 employees" is also helping shape the Green Transformation 69 ff. together. Our HR strategy provides us with a suitable framework for this: forward-looking staff planning, innovative talent acquisition, a holistic approach to management, qualification and transformation, actively designing the work of the future, and diversity.

Making DB Group more robust means proactively managing human resources, being able to have the right employees in the right place at the right time, and detecting potential capacity bottlenecks at an early stage. These are the tasks of our staff planning systems, which we continue to develop and anchor in DB Group.

In order to get potential employees in the competitive labor market excited about our diverse job profiles and entry opportunities, we focus on innovative HR marketing and recruitment and constantly refine our employment conditions. Attractive employment conditions not only help us meet our existing personnel needs despite the tense labor market, but also ensure a high level of employee loyalty.

The professional qualifications of our employees are another important success factor. We ensure that employees can get their bearings in their new working area by taking steps as early as during the onboarding process. In the long term, we ensure that our employees can perform and act with confidence through targeted qualification programs and offerings. As part of the Group project "Learning@DB," we are developing a modern and sustainable learning infrastructure that is oriented towards the goal of establishing a Group-wide learning environment.

The innovative strength of our organization results from appreciative, results-oriented cooperation, which we promote through our "compass for strong teamwork" (Kompass für ein Starkes Miteinander) within the DB Group. As a cultural element, the compass gives executives and employees direction and is part of the structure and design of all our HR products and processes.

Diversity and open-mindedness are not only our basic principles, but also an intrinsic core component of our culture. We value the different perspectives, values and experiences of our diverse workforce and, as DB Group, we always try to be a force for greater social solidarity. For this purpose, we have an active diversity management. Corresponding measures and activities are implemented under the framework of the Group initiative "Uniquely different" ("Einziganders") and promoted within DB Group.

We regularly measure the satisfaction of our employees and the current state of our corporate culture throughout the Group with our employee survey and with our culture barometer in the Integrated Rail System. In the Group-wide "employee workshops" process, the results are evaluated across all teams and appropriate changes and improvements are drawn up. The fact that participation and helping shape corporate policy are of great importance to us in DB Group is also demonstrated by the fact that 15 employee building blocks 53 f. are anchored as a core component of the Strong Rail strategy.

In order to remain an attractive and innovative employer in the future, we work on future topics such as the effects of digital change at an early stage. In this way, we look to tackle important challenges in a timely and sustainable manner. The Group initiative "People. Make. The Future." serves as a framework for this, with its future labs, dialogs and partnerships. With the Smart HR transformation project, we are standardizing and simplifying our HR processes and exploiting the potential of digitalization, ensuring more efficiency and effectiveness, in keeping with Strong Rail.

Staff planning

In order to ensure that DB Group is robustly positioned, we need effective and efficient staff planning and management throughout the entire HR value chain, from differentiated planning to recruitment, qualification and functional training, right through to considering actual performance effectiveness. As a key part of holistic resource management, we work to close capacity and skills gaps and optimize the efficiency of our workforce.

We have implemented the 18-month rolling forecast for key operational functions as part of regular reporting in the context of high-performing personnel management. Strategic Workforce Planning (SWP) is an instrument for analyzing our longer-term personnel policy challenges. This gives us a systematic view of strategically relevant activities over the next decade.

We are currently working on further developing our SWP. The aim is to create robust and future-proof SWP. The Strong Rail strategy is an important building block for future SWP and provides an analytical basis for our HR strategy. We create synergies between a wide range of forward-looking further development projects.

Talent acquisition

EMPLOYER ATTRACTIVENESS

In 2022, we continued our employment campaign despite a tense labor market. Six large image campaigns and more than 100 recruitment campaigns were rolled-out specifically targeted at high school children, students, university graduates and skilled employees. We won a Red Dot Design Award and a Trendence Award for the "What you are made of" campaign targeted at high school students. We received a bronze Deutsche Digital Award for the campaign "No stress. Do something. At Deutsche Bahn." campaign aimed at high school students. The launch of our employer branding campaign for 2023 "What is important to you?" was also prepared on the basis of a newly developed global employer value proposition.

We also further developed our diversity recruiting strategy. Among other things, our inclusion center gives all applicants with disabilities, i.e. with a characteristic listed in the Ninth Book of the German Social Code who are rejected in the regular application process, a second chance to find a suitable place to start in DB Group. In order to prevent discrimination in the recruitment process, we offer recruiters and persons involved in the recruitment process training on unconscious bias, errors of judgment and diversity recruiting workshops. We are also part of the "Fair Company Initiative" network, which works towards fairness in the working environment.

In order for us to be visible as a leading employer for women and achieve the goal of "30% women in leadership" by 2024, DB World Women's Month was also implemented in 2022 as a measure of our women's recruitment strategy. In March 2022, we changed roles and introduced ourselves to the 26 million women in employment through the "biggest job application in Germany." The nationwide campaign ran on high-reach digital channels and social media. There were 20 recruiting and networking events, a social media campaign and the live stream "Germany's biggest job interview," with around 1,200 participants and around 500 questions submitted. Overall, we were able to hire 718 new women in March 2022 alone, significantly more than in the other months of the year. For our women's recruitment strategy, we won the German HR Award in the "Recruiting and Employer Branding" category. As the best employer for women in the railway sector, we received the "Women in Rail Award 2022" from the European Union.

Shortly after the outbreak of the war in Ukraine, we set up comprehensive advisory services to help refugees get oriented and enter the German labor market. This is based on three pillars:

- Our careers portal contained all the information on working in Germany, an overview of our advisory services and specific job vacancies. In addition, contact data could be stored here for a personal consultation.
- On working days, refugees were able to receive advice via a hotline.
- In cooperation with the Federal Employment Agency, consultation centers were opened near the main stations in Berlin, Frankfurt am Main, Cologne and Leipzig. The centers also answered questions about jobs outside DB Group.

A total of around 3,500 refugees from Ukraine received advice. We were even able to welcome 75 of them as our new colleagues. We received a Trendence Award in the special category "Companies helping people" for our advisory and support services.

In order to be a force for climate protection on the labor market and position ourselves as a sustainable employer, in cooperation with Bergwaldprojekt e.V., in 2022 we started planting a tree for every new employee throughout Germany. Before their first working day, candidates will receive their plant certificate.

We continued to focus on innovation in addressing our target groups. One example is the DB Job-Welt, where we met with candidates from all target groups at the main stations in Leipzig and Frankfurt am Main and offered individual advice on regional entry opportunities.

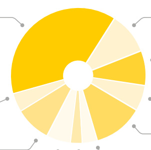
Our career portal was also further developed. By integrating Google Maps, candidates can search for jobs in specific regions. In addition, all information on how the recruitment procedure works is communicated in a transparent manner. As soon as an application has been submitted via the career portal, candidates can track the status of their application and are also proactively kept up to date by the recruiters by e-mail or by telephone.

DB Group also received other important industry awards: we won a Trendence Award for our job advertisement generator "DB Jack – Job Ad Construction Kit," which was developed in-house. The Art Directors Club honored us with two bronze nails and an award in the categories of "Digital Product Augmented Reality," "Motion Design Social Media" and "Dialog Activation Social Media." We were also awarded the "DB Impact of Diversity Award" by the Women's Career Index (FKi).

NEW HIRES

In 2022, about 26,700 new employees (including vocational trainees and dual-degree students) in Germany completed their first working day at DB Group (previous year: about 23,000). These new hires include almost 4,000 maintenance technicians, around 2,000 mainline locomotive drivers and over 1,500 interlocking employees.

EXTERNAL NEW HIRES IN GERMANY (EXCLUDING YOUNG TALENTS) / NP 2022



In 2022, we had 21,810 external new hires, excluding young talents (previous year: 18,450). This is an important contribution to the implementation of our central strategic HR objective and to the robustness of DB Group.

Management, qualification and transformation

QUALIFICATION AND TRAINING

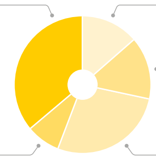
We are one of the largest companies providing training in Germany and offer training in around 50 apprenticeship professions and 25 dual study courses. Even in uncertain times, we provide young people with secure career prospects, and typically offer a permanent contract to vocational trainees and dual-degree students after successfully passing the final examination.

YOUNG TALENTS IN GERMANY (AS OF DEC 31) / NP	2022	2021	2020
Vocational trainees [1]	11,869	11,668	11,356
Dual-degree students [1]	1,398	1,316	1,237
Graduate trainees [2]	195	128	151
Interns [2]	593	667	683
"Chance plus" participants	132	184	211
Total	**14,187**	**13,963**	**13,638**

[1] Includes all class years of vocational training (usually three class years for both vocational trainees and dual-degree students).
[2] Companies with about 98% of domestic employees.

We are continuously increasing our capacity so that we can qualify additional personnel professionally and quickly.

EXTERNAL NEW HIRES, VOCATIONAL TRAINEES AND DUAL-DEGREE STUDENTS IN GERMANY / NP 2022



Figures correspond to respective career objective.

In 2022, a total of 4,900 vocational trainees (previous year: around 4,500) (excluding "Chance plus" participants) and dual-degree students started their vocational training and/or their studies at DB Group. In 2022, we received about 110,000 applications for training places in the Integrated Rail System (previous year: about 103,000). This shows that we are an attractive employer, especially among young people, in times of discussions about climate change, sustainability and environmental protection. As before, most vocational trainees started their career as railway employees in operational services, or as electronics engineers.

We are involved in the social partnership-based reorganization of the most important training occupations in the rail transport sector. The restructuring of the railway employees in operational services apprenticeship was completed in 2022 after many years of intensive work, meaning that the vocational trainees in this area were able to start with updated training content in August 2022.

Further information can be found in the section Securing young talent 90.

EMPLOYEE RETENTION AND DEVELOPMENT

New approaches and efficient processes for employee retention and development are crucial to the assumption of greater responsibility, cooperation and performance at DB Group. We support employees in several key areas:

- **Perform:** "My Performance Management" focuses on honest dialog about performance with the objective of continuously encouraging better performance. With the introduction of a mandatory contribution to performance in the "Women in leadership" dimension for all executives from the level of the leading executive, "My performance" is also an important tool for achieving our target of 30% women in leadership by 2024 (Second Act on Equal Participation of Men and Women in Management Positions; [Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen; FüPoG II]).

- **Learning:** In 2022, the diverse portfolio of services offered by DB Training and DB Academy included almost 750 learning opportunities on topics ranging from strategy, communication and leadership, digitalization, lean management and innovation to the environment and sustainability. The DB learning environment (DB Lernwelt) offers access to many of these services as a Group-wide learning management system with more than 260,000 users. As part of the project "Learning@DB," we are also developing a modern and sustainable learning infrastructure that is oriented towards the goal of establishing a Group-wide learning environment.
- **Developing and appointing:** The purpose of strategic succession planning is to identify succession risks at an early stage, plan succession scenarios and speed up appointments. The aim is to increase the quality and diversity of appointments and to orientate employees towards Group-wide professional development. In 2022, succession planning was in place for almost 1,600 positions. With our three career pathways – leadership, expert and project careers – we are committed to the future and offer attractive alternatives to traditional management careers. The DB "specialists" career path was introduced on January 1, 2023. The new DB Careers Lab focuses on initiative and individuality and the formats are available to all employees.
- **Onboarding and transfers:** With our onboarding platform, we provide relevant information about how to get started. Modern learning, qualification and discussion formats also promote strong initial orientation in DB Group and Group-wide networking. Personal support from executives and colleagues plays an important role in integrating and retaining employees in DB Group. Our Group-wide mentoring program and intergenerational management promotes integration in Team DB and mutual learning for experienced and new employees. The controlled transfer of knowledge also secures valuable DB expertise and its utilization in DB Group's tasks, processes and the Integrated Rail System. In addition to helping new employees get started, the reentry management system supports colleagues during and after a limited period of absence. In this way, we help retain women in management positions and women with leadership ambitions.

Employees are responsible for all of these areas and are supported by their executives. The "compass for strong teamwork" is a common benchmark for these topics. It is intended to lay the path for changes in leadership, cooperation and culture within DB Group under the framework of the Strong Rail strategy. The compass is based on the five most important principles that everyone in DB Group can use in their day-to-day roles to make Strong Rail a success. The compass principles have been systematically anchored in diagnostics, entry management, performance assessment, career development and qualifications. For example, the "compass for strong teamwork" was integrated into all executive training courses and the initial selection process for executives was aligned accordingly.

Further information can be found in the section Personnel development 89ff. section.

15 EMPLOYEE BUILDING BLOCKS

In 2022, additional employee building blocks 53f. were identified and expanded upon. Within this framework, the most important concerns of employees are prioritized and implemented with Management Board support.

EMPLOYEE SATISFACTION AND CORPORATE CULTURE

EMPLOYEE SATISFACTION	2022	2021	2020
Employee satisfaction [1] (SI)	3.9	–	3.9
Compass index [2] (%)	–	49	–

[1] The employee satisfaction survey is conducted every two years on a scale of 1 to 5 (with 5 being the best possible value).
[2] In the interim years of the employee survey, the compass index is determined for the Integrated Rail System in Germany, on a scale of 0% to 100%, as part of the culture barometer sample survey.

Employee satisfaction is determined every two years as part of the employee survey. In September 2022, the theme for the employee survey was "Get involved – be a part of it." The aim of the employee survey is to provide concrete indications of improvement at all levels.

A total of 199,601 employees took part in the 2022 employee survey (2022: 59.2%, 2020: 58.5%). This means that participation increased slightly. It rose significantly in the Integrated Rail System (2022: 58.0%, 2020: 55.8%). The employee survey was conducted and evaluated for the first time by independent service provider SEMYOU.

In 2022, employee satisfaction remained stable after the very strong increase in 2020. The survey results show: the Strong Rail strategy remains an important anchor for the DB team. However, it could become even more well-known and noticeable: 63% of employees know the strategy, and 59% are convinced by it.

The current global, geopolitical and intra-company challenges are evident, which are reflected in reduced approval figures for customer focus, perceived quality and lower optimism about the future. However, the values remain above pre-Covid-19 levels.

The 2020 employee survey provided a clear mandate for action in relation to processes and feedback. Employee approval in these areas increased in 2022. Accordingly, general performance feedback at 45% (2020: 43%) and performance feedback from the executive at 68% (2020: 65%) were rated more highly. Improvements were also noted in the areas of "Implementation discipline" (2022: 42%, 2020: 41%) and "Ending unnecessary processes" (2022: 35%, 2020: 33%). Decision-making is the only area of action that showed a slight deterioration (2022: 32%, 2020: 33%).

An essential part of our employee survey process is working with the results as part of the follow-up process. Group-wide, all executives received their aggregated employee survey results so that they can share them with their employees, too. A second optional step is then started: the key topics identified are processed with the involvement of senior executives, employees providing valuable input and other partners, with the aim of shaping change together. This phase is expected to be completed by late-July 2023.

In 2023, the culture barometer will be carried out for the second time, a random sample survey will be carried out in the Integrated Rail System in Germany, which will be used to measure the compass index.

Work of the future

In order to strengthen our ability to innovate and prepare ourselves for the future, we intend to actively shape the work of the future in DB Group. Here, it is important to us to involve all employees, especially those who make a key contribution to success in operational activities.

EMPLOYMENT CONDITIONS

We are continuing to improve employment conditions, based on current and future social developments, as well as employees' and applicants' expectations of a modern employer. Issues such as flexibility, participation and individualization are highly important. Further developments are communicated to employees in a way that is tailored to the target audience, and feedback is provided on the aspects of employment conditions. The respective interest groups are always involved in the further development.

Pay increases under collective bargaining agreements

In May 2020, we signed the Alliance for Our Railway (2020 Integrated Report 93). Against this backdrop, we reached an agreement with the EVG on a comprehensive collective bargaining package in September 2020. In addition to regulations for moderate wage increases in 2022 and a period up to February 2023, the overall package includes numerous agreements on relevant topics for the future. After further negotiations, we reached an agreement with the EVG in October 2021 on additional obligations arising from collective bargaining agreements that supplement the agreements on the Alliance for Our Railway:

- In addition to a pay increase of 1.5% as of January 1, 2022, these include extended protection against dismissal for employees. The agreements have a total term of 24 months to February 2023.

After several rounds of negotiations, we reached a wage agreement with the GDL in September 2021:

- As an example, remuneration will increase by 1.5% as of December 1, 2021, and by a further 1.8% on March 1, 2023. A total term of 32 months was agreed between March 2021 and October 2023.

Flexible design of working hours

We acknowledge social changes and the wishes of employees when organizing working hours. Our efforts to continuously improve flexibility in working hours help to increase our attractiveness as an employer and are therefore of great importance for employee retention and recruitment.

- With the elective working hours model, employees can decide whether to reduce their working hours by one or two hours per week, take six or 12 additional vacation days per year or receive a higher salary.
- Our employees have several options for their use of overtime. In addition to the classic options of leave or remuneration, employees covered by collective bargaining agreements can add time credit from overtime, as well as vacation days and remuneration, to an individual long-term account and take paid leave at a later date. Care is taken to ensure that statutory regulations concerning working hours are observed. In addition, overtime is only possible with both parties' consent.
- With employer-financed contributions to the DEVK pension fund, DB Group offers an attractive retirement pension to supplement the statutory pension.
- Employees covered by collective bargaining agreements are also able to convert time credits from overtime or additional vacation for rotating shift work, shift work and night work, into the company pension plan (CPPs) in full or in part, allowing them to save for their retirement.
- Both models (contribution to a long-term account and conversion to the CPP) are additionally supported by DB Group.

- In the companies with shift and rotating shift work, we are strengthening the participation of employees in the planning and individualization of working hours within the framework of operational working hours projects.

Further information can be found in the section Social and fringe benefits 92f. section.

Mobility services and supported living space

With our digital housing exchange, we are making it easier for our employees to access affordable housing. At the same time, we have intensified our cooperation with housing companies and updated contractual terms. We concluded cooperation agreements with six housing companies that provide our employees with access to a pool of about 600,000 apartments. When selecting cooperation partners, we pay attention to the average rent levels as well as the location of the apartments. In addition, we analyze the needs of our employees in order to be able to plan specific housing projects in the future and implement them if necessary.

We aim to offer our employees a varied, green, flexible and simple mobility portfolio that consists primarily of DB's own services. DB company bikes, an employee discount for our bike sharing service Call a Bike and the travel discounts form the foundation for this. Employees not subject to collective wage agreements and executive employees can also use our Flinkster car-sharing service and choose BahnCard 100 instead of a company car. We also provide our employees with access to favorable offers for the monthly transport association job ticket for their commute to work and finance these in part or in full, depending on the specific circumstances.

Modern health management

We were able to guarantee important mobility services throughout the Covid-19 pandemic. Our crisis management team in the area of occupational health management in particular has played an important role in this regard. With its activities and protective measures, our occupational health management follows the German National Pandemic Plan, the occupational health and safety regulations of the Federal Ministry of Labor and Social Affairs (Bundesministerium für Arbeit und Soziales; BMAS), and the precautionary recommendations of the Robert Koch Institute. The objectives of the crisis management team include minimizing the risk of infection at the workplace, maintaining operational processes, maintaining operational infrastructure and ensuring basic supply.

The digitalization of health services also makes a contribution to the design of modern employment conditions in this context. In addition, the follow-on effects of the Covid-19 pandemic are a particular focus, such as long-Covid or post-Covid, or ergonomics in the mobile workplace. To address this and for ergonomic advice, offers were developed with the help of the social partnership with the BSW&EWH Foundation Family (Stiftungsfamilie BSW&EWH), the Association of German Railway Sports Associations (Verband Deutscher Eisenbahner-Sportvereine; VDES), BAHN-BKK and Knappschaft-Bahn-See (KBS Social insurance for railway employees and seafarers).

We support the health of our employees from a holistic perspective and combine targeted offers for physical, mental and social health through company medical care and occupational psychological care. This covers, for example, stress management, exercise, nutrition and professional support for mental disorders. In particular, when dealing with occupational trauma after work accidents, we have a wide range of internal care services and quick access to prompt external emergency psychological care.

Further information can be found in the section Occupational safety and health management 93f.

DB internal vaccine offer

In order to support the Covid-19 vaccine campaign in Germany, our employees were offered vaccines in-house. To this end, we have set up our own vaccine centers at ten central locations and operate these independently with the support of the company medical service providers PIMA and ASAM prevent. In addition, in 2023, we will offer all Covid-19 vaccines, from basic immunization to third booster vaccines in accordance with the Standing Committee on Vaccination (STIKO) recommendations at 20 health centers of our company medical service provider ias AG.

Mobile working

We are consistently taking further steps towards establishing new and flexible forms of collaboration. In summer 2021, the fundamental decision was made to anchor mobile working into our everyday work for employees and executives with office activities. In addition, desk sharing and an activity-oriented office concept are being gradually introduced at all office locations throughout Germany. In 2022, executives were made responsible for jointly defining the form their future cooperation takes together with their teams. For this purpose, an appropriate decentralized process for team agreements was rolled out, which was accompanied by a large number of different change activities and formats in the business units. In this way, we support our orientation in the new hybrid working environment and strengthen participation.

THE WORK OF THE FUTURE AND DIVERSITY

Part of the Group initiative “People. Make. The Future.” involves systematic discussion of innovations and visions of the work of the future with the goal of addressing important strategic issues in good time, exchanging knowledge and testing new ideas. To this end, we regularly develop an overview of the relevant HR future trends with the HR trend map, which we discuss at various levels in DB Group in order to derive measures, projects and initiatives.

Once again in 2022, we organized our innovative digital conference “Week of new work.” An interactive program with over 70 items on the virtual agenda was organized under the motto “For employees by employees.” In 2022, the focus was on “New work for the green mobility transition.”

Two H-FutureLabs work under the umbrella of the initiative “People. Make. The Future.” and their experts make it their task to find new answers to important questions concerning the future.

- **H-FutureLab 1 (“Future prospects for professions in the rail industry”)** is developing a method of identifying future changes in DB professions and initiating timely measures to employ and train employees. In 2022, the method was piloted and refined, and the analysis process was further digitalized.
- **In H-FutureLab 2 (“New forms of collaboration”),** experts demonstrate how agile working and self-organization can create more scope for action and decision-making. More than 7,000 employees work in agile organizational units or are in transformation. In order to expand this expertise, the H-FutureLab 2 further developed forms of company-wide networking of executives, piloted workshops for agile transformations and identified and promoted synergies from lean management methods and agility.

DB Group’s commitment to the diversity of its employees is anchored in the Strong Rail strategy. Every member of the Management Board has assumed responsibility for one dimension of diversity, with Martin Seiler, Member of the Management Board responsible for Human Resources and Legal, responsible for the topic as a whole. In addition, the diversity managers of the business units are available to employees as direct contact persons if they have any issues regarding diversity. Employees with specific diversity concerns are also supported by various bodies, such as the Group’s representative body for disabled persons or the “Social and cultural integration” project.

In 2022, we continued to implement a wide range of measures to ensure equal opportunities across genders and to create an inclusive working environment for all employees under the banner of the “Einziganders.” (Uniquely Different) initiative. These include further flexibility in working conditions with the introduction of “Wo Du Willst-Jobs” (“Jobs where you want”), in which employees can freely choose their place of employment within Germany, or the expansion of the intra-Group initiative “Frau Dich!” (Woman up!) which offers exclusive career advice for women.

Comprehensive materials and learning formats across a number of topics are accessible to all employees, regardless of time, on various dimensions of diversity via the intranet and the internal learning platform. In addition, live training on diversity in general and various specific areas is available and can be carried out on demand.

Active generational management helps break down generation-based stereotypes and supports the integration of all generations in DB Group through various formats such as reverse mentoring and workshops for cross-generational work.

Under the motto “Einziganders. Miteinander für Vielfalt” (Uniquely different. Together for diversity), Diversity Week was all about allyship (solidarity with marginalized groups). The aim of the event was to anchor diversity in DB Group as a topic that cuts across many different areas, to discuss it and to promote networking in the Group. Concrete ways of promoting diversity in day-to-day work were conveyed via various formats such as workshops, coffee breaks and impulse events.

30% women in leadership

DB Group is aiming to increase the proportion of women in executive roles in companies subject to the Second Act on Equal Participation of Men and Women in Management Positions (FüPoG II) to a total of 30% at the Supervisory Board, Management Board and first and second management levels by the end of 2024. The proportion of women in executive positions in the companies concerned is 27.0% across all levels based on the organizational structure valid as of December 31, 2022 (as of December 31, 2021: 25.4%). External recruitment, attractive working conditions and internal measures to ensure employee retention and development are also intended to increase the proportion of women.

SMART HR TRANSFORMATION PROJECT

We are pursuing the replacement of our current HR management system with a cloud-based solution, Smart HR, in which employees can use HR products any time and anywhere. We are currently in the implementation phase, which will last until 2024. The system will go live in November 2023 at the earliest.

GRI

Employee numbers and structure

EMPLOYEES AS OF DEC 31 / FTE	2022	2021	Change absolute	Change %	2020
DB Long-Distance	19,139	18,790	+349	+1.9	18,794
DB Regional	37,738	37,220	+518	+1.4	37,159
DB Cargo[1]	31,167	30,753	+414	+1.3	30,052
DB Netze Track	52,510	51,290	+1,220	+2.4	50,330
DB Netze Stations	6,997	6,811	+186	+2.7	6,525
DB Netze Energy	1,943	1,900	+43	+2.3	1,861
Other	59,992	58,345	+1,647	+2.8	57,878
Integrated Rail System[1]	**209,486**	**205,109**	**+4,377**	**+2.1**	**202,599**
DB Arriva	38,059	43,189	-5,130	-11.9	46,008
DB Schenker[1]	76,591	75,418	+1,173	+1.6	74,161
DB Group	**324,136**	**323,716**	**+420**	**+0.1**	**322,768**
Changes in the scope of consolidation	-2,235	-4,688	+2,453	-52.3	-
DB Group – comparable	**321,901**	**319,028**	**+2,873**	**+0.9**	**322,768**

To guarantee better comparability, the number of employees is converted into full-time employees (FTE). Figures for part-time employees are measured in accordance with their share of the regular annual working time.
[1] Figures for 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

As of December 31, 2022, the number of employees increased on a comparative basis. Key driver:
- Other division: rising business activities of the E.C.O. Group and increased vertical integration and expansion of innovative topics at DB Systel.
- DB Netze Track: development is primarily due to an increase in construction project management.
- DB Cargo: intra-Group reallocation of DB Schenker's FLS 130 business area.
- DB Schenker: takeover of USA Truck and positive development in air and ocean freight.
- DB Regional: mainly due to the takeover of Abellio transport services 121 f.
- DB Arriva: decline mainly due to the sale of activities in Sweden and Portugal 160.

EMPLOYEES BY REGIONS AS OF DEC 31 / FTE	2022	2021	Change absolute	Change %	2020
Germany	212,188	209,763	+2,425	+1.2	207,996
Europe (excluding Germany)	78,908	84,260	-5,352	-6.4	85,699
Asia/Pacific	18,006	16,985	+1,021	+6.0	16,764
North America	11,299	9,256	+2,043	+22.1	9,027
Rest of world	3,735	3,452	+283	+8.2	3,282
DB Group	**324,136**	**323,716**	**+420**	**+0.1**	**322,768**

The share of employees outside Germany remained unchanged at about 35% as of December 31, 2022.

EMPLOYEE LOYALTY / years	2022	2021	2020
Average length of service	16	16	17
Average age	44	45	45

Germany (companies with about 98% of domestic employees).

WOMEN AS OF DECEMBER 31 / NP	2022	2021	2020
DB Group	84,221	82,226	81,716
Share (%)	25.0	24.4	24.3
Germany	52,458	51,177	50,568
Share (%)	23.7	23.4	23.3

FURTHER INFORMATION

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Personnel development | Additional information

TRAINING AND CONTINUING EDUCATION

As an intra-Group partner for learning, development and change processes, DB Training, Learning&Consulting conducts the vast majority of training, professional development and continuing education with some 31,000 events for about 290,000 participants per year. More than 3,000 qualification programs are available to DB employees. Qualifications are offered for in-person, digital or blended learning schemes. A modern infrastructure provides space for creativity, new solutions and new digital learning formats, such as virtual reality (VR) training. Once again in 2022, existing training formats were further developed and adapted to a more digital everyday working environment. Practical training plays a crucial role in ensuring that employees can act with confidence, particularly in safety-related areas. Against this backdrop, we are investing in the expansion of practical facilities: a new apprenticeship interlocking facility was put into operation in Maschen in summer 2022. Since the beginning of September 2022, a new practice site in Delitzsch has been able to give apprentices an overall understanding of the rail system and all its complexities.

DB Academy is responsible for the qualification of around 10,700 executives and (high-level) experts. The portfolio offers them training according to their individual career and development stages, enabling them to apply leadership standards and implement strategic areas of action at DB Group.

DB employees have the opportunity to study alongside their work. There are two different programs (DB University and DB Master's Program) that finance and support Bachelor's or Master's degrees through flexible working hours. DB University is aimed at skilled employees who can have their professional experience recognized when obtaining a Bachelor's degree. In addition, DB University offers support for the employees' studies and internal further education courses throughout the entire period. The DB Master's Program is open to at least 30 employees per year.

Vocational training is an important lever for meeting the challenges of a shortage of skilled employees. The number of training positions at DB Group has been continuously increased in recent years. Accordingly, the training workshops in the industrial and technical sector have been and will be expanded. Since 2022, it has been possible to train more than 200 additional vocational trainees due to the relocation to the new premises.

In addition, the cooperation agreement concluded between the DB Group and LEAG in August 2022 provides for the DB Group to train some of its vocational trainees under LEAG's leadership until 2025.

DB Academy and DB Training have also developed additional online services to support employees and executives during the Covid-19 pandemic. With “Gemeinsam in die neue Arbeitswelt” (Together in the new working environment, GinA), we have created virtual learning opportunities for current challenges. The offer attracted a high level of demand and was taken up by 46,387 users in 2022.

DB employees made a valuable contribution to coping with the flows of refugees from Ukraine. In order to support them, DB Training offers help for volunteers helping as part of Group-wide psychological support for affected employees. Four “check-ins” for refugees from Ukraine in various German cities offered rapid orientation and integration opportunities within the DB Group. Prospects were created with individual advisory services, German courses and employment contracts at DB Temporary Work.

TRAINING AND CONTINUING EDUCATION COSTS FOR EMPLOYEES	2022	2021	Change absolute	Change %	2020
Total (€ million)	289	262	+ 27	+ 10.3	210
Per employee (FTE) (€)	1,294	1,181	+ 113	+ 9.6	965

Germany, including vocational trainees and dual-degree students.

TRAINING AND CONTINUING EDUCATION DAYS IN CUSTOMER-ORIENTED JOB FAMILIES / days	2022	2021	2020
Per employee (FTE)	10.6	11.5	11.9

Germany (companies with about 77 % of domestic employees).
Includes only training and development days in customer-oriented job families for permanent employees, excluding vocational trainees and dual-degree students.

Training and continuing education costs for our employees rose to a new record high in 2022.

SECURING YOUNG TALENT

YOUNG TALENTS HIRED AS PERMANENT PERSONNEL BY TYPE OF TRAINING / NP	2022	2021	2020
Vocational trainees	2,880	2,614	2,420
Dual-degree students	261	239	197

Germany (companies with about 98 % of domestic employees).
Hired after completion of vocational training or dual-degree studies.

DB Group’s own vocational training and the combined work-study degree are the foundation of our efforts to secure the recruitment of skilled employees. This is supplemented by the job preparation program “Chance plus” for young people who need support in accessing the labor market.

- The Social and Cultural Integration project (Soziale und kulturelle Integration; SUKI) run by Stiftungsfamilie BSW & EWH (foundation partnership), in collaboration with the Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG), and the social security fund, offers integration-related services to supplement professional qualification programs for people with a refugee and migration background.
- We established the DB Youngster Community in 2022 together with the BSW & EWH Foundation Family. The community helps young talents in DB Group to network. In addition, interdisciplinary community offers help people get started at work in DB Group (for example dealing with finances, time management or optimizing the learning strategy).
- Use of the Lifehacks4U support service, which is implemented in cooperation with ZukunftPlus e. V., was significantly expanded in 2022. It is an offer to provide individual support for young talents in matters that go beyond the training.
- As many young talents have deficits due to the Covid-19 pandemic, especially in mathematical and technical fields, support services have been expanded significantly. In addition, the Lifehacks4U social education support program was used to a much greater extent. The goal is to avoid drop-outs.
- We recognize outstanding performance and great commitment in our entry-level programs through the Excellence Program for particularly high-performing young talents.
- The social responsibility and participation of young talents is being promoted from the very beginning through participation in the “Rail trainees against hate and violence” tolerance competition. Since 2000, more than 13,000 vocational trainees have completed around 1,500 projects and set an example for respectful and tolerant teamwork.

PERFORMANCE MANAGEMENT

The “My Performance Management” tool aims to support employees’ professional and personal development to boost their personal performance. Regular feedback based on key questions from different perspectives helps employees to compare how they see themselves versus how others see them, and encourages them to reflect on their working habits in a targeted manner. Regularly reviewing key performance indicators and how each employee contributes to achieving objectives also shows individuals and teams their strengths and areas for improvement. Supervisors give employees clear guidance on performance development once a year. In 2022, as in the previous year, more than 96 % of employees received a performance assessment from their immediate executive. In a one-to-one discussion, development prospects and measures, and succession planning, are discussed and agreed upon together. If the annual overall evaluation gives cause for a more detailed assessment of competence, this can be carried out, if necessary, with reference to the skills profile of the function in question.

In addition, a spontaneous feedback tool makes it possible to request and send feedback across all hierarchies at any time and, if the user so wishes, give visible recognition of their rating.

DEVELOPING EMPLOYEES AND FILLING VACANCIES

The DB role model combines specifications for different career paths (such as management, expert and project careers), duties and responsibilities and the necessary experience, expertise and attitude from an internal standpoint. It forms the basis for staffing and diagnostic processes, among other things. Our internal career options were expanded to include a third career path: DB’s “specialist” career path, offering internal, high-caliber employees with specialist expertise development opportunities.

Key elements of our talent management are easy access for employees and executives, attractive offers for orientation, networking and visibility for all career paths based on initiative and individuality. The “Frau Dich!” (Woman up!) initiative also plays a role in inspiring and motivating women to aim for executive positions with individual career advice for women.

GETTING (BACK) TO WORK

In 2022, we further developed the product portfolio of reentry management to support colleagues returning to work after temporary absences. Key elements include primarily the provision of pooled information to improve orientation, opportunities for communication and discussion to strengthen self-reflection, and personal development opportunities. With the renegotiation of the Group employer/works council agreement on work, family and career path, we were able to further optimize the operational framework for work/life balance in 2022. Digital learning units primarily support executives, but also employees putting the lessons they have learned into practice. As an additional source of information to help plan family time and careers, the new brochure "Dein starker Wiedereinstieg" (Your successful reentry) offers pregnant employees an overview of the tasks and deadlines they will come to face, helpful checklists and DB services. With JobSharing@DB, we have created an opportunity to be able to fill executive positions even on a part-time basis, with two executives sharing responsibility for one role.

KNOWLEDGE TRANSFER

In 2022, we took on the topic of knowledge transfer from the 15 employee building blocks for expansion. New working methods and worlds require a different approach to knowledge, staff turnover can lead to the loss of important knowledge, new colleagues need critical knowledge to carry out their tasks, and the increase in digitalization requires more knowledge for more employees. For this reason, we strengthen those involved in the process in the application of knowledge transfer formats by anchoring them in processes. On the other hand, we also promote continuous knowledge transfer and support executives and employees in identifying, securing and sharing knowledge in their area of responsibility.

SECURING EMPLOYMENT

To avoid dismissals, for example, in the context of restructuring or order losses and/or changes in tasks performed by individual employees for an indefinite period, there is an employment guarantee at DB Group, which is anchored in the collective bargaining agreement. Under the employment guarantee, most of the affected employees are once again directly employed within DB Group. If this is not successful, the employees in question will move to DB JobService GmbH for an indefinite period of time, where they will be further developed as part of a professional reorientation process in order to be placed in a role in their chosen field if possible at a later date.

Transformation | Additional information

DIVERSITY

In Germany, around 221,000 employees from over 100 nations work for DB Group and about 52,500 of them are women. The share of women in management positions by organizational structure, including companies covered by the Act for the Equal Participation of Women and Men in Management Positions (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen; FüPoG II), stood at 27.0% at all levels as of December 31, 2022 (as of December 31, 2021: 25.4%).

MANAGEMENT LEVELS OF EXECUTIVES AND MEMBERS OF THE SUPERVISORY BOARD BY GENDER AS OF DEC 31 / NP	2022	2021	2020
Supervisory Board	20	20	20
Share of women (%)	35.0	30.0	35.0
Senior executives	253	252	243
Share of women (%)	21.7	19.0	16.9
Upper management	1,063	1,072	1,039
Share of women (%)	21.7	19.9	18.4
Middle management	2,508	2,464	2,382
Share of women (%)	24.0	22.2	22.0
Total executives (excluding Supervisory Board)	**3,824**	**3,788**	**3,664**
Share of women (%)	23.2	21.3	20.7

Germany (companies with about 98% of domestic employees).

The share of women among executives increased in 2022, demonstrating our efforts to increase the number of women in management. The increase in executives resulted mainly from the increased number of employees.

EMPLOYEES BY AGE AS OF DEC 31 / NP	2022	2021	2020
<30 years	31,342	30,312	29,929
30–49 years	97,117	94,064	92,950
≥ 50 years	89,006	89,644	90,008
Total	**217,465**	**214,020**	**212,887**

Germany (companies with about 98% of domestic employees).

The share of employees over 50 continues to be high (about 41%).

EMPLOYEES WITH SEVERE DISABILITIES BY AGE AS OF DEC 31 / NP	2022	2021	2020
<30 years	427	377	326
30–49 years	2,537	2,488	2,620
≥ 50 years	9,269	9,419	9,540
Total	**12,233**	**12,284**	**12,486**

Germany (companies with about 98% of domestic employees). Includes employees and vocational trainees with severe disabilities or equivalent circumstances.

The employment rate of severely disabled employees in Germany is 5.4%, which is above the 5% quota required by law.

Employment conditions | Additional information

GRI

COLLECTIVE AGREEMENTS

EMPLOYEES BY EMPLOYEE TYPE AS OF DEC 31 / NP	2022	2021	2020
Employees subject to collective bargaining agreements	192,438	187,379	184,508
Civil servants	12,689	14,705	17,081
Employees on individual contracts [1]	12,338	11,936	11,298
Total	**217,465**	**214,020**	**212,887**

Germany (companies with about 98% of domestic employees).
[1] The figures for employees on individual contracts primarily include executives, employees paid above the wage agreement level (known as non-tariff employees) and employees with individual contractual agreements.

In addition to country-specific legislation, the working conditions and pay for our employees primarily follow the collective bargaining agreements that have been concluded with the respectively responsible trade unions. In principle, the collective bargaining agreements apply to employees in Germany. The activities of civil servants in DB Group are based on statutory allocation under Article 2, Section 12 of the Rail Restructuring Act (Eisenbahnneuordnungsgesetz). The same collective wage agreement provisions within DB Group therefore apply on this basis to civil servants, insofar as the legal regulations governing civil servants do not conflict with this.

EMPLOYEES WITH COLLECTIVE AGREEMENTS AS OF DEC 31 / NP	2022	2021	Change absolute	Change %	2020
Employees with collective wage agreements	205,110	202,059	+3,051	+1.5	201,555
Share (%)	94.3	94.4	-0.1	-	94.7

Germany (companies with about 98% of domestic employees).

The share of employees subject to collective bargaining agreements remains virtually unchanged at a very high level.

SOCIAL AND FRINGE BENEFITS

DB Group offers all employees fair, performance-based and non-discriminatory pay, which is reviewed on a regular basis. In addition to offering compensation, an employer-financed company pension scheme and support for private provision, we also offer a wide range of social and fringe benefits. The social partners (Bahn-Sozialwerk, Bahn-Betriebskasse, Verband Deutscher Eisenbahner Sportvereine, DEVK-Versicherungen and Sparda-Banken) offer benefits packages for our employees. In cooperation with the foundation family, we offer our employees a range of childcare options and extensive support in caring for family members.

GRI

Work-life balance

EXTERNAL TEMPORARY WORKERS AS OF DEC 31 / NP	2022	2021	2020
Total	2,631	2,416	2,232

Germany (companies with approximately 99% of domestic employees).

The number of external temporary workers increased slightly, but is still well below the pre-Covid-19 level.

EMPLOYEES BY WORKING HOURS AND GENDER AS OF DEC 31 / NP	2022	2021	2020
Full-time	304,725	304,280	303,474
thereof women	67,891	65,893	-
Part-time	32,159	32,710	32,803
thereof women	16,456	16,461	-
Total	**336,884**	**336,990**	**336,278**

DB Group offers various part-time models. This supports a better balance between career and family.

EMPLOYEES BY CONTRACT TYPE AS OF DEC 31 / NP	2022	2021	2020
Permanent	317,306	316,012	314,975
thereof women	77,972	75,949	-
Fixed-term	19,578	20,978	21,303
thereof women	6,375	6,405	-
Total	**336,884**	**336,990**	**336,278**

The share of employees with permanent employment contracts remained very high at about 94% (in Germany: around 96%).

EMPLOYEES BY REGION AND WORKING HOURS AS OF DEC 31 / NP	2022	2021	Change absolute	Change %	2020
Germany	221,343	218,705	+2,638	+1.2	217,028
Full-time	196,677	195,127	+1,550	+0.8	193,844
Part-time	24,666	23,578	+1,088	+4.6	23,184
Europe (excluding Germany)	82,220	88,486	-6,266	-7.1	89,990
Full-time	74,892	79,518	-4,626	-5.8	80,550
Part-time	7,328	8,968	-1,640	-18.3	9,440
Asia/Pacific	18,055	17,021	+1,034	+6.1	16,806
Full-time	17,983	16,923	+1,060	+6.3	16,698
Part-time	72	98	-26	-26.5	108
North America	11,523	9,311	+2,212	+23.8	9,163
Full-time	11,470	9,289	+2,181	+23.5	9,129
Part-time	53	22	+31	+141	34
Rest of world	3,743	3,467	+276	+8.0	3,291
Full-time	3,704	3,423	+281	+8.2	3,254
Part-time	39	44	-5	-11.4	37
DB Group	**336,884**	**336,990**	**-106**	**-**	**336,278**
Full-time	304,725	304,280	+445	+0.1	303,474
Part-time	32,159	32,710	-551	-1.7	32,803

EMPLOYEES BY REGION AND TYPE OF CONTRACT AS OF DEC 31 / NP	2022	2021	Change absolute	Change %	2020
Germany	221,343	218,705	+2,638	+1.2	217,028
Permanent	211,842	209,221	+2,621	+1.3	206,970
Fixed-term	9,501	9,484	+17	+0.2	10,058
Europe (excluding Germany)	82,220	88,486	-6,266	-7.1	89,990
Permanent	77,455	81,295	-3,840	-4.7	83,166
Fixed-term	4,765	7,191	-2,426	-33.7	6,824
Asia/Pacific	18,055	17,021	+1,034	+6.1	16,806
Permanent	13,159	13,049	+110	+0.8	12,679
Fixed-term	4,896	3,972	+924	+23.3	4,127
North America	11,523	9,311	+2,212	+23.8	9,163
Permanent	11,467	9,288	+2,179	+23.5	9,155
Fixed-term	56	23	+33	+143	8
Rest of world	3,743	3,467	+276	+8.0	3,291
Permanent	3,382	3,159	+223	+7.1	3,004
Fixed-term	361	308	+53	+17.2	287
DB Group	**336,884**	**336,990**	**-106**	**-**	**336,278**
Permanent	317,306	316,012	+1,294	+0.4	314,975
Fixed-term	19,578	20,978	-1,400	-6.7	21,303

Executive employees and employees not covered by collective wage agreements

TCFD

The variable compensation of executives, employees under collective bargaining agreements and those not employed under collective bargaining agreements is geared towards the Strong Rail targets 51 ff. Variable remuneration is based on a set of key figures consisting of key qualitative and quantitative indicators, such as customer satisfaction, punctuality, employee satisfaction, women in management, EBIT and – depending on the contract level – personal performance or the reduction of CO_2e emissions.

- To improve work-life balance, executives and employees not subject to collective wage agreements are able to take a sabbatical. We also support the provision of part-time executive employment and interim management.
- The "Special semi-retirement for executives in DB Group" program is intended to reduce executives' individual workload while maintaining the employability of older executives until the statutory retirement age.
- Employer-financed contributions to the company pension plan are used to ensure post-employment benefits for executives and employees not subject to collective wage agreements.

- The BahnCard and car-sharing services offer executives an environmentally friendly alternative to a company car.

Measures against discrimination

We are committed to a working environment that is free from discrimination, bullying and sexual harassment. Every incident is dealt with specifically and individually in order to ensure the correct course of action and to support those affected in a trusting manner. Capable assistance for clarifying and handling conflict situations is available from the intra-Group ombudsperson for all employees, in addition to the rules in the Group Employer/Works Council Agreements (Konzernbetriebsvereinbarung; KBV), such as the KBV for equal treatment and protection against discrimination, the KBV for inclusion or the framework KBV for balancing work, family and life stage, as well as directives such as those on the Federal General Act on Equal Treatment (Allgemeines Gleichheitsbehandlungsgesetz) and on company integration management, or compliance directives. The focus in all this is on non-bureaucratic and independent extrajudicial settlement of conflicts. The ombudsperson coordinates the intra-Group pool of mediators. In addition, the topics of avoiding unconscious bias and dealing with discrimination are anchored in the training offered by the DB Executive Academy.

Inclusion and reintegration measures

Preventive operational integration management, based on a legal framework, is supplemented by two additional procedures contained in the framework guidelines. Based on the collective bargaining agreement, company integration management and the procedures in the case of temporary non-suitability govern the continued employment of employees with permanent or limited impairments to their ability to work. Our principles for the successful inclusion of employees with disabilities are anchored in the Group works council agreement (KBV) on inclusion. We also record our measures to promote inclusion in the Rail Action Plan and thus implement the concerns of the National Action Plan and the UN Convention on the Rights of Persons with Disabilities.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

To help combat the Covid-19 pandemic, we have set up our own vaccination centers and are also offered vaccinations through our occupational medical service. A total of 35,000 vaccinations have been carried out in ten DB vaccination centers and 20 other ias AG occupational medical service facilities as of year-end 2022. Following an EU-wide tender, the occupational medical service contract has been awarded to four service providers. The capacity and resource management of the occupational medical service providers is being digitalized as part of this realignment, thereby playing a part in the design of a modern occupational safety and health management framework. A significant milestone has been reached with the introduction of an IT platform that links the occupational medical service, occupational health and safety, accident management and hazardous substance management.

Our occupational health and safety policy is designed to continuously decrease the number and severity of accidents. In 2022, the planned adjustments were made to the framework guidelines on occupational health and safety. The binding standards in the framework guidelines on occupational health and safety are defined in the Group directive on risk minimization, which is contained in the management handbook. The framework guidelines on occupational health and safety flesh out the key company obligations that are specified in accordance with sections 1–13 of the German Occupational Health and Safety Act (ArbSchG). For example, in the "Occupational health and safety in DB Group" guidelines, the design of a management system including setting up an occupational health and safety committee (ASA) is required for each DB company. In contrast, the "Risk assessment" guideline describes the fact that a risk assessment must be carried out and documented, taking into account the SAP EH&S IT application in order to ensure the health and safety of employees. The documented risk assessment must be checked regularly and as necessary (for example changes to workflows). The previous measures (for example employee training) are defined or updated in accordance with a predefined procedure for determining and assessing risks (including one-sided dynamic work with incorrect loads, electric shock, stress and noise pollution). In addition, framework guidelines are in place to flesh out the Ordinance on Preventive Occupational Healthcare. In addition to the provisions on compulsory and optional provision of preventive healthcare, all employees may, in accordance with the framework guidelines on occupational healthcare, propose the provision of optional healthcare at any time if they fear a (negative) interaction between work and their health. The use of contractors and temporary workers (including the instruction of external persons by the external firm, the provider or hirer of temporary workers) is dealt with by the "Occupational health and safety when using contractors and temporary workers." Regular testing of electrical systems and equipment is ensured by the "Work on or near electrical systems and operating equipment" framework guidelines.

In addition, measures to improve the quality of preventive occupational health and safety for the Integrated Rail System in the sense of zero accident were further developed in the occupational health and safety working group. Learning governance was tested together with the Learning@DB project to set up Group-wide portfolio management for qualifications for employer obligations. The subsequent bundling of training measures and the development of a learning offer for the Integrated Rail System improves quality, increases the awareness of responsible persons with employer obligations and provides greater transparency in DB Group's learning environment through a modern culture of learning.

The joint zero-accident occupational health and safety strategy has, for the Integrated Rail System, the strategic objective of ensuring "no work accidents or work-related illnesses." The top priority is to avoid fatal and severe occupational accidents and occupational illnesses. If a fatal or severe occupational accident nevertheless occurs, we cooperate closely with the competent authorities and do everything possible to prevent similar causes of accidents in future. We are represented in the Zero Accident Forum of the German Statutory Accident Insurance's Institute for Occupational Health and Safety (Institut für Arbeitsschutz der Deutschen Gesetzlichen Unfallversicherung; IFA). The forum is a network of companies that enables them to learn from one other so that they can reduce the number of accidents at work, including commuting accidents, to zero.

SICKNESS RATE BASED ON HOURS / %	2022	2021	2020
DB-Group	7.2	5.7	6.0
DB Long-Distance	7.8	6.0	5.8
DB Regional	8.9	7.5	7.6
DB Cargo	8.1	6.7	6.4
DB Netze Track	6.2	4.9	5.0
DB Netze Stations	6.9	5.2	5.5
DB Netze Energy	4.6	3.3	3.4
Other	6.7	5.2	5.4
DB Schenker	6.2	5.4	8.1

Germany (companies with about 98% of domestic employees).

A strong wave of colds and flu, both at the beginning and end of 2022, as well as the Covid-19 pandemic, also led to high non-attendance in DB Group in 2022. In addition, the added burden on our employees due to the 9-Euro-Ticket led to a very high sickness rate.

OCCUPATIONAL ACCIDENTS AND LTIF	2022	2021	2020
Fatal accidents [1]	7	4	6
thereof in Germany [2]	7	4	2
Lost time injury frequency (LTIF) [2),3)]	22.9	21.8	21.5

[1] Worldwide (companies with about 98% of employees).
[2] Germany (companies with about 98% of domestic employees).
[3] Lost time injury frequency = LTIF (work accidents that cause the employee to be absent for longer than one calendar day) × 1,000,000 / working hours.

Compliance with internal standards and national laws serve to protect employees. Safe work and healthy employees make an important contribution here. Digital events and active communication measures on the topic of occupational health and safety were implemented to achieve the goal of raising awareness about safety and personal responsibility. We are continuously working to optimize safety. With lost time injury frequency (LTIF), we have established an indicator to aid us in further reducing the frequency of accidents.

Fatal work accidents occurred in 2022 at DB Railway Construction Group, DB Cargo, DB Track Services, DB Regional Bus and DB Services (previous year: DB Netze Track and DB Schenker). Fatal workplace accidents at DB Group are systematically investigated in the affected business units, and any possible process-related improvements and further measures are identified and implemented.

About 65 companies in Germany are included in the LTIF calculation. A closer look at the LTIF reveals a differentiated picture, also in an international comparison, as all areas of activity within the DB Group are included in the calculation. Our goal within the scope of our occupational health and safety policy is to continuously and sustainably reduce the LTIF. Our zero-accident measures play a role in this. We involve the DB companies in the Occupational Health and Safety Working Group, thereby promoting an overall culture of safety to ensure the safety of our employees. The LTIF in Germany is at the same level as in the previous year.

In 2023, we intend to drive forward new digital formats (for example to select and manage the personal protective equipment (PPE) product range). We are working continuously to place greater emphasis on executives' responsibility and their function as role models. We have therefore developed further learning opportunities for executives as part of the occupational health and safety strategy for the Integrated Rail System.

Occupational health and safety committees at DB Group

In Germany, companies (production facilities, branches, works council voting areas (Wahlbetriebe)) with 20 employees or more are legally required to have an occupational health and safety committee (Arbeitsschutzausschuss). In DB Group, more than 75% of employees are represented on occupational health and safety committees.

Number of employees and employee structure | Additional information

EMPLOYEES AS OF DEC 31 / NP	2022	2021	Change absolute	Change %	2020
DB Long-Distance	20,206	19,836	+370	+1.9	19,873
DB Regional	39,862	39,333	+529	+1.3	39,299
DB Cargo [1]	31,755	31,338	+417	+1.3	30,586
DB Netze Track	54,118	52,756	+1,362	+2.6	51,714
DB Netze Stations	7,381	7,161	+220	+3.1	6,864
DB Netze Energy	2,024	1,968	+56	+2.8	1,928
Other	62,740	60,978	+1,762	+2.9	60,589
Integrated Rail System [1]	**218,086**	**213,370**	**+4,716**	**+2.2**	**210,853**
DB Arriva	39,912	46,031	-6,119	-13.3	48,796
DB Schenker [1]	78,886	77,589	+1,297	+1.7	76,629
DB Group	**336,884**	**336,990**	**-106**	**-**	**336,278**

[1] Figures for 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

As of December 31, 2022, the number of employees 89 was almost stable.

NEW HIRES

NEW HIRES BY GENDER (EXCLUDING YOUNG TALENTS) AS OF DEC 31 / NP	2022	2021	2020
< 30 years	8,247	7,161	8,247
Share of women (%)	30.7	30.5	29.3
30 – 49 years	10,528	8,892	10,600
Share of women (%)	25.4	21.9	21.4
≥ 50 years	3,035	2,397	2,853
Share of women (%)	21.6	18.9	21.1
DB Group	**21,810**	**18,450**	**21,700**

Germany (companies with about 98% of domestic employees).
This does not include the acceptance or hiring of vocational trainees and dual-degree students.

The number of new hires in Germany increased significantly.

EMPLOYEE TURNOVER

EMPLOYEE TURNOVER / NP	2022	2021	2020
Retirement-related turnover	3,557	3,614	3,478
thereof women	663	694	696
Other employee turnover	13,050	11,166	9,218
thereof women	2,738	2,296	1,862
Total	**16,607**	**14,780**	**12,696**

Germany (companies with about 98% of domestic employees).

The figures indicate non-restructuring-related turnover of permanent employees. Part-time working in the lead-up to retirement is also included in retirement-related employee turnover.

EMPLOYEE TURNOVER / %	2022	2021	2020
Retirement-related turnover	1.6	1.7	1.6
thereof women	1.3	1.4	1.4
Other employee turnover	5.8	5.1	4.3
thereof women	5.3	4.6	3.8
Total	**7.4**	**6.8**	**5.9**

Germany (companies with about 98% of domestic employees).

The figures indicate non-restructuring-related turnover of permanent employees. Part-time working in the lead-up to retirement is also included in retirement-related employee turnover.

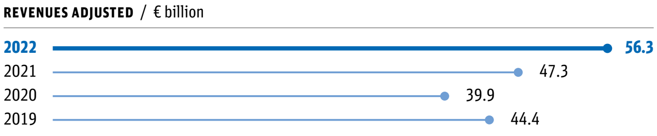
The increase in staff turnover is mainly due to employee-initiated turnover. This is shown by the increased flexibility on the labor market and the shortage of skilled labor.

BUSINESS DEVELOPMENT

Overview of key figures

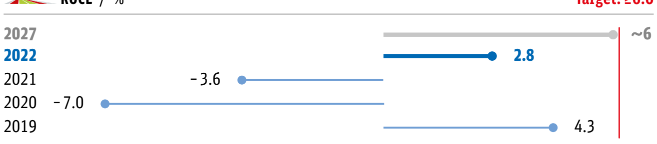
ECONOMIC

REVENUES ADJUSTED / € billion

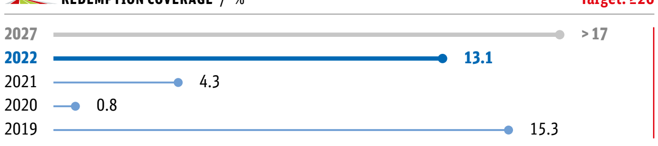


EBIT ADJUSTED / € million

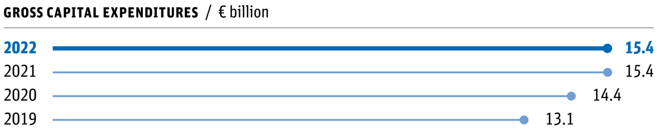
ROCE / % Target: ≥6.0



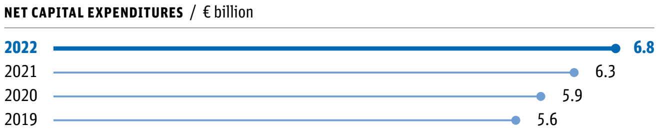
REDEMPTION COVERAGE / % Target: ≥20



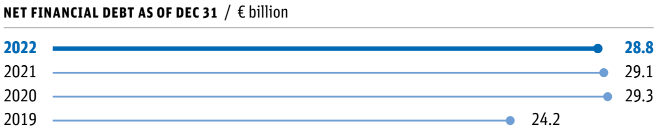
GROSS CAPITAL EXPENDITURES / € billion



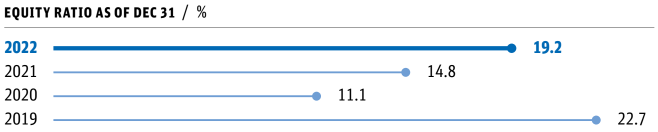
NET CAPITAL EXPENDITURES / € billion



NET FINANCIAL DEBT AS OF DEC 31 / € billion



EQUITY RATIO AS OF DEC 31 / %



Short/mid-term target — Long-term target

OVERVIEW

REVENUES ADJUSTED / € million	Total revenues					External revenues				
			Change					Change		
	2022	2021	absolute	%	2019	2022	2021	absolute	%	2019
DB Long-Distance	4,980	2,911	+ 2,069	+ 71.1	4,985	4,845	2,792	+ 2,053	+ 73.5	4,824
DB Regional	9,039	8,043	+ 996	+ 12.4	8,945	8,921	7,929	+ 992	+ 12.5	8,830
DB Cargo[1]	5,244	4,982	+ 262	+ 5.3	4,449	4,998	4,713	+ 285	+ 6.0	4,188
DB Netze Track	6,266	5,984	+ 282	+ 4.7	5,652	2,035	1,975	+ 60	+ 3.0	1,687
DB Netze Stations	1,384	1,285	+ 99	+ 7.7	1,339	593	520	+ 73	+ 14.0	590
DB Netze Energy	4,200	3,366	+ 834	+ 24.8	2,812	2,451	1,808	+ 643	+ 35.6	1,308
Other	6,123	5,685	+ 438	+ 7.7	5,192	696	593	+ 103	+ 17.4	581
Consolidation Integrated Rail System[1]	- 12,576	- 11,777	- 799	+ 6.8	- 11,154	-	-	-	-	-
Integrated Rail System[1]	**24,660**	**20,479**	**+ 4,181**	**+ 20.4**	**22,220**	**24,539**	**20,330**	**+ 4,209**	**+ 20.7**	**22,008**
DB Arriva	4,214	4,069	+ 145	+ 3.6	5,410	4,212	4,067	+ 145	+ 3.6	5,405
DB Schenker[1]	27,604	22,939	+ 4,665	+ 20.3	17,091	27,545	22,853	+ 4,692	+ 20.5	17,018
Consolidation other[1]	- 182	- 237	+ 55	- 23.2	- 290	-	-	-	-	-
DB Group	**56,296**	**47,250**	**+ 9,046**	**+ 19.1**	**44,431**	**56,296**	**47,250**	**+ 9,046**	**+ 19.1**	**44,431**

OPERATING PROFIT FIGURES / € million	EBITDA adjusted					EBIT adjusted				
			Change					Change		
	2022	2021	absolute	%	2019	2022	2021	absolute	%	2019
DB Long-Distance	389	- 1,434	+ 1,823	-	789	- 39	- 1,790	+ 1,751	- 97.8	485
DB Regional	619	218	+ 401	-	1,056	- 31	- 417	+ 386	- 92.6	408
DB Cargo[1]	- 257	- 81	- 176	-	13	- 665	- 467	- 198	+ 42.4	- 308
DB Netze Track	1,244	1,010	+ 234	+ 23.2	1,443	601	334	+ 267	+ 79.9	807
DB Netze Stations	195	160	+ 35	+ 21.9	349	29	1	+ 28	-	210
DB Netze Energy	185	254	- 69	- 27.2	128	103	169	- 66	- 39.1	43
Other/consolidation Integrated Rail System[1]	- 85	- 25	- 60	-	- 162	- 598	- 545	- 53	+ 9.7	- 622
Integrated Rail System[1]	**2,290**	**102**	**+ 2,188**	**-**	**3,616**	**- 600**	**- 2,715**	**+ 2,115**	**- 77.9**	**1,023**
DB Arriva	411	359	+ 52	+ 14.5	752	12	- 73	+ 85	-	289
DB Schenker[1]	2,512	1,826	+ 686	+ 37.6	1,082	1,841	1,234	+ 607	+ 49.2	538
Consolidation other	- 3	-	- 3	-	- 14	-	2	- 2	- 100	- 13
DB Group	**5,210**	**2,287**	**+ 2,923**	**+ 128**	**5,436**	**1,253**	**- 1,552**	**+ 2,805**	**-**	**1,837**
Margin (%)	9.3	4.8	+ 4.5	-	12.2	2.2	- 3.3	+ 5.5	-	4.1

CAPITAL EXPENDITURES / € million	Gross capital expenditures					Net capital expenditures				
			Change					Change		
	2022	2021	absolute	%	2019	2022	2021	absolute	%	2019
DB Long-Distance	1,667	1,507	+ 160	+ 10.6	1,241	1,666	1,507	+ 159	+ 10.6	1,241
DB Regional	716	480	+ 236	+ 49.2	560	695	455	+ 240	+ 52.7	548
DB Cargo	452	527	- 75	- 14.2	570	403	499	- 96	- 19.2	523
DB Netze Track	8,969	9,349	- 380	- 4.1	7,441	1,738	1,738	-	-	1,055
DB Netze Stations	1,434	1,380	+ 54	+ 3.9	1,096	397	297	+ 100	+ 33.7	262
DB Netze Energy	303	340	- 37	- 10.9	193	75	66	+ 9	+ 13.6	61
Other/consolidation Integrated Rail System[1]	611	695	- 84	- 12.1	612	604	689	- 85	- 12.3	611
Integrated Rail System[1]	**14,152**	**14,278**	**- 126**	**- 0.9**	**11,713**	**5,578**	**5,251**	**+ 327**	**+ 6.2**	**4,301**
DB Arriva	255	267	- 12	- 4.5	718	226	249	- 23	- 9.2	683
DB Schenker[1]	946	842	+ 104	+ 12.4	662	946	842	+ 104	+ 12.4	662
Consolidation other	-	-	-	-	-	-	-	-	-	-
DB Group	**15,353**	**15,387**	**- 34**	**- 0.2**	**13,093**	**6,750**	**6,342**	**+ 408**	**+ 6.4**	**5,646**
thereof investment grants	8,603	9,045	- 442	- 4.9	7,447	-	-	-	-	-

[1] Figures for 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

Business environment

DEMAND FOR MOBILITY

The effects of the Covid-19 pandemic waned significantly in 2022, which had a positive impact on economic development. At the same time, the outbreak of the war in Ukraine had a noticeable negative impact. As a result, the environmental conditions developed to varying degrees. The demand for mobility rose significantly, but was still below the pre-Covid-19 level. In freight transport, the increase in demand, which was still strong at the beginning of the year, was significantly dampened from March 2022 onwards. With the outbreak of the war in Ukraine, growth in industrial production and trade weakened, with noticeably negative effects.

GLOBAL ECONOMY

DEVELOPMENT OF IMPORTANT MACROECONOMIC INDICATORS COMPARED WITH THE PREVIOUS YEAR / %	2022	2021	2020
GLOBAL TRADE (IN REAL TERMS)			
Trade in goods	+4.5	+11.9	-5.7
GDP			
World	+3.1	+6.1	-3.3
USA	+2.1	+5.9	-2.8
China	+3.0	+8.1	+2.2
Japan	+1.3	+2.2	-4.3
Europe	+3.3	+5.9	-5.8
Eurozone	+3.5	+5.3	-6.3
Germany	+1.9	+2.6	-4.1

The data for 2020 to 2022, adjusted for price and calendar effects, are based on information and estimates available as of February 2023.
Source: Oxford Economics

Despite numerous negative factors, the global economy recorded slight growth in 2022. This was supported in particular by catch-up effects. Nevertheless, global growth in trade and economic output was significantly weaker than expected, as the combination of the war in Ukraine, sharply increased prices and regional lockdowns in China, with restrictions on global value chains, had a negative impact on global development. In addition to Russia and Ukraine, industrialized countries in particular have been hit hardest. In developing countries, the slump is not so significant due to the lower share of industrial production.

The industrial sector was particularly affected by the effects of high energy and purchase prices and disrupted supply chains. As a result, industrial production developed significantly worse in the second half of the year. Due to high inflation, the central banks have already responded with significant interest rate hikes. The service sector had a supportive effect, particularly in the form of an increase in tourism, which once again increased significantly and stabilized noticeably.

ENERGY MARKETS

The central hedging policy of DB Group aims to reduce energy price fluctuations. Our hedging activities noticeably curbed the development in DB Group's operating business in 2022.

Brent oil

			Change	
BRENT / USD/barrel	2022	2021	absolute	%
Average price	99.0	71.0	+28.0	+39.4
Highest price	139.1	86.7	+52.4	+60.4
Lowest price	75.1	50.6	+24.5	+48.4
Year-end price	85.9	77.8	+8.1	+10.4

Figures are based on information and estimates available as of January 2023.
Source: Thomson Reuters

The first half of 2022 was marked by strong price markups as a result of the war in Ukraine. From mid-2022, concerns about recession, interest rate hikes and Covid-19-related restrictions (in China, among others) significantly dampened the price of oil again. Overall, the price of oil in 2022 has risen by 40 % on a dollar basis. This development was further exacerbated for the Eurozone by a weak euro.

Fuel prices in Germany (+27 %) in 2022 were driven not only by the increase in oil prices, but also by an increase in CO_2 taxes. Rising fuel prices strengthen the competitive situation of the railways. In 2022, however, motorized individual transport continued to benefit from a preference for individual transport and the fuel discount from June to August.

Electricity and emissions certificates

			Change	
	2022	2021	absolute	%
BASE LOAD POWER (FOLLOWING YEAR) (€/MWH)				
Average price	298.3	88.7	+209.6	+236
Highest price	1,050	335.0	+715.0	+213
Lowest price	108.8	47.9	+60.9	+127
Year-end price	215.0	120.1	+94.9	+79.0
EMISSIONS CERTIFICATES (€/T CO_2)				
Average price	81.2	53.7	+27.5	+51.2
Highest price	99.2	90.8	+8.4	+9.3
Lowest price	55.0	31.3	+23.7	+75.7
Year-end price	84.0	80.7	+3.3	+4.1

Figures are based on information and estimates available as of January 2023.
Source: Thomson Reuters

Prices on the futures market for electricity rose very sharply in 2022. In addition to the prices for emissions allowances (European allowances under the European emissions trading system), the main drivers were the sharp rise in the price of natural gas and failures at French nuclear power plants.

Income situation

- *Economic development improved significantly again.*
- *Revenues significantly above pre-Covid-19 level, operating profit significantly positive again.*
- *The main driver is the continued very positive development of DB Schenker and significantly lower Covid-19 impact on passenger transport.*
- *Energy price increases were largely offset.*

GRI

COMPARABILITY WITH THE PREVIOUS YEAR

2022 again saw the income, financial and net assets situation of DB Group significantly impacted by the easing of measures to contain the Covid-19 pandemic. The lifting of Covid-19 restrictions led to a continuation of the trend towards a recovery in passenger transport.

Changes in the scope of consolidation 218 ff. did not significantly affect income and expense development in 2022.

REVENUES

REVENUES / € million	2022	2021	Change absolute	Change %	2019
Revenues	56,296	47,075	+9,221	+19.6	44,430
± Special items	0	175	-175	-	1
Revenues adjusted	**56,296**	**47,250**	**+9,046**	**+19.1**	**44,431**
thereof Integrated Rail System [1]	24,660	20,479	+4,181	+20.4	22,220
± Changes in the scope of consolidation	-229	-322	+93	-28.9	-
± Exchange rate changes	-829	-	-829	-	-
Revenues comparable	**55,238**	**46,928**	**+8,310**	**+17.7**	**44,431**
thereof Integrated Rail System [1]	24,662	20,479	+4,183	+20.4	22,220

[1] Figures for 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

The increase in revenues was broadly supported across all business units. Freight rate development at DB Schenker had a very significant effect. The business units in the Integrated Rail System 112 ff. also recorded higher revenues, which also significantly exceeded the pre-Covid-19 level overall. The main drivers were the recovery in demand at DB Long-Distance, higher concession fees and new transport services at DB Regional, market-related price effects at DB Netze Energy and growth at DB Cargo.

Revenues at DB Arriva increased mainly as a result of Covid-19 recovery effects. The sale of the activities in Sweden and Portugal 160 had a dampening effect.

- Adjustments of special items continued to be insignificant for revenue development. In the previous year, these mainly resulted from revenue discounts in connection with court proceedings in infrastructure (2021 Integrated Report 51).
- Effects from changes to the scope of consolidation 218 ff. related to DB Schenker (€ +227 million) and DB Netze Track (€ +2 million) in 2022, as well as DB Arriva (€ -171 million) and DB Schenker (€ -151 million) in 2021.
- Effects from exchange rate changes were mainly attributable to DB Schenker (€ +818 million) and had a slight dampening effect on the increase in revenues.

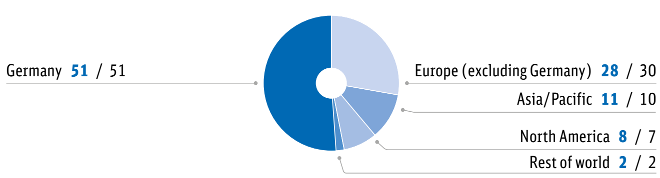
Revenue structure

ADJUSTED EXTERNAL REVENUE STRUCTURE / %	2022	2021	2019
DB Long-Distance	8.6	5.9	10.9
DB Regional	15.8	16.8	19.9
DB Cargo [1]	8.9	10.0	9.4
DB Netze Track	3.6	4.2	3.8
DB Netze Stations	1.1	1.1	1.3
DB Netze Energy	4.4	3.8	2.9
Other	1.2	1.2	1.3
Integrated Rail System [1]	**43.6**	**43.0**	**49.5**
DB Arriva	7.5	8.6	12.2
DB Schenker [1]	48.9	48.4	38.3
DB Group	**100**	**100**	**100**

[1] Figures for 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

As a result of the recovery, in particular in rail passenger transport, the revenue structure has shifted again somewhat in favor of the Integrated Rail System. DB Schenker share continues to account for almost half of Group revenues, which is significantly above the pre-Covid-19 level.

EXTERNAL REVENUES ADJUSTED BY REGIONS / % — 2022 / 2021



ADJUSTED EXTERNAL REVENUES BY REGIONS / € million	2022	2021	Change absolute	Change %	2019
Germany	29,003	24,055	+4,948	+20.6	25,165
Europe (excluding Germany)	15,892	14,278	+1,614	+11.3	13,653
Asia/Pacific	5,983	4,957	+1,026	+20.7	3,121
North America	4,417	3,180	+1,237	+38.9	1,924
Rest of world	1,001	780	+221	+28.3	568
DB Group	**56,296**	**47,250**	**+9,046**	**+19.1**	**44,431**

Overall, regional revenue development was positive:

- In Germany, in addition to the development in the Integrated Rail System, significant revenue growth at DB Schenker also had an impact.

— The positive revenue development in the other regions was driven by the development of DB Schenker.

INCOME DEVELOPMENT

Economic development was marked by the recovery in passenger transport and the strong development of our transport and logistics activities. Operating profit figures recorded a noticeable improvement again. In passenger and rail freight transport, however, the situation remained under pressure:

- In the Integrated Rail System, income gains, in particular due to the recovery in demand in passenger transport 112, as well as higher concession fees and new transport services at DB Regional, exceeded additional burdens from higher expenses, in particular for materials (including higher energy costs due to price increases and measures for quality assurance) and personnel (capacity expansion and collective bargaining agreement increases).
- The operating profit development at DB Schenker was once again extraordinarily strong, driven primarily by the development in air and ocean freight.
- DB Arriva also recorded a significant recovery in its operating profit figures.

Additional information is available in the section Development of business units 112 ff.

Transition to the adjusted statement of income

- Special issues are eliminated in the adjusted statement of income. The transition to the adjusted statement is a two-step process: firstly, standard reclassifications are carried out, then the figures are adjusted for individual special items.
- The reclassifications essentially relate to two issues.
  - The first issue is the reclassification of net interest income components not related to net financial debt and pension provisions: predominantly the compounding and discounting effects of long-term provisions (excluding pension obligations) and long-term liabilities (excluding financial debt). The non-operational character of these components can also be seen in the fact that their influence on net interest income very much depends on the interest rates as of the balance sheet date.
  - The second significant reclassification relates to the amortization of intangible assets capitalized in the course of purchase price allocation (PPA) of acquisitions conducted during the assessment of long-term

TRANSITION TO THE ADJUSTED STATEMENT OF INCOME / € million	2022	Reclassifications	Adjustment for special items	2022 adjusted	2021 adjusted	Change: absolute	Change: thereof scope of consolidation effects	Change: thereof exchange rate effects	Change: %	2019 adjusted
Revenues	56,296	–	0	56,296	47,250	+9,046	-93	+829	+19.1	44,431
Inventory changes and other internally produced and capitalized assets	4,129	–	–	4,129	3,884	+245	+2	-0	+6.3	3,166
Other operating income	4,541	–	-446	4,095	3,722	+373	-11	+5	+10.0	3,008
Cost of materials	-33,623	–	–	-33,623	-28,399	-5,224	+46	-588	+18.4	-22,259
Personnel expenses	-20,300	–	137	-20,163	-19,126	-1,037	+37	-121	+5.4	-18,011
Other operating expenses	-5,777	–	253	-5,524	-5,044	-480	-1	-34	+9.5	-4,899
EBITDA	5,266	–	-56	5,210	2,287	+2,923	-20	+91	+128	5,436
Depreciation	-3,998	28	13	-3,957	-3,839	-118	-18	-13	+3.1	-3,599
Operating profit/loss (EBIT) | EBIT adjusted	**1,268**	**28**	**-43**	**1,253**	**-1,552**	**+2,805**	**-38**	**+78**	**–**	**1,837**
Net interest income | Operating interest balance	-351	-123	7	-467	-464	-3	-2	-2	+0.6	-620
Operating income after interest	**917**	**-95**	**-36**	**786**	**-2,016**	**+2,802**	**-40**	**+76**	**–**	**1,217**
Result from investments accounted for using the equity method | Net investment income	-5	3	–	-2	-8	+6	–	+0	-75.0	-9
Other financial result	20	120	–	140	24	+116	+2	-34	–	-72
PPA amortization customer contracts	–	-28	–	-28	-39	+11	–	+1	-28.2	-62
Extraordinary result	–	–	36	36	1,251	-1,215	–	-4	-97.1	-393
Profit/loss before taxes on income	**932**	**–**	**–**	**932**	**-788**	**+1,720**	**-38**	**+39**	**–**	**681**
Taxes on income	-1,159	–	–	-1,159	-123	-1,036	+9	-21	–	-1
Actual taxes on income	-455	–	–	-455	-302	-153	–	–	+50.7	-137
Deferred tax burden (-)/income (+)	-704	–	–	-704	179	-883	–	–	–	136
Net profit/loss for the year	**-227**	**–**	**–**	**-227**	**-911**	**+684**	**-29**	**+18**	**-75.1**	**680**
DB AG shareholders	-274	–	–	-274	-946	+672	–	–	-71.0	662
Hybrid capital investors	25	–	–	25	26	-1	–	–	-3.8	5
Other shareholders (non-controlling interests)	22	–	–	22	9	+13	–	–	+144	13
Earnings per share (€)										
Undiluted	-0.64	–	–	-0.64	-2.20	+1.56	–	–	-70.9	1.54
Diluted	-0.64	–	–	-0.64	-2.20	+1.56	–	–	-70.9	1.54

customer contracts. Existing transport contracts are an essential component of the purchase price valuation, in passenger transport in particular. In order to safeguard the operating assessment and to prevent these contracts from being treated differently from other contracts, these amortization components are eliminated from the operating profit. The amount reclassified resulted mostly from acquisitions in the DB Arriva business unit.

- Adjustments for special items involve issues which are extraordinary based on the reasons for them and/or the amounts involved, and which would effect a material change on operating development over time. Book profits and losses from transactions with subsidiaries/financial assets are adjusted regardless of their amounts. Individual items are adjusted if they are extraordinary in character, can be accounted for and assessed precisely, and are significant in volume.

Development in the year under review

Overall, income development was very positive:

- Revenues 98f. increased significantly.
- Other operating income also increased. This was impacted, among other things, by higher income from the sale of real estate at DB Netze Track and changes in provisions. The grants were roughly at the previous year's level: declining effects, in particular at DB Netze Stations (previous year: support program of the German Federal Government for the renovation of stations) and DB Arriva (primarily at UK Bus and in the Netherlands) were almost completely compensated by higher grants at DB Long-Distance (in part including Covid-19-related train-path price support). At DB Regional, a decline in Covid-19 support services, among other things, exceeded positive effects, mainly from compensation payments for the 9-Euro-Ticket 36.

Expenses also increased significantly, due in particular to the business development at DB Schenker, increased energy costs and higher personnel expenses in the Integrated Rail System, though overall this increase was disproportionately small compared to income:

- Cost of materials increased noticeably, primarily due to higher freight rates at DB Schenker. In the Integrated Rail System, the main factors were price- and performance-related increases in expenses for energy and maintenance. At DB Arriva, higher expenses, in particular for energy, had a negative impact.
- Personnel expenses also increased. In addition to wage effects, the higher number of employees also impacted the Integrated Rail System. There were additional effects at DB Schenker from the positive development of business operations. At DB Arriva, cost-reducing effects, including from the sale of activities 160 were partially compensated by measures to limit the effects of driver shortages.
- Other operating expenses increased due, among other things, to a higher demand for IT services. In addition, among other things, another increase in travel activity and higher rental expenses, in particular for freight cars and in connection with cross-border transport, had an impact that increased expenses.
- Depreciation increased slightly due to capital expenditures.

Adjusted EBIT and adjusted EBITDA improved noticeably as a result. Adjusted EBIT was again positive.

- The slightly weaker operating interest balance resulted from the development of interest rate levels. Higher expenses primarily in connection with pensions were largely offset by higher interest income.

Operating income after interest also improved noticeably and was positive again.

- Net investment income remained at a very low level, and the change was mainly driven by lower losses at GHT Mobility GmbH, and profit improvements at Aquabus BV.
- The significant increase in other financial result was mainly due to positive effects from the compounding and discounting of provisions. This was counteracted by the effects of hedge transactions concluded, which resulted in an expense on balance (previous year: income) and negative exchange rate effects.
- The extraordinary result declined significantly and was largely driven by the significant reduction in the Covid-19-related train-path price support implemented (2021 Integrated Report 46). The extraordinary effects in 2022 also resulted primarily from restructuring measures, the revaluation of provisions and transactions with subsidiaries.

EXTRAORDINARY RESULT / € million	2022	thereof affecting EBIT	2021	thereof affecting EBIT
DB Long-Distance	337	337	1,826	1,826
DB Regional	0	0	2	2
DB Cargo	- 20	- 20	237	237
DB Netze Track	- 9	- 2	- 243	- 201
DB Netze Stations	–	–	–	–
DB Netze Energy	–	–	- 19	- 19
Other/consolidation Integrated Rail System	- 90	- 90	- 639	- 639
Integrated Rail System	**218**	**225**	**1,164**	**1,206**
DB Arriva	- 177	- 177	1	1
DB Schenker	- 6	- 6	75	75
Consolidation other	1	1	11	11
DB Group	**36**	**43**	**1,251**	**1,293**
thereof reimbursements of train-path prices	316	316	2,098	2,098
thereof depreciation of assets held for sale	- 198	- 198	–	–
thereof restructuring measures	- 89	- 89	- 133	- 133
thereof additions to provisions for environmental burdens	–	–	- 515	- 515

Profit before taxes on income was also positive again. However, the development of the income tax position had a very significant impact on development:

- Actual income taxes rose due to higher results for some foreign Group companies (primarily at DB Schenker).
- The high deferred tax expenditure (previous year: deferred tax income) resulted from changes in estimates regarding the future use of loss carry-forwards (due among other things to expected high burdens on profits) at DB AG. Using a shorter planning horizon also increased expenses.

The net loss for the year (loss after income taxes) recovered noticeably, but remained negative.

DEVIATIONS FROM THE FORECAST

OUTLOOK FOR THE 2022 FINANCIAL YEAR	2021	2022 (Mar 2022 forecast)	2022 (Jul 2022 forecast)	2022
Revenues adjusted (€ billion)	47.3	> 48	> 54	56.3
EBIT adjusted (€ billion)	- 1.6	> 0	> 1	1.3
ROCE (%)	- 3.6	> 0	~2	2.8
Debt coverage (%)	4.3	↗	~10	13.1

↗ above previous year's figure
→ at previous year's level
↘ below previous year's figure

Overall, the development of the income situation was somewhat better than we had forecast in the Integrated Interim Report January–June 2022. The business development of DB Schenker in particular was even better than expected, as a result, among other things, of the development of the market environment. As a result, revenues and operating profit rose somewhat more strongly than assumed.

Financial position

GRI

⟶ *A total of nine bond transactions (€ 3.1 billion).*
⟶ *Rating outlooks lifted again to "stable."*

INTEREST RATE ENVIRONMENT

YIELD ON TEN-YEAR FEDERAL BONDS / %	2022	2021	Change (percentage points)
Average yield	1.19	- 0.31	+ 1.50
Highest yield	2.57	- 0.06	+ 2.63
Lowest yield	- 0.19	- 0.62	+ 0.43
Year-end yield	2.56	- 0.18	+ 2.74

Source: Thomson Reuters

With sharp increases in inflation rates, the world's leading central banks significantly tightened their interest rate policy in 2022. The European Central Bank has increased its main refinancing rate from 0.0% to 2.5%. In addition, the central banks began to phase out the various bond purchase programs, which led to a decline in demand for bond issues. As a result and due to inflation expectations, capital market yields rose sharply. As a result of significantly stronger movements in the short-term range, yields for short and medium-term bonds were above those for long-term euro bonds.

FINANCIAL MANAGEMENT SYSTEM

FINANCIAL INSTRUMENTS AS OF DEC 31 / € billion	Volume 2022	thereof utilized	Utilization rate	Volume 2021	thereof utilized	Utilization rate
European debt issuance program	35.0	27.9	80%	35.0	26.4	75%
Australian debt issuance program (AUD 5 billion)	3.2	0.9	28%	3.2	0.9	28%
Multi-currency commercial paper program	3.0	–	–	3.0	–	–
Guaranteed credit facilities	2.0	–	–	2.6	0.5	19%

In addition to sustainably increasing the enterprise value, the financial management of DB Group also aims to maintain a capital structure that is appropriate for ensuring a very good credit rating.

DB AG contains DB Group's Treasury center. Before obtaining funds from external sources, we first conduct intra-Group financing transactions. When borrowing external funds, DB AG takes out short-term loans in its own name, whereas long-term capital is generally obtained through the Group's financing company, Deutsche Bahn Finance GmbH (DB Finance).

The funds are passed on to the Group companies as short-term credit lines, which can be utilized as part of cash pooling on internal current accounts and / or through fixed short-term credit, or in the form of long-term loans at risk-adjusted conditions. Further advantages of this concept arise from the consolidation of our know-how, realized synergy effects and minimized refinancing costs.

Bond issues

DB Group has a European debt issuance program (EDIP) and an Australian debt issuance program (Kangaroo Program) available for long-term debt financing. Nine senior bonds were issued under the EDIP in 2022 (total volume: € 3.1 billion) and four senior bonds (total volume: € 1.6 billion) were repaid. The funds were raised to refinance liabilities falling due and for ongoing general Group financing. All proceeds from senior bonds not issued in euros were converted into euros. In 2022, demand for our bonds came primarily from institutional investors in Europe and Asia.

ISIN	Issuer	Currency	Volume (million)	Volume (€ million)	Coupon (%)	Maturity	Term (years)
XS2434704123	DB Finance	AUD	300	191	3.350	Jan 2042	20.0
XS2445114734[1]	DB Finance	EUR	200	200	0.791	Feb 2027	5.0
XS2451376219	DB Finance	EUR	750	750	1.375	Mar 2034	12.0
XS2484327999	DB Finance	EUR	900	900	1.875	May 2030	8.0
XS2526829531	DB Finance	SEK	550	52	3.511	Aug 2040	18.0
CH1204259811	DB Finance	CHF	300	308	1.950	Sep 2032	10.0
XS2532383051	DB Finance	NOK	500	51	4.370	Sep 2034	12.0
XS2541394750	DB Finance	EUR	500	500	4.875	Oct 2042	20.0
CH1228838129	DB Finance	CHF	150	151	2.285	Nov 2042	20.0

[1] Private placement.

Other financial instruments

- In the area of short-term debt financing, we still have a multi-currency commercial paper program available to us. As of December 31, 2022, the program was not in use.
- As of December 31, 2022, we also had guaranteed credit facilities with a residual term of up to two years. As of December 31, 2022, all credit lines agreed for the interim financing of the partial compensation for damages in connection with the Covid-19 pandemic planned by the Federal Government had expired (as of December 31, 2021: € 0.5 billion).
- In addition, as of December 31, 2022, we were able to rely on credit lines of € 2.6 billion for the operating business (as of December 31, 2021: € 2.5 billion). These credit lines are made available to our subsidiaries around the world and include provisions for financing working capital as well as sureties for payment.

Rolling stock financing

Sale and leaseback contracts are also concluded for the financing of rolling stock in regional rail passenger transport. In the timetable change in December 2022, three transport contracts went into operation (a total of 36 electric traction units and five diesel vehicles) based on a sale and leaseback contract.

CREDIT RATINGS

DB AG CREDIT RATINGS	First issued	Last published	Ratings: Short-term	Ratings: Long-term	Ratings: Outlook
S&P Global Ratings	May 16, 2000	Jul 29, 2022	A-1+	AA-	stable
Moody's	May 16, 2000	Jan 31, 2023	P-1	Aa1	stable

The creditworthiness of DB Group is constantly monitored and assessed by the rating agencies S&P Global Ratings (S&P) and Moody's. Credit ratings provide an independent, up-to-date assessment of a company's creditworthiness. Due to the ownership structure of DB AG, the approaches of the rating agencies take into account not only the quantitative and qualitative analysis of DB Group, but also an assessment of the relationship with our owner, the Federal Government, and the potential support possibilities for DB AG by the Federal Government. This means that the ratings given to the Federal Government are also significant for the ratings given to DB AG.

In 2022, S&P confirmed the ratings of DB AG and raised the outlook from "negative" to "stable," due in part to the recovery in demand and the continued strong support from the Federal Government. Moody's also confirmed the ratings given to DB AG in 2022, and raised the outlook from "negative" back to "stable," due in part to the expectation that the recovery from the consequences of the Covid-19 pandemic will continue.

Additional information on the subject of ratings and the rating agencies' full analyses of DB AG are available on our Investor Relations Web site.

Key economic performance indicators

The development of operating profit led to an improvement in ROCE and debt coverage.

VALUE MANAGEMENT TARGETS / %	ROCE	Redemption coverage
DB Group	≥ 6.0	≥ 20
Integrated Rail System	≥ 5.4	≥ 15
Transport operators (Integrated Rail System), DB Arriva, DB Schenker	≥ 11.0	–
Infrastructure	–	≥ 15
DB Netze Track	3.41	–
DB Netze Stations	3.55	–
DB Netze Energy [1]	5.50	–

[1] Calculated using a capital asset pricing model (CAPM), as the Federal Network Agency has not set any weighted cost of capital (WACC), but system-specific costs of equity.

In 2022, the ROCE targets for DB Group and the Integrated Rail System were adjusted:

- The increase in interest rates 101, together with increased capital market yields, led to higher cost of capital and therefore an increase in the target returns for the transport operators in the Integrated Rail System, DB Arriva and DB Schenker.
- Since 2022, the cost of capital (before taxes) approved by the Federal Network Agency have been the target ROCE for the regulated infrastructure business units.

At DB Group, profitability is a material requirement for financing capital expenditures in our core business, further developing our businesses and seizing opportunities for future growth.

In the context of our value management, we intend to manage DB Group's enterprise value over the long term such that we can finance capital expenditures in our core business. DB Group's financial leadership and management – and therefore also monitoring the success of our economic targets – is carried out via a value management system based on key performance indicators. The results are an important factor for our strategic approach, our capital expenditure decisions and employee and management remuneration.

- **Profitability** as an overarching target in value management aims to ensure a long-term reasonable rate of return over several economic cycles. On the basis of market values, we calculate the annual cost of capital 104f. as a weighted average from risk-adequate market returns on equity and debt capital. The actual yield, the return on capital employed (ROCE) is calculated as the ratio of operating profit before interest and taxes (EBIT adjusted) to capital employed. The ROCE target is set higher than the cost of capital. The long-term objective is to achieve an ROCE whose multi-year average reaches the target value, ensuring that the cost of capital is covered. This ROCE target corresponds to the minimum required rate of return (MRR). The different business characteristics result in different target values for our activities in passenger transport, in logistics and in rail freight transport as well as in infrastructure. Since 2022, the cost of capital and therefore also the expected return in the infrastructure business units have been based on the capital costs approved by the Federal Network Agency. The derived target value of the Integrated Rail System is based on the value-weighted return expectations for the allocated business units. The operating business is always controlled before taxes and, accordingly, the reporting of key figures is based mainly on pre-tax figures.
- **Financial stability** is an essential component for sustainable economic activity. For DB Group with its asset-intensive business, it is essential that it has access to the capital market under good conditions at all times. A major objective is therefore to achieve adequate key debt ratios. Our key figure for managing indebtedness is debt coverage 105. The target value is derived from credit rating key figures and annual benchmarking with comparable companies with an excellent credit rating.

ROCE

ROCE	2022	2021	Change absolute	Change %	2019
EBIT adjusted (€ million)	1,253	–1,552	+2,805	–	1,837
/ Capital employed as of Dec 31 (€ million)	45,289	43,020	+2,269	+5.3	42,999
ROCE (%)	**2.8**	**–3.6**	**+6.4**	**–**	**4.3**

ROCE increased noticeably as a result of the improvement in adjusted EBIT. The growth in capital employed resulted mainly from the increase in property, plant and equipment 108f.

YIELD SPREAD / %	2023	2022	2021	2020	2019
ROCE	–	2.8	–3.6	–7.0	4.3
– Cost of capital (pre-tax WACC [1])	6.0	6.2	6.2	5.9	6.4
Spread (percentage points)	**–**	**–3.4**	**–9.8**	**–12.9**	**–2.1**

[1] Each value taken at the beginning of the year.

In 2022, the negative spread between ROCE and the cost of capital decreased further. The shortfall is mainly due to the persistently tense, albeit significantly improved, profit situation in the Integrated Rail System.

CAPITAL EMPLOYED

CAPITAL EMPLOYED AS OF DEC 31 / € million	2022	2021	Change absolute	Change %	2019
Capital employed	45,289	43,020	+2,269	+5.3	42,999
thereof property, plant and equipment	52,268	50,100	+2,168	+4.3	46,591

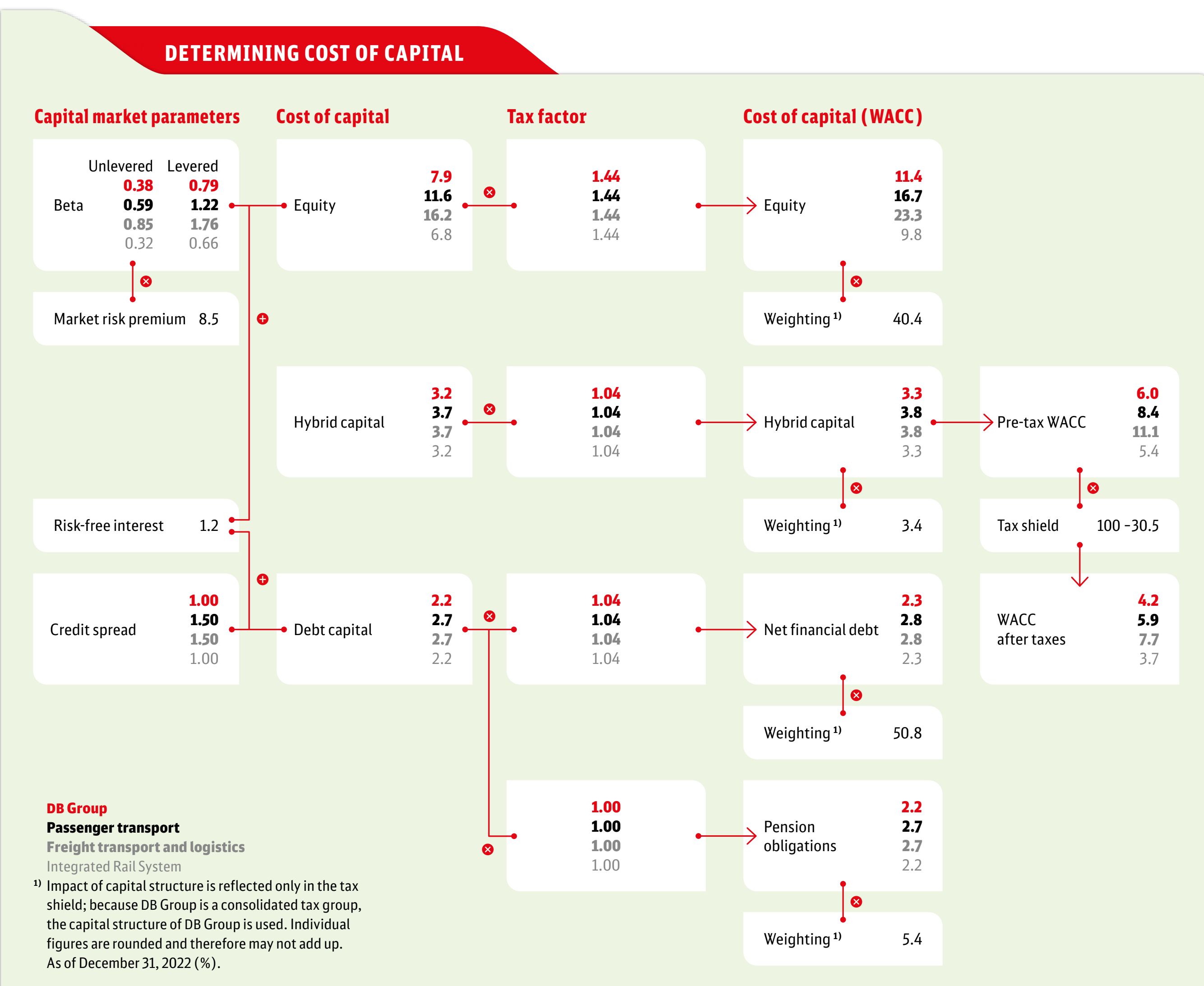
Capital employed 220f. equates to the assets deemed necessary for business and subject to the cost of capital, as derived from the balance sheet. The growth in capital employed resulted mainly from a capital expenditure-related increase in property, plant and equipment in the Integrated Rail System. Higher receivables and other assets were compensated by the increase in miscellaneous and other liabilities.

COST OF CAPITAL

The cost of capital is updated annually to take account of changes in market parameters. We take the long-term focus of the controlling concept into consideration and balance out short-term fluctuations. In 2022, the cost of capital for DB Group fell slightly before and after taxes, driven by the infrastructure.

We calculate DB Group's cost of capital as a weighted average interest rate of equity, hybrid capital, net financial debt and pension obligations. Determined annually, this reflects current capital market parameters, the prevailing tax framework and the value share of methods used to finance capital employed.

When determining the company-independent capital market parameters, market risk premium and risk-free interest rate, short-term fluctuations in debt and equity market returns are smoothed out in line with the long-term focus of



our value management concept. The parameters are determined on the basis of the yields on long-term German Federal bonds as well as the long-term average returns of the German DAX equity index. The parameters used are also validated on the basis of up-to-date recommendations given by well-known valuation experts. The company-dependent capital market parameters, beta and credit spread, measure the risk of our debt and equity financing in comparison with alternative forms of investment. Beta reflects the risk of equity capital relative to the risks of the equity markets. The determination is based on comparable international companies at business unit level. The credit spread corresponds to DB Group's current issue costs relative to German Federal bonds (term of 12 years). The credit spread for transport and logistics is determined in line with market conditions, using the current capital market data of companies with comparable creditworthiness.

Tax factors are calculated using a taxation rate of 30.5%. The tax factor for net financial debt reflects the trade tax applied to fixed debt interest to be credited. The taxes remaining after this are fully allocated to cost of equity. The weighting of forms of financing is based on market values. Net financial debt and pension obligations are valued at their carrying amounts. Equity weighting is based on recognized business valuation methods.

The weighting of forms of financing is standardized, as the tax shield resulting from the tax-deductible status of debt interest arises, as a rule, from the fact that DB Group is a consolidated tax group.

GRI DEBT COVERAGE

DEBT COVERAGE / € million	2022	2021	Change absolute	Change %	2019
EBITDA adjusted	5,210	2,287	+2,923	+128	5,436
+ Operating interest balance	-467	-464	-3	+0.6	-620
+ Original tax expenses	-455	-302	-153	+50.7	-137
Operating cash flow after taxes	**4,288**	**1,521**	**+2,767**	**-**	**4,679**
Net financial debt as of Dec 31	28,827	29,107	-280	-1.0	24,175
+ Pension obligations as of Dec 31	2,970	5,031	-2,061	-41.0	5,354
+ Hybrid capital [1] as of Dec 31	1,001	1,001	-	-	999
/ Net debt as of December 31	**32,798**	**35,139**	**-2,341**	**-6.7**	**30,528**
Debt coverage (%)	**13.1**	**4.3**	**+8.8**	**-**	**15.3**

[1] As assessed by the rating agencies, half of the hybrid capital shown on the balance sheet is taken into account in the calculation of the adjusted net debt.

As of December 31, 2022, debt coverage increased significantly, due in particular to profit development:

- The operating cash flow after tax increased as a result of the improved operating profit.
- Net debt fell compared with December 31, 2021. This was mainly the result of lower pension obligations. Net financial debt 106 fell slightly.

Asset situation

GRI

- *Net financial debt fell slightly compared with the end of the previous year.*
- *Infrastructure and vehicle capital expenditures in Germany remained at a high level.*
- *Equity ratio improved.*

STATEMENT OF CASH FLOWS

SUMMARY STATEMENT OF CASH FLOWS / € million	2022	2021	Change absolute	Change %	2019
Cash flow from operating activities	5,644	3,900	+1,744	+44.7	3,278
Cash flow from investing activities	-6,600	-5,116	-1,484	+29.0	-3,853
Cash flow from financing activities	1,561	2,309	-748	-32.4	993
Net change in cash and cash equivalents	547	1,180	-633	-53.6	449
Cash and cash equivalents as of Dec 31	5,138	4,591	+547	+11.9	3,993

- The very significant increase in cash flow from operating activities was mainly due to the improved profit development 99ff. Negative working capital effects had a partially offsetting effect.
- The increase in cash outflow from investing activities resulted mainly from higher net capital expenditures 106ff. Increased payments for the acquisition of companies 219 and for investments in financial assets, primarily for the first-time acquisition of marketable securities (money-market funds), also contributed to the increase.
- Cash inflow from financing activities decreased significantly:
  - The decline in net inflows from senior bonds 102 (€ −1,541 million) had a negative impact. The inflow of funds from the German Federal Government's capital measures 109 (€ −690 million) also declined, as two annual rates had accrued from the Climate Action Program in the previous year (for 2021 and 2020).
  - This was partly counteracted by the decline in repayments of financial loans (€ +1,398 million), which led to a significantly lower net outflow of funds. Cash outflow for lease repayments also fell (€ +105 million).
- On balance, as of December 31, 2022, cash and cash equivalents had increased significantly.

NET FINANCIAL DEBT

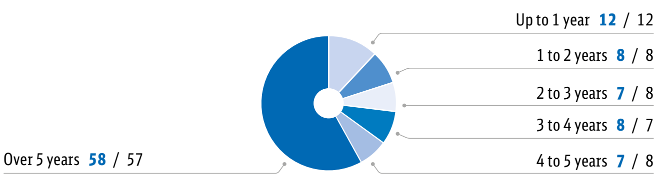
NET FINANCIAL DEBT AS OF DEC 31 / € million	2022	2021	Change absolute	Change %	2019
Senior bonds	28,802	27,403	+1,399	+5.1	20,966
Leasing liabilities	5,180	5,059	+121	+2.4	5,015
Commercial paper	-	-	-	-	890
Interest-free loans	298	446	-148	-33.2	707
Other financial debt	993	1,578	-585	-37.1	1,115
Financial debt	**35,273**	**34,486**	**+787**	**+2.3**	**28,693**
− Cash and cash equivalents, highly liquid cash investments and financial receivables	-6,323	-5,132	-1,191	+23.2	-4,397
± Effects from currency hedges	-123	-247	+124	-50.2	-121
Net financial debt	**28,827**	**29,107**	**-280**	**-1.0**	**24,175**

Net financial debt as of December 31, 2022, fell slightly compared with the end of the previous year. The significantly improved profit situation and the inflow of funds from the German Federal Government's capital measures (Climate Action Program and Covid-19 compensation payments) had a positive effect. This was offset, in part, by a high demand for capital expenditures.

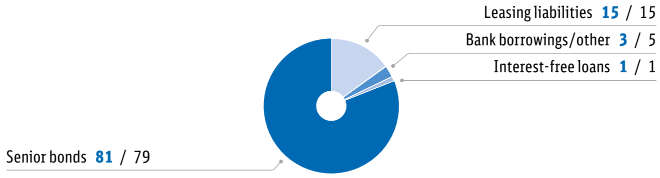
The increase in financial debt was more than offset by higher cash and cash equivalents (including highly liquid cash investments).

- Financial debt increased slightly:
  - The euro value of the outstanding senior bonds 102 was somewhat higher due to issuing. Exchange rate effects did not play a key role here as a result of closed hedging transactions.
  - Overall, the leasing liabilities were at the level of the end of the previous year. Effects from redemptions were almost completely offset by the conclusion of new lease agreements and the extension of existing lease agreements.
  - Interest-free loans fell as a result of repayments.
  - Other financial debt also fell, due in part to the repayment of short-term bank borrowings.
- The foreign currency senior bonds are almost entirely hedged by corresponding derivatives against exchange rate fluctuations, so that exchange rate effects are mainly compensated through the offsetting position of the hedging transaction.

MATURITY OF FINANCIAL DEBT AS OF DEC 31 / % — 2022 / 2021



COMPOSITION OF FINANCIAL DEBT AS OF DEC 31 / % — 2022 / 2021



The maturity structure of financial debt was virtually unchanged.

The composition of the financial debt has shifted slightly toward senior bonds. The share of bank debt was down as a result of repayments.

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES / € million	2022	2021	Change absolute	Change %	2019
Gross capital expenditures	15,353	15,387	-34	-0.2	13,093
thereof Integrated Rail System[1]	14,152	14,278	-126	-0.9	11,713
− Investment grants	8,603	9,045	-442	-4.9	7,447
thereof Integrated Rail System	8,574	9,027	-453	-5.0	7,412
Net capital expenditures	**6,750**	**6,342**	**+408**	**+6.4**	**5,646**
thereof Integrated Rail System[1]	5,578	5,251	+327	+6.2	4,301

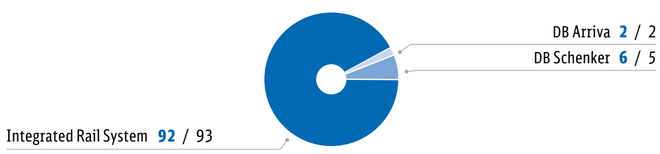
[1] Figure for 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

Gross capital expenditures were at the high level of the previous year. In the Integrated Rail System, higher capital expenditures, primarily in the vehicle fleet, were more than offset by somewhat lower infrastructure capital expenditures. The increase in capital expenditure activities at DB Schenker (especially leasing activities in Europe and Asia) had a supporting effect.

Investment grants, which are almost exclusively attributable to the Integrated Rail System, fell at a high level as a result of lower capital expenditures on the construction and expansion of the rail network (mainly as a result of the completion of the Wendlingen–Ulm high-speed line). Accounting for about 56% of gross capital expenditures (previous year: about 59%).

Net capital expenditures increased. The main impact on the Integrated Rail System was the increase in capital expenditures in vehicles at DB Long-Distance and DB Regional, as well as the construction and maintenance of stations at DB Netze Stations.

GROSS CAPITAL EXPENDITURES BY DIVISIONS / % — 2022 / 2021



The focus of our capital expenditure activities continues to center on the Integrated Rail System for measures to improve performance and efficiency in the track infrastructure area as well as measures to develop our vehicle fleet.

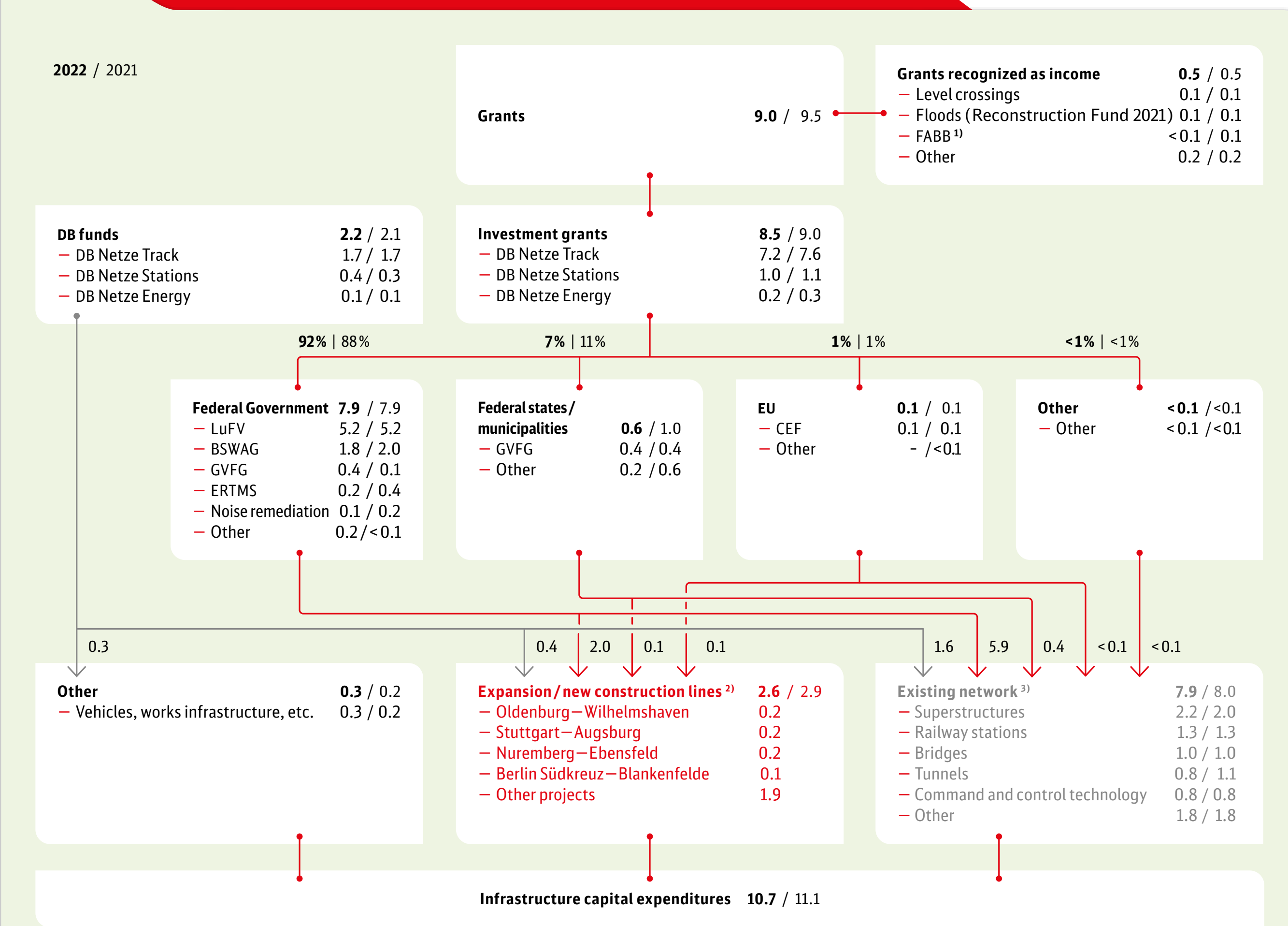
Regional capital expenditure priorities

NET CAPITAL EXPENDITURES BY REGIONS / € million	2022	2021	Change absolute	Change %	2019
Germany	14,273	14,363	- 90	- 0.6	11,826
Europe (excluding Germany)	801	833	- 32	- 3.8	1,186
Asia / Pacific	247	258	- 11	- 4.3	133
North America	106	40	+ 66	+ 165	37
Rest of world	39	13	+ 26	-	13
Consolidation	- 113	- 120	+ 7	- 5.8	-102
DB Group	**15,353**	**15,387**	**- 34**	**- 0.2**	**13,093**

GROSS CAPITAL EXPENDITURES BY REGIONS / € million	2022	2021	Change absolute	Change %	2019
Germany	5,709	5,338	+ 371	+ 7.0	4,414
Europe (excluding Germany)	762	813	- 51	- 6.3	1,151
Asia / Pacific	247	258	- 11	- 4.3	133
North America	106	40	+ 66	+ 165	37
Rest of world	39	13	+ 26	-	13
Consolidation	- 113	- 120	+ 7	- 5.8	-102
DB Group	**6,750**	**6,342**	**+ 408**	**+ 6.4**	**5,646**

In the regional breakdown of gross capital expenditures, the focus remained on Germany. They were at the level of the previous year. Net capital expenditures, on the other hand, increased significantly as a result of higher capital expenditures on vehicles.

INFRASTRUCTURE GRANTS AND CAPITAL EXPENDITURES (€ BILLION)



Individual figures are rounded and therefore may not add up.

[1] Funding Initiative to Increase the Attractiveness and Accessibility of Stations (Förderinitiative zur Attraktivitätssteigerung und Barrierefreiheit von Bahnhöfen; FABB).

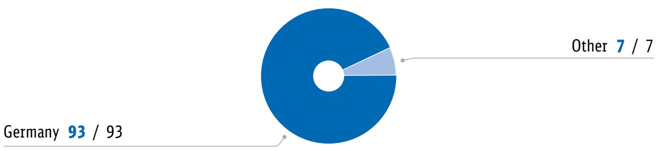
[2] Includes projects under the requirement plan.

[3] New and expansion projects may also include replacement capital expenditures within the framework of existing network measures.

Capital expenditures have decreased in Europe (excluding Germany). This was mainly due to lower capital expenditures at DB Cargo due to delivery-related delays in the procurement of freight cars.

The development of capital expenditures in the Asia/Pacific, North America and rest of world regions was driven by regional developments at DB Schenker.

GROSS CAPITAL EXPENDITURES BY REGIONS / % — 2022 / 2021



Investment grants

The most important funding sources for capital expenditures on infrastructure are grants, mostly from the Federal Government and from Federal states and local authorities. Of the investment grants received by DB Group in 2022, the vast majority related to infrastructure.

- Most of these are based on the LuFV 262f. and the Federal Rail Infrastructure Extension Act (Bundesschienenwegeausbaugesetz; BSWAG).
- Additional investment grants are received in accordance with the Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG),
- the Federal Government's noise remediation program 77f., and
- to equip the infrastructure with the European Rail Traffic Management System (ERTMS).
- Funds are also available from the 2021 Reconstruction Fund to remedy flood-related infrastructure damage.
- The European Union allocates grants (Connecting Europe Facility; CEF) for infrastructure capital expenditures on Trans-European Networks (TEN).

In addition to investment grants, DB Group also receives (significantly lower) grants recognized as income, also mainly in respect of infrastructure.

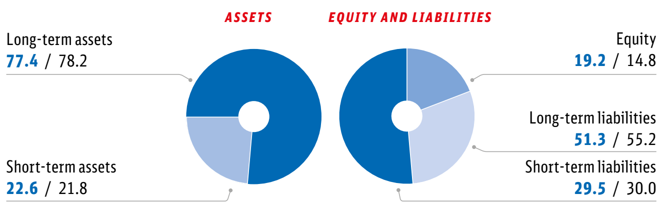
On the balance sheet, investment grants are directly deducted from the purchase and manufacturing costs 231ff. of the assets to which they relate. All grants are reported in such a way that the competent Federal agencies can conduct comprehensive checks to ensure that they are spent in accordance with their purpose and the law.

A description of the various forms of grants is available online.

BALANCE SHEET

BALANCE SHEET AS OF DEC 31 / € million	2022	2021	Change absolute	Change %	2019
Total assets	76,303	71,843	+4,460	+6.2	65,828
ASSETS					
Long-term assets	59,044	56,149	+2,895	+5.2	53,213
Short-term assets	17,259	15,694	+1,565	+10.0	12,615
EQUITY AND LIABILITIES					
Equity	14,679	10,621	+4,058	+38.2	14,927
Long-term liabilities	39,145	39,631	-486	-1.2	32,820
Short-term liabilities	22,479	21,591	+888	+4.1	18,081

BALANCE SHEET STRUCTURE AS OF DEC 31 / % — 2022 / 2021



In 2022, there were no material changes to the International Financial Reporting Standards (IFRS) regulations for DB Group's consolidation and accounting principles that would result in any changes to the consolidated financial statements.

Since 2022, acknowledgment of debt to fulfill existing purchase commitments (in particular for vehicle purchases at DB Regional and DB Long-Distance) covered by claims of the same amount was reported on the balance sheet (accounting for acknowledgment of debt).

Total assets increased significantly:

- Long-term assets increased significantly, driven primarily by higher property, plant and equipment (€ +2,168 million). This was due to a persistently high level of net capital expenditures, particularly in the Integrated Rail System. In addition, receivables and other assets rose (€ +832 million), due in part to the first-time recognition of acknowledgment of debt and the increase in receivables from transport concessions under IFRIC 12. Intangible assets also rose (€ +467 million), in particular in connection with transport concessions. This was partly offset by the significant decline in deferred tax assets (€ −795 million).
- Short-term assets increased somewhat more sharply. The main factors were:
  - this was mainly due to an increase in cash and cash equivalents (€ +547 million),
  - the increase in other investments and securities (€ +501 million), due in part to higher short-term cash investments, and

 - higher other receivables and assets (€ +445 million) due in part to the first-time recognition of debt acknowledgments.

The structure of the assets side remained almost unchanged, with a very slight shift in favor of short term assets.

On the equity and liabilities side, equity increased significantly as a result of the Federal Government's equity measures in connection with the Climate Action Program 264 (€ +1,125 million) and the partial offsetting of damages due to Covid-19 44f. (€ +860 million). The increase in the changes recorded in the reserves in connection with the revaluation of pensions (€ +2,061 million) and higher changes recorded in the reserves in connection with the market valuation of cash flow hedges (€ +275 million) also increased equity. The net loss for the year (€ 274 million) had a counterbalancing effect.

The more significant increase in equity in comparison to total assets led to a substantial improvement in the equity ratio.

- Long-term liabilities fell slightly. For the most part, this development was shaped by:
  - a decline in pension obligations (€ −2,061 million), mainly as a result of an increased interest rate following the revaluation,
  - primarily due to higher long-term financial debt 106 (€ +864 million), and
  - an increase in other liabilities (€ +592 million) was largely consumed as a result of the first-time recognition of debt acknowledgments.
- Short-term liabilities increased. In essence, this development was characterized by:
  - higher other liabilities that become due in the short term (€ +580 million), due in part to the first-time recognition of debt acknowledgments, and
  - increased other provisions (€ +277 million), mainly due to additions for revenue discounts at DB Regional.
  - The increase in liabilities held for sale (€ +161 million) provided support here, primarily due to the sale of DB Arriva's activities in Sweden.
  - In contrast, the decline in trade liabilities (€ −157 million), mainly at DB Schenker, partially compensated for this.

In terms of the structure of the equity and liabilities side, the increase in equity resulted in a shift that reduced the share of long-term liabilities.

OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND NON-RECOGNIZED ASSETS

In addition to the assets shown in the consolidated balance sheet, DB Group also uses off-balance-sheet financial instruments and assets that are not recognized in the balance sheet.

- To a small extent, we lease assets of low value on a short-term basis or with a variable for which no right of use or leasing liability must be taken into account under IFRS 16.
- We also sell smaller volumes of trade receivables, in which case the main opportunities and risks are split between DB Group and the purchasing bank. Under such factoring agreements, as of December 31, 2022, receivables amounting to € 260 million were still completely derecognized, and € 435 million (as of December 31, 2021: € 443 million) partially derecognized.
- With regard to the company pension scheme for employees, the obligations under each retirement scheme are, to some extent, covered and netted by plan assets which are eligible for netting out. As of December 31, 2022, total obligations amounted to € 7,173 million (as of December 31, 2021: € 11,530 million) and the fair value of plan assets was € 4,253 million (as of December 31, 2021: € 5,575 million). The balancing process leads to a reduction in total assets. The net obligation recognized as of December 31, 2022, on the balance sheet was € 2,970 million (as of December 31, 2021: € 5,031 million).

Additional information is available in the section Basic principles and methods 216 ff.

DEVIATIONS FROM THE FORECAST

OUTLOOK FOR 2022 FINANCIAL YEAR / € billion	2021	2022 (Mar 2022 forecast)	2022 (Jul 2022 forecast)	2022
Gross capital expenditures	15.4	> 16	> 16	15.4
Net capital expenditures	6.3	> 6.5	> 6.5	6.8
Maturities	2.2	2.2	2.2	2.2
Bond issues (senior)	4.9	< 5	< 4	3.1
Net financial debt as of Dec 31	29.1	> 30	> 30	28.8

The development of net capital expenditures and maturities was within the scope of our expectations.

Gross capital expenditures (due to the delay) and bond issues were slightly below our expectations. Indebtedness also developed better than forecast as a result.

GRI

Procurement

⟼ *Purchasing volume increased.*

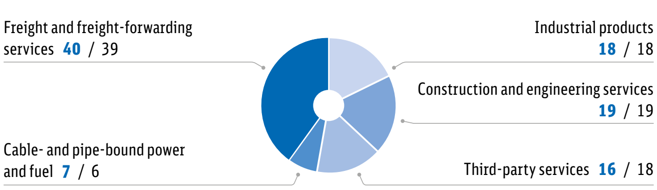
⟼ *Procurement secures the supply of DB Group in a difficult environment.*

PROCUREMENT VOLUME

The procurement volume corresponds to the projections and forecasts of requirements of the business units and the contractual obligations to suppliers that DB Group has entered into. On subsequent realization these become capital expenditures or expenses (mainly cost of materials and other operating expenses). The total procurement volume in 2022 (excluding DB Arriva) was € 46.7 billion (previous year: € 40.7 billion):

- **Freight and freight forwarding services** rose significantly to € 18.7 billion, primarily due to pricing (previous year: € 15.8 billion).
- **Industrial products** increased to € 8.5 billion (previous year: € 7.3 billion), driven by the second order of ICE 3neo vehicles.
- **Construction and engineering services** rose to € 8.9 billion (previous year: € 7.8 billion), which resulted from higher material costs and the increased volume of capital expenditures on track infrastructure in the next few years.
- **Third-party services** rose to € 7.6 billion (previous year: € 7.3 billion), which is due in particular to price effects at DB Cargo.
- **Cable- and pipe-bound power and fuel** rose to € 3.1 billion (previous year: € 2.6 billion), which was attributable to trends in energy prices in particular.

PROCUREMENT VOLUME STRUCTURE [1] / % 2022 / 2021



[1] Excluding DB Arriva.

The share of local procurement volume in Germany was € 21.5 billion in 2022 (previous year: € 18.3 billion).

PROCUREMENT VOLUME / € million	2022	2021	2020
Procurement volume in Germany [1]	23,885	21,137	21,518
Share of local procurement volume (%)	90	87	90

The procurement volume is the total of all the net order values – from individual orders and from framework contracts – that have been completed.
[1] Excluding DB Schenker, excluding DB Arriva.

MATERIAL TOPICS IN 2022

- **Securing of DB Group supply:** Despite the sharp increases and volatility of the market prices of raw materials and goods, sharply increased inflation, supply chain disruptions and production bottlenecks, our focused supplier and risk management has enabled us to secure the supply of products and services to DB Group.
- **Re-launch of DB Group's supplier portal:** With the re-launch, we have strengthened a vital level for structuring our business relationships. Designed as a continuous digital information platform, it is a central point of contact for existing suppliers and all those who would like to become one in the future. Conceived consistently from the point of view of the users, we create an intuitive and consistent user experience that simultaneously ensures the greatest possible transparency: all the information that helps to expand and improve strong strategic and collaborative cooperation, simply and conveniently on a central platform.
- **DB supplier awards:** At InnoTrans, the leading international trade fair for the industry, in 2022 we awarded the DB supplier award for the tenth time to companies that stood out in the competition in their market segment, who fulfill their contractual obligations in an exemplary and sustainable manner and who support us in the implementation of our Group strategy with top performances. We also presented the fourth DB Supplier Innovation Award to commend particularly innovative efforts that support our range of services, demonstrate a high degree of innovation and are also sustainable.

DIGITALIZATION AND INNOVATION IN PROCUREMENT

The further development of procurement is closely linked to digitalization and (partial) automation of processes based on a modern, networked IT landscape. The aim is to produce intuitive, digitalized and highly user-oriented end-to-end processes that provide guidance throughout. The user groups are internal customers from all Group companies, procurement suppliers and strategic and operational procurers.

SUSTAINABILITY IN THE SUPPLY CHAIN

We make the greatest possible contribution to sustainable mobility development through strong partnerships in transparent supply chains. Our suppliers take an active role in ensuring mutual business success with their sustainability performance and capacity to innovate.

We have refined our social and environmental responsibility in many product group strategies and have embedded it in our contract awarding practices in the form of suitability, performance, evaluation and implementation criteria. Our DB Code of Conduct (CoC) for business partners serves as a starting point for the sustainable design of supply chains and the specific procurement decisions and the procurement policy. Suppliers agree to the CoC during registration. In it, suppliers declare, among other things, that they respect human rights, including the core labor standards of the International Labor Organization (ILO). On this basis, and on the basis of the legal requirements from the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltsgesetz; LkSG) 189, we check our strategic partners' compliance with the requirements on-site, insofar as the sector, the country in which the company has its registered office or supply chains are subject to increased risk. In addition, we are expanding our risk management to include the legal requirements of the LkSG and adapting the existing complaints procedure.

In October 2022, DB Group received the Sustainability Award in the "Purchasing" category from the Berlin Institute of Supply Chain Management and the auditing firm PricewaterhouseCoopers (PwC) for its "outstanding sustainability concept and the implementation of sustainability solutions in its operating strategy."

We place great importance on conducting comprehensive sustainability assessments on our suppliers with regard to their management system, activities and results. We look at environmental aspects, occupational health and safety, human rights, business practices and supply chains. Each of these aspects is subject to minimum requirements.

In addition, DB Group approved a four-step plan in 2022 that gradually obliges our contractors in tender procedures to present sustainability scores and to achieve minimum scores defined therein:

- **From 2023 onwards in EU tenders:** Obligation to submit a sustainability rating (without a minimum rate) in the event of an order.
- **From 2024 onwards in tenders over € 100,000:** Obligation to submit a sustainability rating (without a minimum rate) in the event of an order.
- **From 2025 onwards in EU tenders:** Obligation to present a sustainability rating with an industry standard minimum quality.
- **From 2026 onwards, in tenders over € 100,000:** Obligation to present a sustainability rating with an industry standard minimum quality.

More than 700 suppliers, which account for 61% (previous year: 62%) of our procurement volume, have already submitted their assessments to us. The majority of reevaluated suppliers improved their sustainability performance. This allows us to work together to reduce risks and increase resilience in DB Group's supply of goods and services. In many product groups, our suppliers can benefit from a simplified qualification process if they submit an up-to-date sustainability assessment (such as Ecovadis or a comparable assessment).

We are continuing to develop sustainable performance and decision-making criteria in a continuous dialog with industry associations and the Railsponsible initiative. All 15 Railsponsible members play a key role in making supply chains more transparent with more than 3,000 supplier assessments. Climate protection and safeguarding social minimum standards are the strategic focal points for responsible procurement management at Railsponsible.

NATIONAL AND INTERNATIONAL ACTIVITIES

We continue to focus our procurement activities in Europe. For competition reasons and to ensure reliability of supply, we also work together with suppliers outside the EU. The focus here is on Asia.

Since it opened, our International Procurement Office Asia (IPO) in Shanghai has identified over 760 suppliers for us and supported their development and participation in tenders in accordance with the applicable processes. In addition, the IPO in the Asian market identifies innovations for DB Group, for example in the areas of digitalization and electromobility. In 2022, for example, we qualified the first Asian manufacturer for fuel cell buses.

In the spare vehicle parts project business in particular, we regularly work in partnership with established suppliers in China. DB quality assurance employees monitor production on-site on an ongoing basis. The reliable supply of products from our international suppliers despite the difficult logistical conditions played an important role in maintaining the stable operation of our fleet.

DEVELOPMENT OF BUSINESS UNITS

Business units in the Integrated Rail System

DEVELOPMENTS IN THE RELEVANT MARKETS

German passenger transport market

In passenger transport, our objective is to maintain our strong market position in the rail and bus transport market in Germany in the long term and to take advantage of certain market opportunities in Europe.

PASSENGER TRANSPORT MARKET IN GERMANY / % based on volume sold	Growth rate 2022	Growth rate 2021	Market share 2022	Market share 2021
Motorized individual transport	+3.1	+0.7	84.1	88.4
Rail passenger transport	+58.8	+0.3	9.5	6.5
DB Group	+65.5	-2.7	7.7	5.1
Non-Group railways	+34.8	+12.9	1.8	1.4
Public road passenger transport	+32.5	+0.0	6.0	4.9
DB Group	+11.9	+8.8	0.5	0.5
Air transport (domestic)	+93.2	-20.3	0.4	0.2
Overall market	**+8.4**	**+0.6**	**-**	**-**

The data for 2021 and 2022 are based on information and estimates available as of February 2023.

In 2022, German passenger transport was still impacted by the effects of changing mobility behavior as a result of the Covid-19 pandemic. During the three years of the Covid-19 pandemic, people tended to prefer individual rather than public modes of transport. In the first third of 2022 in particular, demand for transport was below the pre-Covid-19 level. Demand for transport increased significantly during the course of 2022. In addition, measures such as the 9-Euro-Ticket 36 and the nationwide fuel discount boosted passenger transport in the summer months. Overall, the German passenger transport market recorded noticeable growth in 2022. However, the extent and dynamics of the development were different in the individual market segments:

- Motorized individual transport continued on the path to recovery in 2022. While the volume sold in motorized individual transport decreased by about 13% in 2020 compared with 2019, it increased by about 0.7% in 2021 and by about 3.1% in 2022. In the course of 2022, motorized individual transport continued to benefit from the preference for individual transport based on the desire to protect against infection. In addition, the temporary fuel discount introduced by the Federal Government had a positive effect.
- Domestic air transport also recorded an enormous increase in demand in 2022. In particular the summer months, which are popular for travel, showed an increase in volume sold of about 93% in 2022. Despite the strong recovery, the market share remains at a very low level at 0.4%.
- Rail passenger transport recorded a very strong increase in volume sold of about 58% in 2022.
  - Regional rail passenger transport benefited from the 9-Euro-Ticket from June to August 2022.
  - Long-distance rail passenger transport was characterized by the return of private and business travelers. Development in 2022 was supported by extensive expansion of available offers of the railways. FlixTrain expanded its rail network with three new lines from May 2022, offering travel to a total of 70 destinations.
- Public road passenger transport also increased significantly. The 9-Euro-Ticket made a significant contribution to this, but public road passenger transport continued to suffer as a result of the lower number of commuter journeys. The increase boosted both intra-Group and external suppliers equally.
  - Volume sold in long-distance bus transport more than doubled in 2022. This was due, on the one hand, to the severe supply restrictions of the previous year and, on the other hand, to the expansion of FlixBus services over the course of 2022.
  - The market share increased slightly again.

German freight transport market

FREIGHT TRANSPORT MARKET IN GERMANY / % based on volume sold	Growth rate 2022	Growth rate 2021	Market share 2022	Market share 2021
Rail freight transport	+0.9	+9.4	19.0	18.7
DB Group	-0.8	+8.1	8.0	8.0
Non-Group railways	+2.2	+10.4	11.0	10.7
Road freight transport	-0.5	+3.8	72.0	72.2
Inland waterways	-6.0	+4.0	6.5	6.9
Long-distance pipelines	+12.2	-5.7	2.5	2.2
Overall market	**-0.3**	**+4.5**	**-**	**-**

Data are based on information and estimates available as of February 2023.
Volume sold in rail freight transport according to the Destatis definition of transport services that are primary freight carriers.

After a strong start to 2022, marked by baseline effects, demand growth slowed intermittently. The beginning of the negative trend was marked by the outbreak of the war in Ukraine, with the burden on the market environment resulting from a combination of various disruptive factors.

Significant rises in energy and fuel costs adversely affected transport operators in terms of costs. Energy-intensive sectors adapted production volumes as the increased factor costs on the market could not be passed on, which led to significant declines in transport volumes. Fossil energy carrier transport, on the other hand, showed strong growth as a result of increased use in power generation. The supply chain problems already present in the Covid-19 pandemic and the resulting shortages of materials, especially in the automotive and construction sectors, continued in the first half of 2022, but abated significantly as the year progressed.

In addition to global political and economic challenges, there was an ongoing acute shortage of personnel in the transport industry. Volume sold in freight transport in Germany was weaker than expected and was at the previous year's level.

RAIL FREIGHT TRANSPORT

After a strong previous year marked by catch-up effects, rail freight volume sold started 2022 just as strongly, but demand waned significantly from March onwards. The performance in chemical and paper transport sectors which were primarily affected by the energy crisis was poor, but the steel industry also recorded significant declines. The expected strong recovery of car transport, which had collapsed during the Covid-19 pandemic to half the pre-pandemic level, was weaker due to the semiconductor shortage that was only resolved from the second half of 2022. Coal and earth and mineral oil transport, on the other hand, recorded a significant increase in volume. Transport of construction materials and combined transport also showed a moderate increase, with the trend leveling off markedly in the second half of 2022.

Overall, rail freight volume was slightly above the previous year's level and market share also increased in 2022. Non-Group railways were drivers of growth and benefited particularly from the growth of combined transport, among other things. In contrast, the overall volume sold of DB Group companies was slightly below the previous year's level, as these did not perform transport services to a large extent to stabilize the operating situation.

ROAD FREIGHT TRANSPORT

Road freight transport started 2022 almost as strongly as rail freight transport. In addition to baseline effects, this was due to positive economic stimulus and high order levels in the construction industry. Due to rising prices and weakening demand, the further course of the year resulted in slight declines in some cases and significant declines in other cases. The reasons for this were the weaker development in sectors dominated by trucks, such as mechanical engineering and consumer goods, but also in the chemicals sector.

Due to rising interest rates in the second half of 2022, the construction sector, which is very important for the road sector, recorded significant declines in orders.

As in the previous year, the performance of trucks registered outside Germany was significantly more positive than those registered in Germany, but overall performance on road declined slightly in 2022 and remained just below the previous year's level. Road market share declined slightly.

INLAND WATERWAYS

The intermodal market share of inland waterway transport fell to a historic low in 2022. The first quarter saw strong growth in the coal, ores, stone and earth sectors. Container transport, which has less influence on the overall volume, also developed positively. The effects of low water in the Rhine from July, as a result of which vessels could either not travel at all or not at full capacity, caused a dramatic decline in volume sold. Although water levels did not quite reach the historical low level of 2018, they did not recover enough for a return to normal operations until September. Although volume sold increased significantly again in the last quarter due to strong demand for goods that are predisposed to inland waterways, inland waterway transport nevertheless closed the year with a significant loss.

European rail freight transport market

Development in the course of 2022 was noticeably influenced by the consequences of the war in Ukraine. Material shortages, disrupted supply chains, cost increases due to high energy prices and changed flows of transport had a negative impact on the market, particularly from the second quarter onwards. As a result, demand for transport fell, for example in the sectors predisposed to rail transport, such as steel and chemicals. The market was also impacted by the decline in traffic from and to Russia, among other things. Due to a change in energy policy in countries such as Germany, Poland and the Czech Republic, there was a sharp increase in coal transport. According to our own calculations, volume sold of European rail freight transport (EU 27, Switzerland, Norway and the United Kingdom) fell slightly overall. DB Cargo's volume sold in Europe also declined slightly, but thanks to the positive development of DB Cargo companies in Poland, Romania and Italy, the decline was not as strong as the overall market.

	Growth rate	
INTERNATIONAL FREIGHT TRANSPORT AND LOGISTICS MARKETS / %	2022	2021
European rail freight transport (based on tkm)	- 0.8	+7.6

Figures are based on information and estimates available as of February 2023.

DB LONG-DISTANCE BUSINESS UNIT

Business model

DB Long-Distance offers customers comfortable and environmentally friendly travel within Germany and into neighboring countries. Regularly scheduled daily services with the ICE/Intercity/EC fleet form the backbone of long-distance transport. Offerings are being expanded by island traffic to Sylt and Wangerooge.

The key performance indicators are the number of passengers, passenger satisfaction, operational punctuality, employee satisfaction and operating profit (EBIT). Management focuses in particular on the performance indicators volume produced, volume sold and load factor. Costs largely correlate with the planned volume produced, which is derived from the services offered. Some of the costs, such as for train-paths, station stops and energy, depend on the actual volume produced. Resource assignments of personnel and facilities are aligned with the annual schedule in order to optimize the unit cost per train kilometer traveled. The key cost drivers here are personnel, maintenance and infrastructure expenses, which is why the business is fixed-cost intensive. Only a small portion of expenses vary with the load factor.

The most important sources of income for long-distance transport operated on a purely commercial basis are revenues from the sale of tickets and BahnCards.

Our employees, a modern vehicle fleet and a high-quality infrastructure are decisive for success. This is why intra-Group infrastructure companies and service providers as well as the vehicle industry are important partners. Furthermore, cooperation with partner railways is very important for cross-border connections and night train services.

Markets and strategy

GRI

The central objective for DB Long-Distance is to double the number of passengers to 260 million per year compared with 2015. According to forecasts, the long-distance transport market will continue on its growth path in the aftermath of the Covid-19 pandemic. In order to achieve the climate policy targets and against the backdrop of increasing environmental awareness, DB Long-Distance intends to further expand its rail market share through attractive offers despite increasing competition. The proportion of the population living in urban metropolitan areas in Germany will have increased by 2050, making fast and direct connections between major cities ever more important. At the same time, the connection of people in rural regions to long-distance transport must be ensured. As an integral component of the Strong Rail strategy 51 ff. DB Long-Distance makes an important social contribution in this way. The number of passengers was significantly increased through offers tailored to different target groups, an increase in the number of service staff, a wide range of marketing measures and capacity expansion of the fleet.

In order to achieve the strategic objectives, both the increase and the stabilization of production and the further development of attractive travel services are necessary. Through this, DB Long-Distance contributes significantly to the desired shift of traffic towards rail and to tackling climate change. DB Long-Distance's core identity – "Our drive: Connecting people, overcoming distances," "Our mission: The best possible journey – together with passion and excellence," "Our promise: Arriving by the time of boarding" – continues to be of central importance. By continuing to develop the project portfolio along the strategic areas of the Strong Rail strategy, we have continued to drive the implementation of our strategic targets.

- **More robust:** In order to meet increasing demand, DB Long-Distance is expanding its vehicle fleet and maintenance capacity 116, and thus invested in the expansion of the fleet in 2022. The maintenance capacities required for this growth will be ensured, among other things, by expanding the existing depots in Hamburg and Berlin and by opening new depots in Dortmund. With about 1,000 new service employees, DB Long-Distance is once again improving its personal service. Recruiting 83 f., qualification and retention of employees have an important part to play in this significant expansion and in compensating for fluctuations and age-related departures. Recruiting is particularly focused on the rapid and qualified occupation of positions critical to operations and services, such as multiple unit drivers and train attendants. DB Long-Distance is also working continuously on increasing employee satisfaction 85 f., for example by improving work-life balance using innovative IT tools that give greater consideration to employees' wishes during staff scheduling.
- **More efficient:** Improved processes are intended to provide all long-distance trains with high-quality equipment and competitive costs. To increase vehicle availability and quality 116, production will be digitalized and optimized further. For example, in 2022, the digital workplace on-board service was introduced for train attendants. The new system reduces the number of terminals required for the on-board service and lays the foundation for leaner, digital processes on board trains in the future.
- **More modern:** DB Long-Distance aims to build a flexible, reliable and high-frequency long-distance transport network in line with Germany in sync (Deutschland-Takt).

GRI

DB LONG-DISTANCE – AT A GLANCE

Products

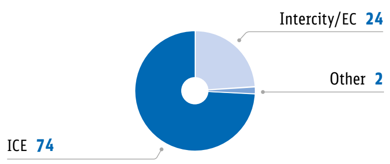
ICE (Intercity Express)
- ICE trains are our high-speed trains, connecting major cities and conurbations. DB Long-Distance offers national and cross-border transport in Europe with the ICE fleet.

Intercity
- The Intercity trains are primarily used on routes within Germany. They connect cities and conurbations with regional locations. Since 2015, the fleet has been supplemented by double-deck Intercity 2 trains, and since 2019 by additional Stadler trains (KISS).

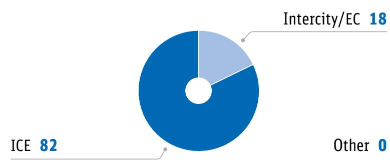
EC (Eurocity)
- EC trains enable fast, cross-country travel. In cooperation with other railways, we offer numerous connections between major European cities.

Structure

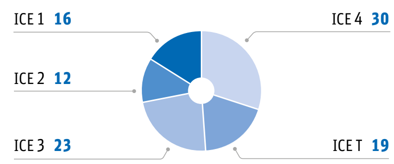
PASSENGERS (RAIL) / %



VOLUME SOLD (RAIL) / %



ICE FLEET (TRAINS) / %



Business model

INPUTS

Employees
- About 19,100

Vehicles
- 367 ICE
- 202 locomotives
- 1,095 passenger cars

Networks and infrastructure
- 10 depots

Electricity and fuel
- 2.6 billion kWh traction current
- 8.3 million liters diesel fuel
- 1.1 million liters of HVO (biodiesel)

Additional production factors
- 159 million train-path km
- 3.0 million station stops

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers

Value proposition
- DB Long-Distance offers easy, relaxed, reliable and environmentally friendly travel.

Customer access and retention
- Online, mobile, travel centers, ticket machines, agencies, call centers
- BahnCard, BahnBonus program and apps

Key activities
- Providing rail services
- Serving passengers
- Providing and maintaining vehicles
- Planning networks and services

OUTPUTS [1]

Passengers
- 132 million (rail)

Volume sold
- 42 billion pkm (rail)

OUTCOMES [2]

EBIT adjusted
- €-39 million

Employee satisfaction
- SI of 3.6

Customer satisfaction
- SI of 74.8

Final energy consumption
- -23.1% compared with 2006 (specific)

Punctuality
- 65.2%

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

By strengthening the metropolitan network and increasing the number of connections between the regions, the target is to enable 80% of the population in Germany to have direct access to long-distance transport. DB Long-Distance is creating attractive and competitive offers by expanding its lines, increasing frequencies and shortening travel times. For example, Chemnitz was connected to the long-distance transport network again in 2022. With the opening of the high-speed line between Wendlingen and Ulm 8f. in December 2022, travel time between Stuttgart and Munich was reduced by about 15 minutes and the daily service between the two cities increased by about 20 to 90 journeys. Digital customer channels support passengers on their journeys. As a digital platform, DB Navigator provides access to the system and facilitates modern and timely travel support along the entire travel chain. Since autumn 2022, the next generation of DB Navigator has been used as a test version. The host concept strengthens the personal service component, which is part of a competitive travel experience. In addition, the new BahnBonus incentive program lowers the threshold for status benefits and creates more incentives to opt for the climate-friendly railway more frequently. The range of services is rounded off by modern DB Lounges, which make it easier for passengers to feel comfortable at stations.

TCFD
- **Greener:** Environmental protection is a matter of course for DB Long-Distance as a pioneer of green mobility in Germany. Since 2018, the trains have been using 100% eco-power green no. 1. On lines where fuel remains necessary, we will be switching completely to sustainable biofuel 150 by 2025. All new maintenance facilities green no. 48 are also climate-neutral. There are also further measures to achieve greater sustainability 117 to complement these activities.

Fleet development

VEHICLE PROJECTS AND PURCHASES

- The ICE 1 modernization is progressing further. By the end of 2022, 18 ICE 1 trains had been modernized. Improved drive technology was implemented in parallel to the modernization in order to optimize the robustness of the drives. At the end of 2022, 42 modified multiple unit end cars were in use.
- The redesign of ICE 3 has continued. By the end of 2022, 45 multiple units had gone through the redesign green no. 87. The redesign program (50 multiple units) will be completed by the second half of 2023. The long-distance trains will be given a contemporary makeover with newly designed seats, greater functionality, new colors and modern, durable materials.
- The ICE T customer program will address the most important measures to improve customer satisfaction and the marketability of the ICE T by replacing seats, partially refurbishing WCs, upgrading the vehicle interior, and carrying out repainting work by the end of 2024.
- Additional Intercity 2 double-decker trains from Alstom Transport will also be available by 2024.
- In 2020, the first nine Intercity 2 trains (KISS) were put into operation. A further eight vehicles were prepared for passenger use in 2022 and have been in use since the timetable change in December 2022.
- 22 ICE 4 trains were added in 2022. This makes the ICE 4 the largest ICE series in long-distance transport.
- In late 2022, the first four ICE 3neo trains were put into operation as planned. DB Long-Distance will put 73 ICE 3neo trains into operation by the end of 2029. The daily number of seats available for long-distance passengers will increase by 32,000 with the new trains. With this increase, we are creating the necessary capacities for a successful implementation of the Strong Rail strategy.
- The ICE L will gradually be put into operation, starting in October 2024. In a first order, 23 trains were purchased from the manufacturer Talgo. One of the features of the trains is their ground level entry at platform height.

VEHICLE AVAILABILITY

In 2022, the vehicle availability of the ICE fleet was further improved compared with the previous year. The systematic modernization of the existing fleet has a positive effect on operational stability. The delivery of new vehicles has also contributed to an increase in vehicle availability. In order to continue the positive development, additional vehicle projects are being implemented. These include the inflow of new vehicles 116 as well as continuous optimization measures on existing fleets, particularly with a view to expanding diagnostic capabilities.

There is also a positive development in terms of component availability in the passenger sector (for example WiFi, reservations). Despite an increase in the size of the fleet, the number of malfunctions was kept stable, thus reducing the number of multiple units used.

In order to be able to continue the good development, the findings are taken into account in addition to the above-mentioned projects, as well as in the context of newly established procurement projects such as HGV 3.0. In addition, new AI-based processes and predictive and condition-based maintenance will be used to further increase vehicle availability with existing automated systems.

Environmental measures

GRI

- Since summer 2022, the Sylt Shuttle has been running on the climate friendly biofuel HVO green no. 164 (hydrotreated vegetable oil) produced from residues and waste.
- Our goal is to switch the few remaining diesel-operated long-distance trains to 100% HVO by 2025.
- A new, completely overhauled range of products has been introduced for our on-board catering service green no. 67. More than 50% of the food on offer is either vegan or vegetarian, which helps to save resources. Three 100% organic seasonal promotional products are also available.

Other events

- The DB Group has become the world's first intermodal partner in the Star Alliance and is leading the way on the path towards greater sustainability in the mobility sector. This new cooperation will make it possible for DB customers and passengers of Star Alliance member airlines to begin or end their journey on the climate-friendly railway in the future. For the first time, Star Alliance's intermodal partnership model intelligently links flights, trains and other modes of transport with one another.
- As part of the Covid-19 support measures 46, the Federal Government temporarily subsidized train-path prices for long-distance rail passenger transport in Germany until December 31, 2022.

GRI

Development in the year under review

→ *Noticeable recovery in demand after Covid-19 restrictions leads to a significantly positive reduction in revenues.*

→ *Punctuality greatly affected by rising volume produced and construction-related capacity restrictions in the infrastructure; as a result, customer satisfaction was also under significant pressure.*

→ *Continued high capital expenditures in the vehicle fleet.*

The punctuality of DB Long-Distance declined significantly in 2022. The primary causes of this were capacity restrictions due to construction work (including on the Riedbahn) while at the same time increasing volume produced and increasing infrastructure disruptions as a result of outdated and fault-prone facilities (including damaged concrete ties 135). In addition, disruptions on the busy rail connections 134 led to disproportionately high congestion that had an impact on the entire rail network. In addition, the series of storms in February, a large number of hot days between June and August, the line closure due to the goods supply in Gifhorn in November and other external individual events had a negative impact on punctuality. In addition, the very high sick leave at times had an impact on the operating quality. On the other hand, increased ICE vehicle availability 116 and the reduction of train cancellations had a positive effect.

In order to assess customer satisfaction, about 11,000 customers were asked how satisfied they were with their current journey in six waves on board the trains in 2022. Customer satisfaction fell in 2022 due to the general operating environment. Punctuality deteriorated significantly, particularly in the middle of the year. In addition, the sharp rise in the number of passengers had an impact on capacity utilization and customer satisfaction.

After Covid-19-related declines, the number of BahnCards rose again. This affected all types of BahnCard.

GRI

DB LONG-DISTANCE	2022	2021	Change absolute	Change %	2019
Punctuality (rail) (%)	65.2	75.2	- 10.0	-	75.9
Customer satisfaction (SI)	74.8	77.8	- 3.0	-	76.5
BahnCards (thousand)	5,107	4,558	+ 549	+ 12.0	5,292
Passengers (rail) (million)	132.0	81.9	+ 50.1	+ 61.2	150.7
Volume sold (rail) (million pkm)	41,720	24,762	+ 16,958	+ 68.5	44,151
Volume produced (million train-path km)	158.9	144.4	+ 14.5	+ 10.0	145.7
Load factor (%)	45.9	31.4	+ 14.5	-	56.1
Total revenues (€ million)	4,980	2,911	+ 2,069	+ 71.1	4,985
External revenues (€ million)	4,845	2,792	+ 2,053	+ 73.5	4,824
EBITDA adjusted (€ million)	389	- 1,434	+ 1,823	-	789
EBIT adjusted (€ million)	- 39	- 1,790	+ 1,751	- 97.8	485
Gross capital expenditures (€ million)	1,667	1,507	+ 160	+ 10.6	1,241
Employees as of Dec 31 (FTE)	19,139	18,790	+ 349	+ 1.9	17,289
Annual average employees (FTE)	18,931	18,961	- 30	- 0.2	17,036
Employee satisfaction (SI)	3.6	-	-	-	-
Share of women as of Dec 31 (%)	26.7	26.9	- 0.2	-	27.2
Specific final energy consumption compared to 2006 (based on pkm) (%)	- 23.1	+ 16.8	- 39.9	-	- 31.5

The positive trend continued in 2022, performance development recovered significantly and has largely reached pre-Covid-19 levels since April 2022:

- **Number of passengers and volume sold:** Above all, the suspension of the majority of measures to contain the Covid-19 pandemic led to a significant increase, particularly among private customers.
- **Volume produced:** Positive effects from fewer Covid-19 restrictions and the expansion of available offers outweighed the negative effects from construction activities on the network.
- **Load factor:** Marked improvement again as a result of the increased number of passengers.

Economic development improved significantly, but remains challenging overall. Operating profit figures improved significantly, driven by a disproportionate increase in income compared to expenses. Income rose sharply:

- **Revenues:** The recovery in demand led to a very significant rise in revenues.
- **Other operating income:** Also a significant increase (+71.6%/€ +192 million), primarily as a result of the train-path price reimbursements by the Federal Government for the partial compensation of losses in connection with the Covid-19 pandemic (in the previous year, these were included in full in the extraordinary result 100f.). This was counteracted by lower income from vehicle sales, among other things.

Expenses increased noticeably, primarily as a result of the significant increase in volume sold and volume produced, as well as price increases:

- **Cost of materials:** The increase (+8.8%/€ +246 million) was mainly due to higher volume-related infrastructure and energy expenses. In addition, price effects had a negative impact on infrastructure expenses. Additional cost increases resulted from higher revenue-related use of goods in on-board catering, increased expenses for distribution services, vehicle cleaning and the recovery in cross-border transport services. The weak operating quality and higher number of passengers also led to additional expenses in the area of customer service.
- **Other operating expenses:** The increase (+20.1%/€ +123 million) resulted among other things from increased rental expenses in connection with cross-border transport (resumption after Covid-19-related restrictions). In addition, more intensive advertising activities to regain customers, the implementation of IT projects, digitalization measures and positive performance development increased expenses.
- **Depreciation:** The increase (+20.2%/€ +72 million) was primarily due to the addition of ICE 4 trains and the redesign of ICE 1 and ICE 3 trains. Partially counteracting effects resulted from ICE 2 and Intercity 1 trains reaching the end of their useful lives.
- **Personnel expenses:** The development (+5.4%/€ +65 million) resulted mainly from the collective bargaining agreements and from allocations to provisions, primarily for overtime.

Capital expenditure activities rose from a very high level, resulting primarily from continued vehicle projects 116.

The number of employees increased as of December 31, 2022, primarily for performance-related reasons.

Employee satisfaction has fallen compared with 2020. The operational challenges had an impact on satisfaction, in particular in professions that are strongly influenced by operations.

The proportion of women remained virtually unchanged.

In 2022, the change in the specific final energy consumption on rail has fallen compared with 2006 (based on passenger kilometers). This improvement resulted from a further increase in the load factor and significantly higher energy efficiency due to the continuous conversion of the long-distance transport fleet to new and more energy-efficient series, such as the ICE 4. In addition, energy consumption was reduced using the driving assistance system and the driving recommendations tailored to energy-efficient train runs, and the three-phase converters were changed in the 40 ICE 1 stock. In addition, the drivers received extensive training on energy-efficient driving, and a higher energy recovery rate was achieved for the 147 series by adapting the regulations.

DB REGIONAL BUSINESS UNIT

Business model

The core service of DB Regional is to bring millions of passengers in regional transport to their destination every day on time and in a safe, comfortable and environmentally friendly manner, and in doing so, to meet the requirements of the respective transport contract.

Our offerings cover both regional rail passenger transport with regional express, regional railway and S-Bahn (metro) lines as well as regional and urban bus transport services. This means that we offer passengers comprehensive mobility services not only in metropolitan areas and conurbations, but also in rural areas. Our regional organizational structure guarantees local transport services oriented towards the requirements of our local customers.

GRI

DB REGIONAL – AT A GLANCE

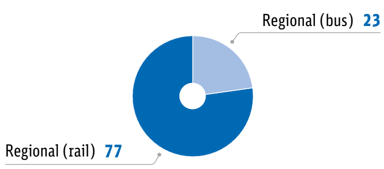
Lines of business

Regional (rail)
Bundles the regional rail passenger transport activities in Germany and includes regional express, regional rail and S-Bahn (metro) lines. This line of business is divided into seven regions (North, North-East, Central, South-East, Baden-Württemberg, Bavaria and North Rhine-Westphalia), the five directly managed S-Bahn (metro) lines Berlin, Hamburg, Munich, Rhine-Main and Stuttgart, the six regional networks and the regional transport services Start Germany.

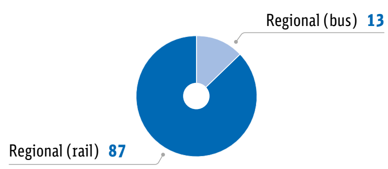
Regional (bus)
Bundles the regional and urban bus transport activities and the integration of on-demand transport and rail replacement transport in Germany. There are just under 30 bus companies, which are divided into six regions: North, East, Central, North Rhine-Westphalia, Baden-Württemberg and Bavaria.

Structure

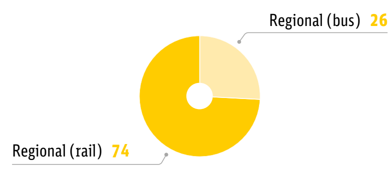
PASSENGERS / %



REVENUES / %



EMPLOYEES / %



Business model

INPUTS

Employees
- About 37,700

Vehicles
- 498 locomotives
- 4,031 multiple units
- 11,688 rail cars
- 1,940 passenger cars
- 10,904 buses (including external buses)

Networks and infrastructure
- 46 workshops (rail)
- 63 workshops (bus)
- 210 depots

Electricity and fuel
- 2.9 billion kWh traction current
- 326 million liters of diesel fuel (bus including external and rail)
- 0.7 million liters of HVO (biodiesel)
- 0.5 million kg natural gas

Additional production factors
- 112 million station stops

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers
- Contracting organizations

Value proposition
- DB Regional offers customer-focused, punctual, reliable and environmentally friendly mobility services.

Customer access and retention
- Local sales outlets, travel centers, agencies, ticket machines, online, call center, on-board sales
- Subscriptions, apps

Key activities
- Operating rail and bus services
- Looking after customers
- Providing and maintaining vehicles
- Creating competitive offers

OUTPUTS [1]

Passengers
- 2.1 billion (rail and bus)

Volume sold
- 34.8 billion pkm (rail)
- 5.0 billion pkm (bus)

Volume produced
- 0.4 billion train-path km (rail)
- 0.5 billion bus km (bus)

OUTCOMES [2]

EBIT adjusted
- € -31 million

Hit rate
- 51 % (rail)
- 46 % (bus)

Customer satisfaction
- SI of 70 (rail)
- SI of 74 (bus)

Employee satisfaction
- SI of 3.7

Punctuality
- 91.8 % (rail)
- 86.0 % (bus)

Energy consumption compared with 2006 (specific)
- -23.8 % (rail)
- -0.4 % (bus)

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

As a rule, DB Regional provides its regional rail passenger transport services within the framework of the Regionalization Act as a public service and on behalf of the competent contracting organizations. The contracting organizations are either the Federal states or a state-owned company, or municipal special-purpose associations. The contracting organizations conclude long-term transport contracts and route concessions with transport companies, mainly within the framework of competitively awarded tenders. These contracts determine the volume produced and contain detailed specifications on quality and fare pricing. With integrated transport concepts, high-quality mobility services and targeted capital expenditures on the vehicle fleet and digitalization, we aim to defend our leading market position and strengthen our role as a quality and innovation leader in the field of regional rail passenger transport.

Volume sold and volume produced are important key performance figures. Transport contracts typically refer to the volume produced. Concession fees, in addition to revenues from ticket sales, are the most important source of income. However, contracts where fare proceeds remain directly with the contracting organization, while the transport company is fully compensated by the public transport authority for the entire range of services (gross contracts), are also of increasing importance.

Predefined terms in transport contracts and route concessions, combined with the extensive production system, result in a cost structure with high fixed costs. The key drivers are personnel, maintenance, energy and infrastructure expenses. Only a small portion of expenses vary with the load factor.

In the rail sector, integrated bids covering vehicle procurement, financing, fleet management, operation and maintenance were generally required by the contracting organizations in the past. Nowadays, individual, fragmented tender models are becoming more common. In such models, partial services or even only the basic operation are put out to tender. In these models, other partial services remain the responsibility of the contracting organizations (financing, for example) or the responsibility of the vehicle suppliers (maintenance, for example). On the basis of its performance capability at all stages of the value-added chain, DB Regional is in a position to tailor partial services as required and to operate successfully on the market as a subcontractor for competitors.

Looking at the national bus market, competition in the regional bus market continues to be high, both in tenders and in licensing auctions. In urban transport, bus services are often awarded to local municipal companies in in-house awards. The biggest challenges are the need for personnel/skilled employees, price developments for the important factor costs of diesel/energy and the stronger integration of scheduled and on-demand transport services. In future, the efficient design of local transport on the roads will require the more integrated use of smaller vehicles, particularly on low-capacity routes. DB Regional Bus recognized this development early on and offers holistic solutions based on cooperation with the internal partners ioki and CleverShuttle under the umbrella of DB Regional Road.

Markets and strategy

GRI

In 2022, the German regional rail passenger transport and public local transport market slowly recovered from Covid-19-related restrictions. Demand increased gradually in the first half of 2022. In addition, the temporary introduction of the 9-Euro-Ticket 116 had a positive impact. Demand increased significantly during the period in which the 9-Euro-Ticket was available. We assume that its successor, the Germany-Ticket 47, will also have a positive effect on passenger numbers and the fare system in general.

In the medium term, we expect that the trends for further transport growth in local transport are intact. These include the continued attractiveness of modern metropolitan areas, the influx of families in particular into suburban areas, combined with a professional commute to the metropolitan areas, and the continued high importance of environmental and climate protection, as well as increasing acceptance of sharing services. In the short-term, the industry solution proposed by the Federal Government and Federal States 44 stabilized public transport during the Covid-19 pandemic. In the medium and long term, only increasing allocations of regionalization funds will create stability. DB Regional intends to continue to benefit from this positive market environment as the largest provider. DB Regional is oriented towards the Strong Rail strategy and interprets it for local transport under the motto “Regional and urban mobility.” DB Regional understands local public transport as bridging different modes of transport and brings together regional rail passenger transport, bus, on-demand, sharing and pooling offers and, in the future, its platform solutions as well. This is carried out in collaboration with ioki, Clever Shuttle or Mobimeo.

In order to achieve the objectives, the strategy of DB Regional consists of the strategic building blocks of the Strong Rail strategy:

- **More robust:** Modernization and digitalization are key factors for sustainable quality improvement and upgrades of public transport. To this end, DB Regional is investing in a gradual increase in fleet strength and a consistent redesign of

the vehicles 122. Sufficient and qualified personnel are an equally important success factor for robust operations. DB Regional continuously works on the recruitment and qualification of personnel and develops solutions, for example. through cooperations with public transport authorities and other train operating companies, as well as cross-sector campaigns and qualification concepts. DB Regional is also increasingly looking to new business concepts and cooperations in other areas, thereby responding to a changing market. The increasing fragmentation of transport contracts is intended to enable as many companies in the industry as possible to take part in the tender procedures. We are responding to these changes by adapting our business model. By expanding our services to third parties, for example in maintenance or pool and life cycle management, we are increasingly developing as a maintenance partner for competitors and public transport authorities.

- **More efficient:** Quality and control capability remain our key issues. Achieving a high level of customer satisfaction and avoiding contractual penalties and train cancellations are critical to success. To increase operating quality and vehicle availability, we are implementing the DB excellence system as part of the stable processes building block. In this way, we are laying the foundations for reliability and punctuality and ultimately more customer satisfaction. Industrialization, automation, digitalization, platform solutions and intelligently linked data of high quality and availability are key levers here.
- **More modern:** The development of new mobility concepts is becoming increasingly important. Cities, outskirts and rural areas each have different mobility requirements and require close integration and cooperation with other modes of transport. Together with other intra-Group partners, DB Regional is expanding its intermodal mobility solutions and positioning them on the market. With the continuous expansion of competencies and partnerships, DB Regional is continuing to reinforce its role as the driver of innovation in the industry. Due to the continuous development of new mobility solutions such as on-demand services, DB Regional intends to prove itself in an increasingly intense competitive environment and meet the changing needs of customers. Innovation and design projects such as the IdeasTrain translate customer needs into tangible concepts.
- **Greener:** Shifting transport to energy-efficient rail is an essential element in achieving the Federal Government's climate protection targets. In line with DB's climate protection target, 100% of DB Regional's traction current is to come from renewable energies by 2038. In addition, the use of fossil fuels will be scaled back further, for example through the energy-efficient driving style of our drivers and the use of supportive assistance systems. The establishment of alternative drives 150 and the use of alternative fuels will offer even greater opportunities in future to reduce CO_2 emissions 71.

Development of the order book

AWARDED TRANSPORT CONTRACTS

GERMAN REGIONAL RAIL PASSENGER TRANSPORT MARKET / million train-path km	2022 p. a.	2022 total	2021 p. a.	2021 total
Tender procedures (number)	24	–	40	–
thereof to DB Regional	8	–	15	–
Awarded tender volume	59.2	715.5	140.8	1,278
thereof DB services (%)	37	–	48	–
thereof to DB Regional	30.4	397.5	72.0	634.5
Hit rate (%)	51	56	51	50
SIGNIFICANT CONTRACTS WON				
North-South network (NOS2)	11.6	138.7	–	–
Niederrhein-Münsterland network, sub-network 2 [1]	4.0	55.7	–	–
MoselLux [1]	3.6	50.6	–	–
2026-Kinzigtal	3.3	49.3	–	–
Warnow II partial network [1]	3.4	46.7	–	–
2023-Taunus [1]	1.8	21.9	–	–

[1] Over the term of the contract, the annual performance is to be adjusted in accordance with the relevant contractual provisions.

The volume of contracts awarded for regional rail passenger transport was lower in 2022. The hit rate (entire contract term) developed positively.

GERMAN PUBLIC ROAD PASSENGER TRANSPORT MARKET / million commercial vehicle km	2022 p. a.	2022 total	2021 p. a.	2021 total
Tender procedures (number)	148	–	240	–
thereof including participation by DB Regional	111	–	157	–
Awarded tender volume	91.0	590.0	170.4	1,260
thereof DB services (%)	29	–	30	–
thereof including participation by DB Regional	77.9	520.7	127.7	987.4
Hit rate (%)	46	–	27	–

An unusually high volume of bus transport services was recorded in 2021. A lower level was again reached in 2022. The hit rate was above-average in 2022. DB Regional Bus was able to expand its market share.

NEW COMMISSIONS AND CESSATIONS

NEW COMMISSIONING (RAIL) [1] / 2021-2022	Term	Million train-path km p.a.	thereof versus 2021 [2]
Diesel network in Central Lower Saxony	Dec 2021-Dec 2029	4.5	+4.3
VVO diesel network	12/2021-12/2031	2.1	+2.0
Rhine-Ruhr S-Bahn Lot B transfer	02/2022-12/2023	7.1	+6.5
Ruhr-Sieg network transfer	02/2022-12/2023	3.4	+3.1
EBO Karlsruhe area network 7b (lots 1 and 2)	12/2022-12/2035	4.6	+0.2
2023-Taunus	12/2022-12/2034	2.1	+0.1
Network 59 pre-commissioning on new construction line (Stg-) Wendlingen—Ulm	12/2022-12/2027	0.8	+0.0
Total		**24.6**	**+16.2**

[1] Services or parts of the network were previously provided by non-Group train operating companies.
[2] Effect of the change on the year-on-year comparison. The linear calculation is carried out on a weekly basis by commissioning in the middle of the month.

DISCONTINUED OPERATIONS (RAIL) [1] / 2021-2022	Change	Million train-path km p.a.	thereof versus 2021 [2]
Glauchau—Gössnitz	06/2021	0.1	< -0.1
Allgäu e-network	12/2021	1.8	-1.7
Hanover S-Bahn (metro)	06/2022	9.3	-5.0
Augsburg network lot 1	12/2022	6.6	-0.3
XMU network SH lot east	12/2022	4.2	-0.2
Network 19 Singen—Schaffhausen	12/2022	0.5	< -0.1
Chiemgau—Berchtesgaden	12/2022	0.2	< -0.1
Total		**22.7**	**-7.3**

[1] Services or parts of the network were previously provided by DB Regional.
[2] Effect of the change on the year-on-year comparison. The linear calculation is carried out on a weekly basis by changing the operator in the middle of the month.

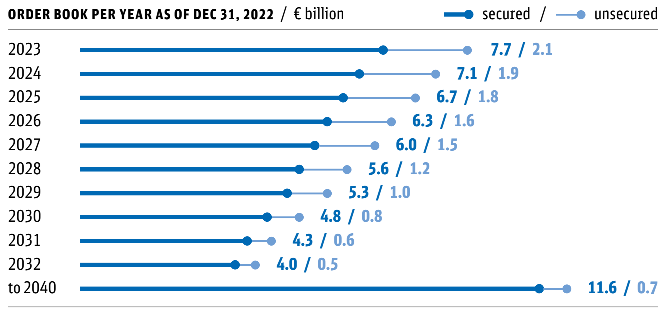
ORDER BOOK

ORDER BOOK AS OF DEC 31 / € billion	2022	2021	Change absolute	Change %
DB Regional	83.1	80.0	+3.1	+3.9
secured	69.6	64.9	+4.7	+7.2
unsecured	13.5	15.1	-1.6	-10.6

Revenues that are directly connected with transport contracts or concessions are either independent of (secured revenues, primarily concession fees) or dependent on (unsecured revenues, primarily revenues from fares) the number of passengers.

In 2022, DB Regional's order book filled up. The additions from transport contracts of about € 8.9 billion were offset by disposals of about € 8.8 billion, mainly as a result of services rendered. In addition, changes to assumptions had a positive impact of about € 3.1 billion (mainly due to energy price and tariff developments). As most of the transport contracts awarded include secured revenues, growth should be expected in the secured order book, while unsecured revenues have decreased as a result of services provided.

ORDER BOOK PER YEAR AS OF DEC 31, 2022 / € billion



Individual figures are rounded and therefore may not add up.

Fleet development

In 2022, we continued to pursue comprehensive measures to improve our vehicle fleet.

- These included the redesign of the interior, the installation of passenger information and video recording systems, WiFi and new paintwork. A total of 360 vehicles were modified and modernized, mainly for the Berlin S-Bahn (metro) and Elbe-Spree electric networks, as well as for the Oberelbe and Neigetechnik Thüringen diesel networks.
- We are further focusing on the procurement of new vehicles for acquired transport contracts. A total of 148 new vehicles were supplied in 2022, 57 of which were deployed through a leasing model. The majority of the new vehicles delivered (89) are allocated to the Berlin and Stuttgart S-Bahn (metro) networks.

Vehicle availability improved again in 2022. However, there were also delays and restrictions relating to the delivery of new trains. In addition, 86 new multiple units and one shunting locomotive were ordered.

Digitalization and innovation

- **IdeasTrain:** In the summer of 2021, the IdeasTrainCity and two additional modules with solutions for optimized bicycle carriage and a hygienic WC cabin were presented to selected industry representatives for the first time. The mock-ups were successfully presented to a broad group of trade professionals at the Innotrans trade fair in September 2022. A modified double-decker wagon from the Southeast Bavaria Railway was also presented, putting into a practice a number of ideas from the IdeasTrainRegio, which was developed in 2017. In the course of the first half of 2023, this vehicle will be in regular operation on the Munich—Mühldorf line.
- **Train portal:** In 2022, the DB Train Portal app (DB Zugportal) was expanded to include 31 further transport networks. In addition to a revised user experience, a number of new features are added on an ongoing basis.

- **Route agent:** The DB Route Agent app directly benefits customer satisfaction with digital services for improved passenger information. Route agent users receive an easy and intuitive app with real-time information about delays and alternative routes via push notifications. The relaunch in 2022 laid the technical foundations for further upgrades of the app.

Environmental measures

GRI

- **Fuel consumption:** The regional energy savings system software green. no. 8 (RESY) is used in 21 diesel networks. A total of 840 DB Regional diesel trains and locomotives are equipped with the software, which corresponds to a share of 67%. Compared with 2019 (before the introduction of RESY), a total of 3 million liters of diesel and over 8,000 tons of CO_2e were saved in 2022.
- **Alternative drives:**
  - As part of the H2goesRail 73 project, the newly designed hydrogen train green. no. 53 Mireo Plus H was presented in May 2022 together with Siemens Mobility.
  - Together with Alstom, DB Regional has successfully tested the first battery-operated train green. no. 45 in passenger operations in cooperation with the Federal states of Baden-Württemberg and Bavaria. Until early-May 2022, the train operated on the Stuttgart—Horb line in Baden-Württemberg on week days.
  - In 2022, another 49 electric buses green. no. 63 were put into operation. The electric bus fleet will continue to be expanded in the future, with an expected expansion to about 150 electric and 25 fuel cell buses by the end of 2024.
  - By concluding a framework contract with EBUSCO, up to 230 electric buses can be ordered from 2023 to 2026. This further reduces the greenhouse gas emissions of the bus fleet.
- **Biofuel:** Since September 2022, 57 DB Regional trains have been using climate-friendly biofuel green. no. 164 on services through Baden-Württemberg. To this end, we have completely switched the filling stations in Aulendorf to HVO. By the end of 2023, trains are to be filled with 1.3 million liters of biofuel here. The use of biofuel is an immediate climate protection measure and an important step towards the phase-out of diesel and achieving climate neutrality. In most cases, diesel trains do not have to be specially modified to run on biofuel.
- **Autonomous transport services:** In Bad Birnbach, two autonomous shuttles green. no. 41 carry passengers on demand. The electric vehicles can be booked via an app. Booking requests are grouped into car pools, allowing efficient and climate-neutral mobility over the last mile.
- **Water consumption:** In Berlin-Grünau, a new washing facility green. no. 94 has been commissioned for the new S-Bahn (metro) trains in Berlin. Used service water is treated in such a way that up to 90% can be reused.
- **Mobility hubs:** The scheduled bus service remains a central component of strong local public transport, but does not fully realize its potential until it is linked to other mobility services, such as on-demand transport services, which can be used as needed. This is the conclusion of the Mobility Transition 2030 Study from DB Regional Bus and the Fraunhofer Institutes IESE (Fraunhofer Institute for Experimental Software Engineering IESE) and IML (Fraunhofer Institute for Material Flow and Logistics IML). We are pursuing this approach at mobility hubs, such as the Stuttgart-Vaihingen S-Bahn (metro) station: here, passengers can book and use many climate-friendly mobility services (including hire bikes, car sharing and charging stations for electric cars) over a digital network.

Development in the year under review

GRI

⟶ *The waning negative effects of the Covid-19 pandemic, new transport contracts and 9-Euro-Tickets are the key to the development.*

⟶ *Increases in energy prices were compensated for by price escalation clauses.*

⟶ *Operating profit development significantly improved.*

Punctuality in rail transport has dropped. The main causes of this were the high network utilization, capacity restrictions due to the high construction volume and infrastructure disruptions. From June to August 2022, the introduction of the 9-Euro-Ticket 36 also led to a significant increase in excessive stopping times on tourist lines and at weekends in the overall network. The most significant drops in punctuality were recorded in these three months. Capacity bottlenecks combined with a high primary disruption level also led to a significant increase in delays of following trains. The tense personnel situation due to high sick leave in key operational areas also had a negative impact. Punctuality in bus transport has improved, however.

About 26,000 customers (rail) and about 2,300 customers (bus) were surveyed in two waves for the annual customer satisfaction survey:

GRI

DB REGIONAL	2022	2021	Change absolute	Change %	2019
Punctuality (rail) (%)	91.8	94.3	- 2.5	–	94.3
Punctuality (bus) (%)	86.0	83.9	+ 2.1	–	81.6
Customer satisfaction (rail) (SI)	70.1	71.6	- 1.5	–	66.1
Customer satisfaction (bus [1]) (SI)	74	75	- 1	–	73
Passengers (million)	2,072	1,540	+ 532	+ 34.5	2,507
thereof rail	1,605	1,121	+ 484	+ 43.2	1,972
Volume sold (million pkm)	39,804	25,921	+ 13,883	+ 53.6	47,908
thereof rail	34,754	21,407	+ 13,347	+ 62.3	41,633
Volume produced (rail) (million train-path km)	433.7	426.7	+ 7.0	+ 1.6	452.5
Volume produced (bus) (million bus km)	502.1	482.8	+ 19.3	+ 4.0	479.8
Total revenues (€ million)	9,039	8,043	+ 996	+ 12.4	8,945
External revenues (€ million)	8,921	7,929	+ 992	+ 12.5	8,830
Rail concession fees (€ million)	6,508	5,824	+ 684	+ 11.7	5,627
EBITDA adjusted (€ million)	619	218	+ 401	–	1,056
EBIT adjusted (€ million)	- 31	- 417	+ 386	- 92.6	408
Gross capital expenditures (€ million)	716	480	+ 236	+ 49.2	560
Employees as of Dec 31 (FTE)	37,738	37,220	+ 518	+ 1.4	36,374
Annual average employees (FTE)	37,599	37,337	+ 262	+ 0.7	36,285
Employee satisfaction (SI)	3.7	–	–	–	–
Share of women as of Dec 31 (%)	16.9	17.0	- 0.1	–	16.8
Specific final energy consumption (rail) compared to 2006 (based on pkm) (%)	- 23.8	+ 26.3	- 50.1	–	- 30.0
Specific final energy consumption (bus) compared to 2006 (based on bus km) (%)	- 0.4	- 2.5	+ 2.1	–	+ 1.7

[1] Method changed since 2020.

- **DB Regional (rail):** Overall passenger satisfaction fell slightly in 2022. While the satisfaction figures for the S-Bahn (metro) (SI of 70) remained stable, a significant decline in regional transport (SI of 70) was observed. Satisfaction with the last journey fell slightly to an SI of 77 (regional services SI of 77 and S-Bahn (metro), SI of 78). The main driver of the deterioration is the development of punctuality and the reliability of the system.
- **DB Regional (bus):** Customer satisfaction is slightly below the previous year's level, both in terms of satisfaction with the bus company (SI of 74) and with the current journey (SI of 77), but remains at a good level.

The performance development was very pleasing – in the period from June to August 2022, the pre-Covid-19 level was significantly exceeded as a result of additional stimulus from the introduction of the 9-Euro-Ticket:

- **DB Regional (rail):** Development in the number of passengers and volume sold was significantly positive primarily as a result of the recovery in demand after the lifting of most measures to contain the Covid-19 pandemic in the first half of 2022. The effects of new transport contracts 31 also exceeded the effects of discontinued transport services.
- **DB Regional (bus):** Here, too, the negative effects of the Covid-19 pandemic continued to wane. Performance gains had a supporting effect, meaning that the performance development was also very positive.

The economic development of DB Regional remained under pressure, particularly in the bus line of business, due to special effects such as diesel price increases, even though the operating profit figures improved again overall.

In view of the fact that passenger numbers are still lower than pre-Covid levels overall, passenger revenues remain below 2019 levels. Due to the high proportion of gross contracts, the revenue risk lies primarily with the public transport authorities.

Revenue development was positive:

- **Revenues:** The increase resulted primarily from higher rail concession fees, a demand-driven increase in revenues from fares and performance gains. The loss of revenues from fares in connection with the temporary introduction of the 9-Euro-Ticket 36 partially countered this impact. The compensation for the lost revenues due to the 9-Euro-Ticket is included in other operating income.
- **Other operating income:** The increase (+ 4.0 % / € + 37 million) due in part to the effects of a change in cost allocation as a result of the introduction of the German Collective Bargaining Agreement (countereffect in the cost of materials), as well as higher income from compensation

in connection with delayed vehicle deliveries, among other things. In contrast, Government subsidies, among other things, fell. Here, a decline in Covid-19 support payments, among other things, as a result of the recovery in demand exceeded positive effects, mainly from compensation payments for the 9-Euro-Ticket.

On the expense side, there were additional pressures primarily from demand- and price-related increases in the cost of materials and higher personnel expenses, partly as a result of collective bargaining agreements:

- **Cost of materials:** The increase in the cost of materials (+8.8%/€ +500 million) mainly due to cost increases for energy, among other things, and higher costs for the use of train-paths and stations in rail transport, partly as a result of higher volume-related costs. In addition, higher expenses for purchased transport services due to price and performance factors led to additional charges.
- **Personnel expenses:** Noticeable increase (+4.7%/€ +106 million) due in part to the higher number of employees on average.
- **Other operating expenses:** Slight increase (+3.5%/€ +31 million), due to the rail line of business.
- **Depreciation:** Also slight increase (+2.4%/€ +15 million).

Capital expenditure activities developed in line with the requirements from transport contracts awarded and rose considerably.

The number of employees increased as of December 31, 2022, driven by the takeover of the Abellio services 121 f.

Employee satisfaction has fallen slightly compared with 2020. This was due to the operational challenges, among other things.

The proportion of women was almost at the same level as at the end of the previous year.

In 2022, the specific final energy consumption on rail based on volume sold was lower than in the reference year 2006. One of the drivers of this improvement was the sharp rise in passenger numbers. On the other hand, further measures were taken to improve the energy efficiency of train journeys. The regional energy savings system (RESY) 123 is used in 21 diesel networks. In bus transport, the reduction in specific final energy consumption in relation to volume produced (compared with 2006) was less pronounced than in the previous year, as supply has increased significantly.

RAIL LINE OF BUSINESS

- *Waning negative effects of Covid-19, new transport contracts and the introduction of the 9-Euro-Ticket are shaping this development.*
- *Higher costs, especially for personnel, are weighing on development.*
- *Operating profit development improved significantly.*

RAIL LINE OF BUSINESS	2022	2021	Change absolute	Change %	2019
Passengers (million)	1,605	1,121	+484	+43.2	2,010
thereof rail	1,605	1,121	+484	+43.2	1,972
Volume sold (million pkm)	34,754	21,407	+13,347	+62.3	42,204
thereof rail	34,754	21,407	+13,347	+62.3	41,633
Volume produced (million train-path km)	433.7	426.7	+7.0	+1.6	452.5
Total revenues (€ million)	7,878	6,965	+913	+13.1	7,848
External revenues (€ million)	7,769	6,859	+910	+13.3	7,740
Rail concession fees (€ million)	6,508	5,824	+684	+11.7	5,626
EBITDA adjusted (€ million)	698	308	+390	+127	1,037
EBIT adjusted (€ million)	134	-247	+381	-	454
Gross capital expenditures (€ million)	589	341	+248	+72.7	496
Employees as of Dec 31 (FTE)	28,076	27,737	+339	+1.2	27,715

The trend of recovery of demand that began in the previous year continued with the progressive lifting of measures to contain the Covid-19 pandemic in 2022. In addition, the takeover of Abellio transport services 121 f. and the introduction of the 9-Euro-Ticket 36 had a positive effect on volume sold. As a result, the number of passengers and volume sold rose very significantly. Volume produced increased slightly. Additional transport services in North Rhine-Westphalia and the discontinuation of strike effects from the previous year were partly compensated by construction and personnel-related reductions in the timetable and the discontinuation of transport services of the Hanover S-Bahn (metro).

Operating profit figures also improved considerably. The recovery in performance supported the positive income development:

- **Revenues:** Increase as a result of higher fare revenues for performance-related reasons and higher concession fees. In addition to general increases by public transport authorities, in particular in connection with an increase in energy prices, new transport services also had an impact here. Transport losses, increased compensation payments due to worse operating quality, the withdrawal of proceeds from fares from the 9-Euro-Ticket (compensation payments included in other operating income) partially compensated for this.

- **Other operating income:** Development roughly on the previous year's level:
  - Negative effects resulted mainly from lower government subsidies as a result of the recovery in demand. The decline exceeded the increase due to compensation payments for the 9-Euro-Ticket. Lower utilization of provisions for impending losses, which was exceptionally high in the previous year due to Covid-19, also had a negative effect.
  - This was offset by the effects of a change in cost allocation as a result of the introduction of the German collective bargaining agreement (countereffect in the cost of materials).

On the expense side, there were additional negative effects, primarily from price effects and additional traffic:

- **Cost of materials:** The cost of materials rose, mainly as a result of higher costs for energy and volume-related costs for the use of train-paths and stations.
- **Personnel expenses:** Increase due primarily to a higher average number of employees based on performance and due to collective bargaining agreements.
- **Other operating expenses:** The increase resulted mainly from the implementation of digitalization measures and measures to tempt more customers to return. Lower additions to provisions for impending losses partially reduced expenses.
- **Depreciation:** Capital expenditure-related increase. Effects resulting in higher expenses from completed vehicle projects were partially offset by cost-reducing effects from reaching the end of the useful lives of vehicles in the balance sheet.

Capital expenditure activities developed in line with the requirements from transport contracts awarded and was down significantly.

The number of employees increased as a result of the inclusion of the acquired Abellio transport services in particular. Transport losses had the opposite effect.

BUS LINE OF BUSINESS

⟼ *Recovery continues after Covid-19-related losses, but has not yet been completed – performance gains had a supporting effect in this case.*

⟼ *Additional charges due to cost increases.*

⟼ *Covid-19 support measures continue to have a positive effect.*

			Change		
BUS LINE OF BUSINESS	**2022**	2021	absolute	%	2019
Passengers (million)	467.2	418.9	+48.3	+11.5	496.8
Volume sold (million pkm)	5,049	4,515	+534	+11.8	5,704
Volume produced (million bus km)	502.1	482.8	+19.3	+4.0	452.8
Total revenues (€ million)	1,344	1,191	+153	+12.8	1,162
External revenues (€ million)	1,152	1,069	+83	+7.8	1,090
EBITDA adjusted (€ million)	-79	-91	+12	-13.2	20
EBIT adjusted (€ million)	-165	-170	+5	-2.9	-46
Gross capital expenditures (€ million)	126	139	-13	-9.4	64
Employees as of Dec 31 (FTE)	9,661	9,483	+178	+1.9	8,659

The significantly positive performance development in the bus line of business resulted from the recovery in demand for Covid-19-related restrictions, performance gains and the temporary introduction of the 9-Euro-Ticket 36.

The operating profit figures improved slightly. However, the economic situation remains challenging.

The positive trend in volumes had an effect on income:

- **Revenues:** Performance-related increase. The loss of revenues from fares as a result of the introduction of the 9-Euro-Ticket (compensation payments included in other operating income) and the effects of provisions partially offset this.
- **Other operating income:** The increase was mainly due to the higher utilization of provisions for impending losses and higher Government subsidies (including Covid-19 support payments as part of the local public transport industry solution 44 and compensation payments for the 9-Euro-Ticket).

There were additional negative effects on the expense side, mainly from the cost of materials and personnel expenses:

- **Cost of materials:** The increase resulted mainly from higher expenses for purchased transport services and higher costs for diesel, due price-related and performance-related factors.
- **Personnel expenses:** The increase is due to the higher average number of employees and due to collective bargaining agreements.
- **Depreciation:** Increase due to capital expenditures in the previous year.

In contrast, the decline in other expense items had a dampening effect:

- **Other operating expenses:** Decrease mainly as a result of lower additions to provisions for impending losses.

Gross capital expenditures fell due to delays in vehicle delivery. Net capital expenditures fell even more sharply due to higher subsidies received (switch to alternative drives).

The number of employees increased for performance-related reasons.

DB CARGO BUSINESS UNIT

Business model

DB Cargo offers its customers in 17 European countries access to one of the biggest rail networks in the world, extending as far afield as China, and is the number one in European rail freight transport.

Across its international network, DB Cargo
- transports freight cars and groups of freight cars in the single wagon transport system,
- enables transport chains for containers or truck trailers belonging to shipping companies and freight forwarders using multiple modes of transport (rail, ships, trucks) in combined transport, and
- operates direct connections from siding to siding in block train transport.

In addition to the pure transport service, DB Cargo creates individual solutions with additional logistical services for its customers. Owned or rented traction units and freight cars, terminals and train formation yards, as well as in-house personnel resources, are used to provide services. Customers include the manufacturing industry in the automotive, steel, recycling and raw materials, chemicals and mineral oil and building materials, industrial and consumer goods sectors, as well as shipping companies, forwarding companies and combined transport operators throughout Europe. Customers are increasingly making a conscious decision to use DB Cargo to replace the more environmentally harmful option of transport by truck.

Since DB Cargo generates the majority of its income by transporting goods by rail, the leading performance indicator is volume sold in ton kilometers. In addition to the depreciation of locomotives and freight cars, as well as personnel expenses, the main cost components are energy, infrastructure and maintenance expenses. The intra-Group infrastructure companies and service providers are important suppliers in this respect.

Markets and strategy

GRI

With the Strong Rail strategy 51 ff., DB Cargo is committing to its social responsibility and making a meaningful contribution to the transport and climate policy targets in Germany and Europe. It is DB Cargo's goal to shift transport from road to environmentally friendly rail for its customers. Thus DB Cargo is in line with the guiding principle of the Strong Rail strategy, namely a shift in the mode of transport to rail for a sustainable climate and mobility transition.

The aim of the Strong Cargo strategy is to strengthen DB Cargo's position in the long term so that it can make the necessary contribution to achieving its goals. The action plan is designed according to the slogan "Europe needs a strong rail logistics provider. For the climate and for a sustainable economy." In this way, DB Cargo makes a significant contribution to increasing the modal share of rail in the German and European transport mix, while also improving its own economic sustainability. In 2022, DB Cargo therefore expanded its position as a specialist in European rail logistics with the integration of the Full Load Solutions (FLS) 130 business area of DB Schenker. With FLS's vast expertise, DB Cargo is increasingly offering tailor-made logistics and service solutions for all customers and can therefore achieve real added value for climate-friendly supply chains.

The development of energy costs, further price increases and bottlenecks in track infrastructure in Germany are the challenges for the next few years. Stabilization production and operating results are key areas of action for the Strong Cargo strategy in the three major business segments across Europe:
- **Rail logistics:** To strengthen its market presence as a rail logistics service provider, DB Cargo systematically offers its customers industry-specific services in its customers' supply chains. These are logistics solutions that essentially include rail performance and supplement these with additional modules (for example road traffic, warehousing and other individual logistics services).
- **Combined transport:** DB Cargo will synchronize the operating activities already offered in combined transport and expand them throughout Europe. In close contact with its customers, DB Cargo will thus increase the attractiveness of rail services on the combined transport lines, thereby bringing more transport from road to rail.
- **Single wagon transport:** The single wagon network is a key component of rail freight transport in Germany and Europe, but operated on a purely commercial basis it cannot be offered as a full-coverage network given the current general framework. For this reason, single wagon transport is being further developed, taking account of the operating cost support provided for in the 2023 Federal budget. In the medium and long term, the efficiency of the system will also increase with new technologies such as the digital automatic coupling.

GRI

DB CARGO – AT A GLANCE

Business segments

Block train transport
- Direct siding-to-siding connections for high-volume industrial products, raw materials, etc.
- Share of volume sold: 48%
- Share of revenues: 43%

Single wagon transport
- Transport of freight cars and groups of freight cars in a predominantly multi-level collection and distribution network.
- Share of volume sold: 30%
- Share of revenues: 29%

Combined transport
- Transport of standardized load units (such as containers and trailers) on the rails in long-distance runs for transport services that do not generally have sidings in reception and shipping.
- Share of volume sold: 22%
- Share of revenues: 19%

Full Load Solutions (FLS)
- Multimodal door-to-door transport services for large-scale full loads
- Share of revenues: 9%

Lines of business

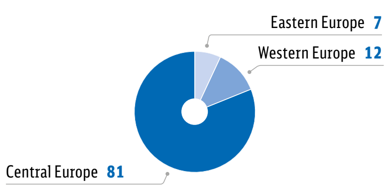
Central Europe
Includes activities in Germany (including production companies), Sweden, Denmark, the Netherlands, Belgium, Switzerland, Italy and DB Cargo Eurasia for the trans-Eurasian corridor. In addition, companies are geared to special markets.

Western Europe
Includes activities in the United Kingdom, France and Spain.

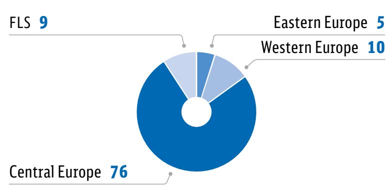
Eastern Europe
Includes activities in Poland, Romania, Bulgaria, Hungary and the Czech Republic.

Structure

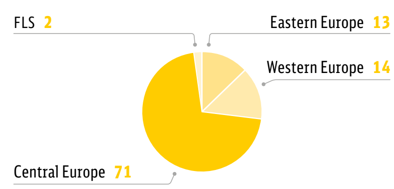
VOLUME SOLD / %



REVENUES / %



EMPLOYEES / %



Business model

INPUTS

Employees
- About 31,200

Vehicles
- 2,576 locomotives
- 82,974 freight cars (70,982 own cars and 11,992 rented/leased cars)

Networks and infrastructure
- Active in 17 European countries
- 2,172 customer sidings in Germany
- 9 train formation yards
- 27 maintenance depots

Electricity and fuel
- 1.9 billion kWh traction current
- 116 million liters diesel fuel
- 0.9 million liters of HVO (hydrotreated vegetable oil)

Additional production factors
- 169 million train-path km

BUSINESS ACTIVITIES

Customer segments
- Business customers with a focus on automotive, construction materials, chemicals, industrial goods, intermodal, consumer goods and iron, coal and steel

Value proposition
- DB Cargo offers customer-oriented, reliable and efficient transport and logistics solutions across Europe.

Customer access and retention
- Segment sales with key account management
- Regional sales
- Customer service center

Key activities
- Providing rail services
- Designing European multimodal logistics solutions
- Providing and maintaining vehicles
- Planning and operating networks
- Providing supplemental logistical services

OUTPUTS [1]

Freight carried
- 222 million t

Volume sold
- 84 billion tkm

OUTCOMES [2]

EBIT adjusted
- €-665 million

Employee satisfaction
- SI of 3.8

Customer satisfaction
- SI of 67

Final energy consumption
- -26.0% compared with 2006 (specific)

Punctuality
- 66.3%

Quiet freight cars
- 77,800 [3]

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.
[3] Includes the entire fleet in Germany.

- **Stabilization of production:** Transport concepts are being planned to take greater account of capacity bottlenecks in order to ensure more stable production. The management of national and international transport is being improved. The processes for the implementation of transport services will be consistently reorganized to follow a departure-to-destination rationale that focuses on better quality, simpler and more efficient management systems. DB Cargo reached an important milestone in 2022, with the establishment of the control tower. Here, customers and their supply chains are supported by integrated sales and production teams from a single source. In addition, DB Cargo will make capital expenditures in modern multisystem locomotives and new car technologies. Digitalization and automation will aid DB Cargo in offering its customers easier access to the rail system and more transparency about the shipment status, and will significantly speed up the processes in rail transport, i.e. train formation, car handling and maintenance.
- **Expansion of European corridors:** DB Cargo is established throughout Europe and is represented on the 13 major transport corridors. Along these corridors, DB Cargo is accelerating the development of quality and growth. Success factors include a high transport frequency with coordinated schedules, faster cross-border transport with multilingual train drivers, and fundamentally close cross-national cooperation.

Thanks to modern transport equipment that precisely meets market and customer requirements, DB Cargo is able to integrate itself deep into customers' logistics chains. DB Cargo is therefore advancing the development of its freight cars intensively. For example (in addition to freight cars and superstructures), loading and unloading facilities as well as handling technologies are designed and implemented together with customers. DB Cargo relies both on its own equipment developments and on cooperations with strategic partners.

Digitalization and innovation

DB Cargo is positioning itself on the market with, among other things, the following measures to drive digitalization and innovation:

- DB Cargo is testing the new digital automatic couplings that are an integral part of the digitalization of freight trains. The digital automatic coupling enables freight cars to be automatically coupled. With the new coupling technology, freight trains can become longer and heavier. This increases rail network capacity. To this end, around 500,000 freight cars across Europe will have to be fitted with the digital automatic coupling by 2030. In order to achieve this, DB Cargo is also carrying out installation in pop-up workshops in addition to modifications performed in its own workshops. With the help of these mobile workshop tents, freight cars can be equipped with the new technology in the immediate vicinity of their locations, for example for industrial customers, within a short period of time. Together with partner companies, up to 150 pop-up locations are to be set up throughout Europe.

Environmental measures

GRI

DB Cargo is making a significant contribution to shifting traffic to the rails, and thus to the achievement of European climate protection targets.

- The DB Cargo fleet is becoming even greener and more efficient. While energy-efficient electric locomotives already perform 94% of freight transport in Germany (based on weight-related ton kilometers; Ltkm), the sustainable drive concepts are now being expanded to shunting operations. This means that all diesel locomotives used here will be replaced by modern machines with alternative drives. Currently, 300 hybrid and dual-mode locomotives green no. 57 are in circulation. In the next few years, each of the around 600 diesel locomotives will be replaced.
- After extensive field trials, the biofuel HVO green no. 164 has been approved for the entire DB Cargo Germany diesel locomotive fleet since mid-2022. As a DBeco fuel, it extends the Eco Solutions product range. DB Cargo UK already runs part of its transport services on HVO. In 2022, DB Cargo was able to replace about 900,000 liters of diesel with HVO. Three filling stations were modified for HVO fuels, with others to follow. In future, this will also make it possible to cover the last mile in the supply chain of customers with diesel and shunting locomotives in a climate neutral manner.
- Automobile manufacturers are transporting batteries with DB Cargo on the green rail system: the state-of-the-art Automotive Logistics Center of a German automobile manufacturer is opening in Bremen for battery logistics in direct proximity to customers. It is part of the climate-neutral logistics concept for battery systems. Since 2022, DB Cargo has transported the systems over about 650 km to the assembly line in Bremen with 100% eco-power from the Stuttgart facility. The logistics hub enables DB Cargo to shunt trains right up to the production hall and unload them there.

DB CARGO	2022	2021	Change absolute	Change %	2019
Punctuality (%)	66.3	69.5	- 3.2	-	74.0
Customer satisfaction (SI)	67	70	- 3	-	61
Freight carried (million t)	222.3	226.5	- 4.2	- 1.9	232.0
Volume sold (million tkm)	84,468	84,850	- 382	- 0.5	85,005
Volume produced (million train-path km)	169.1	169.0	+ 0.1	+ 0.1	162.5
Capacity utilization (t per train)	499.4	502.0	- 2.6	- 0.5	523.2
Total revenues [1] (€ million)	5,244	4,982	+ 262	+ 5.3	4,449
External revenues [1] (€ million)	4,998	4,713	+ 285	+ 6.0	4,188
EBITDA adjusted [1] (€ million)	- 257	- 81	- 176	-	13
EBIT adjusted [1] (€ million)	- 665	- 467	- 198	+ 42.4	- 308
EBIT margin (adjusted) [1] (%)	- 12.7	- 9.4	- 3.3	-	- 6.9
Gross capital expenditures [1] (€ million)	452	527	- 75	- 14.2	570
Employees [1] as of Dec 31 (FTE)	31,167	30,753	+ 414	+ 1.3	29,525
Employees [1] annual average (FTE)	31,027	30,868	+ 159	+ 0.5	29,280
Employee satisfaction (SI)	3.8	-	-	-	-
Share of women as of Dec 31 (%)	13.0	12.0	+ 1.0	-	11.5
Specific final energy consumption compared to 2006 (based on tkm) (%)	- 26.0	- 23.2	- 2.8	-	- 21.0

[1] Figure for 2021 or as of December 31, 2021, adjusted due to the intra-Group reallocation of the FLS business area 130.

- DB Cargo has achieved another milestone in green logistics with a global leader in steel and mining. State-of-the-art, semi-automated unloading facilities at the Eisenhüttenstadt steel plant (Brandenburg) protect the environment from fine dust and emissions in a highly efficient manner. At the same time, lighter wagons and special containers ensure even higher capacity utilization of freight trains. More than 90% of the required raw materials can be delivered in this climate-friendly manner. The raw materials used in steel production, such as ore, coke and limestone, can be handled while producing almost no dust. In the future, “green sponge iron,” an intermediate product for climate-neutral steel production, will also be transported in this way.

Investments

The Full Load Solutions (FLS) business area with assigned rail logistics activities was transferred from DB Schenker to DB Cargo with economic effect from January 1, 2022. The previous year’s figures were adjusted accordingly. Transa GmbH and Multi-Modal-Solutions (MMS), units from the European companies operating at country level of DB Schenker now form DB Cargo Transa/FLS. The transfer of all activities belonging to FLS from the corresponding DB Schenker companies operating at country level will be completely finalized by January 1, 2023.

Development in the year under review

- *Severe restrictions on operations (scarcity of resources, construction work in the network) placed a burden on quality and costs.*
- *The effects of the war in Ukraine had an impact on the transport portfolio.*
- *Increasing factor costs and additional burdens continue to put economic development under pressure.*

The punctuality of DB Cargo has decreased as a result of reductions in capacity due to construction measures, increased primary disruptions, particularly in relation to infrastructure, and highly utilized freight transport corridors. The operating situation was under a lot of strain in many train formation yards. The high levels of sick leave at times also hampered punctuality. As a result, there were increased disruptions in operating procedures and a significant increase in tailbacks.

This also had an impact on customer satisfaction, which fell in 2022.

Freight carried and volume sold dropped slightly. This was largely influenced by the decline in steel transports in the United Kingdom, a difficult operating situation due to construction and disruptions, particularly in Germany, and the effects of the war in Ukraine. Positive effects from the first-time inclusion of DB Cargo Switzerland performance data, the positive business development of intermodal transport (especially on the trans-Eurasian corridor at the beginning of the year) and increased automobile, wood and paper transport had a dampening effect in some cases.

Economic development was weaker. Operating profit figures decreased significantly as a result of additional burdens. The growth in income was more than compensated for:

- **Revenues:** Significant increase, driven by the positive development in all regions, driven above all by price-related factors.
- **Other operating income:** Decrease (−5.0%/€ −27 million), driven by lower Government grants (primarily facility price support) and lower effects from the release of provisions. This was offset, among other things, by a refund of payments from the noise-based train-path pricing system in Germany and the sale of real estate in Great Britain.

On the expense side, there were significant additional burdens due to inflation and quality, driven primarily by increases in the cost of materials:

- **Cost of materials:** Significant increase (+9.4%/€ +289 million), due in part to higher energy costs and higher maintenance expenses due to inflation.
- **Other operating expenses:** Increase (+13.5%/€ +91 million) primarily due to increased rentals of locomotives and freight cars, as well as more purchased digital services.
- **Personnel expenses:** Increase (+3.5%/€ +66 million) primarily due to a higher average number of employees and due to collective bargaining agreements.
- **Depreciation:** (+5.7%/€ +22 million) mainly due to higher vehicle rentals subject to mandatory capitalization (IFRS 16).

The decline in capital expenditures is due, on the one hand, to the war in Ukraine. On the other hand, the large-scale modifications of locomotives that are due to be capitalized for 2022 were delayed because the procurement processes for materials took significantly longer than in previous years due to an extreme increase in supplier costs.

The number of employees increased as a result of the further implementation of recruitment initiatives for operating personnel.

Employee satisfaction is virtually unchanged compared with 2020, despite operational requirements.

DB Cargo's recruitment initiatives focused on the recruitment of women. The proportion of women has increased slightly as a result of these targeted recruitment measures.

In 2022, we achieved a further reduction in the specific final energy consumption of rail (traction, based on tkm) compared with 2006. This is largely due to the modernization of the fleet. In addition, the energy-saving LEADER driving assistance system green no. 8 and the automatic start/stop green no. 98 on shunting locomotives also had an effect.

CENTRAL EUROPE REGION

→ *Performance gains due to intermodal transport (especially on the trans-Eurasian corridor) due to high ocean freight rates.*

→ *Additional burdens due to the war in Ukraine, rising factor costs (especially for energy) and lower government subsidies.*

→ *Operating profit development still under pressure.*

CENTRAL EUROPE REGION	2022	2021	Change absolute	Change %	2019
Freight carried (million t)	232.7	231.5	+1.2	+0.5	225.2
Volume sold (million tkm)	68,313	68,414	-101	-0.1	68,265
Volume produced (million train-path km)	136.1	135.8	+0.3	+0.2	127.3
Total revenues (€ million)	5,375	5,172	+203	+3.9	4,959
External revenues (€ million)	3,698	3,470	+228	+6.6	3,443
EBITDA adjusted (€ million)	-386	-190	-196	+103	-112
EBIT adjusted (€ million)	-678	-459	-219	+47.7	-333
Gross capital expenditures (€ million)	328	385	-57	-14.8	456
Employees as of Dec 31 (FTE)	22,171	21,882	+289	+1.3	21,433

Overall, performance development in Central Europe was at the previous year's level. The positive business development due to the increase in intermodal transport (especially on the trans-Eurasian corridor at the beginning of the year) was largely consumed by dampening effects from construction and disruption-related restrictions on rail infrastructure, operational bottlenecks and the effects of the war in Ukraine (including the discontinuation of transport services to Russia and declines in demand for steel and chemical transport). Additional coal transports to secure energy supply in Germany had a positive effect from October onwards.

Economic development remains very challenging due to the operational situation. The operating profit figures deteriorated significantly:

- **Revenues:** Largely price-related increase. The slightly positive performance development had a supporting effect.
- **Other operating income:** Declines due to the reduced funding volume for the facility pricing system in Germany and the discontinuation of a positive one-off effect in the previous year were only partially offset by a non-periodic refund from the dissolution of the "noise bonus fund" as the modification of freight cars has been completed.

On the expense side, there were additional expenses driven by the cost of materials:

- **Cost of materials:** This increase was primarily due to higher train-path and energy expenses, due mainly to higher prices.
- **Other operating expenses:** The increase resulted primarily from increased leasing of freight cars, higher IT costs, higher costs for qualification measures and increased additions to provisions for impending losses.
- **Personnel expenses:** The increase is primarily due to collective bargaining agreements, with a slight increase in the number of operating employees.
- **Depreciation:** The increase is among others a result of additional rentals of locomotives and freight cars.

Capital expenditures declined as DB Cargo did not follow through with the purchase of 110 freight cars from a Russian manufacturer due to sanctions.

The number of employees increased slightly. The addition and qualification initiative for operative personnel was continued.

WESTERN EUROPE REGION

⟶ *Burdens from strikes in the United Kingdom.*

⟶ *Burdens from higher energy prices.*

WESTERN EUROPE REGION	2022	2021	Change absolute	Change %	2019
Freight carried (million t)	40.2	45.2	- 5.0	- 11.1	46.4
Volume sold (million tkm)	10,535	11,562	- 1,027	- 8.9	11,906
Volume produced (million train-path km)	24.3	25.4	- 1.1	- 4.3	27.3
Total revenues (€ million)	748	708	+ 40	+ 5.6	675
External revenues (€ million)	549	535	+ 14	+ 2.6	546
EBITDA adjusted (€ million)	64	59	+ 5	+ 8.5	91
EBIT adjusted (€ million)	- 20	- 30	+ 10	- 33.3	15
Gross capital expenditures (€ million)	45	84	- 39	- 46.4	82
Employees as of Dec 31 (FTE)	4,369	4,231	+ 138	+ 3.3	4,190

Performance development in Western Europe was poor. This is mainly due to developments in the United Kingdom:

- Steel transport at DB Cargo UK declined significantly due to a sharp decline in steel production in Great Britain due to the sharp rise in energy prices. In addition, since the summer of 2022, a large number of strikes have caused major disruption on the British railway system and had an additional negative impact on performance development.
- Portfolio adjustments in the form of the replacement of automotive transport services by intermodal transport had a positive effect at DB Cargo France.
- In Spain, Transfesa was able to maintain its volume sold at the previous year's level despite the continued tense market for new and used car transport.

Economic development improved, but remained challenging. Operating profit figures rose, driven by income growth:

- **Revenues:** Increase, driven by the development in Spain. Higher prices and better capacity utilization in particular had an effect here. Adjusted for exchange rate effects, the increase was somewhat less pronounced.
- **Other operating income:** Increase primarily as a result of higher income from the sale of real estate by DB Cargo UK. Low positive exchange rate effects had a supporting effect.

The disproportionately small increase in expenses was driven by the cost of materials:

- **Cost of materials:** Increase primarily as a result of increased energy costs and higher maintenance expenses at DB Cargo UK and DB Cargo France, as well as an increase in transport services purchased at Transfesa for price-related reasons.
- **Personnel expenses:** Increase due to the higher average number of employees at DB Cargo UK. Adjusted for exchange rate effects, the increase was less significant.
- **Other operating expenses:** Increase due to additions to provisions for impending losses in the United Kingdom, among other things.

In contrast, the decline in other expense items had a dampening effect:

- **Depreciation:** Decline mainly due to the discontinuation of a one-off effect in the previous year in the United Kingdom.

Capital expenditures declined, mainly due to decreased investment activities at DB Cargo UK. The large-scale modifications of locomotives that are due to be capitalized for 2022 were delayed because the procurement processes for materials took significantly longer than in previous years due to an extreme increase in supplier costs.

The number of employees increased significantly, in particular at DB Cargo UK to compensate for the lack of operating personnel that occurred in the previous year.

EASTERN EUROPE REGION

⟼ *New transport and expansion of available offers, in particular in Poland and the Czech Republic.*

⟼ *Burdens due to the war in Ukraine and increased factor costs, particularly for energy.*

EASTERN EUROPE REGION	2022	2021	Change absolute	Change %	2019
Freight carried (million t)	19.5	17.6	+1.9	+10.8	15.5
Volume sold (million tkm)	5,621	4,875	+746	+15.3	4,834
Volume produced (million train-path km)	8.8	7.9	+0.9	+11.4	7.9
Total revenues (€ million)	395	319	+76	+23.8	304
External revenues (€ million)	242	190	+52	+27.4	199
EBITDA adjusted (€ million)	42	31	+11	+35.5	34
EBIT adjusted (€ million)	15	8	+7	+87.5	11
Gross capital expenditures (€ million)	57	55	+2	+3.6	32
Employees as of Dec 31 (FTE)	4,021	3,944	+77	+2.0	3,902

The performance development in eastern Europe was positive, driven by new transport (inland transport at DB Cargo Polska and market entry in Austria by DB Cargo Czechia) and the expansion of existing transport (chemistry, coke and automotive transport by DB Cargo Romania and new production concepts at DB Cargo Hungaria), and was above the pre-Covid-19 level.

The economic development was pleasing: the operating profit figures improved significantly. This was driven by a growth in income:

- **Revenue:** Significant increase, primarily due to demand. Price effects and the expansion of available offers in Poland also had a supporting effect. Adjusted for exchange rate effects, the increase was even more pronounced.
- **Other operating income:** Slight decline at a low level. At DB Cargo Polska, the positive effects from asset sales and the reversal of provisions fell, among other things, while higher insurance reimbursements in Romania almost completely compensated for this.

In terms of expenses, there was a clear volume-related increase, although the increase was lower than the increase in income:

- **Cost of materials:** Significant increase mainly due to the development of demand, higher maintenance services and rising energy costs. Exchange rate effects had a partially compensating effect.
- **Personnel expenses:** Increase primarily due to collective bargaining agreements at DB Cargo Polska. In addition, DB Cargo Romania and DB Cargo Czechia significantly expanded their workforce.
- **Other operating expenses:** The increase is as a result of higher costs due to inflation and increased quantities.
- **Depreciation:** The increase is due to the higher volume of capital expenditures.

Gross capital expenditures increased slightly due to EU-subsidized locomotive purchases in Poland.

The number of employees increased in Poland, the Czech Republic and Romania.

FLS

⟼ *Special transport as a growth driver.*

⟼ *Burden on Eurasian transport due to the war in Ukraine.*

FLS	2022	2021	Change absolute	Change %	2019
Total revenues (€ million)	630	643	-13	-2.0	-
External revenues (€ million)	510	518	-8	-1.5	-
EBITDA adjusted (€ million)	23	20	+3	+15.0	-
EBIT adjusted (€ million)	18	14	+4	+28.6	-
Gross capital expenditures (€ million)	21	2	+19	-	-
Employees as of Dec 31 (FTE)	606	696	-90	-12.9	-

The economic performance of the FLS area was encouraging, driven by declining expenses. The operating profit figures improved significantly. Income also fell, but to a lesser extent:

- **Revenues:** Price effects and strong development in special transport partially compensated for the decline in sales in Eurasia business as a result of the war in Ukraine.
- **Other operating income:** Declined at a low level due to reduced services for third parties.

On the expense side, there was a disproportionate decrease driven by the cost of materials:

- **Cost of materials:** The decline was driven by the development of demand, among other things. Rising energy costs partially compensated for this.
- **Other operating expenses:** Decreased as a result of the discontinuation of the allocations to be made to DB Schenker companies operating at country level.
- **Personnel expenses:** Decreased primarily as a result of the lower average number of employees.
- **Depreciation and amortization:** Roughly at the previous year's level.

Gross capital expenditures increased significantly due to the extension of existing lease agreements for logistics centers (in Hamburg, among others).

The number of employees fell, due in particular to the integration of FLS into the DB Cargo business unit, as FLS employees from Switzerland, the Netherlands, Belgium, Romania and Bulgaria were assigned to DB Cargo companies operating at country level.

INFRASTRUCTURE

Development in the relevant markets

In Germany, we assume dual responsibility for rail transport as a result of our integrated Group structure. We are both the operator and primary user of the track infrastructure. The resulting greater focus on customers and efficiency in our infrastructure benefits all train operating companies without discrimination. In addition to the Group's internal code of conduct, competitive neutrality of our track infrastructure is ensured by means of regulation that is considered strict by international standards.

DB TRACK INFRASTRUCTURE IN GERMANY / selected key figures	2022	2021	Change absolute	Change %
Infrastructure customers	453	453	–	–
Intra-Group railways	17	18	-1	-5.6
Non-Group railways	436	435	+1	+0.2
Train-path demand (million train-path km)	1,133	1,109	+24	+2.2
Intra-Group railways	713.2	694.4	+18.8	+2.7
Non-Group railways	419.8	414.3	+5.5	+1.3
Share of non-Group railways (%)	37.1	37.4	-0.3	–
Station stops (million)	159.8	158.8	+1.0	+0.6
Intra-Group railways	114.7	112.7	+2.0	+1.8
Non-Group railways	45.1	46.1	-1.0	-2.2

Individual figures are rounded and therefore may not add up.

While the number of station stops is roughly at the previous year's level, train-path demand increased in 2022. The key reason for this, in addition to the catch-up effects after the Covid-19 pandemic, was the significantly lower impact of unanticipated events (for example thunderstorms or omission of GDL strikes). Due to the partial takeover of Abellio transport services by DB Regional and the expansion of services at DB Long-Distance, the intra-Group railways were able to regain market share, contrary to the long-term trend.

Transformation into a high-performance network

In June 2022, the BMDV and DB Group presented plans for a new high-performance network to sustainably increase the quality and reliability of the infrastructure. The high-performance network will include the most highly utilized rail connections in Germany. Due to the forecasted traffic development, it will span over 9,000 km in length at the end of the decade.

One instrument for the transformation into the high-performance network is general modernization, in which all outdated and fault-prone installations are replaced and improved. Three decisive and new elements are applicable to the general modernization of the highly congested routes:

- Consolidation of all future upcoming construction work across all sub-sections.
- Increasing (residual) performance capability.
- No construction work for at least five years.

The experience gained from the general modernization involving greater consolidation, improved equipment standards and small and moderate measures for rapid capacity expansion should also be applied to the rest of the network wherever possible and sensible.

The general modernization of the first rail corridor will begin in 2024 with the Riedbahn (Mannheim—Frankfurt line). The Emmerich—Oberhausen and Hamburg—Berlin sections were selected for 2025. The selection of further modernization from 2026 and concrete implementation should take place in close coordination with stakeholders from the rail sector and the economy. The general modernization will gradually increase the reliability and (residual) performance capability of the infrastructure and increase punctuality.

DB Group has increased its annual preventive maintenance budget by hundreds of millions of euros to stabilize and improve the operating situation before the start of the general modernization. The required suspensions of service are increasingly integrated into previously timed suspension times in order to reduce changes to plans and disruptions during the year. By communicating comprehensively at an early stage, DB Group ensures greater planning predictability for the public transport authorities, train operating companies and their customers.

Implementation of the performance and financing agreement

The maintenance and modernization of the existing network infrastructure is continued with the performance and financing agreement (LuFV) III 262f., which has a term of ten years ending in 2029 and a total volume of € 86 billion. The renovation of the superstructure (tracks and switches) remains one of the capital expenditure priorities in 2022. The current price increases represent challenges in the implementation of the modernization of the existing infrastructure.

Stuttgart 21 cost review

On March 18, 2022, the Supervisory Board of DB AG discussed the results of the schedule and cost review for the Stuttgart 21 project, which was conducted by experts. The background to the review, which began in late fall 2021, included in particular the drastically increasing prices for construction services and raw materials. The commissioning date of Stuttgart 21 has been confirmed as part of the timetable change in December 2025. This will significantly increase capacity at the Stuttgart hub and halve the travel time from Stuttgart to Ulm compared with today. As early as December 2022, when the high-speed line between Wendlingen and Ulm went into operation, travel times on long-distance services were accelerated by up to 15 minutes in the first stage. The total project costs of Stuttgart 21 has increased by € 950 million to € 9.15 billion. The previous total cost framework of € 8.2 billion was determined by the Supervisory Board in January 2018. The reasons for the current development are, on the one hand, significant price increases at construction companies, suppliers and for raw materials, while the geologically demanding underground in the urban area has led to greater costs. In addition to the new total project costs of € 9.15 billion, the Supervisory Board resolved to establish an additional provision of € 640 million to cover further risks and forecast uncertainties.

Preparation of the 2023 schedule

About 91,000 train-path applications have been received for the 2023 working timetable (increase of 7%). The situation surrounding existing train-path capacity therefore remains tense. As in the previous year, there were application conflicts, which are characterized by the fact that several TOCs have ordered the same time slot on the same infrastructure. While the number of application conflicts remained stable, capacity conflicts arose for the first time in 2022 (68 in total). Triggered by construction-related restrictions, capacity conflicts led directly to a decision-making procedure with a correspondingly high number of train-path reductions. As a result, more train-path inquiries had to be rejected or shortened than in the previous year (+40%). The fact that competition on the rails is continuing to increase is demonstrated above all by the train-path applications from non-Group TOCs. For example, their share in long-distance rail passenger transport increased by 10%, despite the sector's registrations falling by 5% at the same time. By contrast, regional rail passenger transport saw applications increase by a total of 10% (applications from non-Group TOCs +12%). The schedule process is subject to a strict regulatory framework and is monitored by the Federal Network Agency (Bundesnetzagentur; BNetzA). The working timetable for 2022/2023 has been completed in due time. The timetable change completed in mid-December 2022 went smoothly.

Train accident in Garmisch-Partenkirchen

A tragic train accident occurred in Burgrain near Garmisch-Partenkirchen on June 3, 2022, in which five people died and several were injured. DB Group is deeply affected by this accident. Our thoughts are with the deceased and injured and their families and friends. DB Group is cooperating fully with the investigative authorities in determining the cause of the accident.

Train accident in Leiferde

On November 17, 2022, two freight trains from non-Group railways collided near Leiferde (Gifhorn district). The damage caused was so significant that it was only possible to operate trains on the affected line again from December 11, 2022.

Tracks, ties and ballast rails had to be renewed on both tracks, several overhead wire masts had to be reinstalled, about 1.5 km of overhead wires and almost 2 km of cable for command and control technology had to be replaced. In addition, the soil had to be replaced to a large extent, as oil had spilled from the damaged locomotive.

Inspection and replacement of concrete ties

As a precaution, experts at DB Group reviewed about 200,000 ties of a specific construction type and manufacturer nationwide between July and late August 2022. These special inspections were completed in late August 2022. The work was carried out as a precautionary measure, as ties of a specific construction type were also checked by the investigating authorities in connection with the train accident in Garmisch-Partenkirchen on June 3, 2022. DB Group reacted without delay wherever the experts discovered abnormalities: trains traveled more slowly over the affected ties. Occasionally, sections of the line also had to be closed. The renewal of the ties identified as damaged is progressing as planned.

The results of the technical material tests and technical reports from independent testing institutes initiated by DB Group suggest that there could be a manufacturing error: the ties sometimes show irregularities in the quality of the material. Further detailed investigations also show that a specific type of rock used in the production of concrete ties could also be responsible for the damage. Based on these findings, DB Group is currently investigating further concrete ties from other manufacturers nationwide with the same type of rock. According to current estimates, it is possible that, as a result of these ongoing investigations, supplementary measures in addition to the steps already taken will be arranged in the near future.

DB Group will repair the damage that has actually occurred to all train operating companies concerned in connection with the inspections of the ties and the resulting measures.

Development of the infrastructure

In 2022, we made capital expenditures in infrastructure 106 ff. for the construction and renewal of the network, stations and energy facilities amounting to € 10.7 billion. In addition, € 2.5 billion was spent on maintenance from DB funds. The negative impact of increases in the prices of materials and material bottlenecks on ongoing construction projects was limited by effective crisis management and close coordination with the construction industry. In many cases, close monitoring and targeted countermeasures enabled us to resolve any disruptions that occurred quickly in cooperation with the construction industry.

Two major projects went into operation in December 2022:

- **New construction line Wendlingen—Ulm:** With the commissioning of the new construction line as part of the Stuttgart—Ulm rail project, travel times for long-distance transport between Stuttgart and Ulm were reduced by about 15 minutes three years before the commissioning of the project as a whole. In regional transport, for the first time the new Merklingen station will be served every hour on the new construction line. The new construction line is equipped with the European train control system ETCS. A milestone was also reached at the Stuttgart hub: in early October 2022, the project for the seven railway tunnels in the Stuttgart valley was completed. A total of 51 km of tunnels have been built in recent years.
- **Railway connection to Jade-Weser-Port:** The rail connection to Germany's Jade-Weser-Port also went into operation in December 2022. The double-track, electrified Oldenburg—Wilhelmshaven line provides a high-performance connection between the port and the national and European rail network. To this end, the undersoil of the line was extensively upgraded and the line was continuously expanded to run on two tracks and electrified. A 44.5 km noise barrier lowers the rail transport noise for residents.

An additional focus in 2022 was the repair of the damage caused in North Rhine-Westphalia and Rhineland-Palatinate by flooding in 2021. Most of the lines are already back in operation. In June 2022, just under one year after the flood, a financing agreement was concluded with the states of North Rhine-Westphalia and Rhineland-Palatinate to electrify the lines in the Ahrtal and the Eifel region.

Other milestones in the expansion and renewal of the rail network in 2022 included:

- **Hamburg hub:** In January 2022, a second eastern bypass track near Maschen was put into operation in the Hamburg hub. The railway line is one of the most important connections for Hamburg's seaports. The second eastern bypass track at Maschen is one of numerous measures to clear the bottlenecks at the Hamburg railway hub and to make it more efficient in the future.
- **Four-track expansion between Bamberg and Ebensfeld:** In April 2022, one year earlier than planned, the four-track expansion between Bamberg and Ebensfeld (Hallstadt—Breitengüßbach expansion) on the Nuremberg—Erfurt expansion line/new construction line (German unification transport project (VDE) no. 8.1) was completed. This means that separate tracks for high-speed transport and regional and freight transport are available to the north of Bamberg. The new dual-track line heading toward Erfurt/Leipzig/Berlin and the dual-track line heading toward Lichtenfels/Saalfeld/Jena split at Ebensfeld.
- **Fulda—Würzburg line renewal:** Between June and December 2022, the next stage for the renewal of the Hanover—Würzburg high-speed line was completed with the line renewal in the Fulda—Würzburg section.
- **Gäubahn:** The two-track expansion of the Horb—Neckarhausen section on the Stuttgart-Singen—Germany/Switzerland border (Gäubahn) expansion line commenced in June 2022.

CONSTRUCTION BEGAN IN 2022

PROJECT NAME	PROJECT DESCRIPTION
Stuttgart-Singen—border between Germany/Switzerland (Gäubahn) expansion line	— Horb—Neckarhausen dual-track expansion
Lines affected by flooding	— Electrification, new construction and expansion of sections on the Eifel line and the Ahrtal railway
Cologne hub	— 6-track expansion south of Gummersbacher Straße to the Cologne/Bonn Airport North branch (currently 4 tracks)
Knappenrode—Horka expansion line	— Start of ETCS expansion
Munich S-Bahn (metro) (Erding Ring Closure)	— 2nd construction phase: 1st construction area Munich Airport—Schwaigerloh (construction of new dual-track electrified line including turning point in Schwaigerloh)

COMMISSIONED IN 2022

PROJECT NAME	PROJECT DESCRIPTION
Nuremberg—Erfurt expansion/new construction line (German unification transport project no. 8.1)	— Hallstadt—Breitengüßbach 4-track expansion (plan approval section 23)
Hamburg hub	— Eastern Maschen bypass (additional bypass track)
Oldenburg—Wilhelmshaven expansion line	— Sande track relocation (new dual-track construction) — Fully electrified line
Wendlingen—Ulm new construction line	— dual-track high-speed line between Wendlingen and Ulm
Berlin—Dresden expansion line	— Expansion of Wünsdorf station with noise barriers, replacement of a level crossing and renewal of switches, tracks and overhead wires, construction of a new electronic interlocking

In addition, in 2022, the following requirement plan and Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG) projects were under construction:

PROJECTS UNDER CONSTRUCTION IN 2022

PROJECT NAME	PROJECT DESCRIPTION
Stelle—Lüneburg expansion line	— Fitting line with ETCS
Nürnberg—Erfurt expansion/new construction line (German unification transport project no. 8.1)	— Forchheim—Eggolsheim 4-track expansion (plan approval section 19) — Eggolsheim—Strullendorf 4-track expansion (plan approval section 21) — Preliminary measures at the Bamberg hub (for example interim construction status and platform extension)

PROJECTS UNDER CONSTRUCTION IN 2022	
Leipzig–Dresden expansion line (German unification transport project no. 9)	– 3rd construction phase: Zeithain–Leckwitz expansion line (modern signaling plant adjustment, line speed to 200 km/h)
Karlsruhe–Stuttgart–Nuremberg–Leipzig/Dresden expansion line	– Chemnitz–Chemnitz-Kappel (renewal of overhead wires, signaling equipment, noise protection) – Gaschwitz–Werdau expansion line (expansion with modern electronic interlocking technology, renovation of superstructure and command and control technology for line speed to 160 km/h, overall commissioning)
Ludwigshafen–Saarbrücken expansion line	– Fitting line with ETCS
Stuttgart–Ulm–Augsburg expansion/new construction line	– Stuttgart 21 (including regional rail passenger transport share according to GVFG)
Karlsruhe–Offenburg–Freiburg–Basel expansion/new construction line (1st and 2nd construction phase)	– Karlsruhe–Rastatt South 4-track expansion including Rastatt tunnel (line section 1) – Müllheim–Auggen 4-track expansion (plan approval section 9.0) – Haltingen–Basel 4-track expansion (plan approval section 9.2) – Basel Bad station (plan approval section 9.3)
Amsterdam–German/Dutch border–Emmerich–Oberhausen expansion line	– Oberhausen–Emmerich 3-track expansion and increase in signaling block density, fitting with ETCS
Frankfurt am Main hub	– 2nd construction phase (new construction third Niederrad bridge)
Berlin hub (Dresdner Bahn)	– Reconstruction of the dual-track line between Berlin-Südkreuz and Blankenfelde to run at 140 km/h
Combined transport	– Rhine/Ruhr hub (unpowered train arrival rail-rail-transshipment, rail-road-transshipment connection) – Karlsruhe subway station (extension of the transshipment module to a crane-accessible length of 750 m in two construction stages)
Hanau–Würzburg/Fulda–Erfurt expansion/new construction line	– Gelnhausen electronic interlocking and preliminary measures: new construction of road overpass, passenger underpass
Rhine-Ruhr-Express	– Conversion of Dortmund Central Station – 4-track expansion of plan approval section 1.2: Leverkusen (Chempark)–Leverkusen Küppersteg and 4-track expansion of plan approval section 1.3: Leverkusen Rheindorf–Langenfeld Berghausen – Electronic interlocking Düsseldorf
Angermünde–Szczecin expansion line	– Electrification of Angermünde–Passow (plan approval section 1)
Uelzen–Stendal–Magdeburg–Halle expansion line (East Corridor North)	– Additional tracks in Schnega and Salzwedel stations
740 m network	– Expansion of the passing loop to 740 m
Weddel loop	– Weddel–Fallersleben Station branch 2-line expansion
Hamburg hub	– Dual-track expansion/one-track new construction of S4 line Hamburg–Ahrensburg–Bad Oldesloe including construction of new stations
Cologne–Aachen expansion line	– Extension of track 13 at Aachen Rothe Erde station
Rhine-Main S-Bahn (metro)	– Bad Vilbel–Frankfurt am Main West 4-track expansion, 1st construction phase
High-speed regional rail traffic Rhine-Neckar	– 1st and 2nd construction phase: station measures
Nuremberg S-Bahn (metro)	– 2nd construction phase: Nuremberg S-Bahn (metro) – Forchheim–Bamberg 4-track expansion
Munich S-Bahn (metro)	– Construction of a new main line between Laim Station and Leuchtenbergring - 2nd S-Bahn (metro) tunnel (initial plan of Federal State of Bavaria)
Berlin S-Bahn (metro)	– S21 (1st construction phase) - expansion of the Berlin S-Bahn (metro) network through construction of a north-south corridor - connecting Berlin Central Station into the north-south corridor via two branches to the North ring of the S-Bahn (metro)

At the end of 2022, a total of 203 requirement plan and Municipal Transport Financing Act projects were in planning and under construction. Further information on the projects is available on the BauInfoPortal Web site.

DB Netze Track business unit

BUSINESS MODEL

With more than 33,000 km of track, DB Netze Track operates the largest rail network in Europe. Trains run more than one billion train-path km on the rail network each year. The most important sources of income are revenues from train-path product (over 90% of total revenues). Train-path prices are established on a transparent basis by a train-path pricing system (TPS) regulated by the BNetzA.

DB Netze Track is also responsible for high infrastructure quality and availability, and non-discriminatory access to train-paths and service facilities. This includes preparing schedules in close cooperation with customers, operations management, construction management and maintenance.

The cost structure has a high proportion of fixed costs. The rail network in particular is one of the biggest cost drivers. The use of resources for the operation and maintenance of infrastructure facilities is very much influenced by specific facility characteristics, requirements relating to operational opening hours and the degree of rationalization in operating business activities. As the dimensions of the infrastructure only change in the long term due to new construction or expansion projects or targeted dismantling, the optimal capacity utilization of the infrastructure is of major importance for economic success. Capacity utilization is measured by train kilometers on track infrastructure. In terms of relative network capacity utilization, this figure can be compared to track kilometers (length of line operated).

A high level of quality and availability also calls for a forward-looking integrated capital expenditure and maintenance strategy. To reach our transport growth target of an increase of more than 30% in train-path kilometers, it is essential that new construction and expansion projects concentrate on removing bottlenecks and on the creation of additional capacity for volume growth in the main corridors and metropolitan areas.

A forecast of demand for 2040 is made as part of the Network Concept 2040 (Netzkonzeption 2040) project. The demand forecast shows that growth will be concentrated in the main corridors and metropolitan areas. Following the publication of the final report on Germany in sync and the necessary infrastructure measures, the Germany in sync (Deutschland-Takt) target schedule can also be taken into account when assessing expansion requirements. On this basis, the Network Concept devises a bottleneck-free target network for 2040. An implementation concept will then be

GRI

DB NETZE TRACK – AT A GLANCE

Portfolio

DB Netz AG
Operates Europe's largest rail infrastructure. Responsible for the maintenance, modernization and further development of the rail network and the marketing of train-paths and facilities.

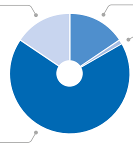
DB RegioNetz Infrastruktur GmbH
Operates regional transport networks in five Federal states (Erzgebirgsbahn, Kurhessenbahn, Oberweissbacher Berg- und Schwarzatalbahn, Südostbayernbahn, Westfrankenbahn).

Deutsche Umschlaggesellschaft Schiene-Strasse GmbH
Operates in Germany independently or via affiliated companies 25 combined transport terminals at the interface between rail and road modes of transport.

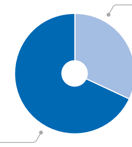
DB Fahrwegdienste GmbH
Offers system services relating to rail maintenance. These include vegetation maintenance, environmental management and project management, securing track construction sites and track-linked construction site logistics.

Structure

TRAIN-PATH DEMAND BY MODE OF TRANSPORT / %



REVENUES / %



Business model

INPUTS

Employees
– About 52,500

Vehicles
– 732 maintenance vehicles

Networks and infrastructure
– Rail network about 33,400 km in length, operation-critical facilities

Electricity and fuel
– Electricity
– Fuel

BUSINESS ACTIVITIES

Customer segments
– 453 business customers (thereof 436 non-Group customers)

Value proposition
– DB Netze Track provides non-discriminatory access to a safe, reliable rail network in line with demand.

Customer access and retention
– Sales
– E-services

Key activities
– Providing a safe, reliable infrastructure in line with requirements
– Planning and operating networks
– Conducting train operations

OUTPUTS [1]

Train kilometers on track infrastructure
– About 1.1 billion train-path km

OUTCOMES [2]

EBIT
– € 601 million

Employee satisfaction
– SI of 3.9

Customer satisfaction
– SI of 54

Track kilometers noise remediated in total
– 2,202 km

Punctuality
– 89.7 %

Waste
– 6,415 thousand t

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

developed to optimize the timing of the infrastructure expansion required to achieve the target network, factoring in coordination with the sector on the timing of the phases of Germany in sync. The contributions made by the Federal Government to the infrastructure financing are of material importance to secure the competitiveness of rail as a mode of transport. The budgetary resources of public authorities, in particular the Federal Government, are of considerable relevance for the financing of replacement capital expenditures, as well as for the financing of new construction and expansion projects. In order to implement Germany in sync, there is a need for extensive infrastructure expansion that goes significantly beyond the current Federal Transport Infrastructure Plan. In addition, in order to implement the target schedule for Germany in sync, it is also assumed that a large number of local transport projects will be implemented by the Federal states. We therefore assume that there will be a significant increase in funds for infrastructure expansion from the German Federal Government, the Federal states and DB Group as necessary.

GRI

MARKETS AND STRATEGY

Demand in passenger and freight transport has increased significantly over the last few years and has led to a higher intensity of use of the infrastructure. Growth in demand in freight transport and a significantly higher traffic volume in passenger transport, and therefore a further increase in capacity requirements, are expected.

By developing infrastructure in line with customer and market requirements, we want to enable the entire rail transport sector to take advantage of growth potential. The Strong Rail strategy 51ff. incorporates DB Netze Track's key strategic issues with this target in mind. As a capacity manager, DB Netze Track intends to create the infrastructural and operational conditions for the implementation of the Strong Rail strategy. The objective is to operate a highly condensed and highly efficient network that is to be ensured through systematic renovation, targeted upgrading and the perspective expansion of network capacity. This is also supported by DB Netze Track's targeted implementation of Digital Rail for Germany 65f., the improvement of the organization's performance capability and improved use and availability of existing capacities. In order to achieve the objectives, DB Netze Track's strategy essentially comprises the three strategic areas of the Strong Rail strategy:

- **More robust:** Through the renewal, digitalization and expansion of the infrastructure in line with requirements, we are looking to increase network capacity in corridors and hubs in order to eliminate existing bottlenecks and to be able to provide the necessary capacity for service expansions. This counteracts the overloading and aging of the infrastructure and enables greater reliability and growth on the rails. The central element of the strategy is the development of a high-performance network 134, which aims to improve the customer experience and ability to plan the capital expenditure measures, as well as boosting the reliability and performance of the infrastructure. The stated goal is to develop the highly utilized network into a high-performance network by 2030 through a general modernization of the most important rail corridors and thus make it a bedrock of stability for the rail system. There are several new and crucial elements here. For example, the construction work is to be consolidated in order to keep one line almost free of construction for many years after a closure. In order to minimize the capacity restrictions, highly condensed and efficient construction procedures are implemented. In addition, as part of the renewal work, preparatory work is already being carried out, where possible, for the implementation of Digital Rail for Germany, meaning the lines will be made ready for electronic interlockings/digital interlockings and the implementation of Digital Rail for Germany. The infrastructure, which will be more reliable and efficient after the general modernization and digitalization, is intended, alongside other measures, to contribute to an increase in operating quality and to enable initial capacity increases until the full effects of the new construction and expansions measures on capacity take effect. This also includes the further development of the new management philosophy, which focuses on utilization of capacity. When the targets are reached, greater transparency about available capacities and the prevention of overloading will allow for a further increase in performance capability. In order to implement these projects and overcome the challenges of the future, we recruit and train relevant skilled employees in a targeted manner. This also includes measures to modernize working methods and work equipment and to increase employer attractiveness.
- **More efficient:** We are implementing various measures, including lean excellence and digitalization, which should lay the foundations for effective and stable processes oriented towards the customer and enable efficient organization.
- **More modern:** DB Netze Track performs supporting tasks for issues concerning Germany in sync and European corridors. Rising robustness and therefore increasing capacity are key prerequisites for this.
- **Greener:** Key levers in infrastructure on the path to a climate-neutral future include the further electrification of lines – including innovative approaches such as overhead wire islands 73 and the redesign of our own production processes. From 2023 onwards, we are focusing on sustainable vegetation management and the operation of glyphosate-free rail traffic in Germany, environmental protection measures such as bee cultivation on train-paths, resource protection 74ff. through initiatives to promote circular economy approaches and noise reduction 77f. In addition, measures are being implemented to reduce greenhouse gas emissions, for example in building management.

GENERAL FRAMEWORK

GRI

Train-path prices for 2023 approved

By resolution dated February 28, 2022, the BNetzA approved the fees for the 2023 train-path pricing system (TPS). Train-path usage fees will increase by 4.0% for long-distance rail passenger transport, 2.3% for rail freight transport and 1.8%

for regional rail passenger transport. The higher dynamic rates in long-distance passenger rail transport and rail freight transport result from the fact that, following an amendment to section 13 AEG, other operating income from infrastructure connection agreements amounting to about € 18 million was factored into the TPS. DB Netz AG submitted the fee approval application for train-path usage fees for the 2023/2024 network schedule period at the beginning of October 2022. The BNetzA's ruling on this is still pending.

Initial level and upper limit for overall costs set

GRI

By resolution dated August 15, 2022, the initial level of the overall costs for DB Netz AG and DB RegioNetz Infrastruktur GmbH was set at a total of € 6,421 million (€ 6,285 million final and € 136 million provisional). On October 24, 2022, BNetzA initiated proceedings for the final determination of the provisionally determined costs. A decision has not yet been made in these proceedings.

Arbitration processes for the Rastatt Tunnel

Following the damage in the east tunnel of the Rastatt Tunnel, preparations to renovate have been underway since 2018. In addition, since 2017 the evidence collection and mediation proceedings agreed between DB Group and the Rastatt Tunnel consortium has been underway to clarify the cause of the damage during tunnel boring and thus who is responsible. The proceedings were suspended on a provisional basis for settlement negotiations between the parties on the basis of an interim report from the technical arbitration expert on the causes of the accident and a proposal from the legal expert on the allocation of responsibilities. The aim is to reach an overall agreement in spring 2023. Further construction was decoupled from the arbitration process. The Rhine Valley Railway (Rheintalbahn) has been temporarily relocated in order to be able to renovate the damaged east tunnel. The first settlements were concluded with the TOCs affected by the line closure as a result of the accident (in consultation with the ARGE and its insurance companies). The ARGE and its insurance companies initially bear the settlement payments agreed with the TOCs in the amount of the proposal made by the legal expert.

ENVIRONMENTAL MEASURES

GRI

With its responsibility for the rail infrastructure, DB Netze Track forms the backbone for a shift in the mode of transport to rail in Germany. In order to sustainably support this role, DB Netze Track is stepping up its efforts to protect the environment.

- In addition to the continuation of noise protection activities, new resource protection targets 74ff. with a particular focus on our central resources, rail steel, concrete ties green no. 73 and track ballast green no. 51 have been defined in 2022.
- We are preparing for the conversion of all locations still heated with fossil fuels with the creation of energy supply concepts green no. 97 for currently 14 representatively selected locations and one sleeper factory.
- In 2022, we switched from a heat supply 71 with heating oil to heating with PEFC-certified wood pellets at one of our larger interlockings in the Nuremberg marshaling yard (savings: 63 t CO_2e per year).
- We have also stepped up our efforts to achieve efficiency once again. The measures include, for example, the increased use of more efficient bulbs in the track field lighting or operational improvement when using switch heaters.

DEVELOPMENT IN THE YEAR UNDER REVIEW

GRI

- ⟶ *Punctuality weaker due to construction and higher network utilization.*
- ⟶ *Increased revenues from price and volume effects fuel positive operating profit development.*
- ⟶ *Personnel expenses increased as a result of collective bargaining agreements, as a result of special Covid-19 payments and additional recruitment.*
- ⟶ *Higher expenses, in particular for improvements in capacity and quality.*

Overall, punctuality of DB Group and rail in Germany declined in 2022. The main reason for this was the insufficient quality, particularly in the highly utilized bottleneck network 134. The reasons for this were, among other reasons, increased construction activity and at the same time tense infrastructure capacity due to growing traffic, highly utilized rail tracks, even without construction activity, and the increase in primary disruptions, mainly in the area of infrastructure, as a result of outdated and fault-prone facilities. In addition, weather-related events and external effects had a negative impact on punctuality.

Customer satisfaction fell significantly in 2022. Feedback from about 270 customers continued to produce critical results in the areas of construction work and infrastructure availability, with the satisfaction of train-path availability once again having deteriorated sharply.

DB NETZE TRACK	2022	2021	Change		2019
			absolute	%	
Punctuality DB Group (rail) in Germany (%)	90.9	93.7	- 2.8	-	93.7
Punctuality (rail) in Germany [1] (%)	89.7	92.9	- 3.2	-	93.1
Customer satisfaction (SI)	54	61	- 7	-	65
Length of line operated as of Dec 31 (km)	33,356	33,288	+ 68	+ 0.2	33,291
Train kilometer on track infrastructure (million train-path km)	1,132	1,108	+ 24	+ 2.2	1,089
thereof non-Group railways	419.8	414.3	+ 5.5	+ 1.3	368.2
Share of non-Group railways (%)	37.1	37.4	- 0.3	-	33.8
Total revenues (€ million)	6,266	5,984	+ 282	+ 4.7	5,652
External revenues (€ million)	2,035	1,975	+ 60	+ 3.0	1,687
Share of total revenues (%)	32.5	33.0	- 0.5	-	29.8
EBITDA adjusted (€ million)	1,244	1,010	+ 234	+ 23.2	1,443
EBIT adjusted (€ million)	601	334	+ 267	+ 79.9	807
Operating income after interest (€ million)	505	225	+ 280	+ 124	628
Gross capital expenditures (€ million)	8,969	9,349	- 380	- 4.1	7,441
Net capital expenditures (€ million)	1,738	1,738	-	-	1,055
Employees as of Dec 31 (FTE)	52,510	51,290	+ 1,220	+ 2.4	48,787
Annual average employees (FTE)	52,128	51,270	+ 858	+ 1.7	48,114
Employee satisfaction (SI)	3.9	-	-	-	-
Share of women as of Dec 31 (%)	20.7	20.0	+ 0.7	-	19.2
Track kilometers noise remediated in total as of Dec 31 (km)	2,202	2,110	+ 92	+ 4.4	1,844

[1] Non-Group and DB Group train operating companies.

Train kilometers on track infrastructure increased further. The main drivers were fewer Covid-19-related train cancellations, fewer weather-related restrictions and an increase in freight transport. Demand increased even more significantly among intra-Group customers than among non-Group customers which was partly due to the takeover of regional transport services and the absence of special items (in particular strikes).

Operating profit figures rose significantly. This resulted in particular from price and performance-related increased income that more than compensated for the increased expenses, for example for materials and personnel.

The income trend was very positive:

- **Revenue:** Significant increase due to price and demand development.
- **Other operating income:** Significant increase (+32.1%/€ +334 million), among other things as a result of higher income from real estate sales and increased grants, especially for the repair of flood damage. This was supported by higher income from the release of provisions.

In terms of expenses, there were significant additional burdens, in particular due to measures to expand capacity, improve quality and in connection with the floods from the previous year:

- **Cost of materials:** Development (+7.6%/€ +191 million) is mainly due to higher maintenance services (in particular in connection with quality and capacity measures, the replacement of concrete ties 135 and the repair of flood damage from the previous year). Lower expenses for winter service helped to mitigate this.
- **Personnel expenses:** Significant increase (+5.8%/€ +202 million), as a result of collective bargaining agreements and the higher number of employees.
- **Other operating expenses:** Increase (+7.6%/€ +105 million) was due, among other things, to higher expenses for projects and for IT services. On the other hand, lower impairments on receivables had the effect of reducing expenses.

The slight decline in depreciation (–4.9%/€ –33 million) had a dampening effect.

Gross capital expenditures fell slightly but remained at a high level due to lower capital expenditures in the existing network, with net capital expenditures remaining at the previous year's level.

The number of employees increased significantly to cover demand and ensure succession planning, particularly in the areas of maintenance, construction projects and operations.

Employee satisfaction remained stable at the level of 2020. This stability in challenging times is partly due to the improvements in the critical areas of action identified in the previous employee survey.

The share of women was somewhat higher.

The total number of track kilometers noise-remediated increased due to the continued implementation of measures.

GRI

DB NETZE STATIONS – AT A GLANCE

Service portfolio

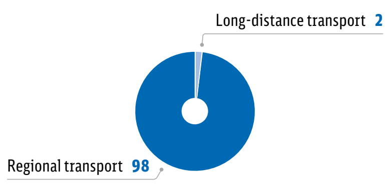
Station stops
Trains stopping at platforms for passengers to get off and on. As well as basic services, additional services are also offered depending on the category of station, such as service employees, DB information or weatherproofing. Station fees are charged for the services and published in station price lists.

Rental and leasing
About 0.87 million m² of leasing area on offer in stations. This makes DB Netze Passenger Stations one of Germany's largest commercial landlords.

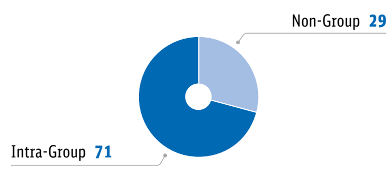
Further offers
Provision of additional services at stations and stops (including the operation of lockers, parking garages, as well as digital and analog services for onward travel mobility and supplies for passengers).

Structure

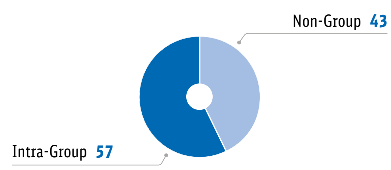
STATION STOPS BY MODE OF TRANSPORT / %



STATION STOPS / %



REVENUES / %



Business model

INPUTS

Employees
- About 7,000

Networks and infrastructure
- About 5,400 stations
- About 700 stops with marketing
- About 9,300 platforms
- About 6,700 passenger information systems
- About 6,900 dynamic visual displays
- About 2,500 elevators
- About 1,000 escalators
- About 300 parking garages and parking spaces

Additional production factors
- 293.5 GWh electricity

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers, particularly train operating companies (TOCs), tenants and mobility service providers
- Contracting organizations

Value proposition
- DB Netze passenger stations offer attractive stations and reception buildings with a wide range of mobility and everyday offers, as well as leasing spaces for retail, catering and services.

Customer access and retention
- Key account management
- Regional sales
- Customer services at the station

Key activities
- Operating stations
- Leasing out commercial space
- Providing reliable infrastructure

OUTPUTS [1]

Station stops
- 155.9 million

Rented space
- About 0.9 million m²

OUTCOMES [2]

EBIT adjusted
- € 29 million

Employee satisfaction
- SI of 4.0

Customer satisfaction
- Traffic station (passengers / visitors) SI of 71
- Traffic station (TOCs and public transport authorities) SI of 68
- Tenants SI of 79

Facilities quality
- Grade: 2.77

Primary energy consumption
- -30.6 % compared to 2010 (absolute)

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

DB Netze Stations business unit

BUSINESS MODEL

DB Netze Stations is the largest station operator in Europe. In addition to the core business – the development and operation of stations – the business unit offers a variety of mobility-oriented services in stations. With about 866,000 m² of leased space, we are among Germany's largest commercial landlords.

Trains of about 125 TOCs operate daily at our stations. We set particular priorities in the areas of quality of stay and customer offerings so that we can offer customers high quality standards. Our station managers also work hard on-site to ensure seamless operations. Our station portfolio has a particularly wide geographical coverage. The design of the developed products and services and the structural dimensions of the stations are based on the needs of our customers and the economic stability of the infrastructure.

Revenues are generated primarily from station stops (regulated, about 70% share) in the stations and from leasing out commercial space (not regulated). The expense side is characterized by a high fixed cost component. Our most important regulatory partners are the BNetzA and the EBA.

GRI MARKETS AND STRATEGY

We are facing a period of significant change. The mobility market will keep growing and changing. Digital solutions are significantly accelerating this development. New forms of mobility are emerging and car transport is being questioned. Social structures are also changing: the age gap is continuing to expand; cities are growing and stretching their infrastructures to their limits; rural areas are shrinking but must nevertheless maintain their access to mobility.

We have therefore further developed key parts of the strategy of DB Netze Stations. The basis for implementing the strategy is restructuring the organization. All structures and processes are aimed at the needs of passengers and visitors and feed into the Strong Rail strategy 51 ff.

- **More robust:** With uniform production standards, we are continuously improving the perceptible quality at our stations and in the surrounding area. Through standardization and increasing digitalization, processes are streamlined, maintenance measures are optimized and we are switching to additional status-oriented and demand-oriented production concepts. We are investing in new construction projects and developing future-oriented capacity concepts to ensure our infrastructure is robust, attractive and secure in order to help achieve the desired shift in the mode of transport and support the increase in passenger numbers.
- **More efficient:** As part of the lean excellence transformation, we will establish a lean-thinking and lean-acting organization that is characterized by further developed cultural aspects and a pronounced lean mentality among all employees. This lays the foundations for excellent performance and continuous improvement of processes. Our processes begin with customers and their requirements, and we develop effective solutions to increase customer satisfaction. With the new setup of our performance processes, we ensure that our actions are aligned with the needs of our customers and systematically collect their feedback. Through consistent end-to-end management, we increase our ability to control processes and our overall effectiveness. With the established systematic derivation of targets, we focus and align business units on the key elements for strategy implementation. The introduction of comprehensive performance management for all organizational units creates transparency about relevant key figures and enables clear control along our customer-oriented processes. This also includes the ongoing standardization and digitalization of core processes to increase efficiency.
- **More modern:** We wish to improve the quality of our guests' stays at our stations. We intend to integrate stations even more comprehensively and effectively into people's everyday lives and make their stays attractive by providing relevant offers. Comfortable waiting areas, a welcoming forecourt, redesigned concourse buildings and improved service help make passengers and visitors feel more at home at the station. We are optimizing our passenger information system 144 f. and further developing our guidance systems so that passengers and guests from the neighborhood can find their way around as quickly as possible. We are continuing to expanding WiFi availability at stations 144 f. Through the Smart City Initiative 147, we are making stations and their surroundings more attractive. We are developing innovative usage concepts for stations, rethinking station neighborhoods and ensuring interlinked, sustainable mobility. This includes new everyday services such as smart lockers, options for remote working at stations, attractive forecourt designs including sharing spaces for onward travel, and micro hubs for city logistics.
- **Greener:** In order to improve our ecological footprint, we aim to reduce CO_2 emissions, make our use of materials greener in line with the principles of the circular economy and expand biodiversity at our stations. As a result, we are continuously increasing our energy efficiency through energy-saving renovations and replacing lights with LEDs. We are continuing to push for the use of eco-power at our stations. By 2025, we will achieve a reduction in CO_2e

emissions by 81% or respectively 137,000 t compared with 2019 (Scopes 1 and 2) through the use of 100% eco-power and increased energy efficiency. We are also focusing on new concepts for onward travel mobility services, ranging from digital services such as the DB Rad+ 146 app to bicycle repair service Radfix 146. In addition, we are testing a sustainable construction approach for small stations with the little station 146 project. Through the BALIN 74 research project, we are also researching the possible effects of station lighting on insects.

GRI GENERAL FRAMEWORK

Approval procedure for station fees for 2023

On September 21, 2022, following changes to the legal context (Railway Regulation Act Amendment; ERegG-Novelle), the fee schedule for the 2023 station prices were approved by resolution of the BNetzA. The Federal agency approved the 2023 station prices with a small number of deductions. Overall, average price increases of 2.34% (regional rail passenger transport) and 4.54% (long distance rail passenger transport) were approved.

Station program

Based on the experience gained from the 2020 and 2021 economic stimulus and craftsmen program, a station program was designed in 2022, the implementation of which is currently being discussed with the relevant partners. Experience in recent years shows that customer satisfaction can be increased most significantly through holistic upgrading and development measures. This includes the actual transport infrastructure, the concourse building and onward travel mobility in the station concourse. The measures are also necessary in order to reduce the large backlog in remedial actions required.

DEVELOPMENT OF THE INFRASTRUCTURE

Capacity and frequency management

Capacity management continues to becoming significantly more important. To enable the anticipated growth in passenger numbers, steps must be taken to ensure the performance capability of capacity-critical stations. Germany in sync (Deutschland-Takt) is contributing significantly to the passenger forecast for 2040, which forms the basis for categorizing stations by capacity. Since 2021, more than 200 stations have already been analyzed using a capacity check and coordinated to identify potential bottlenecks. Simulations were also carried out to verify and underpin the results. In 2022, a video-based frequency management system was successfully implemented and completed at the pilot station (Hamburg Central Station). The rollout at other stations will be implemented for 2023/24.

Modernization, commissioning and construction of stations

- **Dortmund central station:** After completion of the modernization (expected in the first quarter of 2025), the station will have full step-free access and will enable barrier-free linkage of all modes of transport. In late May 2022, the fourth of the eight platforms to be modernized went back into service after less than one year, and the fifth one is expected to go into service in April 2023.
- **Hanover central station:** Beginning in summer 2022, all the platforms, platform roofs and some bridge structures above the passenger tunnel level are being gradually renovated at Hanover central station. Work on the first part of the project began in summer 2022. As construction work on the platforms is concentrating on the period of time around the summer holidays, the overall work is expected to be completed in 2033.
- **Berlin Ostbahnhof (East Station):** Construction work on the hall roof is progressing at Berlin Ostbahnhof. Since May 2021, scaffolding platforms have been set up to renovate the entire roof membrane, install new skylights and renew the corrosion protection on all of the roof girders. To this end, the components of the hall roof above the protective structure will be gradually dismantled or reassembled and replaced by new components. The measures are expected to be completed by the end of 2024.
- **Hamburg-Altona station:** The terminal station for long-distance and regional transport in Hamburg-Altona is being moved as a stop. The current Diebsteich S-Bahn (metro) station will be expanded to become a through station. The project is supported by the Free and Hanseatic City of Hamburg, which also expects urban development stimulus through cleared areas in Altona and the new development at Diebsteich. A total of four platforms and a concourse building will be constructed. Work has already begun. The S-Bahn (metro) platform will be put into operation by fall 2023, with the three long-distance and regional platforms expected to be in operation in 2027.

DIGITALIZATION AND INNOVATION

Passenger information of the future

The “Travel information for the future (IRIS+)” will gradually control passenger information facilities at stations. In combination with the travel information platform, passengers receive the necessary information about their journey via this platform. In 2022, more than 300 stations switched to the platform (a total of 720 by the end of 2022).

In addition to station conversions, innovations in passenger information are currently being prepared. The capacity indicator and passenger information maps showing disruptions in S-Bahn (metro) traffic, for example, should be emphasized here. These changes are expected to be introduced in the first quarter of 2023, to the Stuttgart and Rhine-Main S-Bahn (metro) networks.

It is also important to improve the quality of passenger information. For this purpose, additional input signals and improved consolidation of the various data supplies are implemented, in the data-supplying system travel information platform, in order to increase the reliability of passenger information. The first improvements have already been visible since summer 2022. At the same time, in the context of passenger information, preparations are currently underway for the introduction of the new systems at smaller stations: the next generation of dynamic visual displays (Dynamische Schriftanzeiger; DSA+) at the station is also planned to run through the new platform and is currently being introduced.

WiFi at stations

In late December 2022, our customers and station visitors were provided with free WiFi services at more than 600 stations. This includes both DB's own network and partner networks. Our WiFi network WiFi@DB is currently available at 144 stations. This means that we are already reaching more than half of all passengers each day and covering almost all major transport hubs. A further 800 stations are to be gradually connected to the network.

Realignment of online channels

With a new setup of online channels, we made an important contribution to a modern customer experience in 2022. In doing so, the existing portal bahnhof.de functions as a central, digital gateway to the station ecosystem. It consolidates digital products in one location and provides information about infrastructure and services at stations. Information and services are easier for interested parties to find, boosting customer satisfaction. In addition, the range of digital services will be significantly expanded and sales supported.

Smart City at DB Station&Service

With Smart City | DB, we are seeking to improve everyday life through smart and eco-friendly services and to better integrate stations into municipalities and cities. In 2022, we were able to implement further measures:

- **Packing stations at the train station:** In March 2022, together with Deutsche Post DHL, we announced the opening of the packing stations for third-party senders and opened the first joint packing station at Leipzig Central Station. In the course of the cooperation, about 800 new packing stations will be established at stations by the end of 2023. Some of the stations had already been put into operation in 2022.
- **DB Click&Collect service:** Since late 2022, customers have been able to pick up or return shipments directly using the DB Click&Collect service "Box – Die Abholstation" at a train station, without being bound by specific delivery and opening times. This means that for the first time, online shops and retailers can use the packing stations independently of the delivery company.
- **Mobility hubs:** In the mobility sector, further services at stations were put in place in 2022. Three mobility hubs were implemented at the Berlin Zoologischer Garten station together with Jelbi from the public transport company Berliner Verkehrsbetriebe. An electric car charging point was installed at the Plochingen and Bietigheim-Bissingen stations. A total of five other mobility hubs are currently being established in Berlin, Hamburg and Stuttgart. In addition, in future, customers will have the opportunity to book a car parking space at Stuttgart stations.
- **Coworking service:** The coworking service everyworks has expanded its network to six locations. In addition, cooperation locations have been established with partners in the immediate vicinity of the central stations in Frankfurt am Main, Karlsruhe and Nuremberg, which can also be booked via the everyworks app.
- **Micro Depot:** With the Micro Depot, we are focusing on a sustainable last mile and climate-friendly forwarding of shipments using small vehicles such as cargo bikes. In 2022, a Micro Depot was established in Hamburg as part of a European funding project, which also offers space for neighborhood services oriented towards the common good. Other locations in Cologne, Munich and Dresden are currently being prepared in cooperation with the respective cities and logistics partners.

Consolidation of the Future Station approach

The integrated development of stations continued to pick up speed in 2022. Redesigned interiors, functional seating, advanced guidance systems and attractive forecourts are some of the aspects that are important for creating future stations where customers feel comfortable. Based on comprehensive findings, quality standards were developed for each product line that describe the Future Station and are to be implemented in numerous stations over the next few years. The structured approach to Future Stations and the standards behind them ensure a holistic consideration of our stations. In 2022, further measures clearly visible to passengers were implemented at about 70 stations, including funds from the Federal Government's immediate action program. The range of services for families with children is also being expanded: in November 2022, the waiting and play area, which was created with Ravensburger, opened at Dresden Central Station.

Coburg central station was named Station of the Year by the Pro-Rail Alliance in 2022. The holistically enhanced station was particularly impressive due to its outstanding comfort, exceptional design and well-thought-through functionality for passengers.

New vending machines for passengers

Passengers at six Munich stations, Berlin Ostbahnhof and Hanover central station, receive fresh, healthy food from a smart vending machine under the Zugvogel brand. Thus, we are testing an additional range of stations where many commuters are on the move and micro-areas are available.

GRI ENVIRONMENTAL MEASURES

- **Bike+Ride Initiative:** The Bike+Ride Initiative green no. 156 supports municipalities in creating additional spaces to leave bicycles at stations nationwide. Since the start of the program in early 2019, about 11,000 parking spaces have been created as of the end of 2022. Finished concepts with coordinated spaces have been drawn up for more than 40,000 bicycle parking spaces. The municipalities receive up to 70% of their funding from the Federal Ministry for Economic Affairs and Climate Protection (BMWK) (municipal directive) and are supported in the surface testing of both DB areas and municipal areas as they are offered rent-free permission to use the areas. The Bicycle Parking at the Station Information Center has been in place since July 2021 to advise municipalities on questions about bicycle parking facilities and bicycle parking garages. DB Netze Stations provides a comprehensive range of information, initially with a fixed-term to the end of 2023. In 2022, we advised 50 municipalities and organized a two-day conference in June 2022, “Bahn.Rad. Parken” (rail/bike/park), which brought the entire industry together for the first time to discuss the topic of bicycle parking at stations.
- **DB Rad+ app:** With the DB Rad+ green no. 110 app, we promote intermodal travel chains combining bicycle and railway. Cyclists collect cycling kilometers in participating cities and can redeem them digitally from traders from the region and at the station in return for discounts and premiums. Together with the municipalities, we also reward the total number of kilometers cycled with bicycle-friendly infrastructure measures and events. At the same time, users of DB Rad+ generate important data on cycle traffic. These are processed anonymously and made available to the municipalities. This allows municipalities to gain an insight into cycle traffic. In 2022, riders cycled more than 2.5 million km in 14 cities.
- **DB Radfix:** In 2022, DB Radfix green no. 151 was introduced at Berlin Südkreuz Station and Karlsruhe Central Station. This allows passengers and residents to conveniently book repairs and maintenance for their bicycles online, take their bicycles there in the morning and pick up their repaired bicycles in the evening. Further locations are planned.
- **“The Little Station”** stands for a new generation of station buildings. These are designed and operated in a climate-friendly way and are intended to make it easier for passengers to spend their time in rural areas. CO_2 emissions are already being reduced by using natural, sustainable and regional raw materials in construction. In October 2023, the Little Station in Zorneding will be opened and the topping-out ceremony for the second Little Station will be celebrated at Haar Station. Both stations will be equipped with photovoltaic systems. Other sites are currently being monitored in studies.
- **Climate-neutral heat supply:** In 2022, we used energy supply concepts at 28 locations to examine how these can be switched to sustainable, emissions-free heat supply. In 2023, we will begin implementing the concepts.
- **Green light to save energy:** We are upgrading the lighting to climate-friendly LEDs green no. 50 or other energy-efficient lighting. Thousands of new LEDs were already in use in 2022. In the last five years, we have replaced conventional lighting at about 1,600 stations. The replacement saves around 5 GWh of electricity and 2,700 t of CO_2 every year. In the case of electricity, this corresponds to the annual requirements of about 1,250 four-person households.
- **Photovoltaic systems:** Since 2021, we have been continuously assessing our existing buildings based on the general framework for the economically viable construction and operation of photovoltaic systems. In future, the focus will be on the use of photovoltaics for renovation or new construction projects. In contrast to the subsequent upgrades of an existing roof, the requirements can be better taken into account and integrated in this way. In addition to the roofs of the concourse buildings, the implementation of photovoltaic systems on platform roofs is also being tested.
- **Tenant selection:** In 2022, tenants in our stations were again selected according to standardized, predefined criteria. In the area of sustainability, the following rules apply: no single-use plastic bags, eco-power, LED bulbs and (since 2022), the reduction of food waste (tenants commit to take concrete measures to prevent food waste as comprehensively as possible over the long term).

DB NETZE STATIONS	2022	2021	Change absolute	Change %	2019
Passenger stations	5,401	5,399	+2	-	5,384
Facilities quality (grade)	2.77[1]	2.77[1]	-	-	2.87
Customer satisfaction, traffic station (passengers/visitors) (SI)	71	73	-2	-	69
Customer satisfaction, traffic station (train operating companies and public transport authorities) (SI)	68	69	-1	-	61
Customer satisfaction, tenants (SI)	79	79	-	-	79
Station stops (million)	155.9	155.5	+0.4	+0.3	153.3
thereof non-Group railways	44.6	46.0	-1.4	-3.0	40.0
Total revenues (€ million)	1,384	1,285	+99	+7.7	1,339
thereof station revenues	996	966	+30	+3.1	905
thereof rental	350	302	+48	+15.9	393
External revenues (€ million)	593	520	+73	+14.0	590
EBITDA adjusted (€ million)	195	160	+35	+21.9	349
EBIT adjusted (€ million)	29	1	+28	-	210
Gross capital expenditures (€ million)	1,434	1,380	+54	+3.9	1,096
Net capital expenditures (€ million)	397	297	+100	+33.7	262
Employees as of Dec 31 (FTE)	6,997	6,811	+186	+2.7	6,216
Annual average employees (FTE)	6,972	6,768	+204	+3.0	6,038
Employee satisfaction (SI)	4.0	-	-	-	-
Share of women as of Dec 31 (%)	44.0	44.1	-0.1	-	44.7
Absolute primary energy consumption (stations) compared to 2010 (%)	-30.6	-27.4	-3.2	-	-22.1

[1] Preliminary figure.

DEVELOPMENT IN THE YEAR UNDER REVIEW

- *Demand trend more or less stable.*
- *Rental business continues to recover impressively after Covid-19-related restrictions.*
- *Additional burdens due to the effects of the collective bargaining agreement, higher energy prices, measures in connection with the 9-Euro-Ticket and caring for refugees from Ukraine.*
- *Measures implemented to save energy and to improve quality and customer satisfaction.*

Facilities quality remained unchanged.

Customer and visitor satisfaction declined. The survey is conducted on the basis of about 80,000 interviews per year. Customer satisfaction among tenants has stabilized at a high level. The satisfaction of train operating companies and public transport authorities declined slightly.

Station stops were at the previous year's level. Positive effects resulted mainly from the resumption of transport services, which had been reduced due to Covid-19. Demand for regional transport was almost at the previous year's level. Restrictions due to construction had a dampening effect here.

The economic trend was heartening and operating profit figures improved significantly. The recovery of the rental business and price effects were the key drivers of this. Higher expenses, in particular for personnel, had a somewhat offsetting effect:

- **Revenues:** Growth can be attributed in particular to a recovery effect in the rental business following Covid-19-related losses and to regularly increased, price-related higher station revenues mainly from intra-Group customers.
- **Other operating income:** Significant decline (−24.9%/€ −73 million), mainly driven by lower grants in connection with support programs for the renovation of stations. Growth in the marketing of advertising space to non-Group customers, higher construction grants and an increase in services for intra-Group customers had a mitigating positive effect on income.

On the expenses side, there were additional burdens, in particular from personnel expenses:

- **Personnel expenses:** Increase (+7.2%/€ +32 million) due to a higher number of employees and as a result of collective bargaining agreements.
- **Other operating expenses:** Increase (+8.7%/€ +24 million) resulted mainly from increased expenses for rent and IT projects. In addition, among other things, the increase in travel activity and higher other personnel-related costs led to additional burdens.
- **Depreciation:** Investment-related increase (+4.4%/€ +7 million).
- **Cost of materials:** Decline (−7.0%/€ −57 million), driven by lower expenses for project-related maintenance and renovations and a decline in Covid-19-related additional hygiene and safety measures at our stations. Energy expenses also fell. Positive effects from energy-saving measures were partially offset by price effects.

Due to higher capital expenditures, mainly in the modernization of existing stations and the construction of new stations, net capital expenditures increased significantly, with investment grants virtually unchanged.

The number of employees increased as a result of an increase in personnel, particularly in the construction management sector.

Employee satisfaction remained at the high level of 2020. Despite operational challenges, the mutual commitment in the team in particular supported overall satisfaction.

The share of women remained almost unchanged at a relatively high level.

With a further reduction in absolute primary energy consumption of stations in comparison to 2010, including through the use of energy-saving technologies, the positive trend of the past years is continuing.

DB Netze Energy business unit

BUSINESS MODEL

DB Netze Energy offers industry-standard energy products related to traction energy and stationary energy supply. As well as traction current and diesel, these also include supply solutions for alternative drives and synthetic fuels in rail transport. Stations and other DB Group properties are supplied with electricity, gas and heat. The range of services also includes energy economics-related and technical services.

The traction current grid is the technical backbone of traction power provision in Germany, for which DB Netze Energy as the network operator ensures a high level of supply reliability. The required electricity is generated in traction current power stations using fossil and renewable energy sources or fed via converters/transformers. In order to provide for diesel traction units, there is a network of filling stations across Germany, which can also be partially used by road vehicles. In order to enable climate-neutral rail transport in the future in sections without overhead wires, DB Netze Energy is implementing energy supply solutions for rolling stock with alternative drives and alternative fuels. In addition, DB Netze Energy operates 50 Hz medium-voltage networks to supply energy to stations and provides a charging infrastructure for electric vehicles on the road. The infrastructure of DB Netze Energy is subject to different forms of regulation by the BNetzA.

MARKETS AND STRATEGY

GRI

DB Netze Energy is responsible for economically and environmentally efficient energy procurement and for reliable energy provision for train operating companies. DB Netze Energy also has a high-performance infrastructure for the provision of electricity and fuel to mobile and stationary consumers.

- **More robust:** DB Netze Energy relies on resilience and the security of the stable power supply and ability to act in the event of a disaster with pragmatic, intelligent and sustainable solutions. In addition to power generation on-site, these also include capital expenditures in mobile systems and OT security, supported by modern communication.
- **More efficient:** In 2021, lean excellence was implemented as part of two pilot projects and established at other locations in 2022. Additional locations will follow. It is also important to further develop lean approaches and consolidate existing lean structures and maintain them at the pilot locations.
- **More modern:** DB Netze Energy ensures the power supply even if the supply of renewable energy is increasingly volatile. This is of increasing relevance, in particular in view of the prospect of increasing traffic volumes. The LuFV III 262 f. provides the financial basis for this, including for the construction of additional converter capacity. The expansion of the traction current grid will be supported by the driving forward of digitalization, for example through the rollout of sensor technology in traction current facilities.
- **Greener:** DB Netze Energy is a central driver of the TOC in Germany for climate-neutral energy supply. In order to achieve the target of climate neutrality in full by 2040, traction current supply will be switched to renewable energies and CO_2-neutral high-capacity power plants will be added. Sustainable alternatives are offered for non-electrified lines with charging infrastructure for battery-powered trains, hydrogen supply and biofuel. The climate-friendly biofuel HVO has been offered at the first filling stations since 2022.

GENERAL FRAMEWORK

GRI

Procedure for defining traction current grid access

The procedure for defining the further development of the business processes for access to the traction current grid, which was initiated by BNetzA in 2019, was finalized in late June 2022. Previously, the BNetzA had provided the market with two versions of future automated business processes for public consultation. The procedure for defining the measures improves the transparency and enforceability of the access rules, data formats and communication deadlines for all market partners (electricity suppliers, train operating companies, vehicle owners and traction current grid operators). The BNetzA has also increased the responsibility of the owners of the vehicles. In order to supply the traction current

GRI

DB NETZE ENERGY – AT A GLANCE

Products

Traction current
The supply of trains with energy. We supply the 16.7 Hz rail traction current throughout Germany around the clock through our own interconnected power grid.

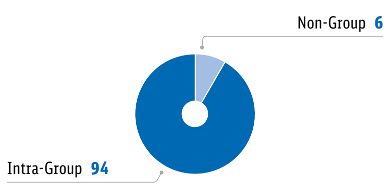
Traction current pass-through
Pass-through of electricity purchased externally by train operating companies within the DB Netze Energy grid in order to supply trains.

Stationary energy
Supplying stations, plants, signal towers and office buildings with electricity and heating. Stationary facilities for train operations, for example pre-heating systems and switch heaters, are supplied with electricity.

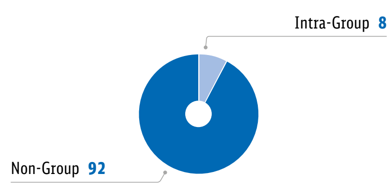
Diesel fuel
Supply of diesel fuel via 24-hour self-service rail filling stations. The offer also includes consumables and supplies, heating and engine oil and AdBlue®.

Structure

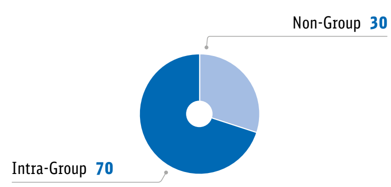
TRACTION CURRENT / %



STATIONARY ENERGY / %



DIESEL FUEL / %



Business model

INPUTS

Employees
- About 1,900

Networks and infrastructure
- About 8,000 km of traction current grid
- About 1,830 transformer stations
- 180 gas stations
- 54 power plants / converters / transformers

Additional production factors
- Electricity
- Fuel

BUSINESS ACTIVITIES

Customer segments
- Business customers
- Private customers

Value proposition
- DB Netze Energy offers customer-oriented and eco-friendly access to products in the areas of traction current and diesel, as well as stationary energy.

Customer access and retention
- Key account management
- Regional sales
- Online customer platforms

Key activities
- Providing reliable infrastructure
- Procuring energy
- Selling energy
- Offering energy economics-related and technical services

OUTPUTS [1]

Traction current (16.7 Hz and direct current)
- 7,515 GWh

Stationary energy (50 Hz and 16.7 Hz)
- 13,809 GWh

Diesel fuel
- 382 million l

OUTCOMES [2]

EBIT adjusted
- € 103 million

Employee satisfaction
- SI of 4.0

Customer satisfaction
- SI of 79

Share of renewable energies in the DB traction current mix
- 65.2%

Supply reliability
- 99.99%

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

grid operator with binding usage data in due time, this information will be provided by vehicle owners in future. This will improve the quality and speed of the access processes all the way through to settlement. DB Netze Energy welcomes this further development in its role as the traction current grid operator. Market participants are now required to implement the determination in their IT systems by July 1, 2026.

GRI

ENVIRONMENTAL MEASURES

Expansion of renewable energies in the traction current portfolio

Building a diversified portfolio for economically viable and secure energy supply with a growing share of renewable energies is a core element of our green strategy:

- Ensuring continued operation of nine wind farms green no. 47, which are more than 20 years old, with a total of 32 wind turbines at different locations in Schleswig-Holstein, Saxony and Lower Saxony, which will save about 36,000 t CO_2 p.a. compared with the electricity supplied from coal power. The wind farms have a total installed capacity of 43 MW and provide about 65 GWh of electricity annually. As a result, further on-land wind power plants will join DB Netze Energy's eco-power portfolio. In light of the age of the facilities, the terms of the contracts are rather short.

Energy supply for alternative drives

In addition to the further electrification of the rail network, DB Netze Energy is also implementing supply solutions for rolling stock with alternative drives. To this end, DB Netze Energy is pursuing various technological approaches:

- With regard to the energy supply of battery-powered trains, construction began in 2022 as part of the implementation of the charging infrastructure for regional rail passenger transport in the Schleswig-Holstein battery network. For the first time, overhead wire islands green. no. 45 including charging substations will be set up in cooperation with DB Netze Track to supply battery-powered trains with traction current. In addition, together with DB Netze Track, plans for the construction of charging infrastructure in two networks have been further advanced. DB Netze Energy is also a cooperation partner in a pilot project agreed at InnoTrans 2022 to implement an innovative charging station for battery-powered trains in Annaberg-Buchholz.
- DB Netze Energy is a project partner in a joint project funded by the BMDV between DB Group and Siemens Mobility for the approval and testing of the Mireo Plus H fuel train, which has been newly developed by Siemens Mobility, for regional rail passenger transport. DB Netze Energy is responsible for developing an innovative supply infrastructure for hydrogen green. no. 53. In 2022, the mobile hydrogen filling system was commissioned as part of the innovative supply infrastructure and enables the Mireo Plus H to be fueled with hydrogen during the test and approval phase.
- Supply of climate-friendly biofuel HVO green. no. 164 to fuel rolling stock. In 2022, the first rail filling station upgrade to include facilities for fueling vehicles with HVO was commissioned in Westerland on the island of Sylt. At the end of 2022, HVO was available at five locations. The rail filling station in Aulendorf is the first filling station of DB Netze Energy to be fully converted to HVO. In 2023, the range of additional rail filling stations will be expanded.

DEVELOPMENT IN THE YEAR UNDER REVIEW

GRI

- → *Significant increases in revenues from traction current and stationary energy, primarily due to prices.*
- → *One-off effects from the sale of excess energy quantities reduce the burden of higher energy purchase costs.*
- → *Hedging strategy limited the impact of significant price increases on the energy procurement market.*
- → *Supply reliability stable at a high level.*

The high level of supply reliability was maintained.

Customer satisfaction was stable at a very good level overall. Intra-Group customers are very satisfied with the employee behavior, service quality and settlement. Responses from non-Group traction current customers were not as good, in particular due to the difficult and tense energy market situation.

Development was uneven in volume terms:

- **Traction current:** Sales increased primarily due to higher demand in rail passenger transport. A decline in rail freight transport and at external customers had a dampening effect.
- **Traction energy for non-Group customers:** The increase from the previous year's level reflects transport growth.
- **Stationary energy:** Electricity sales fell due to reduced portfolio optimization measures on the energy market.
- **Diesel fuel:** Demand also declined, driven by developments in freight transport.

Economic development was weaker. The gains on the income side were more than wiped out by increased energy purchase expenses. Operating profit figures fell significantly.

Income increased noticeably:

- **Revenues:** The increase was driven by a significantly higher price level. In addition, in traction current, higher demand played a key role. This was counteracted by the decline in sales in the stationary energy and diesel fuel sectors.
- **Other operating income:** In addition to changes in allocation in reporting, the decline (–53.8%/€ –56 million) resulted from the absence of positive one-off effects from the previous year.

On the expense side, there was an increase primarily due to prices:

- **Cost of materials:** The significant increase (+28.4%/ € +845 million) resulted from the energy purchase expenses as a result of higher purchase prices for traction and stationary energy, as well as energy trading and CO_2 certificates. The price increase in diesel fuels clearly exceeded counteracting effects from declining demand.

GRI

DB NETZE ENERGY	2022	2021	Change absolute	Change %	2019
Supply reliability (%)	99.99 [1]	99.99 [1]	-	-	99.99
Customer satisfaction (SI)	79	79	-	-	78
Customer satisfaction, traction current and diesel	73	77	-4	-	71
Customer satisfaction, electricity and gas plus (intra-Group customers)	79	80	-1	-	78
Traction current (16.7 Hz and direct current) (GWh)	7,515	7,445	+70	+0.9	7,986
Pass-through traction current (16.7 Hz) (GWh)	2,353	2,281	+72	+3.2	1,566
Stationary energy (50 Hz and 16.7 Hz) (GWh)	13,809	14,070	-261	-1.9	14,932
Diesel fuel (million l)	382.0	389.3	-7.3	-1.9	410.6
Total revenues (€ million)	4,200	3,366	+834	+24.8	2,812
External revenues (€ million)	2,451	1,808	+643	+35.6	1,308
EBITDA adjusted (€ million)	185	254	-69	-27.2	128
EBIT adjusted (€ million)	103	169	-66	-39.1	43
Gross capital expenditures (€ million)	303	340	-37	-10.9	193
Net capital expenditures (€ million)	75	66	+9	+13.6	61
Employees as of Dec 31 (FTE)	1,943	1,900	+43	+2.3	1,772
Annual average employees (FTE)	1,915	1,892	+23	+1.2	1,751
Employee satisfaction (SI)	4.0	-	-	-	-
Share of women as of Dec 31 (%)	15.0	13.9	+1.1	-	13.3
Share of renewable energies in the DB traction current mix (%)	65.2	62.4	+2.8	-	60.1

[1] Preliminary figure (not rounded).

Expenses from increases in provisions in connection with the investment in the Neckarwestheim joint venture power plant, due to continued operation until April 2023, had an additional negative effect.

- **Personnel expenses:** The increase (+6.2%/€+9 million) resulted both from wage increases and from an increase in the number of employees.

Other expense items decreased slightly:

- **Other operating expenses:** Decline (−6.3%/€−8 million) among other things due to the absence of additions to provisions in the previous year and positive effects from impairment on bad debt allowance. This was offset in part by expenses in connection with IT projects and services.
- **Depreciation:** Slight decline (−3.5%/€ −3 million) of depreciation on intangible assets.

Gross capital expenditures decreased. This was due to the absence of a one-off effect from the activation of a lease contract in the previous year and a decline in project volume from joint projects. Investment grants fell disproportionately as a result of balance sheet date-related factors and higher self-financed capital expenditures. As a result, net capital expenditures increased.

The number of employees increased, primarily in order to implement the higher project volume from the LuFV III 262f.

Employee satisfaction is stable at the high level of 2020. The share of women increased.

The share of renewable energies in the DB traction current mix in Germany 67f. has increased further.

Subsidiaries/other

The Subsidiaries/other area comprises the governance functions and the legally dependent service units of the holding company DB AG. The legally independent service units of DB Group and the independent operational services are also bundled in this segment. These are service units, which act in particular as internal service providers on behalf of the business units of DB Group.

DB E.C.O. GROUP

The DB E.C.O. Group offers DB Group's engineering, consulting and operations know-how from a single source. These include DB Engineering&Consulting (DB E&C), DB International Operations (DB IO), infraView, ESE and inno2grid.

DB Engineering&Consulting

- DB E&C has been entrusted with preliminary planning for the expansion of the Gäu railway (Gäubahn). The key element is the two-tube, single-track Pfaffensteig tunnel, which will connect the Gäubahn in the east-west direction to the subterranean Stuttgart Airport long-distance station that is under construction. Spanning a length of about 11.5 km, it will be one of the longest railway tunnels in Germany.
- In Arnstadt, DB E&C is planning one of the most modern green logistics hubs in Germany for DB Cargo. The logistics hub gives about 120 companies quick access to rail.
- DB E&C, as part of a consortium, was awarded the contract for the modernization of the Duisburg central station. The main construction work, such as the renovation of the station building including the roof and the basic

renewal of the platforms, began in August 2022. DB E&C assumes technical leadership and, together with its partners, supports all construction monitoring services alongside environmental and geological services.
- The project for planning the Latvian section of Rail Baltica, Vangazi—Salaspils—Misa, has entered the next phase. DB E&C's plans include a combined road and railway bridge. There are only four bridges in the world where the track for a high-speed line and a freeway are combined.
- DB E&C is working to ensure that the new ICE maintenance depot in Dortmund Port can start operations in 2027.
- The BIM implementation is progressing further. In 2022, BIM shall arrive on-site with the first projects. BIM standardization across the entire production chain remains a focal point. Since 2018, almost 600 BIM projects have been processed, some 250 of which are still in the portfolio.

DB International Operations

- **Canada:** As the leading partner in Canada, DB IO assumes joint ventures planning and operation and maintenance of rail passenger transport in the metropolitan region of Toronto. The 450 km network line is to be fully modernized and expanded. With a volume of operations and maintenance totaling a double-digit number in billions of euros, this is the most important transport project in Canadian history.
- **Uruguay:** The consortium DBCC Transport, managed by DB IO, was commissioned with the operation of a freight transport line in Uruguay in 2020. Mobilization has now begun in full and the qualification of operational staff was carried out in 2022. The project is currently considered one of the most important economic programs in Uruguay.
- **India:** In India, DB IO beat out the competition for a major order for the first national high-performance transport project and will take over the operation and maintenance of a regional rapid transit system. The project will connect the metropolises of Delhi, Ghaziabad and Meerut with an 82 km line. The order volume is in the three-digit million euro range. After full operation, which begins in 2023, up to 900,000 passengers are to be carried on a daily basis.
- **Egypt:** In a joint venture with the Egyptian company Elsewedy Electric (EE), DB IO was commissioned to operate infrastructure and vehicles for high-speed, regional and freight transport in Egypt, as well as the maintenance of stations and depots. The new transport network, also known as the "Suez Canal on rails," will connect the Mediterranean Sea and the Red Sea, and is set to herald a new era in Egypt's passenger and freight rail transport. The order value of the largest rail project in the history of the country is in the single-digit billion euro range. The start of operations is already scheduled for 2025.

infraView

- Together with DB E&C, infraView is expanding the digitalization portfolio in the area of planning, construction monitoring and commissioning. Automated image processing and BIM modeling of observation data are enabled through the UAS platform Drones2BIM, and processes are digitalized and accelerated using the eBTB digital construction diary and commissioning tool IBN Infra. The use of AI is developing into another core area. Automatic object recognition and visual inspections of existing plans, infrastructure and vehicle components supported manual tasks and opened up potential for automation.
- infraView supports the Swiss Federal Railways (SBB) and its infrastructure monitoring by expanding its cloud platform for rail condition monitoring (RCM). RCM is a predictive maintenance product that uses rail sensor technology for infrastructure monitoring. The measurements are stored in large data centers and processed using AI techniques to assess the condition of the infrastructure.

ESE Engineering and Software Development

- ESE is further expanding its conformity assessment activities. The ESE test laboratory has been certified according to DIN EN ISO/IEC 17025. In its test laboratory and its activities in the field of expert services, ESE makes a significant contribution to the successful commissioning of driverless metro systems worldwide.
- ESE is largely involved in securing future vehicles with autonomous driving functions. On behalf of the commercial vehicle line of business of a German automobile manufacturer, ESE ensures the correct functioning of vehicles with autonomous driving functions. This is the technological basis of future autonomous on-demand mobility solutions that will be able to make a contribution to the shift in the mode of transport and mobility in rural areas through the optimization of mobility chains in the future.

DB NEW MOBILITY

The DB New Mobility business ecosystem develops flexible and digital solutions that can design local public transport that are seamless, easy and convenient from door to door. These include the offers from ioki, Mobimeo, and Clever-Shuttle, the Call a Bike, Flinkster, Bonvoyo products and Curbside Management from DB Connect. DB New Mobility is aiming this offer at public transport authorities such as municipalities and transport associations.

SUBSIDIARIES/OTHER – AT A GLANCE

Portfolio

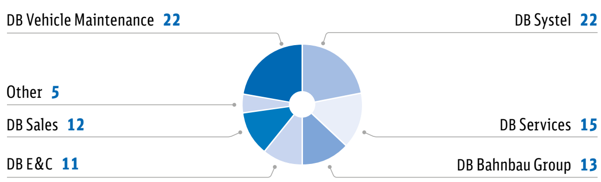
DB Business Services
- Legally independent entities (including DB Zeitarbeit GmbH, DB JobService GmbH and DB Digital Ventures GmbH)
- Legally dependent entities (including DB Real Estate, DB Training and DB Procurement)

DB Operational Services
- Legally independent operating service entities (including DB Fahrzeuginstandhaltung GmbH, DB Systel GmbH, DB Services GmbH, DB Bahnbau Gruppe GmbH, DB Vertrieb GmbH, DB E.C.O. Group, ioki GmbH)

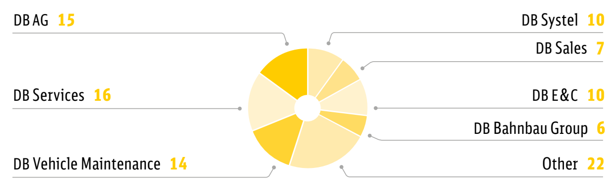
Other
- Corporate management governance functions (including Group development, finances, treasury and human resources)
- DB supporting functions (including Deutsche Bahn Finance GmbH and Deutsche Bahn Stiftung gGmbH)

Structure

REVENUES / %



EMPLOYEES / %



Status for 2022, or as of December 31, 2022.

ioki and CleverShuttle are increasingly working together with DB Regional Bus as DB Regional Road for an integrated mobility service. DB Connect has been developing solutions for interlinked mobility in the Infrastructure Board division since August 1, 2022.

- **CleverShuttle** operates on-demand ride pooling in Germany. At the end of 2022, CleverShuttle green. no. 119 operated 18 transport services nationwide on behalf of cities, municipalities and transport companies. Users are very satisfied with their journeys (4.9 out of 5 stars on average). From 2023 onwards, CleverShuttle will integrate autonomous vehicles into local public transport and will be responsible for the operational implementation of the autonomous on-demand service planned by the Rhine-Main Transport Association.
- **ioki** has sustainably established its industry solution for digital mobility: to date, more than two million passengers have used the platform, about 650 stations and about 6,000 km² have been connected to local public transport using the ioki green. no. 142 software. In 2022, autonomous shuttles with the ioki on demand software launched in Germany, Luxembourg and Switzerland. Further transport services are expected to follow in 2023. ioki's innovative mobility concepts received multiple awards in 2022, including the Passenger Award for Multimodal Travel, the German Mobility Award and the German Transport Transition Award.
- **Mobimeo** further expanded its own mobility platform in 2022. Together with DB Regional, a new version of the DB Route Agent app was launched on this basis. In addition, together with the Mobility Inside Industry Initiative, the first six multimodal apps were launched for the participating transport associations, which could be used to search routes, purchase local public transport tickets and book ride-share vehicles.
- **Bonvoyo,** the mobility budget as a flexible and sustainable benefit for employees continues to develop. Since April 2022, users have been able to track their CO_2 emissions directly in the app. Further long-distance transport services were included and TIER was integrated as a mobility partner. The Hamburg Transport Association (hvv) is already using the mobility budget as a payment method in its app, with additional mobility apps set to follow.
- Call a Bike green. no. 14 has demonstrated that rail and bicycles can be a real alternative to cars with summer campaigns in Munich and Berlin (pop-up stations at five S-Bahn (metro) stations in each city). Tesla employees now also travel from the S-Bahn (metro) to their own Call a Bike station at the Gigafactory in Grünheide. Since 2022, BahnBonus status customers have been benefiting from 30 free minutes each time they rent a bicycle.

- **DB Curbside Management** has been supporting the city of Munich in implementing its mobility planning since fall 2022. The Curbside Cockpit app is used in the shared mobility sub-strategy. Already in operation at the Stuttgart-Vaihingen mobility station, some 19 other stations will follow based on the same model.
- **Flinkster** contributes to sustainable mobility in about 400 cities. It was honored with an award from the German Institute for Service Quality in 2022. With the modernization of the fleet, Flinkster green. no. 7 continues to focus on quality and safety.

DEVELOPMENT IN THE YEAR UNDER REVIEW

→ *Personnel expenses increased as a result of a higher number of employees and as a result of collective bargaining agreements.*

→ *Digitalization and Group projects advanced.*

→ *Increased energy, rental and procurement costs place a significant burden on profits.*

SUBSIDIARIES/OTHER	2022	2021	Change absolute	Change %	2019
Total revenues (€ million)	6,123	5,685	+438	+7.7	5,192
DB Business Services	2	3	-1	-33.3	51
DB Operational Services	7,035	6,519	+516	+7.9	5,994
Other/consolidation	-914	-837	-77	+9.2	-853
External revenues (€ million)	696	593	+103	+17.4	581
EBITDA adjusted (€ million)	37	113	-76	-67.3	-62
EBIT adjusted (€ million)	-546	-472	-74	+15.7	-575
DB Business Services	-93	-74	-19	+25.7	-71
DB Operational Services	130	217	-87	-40.1	18
Other	-583	-615	+32	-5.2	-522
Gross capital expenditures (€ million)	724	815	-91	-11.2	714
DB Business Services	5	7	-2	-28.6	5
DB Operational Services	438	414	+24	+5.8	429
Other	281	394	-113	-28.7	280
Net capital expenditures (€ million)	717	809	-92	-11.4	713
Employees as of Dec 31 (FTE)	59,992	58,345	+1,647	+2.8	55,497
DB Business Services	11,455	11,571	-116	-1.0	12,015
DB Operational Services	46,045	44,299	+1,746	+3.9	40,907
Other	2,492	2,475	+17	+0.7	2,575
Annual average employees (FTE)	59,193	58,255	+938	+1.6	54,973

The increase in total revenues was driven by higher revenues from intra-Group customers of DB Operational Services companies. This resulted mainly from a higher demand for digitalization and cybersecurity solutions (DB Systel), for construction projects (DB Bahnbau Group and DB E.C.O. Group) and vehicle projects (DB Vehicle Maintenance). In addition, the performance of DB Sales, DB Connect, DB Services and DB Security improved as a result of the recovery in demand for passenger transport.

Revenues from non-Group customers increased considerably at a low level. This was mainly due to increased project business (DB Bahnbau Group, DB E.C.O. Group, DB Communication Technology) and recovery-related growth at DB Connect and DB Sales.

The operating profit figures in the Other area are significantly affected by corporate management functions performed for the business units. There was no cost transfer on the business units from Group charges 183 in 2022. The operating profit figures adjusted EBITDA and adjusted EBIT were significantly weaker, as growth in income did not keep up with the increase in expenses.

Burdens resulted, among other things, from higher personnel expenses (as a result of collective bargaining agreements and the increase in the average number of employees) and IT (DB Systel), as well as increased energy costs. Rental expenses were also above the previous year's level. In addition, stronger effects from the impairment of stock material and increased project costs (facility infrastructure) had a negative impact on development at DB Vehicle Maintenance. Countermeasures and the positive business development, including at DB Connect, could partly offset the effects.

The decline in capital expenditures resulted mainly from less significant effects overall from extensions and amendments of existing rental and lease contracts at DB Real Estate. Delivery shortages of vehicles led to less capital expenditure activity at DB Connect in particular. In contrast, capital expenditures, primarily in the facilities infrastructure 54ff. at DB Vehicle Maintenance, rose.

The number of employees increased, driven mainly by increased personnel at DB Operational Services companies, in particular in the DB E.C.O. Group, DB Systel, DB Vehicle Maintenance and DB Security resulting from expanded digitalization and quality measures, additional security requirements and an increase in the vertical range of production. On the other hand, the number of employees at DB Group's HR service providers and corporate management fell and had the opposite effect.

DB Arriva business unit

DEVELOPMENTS IN RELEVANT MARKETS

After the Covid-19 restrictions were gradually lifted in the European countries from March 2022, demand in passenger transport increased again. The pent-up demand for travel had a positive effect, especially on long-distance and cross-border traffic. Temporary service restrictions were withdrawn, and at the same time there was a gradual expansion of services in some countries, especially in leisure traffic to tourist destinations. In summer 2022, demand for long-distance transport was again above pre-Covid levels for many connections. Local rail passenger transport has not yet fully reached 2019 demand levels in large parts.

Inflationary pressures across Europe, including the impact of the energy crisis, has led to pressure on wages. 2022 therefore saw some challenges from strike action, including in the United Kingdom and the Netherlands.

GRI United Kingdom

- Following the Williams-Shapps plan for rail, the UK government is creating a new public body, Great British Railways (GBR), which will run and plan the rail network, own the infrastructure, and receive the fare revenue. There will remain a significant role for the private sector through the development and deployment of passenger service contracts. The Department for Transport published a consultation which examines the legislative changes required and seeks views.
- Since June 2022, industry-wide strike action has impacted the UK rail industry as part of a dispute over wages, jobs and conditions. Trade union members have taken part in multiple strike days in response to the UK Government's proposals to reform the rail sector. In the latter part of the year, difficult wage negotiations in response to the growing cost of living became the main cause of industrial dispute.
- The Bus Recovery Grant (BRG), which is a government funding mechanism for commercial bus operators in England to offset the ongoing impact of Covid-19, was extended twice during 2022. Initially the funding was due to end in October 2022, but BRG was extended by the UK government to provide an additional GBP 130 million to the bus industry until the end of March 2023. BRG funding requires operators to conduct network reviews in partnership with local authorities.
- In April 2022, the UK government announced financing packages for areas in England to help deliver on their Bus Service Improvements Plans (BSIP) as part of the National Bus Strategy to support the transformation of bus services. Operators and local authorities cooperated in the application for BSIP funds.
- On September 3, 2022, the UK Government announced that it would be investing GBP 60 million to introduce a GBP 2 fare cap on a single bus ticket on services in England outside of London. The cap will be in place from January 1, 2023, and will run for three months.

France

- DB Arriva continues to follow market opening developments in France very closely. The framework in which operators will need to deliver rail services in future was put in place in 2020/2021. The first regional rail transport contract was confirmed by Region Sud in October 2021. Other French regions are now in the process of opening up their rail networks to competition. The results of several tenders are expected in 2023 as well as further tender announcements.

Mainland Europe

- Recovery from Covid-19 has continued across Europe and whilst some effects persist, Covid-19 is currently having limited impact on operations.
- There is significant challenge across Europe due to fuel inflation and volatility. This is partly mitigated through hedging and pricing, as well as DB Arriva's transformation program 157 which has provided overhead and operational cost reduction, plus much improved economic management in the selection of the best contracts to maintain profitable growth.
- Driver shortages and wage pressures across Europe continue and this, coupled with general inflation, is providing a challenging environment. There is continuing consideration into alternative ways to attract workers or offset cost increases.

GRI

DB ARRIVA – AT A GLANCE

Lines of business

UK Bus
DB Arriva is the third-largest provider of bus services in regional markets in the United Kingdom, with rural, urban and inter-urban bus services, and is a major operator in London. Our buses operate across England and Wales.

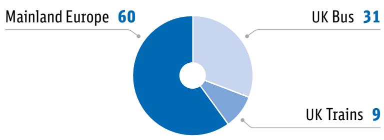
UK Trains
DB Arriva runs three rail contracts (CrossCountry, Chiltern and London Overground) and an open access operation (Grand Central) in the United Kingdom.

Mainland Europe
DB Arriva is the leading private player across most of its markets in 11 European countries. In addition to trains and buses, DB Arriva also operates water buses and car-sharing services.

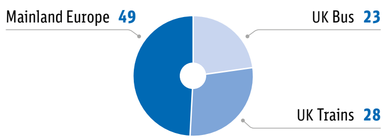
Corporate center
The lines of business are supported by central functions providing specialist support across IT, Procurement, HR, Sales and Finance to leverage and share best practice.

Structure

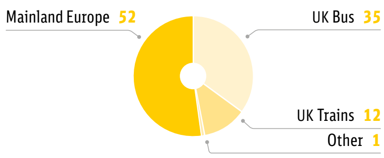
PASSENGERS / %



REVENUES / %



EMPLOYEES / %



Business model

INPUTS

Employees
- About 38,100

Vehicles
- 610 multiple units
- 17 locomotives
- 73 passenger cars
- 14,139 buses (including external buses)

Electricity and fuel
- 346 million l fuel
- 200 million kWh electricity
- 18.6 million kg natural gas

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Contracting organizations and other local authorities

Value proposition
- DB Arriva offers customer-oriented, efficient and affordable transport solutions.

Customer access and retention
- Local sales outlets, travel centers, agencies, ticket machines, online, call centers, on-board sales
- Subscriptions, apps

Key activities
- Providing train and bus services
- Looking after customers
- Providing and maintaining vehicles
- Optimization of the networks in the interest of the customers

OUTPUTS [1]

Passengers
- 1.5 billion (bus and rail)

Volume sold
- 6.2 billion pkm (rail)

Volume produced
- 0.9 billion bus km and
- 0.1 billion train-path km

OUTCOMES [2]

EBIT adjusted
- € 12 million

Employee satisfaction
- SI of 3.7

Customer satisfaction
- SI of 73

Greenhouse gas emissions compared with 2006 (specific)
- -16.0 % (rail)
- -28.0 % (bus)

Punctuality
- 90.2 %

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

BUSINESS MODEL

DB Arriva focuses on transport services with buses and trains. The activities of DB Arriva are divided into three lines of business: UK Bus, UK Trains and Mainland Europe.

Volume sold and volume produced are important key performance figures. In addition to revenues from fares, subsidies from national governments and contracting organizations are an important source of income. Commercial revenues are generated mainly through ticket sales/fares. In addition, in many markets DB Arriva also generates revenues from private rentals, which complement the commercial business.

Predefined terms of transport contracts, concessions and route concessions, combined with the extensive production system, result in a cost structure with a high proportion of fixed or semi-fixed costs (costs related to production but which need some time to adjust to fluctuations in production, such as personnel expenses). Alongside capital expenditures and depreciation, the key drivers are personnel, maintenance, energy and infrastructure expenses (in rail transport). Reacting quickly to changes in bus and train capacity can be a challenge in many of the markets in which DB Arriva operates.

Throughout Europe, DB Arriva works with local, regional and national authorities to bring new and improved services to customers. DB Arriva's regional presence allows it to quickly respond to changes, especially new regulatory requirements and changing customer expectations. DB Arriva works closely with its customers to develop efficient, reliable, safe and sustainable transport solutions.

Clients particularly appreciate the experience that DB Arriva has with operating various transport solutions and DB Arriva's commitment to providing high-quality, reliable, efficient and cost-effective transport services.

MARKETS AND STRATEGY

GRI

DB Arriva continues to focus on its business transformation and performance improvement program to ensure a competitive cost base and improved operational efficiency. This continued to deliver good outcomes throughout 2022, with cost reductions and improved commercial governance for selecting the best contracts and ensuring longer-term sustainable growth. In 2022 DB Arriva introduced improvements to its organizational structure to support a new KPI-driven approach to managing operational and financial performance across the business. DB Arriva has also rolled out a new tender and contract management process.

In 2020, DB Arriva's strategic review identified core markets where it can continue to thrive and grow in the future. In this review, portfolio adjustments were also defined in markets classified as "not part of the core business." In terms of focus, good progress has been made and, among other things, the sale of activities in Sweden and Portugal 160 was completed. DB Arriva has also concluded contracts for the sale of activities in Denmark and Serbia, as well as the bus business in Poland. These are expected to conclude in 2023. These transactions are part of the realignment of DB Arriva's portfolio, which is a key element of its forward-looking strategy. The goal is to build a stronger, more competitive business in the long term. This enables more innovation and sustainable growth, while DB Arriva is closely tailored to the needs of its customers, passengers and the communities that it serves.

Customers are at the heart of the transformation program to build stronger and deeper relationships with clients. To achieve this, DB Arriva has, among other things, introduced a structured approach to key account management, using data and insights to build closer and deeper relationships with customers. By the end of 2022, more than 95% of contracted revenue was underpinned by structured key account management plans which means improved quality of conversations with clients, and improved insight of client needs and expectations.

Sustainability remains a core focus at DB Arriva as the business unit strives towards climate neutrality. Each business in each country has clearly defined targets to contribute to the goal. Four workstreams have been established: zero emissions buses and trains, ESG circularity (including buildings) and diversity and inclusion. DB Arriva launched its Zero Emission Institute 159 in 2022 to support the transition to zero emissions bus fleets.

In October 2022, as part of its focus on sustainability, DB Arriva launched its new Inclusion Strategy, marking a significant milestone on its journey to becoming a more inclusive employer. The strategy, which has been developed with input from employees from across DB Arriva, comes with a set of clear targets and specifications that each of the DB Arriva businesses will need to achieve in the coming years. These targets include an increase in the number of leaders and managers from under-represented groups and an increase in the number of leaders and managers who are women. Key focus areas have been developed to improve its workforce, workplace, the experience of passengers and to ensure DB Arriva continues to support the communities it serves.

In 2022, DB Arriva conducted the biannual DB-wide employee survey as part of its employee engagement activities. Employee satisfaction has remained stable, with five DB Arriva businesses now outperforming the external benchmark. A key motivational driver for DB Arriva employees is the customer focus, which remains a strength. Employees are increasingly keen to invest in their personal development, supported by DB Arriva.

ORDER BOOK

Awarded transport contracts

TRANSPORT CONTRACTS AWARDED / Rail 2022		Term	Volume (million train km) p. a.[1]	Total[1]
Poland	Kuyavian-Pomeranian Voivodeship region (KP Diesel Part III and IV)	12/2022-12/2030	2.4	19.3
Czech Republic	MoT R21, R22, R24	12/2022-12/2027	2.0	10.1
Czech Republic	MoT R26[2]	12/2022-12/2027	0.7	3.7
Total[1]			**5.1**	**33.1**

[1] Differences due to rounding are possible.
[2] Including extensions of existing transport contracts.

TRANSPORT CONTRACTS AWARDED / Bus 2022		Term	Volume (million bus km) p. a.[1]	Total[1]
Hungary	C7 and C8	05/2023-06/2033	10.4	103.5
Slovakia	Košice region	04/2022-03/2029	12.2	85.3
United Kingdom	TfL Contracts x 20[2]	variable	20.9	81.4
Slovakia	Žilina region (Orava)	06/2023-05/2033	6.3	63.4
Slovakia	Žilina region (Liptov)	06/2023-05/2033	4.4	43.7
The Netherlands	Friesland[3]	12/2022-12/2024	21.6	43.1
Italy	SIA[3]	01/2022-06/2024	17.0	42.5
The Netherlands	Zuid Holland Noord[3]	12/2022-12/2024	19.7	39.3
The Netherlands	Brabant Oost[3]	12/2024-12/2026	19.0	38.0
Czech Republic	Pardubice region	06/2022-06/2032	2.8	28.1
Other[3]		3 months-5 years	18.2	15.4
Total			**152.5**	**583.7**

[1] Differences due to rounding are possible.
[2] Including extensions of existing transport contracts.
[3] Extension of the existing transport contract.

— In 2022, DB Arriva Netherlands has won a bid for bus and train operations in Twente in the east of the Netherlands, part of the province of Overijsse. From December 2023, Arriva will operate the bus and train transport for four years (with an option to extend for another year). This strengthens DB Arriva's position as the largest bus and regional train operator in the Netherlands. The window for appeals has closed unused in February 2023.

Major commissionings

MAJOR COMMISSIONINGS / Bus 2021-2022[1]		Term	Million bus km p. a.	thereof versus 2021
Slovakia	Bratislava region	11/2021-11/2031	15.3	+12.8
Total			**15.3**	**+12.8**

[1] Services were previously not provided by DB Arriva.

Major contract cessations

MAJOR CONTRACT CESSATIONS / Rail 2021-2022[1]		Cessation	Million train-path km p. a.	thereof versus 2021
Sweden	E20 Train Roslagsbanan	04/2022	3.2	-2.4
Total			**3.2**	**-2.4**

[1] Services were previously not provided by DB Arriva.

MAJOR CONTRACT CESSATIONS / Bus 2021-2022[1]		Cessation	Million bus km p. a.	thereof versus 2021
Portugal	North Portugal	12/2021	9.1	-9.1
Slovakia	Nitra City	12/2021	4.2	-4.2
Denmark	Movia A19	variable	4.8	-2.9
Denmark	Movia A19X	02/2022	3.3	-2.8
Czech Republic	Ústecký region	11/2021	2.9	-2.7
Denmark	Movia A18	06/2021	5.0	-2.5
Denmark	NT26.4	08/2021	3.0	-2.0
Czech Republic	Královéhradecký region	02/2021	6.9	-1.2
Total[2]			**39.2**	**-27.4**

[1] Services were previously not provided by DB Arriva.
[2] Differences due to rounding are possible.

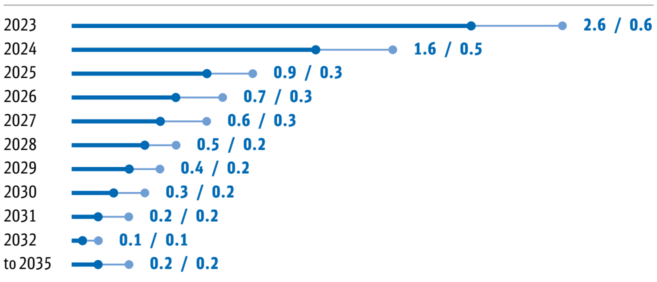
Order book

ORDER BOOK AS OF DEC 31 / € billion	2022	2021	Change absolute	Change %
DB Arriva	11.0	13.6	-2.6	-19.1
secured	7.9	9.9	-2.0	-20.2
unsecured	3.1	3.7	-0.6	-16.2

Revenues directly related to transport contracts or concessions are either independent of (secured revenues, essentially concession fees) or dependent on (unsecured revenues, essentially revenues from fares) the number of passengers.

Overall, in 2022 the order book declined. The additions from transport contracts awarded of about € 2.0 billion were offset by disposals of about € 3.4 billion, mainly as a result of services rendered and changes in assumptions of € −1.2 billion. The changes in assumptions mainly include the sale of activities in Sweden and Portugal 160.

ORDER BOOK PER YEAR AS OF DEC 31, 2022 / € billion



DIGITALIZATION AND INNOVATION

- In the Netherlands Arriva has implemented OVpay, which is a new way of checking in and out in public transport by using contactless debit or credit cards, including mobile phones. This technology is already available in multiple locations across the country but will successively become available nationwide. DB Arriva operates four concessions where Ovpay is now live.
- DB Arriva has created a new IT portal which has been specifically designed to support a new innovation framework called "The Ideas Engine." The new portal has been launched across DB Arriva to encourage all employees to submit their ideas. The best ideas will be supported by receiving funding for pilot schemes that will help to determine the business case.
- DB Arriva in Croatia has developed and launched a customer loyalty program. Customers can participate in the programme via the DB Arriva mobile app, through the Web site or by filling out the application form at the Arriva ticket offices. Membership is free and enables the collection of reward points through a virtual or physical card. This new tool will help attract new customers, as well as retaining the existing ones.

GRI ENVIRONMENTAL MEASURES

- DB Arriva is committed to sustainability and has created a Zero Emission Institute (ZEI) to accelerate its transition to cleaner fleets across all its European markets. The ZEI acts as a center of excellence which all its business areas can draw on. The Institute will be a key support for client bodies and DB Arriva business units, sharing pan-European knowledge, experience and best practice in trialing alternative fuels and transitioning fleets to reduce emissions.
- DB Arriva is working in Italy, Hungary, Slovakia, Croatia and the Netherlands on environmental programs supported by the LIFE program (the EU's financial instrument for the environment and climate action) with € 5.3 million. LIFE gives grants to projects that further the development of European policy in one of four areas: clean energy transition, nature and biodiversity, circular economy and quality of life, climate change mitigation and adaptation. The three projects are called LIFE H20BUS (water saving), RE-BREATH (air quality) and LIFE-CICLE (circularity).
- In 2022, DB Arriva took further steps to expand alternative drive technologies in the fleet, for example:
  - DB Arriva has placed an order for 64 new electric buses green no. 63 in the Netherlands. The buses are scheduled to be put into operation towards the end of 2023 in the Uden, Den Bosch and Tilburg regions.
  - In March 2022, DB Arriva helped secure a UK Governmental funding for 74 new zero emissions buses in West Yorkshire and Hertfordshire. DB Arriva UK Bus is to benefit from funding in both regions, helping to accelerate its sustainability ambitions and its drive towards a zero-emissions fleet.
  - In Spring 2022, DB Arriva Italy introduced 16 new buses fueled by biomethane (CNG) in the regions of Friuli Venezia Giulia and Veneto, among the first of such vehicles in these regions to operate inter-urban and extra-urban services. In addition, new charging infrastructure was installed with the ambition to operate a fully electric urban fleet (32 vehicles) in Cremona by 2026. The first 11 electric vehicles will enter service towards the end of 2023.
  - DB Arriva partnered with the Czech fuel distributor Čepro and Czech chemical company Spolchemie to launch a project to use hydrogen in rail transport. DB Arriva is seeking to purchase and operate a hydrogen train that could provide passenger transport primarily on non-electrified lines in the Ústí nad Labem Region, where it would partially replace diesel locomotives.

OTHER EVENTS

- DB Arriva in the Netherlands has started operating the first night trains from Maastricht to Schiphol. The night train will connect Maastricht in the south of the country with larger cities in the Netherlands and with Schiphol Airport. A second connection will be launched in January

DB ARRIVA	2022	2021	Change absolute	Change %	2019
Punctuality (rail) (United Kingdom, Denmark, Sweden, the Netherlands, Poland and the Czech Republic)[1] (%)	90.2	93.5	- 3.3	-	87.6
Customer satisfaction for bus and rail in the United Kingdom (SI)	73	77	- 4	-	78
Passengers (bus and rail) (millions)	1,546	1,308	+ 238	+ 18.2	2,214
Volume sold (rail) (million pkm)	6,167	4,663	+ 1,504	+ 32.3	12,617
Volume produced (bus) (million bus km)	884.5	947.6	- 63.1	- 6.7	1,065
Volume produced (rail) (million train-path km)	100.0	109.2	- 9.2	- 8.4	168.9
Total revenues (€ million)	4,214	4,069	+ 145	+ 3.6	5,410
External revenues (€ million)	4,212	4,067	+ 145	+ 3.6	5,405
EBITDA adjusted (€ million)	411	359	+ 52	+ 14.5	752
EBIT adjusted (€ million)	12	- 73	+ 85	-	289
Gross capital expenditures (€ million)	255	267	- 12	- 4.5	718
Employees as of Dec 31 (FTE)	38,059	43,189	- 5,130	- 11.9	52,331
Annual average employees (FTE)	40,688	44,187	-3,499	-7.9	52,855
Employee satisfaction (SI)	3.7	-	-	-	-
Share of women as of Dec 31 (%)	14.6	13.6	+ 1.0	-	14.9
Specific greenhouse gas emissions (rail) compared to 2006 (based on rail car units) (%)	- 16.0	- 17.3	+ 1.3	-	- 9.7
Specific greenhouse gas emissions (bus) compared to 2006 (based on bus km) (%)	- 28.0	- 14.9	- 13.1	-	- 10.1

[1] From July 2022, excluding the sold activities in Sweden 160.

2023 from Groningen in the north-east of the country to Schiphol. It is the first time that Open Access services will be introduced in the Netherlands.

- In January 2022, DB Arriva in Italy started a new ten-year contract to operate transport services for students with reduced mobility in the capital city of Rome. DB Arriva is introducing 246 new vehicles, including 25 electric small buses, 20 of which were included in the fleet in October 2022. The buses are equipped with state-of-the-art monitoring and security systems.

INVESTMENTS

- **Sweden:** The sale of DB Arriva's activities in Sweden to the Finnish railway company VR Group was completed on July 1, 2022, after the transaction was announced in March 2022. The transaction resulted in a transfer of all activities and all employees of DB Arriva in Sweden.
- **Portugal:** In May 2022, DB Arriva reached an agreement with Israeli transport company Dan Group to acquire its remaining bus business in Lisbon, Portugal. The transaction was completed on December 15, 2022.
- **Denmark, Serbia and Poland:** In September 2022, DB Arriva agreed with the financial investor Mutares on the sale of the activities in Denmark and Serbia as well as the bus business in Poland (not including rail). Closing is targeted as soon as possible and expected for the second quarter of 2023.

DEVELOPMENT IN THE YEAR UNDER REVIEW

→ *Revenue and performance development driven mainly by recovery effects – pre-Covid-19 levels not yet reached.*

→ *Transformation program leads to cost reductions and improved economic management.*

→ *2022 strongly influenced by a strategic decision to withdraw from countries that are not part of the core business, including the sale of activities in Sweden and Portugal.*

The development in 2022 was influenced by two key factors:

- the recovery process from the effects of the Covid-19 pandemic and
- the sale and effects of preparing to sell activities in non-core countries (in particular in Sweden, with an effect on revenues of € –171 million).

Punctuality in rail passenger transport decreased, mainly as a result of extreme weather events, infrastructure failures and speed restrictions, as well as the impact of industrial action across United Kingdom operations.

Customer satisfaction for UK Trains remained unchanged. Reduced customer satisfaction in the UK Bus regions was a result of strikes in the context of collective bargaining negotiations and the ongoing impact of driver shortages which has affected service levels and punctuality.

The performance trend has recovered strongly, but the pre-Covid-19 level has not yet been reached again. Overall, the recovery effects led to an increase in passenger numbers (bus and rail) and in rail transport volume produced. Dampening effects resulted from sales of non-core activities.

Economic development has improved significantly, mainly due to the ongoing recovery process, but remains strained. The ongoing transformation program which has put a framework in place to actively manage the business and its portfolio, specific and focused capital expenditures and the divesting of markets that are less attractive and not core to the growth strategy (non-core activities) had an additional positive effect.

Overall, income development was positive:

- **Revenues:** Increase mainly due to the Covid-19 recovery effects in all lines of business as well as higher concession fees due to general price adjustments. The sale of non-core activities, particularly in Sweden, had a dampening effect.
- **Other operating income:** Significant decline (–15.8%/€ –68 million) due to lower government Covid-19 support measures as a result of the recovery in demand.

The expense side remained mostly unchanged. Positive divestment effects were almost fully compensated by higher fuel prices, performance-related increased costs and negative exchange rate effects:

- **Personnel expenses:** Noticeable decline (–6.0%/€ –129 million), mainly due to sale of activities in Sweden, business review in Denmark and the omission of pension-related one-off effects in the previous year.
- **Depreciation:** Decline (–7.6%/€ –33 million) mainly due to divestment effects as well as due to a change in accounting for leased assets at Chiltern Railways. Partially compensated by effects from changes in the method of depreciation for buses.
- **Other operating expenses:** Decrease (–1.1%/€ –6 million), mainly due to the omission of provision-related one-off effects in the previous year. Effects from reclassification of management fees for the centralization of departments at UK Bus (which were offset in other operating income), recovery effects as well as negative exchange rate effects had a partly offsetting effect.

The significant increase in the cost of materials almost fully compensate the development:

- **Cost of materials:** The significant increase (+11.6%/€ +167 million) is mainly due to higher energy, maintenance and rail replacement expenses, as well as exchange rate effects. The divestment of non-core activities had a dampening effect.

Capital expenditures declined as a result of the absence of high capital expenditures in the Netherlands and Slovakia from the previous year. The sale of non-core activities also had a reducing effect.

The number of employees decreased in all lines of business, above all in Mainland Europe due to divestment effects. Corporate center restructuring commenced in 2022 resulting in headcount reductions.

Compared to 2020, employee satisfaction remained stable. The share of women increased slightly.

Specific CO_2 emissions compared to the reference year 2006 in rail transport have slightly declined, mainly as a result of the sale of electrified transports in Sweden. However, the level of bus traffic has improved significantly, mainly as a result of the decommissioning of old, inefficient buses.

UK Bus line of business

→ *Recovery continuing, but the effects of the Covid-19 pandemic are still noticeable.*

→ *Lower government support measures balanced out the recovery effects to some extent.*

→ *Additional burdens due to strikes, driver shortages, inflationary pressure, wage effects and higher fuel prices.*

			Change		
UK BUS LINE OF BUSINESS	**2022**	2021	absolute	%	2019
Passengers (million)	539.0	402.3	+136.7	+34.0	716.5
Volume produced (million bus km)	282.6	304.9	-22.3	-7.3	345.9
Total revenues (€ million)	943	861	+82	+9.5	1,076
External revenues (€ million)	943	861	+82	+9.5	1,074
EBITDA adjusted (€ million)	88	48	+40	+83.3	134
EBIT adjusted (€ million)	-29	-48	+19	-39.6	44
Gross capital expenditures (€ million)	62	50	+12	+24.0	64
Employees as of Dec 31 (FTE)	13,161	13,398	-237	-1.8	15,130

UK Bus recorded an increase in passenger numbers following the end of Covid-19-related restrictions, such as shutdowns in early 2021.

Schedules have been adjusted to current service levels, reducing regional transport services.

The economic development has improved. Revenue growth and lower expenses outpaced the negative impact of declining Covid-19 government support and higher prices on the cost side. Operating profit figures improved.

Overall, income development was positive:

- **Revenues:** Development improved, mainly due to the recovery in demand as well as positive exchange rate effects.
- **Other operating income:** Significant decrease, mainly as a result of lower Covid-19 support measures due to the recovery in demand. Positive exchange rate effects, among others, had a dampening effect.

On the expense side, it was mainly lower personnel expenses that led to a decrease:

- **Personnel expenses:** Decrease driven by the omission of previous years one-off effects from the closure of pension plans and effects from a lower headcount. Negative exchange rate effects, among others, had a dampening effect.
- **Cost of materials:** Decrease driven by lower maintenance costs, that were partly offset by higher energy prices and negative exchange rate effects.

The decrease in expenses was partially compensated by the increase in depreciation:

- **Depreciation:** Increased due to changes in bus depreciation accounting policy.
- **Other operating expenses:** Increase due to the reclassification of management fees for the centralization of departments (offset in other operating income) and negative exchange rate effects.

Capital expenditures increased significantly, mainly due to a project for a new depot and the increase in capital expenditures in health and safety as well as the revaluation of assets (IFRS 16).

The number of employees decreased noticeably as a result of the reduced volume produced and ongoing challenges related to sickness and operations.

UK Trains line of business

→ *Sustained recovery in revenues from fares after Covid-19, partly offset by the effects of the rise in the cost of living.*

→ *Lower government support measures largely offset by Covid-19 recovery effects.*

→ *Additional expenses due to higher energy prices due to the effects of the war in Ukraine.*

→ *Development influenced by structural changes due to the new contract for Chiltern Railways.*

UK TRAINS LINE OF BUSINESS	2022	2021	Change absolute	Change %	2019
Passengers (million)	173.1	118.6	+54.5	+46.0	354.8
Volume sold (million pkm)	4,658	2,863	+1,795	+62.7	10,264
Volume produced (million train-path km)	49.4	48.0	+1.4	+2.9	115.8
Total revenues (€ million)	1,227	1,141	+86	+7.5	2,190
External revenues (€ million)	1,189	1,107	+82	+7.4	2,137
EBITDA adjusted (€ million)	46	34	+12	+35.3	220
EBIT adjusted (€ million)	27	0	+27	–	80
Gross capital expenditures (€ million)	11	6	+5	+83.3	277
Employees as of Dec 31 (FTE)	4,747	4,844	-97	-2.0	11,215

The performance development at UK Trains was mainly driven by the effects of the Covid-19 recovery process.

The economic development has improved. Positive effects seen from the ongoing recovery process were only partially offset by lower government support and additional expenses. As a result, operating profit figures rose.

Income development was significantly better:

- **Revenues:** Increase due to higher revenues from fares driven by higher volumes as well as positive exchange rate effects. Lower government Covid-19 support measures partially offset this.
- **Other operating income:** Increase mainly due to negotiated commercial settlements and increased income in relation to rail replacement services.

On the expenses side, price and volume-related higher expenses as well as exchange rate effects led to increased expenses:

- **Cost of materials:** Significant growth, mainly due to increased spot price and volume related fuel costs as well as negative exchange rate effects.
- **Personnel expenses:** Remained unchanged. Negative exchange rate effects were mostly offset by a lower number of employees.
- **Other operating expenses:** Also remained unchanged.

The decrease in depreciation partially compensated for this:

- **Depreciation:** Significant decrease due to a change in accounting for leased assets at Chiltern Railways.

Capital expenditures rose, primarily due to significantly higher investment grants for rolling stock capex at Chiltern Railways regarding the new National Rail Contract.

The number of employees fell slightly due to voluntary severance scheme and on-board catering attrition.

Mainland Europe line of business

⟼ *Continued recovery from the effects of Covid-19 (particularly in the Netherlands, the Czech Republic, Italy and Croatia).*

⟼ *The sale of activities in Sweden and Portugal and preparation for the sale of activities in Denmark, Serbia and Poland have a dampening effect.*

⟼ *Additional burdens due to higher energy prices and further significant cost increases.*

			Change		
MAINLAND EUROPE LINE OF BUSINESS	**2022**	2021	absolute	%	2019
Passengers (bus) (million)	763.9	696.0	+67.9	+9.8	1,018
Passengers (rail) (million)	70.2	91.2	-21.0	-23.0	125.4
Volume sold (rail) (million pkm)	1,509	1,800	-291	-16.2	2,353
Volume produced (bus) (million bus km)	601.8	642.7	-40.9	-6.4	719.5
Volume produced (rail) (million train-path km)	50.6	61.2	-10.6	-17.3	53.2
Total revenues (€ million)	2,259	2,258	+1	-	2,321
External revenues (€ million)	2,079	2,098	-19	-0.9	2,182
EBITDA adjusted (€ million)	324	340	-16	-4.7	402
EBIT adjusted (€ million)	65	44	+21	+47.7	174
Gross capital expenditures (€ million)	181	210	-29	-13.8	377
Employees as of Dec 31 (FTE)	19,812	24,585	-4,773	-19.4	25,572

In 2022, activities in some countries that are not part of the core business were sold (Sweden and Portugal) or prepared for sale (Denmark, Serbia and the Polish bus business). This results in limited comparability with previous years.

Performance development was differentiated. Positive effects, driven by a recovery in demand, were offset by the divestment effects:

- **Rail transport:** The decline in performance is due to the sale of activities in Sweden. Recovery effects in all countries had a positive effect.
- **Bus transport:** The number of passengers increased, especially as a result of the recovery from Covid-19, partly compensated by sales of non-core activities. Volume produced and volume sold decreased due to the effects of sales of non-core activities.

The economic development was mainly driven by divestments, effective portfolio management and the Covid-19 recovery process. EBITDA adjusted fell while EBIT adjusted rose significantly:

- **Revenues:** Remained mainly unchanged. Recovery in demand and higher concession fees due to contractual indexation in the Netherlands, Slovakia and the Czech Republic were offset by the effects of sales of non-core activities.
- **Other operating income:** Significant decrease mainly driven by a reduction in government Covid-19 support in the Netherlands and sales of non-core activities. Higher government support in Italy has a dampening effect.

The expense side was strongly influenced by declines as a result of sales of non-core activities which were partly offset by higher energy costs as well as recovery effects:

- **Personnel expenses:** Sharp decline. Effects from a decline in the number of employees (mainly due to divestures) and positive exchange rate effects were partly offset by higher costs due to the shortage of drivers.
- **Depreciation:** Decline mainly due to sales of non-core activities.
- **Other operating expenses:** Decrease mainly due to the omission of provision related one-off effects of previous year. Recovery-related higher expenses in the Netherlands has a dampening effect.

The significant increase in the cost of materials had a dampening effect:

- **Cost of materials:** This increase is mainly due to higher fuel costs and higher expenses for purchased services as a result of the recovery from Covid-19. The sales of non-core activities and the transformation program resulted in cost-reducing effects.

The decline in capital expenditures resulted from sales of non-core activities and the largely completed capital expenditure projects in the previous year.

The number of employees fell significantly due to sales of non-core activities and the review of the business in Denmark.

DB Schenker business unit

DEVELOPMENT IN THE RELEVANT MARKETS

Land transport

EUROPE

- In 2022, the European land transport market was characterized by freight rates at record highs, scarce capacity and continued high demand for transport.
- High demand was met by a shortage and an increase in the price of transport supply, caused particularly by a driver shortage and rising diesel and energy prices. As a result, the transport price level rose noticeably, fueled in particular by the war in Ukraine and strong inflation. Shipment flows also changed slightly from intercontinental to more intra-European flows. Investments in digital platforms for consolidating supply and demand of transport capacities added to the existing pressure on margins caused by intense competition. In late 2022, there were recession expectations on the market, driven by the already falling figures for industrial production, which, however, had not yet had an impact on transport demand.
- DB Schenker maintained its market-leading position.

AMERICAS

- After very dynamic development in the first half of 2022, the market in the USA and Canada has settled down considerably again. The availability of full-load capacity for trucks increased significantly in the first nine months. As a result, spot rates, i.e. non-contractually regulated transport prices, fell sharply. In the USA, inventory stocks of consumer goods were high until the end of the third quarter and in the fourth quarter. Combined with inflationary pressure and the slowdown in the housing market, this leads to a further dampening of transport demand.
- Volumes in Mexico and Canada generally followed trends in the USA, albeit to a much lesser extent than in North America as a whole.

ASIA/PACIFIC

- Domestic transport business has seen a sharp increase in demand, in China in particular, following the lifting of Covid-19-related restrictions. The opening of borders also had a positive effect on intra-Asian land transport, but the increase was somewhat dampened by price and capacity developments in air and ocean freight.
- The transport business in the Eurasian corridor has collapsed sharply since the beginning of the war in Ukraine and recorded a decline in revenues of over 30%.

Air freight

After a strong start in 2022, in which the strong previous year's figures were exceeded in the first quarter, air freight could not escape the general macroeconomic conditions during the course of the year. In particular, declining demand for transport, the war in Ukraine and Covid-19 restrictions in China had a negative impact on the market. Overall, the volume transported in air freight fell slightly in 2022 (–4.6%).

Signs of a slowdown in demand were already observed in the summer months of 2022. This trend continued and accelerated in the last quarter of 2022. At the same time, as capacity increased, the market balance between supply and demand shifted on most routes. In this increasingly challenging market environment, DB Schenker recorded a decline in volume slightly above the level of the overall market.

Ocean freight

After a successful first half of 2022, the second half of 2022 was characterized by sharply falling ocean freight rates and volumes. The war in Ukraine put energy costs in Europe under pressure. Rising inflation and fully utilized warehouses also weakened demand for transport as import volumes fell. At the same time as transport capacity increased, freight rates fell: after peaking in January 2022, freight rates on all main trade routes from Asia have fallen by 80%, with rates almost back at pre-Covid-19 levels in early 2023. The ending of strikes and the easing of congestion at ports increased the reliability of shipping companies and the punctuality of transport.

The volumes at DB Schenker declined as a result of the challenges that had arisen, but development was on an equal footing with the competition.

Contract logistics

After recovering to pre-Covid-19 levels, the market for contract logistics continued to grow in 2022. The e-commerce (omnichannel), healthcare, electronics (5G, cloud, microchips) and consumer goods sectors developed positively. The automotive industry, on the other hand, performed below average.

Despite high investments in recent years, there has been a global shortage of available storage space, largely due to the Covid-19-related growth in e-commerce and healthcare. Investments in new storage capacities are currently declining due to sharply higher prices for construction materials, scarce construction space and rising cost of materials and financing.

DB Schenker recorded a slight increase in its market share due to its geographically and sectorally diversified portfolio, particularly in the Middle East and Africa and Asia/Pacific regions.

GRI

DB SCHENKER – AT A GLANCE

Lines of business

Land transport
- Parcel delivery
- System freight
- Direct freight

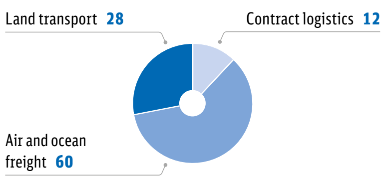
Air and ocean freight
- Air freight: general air freight products, charter services, intermodal solutions
- Ocean freight: less-than-container load (LCL) cargo shipments, full load cargo shipments, intermodal solutions, refrigerated containers
- Other services include trade fair and art logistics, systems and project logistics, sports and events logistics, special transport services

Contract logistics
- Aftermarket / reverse logistics
- Finished goods
- Cloud logistics
- E-commerce
- Medical devices / healthcare

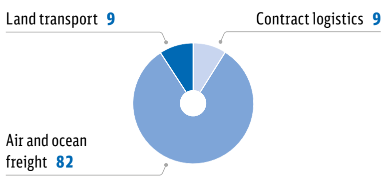
Other
Supporting the lines of business through central functions such as production, sales, finance, HR and IT

Structure

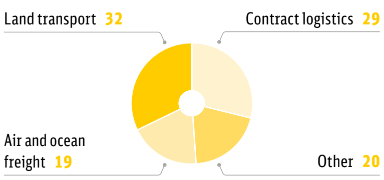
REVENUES / %



EBIT / %



EMPLOYEES / %



Business model

INPUTS

Employees
- About 76,600

Vehicles
- About 33,700 vehicles used on a regular basis (including external, excluding spot market)

Networks and infrastructure
- More than 1,850 sites in over 130 countries
- Thereof about 430 sites in land transport
- About 550 global sites in air / ocean freight
- About 8.6 million m² warehouse space in contract logistics worldwide

Additional production factors
- Fuel
- Electricity
- Water

BUSINESS ACTIVITIES

Customer segments
- Business customers with a focus on automotive, chemicals, consumer, electronics, healthcare, industrial, retail and semiconductors / solar

Value proposition
- DB Schenker offers customer-oriented, reliable and eco-friendly integrated solutions in transport and warehousing worldwide.

Customer access and retention
- Branch offices with territorial distribution
- Key account management
- E-services

Key activities
- Planning and operating global networks
- Providing / organizing transport and warehousing services
- Purchasing cargo space
- Providing supplemental logistical services

OUTPUTS [1]

Land transport shipments
- 103 million

Air freight volume (export)
- 1.3 million t

Ocean freight volume (export)
- 1.9 million TEU

OUTCOMES [2]

EBIT adjusted
- € 1,841 million

Employee satisfaction
- SI of 4.0

Customer satisfaction
- SI of 70

CO_2 emissions
- -29.4% (land transport)
- -16.2% (air freight)
- -67.2% (ocean freight) compared with 2006 (specific)

Status for 2022, or as of December 31, 2022.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

BUSINESS MODEL

DB Schenker serves established markets and emerging national economies as an integrated transport and logistics services provider with a global network.

- **Land transport:** DB Schenker's network connects the most important economic regions in Europe. Services include time- and cost-optimized services for general cargo, partial and full load transport along with door-to-door solutions across Europe. Land transport in America is becoming an increasingly important area of activity. In addition to serving the North American markets, activities in South America are being expanded. DB Schenker is also expanding its land transport business in the growth market of Asia.
- **Air and ocean freight:** As one of the global leaders, DB Schenker offers the entire range of services in this segment.
- **Contract logistics:** The services offered cover all stages of the value-added chain from supplier to producer/trade, end customers and spare parts services. The core area of expertise is the planning and handling of complex global supply chains, including sustainable logistics concepts.

DB Schenker has a global customer base in a wide range of industries and a focus on industrial customers. The vertical market approach is aimed at developing industry-specific solutions. Major customers are supported with tailor-made solutions.

In air and ocean freight, DB Schenker operates exclusively as a freight forwarder without its own aircraft and vessels, but in air freight with a time-diversified charter strategy on the main trade lanes. In contrast, in some segments of land transport, we use our own vehicles and containers. Transshipment terminals and warehouses are generally our own property or are leased over the longer term. In addition to airlines and shipping companies in air and ocean freight, our major partners include land transport subcontractors for the supply of transport services.

The volume-based key figures depend on the line of business:

- in land transport it is the number of shipments,
- in air freight it is the tons billed, and
- in ocean freight it is the freight volume measured in TEU.

There is no comparable volume-based KPI in the contract logistics segment. In this case, market comparisons are usually made on the basis of revenues.

DB Schenker has a relatively low capital intensity and real net output ratio. About 70 % of revenues in the transport business lines come from procured intermediate input services. Therefore, optimizing these purchase relationships and balancing various influential success factors, such as transport relations, volume, weight and mode of transport, represents an important factor for success and a value driver. The same applies to managing fluctuations in freight rates and the specific surcharges to these freight rates. One of the essential factors besides gross profit is the effective and efficient use of personnel. This is of particular importance in contract logistics. Here, know-how and experience relevant to the industry are an essential success factor in the optimal design of intra-company logistics processes. Effective IT support is also especially important.

The most important sources of income are transport and logistics services, including services with added value concentrating on the strategic areas of aftermarket, cloud, finished goods fulfillment, omnichannel and medical devices, with a focus on supporting the electronics, healthcare, industrial and e-mobility sectors.

MARKETS AND STRATEGY

GRI

DB Schenker is well positioned in all relevant market segments. Its vision is to be the world's leading integrated supplier of transport and logistical services. To achieve this, DB Schenker intends to further strengthen and expand its market positions.

With its new UNLEASH strategy, DB Schenker intends to make its organization future-proof through customer orientation, high-performance employees and dynamic growth, and, most importantly, by placing customers at the center of our actions. A comprehensive transformation program was initiated in early 2022 to drive change and focus on five critical success factors: market expertise, work culture, corporate sustainability, digital and process excellence and economic strength. These five success factors are supplemented by ambitious ESG targets to become climate neutral by 2040.

In addition, digitalization is becoming increasingly important as a driver of disruption in the logistics industry. DB Schenker is therefore concentrating on developing the latest tools and processes in order to serve its customers. Initiatives such as data-driven business models, online platforms and technical innovations are promoted on a global scale.

Progress in the implementation of the UNLEASH strategy

Numerous initiatives were implemented in 2022:

- **Market expertise:** The goal is to master specific challenges and opportunities in the business areas in order to always optimally meet customer needs. In 2022, DB Schenker specifically expanded its activities in the US market with the acquisition of USA Truck 168 in order to better serve the needs of customers and round out its range of services on the market.

- **Corporate sustainability:** DB Schenker has expanded and intensified its ESG efforts. In 2022, DB Schenker set up a central ESG team and set itself important strategic ESG targets. These include increasing the proportion of women to 50 % by 2030 (for executives: 30 % by 2030), establishing own ESG ratings by the end of 2023 and reducing carbon emissions by 50 % for all areas of European land transport by 2030.
- **Our working culture:** In 2022, DB Schenker introduced new working methods to create an environment in which employees can unlock their full potential. These also include “company hacks” (techniques and methods to promote the collaboration), which enable a more functional and committed way of working and strengthen a culture that is oriented towards decision-making and personal responsibility.
- **Digital and process excellence:** As part of numerous initiatives and projects, DB Schenker further expanded its digital and process excellence in 2022. This concerns both the optimization of processes in the individual business areas and the development of an overall digital strategy to secure and expand a leading position in this area.
- **Economic strength:** In particular, the “Organizational Fitness” sub-project aims to reduce indirect costs, streamline the organization and rearrange reporting channels in order to make DB Schenker more agile, leaner and more efficient. While 2022 was dedicated primarily to preparing the concept, the plan will be implemented from 2023 onwards.

DIGITALIZATION AND INNOVATION

- DB Schenker implemented AutoStore, an automated goods-to-customer system, in order to improve logistics for MQ Marqet, a leading retailer for high-quality fashion in Sweden. The automated solution for online order processing and returns handling, which is operated in Gothenburg, sets standards for sustainable and agile logistics, thereby strengthening DB Schenker’s position in e-commerce.
- At its first product show, DB Schenker presented numerous digital innovations from all areas. This also included a new virtual warehouse solution that relies on a network of on-demand production service providers. The virtual warehouse lowers delivery costs, reduces delivery times and is good for the environment.
- Schenker Ventures invested in the Warehousing 1 start-up, which offers a platform for e-commerce fulfillment. This is the first investment by DB Schenker’s new venture capital unit. Other well-known venture capital investors are also taking part in the Warehousing 1 Series A round. The Covid-19 pandemic has triggered a boom in online shopping. Consumer brands around the world have adapted their sales channels to the new market situation. This has resulted in a large number of new variants of online shopping. Warehousing 1 picks up on this trend.

ENVIRONMENTAL MEASURES

GRI

- **Sustainable aviation fuel (SAF)** is currently available for all flights to all airports worldwide, which represents a significant enhancement of our existing CO_2e-neutral air freight solutions. SAF is obtained from bio-waste, e.g. from used cooking oil. DB Schenker bought 11,444 t SAF in 2022, saving more than 36,000 t CO_2e. In Lenovo, another major customer from the IT sector joined DB Schenker and Lufthansa Cargo in 2022 on the path to greener supply chains and now allows 20 t of freight to be transported from Shanghai to Frankfurt am Main on a weekly basis. The CO_2e-neutral freight flight is the only regular full-charter connection in the world that is 100 % covered by SAF.
- **Eco warehouses:** After a comprehensive modernization, DB Schenker opened its 50th certified eco warehouse in Tilburg, the Netherlands. Eco warehouses green. no. 112 are part of an integrated concept that makes it possible to operate warehouses energy-efficiently, improve employee well-being and significantly reduce CO_2 emissions. The green Dubai Logistics Center III (DLC III) is a modern, eco-friendly logistics hub with 37,000 m² of storage space (including 5,000 m² of mezzanine space for added-value services and replacement parts warehouses), temperature-controlled areas and zones with ambient temperature. It is operated using 100 % renewable energy. This increased the total area of contract logistics in Dubai to 84,000 m² since June 2022.
- **Sustainable Cities:** The concept of Sustainable Cities was developed by DB Schenker to award cities that assume local responsibility for a wide range of activities and are role models for responsible action in the local environment. Since 2020, cities in which DB Schenker operates have been able to apply to be named Sustainable Cities. Candidates must demonstrate their performance in four categories: reduction of environmental pollution, sustainable innovation, increased connectivity, partnerships and commitment. Cities must be active in at least three of the four sustainability areas and specific KPIs and goals must be achieved. Sustainable Cities in 2022 were: Oslo, Helsinki, Shanghai, Singapore, Paris, Helsinki, Rennes, Dubai and Sydney.

- **Climate-friendly ocean transport:** DB Schenker is the first logistics provider in the world to regularly offer climate-friendly ocean transport in container transport. Together with the French shipping company CMA CGM, DB Schenker has ensured that more than 2,500 t of biofuel is available, which corresponds to the requirements for all less than container load (LCL) transports and additional full container load (FCL) transports from DB Schenker by CMA. The fuel requirements for transport with CMA are covered by climate-friendly biofuel, which eliminates greenhouse gas emissions on the balance sheet by about 80 % in comparison with diesel for shipping. The purchased fuel volume enabled savings of about 7,000 t CO_2e and was one of the most important purchases of biofuels in ocean freight in 2022.
- **Climate-friendly land transport:** The number of battery-electric vehicles grün. no. 122 driving for DB Schenker amounted to around 130 vehicles in 2022. These include various models and manufacturers.
  - DB Schenker commissioned the first series-produced electric eActros in 2022.
  - On the island of Gotland (Sweden), DB Schenker has taken over responsibility for the entire distribution and relies entirely on electric and hybrid vehicles. The hybrids are operated with HVO if they are not in electric mode.
  - In 2022, DB Schenker concluded a contract with the leasing start-up hylane for the takeover of the first hydrogen-powered fuel cell electric vehicles (FCEV). hylane is part of DEVK and specializes in providing comprehensive hydrogen solutions in the logistics sector. The first truck will be handed over in February 2023.

OTHER EVENTS

- DB Schenker has offered additional charter capacities across the Atlantic since August 2022. The new route starts in the Netherlands and, after two intermediate stops in the USA, reaches Brazil. Direct connections to Argentina and Chile are available in South America. The weekly freight charter flight offers 50 t capacity and extends the intercontinental flight network.
- DB Schenker celebrated its 150th company anniversary in 2022. On July 1, 1872, Gottfried Schenker founded the freight-forwarding company in Vienna. Today, DB Schenker is one of the world's leading transport and logistics service providers. January signaled the start of an anniversary year in which the vision of DB Schenker was always at the forefront: connecting the world and advancing lives and businesses in the process.

INVESTMENTS

- **USA Truck:** As of September 15, 2022, DB Schenker and USA Truck completed the takeover of all outstanding USA Truck shares by DB Schenker. The merger underlines the goal of DB Schenker and USA Truck to become the leading provider of transport solutions in North America. DB Schenker will expand its common market position in land transport in North America and use the expanded product range to strengthen the other products in North America.
- **Bitergo:** DB Schenker acquired Bitergo GmbH in full on May 31, 2022. Bitergo is a software company which offers standardized and mobile cloud solutions with a focus on warehousing, supply chain execution and mobile solutions. The company is the operator of the Logistics Mall, a digital platform on which users can use apps as needed, such as for warehouse management, shipping and transport management. The acquisition is a key element of DB Schenker's digital strategy. DB Schenker is therefore continuing to push the development of new digital business models and is driving the digital transformation of its core business forward.
- **FLS:** DB Schenker's full load solution (FLS) business was transferred to DB Cargo with economic effect from January 1, 2022. The previous year's figures were adjusted accordingly.
- **MTS:** As of August 1, 2022, DB Schenker and Wessels & Müller SE completed the takeover of all outstanding limited partner shares in MarkenTechnikService GmbH & Co. KG (MTS). Wessels & Müller SE is already a long-standing shareholder of the MTS Group.
- **LTDO:** DB Schenker completed the acquisition of Les Triporteurs de l'Ouest (LTDO), Rennes / France, on October 6, 2022. LTDO specializes in deliveries in cities with e-cargo bicycles and electric cars. The acquisition supports efforts to build up a nationwide delivery network for the last mile in compliance with the latest inner-city emissions regulations in France.
- **DB Schenker Indonesia:** As of December 6, 2022, DB Schenker completed the acquisition of a further 29 % in PT Schenker Petrolog Utama (DB Schenker Indonesia), Jakarta / Indonesia, from its previous co-shareholder and therefore owns 100 % of the shares in the company.
- **EVAG:** As of December 29, 2022, DB Schenker completed the sale of EVAG Emder Verkehrs und Automotive Gesellschaft mbH. The sale was completed in order to focus on DB Schenker's core business.

DEVELOPMENT IN THE YEAR UNDER REVIEW

⟼ *The market environment remained very positive, but became somewhat more clouded at the end of the year.*

⟼ *Strong improvement in profits, particularly in air and ocean freight.*

⟼ *Comprehensive measures to improve efficiency and digitalization.*

Customers in 30 countries were surveyed to assess customer satisfaction. The survey is carried out annually, inviting more than 200,000 participants. Customer satisfaction increased in 2022.

Volume development declined overall. The absence of catch-up effects following the Covid-19 pandemic from the previous year and the generally weak market development due, among other things, to Covid-19-related restrictions in Asia and disruptions in the supply chains could only be partially offset.

Economic development, driven by air and ocean freight, was very encouraging: operating profit figures rose very significantly in all regions. As a result, gross profit also improved noticeably (+16.7%). Adjusted for exchange rate effects, the increase was somewhat less pronounced.

Income development was very positive, driven by strong revenue growth:

- **Revenues:** Sharp increase as a result of higher freight rates, in particular in air and ocean freight and as a result of exchange rate effects. Demand development had a dampening effect in the opposite direction.
- **Other operating income:** Increase (+18.4%/€ +41 million) at a low level. The reasons for this included higher income from the release of provisions.

Expenses were driven mainly by freight-rate developments. In contrast, the effects of measures to improve productivity had a lowering effect:

- **Cost of materials:** Significant increase (+21.3%/€ +3,375 million) as a result of freight rate developments, particularly in air and ocean freight. Exchange rate effects also had the effect of increasing expenses.
- **Personnel expenses:** Increase (+12.2%/€ +447 million) due to a higher average number of employees and exchange rate effects.
- **Other operating expenses:** An increase (+10.9%/€ +198 million) resulted, among other things, from increased expenses for again more intensive travel activities, in connection with projects and exchange rate effects.
- **Depreciation**: Increase (+13.3%/€ +79 million) due to capital expenditures (including leasing). In addition, exchange rate effects had the effect of increasing expenses.

Capital expenditure activities increased. The increase was mainly due to leasing activities. The capital expenditure priorities were the Europe and Asia regions. Adjusted for exchange rate effects, the increase was even more pronounced.

The number of employees increased slightly. More complex work processes related to Covid-19 resulted in additional new hires, in particular in land transport and in air and ocean freight.

DB SCHENKER	2022	2021	Change absolute	Change %	2019
Customer satisfaction (SI)	70	68	+2	-	71
Land transport shipments (million)	102.8	110.7	-7.9	-7.1	107.1
Air freight volume (export) (thousand t)	1,326	1,438	-112	-7.8	1,186
Ocean freight volume (export) (thousand TEU)	1,909	2,003	-94	-4.7	2,294
Total revenues [1] (€ million)	27,604	22,939	+4,665	+20.3	17,091
External revenues [1] (€ million)	27,545	22,853	+4,692	+20.5	17,018
Gross profit margin [1] (%)	30.9	31.9	-1.0	-	36.1
EBITDA adjusted [1] (€ million)	2,512	1,826	+686	+37.6	1,082
EBIT adjusted [1] (€ million)	1,841	1,234	+607	+49.2	538
EBITmargin (adjusted) [1] (%)	6.7	5.4	+1.3	-	3.1
Gross capital expenditures [1] (€ million)	946	842	+104	+12.4	662
Employees [1] as of Dec 31 (FTE)	76,591	75,418	+1,173	+1.6	76,153
Employees [1] annual average (FTE)	75,907	74,067	+1,840	+2.5	76,047
Employee satisfaction (SI)	4.0	-	-	-	-
Share of women as of Dec 31 (%)	36.7	36.5	+0.2	-	36.1
Specific greenhouse gas emissions (land transport) compared to 2006 (based on tkm) (%)	-29.4	-31.6	+2.2	-	-24.0
Specific CO_2 emissions (air freight) compared to 2006 (related to tkm) (%)	-16.2	-17.4	+1.2	-	-9.1
Specific CO_2 emissions (ocean freight) compared to 2006 (based on tkm) (%)	-67.2	-68.4	+1.2	-	-64.3

[1] Figure for 2021 or as of December 31, 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

Employee satisfaction has risen slightly compared with 2020. This is due to improvements in customer focus and quality.

Specific CO_2 emissions were reduced in comparison with the reference year 2006:

- **Land transport:** The slight reduction in pure CO_2 efficiency is due to datasets of biofuel upstream chains updated by the Institute for Energy and Environmental Research (Institut für Energie- und Umweltforschung; ifeu).
- **Air freight:** Air transport once again shows a slight decline in efficiency. In comparison with the pre-Covid-19 level, however, major increases in efficiency continue to be recorded.
- **Ocean freight:** The efficiency of ocean freight has fallen slightly due to a slight deterioration in the efficiency of the relevant shipping companies and bottlenecks on heavily frequented trade lanes.

Land transport line of business

⟶ *Increase in international transport services more than compensated by the decline in domestic transport services.*

⟶ *High freight rates drove development.*

⟶ *Quality improvements with positive effects.*

⟶ *Further promoting digital transformation and optimizing the product and customer mix, the network and an even more sustainable product range.*

LAND TRANSPORT LINE OF BUSINESS	2022	2021	Change absolute	Change %	2019
Land transport shipments (million)	102.8	110.7	-7.9	-7.1	107.1
Total revenues [1] (€ million)	7,852	6,952	+900	+12.9	7,125
External revenues [1] (€ million)	7,832	6,934	+898	+13.0	7,058
EBITDA adjusted [1] (€ million)	399	281	+118	+42.0	341
EBIT adjusted [1] (€ million)	158	99	+59	+59.6	172
Employees [1] as of Dec 31 (FTE)	24,706	22,668	+2,038	+9.0	21,811

[1] Figures for 2021 or as of December 31, 2021 adjusted due to the intra-Group reallocation of the FLS business area 130.

In land transport, demand declined, driven by declines in parcel and system transport in particular after the previous year was marked by Covid-19-related catch-up effects. The decline in shipment figures for direct freight is largely due to the effect of the FLS transaction 130.

On the other hand, the economic development was very encouraging: the operating profit figures developed positively as a result of a disproportionate increase in income:

- **Revenues:** Increase due in particular to generally higher sales prices. Demand development had a dampening effect in the opposite direction. Adjusted for exchange rate effects, the increase was even more pronounced.
- **Other operating income:** Decline due, among other things, to lower income from the disposal of property, plant and equipment.

Developments on the expenses side were characterized by more cost-intensive processes in the areas of direct, system and special transport due to the Covid-19 pandemic. Compared with income, however, the increase was disproportionately low:

- **Cost of materials:** Slight increase, in particular higher prices and negative exchange rate effects were partially offset by declines in demand.
- **Personnel expenses:** Increase due to a higher number of employees.
- **Other operating expenses:** Increase due to reclassification of IT expenses within the business unit.

The number of employees increased significantly, due in part to the acquisition of USA Truck 168.

Air and ocean freight line of business

⟶ *Declines in demand in air freight due to weak market momentum.*

⟶ *Capacity shortages and Covid-19-related uncertainties continue to shape development, in particular in ocean freight.*

⟶ *Freight rates continued to be at a high level; significant weakening again at the end of the year.*

AIR AND OCEAN FREIGHT LINE OF BUSINESS	2022	2021	Change absolute	Change %	2019
Air freight volume (export) (thousand t)	1,326	1,438	-112	-7.8	1,186
Ocean freight volume (export) (thousand TEU)	1,909	2,003	-94	-4.7	2,294
Total revenues (€ million)	16,530	12,963	+3,567	+27.5	7,218
External revenues (€ million)	16,521	12,957	+3,564	+27.5	7,213
EBITDA adjusted (€ million)	1,575	1,094	+481	+44.0	342
EBIT adjusted (€ million)	1,503	1,028	+475	+46.2	287
Employees as of Dec 31 (FTE)	14,204	13,609	+595	+4.4	13,964

Performance development declined:

- **Air freight:** Negative effects, mainly due to the war in Ukraine and the lockdowns in China, were not able to be compensated for.

- **Ocean freight:** As a result of market developments, volumes were also slightly below the previous year's low level. Equipment and capacity shortages, alongside the tense market situation (especially in China) due to Covid-19, were only partially offset by volume growth on transpacific routes and between Asia and Europe.

On the other hand, the economic development was very encouraging: the operating profit figures improved due to the significant increase in income:

- **Revenue:** Significant increase, mainly due to the development of freight rates. Performance development had a dampening effect. In air freight, the trends of the previous year were boosted by capacity-limiting measures (in particular airspace closures and sanctions). At the end of 2022, however, rising capacity and lower demand led to a decline in freight rates, making it difficult to pass on higher prices to customers in some cases. Scarce capacity and high demand also led to significantly higher freight rates in ocean freight. At the end of 2022, however, freight rates were almost back to pre-Covid-19 levels as a result of declines in demand. Adjusted for exchange rates, the increase in revenues was weaker.
- **Other operating income:** Increase at a low level, partly as a result of higher effects from the release of provisions.

On the expenses side, the development of freight rates was particularly noticeable:

- **Cost of materials:** Increase mainly as a result of freight rate developments and due to exchange rates.
- **Other operating expenses:** Increase due to reclassification of IT expenses within the business unit.
- **Personnel expenses:** Personnel expenses increased as a result of a higher number of employees, partly due to performance-related factors, and also as a result of exchange rate effects.

The number of employees rose. More complex work processes brought about by Covid-19 resulted in additional new hires.

Contract logistics line of business

⟼ *New business performed better than expected, particularly in Asia / Pacific and America.*

⟼ *Measures to improve productivity and profitability are currently being implemented.*

			Change		
CONTRACT LOGISTICS LINE OF BUSINESS	**2022**	2021	absolute	%	2019
Warehouse space (million m²)	8.6	8.4	+0.2	+2.4	8.4
Total revenues (€ million)	3,195	2,965	+230	+7.8	2,734
External revenues (€ million)	3,193	2,963	+230	+7.8	2,733
EBITDA adjusted (€ million)	455	372	+83	+22.3	312
EBIT adjusted (€ million)	166	107	+59	+55.1	79
Employees as of Dec 31 (FTE)	22,101	24,056	-1,955	-8.1	24,625

The development in contract logistics followed the overall market thanks to its diversified portfolio that covers different geographic regions and market sectors. Development in Europe was positive despite restructuring measures and influences from the war in Ukraine.

The economic development was very encouraging in a challenging market environment: the operating profit figures rose, driven by above-average income gains in particular:

- **Revenue:** Sharp increase, driven by a continuing recovery after Covid-19 restrictions. Revenue development is due in particular to new business and additional volume in the Asia / Pacific and Europe regions. The electronics and consumer sectors in particular developed positively. Adjusted for exchange rate effects, the increase was less pronounced.
- **Other operating income:** Increase due in part to reversals from provisions at a low level.

In terms of expenses, the recovery in demand was noticeable:

- **Personnel expenses:** Increase as a result of business development. Exchange rate effects also had the effect of increasing expenses.
- **Other operating expenses:** This increase is due, among other things, to higher costs for temporary workers as a result of the increased business development, as well as higher IT expenses and energy costs. Exchange rate effects also had the effect of increasing expenses.
- **Depreciation:** Depreciation increased significantly as a result of the conclusion of lease contracts for storage capacity.

The development of the cost of materials partially offset this impact:

- **Cost of materials:** Decrease due to lower operating costs for the maintenance of warehouses. However, the performance-related increase in expenses for purchased freight forwarding services had a partially compensating effect. Adjusted for exchange rates, the decline was significantly higher.

The number of employees fell slightly, due in part to higher productivity and a tense labor market.

OPPORTUNITY AND RISK REPORT

TCFD
GRI

Opportunity and risk management within DB Group

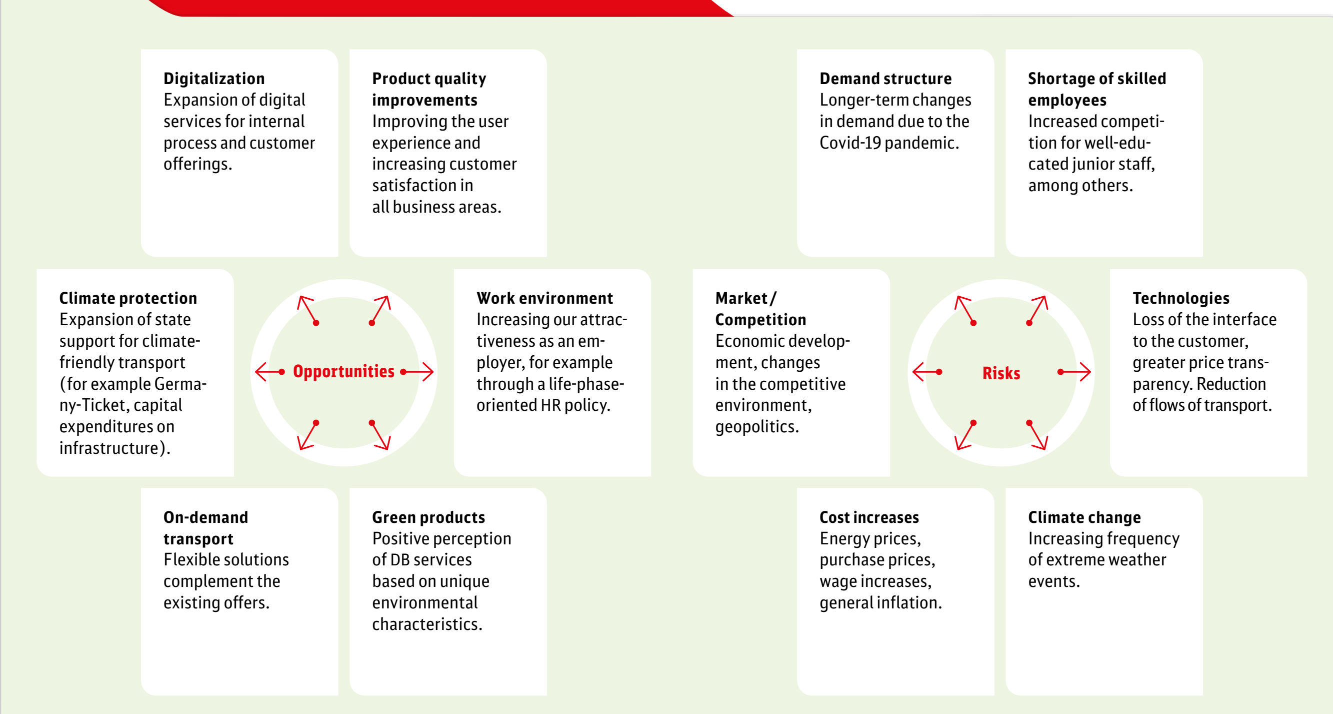
Opportunity and risk management within DB Group comprises the systematic identification, assessment and management of opportunities and risks. The primary objective of opportunity and risk management is to ensure the long-term future of DB Group.

The principles of opportunity and risk management are laid down by corporate management and implemented on a Group-wide basis. Within the framework of our early warning system, opportunity and risk reports are submitted to the Management Board and the Supervisory Board of DB AG three times a year. Risk reporting covers the medium-term period (five years). Major risks occurring outside of this reporting cycle must be reported immediately. Planned acquisitions are subject to additional specific monitoring.

Based on the IDW PS 340 audit standard ("Audit of the early risk detection system"), there are additional requirements for DB Group's risk management. Compared with the status quo, existential risks must now be evaluated on the basis of a defined risk-bearing capacity.

Our risk management system (RMS) maps all of the opportunities and risks in an opportunity and risk portfolio and also individually in detail, factoring in materiality thresholds. A catalog of opportunity and risk categories serves to identify the relevant financial and sustainability-related opportunities and risks as fully as possible. This also includes risks that arise for companies in connection with the transition to a lower-carbon economy (transition risks), as well as physical risks as defined by the Task Force on Climate-related Financial Disclosures (TCFD). The opportunities and risks considered within the risk report are categorized and classified according to probability of occurrence. Together with possible consequences, the analysis also takes into account the starting position and the costs of countermeasures (gross and net disclosure). Opportunities and risks are reported in the RMS depending on the probability of occurrence and the threshold value (≥ € 50 million). An exception only applies to regulatory information. The opportunities and risks are assessed against DB Group's current mid-term planning, which is generally presented to the Supervisory Board of DB AG in its last meeting of the year. It covers a period of five years. Accordingly, the topics that have already been

OVERVIEW OF OPPORTUNITIES AND RISKS



included in our mid-term planning are not included in the RMS. Assumptions are formulated as part of the planning process, such as in relation to developments in prices, demand or costs. Measures are also defined, such as for the heat transition or the expansion of the ICE fleet. Although future developments are generally subject to a certain degree of uncertainty, planning covers all topics that are highly likely to occur or be realized at the time of planning. Risk management, on the other hand, also includes issues with lower probability and can accordingly also be understood as a supplement to planning.

Based on the opportunity and risk portfolio, an overall risk position is also determined by means of a stochastic simulation, which is used to assess developments that could jeopardize the company's continued existence. In organizational terms, Group controlling is the central coordination point for our opportunity and risk management.

Our strategic opportunity and risk management efforts are mainly derived from the targets and strategies of our business units. Direct responsibility for early and regular identification, analysis and management of strategic opportunities and risks lies primarily with operational management personnel. These activities are an integral element of the Group-wide planning and controlling systems. Alongside the mid-term planning, a longer-term perspective is also outlined. In principle, the planning process here is also based on assumptions and measures that represent a continuation of the five-year planning, with a higher level of aggregation used in the planning given the increasing time horizon. In contrast, major developments, such as the trend towards sustainable mobility and the shift towards rail, are particularly relevant. We focus on detailed analyses of our markets and competitors, market scenarios, relevant cost drivers and critical factors for success, including those within our political and regulatory environment.

DB Group's business environment is in a state of constant change. We use DB.Trend.Radar to monitor the most important external developments for DB Group so that we can take advantage of opportunities and react to risks in good time. The focus is on the issue of how changes in society, politics, technology and the economy affect our markets. The individual topics are all highly interconnected and of great importance for the future of DB Group. DB.Trend.Radar helps DB Group to focus its business operations on the future and actively make use of opportunities.

In conjunction with Group financing, with its strict focus on the operating business, Group Treasury is responsible for limiting and monitoring the resulting credit, market price and liquidity risks. The centralized handling of relevant transactions (money market, securities, foreign exchange and derivative transactions) means that potential risks can be managed and limited centrally. The Group Treasury is organized in line with the Minimum Requirements for Risk Management for Banks (Mindestanforderungen an das Risikomanagement; MaRisk), which means that it complies with the resulting criteria of the Corporate Control and Transparency Act (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich; KonTraG).

KEY CHARACTERISTICS OF ICS AND RMS WITH REGARD TO THE GROUP ACCOUNTING PROCESS

Our Group-wide internal control system (ICS), which also includes accounting-related processes, is an integral component of the RMS. To the extent that compliance is deemed to be appropriate, the organization of our ICS takes into account the recommended conduct set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its publication "Internal Control – Integrated Framework" in the revised version from 2013. On that basis, our ICS – especially with regard to the accounting process – is a continuous process based on basic Group-wide principles and control mechanisms, such as system-based and manual reconciliations, the separation and clear definition of functions as well as the monitoring of compliance and further development of Group-wide guidelines and special work instructions.

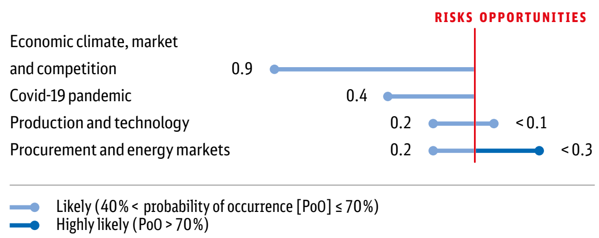
The accounting-related control mechanisms we use beyond the instruments outlined above include, among other things, standardized reporting throughout DB Group and the regular updating of the relevant accounting directives and accounting-related systems.

Subject to a binding schedule, business transactions of the accounting-relevant units are processed in line with IFRS principles and in compliance with Group-wide, uniform procedures. These are then transmitted to the centralized consolidation system.

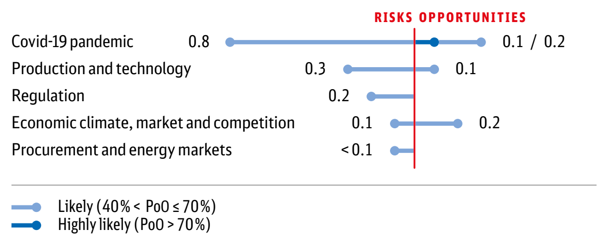
The auditing activities of the intra-Group auditors, which represent another element of our control mechanisms, are focused on assessing the adequacy and effectiveness of our ICS. In addition to our monitoring mechanisms, the Audit and Compliance Committee and/or the Supervisory Board are concerned with the effectiveness of the ICS.

ASSESSMENT OF RISK POSITION BY CATEGORIES

OPPORTUNITY AND RISK PORTFOLIO FOR 2023 FINANCIAL YEAR AS OF DEC 31, 2022 / € billion



OPPORTUNITY AND RISK PORTFOLIO FOR 2022 FINANCIAL YEAR AS OF DEC 31, 2021 / € billion



Without a possible impact of ongoing collective bargaining.

The management of the companies included in the scope of fully consolidated companies and of the individual business units of DB Group verifies the completeness and accuracy of the reporting data relevant to the financial statements among other aspects, using a quarterly internal reporting process. In addition, the responsible management confirms compliance with the Group-wide ICS requirements, which are supplemented where necessary by company-specific, documented management and monitoring instruments.

ASSESSMENT OF THE RISK SITUATION

The risk situation is assessed on the basis of our RMS. Very likely opportunities and risks (probability of occurrence > 70 %) have already been dealt with in the forecast of EBIT development in the 2023 financial year. The system is based on the requirements of the KonTraG and is continually evolving.

As of December 31, 2022, DB Group's risk focus (probable risks) was on the economic climate, market and competition category, the Covid-19 pandemic, the production and technology category, and the procurement and energy market category. Risks result mainly from market developments in logistics (in particular the development of air and ocean freight rates), the further development of procurement and energy prices, and inflation as a whole. In addition, there are further risks from the development of demand in passenger transport and from possible setbacks in overcoming the effects of the Covid-19 pandemic, in connection with ETCS projects and the development of operational quality.

For the forecast of EBIT development in the 2023 financial year, risks (taking into consideration countermeasures) amounting to € 1.7 billion exist (thereof very likely: € 0.0 billion). The realization of the initial collective bargaining requirements of EVG would result in a significant additional burden.

Opportunities beyond the EBIT forecast amount to € 0.3 billion (of which very likely: € 0.3 billion). These opportunities exist, for example, in the procurement and energy markets category.

The risk assessment does not include any risks from the collective bargaining negotiations in 2023.

In 2023, higher energy prices can no longer be fully compensated by hedging measures 213 ff.

Third-party evaluation is also an important indicator for overall risk assessment. In addition to the internal risk assessment, DB Group's creditworthiness and aggregate default risk are assessed by credit rating agencies 102 f. Their external assessments of the overall risk position of DB Group are reflected in the good credit ratings. In the area of sustainability, potential risks are externally assessed and evaluated by ESG rating agencies 44.

In terms of organization, we have created the conditions necessary to enable the early identification of possible risks. Our continuous risk management and the active management of key risk categories contribute to limiting risks. Key strategic opportunities and risks were identified at the business unit level and recorded in the course of the strategic process for operationalization with measures. Our analyses of opportunities and risks, countermeasures, hedging and precautionary measures, together with the opinion of the Management Board based on the current risk assessment and our mid-term planning (MTP), indicate that there are no risks that, individually or jointly, could have an impact on the net assets, financial position and results of operations of DB Group and that would pose a threat to the Group as a going concern.

TCFD

Opportunity and risk categories

ECONOMIC CLIMATE, MARKET AND COMPETITION

Demand for our mobility services and, in particular, our transport and logistics services depends, among other things, on overall economic developments:

- Economic growth fuels the trends underlying our strategy in our markets.
- Macroeconomic shocks such as economic and financial crises, disruptions to supply chains or economic downturns resulting from, amongst other things, geopolitical conflicts or epidemics can have a significant negative impact on our business.
- Risks arising from depleted public sector budgets in some European countries could have negative effects (particularly in the form of spending cuts). The market volume is greatly determined by the financial situation of the contracting organizations. However, there is also the potential for new markets or market segments to be opened for competition.
- Developments in the competitive environment are of particular importance for DB Group:
  - In long-distance transport, we are primarily exposed to fierce intermodal competition, particularly with motorized individual transport as the dominant competitor, but also with long-distance bus services and aviation.
  - In regional transport, there is intense competition throughout Europe for securing long-term transport contracts. This means there is a risk of volume losses. In order to remain competitive in this market, we are constantly working to optimize our tender management and our cost structures. In addition, risks arise from the implementation of transport contracts if the parameters of the underlying calculation do not materialize as planned. In order to continuously increase quality and customer satisfaction and improve our efficiency, we have put together appropriate programs.
  - In rail freight transport, there is a high level of competitive pressure. Risks arise from the fact that, to some extent, competitors can operate with less expensive cost structures while enjoying more flexible working conditions. Further risks result from possible future efficiency gains of trucks, for example by digitalization. Several measures are being implemented to tackle these challenges.
  - In the freight forwarding business, there is on the one hand intense competition with other providers, and on the other hand a concentration of the market in the carrier sector has brought about a change in the offerings of cargo space with corresponding effects on the purchase and sales prices. We are responding to this by continuously optimizing our networks and improving our cost structures, services and IT infrastructure. The dynamic development of freight rates presents opportunities. A further drop in the extremely high freight rates in air and ocean freight in the last two years would have a significant negative impact on net profit and loss.

Overall, a general risk is a loss of competitiveness. A key component in facing the competition is improvements in service quality. To this end, we are implementing the Strong Rail strategy 51 ff. in the Integrated Rail System and the UNLEASH strategy 166 f. at DB Schenker.

The trend towards digitalization is creating key opportunities for performance enhancements:

- more efficient and customer-focused processes,
- improved and new digital services, and
- easier access with online portals and apps.

In the medium-term, changes in the competitive environment may result from the following developments:

- **New competitors:** Providers from outside of the industry, such as automobile manufacturers, IT companies and start-ups, may also become increasingly active in our markets.
- **New platforms/data-driven business models:** Digital platform providers are increasing the intensity of competition and transparency, and are also changing the perception of prices. Start-ups in particular are the driving force behind the platform business and aim to occupy the digital customer interface.
- **Shifts in added value:** Added value in the mobility and logistics sector could shift towards additional services.
- **Integrated on-demand mobility:** Mobility-as-a-Service (MaaS) concepts will be part of the standard offering in the long-term. The customer can order, book and pay for transport easily and in real time.
- **Cost pressure on the public sector could increase:** Ordering behavior could also change and tenders could expand to include on-demand, minibus and shuttle services. This increases the cost pressure on established providers.
- **Supply chain visibility:** Transparency in the value-added chain is one of the top trends in logistics. Start-ups and established players see data and analysis solutions as a significant business opportunity.
- **Goods structure effect:** The production share of highly specialized goods such as pharmaceuticals and high-tech products is growing strongly. At the same time, types of goods with a generally lower weight and higher value

density, such as electronic components, are growing at an above-average rate. Heavy, bulky goods, such as steel, paper and chemicals are becoming less important.

In order to adequately counter the resulting opportunities and risks, we are using our digitalization strategy 63 ff.

We are also responding to opportunities and risks arising from changing demand patterns and from shifts in traffic patterns throughout DB Group with intensive market observation and by continuously upgrading our portfolio and our products.

The demand for our products and services is partly dependent on the development of our customers:

- Our customers' economic development dictates their need for storage and transport services, which in turn affects our freight forwarding and logistics businesses. In addition, there may be structural changes in the production structures of our customers. The rising costs and risks of globally distributed production make regional production more efficient. Another reason for regionalization is the use of production innovations such as automation, modularization and 3D printing with the potential to relativize wage cost differences and economies of scale.
- Rail freight transport is partly dependent on industries that are stagnating. In addition, disruptions in production or even temporary shutdowns (for example as a result of supply chain disruptions) can result in a drop in customers' demand for transport services, at least temporarily.
- The development of demand in track infrastructure is dependent on rail transport's ability to compete on the upstream transport markets.

PRODUCTION AND TECHNOLOGY

If the production quality of passenger transport services (in particular punctuality) suffers, this has an impact on service quality and can lead to the loss of customers. Postponed deliveries of new vehicles may result in revenue losses and additional expenses, for example, due to substitute transport services or penalty payments.

The availability, capacity and the condition of the track infrastructure are significant prerequisites for competitive rail transport. In order to maintain the future viability of rail in the long term, it is also necessary to digitalize and automate the infrastructure.

The intensity of use on the German rail network has increased significantly. The capacity of the track infrastructure has not expanded in line with growing demand. At the same time, the condition of the infrastructure has deteriorated as many tracks, switches, bridges and interlockings have become prone to faults. Construction is being carried out at a very high level in order to drive modernization. However, this construction work requires the sacrifice of additional capacity while the work is in progress. As capacity utilization increases, the effects of traffic jams and delays are increasing exponentially.

The intensity of construction activity in the network has already increased noticeably and is expected to continue to increase. This can also have a strong impact on the carriers' schedules and production quality, some of which cannot be compensated for.

The range and quality of our services depend to a significant extent on the availability and reliability of the production resources used, intermediate services procured and the quality of our partners' services. We therefore maintain an intense dialog with our suppliers and business partners on the subject of quality. This is of particular importance in the vehicle industry.

Sufficient availability of our vehicle fleet is particularly critical. Significant restrictions endanger operating schedules. In regional transport, there is the additional risk of penalties if trains are canceled or punctuality is insufficient. We try to minimize this risk by taking preventative actions and also by minimizing the consequences should it happen, such as by providing replacement vehicles or by organizing substitute transport.

The technical production resources used in rail transport must comply with applicable standards and requirements, which are subject to change. As a result, we may receive technical complaints concerning our vehicles. This leads to the risk that we may not be permitted to use individual series or rail car types, or only under certain conditions, such as limited speeds, shorter intervals between maintenance or reduced wheel set loads. In addition, we cannot accept new vehicles that have defects or for which the necessary vehicle certification has not been granted.

As a result of technical defects or conditions, vehicles may need to be refitted, which could lead to significant restrictions on availability or even temporary prohibition of use.

In regional transport, a risk can arise from the redundancy of vehicles following the expiry or re-tendering of a transport contract. As a countermeasure, alternative possible uses are investigated.

Increasing digitalization means that dependence on secure IT that is available around the clock is increasing. This results in IT, telecommunications and cyber risks, such as the interruption of the availability of IT systems, which can lead to serious business interruptions, or the unauthorized access of third parties to customer data.

We combat these risks through forward-thinking IT security management, which provides the necessary security for our IT-based business processes. A key instrument here is risk management for information, IT applications, and IT infrastructure and services. The relevant risks are identified, analyzed, evaluated and reduced. The remaining risks are documented and, if necessary, reported to and monitored by suitable bodies. Our information security management system follows international standards in accordance with ISO 27001/27002:2022 and the NIST Cyber Security Framework.

In order to minimize critical technical vulnerabilities, numerous countermeasures (such as firewalls, encryption, sealed server areas, and prompt software updates) have been implemented. Appropriate redundancy of the IT systems (including across several locations) increases the overall resilience of critical business processes, applications and infrastructures. The network infrastructure also has a redundant design where required for the purposes of IT security and business continuity.

For the most important processes and IT applications, systematic and regular penetration tests and red-team stress tests are carried out in order to detect and eliminate weak points at an early stage.

Overall, these measures reduce the risk of attacks, the resulting outages of IT systems, the disruption of communications and the theft of confidential information.

Punctuality 60ff. is a key factor for our rail freight transport customers when selecting a mode of transport. In addition to this, irregularities can occur, such as customs offenses and theft. We combat this, among other things, by involving qualified customs coordinators and using an immediate reporting system for tax assessment notices.

HUMAN RESOURCES

To implement the Strong Rail strategy 51ff., we rely on adequate equipment and qualified, skilled employees. DB Group has a high annual need for new employees. This is reinforced by the age-related retirement of numerous employees as well as the elective model for working hours agreed under collective bargaining agreements.

The collective bargaining negotiations due for 2023 carry risks associated with industrial action measures and unscheduled wage increases.

The shortage of skilled labor, reinforced by demographic change, is a core risk for our business. It is becoming increasingly difficult and time-consuming to fill vacancies with qualified personnel. This in turn results in risks such as low personnel coverage to safeguard ongoing business and the long-term loss of knowledge, especially for railway-specific professions.

We are working to counteract these risks in particular by further developing our employment conditions 86f. This increases the loyalty of our current employees and signals our attractiveness as an employer on a competitive labor market.

Through the further development of our learning infrastructure in the sense of an open, Group-wide learning process, the expansion and digitalization of qualification capacities, the new design of general and functional training (retraining) and the measures for strategic succession planning, we ensure sustainable and effective knowledge management and counteract the risk of a loss of knowledge.

DB Group's green and digital transformations are critical for the successful implementation of the Strong Rail strategy. To provide the skills, qualifications and specializations that we need in good time and in sufficient quantity and quality is a challenge that we are counteracting through the further development of our strategic workforce management and our foresight approach "Lab1 – professions of the future." From this, we derive implications for recruitment, hiring and further qualification at an early stage.

One important challenge here is to shape digital transformation in close cooperation with employees and stakeholders. Our goal is to offer all employees long-term and sustainable prospects within DB Group.

Appropriate measures for cross-generational and intercultural cooperation, as well as general conditions for the equalization of participation of all genders increase our appeal as an employer and reduce risks that may result from changes in employee structure and non-equal participation of employee groups. Our diversity management is committed to this with the Group initiative "Uniquely different." and the strategic approach to increasing the proportion of women in management positions.

Risks also arise if we could not respond quickly enough to the changing requirements of a volatile market environment due to inflexible working methods and would therefore not meet the requirements of our employees for a modern working environment. We counter this by driving forward modern working environments as part of numerous programs, initiatives and communities within DB Group.

In order to continue to provide our executives with the appropriate skills and methods to be successful in modern, digitalized working environments, we are constantly developing the training and continuing education program for executives in the DB Academy.

Against the backdrop of economic crises with unclear prospects, the personnel cost structure plays an important role in recruitment. In terms of the labor market and transport market, our target is therefore to always conclude competitive collective bargaining agreements. Strong additional pressure on the development of wages can be expected from the surge in prices. Against this backdrop, we are attempting to conclude collective bargaining agreements in the upcoming negotiations with the EVG and the GDL, which on the one hand expresses the appreciation for employees, and at the same time secures the future viability of the Integrated Rail System.

GRI REGULATION

Changes to the legal framework at the national or European level could pose risks to our business. This general regulatory risk could therefore result in tangible negative effects on profit and loss.

These regulations govern, among other things, the individual components of the pricing systems and general terms and conditions applied by our rail infrastructure companies. There are risks of complaints and intervention in this regard. Measures that threaten or even prevent DB Group from attaining reasonable yields in its infrastructure business units (such as an intervention in pricing systems) can therefore threaten financing contributions by DB Group to capital expenditures in infrastructure.

Political risks concern in particular a tightening of existing standards and regulations affecting the railways. The structure of DB Group may also be exposed to regulatory risks.

With regard to risks from changed legal and regulatory framework conditions 30ff. at a national and international level, we are bringing our position into the preceding discussions and debates. If political or regulatory risks occur, countermeasures are implemented at the corporate level, where possible, in order to minimize the potential negative effects on corporate goals and transport growth.

Opportunities arise from the promotion of green mobility, including to achieve government climate protection targets, such as the Climate Action Program 45.

PROCUREMENT AND ENERGY MARKET

Depending on the market conditions, the purchase prices for raw materials, energy, and transport and construction services may fluctuate significantly. Since late 2022, we have observed a calming of raw material and transport prices after the very strong increases since 2020. On the other hand, very high and volatile energy prices are increasingly having a direct or indirect impact on producer prices and are impacting DB Group on many levels. Energy-oriented areas with a particular focus on materials in the infrastructure sector are particularly affected (due, among other things, to the energy-intensive production of steel, cement and concrete).

The war in Ukraine and, in particular, the sanctions imposed on Russia as a result and Russia's reactions to them resulted in significant price increases, not only for gas and oil, but also for raw materials. Depending on future developments, these developments could become even more severe. This may result in further risks in terms of energy costs and construction prices.

Among other things, we counter the risk of further increases in energy prices through a stringent price adjustment strategy and the conclusion of long-term procurement contracts. However, these precautionary measures only have an effect for a limited time and must be weighed against potential opportunities arising from falling energy prices.

Depending on the market and competitive situation, it may not be possible or may only be possible to a very limited extent to pass increased costs on to the customer in the short term. This in turn has a negative impact on margins.

The consolidation of requirements and the optimization of long-term volume commitments result in opportunities to raise potential for procurement prices, even in a challenging market environment.

CAPITAL MARKETS AND TAXES

The international nature of our business creates a currency risk. This, however, is largely limited to the so-called translation risk since there is usually a high regional congruence between the production and sales markets. Among other things, we hedge interest rate and currency risks from our operating business through primary and derivative financial instruments 213ff. Their use is only permitted in DB Group for hedging purposes. There is a risk that these hedging measures will not pay off, or not in the way expected.

To prevent counterparty default risk from financial and energy derivatives, we conclude credit support agreements (CSA) for all longer-term hedges.

Due to the long-term capital employed, we also use long-term, fixed-interest financial instruments. As a result, only new issues are exposed to the risk of rising interest rates.

Liabilities from pensions and similar retirement benefit obligations are partially covered by plan assets from stocks, real estate, fixed-interest securities and other investments. Losses of value in these assets reduce the cover of pension obligations by plan assets, potentially resulting in DB Group having to provide additional cover.

In addition, there are potential risks from back-tax payments from tax audits that are in progress and from amendments to tax laws. In order to minimize tax risks, we pursue the prompt processing of tax audits and have introduced a tax compliance management system in DB Group.

LAW AND CONTRACTS

Delayed vehicle deliveries and vehicle defects can lead to operating difficulties in regional and long-distance transport. In regional transport, this may result in contractual violations or non-compliance toward the contracting organizations. Higher expenses, penalty payments and lower fares are the result. Ensuing damage claims are asserted against the manufacturers.

In addition, risks, in particular from warranty and other liability provisions, may also arise from other contractual relationships. This relates, for example, to the sale of companies, real estate or other material assets.

Provisions have been made for existing legal and contractual risks based on an assessment of their probability of occurrence.

Compliance with current laws, company guidelines and recognized regulatory standards is the task and duty of every DB Group employee. It is the mission of our compliance department to ensure compliance with such criteria.

With its very high procurement volume and about 20,000 suppliers, DB Group is one of the largest purchasers in Germany. Large-scale capital expenditures mean that the infrastructure business units in particular are exposed to a significant risk of becoming the target and victim of corruption, cartel agreements or fraud. As a provider of grants, the Federal Government places high demands on DB Group with its anti-corruption guidelines.

Opportunities arise from the discovery of cartels that operated in the past and the enforcement of claims for damages against cartel members. DB Group is seeking compensation for damages in over ten cases. This relates, amongst other issues, to cartels in trucks, cars (known as the car cartel and emissions scandal), tracks, air freight, elevators and escalators, prestressing of steel, and girocard. In more than ten other cases, DB Group is still determining if damage has been caused. DB Group has developed an innovative antitrust screening tool, which has been in use since early 2022. Since then, the tool has identified conspicuous patterns in pricing or bidding behavior and can provide valuable information on illegal supplier agreements. The results in the first year were promising: in 2022, more than 2,500 ongoing or new tenders were screened using this automated digital method. A second assessment was carried out for 120 tenders. In one case the suspicions were confirmed, resulting in a report to the German Federal Cartel Office. DB Group is in discussions with various competition authorities and the OECD on this new approach to antitrust prevention and detection.

There are also risks associated with ongoing proceedings (national authorities or the European Commission) against companies in DB Group or the Federal Republic of Germany, the outcome of which and the potential consequences of which are not yet foreseeable.

SIGNIFICANT EVENTS

Our activities are based on a technologically complex, networked production system. In general, we try to combat the risk of potential operational disruptions through regular maintenance and by taking on qualified employees, coupled with continuous quality assurance and improvement of our processes. The nature of rail transport as an open system means that certain factors (such as natural disasters, accidents, sabotage and theft), over which we have only limited influence, could have a negative impact on operations. Our efforts in such cases focus on minimizing the potential effects. However, this could also result in cost risks from countermeasures.

Additional measures to increase public safety at passenger stations, for example, by expanding video surveillance 68, may lead to additional costs.

ENVIRONMENTAL MANAGEMENT

GRI

An elementary component of the Group-wide environmental management system according to DIN ISO 14001 80 is an opportunity and risk assessment. It is the starting point for DB Group's environmental risk provisioning. In future, the principle of risk provisioning will be supplemented by the risk management of due diligence obligations along our supply chains. At the same time, our strategy is to use the (natural) resources of our economic activity efficiently (resource protection targets 74ff.).

CLIMATE-RELATED OPPORTUNITIES AND RISKS

TCFD GRI

Climate-related transitory opportunities and risks associated with the transition to a decarbonized economy and risks associated with climate change are recorded in our RMS and are reported in the affected risk categories if certain threshold values and probabilities of occurrence are exceeded. As part of RMS and our mid-term planning, climate risks are treated like other risks.

Through the use of scenario analyses, for example as part of the PIK study 73 and the strategic development of climate resilience management 73f., DB Group is paving the way for forward-looking management of acute and chronic physical risks related to climate change. In 2021, we commissioned another external study that identified physical and transitory risks in accordance with the TCFD recommendations in an initial impact analysis on the activities of DB Group for two extreme scenarios. The result shows, among other things, that transitory risks from the political, market and technology categories according to the TCFD classification should be classified as relevant for DB Group.

In the following section, we list examples of climate-related opportunities and risks in accordance with the TCFD classification of transitory and physical opportunities and risks, which are short-term, medium-term and long-term.

- **Transitory opportunities and risks:** With the Green Transformation of DB Group 69ff., its anchoring in our Strong Rail strategy 51ff. and by a traffic shift to climate-friendly rail, we are making a central contribution to achieving the German and European climate protection targets. At the same time, however, there is also an increased susceptibility to extreme weather conditions and an increased energy requirement, which in turn represents an energy price and procurement risk for us. Making passenger and freight transport climate-neutral through measures such as the use of renewable energies and alternative drive concepts or through robust climate-resilience management can enhance our reputation with our customers. Our climate protection measures 70ff. aim to reduce our greenhouse gas emissions, to see us become climate-neutral by 2040 and to meet the Federal Government's climate protection target 45 for the transport sector. In order to achieve the national climate protection targets, the Federal Government is adopting necessary regulations. These hold opportunities for DB Group, especially in rail transport, such as the permanent reduction of value-added tax for long-distance transport tickets. However, individual environmental regulatory measures may also have a negative impact on our activities. The CO_2 price introduced by the Fuel Emissions Trading Act (Brennstoffemissionshandelsgesetz; BEHG) represents, for example, both an opportunity and a risk for us:
  - it gives us an opportunity when compared to other modes of transport, as it makes fossil-fueled modes of transport more expensive and thus rail travel more attractive,
  - it presents a risk for our purchasing, as we are one of the largest energy consumers in Germany and still have diesel-powered trains in operation.

  In order to counteract the risks, we are driving the phase-out of fossil fuels 69. However, technological developments that lead to other climate-friendly mobility solutions that do not involve rail can also represent a risk for us.
- **Physical risks:** Extreme weather events resulting from climate change represent an acute physical risk for DB Group, which we have been recording in more detail in our risk catalog since 2021 and which we are responding

to with resilience measures 73f. These risks are both short-term and long-term, because they are short-term when they occur, but due to their more frequent occurrence due to climate change, we must take them into account over the long term. We also address physical climate risks as part of our Group-wide business continuity management to ensure the continuation of critical business processes in the event of damage. The consequences of climate change are impacting our core business. Extreme weather-related damage to our track infrastructure can lead to losses in revenues and penalties. It also requires additional expenses and capital expenditures in order to repair damage and implement preventive measures. In addition to the infrastructure, rail and road vehicles can also be affected. In recent years, acute physical risks affecting operations and punctuality have increased significantly. Group Risk Management therefore consistently monitors and records these risks. In this context, the importance of preventive vegetation work and track-related safety work to ensure the smooth running of operations has greatly increased. The potential financial impacts of extreme weather events is taken into account in the RMS or medium-term planning. In order to reduce acute physical risks, DB Group has increased its capital expenditures on vegetation control measures 74 in recent years. Since 2019, the inspection of tree populations has been intensified and a large-scale tree removal measure has been initiated for storm prevention. These measures are additionally funded from the climate protection package. We also deal with chronic physical risks, such as rising temperatures, which place increased demands on our operational processes, vehicles, buildings and infrastructure.

IMPLEMENTATION OF PROJECTS

Our measures involve not only large capital expenditure volumes, but also a large number of highly complex projects. Changes to the legal framework, delays in implementation (due among other things to more extensive public participation), necessary adjustments during terms often lasting several years, deviations from the increase in funds for capital expenditures agreed with the Federal Government, or changes to purchase prices may lead to project and liquidity risks. The networked production structure means that these can often affect a number of business units. For example, in such cases, planned shifts in the mode of transport from road to rail may not be feasible. We keep up to date with these developments by closely monitoring projects.

When implementing planned measures from various programs, such as the Strong Rail strategy 51ff. for the Integrated Rail System or the UNLEASH strategy 166 at DB Schenker, there is the risk that it will either not be possible to realize the planned effects, or only to a lesser extent and/or that these may be delayed. At the same time, however, there is also the opportunity to exceed the planned effects.

INFRASTRUCTURE FINANCING

GRI

At the beginning of 2020, we concluded an agreement with the Federal Government that sets out the financing of the existing network until 2029. The LuFV III 134 and the associated long-term assurance of infrastructure quality and availability improve the attractiveness of rail as a mode of transport, which in turn results in more traffic and therefore higher revenues for infrastructure companies. Risks result from a potential failure to achieve the contractual objectives set out in the LuFV and from a possible reclaim by the Federal Government following audits of applications of funds for the intended purposes. Due to the sharply increasing construction costs, the volume targets of the LuFV are no longer achievable with the current budget approach. New negotiations with the Federal Government have been initiated.

The economic sustainability of capital expenditures or financial contributions to projects funded with DB funds is essential if we are to ensure DB Group's ability to invest in the long term.

In addition, the budgetary resources of the Federal Government in particular are of decisive relevance for the expansion of infrastructure capacity in order to implement a traffic shift in Germany. In order to implement Germany in sync (Deutschland-Takt), there is a need for extensive infrastructure expansion that goes significantly beyond the previous Federal Transport Infrastructure Plan. We therefore assume that a significant increase in funds for infrastructure expansion from the Federal Government is required. If the Federal funds for infrastructure are not increased significantly, there would be considerable risks for network quality, transport performance and economic development.

GOVERNANCE

Service and financial relationships in DB Group

Within DB Group, because of strong operational interconnections and dependencies, there are service and financial relationships between the management holding company DB AG and the individual business units, as well as between business units.

These can be organized into four groups:

- **Operational service relationships** between two companies, which may arise through the use of infrastructure, such as when DB Regio AG uses train paths, for which it pays train-path usage fees.
- **Service relationships with Group management:** DB AG provides services to the operating companies, such as central purchasing.
- **Group financing:** DB AG performs and consolidates the financing function in DB Group. In this context, DB AG obtains funds on the capital market through its financing subsidiary Deutsche Bahn Finance GmbH (DB Finance) and transfers these funds to the Group companies as loans.
- **Domination and profit and loss transfer agreements:** In Germany, domination and profit and loss transfer agreements are used for the formation of a consolidated tax group that allows companies to offset tax losses against profits. In DB Group, the company ultimately subject to tax in Germany is DB AG.

The arm's length principle is fundamental in the development of service relationships. This means that compensation is always based on market prices. In DB Group this applies to charges for operational service relationships, service units and Group financing. Intra-Group customers pay the same fees for utilizing train-paths as non-Group customers. The prices of intra-Group services are reviewed regularly on the basis of market analyses to ensure that they are in line with the market. The terms of financing transactions are based on prevailing market conditions in the financial and capital markets. Governance functions perform controlling and monitoring roles. These services are generally not charged. By contrast, the services of the service units are generally charged to the intra-Group recipients of the service, in relation to the service provided.

The reasons and motivation for aligning intra-Group transactions with market conditions are as follows:

- A value-based corporate management approach can only be successful if it is embedded at all levels in DB Group. This, in turn, can only be achieved through business relationships at fair market conditions. Success and failure must be transparent in order to facilitate economic management.
- Rail infrastructure companies are legally required to provide their services without discrimination. The Federal Network Agency (Bundesnetzagentur; BNetzA) assesses whether prices are in line with the market. Prices are transparent for everyone.
- Alignment of service relationships with market conditions is also both necessary and stipulated for tax reasons and from the perspective of minority shareholders of subsidiaries.

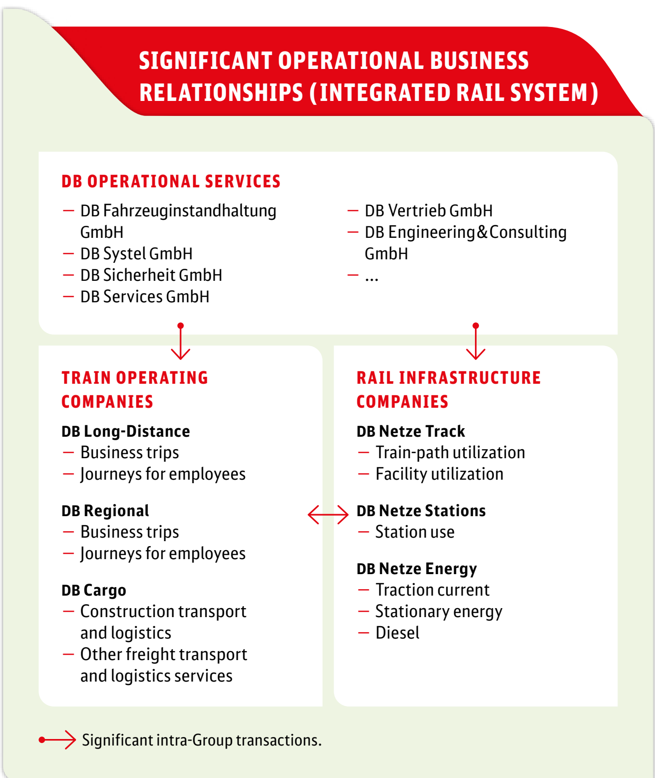
The effects of domination and profit and loss transfer agreements within DB Group on net profits and payments are not qualified as service relationships, but are a consequence of DB Group's status as a domestic contract group and the associated rights and obligations of all the incorporated domestic companies.

OPERATIONAL SERVICE RELATIONSHIPS

The most extensive operational service relationships result from the use of the track infrastructure and the procurement of energy. As for non-Group customers, fees for the use of infrastructure are based on the published pricing systems (train-path pricing system, facility pricing system and station pricing system). The procurement of energy includes the purchase of traction energy (diesel fuel and traction current) as well as electricity for stationary facilities (such as switch heaters and train preheating systems).

The main intra-Group service relationships in the area of infrastructure utilization are shown in the following table:

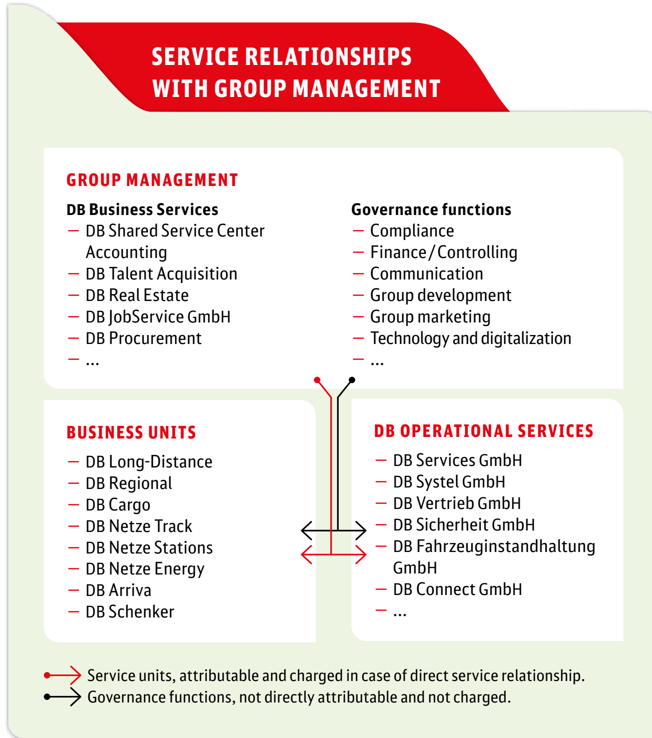
INTRA-GROUP SERVICE RELATIONSHIPS FROM INFRASTRUCTURE UTILIZATION IN 2022 / € million	DB Long-Distance	DB Regional	DB Cargo	Other
Train-path utilization	- 1,197	- 2,348	- 383	- 2
Use of local infrastructure	- 33	- 49	- 147	- 2
Station use	- 119	- 616	-	-
Energy charges	- 366	- 821	- 273	- 285



SERVICE RELATIONSHIPS WITH GROUP MANAGEMENT

Group management incorporates various governance and service functions that, with a few regulatory exceptions, perform functions for the entire DB Group. The costs of governance functions were generally not passed on to the business units until 2022 (no Group charges). From 2023, intra-Group settlement will take place again.

Charges for DB Business Services are only transferred if these result from direct transactions with the business units, or expenses that are directly attributable to a tangible service. This applies in particular to expenses on the use of real estate, central procurement and technology services, and for centrally consolidated insurance expenses.



The Group job market performs an important central function. DB JobService GmbH employs personnel whose jobs in German companies of DB Group have been lost, with the aim of finding another intra-Group job for them. It therefore plays a key role in the functioning of the DB-internal labor market.

GROUP FINANCING

Group Treasury at DB AG is responsible for DB Group financing. This ensures that all Group companies are able to borrow and invest funds at optimal terms and conditions. Before obtaining funds from external sources, we first conduct intra-Group financing transactions. When borrowing non-Group funds, DB AG takes out short-term loans in its own name, whereas long-term capital is generally obtained through the Group's financing company, DB Finance. The funds are passed on to the Group companies as short-term credit lines, which can be utilized as part of cash pooling on internal current accounts and / or through fixed short-term credit, or in the form of long-term loans.

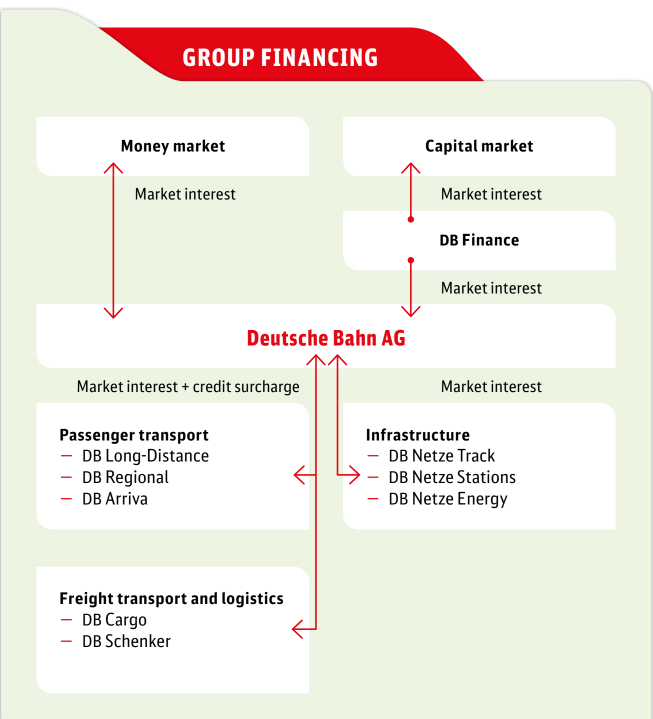
The Group Treasury operates as an in-house bank, although it provides a service function rather than acting as a profit center. The Group companies conduct business dealings with the Group Treasury (foreign exchange transactions, cash pooling, cash investments and taking up of loans). The conditions are set in line with market rates according to the arm's length principle. Current interest rates will be agreed and will also be quoted by banks if they had no profit forecast. Market rates also mean that credit margins are adjusted in line with creditworthiness: the credit margin for the infrastructure companies is largely in line with the credit margins of DB AG in the financial and capital market. The credit margins for non-infrastructure companies are higher and are based on an internal metric-based credit rating and the credit margins quoted on the capital market.

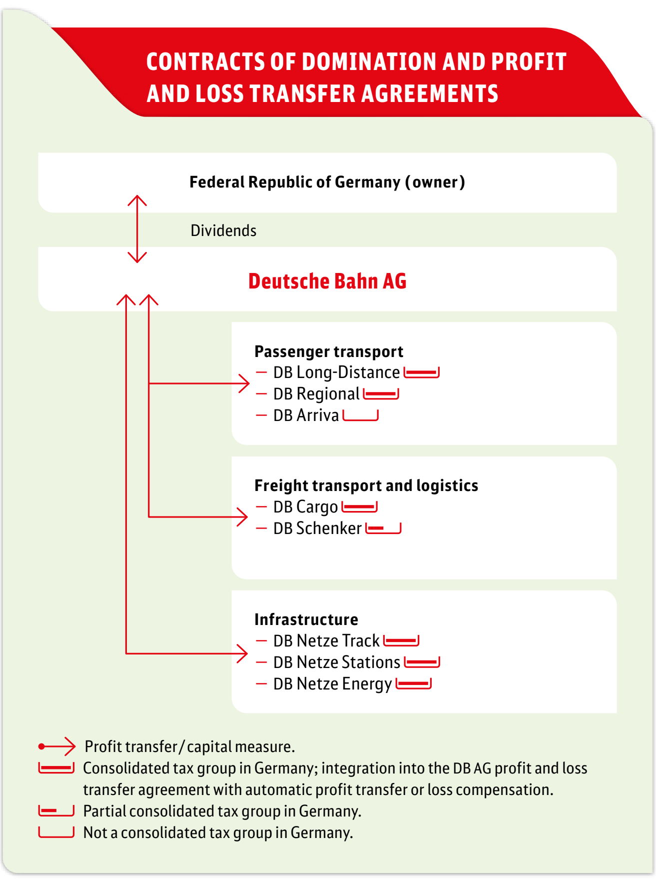
Consolidation of the Group finance function in DB AG gives us a uniform market presence in the financial and capital markets, and allows us to achieve economies of scale and cost benefits. In addition, central Group financing enables us to adequately monitor financial transactions and achieve comprehensive risk management.

CONTRACTS OF DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENTS

Profit transfer and loss compensation between companies in Germany do not constitute intra-Group transactions. On the contrary, the profit and loss transfer agreement stipulates that the amount of profit distributed or the sum required to offset losses is not reset every year but is calculated automatically. The cash flow is based on the shareholder's right to profits or obligation to compensate any losses. Notwithstanding this, DB Group ensures that Group companies have a sufficient equity base despite the commitment to offset potential losses generated by other companies within the Group.

Investors are only willing to provide capital if amortization and interest rates are ensured. A purely debt-based financing model is not commercially viable, as it is associated with too high risks. Profits are essential for maintaining DB Group's capital expenditure capacity. Profits generated are either retained or distributed to the Federal Government as the sole shareholder. The share of profit retained (accumulated) in DB Group increases the capital expenditure and borrowing capacity.





CASH FLOWS DB AG AND DB INFRA-STRUCTURE COMPANIES / € million	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**	**Total**
FROM CAPITAL INCREASES BY DB AG																								
DB Netz AG	–	–	–	–	–	+ 600	–	–	–	–	+ 620	–	–	+ 5	–	–	–	+ 1,000	–	–	–	+ 1,125	+ 1,300	**+ 4,650**
DB Station & Service AG	–	–	–	–	–	–	–	+ 286	–	+ 28	+ 111	+ 14	–	–	–	–	–	–	–	–	–	+ 1,000	+ 49	**+ 1,488**
Total	**–**	**–**	**–**	**–**	**–**	**+600**	**–**	**+286**	**–**	**+28**	**+731**	**+14**	**–**	**+5**	**–**	**–**	**–**	**+1,000**	**–**	**–**	**–**	**+2,125**	**+1,349**	**+6,138**
FROM PROFIT AND LOSS TRANSFER AGREEMENTS TO (–)/FROM (+) DB AG																								
DB Netz AG	+ 790	+ 181	+ 548	+ 324	+ 183	+ 260	+ 212	– 146	– 338	– 768	+ 44	– 307	– 197	– 66	– 217	– 81	– 280	– 390	– 509	– 402	+ 23	+ 139	– 403	**– 1,400**
DB Station & Service AG	+ 70	– 0	+ 251	– 37	– 55	– 69	– 52	– 90	– 190	– 150	– 141	– 155	– 160	– 169	– 188	– 203	– 176	– 186	– 190	– 146	+ 32	+ 61	+ 2	**– 1,941**
DB Energie GmbH	– 34	– 2	– 29	– 43	– 47	– 44	– 111	– 106	– 18	– 91	– 38	+ 38	– 62	+ 37	– 39	– 51	– 35	– 59	– 12	+ 3	+ 66	– 126	– 140	**– 943**
Total	**+ 826**	**+179**	**+770**	**+244**	**+81**	**+147**	**+49**	**–342**	**–546**	**–1,009**	**–135**	**–424**	**–419**	**–198**	**–444**	**–335**	**–491**	**–635**	**–711**	**–545**	**+121**	**+74**	**–541**	**–4,284**
DIVIDEND PAYMENT TO THE FEDERAL GOVERNMENT (FOR PREVIOUS YEAR)																								
DB AG	–	–	–	–	–	–	–	–	–	–	–	– 500	– 525	– 525	– 200	– 700	– 850	– 600	– 450	– 650	– 650	–	–	**– 5,650**

(+) Cash inflow (–) Cash outflow

Regulations in DB Group

GRI

In order to ensure coordinated and targeted action in DB Group, general guidelines are necessary for all employees. One format used for this purpose are directives, which predominantly contain ideal rules and which prescribe binding framework requirements for a defined scope. The Management Board sets out the inner ambitions, Group principles and Group directives as a basis for the additional regulations.

INNER AMBITIONS, GROUP PRINCIPLES AND GROUP DIRECTIVES

Group directives contain the key requirements for Group-wide leadership and management topics. They are decided by the Management Board and are part of the management handbook. The management handbook includes the inner ambitions, four Group principles (strategy, management, strong cooperation and ethics/code of conduct) and ten Group directives (organization, HR management, finance, marketing, communication, IT and telecommunications, procurement, competition and regulation, risk minimization, Integrated Rail System in Germany) and the basic structure of DB Group and the process map. In the Group principles on ethics, among other things, it is noted that DB Group complies with internationally recognized human rights and basic freedoms as part of its business activities in accordance with the principles set out in the UN Global Compact. The Group directive on risk minimization stipulates that DB Group is committed to acting in accordance with the rules, in particular with regard to ethical standards (principles and values), human rights, corporate governance, competitive behavior, integrity, data protection and data security, as well as environmental protection, and for consistent prevention, clarification and punishment of corruption, antitrust and export control violations, and financial crime.

The management handbook is updated twice a year and is coordinated by the Group organization. The management handbook is published in the Group regulations database, which is communicated via corporate communications, the internal DB management portal on Group-wide regulations on structure and process organization, and the intranet.

FRAMEWORK GUIDELINES

The Group directives are subject to framework guidelines. These are guidelines issued by Group management that apply for several business units or service units. Individual directives detail the rules on topics such as donations, environmental management, occupational health and safety or data protection. When framework guidelines are introduced, updated or suspended, the framework regulations coordinators for all relevant business units or service units are integrated.

Compliance

MANAGEMENT APPROACH AND TARGETS

Compliance is an integral element of our corporate culture. As part of the initiative for a strong compliance organization mandated in 2019 by the Management Board, we continued to develop the Compliance Management System (CMS) at DB Group in 2022 in order to remain at the cutting edge and to develop effective compliance practices for the long term. Compliance is embedded in the Strong Rail strategy.

Our CMS is based on national and international legal requirements and established standards, such as the Institute of Public Auditors (Institut der Wirtschaftsprüfer; IDW) auditing standard IDW PS 980 in Germany. DB Group also applies the directive of the Federal Government on corruption prevention in the German Federal administration by analogy. The CMS aims to ensure that compliance risks are identified at an early stage and appropriate countermeasures are implemented. We continuously monitor the effectiveness of our CMS and make any necessary adjustments. Compliance is a component of the internal control system (ICS). As a result, intra-Group auditors examine, among other things, the CMS within DB Group as part of the ICS audits under the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG).

An independent investigation by an auditing and consulting firm into DB Group's CMS with regard to corruption and corporate crime in the form of fraud and embezzlement launched Group-wide in the previous year was continued in 2022 and completed in early 2023. While the previous audits concentrated on appropriateness and implementation, the CMS audits conducted in 2021 and 2022 included an additional stage: as well as adequacy and implementation, the effectiveness of the CMS was evaluated. In addition, certification with ISO 37001 standard is carried out, in particular for internationally active business units. The effectiveness audits were completed in the business units (with the exception of the DB Arriva business unit, for which the last audit procedures are still outstanding) and in corporate management with an unqualified audit opinion. Resulting recommendations are used to analyze existing processes in detail and to improve them, where applicable. The ISO certification procedures are still ongoing in some cases.

DB Group compliance management is typified by a combination of centralized and decentralized units at the operational and organizational levels. The Chief Compliance Officer (CCO) manages the further development of our CMS and reports directly to the Chairman of the Management Board. The CCO is assisted in his/her duties by more than 250 employees responsible for compliance issues (either full time or with divided responsibilities). Corporate management focuses its compliance work on centralized governance activities in particular, while operational responsibility is exercised in the business and service units. The intensive dialog between centralized and decentralized compliance officers is ensured through various formats, such as a conference, monthly compliance officer meetings, the use of a compliance cockpit as an employment platform and virtual information events for compliance officers and managers that take place at least quarterly.

DB Group is committed to compliance issues in the national and international environment. Corruption, in particular, may harm the confidence of the people in the functioning of the state and its institutions, among other things, and may also lead to financial damage to the state. DB Group is involved in the development of prevention strategies on corruption in the "Corruption Prevention Initiative of the Federal Administration/Economy" of the Federal Ministry of the Interior and Community, as well as through its cooperation with the German Institute for Compliance (DICO). Furthermore, DB Group is an active member of Transparency International. DB Group also participates in the regular exchange of experiences on compliance issues with other international companies.

COMPLIANCE INSTRUMENTS

Specific compliance instruments have been developed to protect DB Group, its employees and executives. This includes binding compliance regulations, risk and process analyses, a compliance reporting system, training and communication measures, and a whistle-blowing management system.

The DB Group Code of Conduct is the cornerstone of our CMS. It defines standards and expectations for the day-to-day actions of our executive bodies, executives and employees and is provided to the employees via the Group rules database and relevant pages on the intranet. In addition, the compliance regulations are part of an app that is installed on all centrally managed company mobile devices in DB Group. As a rule, since 2018, the code of conduct has also been part of the employment contracts of DB Group employees. The code of conduct is also published on DB Group's Web site in German and English. It is supplemented by binding directives that specify applicable legal provisions governing national and international business and contact with customers. In 2022, the donation policy was revised and adapted to the current legal framework.

Compliance risk analyses are a key component of DB Group risk management and are conducted by the business and service units. A Group-wide survey of compliance risks is conducted in accordance with governance requirements set by corporate management. The binding framework contains minimum requirements for planning, implementation, reporting and follow-up. Within a three-year cycle, all Group companies with operational activities must be audited for risks of corruption. At the business unit level, reports on the relevant compliance risks are to be published annually in a predefined format. A compact compliance annual report provides the Management Board with information on compliance risks related to DB Group's business activities. The report separately sets out the risk exposure of business units, service units and corporate management functions and highlights existing risk-reducing factors and countermeasures. The Management Board is also kept regularly informed during the business year about the further expansion of the compliance program and any significant compliance cases. The CCO also reports on compliance issues, including Group-related and critical issues, at least once a quarter in the Audit and Compliance Committee formed by the Supervisory Board. Independently of this, the intra-Group auditors report the key findings of the respective financial year – including the key findings of the audit areas and the status of the execution of the audit program – to the Audit and Compliance Committee in March and presents the audit planning for the Group audit for the coming financial year in the December meeting. The General Counsel of DB Group reports on significant legal cases in the March meeting. Depending on the circumstances, the various committees are also informed directly about Group-relevant/critical matters in individual cases.

We are continually optimizing our instruments and consulting on compliance matters so that we can achieve our compliance goals on a sustainable basis. This requires compliance specialists to be informed of current technical developments. For its regular qualification, the Compliance Academy is a learning area implemented within DB Group's own learning platform as a central instrument for knowledge transfer. The completion of defined courses is mandatory.

Executives have a particular role to play in shaping our corporate culture. Various programs have been implemented in order to train them to comply with the rules in order to protect DB Group and themselves from compliance risks. The mandatory training program for senior executives was further developed in 2022. This supplements the well-established compliance coaching run by the heads of DB Group's compliance, audit and legal functions. As part of the personnel selection procedure, pre-employment checks were also carried out below the top level of management in 2022.

The compliance awareness plan takes a risk and needs-based approach, which determines the order in which all executives and employees are to be trained. By holding in-person events or conducting e-learning sessions, it is possible to train almost all managers and employees who either need to be trained or are exposed to medium and high risk, over a period of two to two and a half years. In 2022 alone, about 42,000 executives and employees attended events with instructors on the subject of preventing corruption, taking the total number since 2020 to about 117,000. E-learning modules were also extensively used. Together with e-learning that is specially developed by DB Schenker and DB Arriva, about 106,000 e-learning units have been completed to prevent corruption; since 2020, that number has risen to about 299,000 units.

One key focus of consultation in 2022 was on economic and financial sanctions on foreign trade law issues following the Russian attack on Ukraine. In the course of this, processes were adapted and new awareness-raising measures were introduced; among other things, the e-learning module "Export control, scopes and sanctions" was revised.

There is a Group-wide whistle-blower system to obtain information about potential violations of laws or internal regulations. The way in which submitted tip-offs are handled is regulated in detail. The processes implemented protect the whistle-blowers. Clearly defined requirements regarding the rigor and relevance of whistle-blowing tip-offs serve to take account of the interests of the persons concerned.

There are various ways of submitting a tip-off. These include three trusted legal practitioners, who are legally bound to secrecy, in addition to the compliance teams in the corporate management, business units and service units. There is also a Group-wide electronic whistle-blower system, which makes it possible to submit tip-offs anonymously. It can be used in 22 languages and is available not just to employees, but also to customers, suppliers and other stakeholders. In 2022, the whistle-blower system was used for the central reporting of corruption incidents in fewer than ten cases. In 2022, there were no confirmations of allegations of corruption originating from DB Group. Accordingly, no labor law measures were taken against employees in this respect. There were also no ongoing court proceedings in 2022 for such corruption incidents.

The whistle-blower management system processes were analyzed in 2022. This was carried out by an auditing and consulting firm that was not involved in the CMS investigation described above. The analysis did not result in any need for action in relation to the existing intended or actual processes. In view of the adopted European directive for better protection of whistle-blowers and the expected German implementing act law, a project has been set up to analyze the impact and implementation of the requirements. In addition, an agreement was concluded in 2022 on a further multi-year cooperation with a market-leading provider for electronic whistle-blower systems.

Executives and employees are advised by colleagues in the compliance organization on issues relating to compliance. To this end, DB Group has been operating a compliance help desk for many years.

GRI

COMPLIANCE BUSINESS PARTNERS

Successful long-term business operations require the careful selection of business partners and suppliers, who must then be informed of DB Group's values and minimum requirements. DB Group has developed various formats to increase awareness among its business partners and incorporate sustainable business practices more firmly in the supply chain.

The e-learning on the DB code of conduct for business partners which, like the internal code of conduct, was passed by the Management Board, is freely accessible on the Internet. It provides information about integrity, binding legal standards, and ethical matters and sets out clear compliance requirements as reflected in our Code of Conduct for Business Partners. Real-world examples demonstrate how our principles should be applied.

Contracts and contractual partners are audited for compliance risks. Integrity clauses in the General Terms and Conditions of Purchase are used to counteract potential compliance risks. Other compliance regulations are agreed based on risks. This applies to the appointment of intermediaries, for example. If serious misconduct occurs, the group of decision makers for exclusions from tender procedures shall decide to suspend the awarding of tenders on the basis of clear criteria that stipulate how to deal with the contractor or supplier. In case of a suspension, the earliest that a business partnership can be reestablished or continued is after the suspension period expires or after the company takes action to clean up its practices, which the orderer deems to be sufficient and which can often take many years to complete. Nine exclusions from tender procedures were imposed in 2022, but none were due to corruption violations.

In 2022, a newly developed concept for Group-wide, standardized and IT-supported compliance audits of business partners was subjected to a proof of concept. In this process, more than 70,000 supplier data sets were reviewed and analyzed for the purpose of detecting anomalies and risks in a multi-level process, and specific supplier-related measures were or are taken as applicable.

COMPLIANCE WITH ANTITRUST LAWS AND PREVENTING ANTITRUST DAMAGES

GRI

Training courses with on-site instructors ensure that executives and employees are kept aware of antitrust legislation. The formats of the training courses are individually tailored to the requirements of the business units and the central units. The target group includes all executives and employees who are in contact with competitors or have other roles that are critical with regard to competition. The training courses are supplemented, in particular, by regulations specific to business units and close cooperation with (antitrust) legal experts.

Measures to prevent antitrust damage are an important component of antitrust compliance. To this end, we operate a comprehensive antitrust damage prevention system. An important part of this system is to use contractual conditions in markets where antitrust violations are most likely, which obligate suppliers to introduce or maintain antitrust compliance programs.

Human rights

GRI

MANAGEMENT APPROACH AND TARGETS

Protecting and promoting human rights is of the utmost importance to us. We report on how we safeguard human rights with regard to working conditions, anti-discrimination measures, and occupational health and safety within DB Group, particularly in the chapter Employees 81 ff.

We expect our business partners to uphold human rights. Our requirements in this regard are included in the DB code of conduct for business partners. This Code refers to the core labor standards of the International Labor Organization (ILO), such as protection against child and forced labor and against discrimination in employment and occupation. It contains regulations on adequate pay, regulated working hours, and the preference for regular employment. The right to auditing may be agreed in contracts with business partners, including adverse legal consequences if the Code is not complied with. The DB code of conduct is part of the contractual obligations of our business partners. DB Group's ethics principles set appropriate requirements for our own employees and executives. These are legally binding under labor law.

We oppose modern slavery in all its forms, be it forced or compulsory labor, servitude, human trafficking, or child labor, and we report on this in accordance with the provisions of the UK Modern Slavery Act and from the 2023 financial year in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) 189. Social minimum standards have been developed specifically for DB Schenker's activities worldwide. These standards detail the overriding DB Group Code of Conduct and provide, particularly in the international context, minimum standards for situations in which national and international legislation does not stipulate any appropriate social measures. Compliance with the Social Minimum Standards is regularly audited by intra-Group auditors at selected locations.

If human rights violations are suspected, employees, customers, suppliers and any other parties that may be of concern are provided with various channels to report such violations, including the option to report anonymously. The central whistle-blower management 186ff., which was coordinated with the Group Works Council regarding its structure concerning employee concerns, can also be used for human rights-related matters. One channel is our electronic whistle-blower system. In addition, reports can be made by post and trusted legal practitioners. DB employees can also contact the employee ombudsman. In 2022, the whistle-blower system reported suspected cases of human rights violations in the medium double-digit range (mainly cases relating to potential problematic working conditions and potential discrimination).

GRI IMPLEMENTATION OF THE ACT ON CORPORATE DUE DILIGENCE OBLIGATIONS IN SUPPLY CHAINS

From January 1, 2023, the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz; LkSG) obliges companies with more than 3,000 employees to prevent or minimize human rights and environmental risks in their own business area and supply chains. The aim of the Act is to improve the international human rights situation, protect the environment and prevent environmental damage, strengthen social and corporate responsibility and create enforcement potential in supply chains.

In DB Group, the implementation of the LkSG is being prepared by means of a Group-wide project that is managed by the area of sustainability and the environment, which is responsible for the project. As LkSG officer, the head of the Strategy & Reporting Sustainability and Environment department monitors the implementation of legal obligations.

In 2022, the focus was on preparing the Group-wide risk analysis in order to create more transparency about human rights and environmental risks both in the Company's own business area and in the supply chain.

In addition, the existing whistleblower management was reviewed and further developed on the basis of the requirements of the LkSG and has been available for use in relation to all LkSG topics since January 1, 2023. This makes it possible to report human rights and environmental risks, as well as violations of human rights and environmental obligations.

In order to enable preventive measures to be implemented, preparations were also made in 2022, such as the adjustment of the general terms of business for procurement in DB Group, in particular those of the General Terms and Conditions of Purchase.

Data protection

MANAGEMENT APPROACH AND TARGETS

Data protection and autonomy should be championed as the foundation for free and democratic societies. Throughout DB Group, we aim to establish exemplary, innovative and sustainable data protection processes and set a high level of data protection as a mark of quality, allowing employees, customers and business partners to associate DB Group with trust, respect, transparency and integrity in relation to data protection. In doing so, we fulfill data protection regulations, particularly those of the EU General Data Protection Regulation (GDPR) and in-house data protection policies.

In order to suitably implement our vision, we are firmly committed to meeting the overarching target of ensuring that the flow of data, both within DB Group and with external entities, is compliant with data protection regulations. We are working toward achieving this by raising awareness of data protection issues throughout DB Group, in particular by informing and training employees and by having a variety of digital and analog awareness-raising measures in place as well as high-quality data protection consulting expertise. Another focal point is the expansion of internal and external networks to improve DB Group's public image with regard to data protection.

We are also committed to innovation, the further development of existing instruments and methods, and the standardization of processes for professional data protection management. In order to ensure that data protection is applied and implemented reliably within DB Group, we operate a data protection management system that enables us to fulfill information and disclosure rights and obligations to furnish evidence at any time in a transparent and legally admissible manner. In addition, regular data protection audits ensure a high standard of data protection.

We work toward achieving these objectives through a highly effective data protection organization, which is divided into central and local units within DB Group:

- DB Group's central data protection team supports and advises the Group companies regarding compliance with data protection, especially in regard to data protection issues that are relevant to the Group. There are four departments within the central data protection organization, two of which work in different areas of responsibility within employee and customer data protection (one in administration or training, and the other in communication and management of the Group data committee). Another department deals with audits, technical data protection and the internal data protection systems. The fourth is responsible for the national and international data protection directives and manages the entire local data protection organization. At the national level, this consists of data protection experts, data protection officers and, at the international level, data protection managers.
- Local data protection experts in DB companies all over the world are available to employees and responsible persons if they have any questions and concerns about data protection. These experts ensure that the rules are implemented and enforced in accordance with the law.

DB Group's Data Protection Advisory Board 191 consists of renowned figures from science, politics, associations, independent organizations and employee representatives, ensures that data protection interests are taken into account, and advises the Management Board on strategic and central data protection issues.

Customers, employees and applicants can therefore rely on us to ensure a high level of data protection, for example when developing new business models and when introducing and making changes to the processing of personal data.

DATA PROTECTION IN DB GROUP

In addition to the General Data Protection Regulation (GDPR), there were new or planned laws and regulations with requirements and effects on data protection on national and international levels. This increased the degree of regulation and made it more complex. In particular, the structure of the content of the GDPR by data protection supervisory authorities and courts in Germany and Europe, as well as the decision of the ECJ ruling on cross-border data transfer ("Schrems II") led to an increased need for internal consultation by the data protection organization.

Data Protection Management System

Optimizing and further developing DB Group's Data Protection Management System (DPMS) are among the core responsibilities of the Group Data Protection function. The DPMS provides for systematic coordination between roles and responsibilities for data protection, systematic processes, detailed specifications, intensive training, advising business departments, and monitoring implementation. It comprises many small and large components, from one-page guidance documents to top consulting projects.

In order to further simplify the integration of data protection into business processes, the DPMS think tank once again focused on implementing the annual key issues in 2022. The think tank provides support as a source of ideas and supports the continuous improvement process of the DPMS, for example by helping decide the key topics (2022: customer data protection).

Data protection priorities

One of the focuses of the 2022 data protection program was customer data protection. Many different measures were advised, supported and implemented with those responsible for this. In particular, the focus was on "Structuring and dealing with data subject rights from a central governance and operational perspective." The focus of our consulting was on "Group-wide standardized consent and analysis management on Web sites and mobile apps" and the use of cloud service providers for intra-Group and external processes, procedures, services and IT applications. Although 2022 was marked by the gradual withdrawal of legal obligations in connection with the Covid-19 pandemic, a variety of legislative changes, particularly at Federal states level, demanded a response in order to give legal certainty in the implementation of the Covid-19 regulations within DB Group. In addition, we continue to consistently look at our internal processes and adapt them to developments and circumstances in order to be optimally positioned in the areas of customer and employee data protection.

Various international issues were also discussed in 2022. On the one side, the focus was on Chinese data protection laws and the extent to which, due to their strict requirements, adjustments to important systems and processes of DB Group and the relevant Group companies are necessary. Appropriate adjustments have been identified and addressed to those responsible and are now in the process of phased implementation and ongoing review. On the other hand, one focus remained on the impact of the ECJ ruling on cross-border data transfer ("Schrems II"). These effects were expressed in the fact that, Group-wide, necessary updates had to be implemented where cross-border data transfer takes place by the end of 2022. This concerned both contractual agreements and the implementation of stronger technical and organizational measures. The necessary updates, in particular in the form of a replacement of the EU standard contract clauses, were addressed to all responsible parties and those involved. At the same time, templates for the new EU standard contract clauses, transfer impact assessments and checklists were created and distributed for reviewing the supplementary measures. Training was also carried out on how to deal with these standard clauses so that all parties involved were able to make the necessary adjustments in due time.

In addition, the focus was on raising awareness among all employees. For example, increased focus was placed on raising employee awareness through Group-wide campaigns in cooperation with the areas of Group security, information security and compliance (for example the digital “Security Day” and “Data and Cyber Snacks” one-day events, or the lecture series “Simply Safe…”). The provision of a new e-learning on the topic of “data protection for mobile working” also helps here. In addition, employees were made aware of the topic of “data protection for mobile working” in various formats (for example Lunch&Learn).

In 2022, technical data protection consulting focused, among other areas, on big data, tracking and analytics. In addition, the topic of Microsoft Office 365 is associated with ongoing technical advice through the further development and introduction of new functions, particularly internally. The support of tenders for telecommunications service providers, the advocacy tool in HR marketing, for media and market research agencies and the awarding of cloud contracts presented challenging consulting tasks for technical data protection. Data protection support for the new SEMYOU platform for employee surveys was also a key focus of consultation. The latter was also reviewed by the data protection audit team in the run-up to its Group-wide introduction. In 2022, further focus was on auditing central processes in customer data protection (BahnCard, marketing analysis tool at MarTech) and employee data protection (KANDIS time recording system and personnel postal processes). The new HR management system SMART HR will be continuously audited with supervision until its introduction in 2023.

Numerous apps were also reviewed, which were developed for customers and employees (for example DB Navigator, BahnBonus, Flinkster). The focus of the app checks was on the use of cookies, the scope and processing of personal data as well as the technical safeguards in place for data transmission and storage. In this case, the intensive cooperation with the Mobile Security team in the area of checks for apps has proven itself, and the testing process for mobile apps has been updated. Advice was given on the app provision and quality assurance process was from a data protection and technical perspective. Particular attention was given to the improvement of processes and the empowerment regarding data protection issues of responsible bodies.

In addition, cooperation with the various audit units of IT auditing and the Information Security division was intensified, so that regular coordination on audit programs and current trends took place. The focus was on exchanges on relevant findings on the audits between departments and ensuring advice (for example identity access management, AIP – handling highly confidential documents – and managing access management to the individual company tenants).

Advisory board on data protection

The Advisory board on data protection supports the stakeholder dialog on data protection in DB Group. The members of the Advisory board advise the Management Board on the current strategic and central data protection issues. The objective is to promote the data protection interests of all parties involved, in particular employees and customers. The Advisory board makes an important contribution to the most exemplary data protection in DB Group.

The consultations on the data protection-related aspects of the digital transformation, as well as the specifications and measures derived from the Strong Rail strategy serve to protect the legitimate interests of the data subjects. The focus is on the challenges of modern, efficient and, among other things, good data protection in DB Group. As part of the discussions and consultations with the Management Board, the representatives of the specialist departments and the data protection organization, there is a regular and intensive exchange on the relevant data protection-related aspects. These include the numerous applications and digitalization projects in DB Group, including DB Navigator and DB Enterprise Cloud. Further consulting focuses are on the areas of communication and training, data subject rights, information security and data governance in DB Group.

For the eighth time in a row, the Advisory board on data protection presented the Data Protection Award, a prize for employees who make an outstanding contribution to innovative and exemplary data protection in DB Group. In 2022, the Gold Data Protection Award was awarded to the Covid-19 pandemic project team. Under particularly challenging conditions, the team succeeded in ensuring an optimal connection between health protection and employee data protection during the Covid-19 pandemic. The Data Protection Award makes an important contribution to raising awareness about data protection issues within DB Group.

Corporate Governance report

Corporate governance rules are intended to ensure good, responsible and value-focused corporate management. The Federal Government amended its Public Corporate Governance Code (Public Corporate Governance Kodex; PCGK) on principles of good corporate and investment management by resolution dated September 16, 2020. The PCGK sets out the essential provisions of applicable law governing the management and monitoring of non-listed companies in which the Federal Republic of Germany holds a majority stake, while outlining the internationally and nationally acknowledged principles of good and responsible corporate management. The objective of the PCGK is to make the corporate management and oversight of companies more transparent and easier to understand as well as to establish more precisely the role of the Federal Government as a shareholder in such companies. It also intends to increase awareness of good corporate governance.

We are convinced that good corporate governance is fundamental to the success of DB Group. Our aim is to sustainably increase the enterprise value so as to promote the interests of customers, business partners, investors, employees and the public, while maintaining and expanding trust in DB Group.

For corporations under uniform management, the executive bodies of the parent company must jointly issue the statement of compliance for the parent company of the Group and the companies under its uniform management which are required to apply the Code. Deutsche Bahn AG (DB AG) complies with this recommendation below. The statement of compliance is an essential part of the Corporate Governance report, which is therefore also submitted in its entirety at the level of the Group's parent company.

STATEMENT OF COMPLIANCE

I.

The Supervisory Board and the Management Board of DB AG declare that since the last declaration was issued on March 30, 2022, the recommendations on the PCGK adopted by the Federal Government on September 16, 2020, have been complied with, with the following exceptions:

1. NO. 3.1 CLAUSE 1

A clause on the application of the PCGK, as amended, was included in the relevant company documents during the reporting period. In the case of one company, this process could not be finalized before the reporting date.

2. NO. 3.2 CLAUSES 1 TO 4

For some of the limited liability companies (GmbHs) within DB Group, general meetings did not take place in person once a year as recommended by the PCGK; instead, they were held by way of a written resolution in accordance with Section 48 of the Act on Limited Liability Companies (Gesetz betreffend die Gesellschaften mit beschränkter Haftung; GmbHG).

These companies are directly or indirectly wholly owned by DB AG and are integrated into DB Group via a domination and profit and loss transfer agreement. As part of DB Group, meetings held in person to discuss the financial statements with only one person present as shareholder representative would have no added value in terms of content, but would result in a significantly disproportionate administrative burden and additional expenses, due to the presence of the auditor, for example.

3. NO. 4.1.2 PARA. 1

A clause on the application of the PCGK, as amended, was included in the relevant company documents during the reporting period. In the case of one company, this process could not be finalized before the reporting date.

4. NO. 4.1.3 PARA. 2 CLAUSE 1 AND NO. 4.1.3 PARA. 4

Continuous quarterly reporting recommended by the PCGK for the companies it covers in accordance with Section 90 of the German Stock Corporation Act (Aktiengesetz; AktG) is not implemented for four GmbHs (Para. 2) and six GmbHs (Para. 4). The previous cycle of semi-annual reporting has proved successful in these companies. The proper, timely and comprehensive information of the supervisory body continues to be effectively ensured, even with the current reporting period of at least one meeting per calendar half-year. If there are additional events, written reports by the Management Board or extraordinary meetings of the Supervisory Board may continue to take account of the reporting requirements to the Supervisory Board.

5. NO. 4.1.3 PARA. 5 CLAUSES 4 AND 5

The respective rules of procedure for the companies covered by the scope of application of the PCGK generally stipulate that a 14-day period must be observed for convening the Supervisory Board, including communication of agenda items. Additions should be communicated no later than one week before the meeting (by means of subsequent dispatch). In justified exceptional cases, additions to the agenda or the submission of documents may be required at short notice so that the Supervisory Board can also be informed in urgent cases or can also make corresponding decisions. During the reporting period, some companies covered by the PCGK submitted documents within less than 14 days' notice in isolated cases. The companies strive to comply with the 14-day deadline in principle.

6. NO. 4.3.2 CLAUSE 2

In its D&O insurance policy, DB Group does not comply with the deductible recommended by the PCGK for members of GmbH management bodies. DB AG has taken out a Group-wide D&O insurance policy for all its management body members in fully consolidated companies. A deductible for management body members of GmbH companies is not prescribed by law. Unlike executives of stock corporations, for whom the deductible is prescribed by law, there are hardly any corresponding insurance offers on the market to cover such a deductible for members of the management body of GmbHs. DB AG continuously monitors the insurance market. If the corresponding offers are available on the market, DB AG will aim to implement this recommendation from the PCGK.

7. NO. 4.3.2 CLAUSE 3

In D&O insurance, there is no deductible for members of supervisory bodies.

DB AG has taken out a Group-wide D&O insurance policy for all its Board members in fully consolidated companies, which also covers the members of the supervisory bodies.

A deductible makes it difficult to obtain suitably qualified candidates for members of the supervisory bodies, especially since comparatively low remuneration is already paid.

A significant portion of the compensation paid to representatives on DB Group Supervisory Boards who are delegated by/elected at the behest of the Federal Government is transferred to the Federal Treasury, unless they waive their compensation altogether. Members of the Supervisory Board representing employees also transfer a significant amount of their compensation to the Hans Böckler Foundation. DB executives who take on Supervisory Board mandates within DB Group do not receive any separate compensation for DB Group-internal Supervisory Board mandates. This being the case, it does not seem appropriate to allow members of the supervisory bodies to share in the risks arising from Directors' and Officers' liability cases.

8. NO. 5.1.2 CLAUSE 4

DB Group has complied with the recommendation of the PCGK to subject the entity responsible for compliance directly to the management body, with three exceptions.

In a company, the compliance officer is indirectly subordinated to the management body, and the performance of the compliance function only represents a small proportion of their overall activity. However, there is a direct right to report to the management body and professional independence, meaning that in this case the indirect subordination is considered to be justifiable. In another case, responsibility for compliance is assigned to the chairman of the management body. The compliance officer assigned to him is responsible for compliance issues across a number of companies in this business unit. As a result of the evaluation and audit, the overall approach presented was considered to be efficient and therefore preferred to the establishment of compliance officers in the respective legal entities, who then report directly to the respective management body. In another company, direct reporting to the management body is not feasible, as the company does not have any employees, but only consists of the members of the management body and the supervisory body.

9. NO. 5.2.2 CLAUSES 1 AND 3

As part of the implementation of the PCGK recommendations, a standard procedure/sample documents were developed for a transparent selection procedure and gradually applied during the reporting period. As these were established during the reporting year, the sample documents were not yet used in all companies during the entire reporting period. In companies with minority shareholdings, there are, in some cases, rights to designate on the part of the minority shareholder for individual management mandates. In these cases, there is no room for DB AG to apply a structured selection procedure.

10. NO. 5.2.4 CLAUSE 3

In one company, a member of the management body was reappointed 1.5 years before the end of their term and the current mandate was simultaneously terminated in the reporting period. This was necessary to ensure continuity in the general management.

11. NO. 5.3.2 PARAS. 1 AND 2

The recommendations under No. 5.3.2 Clauses 1 and 2 of the PCGK, in accordance with which remuneration of management body members should be decided by the responsible corporate body, are, for the most part, complied with. In individual cases, there are still ongoing Group employment contracts for historical reasons. In these cases, where the contractual partner is not the corporate body, but rather DB AG as management holding company, the recommendations of this section shall be deviated from during the term of these Group employment contracts. There are no plans to conclude new Group employment contracts in the future.

12. NO. 5.3.2 PARA. 5

DB AG intends to comply with the recommendation to establish malus and clawback clauses in the employment contracts for members of a management body. This recommendation will be integrated into contractual regulations, predominantly in the context of new appointments and reappointments. Accordingly, it will take several years for the companies covered by the PCGK to fully comply with this recommendation.

13. NO. 5.3.3 AND 5.3.4

The recommendations under Nos. 5.3.3 and 5.3.4 of the PCGK with regard to the determination of variable compensation components by the responsible corporate body are, for the most part, complied with. In individual cases, there are still ongoing Group employment contracts for historical reasons. In these cases, where the contractual partner is not the corporate body, but rather DB Group Management is, the recommendations of this section shall be deviated from during the term of these Group employment contracts, as the targets in these cases are agreed with Group management. There are no plans to conclude new Group employment contracts in the future.

The methods for the variable remuneration / profit share in DB Group were revised in the 2022 financial year. The established methodology meets the requirements of the PCGK.

14. NO. 6.1.1 PARA. 1

In the case of DB Projekt Stuttgart–Ulm GmbH, DB Group does not comply with the PCGK's recommendation to anchor a supervisory body in the articles of association where this is not provided for by law. In 2013, the Management Board and Supervisory Board agreed to establish the project company DB Projekt Stuttgart–Ulm GmbH for the implementation of the major Stuttgart 21 / Wendlingen–Ulm projects and to set up an advisory board of specialist experts to support the company. The Advisory Board of DB Projekt Stuttgart–Ulm GmbH does not have any tasks, rights or duties within the meaning of the German Stock Corporation Act (Aktienrecht). However, the Chairman of the Advisory Board regularly brings the committee's positions into the deliberations of DB AG's Supervisory Board on the Stuttgart 21 project. In addition, the auditors PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) and the engineering firm Emch + Berger provide regular, independent support and quarterly reporting on the project status on DB AG's Audit and Compliance Committee. There is, therefore, no intention to establish a separate supervisory board for DB Projekt Stuttgart–Ulm GmbH.

15. NO. 6.1.7

The majority of the relevant delegation clauses have been deleted from company documents. Apart from one exception, the deletion of which is planned for the next possible date, the PCGK is be complied with.

16. NO. 6.5 PARA. 1

DB AG does not comply with the recommendation that all companies covered by the PCGK hold one regular meeting of the supervisory body per calendar quarter. DB AG believes that holding meetings less frequently has proven to be effective, particularly in the case of smaller companies, and – given the size of the companies and the smaller variety of topics or reportable business transactions compared to large companies – it also constitutes proper monitoring of the management body. The proper, timely and comprehensive information of the supervisory body continues to be effectively ensured, even with the current reporting period of at least one meeting per calendar half-year. If there are additional events, written reports by the management body or extraordinary meetings of the Supervisory Board may continue to take account of the reporting requirements to the Supervisory Board.

17. NO. 6.5 PARA. 2

To date, circular resolutions have been documented in a separate resolution. Additional consideration was arranged in the minutes of the subsequent meeting of the supervisory body. The procedure was introduced during the reporting year for three companies and has not yet been implemented for the full reporting period.

18. NO. 7.2.1 AND 7.2.2

DB AG does not follow the recommendation to disclose the compensation of the executive bodies of the subsidiaries covered by the PCGK on an individual basis in the Corporate Governance report.

Publishing the compensation awarded to the respective members of management bodies, especially without their consent, would be questionable with regard to data protection. As yet, relevant consents have not been contractually agreed for the members of management bodies, with the exception of the DB Group Management Board.

II.

The Supervisory Board and the Management Board of DB AG further declare that the Group parent company and the companies under its uniform management that are required to apply the Code will, in principle, comply with the recommendations on PCGK 2020 adopted by the German Federal Government on September 16, 2020, with the aforementioned exceptions.

GRI COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

As a German joint stock corporation, DB AG is subject to a two-tier management and monitoring structure in the form of the Management Board and Supervisory Board. These two bodies are strictly segregated in terms of both their membership and their competencies. The members of the Management Board bear joint responsibility for the management of the company. The Supervisory Board monitors the activities of the Management Board and is responsible for appointing members to, and dismissing members from, the Management Board.

In the interests of optimum company management, we see it as very important for the Management Board and the Supervisory Board to maintain continuous dialog with each other and to work together efficiently and in an atmosphere of mutual trust for the benefit of the company. The Management Board takes part in meetings of the Supervisory Board insofar as the Supervisory Board deems this necessary and provides the Supervisory Board with regular, prompt, comprehensive information on all matters relevant to the company, particularly those concerning planning, business development, risk exposure and risk management, as well as the internal control system.

An overview of the members of the Management Board and of the Supervisory Board of DB AG 273 ff., including the mandates they hold, is provided in the Notes to the consolidated financial statements.

Management Board

The members of the Management Board bear joint responsibility for the management of the company. The Management Board is required to safeguard the interests of the company and is committed to achieving the sustainable growth of enterprise value. It specifies the business goals and defines the strategies to be implemented in order to attain these targets. The Management Board is responsible for making decisions on all matters of fundamental and key importance for the company.

In its meeting on June 23, 2022, the Supervisory Board decided to dissolve the previous Passenger Transport Board division and to transfer both long-distance passenger transport and regional transport to a separate Board division. For the period from July 1, 2022, to June 30, 2025, Ms. Evelyn Palla was appointed member of the Management Board of DB AG for the new Regional Transport Board division and Dr. Michael Peterson for the new Long-Distance Passenger Transport Board Division. The Infrastructure Board division has been managed by Mr. Berthold Huber since July 1, 2022, thus succeeding Ronald Pofalla, who left DB Group on April 30, 2022.

Based on the recommendations of the Public Corporate Governance Code and the corresponding regulations in the company documents, all Board members are required to report conflicts of interest. Conflicts of interest that have occurred are reported in the declaration of conformity to be issued annually. Accordingly, the members of the Management Board immediately disclose conflicts of interest to the Supervisory Board and inform their colleagues on the Management Board about them. In the reporting period, no such incidents arose.

Supervisory Board

The Supervisory Board advises and monitors the Management Board in its management of the company.

In line with the requirements of the Co-Determination Act (Mitbestimmungsgesetz; MitbestG), the Supervisory Board of DB AG consists of 20 members, of whom ten members are shareholders' representatives and ten members are employee representatives. Some of the shareholders' representatives are seconded to the Supervisory Board and some are elected at the Annual General Meeting. The selection process for the members of the Supervisory Board is carried out by the owner in accordance with the statutory provisions. The employees' representatives on the Supervisory Board are elected in line with the requirements of the Co-Determination Act. The company is therefore not able to provide detailed information about a selection procedure or any underlying criteria (including diversity characteristics). An overview of the incumbent members of the Supervisory Board together with their functions or job titles is shown in the consolidated financial statements 274 ff.

In the current term of office, Mr. Christian Schmidt resigned his Supervisory Board mandate with effect from the end of April 30, 2022, and Ms. Kirsten Lühmann and Mr. Eckhardt Rehberg resigned their respective Supervisory Board mandates with effect from the end of June 15, 2022. With effect from June 16, 2022, Mr. Stefan Gelbhaar (Member of the German Parliament), Ms. Dorothee Martin (Member of the German Parliament) and Mr. Bernd Reuther (Member of the German Parliament) were elected as members of the Supervisory Board of DB AG at the extraordinary general meeting on June 16, 2022. With effect from the end of June 15, 2022, Mr. Enak Ferlemann and Ms. Elisabeth Winkelmeier-Becker each resigned from their Supervisory Board mandates. With effect from June 16, 2022, Parliamentary State Secretary Susanne Henckel, Federal Ministry of Digital and Transport (BMDV), and Parliamentary Secretary of State Anja Hajduk, Federal Ministry of Economics and Climate Protection (BMWK), were appointed to the Supervisory Board of DB AG for the remainder of the term of office. Former State Secretary Michael Odenwald resigned his mandate and, in connection with this, also resigned from his position as Chairman of the Supervisory Board with effect from the end of July 22, 2022. Ms. Ingrid Hengster resigned her Supervisory Board mandate with effect from August 19, 2022. At the Supervisory Board meeting on September 28, 2022, State Secretary Werner Gatzer was elected to the position of Chairman of the Supervisory Board. At the extraordinary general meeting of September 29, 2022, Ms. Daniela Mattheus was elected to the Supervisory Board of DB AG with immediate effect from October 1, 2022, and at the extraordinary general meeting of December 7, 2022, Mr. Michael Sven Puschel was also elected to the Supervisory Board of DB AG with immediate effect for the remaining term of office.

Mr. Jürgen Beuttler and Mr. Mario Reiss each resigned their Supervisory Board mandates with effect from the end of July 31, 2022. Mr. Klaus-Dieter Hommel resigned his Supervisory Board mandate with effect from the end of September 30, 2022 and Mr. Jürgen Knörzer resigned his Supervisory Board mandate with effect from the end of October 31, 2022. Alexander Kaczmarek and Klaus-Peter Schölzke were appointed members of the Supervisory Board of DB AG with effect from September 13, 2022, by way of a judicial appointment by the Charlottenburg District Court. By way of a judicial appointment with effect from December 8, 2022, Mr. Ralf Damde and Mr. Manfred Scholze were also appointed members of the Supervisory Board of DB AG. At the Supervisory Board meeting on December 15, 2022, Mr. Martin Burkert was elected Deputy Chair of the Supervisory Board.

Any personal or business relationships of individual members of the Supervisory Board with the company are stated in the Notes to the consolidated financial statements.

Based on the recommendations of the Public Corporate Governance Code and the corresponding regulations in the company documents, all Board members are required to report conflicts of interest. Conflicts of interest that have occurred are reported in the declaration of conformity to be issued annually. The members of the Supervisory Board must also disclose any conflicts of interest to the Supervisory Board without delay and inform the Supervisory Board accordingly. In the reporting period, no such incidents arose.

Transactions of fundamental importance and other Management Board decisions with a major impact on the business operations and on the assets, financial or income situation of the company require the authorization of the Supervisory Board. The Management Board reports to the DB Supervisory Board on the business development and the position of DB Group at least once every quarter. The Management Board also reports to the Supervisory Board regularly on all measures implemented within the company that are intended to ensure compliance with laws and corporate regulations. In addition, the tasks of the Supervisory Board include the auditing and approval of the company's annual financial statements and the auditing of the company's management report, the consolidated financial statements, and the DB Group management report. The Supervisory Board also monitors the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the process of auditing the annual financial statements.

The Chairman of the Supervisory Board is in regular contact with the Management Board and specifically the Chief Executive Officer to discuss company strategy, business development and risk management. The Chairman of the Supervisory Board receives regular reports from the Chief Executive Officer on all events that are of key importance for assessing the company's situation and development, as well as for its management.

There were no consultancy agreements or other comparable service agreements or contracts for services between the members of the Supervisory Board and DB AG in the year under review.

Supervisory Board committees

GRI

In order to enable it to carry out its monitoring activities to the best of its abilities, the Supervisory Board of DB AG has made use of the option of setting up further committees in addition to the Mediation Committee, which has to be set up in accordance with the Co-Determination Act, and has set up an Executive Committee, an Audit and Compliance Committee and a Personnel Committee. An overview of the members of the committees 276 can be found in the notes to the consolidated financial statements. Details of the work performed by the individual committees 27f. in the year under review are included in the report of the Supervisory Board. Details of the functions of the individual committees can be found on our Web site.

Share of women on the Management Board and Supervisory Board

GRI

As of the reporting date December 31, 2022, the Supervisory Board of DB AG included, and still includes, seven women (35.0%). A target of a 50% share of women on the Supervisory Board of DB AG was set, with a deadline of June 30, 2027.

The Management Board of DB AG included, as at the reporting date of December 31, 2022, and still includes, two women (37.5%). A target of a 50% share of women on the Management Board of DB AG was set, with a deadline of June 30, 2027.

At the other management levels of DB AG, the following targets have been set (deadline December 31, 2024): at the first management level below the Management Board, a 31.7% share of women, and at the second management level below the Management Board, a 40.2% share of women. As of December 31, 2022, a 21.6% share of women was realized at the first management level below the Management Board. At the second level, 36.4% was achieved.

DB Group is committed to the equal participation of women and men in management positions and, on the basis of the law, has decided to set a total target of 30% women in management for all applicable subsidiaries at all levels (Supervisory Boards, Management Boards/management bodies, first and second management levels), with a deadline of December 31, 2024.

Comprehensive information on DB Group's diversity and sustainability activities is provided in the non-financial section of the Integrated Report.

TRANSPARENCY

All important information regarding DB Group's consolidated and annual financial statements, the interim report, the financial calendar and information on security transactions subject to a reporting obligation can be found on our Web site. In addition, we provide regular information on current developments within the framework of our investor relations activities and corporate communication.

RISK MANAGEMENT

TCFD

Good corporate management also encompasses a responsible approach to the risks and opportunities arising in connection with business operations. The early identification and limitation of business risks is therefore of paramount importance to the Management Board and the Supervisory Board.

The Management Board is responsible for ensuring, and continuously improving, adequate risk management and monitoring of risks within the company. The Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG) precisely defines the responsibilities of the Supervisory Board with regard to monitoring the accounting process and ensuring the effectiveness of the internal control system, the risk management system and the internal audit system. For the Supervisory Board to be able to discharge this responsibility, it must be provided with suitable information based on which it can form an opinion on the adequacy and effectiveness of systems. Regular reports are made to the Audit and Compliance Committee, concerning the adequacy and effectiveness of the internal control system. In addition, the Management Board reports to the Audit and Compliance Committee regarding risks of major importance to the Group companies and the handling of these risks by the Management Board. It also controls whether the early warning system for risks meets the requirements of Section 91 Para. 2 of the German Stock Corporation Act (Aktiengesetz; AktG).

COMPLIANCE

Compliance is an integral component of the corporate and leadership culture at DB Group. To us, compliance means ensuring our business activities comply with the relevant laws and regulations that apply to them.

Our compliance activities focus on preventing and consistently combating corruption and other corporate crime. Mandatory compliance policies serve to protect DB Group, our employees and our executives. Increasing awareness among our employees and executives remains of great importance, because only risk-aware employees can recognize risks and successfully avoid or, at least, minimize them.

The compliance work of DB Group includes the early detection of compliance risks as well as the introduction of relevant countermeasures. This work includes conducting compliance programs, constant communication and process improvements.

ACCOUNTING AND AUDITING

On March 30, 2022, the Annual General Meeting of DB AG appointed the auditing firm PricewaterhouseCoopers GmbH (PwC), Berlin, as auditor for the 2022 financial year. The Audit and Compliance Committee prepared the proposal of the Supervisory Board regarding the election of the auditor and, following the election of the auditor by the Annual General Meeting, defined the key audit aspects in conjunction with the auditor. Once again this financial year it was agreed with the auditor that the Chairman of the Audit and Compliance Committee will be notified of any possible reasons for exclusion or prejudice that emerge in the course of the audit. It was also agreed that the Chairman of the Committee will be notified immediately by the auditor of any separate findings and any irregularities in the statement of compliance.

EFFICIENCY AUDIT OF THE SUPERVISORY BOARD

The Supervisory Board regularly monitors the efficiency of its activities. The last efficiency audit took place in the 2021 financial year.

GRI

COMPENSATION REPORT

The compensation report outlines the compensation system and lists the individual compensation of the members of the Management Board and the Supervisory Board.

GRI TCFD

Compensation system of the Management Board

The compensation system for the Management Board of DB AG aims to provide appropriate compensation to members of the Management Board in accordance with their duties and areas of responsibility.

The appropriate level of compensation is reviewed regularly using a comparison process. This review examines the level of Management Board compensation both in comparison to the external market (horizontal appropriateness) and in comparison to other levels of compensation within the company (vertical appropriateness). If the review shows a need to adjust the compensation system or the level of compensation, the Personnel Committee of the Supervisory Board, which has equal representation of the stakeholders and shareholders involved through the shareholders and employee representatives on the committee, submits corresponding proposals in this regard to the Supervisory Board for approval. The appropriateness of Management Board compensation was last reviewed in the 2021 financial year.

GRI

COMPENSATION COMPONENTS

The total compensation for Management Board members consists of a fixed salary, a performance-linked annual bonus (short-term incentive, STI) and a long-term incentive plan based on multi-year figures. Total compensation also includes benefit commitments, other commitments and ancillary benefits.

The fixed salary is cash compensation linked to the financial year. It is based on the scope of responsibility and the experience of each Management Board member. The individually defined fixed income is paid out in 12 equal installments.

In December 2021, the Supervisory Board adopted an amendment to the STI methodology, which was applicable for the first time in the 2022 financial year. In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, this also applies, as far as possible, to other Group subsidiaries and management levels from 2022. The methodological revision of the STI takes into account in particular the recommendations of the Federal Government's Public Corporate Governance Code, which was amended in 2020. The main focus of the established STI methodology is on operating performance and customer satisfaction, but also takes into account the income situation and respective Board Division-specific issues. The annual bonus is calculated on the basis of the total of five individual targets with equal weightings. Three of these objectives relate to the areas of "Customer," "Quality" and "Employees," and another objective is the economic performance of DB Group. These four objectives are common to all members of the Management Board. In addition, a Board Division-specific target has been agreed for each Board member. After the mathematical calculation of the STI, it is possible to modify the mathematical result by means of a discretionary factor and to allow extraordinary events that occurred during the reporting year and cannot be predicted at the start of the assessment period to be included in the target achievement via a modifier. Furthermore, the STI is only paid out if DB AG is able to pay dividends. If this is not the case, the STI is completely canceled (knock-out). The STI payout may not amount to more than 200 % of the STI target bonus. Extra premium and clawback regulations were also agreed with Board members in accordance with the recommendations of the PCGK. The business and personal targets of the Management Board members are determined by the Supervisory Board annually, based on recommendations from the Personnel Committee, and are then agreed in writing with the Management Board members.

Together with the corporate plan adopted by the Supervisory Board, the personal targets form the basis for calculating the annual bonus. This means that all of the key parameters for total compensation are established at the beginning of the financial year. At the end of a financial year, the level of target achievement is determined for each member of the Management Board on the basis of the Group results. The target income is achieved if every target is 100 % met. The final decision on this matter is made by the Supervisory Board and is prepared by the Personnel Committee.

The long-term incentive (LTI) for the Management Board is focused on long-term transport volume and climate policy targets and the sustainable creditworthiness and profitability of DB Group. After the end of the respective plan term of four years, the extent to which LTI targets have been achieved at the end of the tranche is measured using the average target achievement for the individual years. The payment amount for the long-term incentive plan has an upper limit and can vary between 0 % and 200 %. Claims from the long-term incentive plan are inheritable.

The Management Board members are entitled to an appropriate severance package if their contract is terminated before the contractually stipulated termination date, provided that the Management Board member was not personally responsible for the termination through his or her actions. The severance package is based on the remaining term of the contract, the agreed target salary and, where applicable, the pension benefits already owed by DB AG for the remainder of the contract.

In accordance with the recommendations of the PCGK, a severance payment cap is included in all contracts of DB AG Management Board members. This cap means that payments made to a Management Board member due to premature termination of Management Board duties cannot, without good cause as defined by section 626 of the German Civil Code (Bürgerliches Gesetzbuch; BGB), exceed the value of two years' salary, including variable compensation components, and must not provide compensation for more than the remaining term of the employment agreement.

Management Board members do not receive any additional compensation for mandates exercised in control bodies of Group companies or affiliated companies.

Group-wide compensation system for executives

In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, the modified STI methodology adopted by the Supervisory Board of DB AG for the Management Board in December 2021 was implemented for other Group subsidiaries and management levels from 2022.

The compensation system for executives aims primarily to closely link compensation to the sustainable success of the company in the sense of the business success of the Integrated Rail System and of DB Group, as well as the alignment of all divisions toward this target.

The annual bonus for executives and employees not subject to wage agreements in the Integrated Rail System is structured as a profit share. Personal goals are then agreed with executives as part of a regular process. The target achievement and/or personal performance assessments are then regularly included in the assessment, both in the profit share and in decisions to increase the fixed salary.

If the executives are members of DB AG subsidiaries, the respective subsidiary's supervisory board is responsible for discussing the personal goals, if possible by the end of a financial year. Where applicable, the respective decision-making will take place after the DB AG Supervisory Board meeting in which the mid-term planning and the targets for DB AG's Management Board are adopted. This chronological sequence of the handling of personal goals in the Supervisory Boards of the subsidiaries is due to the Group structure of DB AG.

In some cases, given the regulatory requirements, DB Netz AG is subject to separate regulatory requirements which take even greater account of the business success of DB Netz AG.

Pension entitlements

The Supervisory Board of DB AG has determined that the Management Board should not include members who have exceeded the standard retirement age of the statutory pension insurance. After leaving the company, Management Board members are entitled to pension payments. At the latest upon reaching the age of 65, Management Board members who were in office prior to 2017 are entitled to a lifelong pension if the term of employment ends due to permanent invalidity, or if the contract is terminated before the agreed termination date or is not extended, without good cause, or if the Management Board member refuses to continue the contract under the same or more beneficial conditions.

The system governing benefit commitments to Management Board members was amended in 2017. Members appointed to the Management Board for the first time in 2017 and thereafter receive a defined benefit commitment under which a capital stock is saved up for the Board member for the duration of their employment and paid out when they reach retirement age. The commitment is granted in the form of a capital account plan with an annual contribution derived as a fixed percentage rate of the fixed salary.

Company pension commitments for Management Board members already in office are based on a percentage of the basic salary depending on the length of time that the Management Board member has been with the company. Pension commitments include lifelong retirement and surviving dependent benefits. There is no lump sum payment option.

In addition, for Management Board member contracts entered into before January 1, 2009, a reinsurance policy was concluded to cover company pension benefits.

Contractual ancillary benefits

The contractual ancillary benefits for Management Board members include a company car with driver for business and personal use, a personal BahnCard 100 First travel card and standard insurance coverage. A housing allowance is provided for second homes where these are required for business purposes. Where these benefits in kind cannot be granted on a tax-free basis, they are taxed as monetary benefits for which the Management Board members are fully responsible. Management Board members, like any other member of the Group's executive personnel, can choose to take part in the company's deferred compensation program.

The members of the Management Board are covered by liability insurance against financial losses incurred due to DB AG's business operations (D&O insurance). In the year under review, this insurance was designed as a Group insurance policy with the deductible provided for under law; it provides coverage for financial losses that may occur during the performance of Management Board activities. The insurance coverage of the existing D&O insurance policy is valid for a period of five years after the termination of activities as a member of the Management Board.

COMPENSATION FOR THE 2022 FINANCIAL YEAR

DB AG Management Board

The director's fee for the previous financial year is due at the end of the month in which the company's Annual General Meeting takes place.

The DB AG Management Board members will receive the following compensation for their work during the year under review:

TOTAL COMPENSATION OF THE MANAGEMENT BOARD / € thousand	Fixed compensation	Variable compensation: Short-term [1]	Variable compensation: Long-term payment	Provision [2]	Other [3]	Total [4]
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2022						
Dr. Richard Lutz	968	1,261	-	672	8	**2,236**
Dr. Daniela Gerd tom Markotten	400	482	-	97	15	**896**
Dr. Levin Holle	400	518	-	219	15	**933**
Berthold Huber	699	699	-	428	14	**1,411**
Dr. Sigrid Nikutta	400	473	-	225	9	**881**
Evelyn Palla	200	214	-	38	5	**419**
Dr. Michael Peterson	200	214	-	38	6	**419**
Martin Seiler	650	736	-	360	8	**1,394**
Total	**3,916**	**4,595**	**-**	**2,076**	**78**	**8,589**
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW						
Ronald Pofalla	217	245	-	350	12	**474**
Total	**4,133**	**4,840**	**-**	**2,426**	**90**	**9,064**

Individual figures are rounded and therefore may not add up.
[1] Subject to the resolution of the Supervisory Board.
[2] Long-term variable compensation refers to the addition / release of provisions for long-term incentives (LTI).
[3] Monetary benefits accruing from travel discounts, usage of company cars, and insurance and housing allowances.
[4] Total without long-term variable compensation.

In the year under review, no Management Board member of DB AG received benefits or promises of benefits from a third party with regard to their activities as a member of the Management Board.

Pension benefits for the Management Board for the 2022 financial year

In the year under review, an amount of € 1,769 thousand was added to the pension provisions.

ADDITIONS TO PENSION PROVISIONS / € thousand	2022
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2022	
Dr. Richard Lutz	**329**
Dr. Daniela Gerd tom Markotten	**176**
Dr. Levin Holle	**175**
Berthold Huber	**648**
Dr. Sigrid Nikutta	**171**
Evelyn Palla	**-**
Dr. Michael Peterson	**-**
Martin Seiler	**270**
Total	**1,769**
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW	
Ronald Pofalla	**-**
Total	**1,769**

Pension provisions for former Management Board members 265 are shown in total in the Notes to the consolidated financial statements.

Compensation of the Supervisory Board for the 2022 financial year

The compensation of the Supervisory Board of DB AG was most recently regulated by the Annual General Meeting resolution of September 21, 2010. In addition to being reimbursed for their cash outlays and the value-added tax due on their compensation and cash outlays, the DB AG Supervisory Board members each receive fixed annual compensation of € 20,000, plus performance-linked annual compensation. The performance-based compensation is calculated based on the relationship between operating profit (EBIT) as disclosed in the consolidated financial statements for the financial year compared to the previous year's figures, and the attaining of specific operational performance figures. Performance-based compensation is limited to a maximum of € 13,000. The Chairman of the Supervisory Board receives twice this amount, while his deputy receives one and a half times the above figure. This compensation is increased by a quarter for every position held on a committee by the individual Supervisory Board member. This compensation increases by 100 % for the Chairman of the Executive Committee and the Chairman of the Audit and Compliance Committee, and by 50 % for the Chairman of the Personnel Committee. This does not include membership or chairmanship of the committee that is formed under the terms of Section 27 Para. 3 of the Co-determination Act (MitbestG).

In addition, the members of the Supervisory Board of DB AG receive an attendance fee of € 250 for each meeting of the Supervisory Board and its committees at which they are present. The members of the Supervisory Board also have the choice between a personal BahnCard 100 First and five free train tickets.

The members of the Supervisory Board are covered by liability insurance against financial losses incurred due to DB AG's business operations (D&O insurance). This insurance is designed as a group insurance policy with no deductible and provides coverage for financial losses that may occur during the performance of Supervisory Board activities. There is also a Group accident insurance policy in place for members of the Supervisory Board. The company pays the premiums for these policies.

Supervisory Board members who have only been members for part of the respective financial year receive a twelfth of the total compensation for each month or part of a month of their membership. This rule also applies to the increase in compensation for the Chairman of the Supervisory Board and his or her deputy and to the increase in compensation for membership and chairmanship of a Supervisory Board committee.

Compensation is paid after the conclusion of the Annual General Meeting that votes to ratify the Supervisory Board's activities in the previous financial year.

Taxes due on compensation received, including the personal BahnCard 100 First and the five free train tickets, are the individual responsibility of each Supervisory Board member.

Supervisory Board members currently hold no shares in the company, nor do they hold options entitling them to purchase shares in the company.

Subject to the approval of the activities of the Supervisory Board by the Annual General Meeting on March 28, 2023, the members of the Supervisory Board of DB AG will receive the following compensation for their work during the year under review:

	Annual compensation 2022				
TOTAL COMPENSATION OF THE SUPERVISORY BOARD / € thousand	**Fixed compensation**	**Variable compensation [3),4)]**	**Meeting attendance fee**	**Ancillary benefits**	**Total**
ON DECEMBER 31, 2022, INCUMBENT SUPERVISORY BOARD MEMBERS OF DB AG [1)]					
Werner Gatzer	40.0	26.0	3.0	–	**69.0**
Martin Burkert	21.7	14.1	2.8	–	**38.5**
Ralf Damde	1.7	1.1	0.3	–	**3.0**
Stefan Gelbhaar	11.7	7.6	1.0	–	**20.3**
Anja Hajduk [2)]	–	–	–	–	**–**
Susanne Henckel	20.4	13.3	2.8	–	**36.4**
Jörg Hensel	25.0	16.3	3.3	0.9	**45.4**
Cosima Ingenschay	25.0	16.3	2.3	–	**43.5**
Alexander Kaczmarek	6.7	4.3	0.8	0.9	**12.6**
Prof. Dr. Susanne Knorre	20.0	13.0	1.5	6.6	**41.1**
Dorothee Martin	11.7	7.6	1.0	–	**20.3**
Daniela Mattheus	5.0	3.3	0.5	–	**8.8**
Heike Moll	20.0	13.0	1.5	6.6	**41.1**
Michael Puschel	1.7	1.1	0.3	–	**3.0**
Dr. Immo Querner	40.0	26.0	3.3	6.6	**75.8**
Bernd Reuther	11.7	7.6	1.0	0.9	**21.1**
Klaus-Peter Schölzke	6.7	4.3	0.5	–	**11.5**
Manfred Scholze	1.7	1.1	0.3	6.9	**9.9**
Jens Schwarz	30.0	19.5	3.5	6.6	**59.6**
Veit Sobek	20.0	13.0	1.3	6.6	**40.8**
MEMBERS WHO LEFT THE SUPERVISORY BOARD OF DB AG DURING THE YEAR UNDER REVIEW [1)]					
Jürgen Beuttler	11.7	7.6	0.8	–	**20.0**
Enak Ferlemann [2)]	–	–	–	–	**–**
Dr. Ingrid Hengster	13.3	8.7	0.8	–	**22.8**
Klaus-Dieter Hommel	30.0	19.5	2.5	–	**52.0**
Jürgen Knörzer	16.7	10.8	1.3	–	**28.8**
Kirsten Lühmann	10.0	6.5	0.5	–	**17.0**
Michael Odenwald	40.8	26.5	2.0	–	**69.4**
Eckhardt Rehberg	10.0	6.5	0.5	–	**17.0**
Mario Reiss	11.7	7.6	0.8	–	**20.0**
Christian Schmidt	6.7	4.3	0.5	–	**11.5**
Elisabeth Winkelmeier-Becker [3)]	8.3	5.4	0.8	–	**14.5**
Supervisory Board remuneration for further mandates in DB subsidiaries					**108.4**
Total					**982.7**

Individual figures are rounded and therefore may not add up.

[1)] Some Supervisory Board members state that their compensation is to be donated to the Hans Böckler Foundation in line with the directive of the German Trade Union Confederation (Gewerkschaftsbund).

[2)] Ms. Hajduk and Mr. Ferlemann waived the compensation they are due for their work as a member of the Supervisory Board in full.

[3)] Ms. Winkelmeier-Becker waived the compensation she was due for her work as a member of the Supervisory Board for the period from January 1, 2022 to March 15, 2022.

[4)] Payment of variable compensation components subject to the regulations of the Law on the Introduction of a Price Brake on Electricity (StromPBG).

There are no pension obligations for members of the Supervisory Board.

The members of the Supervisory Board did not receive any compensation in the year under review for any personally provided services.

EVENTS AFTER THE BALANCE SHEET DATE

Bond issue

In January 2023, we issued a senior bond through DB Finance:

ISIN	Issuer	Currency	Volume (million)	Volume (€ million)	Coupon (%)	Maturity	Term (years)
XS2577042893	DB Finance	EUR	750	750	3.625	Dec 2037	14.9

Introduction of the Germany-Ticket

GRI

The launch of the Germany-Ticket 47, which is to be offered at an introductory price of € 49 per month in a subscription that can be canceled on a monthly basis, has progressed one further step forward. In early February 2023, the Federal Cabinet introduced a law governing, among other things, the Federal Government's financial participation with the Ninth Amendment to the Regionalization Act. The draft law must be passed by the German Parliament (Bundestag) and the Upper House of Parliament (Bundesrat). The European Commission must also approve the project.

The Germany-Ticket, which is valid on local public transport throughout Germany, is scheduled to start on May 1, 2023 and will be available for sale from April 3. As agreed between the Federal Government and the Federal states, the Federal Government will provide the Federal states with an additional € 1.5 billion for the years between 2023 and 2025. The Federal states will pay the other half of the costs. The Federal Government and Federal states each bear half of any additional costs incurred by companies in the year of introduction of the ticket due to lower income. According to an analysis, a new legislative procedure is scheduled for the further financing of the ticket in 2025.

Procedure regarding additional financing contributions for Stuttgart 21

The Stuttgart Administrative Court has announced the date for the hearing. This is expected to take place on May 8, 2023.

German Parliament passes Infrastructure Acceleration Act

GRI

On February 10, 2023, the German Parliament passed the law to accelerate administrative court proceedings in the area of infrastructure (Gesetz zur Beschleunigung von verwaltungsgerichtlichen Verfahren im Infrastrukturbereich; VwGO), which is intended to significantly reduce the duration of court proceedings in the case of projects with "high significance for the economy or infrastructure." These include the expansion of the rail network, wind energy plants, larger gas supply lines, long-distance roads and high-voltage lines. Overall, the VwGO should provide more flexibility for the courts and more streamlined procedures.

GRI

OUTLOOK

Despite the current clear upward trend, there are major uncertainties regarding, among other things, the further development of the war in Ukraine and inflation. Our forecasts are based on the assumption that the effects of the Covid-19 pandemic on economic life will continue to decrease and that there will be no further exacerbation of issues in the geopolitical situation. Furthermore, it cannot be estimated whether, to what extent and with what impact, industrial action could take place in the 2023 financial year.

Overall statement of the Management Board regarding economic development

After economic development in Germany and Europe was still dampened by the effects of the Covid-19 pandemic in early 2022, the impact of the pandemic continued to subside over the course of the year. In contrast, the war in Ukraine in 2022 had negative effects. Disruptions to supply chains, uncertainties in energy supply and high inflation rates, which result in massive cost increases and place a burden on private consumption, are expected to result in a stagnation of economic output in 2023, despite progress in containing the Covid-19 pandemic. New forms of work (for example mobile work) and the substitution of business trips with online formats became established on a large scale during the Covid-19 pandemic. In passenger transport, we therefore do not expect a return to the pre-Covid-19 growth path everywhere. In freight transport, growth is expected to recover only slightly.

Even if the recovery in passenger transport after the Covid-19 pandemic takes longer, the drivers of growth in public transport will continue to have an effect over the medium and long term. In particular, Europe and Germany's climate policy targets cannot be achieved without a mobility transition in favor of public transport. Problems associated with road freight and passenger transport will become more important again on the political agenda once the difficult environmental conditions have been overcome. In addition to emissions of harmful substances, these problems also include the significant amount of land required by road vehicles, which many cities are no longer willing to grant. The introduction of a regional transport ticket valid throughout Germany (Germany-Ticket 47) is proof of the fact that there is a general will in politics to see a shift towards public transport.

For these reasons, the ramp-up of capital expenditures required to implement the growth targets of the Strong Rail strategy 57 will be continued. This applies in particular in the area of infrastructure, where capital expenditures often only pay off after many years in the form of faster and more stable connections.

The further development of global trade in goods and, above all, freight rates in air and ocean freight is associated with high levels of uncertainty and may have a significant impact on profit development. Risks from the lingering effects of the Covid-19 pandemic continue to exist for 2023. It cannot be ruled out that, with the number of infections or new variants possibly rising, new measures may be taken that could have a negative impact on the demand for mobility and transport services. In addition, the further possible effects of the war in Ukraine are virtually impossible to assess. It is also difficult to estimate the medium-term development of the currently sharply increased level of inflation. The current strong price increase leads to high cost risks. In addition, it is currently scarcely possible to assess the effects of the collective bargaining negotiations in 2023. The Management Board believes that DB Group has taken the necessary measures to mitigate existing risks and to take advantage of potential opportunities.

Future direction of DB Group

The Strong Rail strategy 51 ff., which was introduced in June 2019, continues to define the future direction of DB Group.

FUTURE SALES MARKETS

Our opportunities for growth in the German passenger transport market are limited, both due to the high level of competition and restrictions imposed by antitrust laws. On the other hand, an increasing number of positive signals are coming from decision makers who want to support rail as an environmentally friendly mode of transport through targeted measures. As such, our focus is still on expanding capacity, and therefore on defending our strong market position and increasing the share of rail in intermodal competition. In the German passenger transport market, we expect a continued shift toward needs-oriented road transport in the medium term. For example, autonomous driving will lead to ever fewer people having to own their own car. Autonomous road transport also offers the potential to free certain elements of public transport from dependence on stops and schedules, thus making them more flexible.

In the area of rail freight transport, our focus continues to be on the European market. We are well-positioned in all of the central European corridors and offer service connections to locations as far afield as China.

Economic outlook

ANTICIPATED DEVELOPMENT / %	2022	2023
World trade	+4.5	-1.0
GDP world	+3.1	+1.5
GDP Eurozone	+3.5	+0.5
GDP Germany	+1.9	-0.0

As of February 2023.
Forecasts for 2023 rounded to half percentage points.
Source: Oxford Economics

Economic output is expected to grow globally for 2023 as a whole. In industrialized countries in particular, however, the energy crisis is having a noticeable impact on development, with global growth expected to be supported primarily by positive developments in emerging markets. World trade is also affected by the weakening of the economy and is therefore expected to decline slightly in 2023.

This high level of energy and purchase prices is having a negative impact on economic output growth, particularly in the first half of 2023. This has a strong effect in the Eurozone and Germany due to the high proportion of industrial production. Supply and demand disruptions continue to be assumed. On the supply side, the high costs are burdening companies and in some cases forcing them to restrict their production. On the demand side, the purchasing power of private households is falling as a result of falling real wages, and the willingness of companies to make investments is declining due to high uncertainty and cost pressure. A noticeable recovery in economic development is not expected until the second half of 2023 at the earliest.

Transport markets

PASSENGER TRANSPORT

ANTICIPATED MARKET DEVELOPMENT / %	2022	2023
German passenger transport (based on pkm)	+8.4	+4.5

As of February 2023.
Forecast for 2023 rounded to half percentage points.

In 2022, the German passenger transport market recovered noticeably, but remained well below the pre-Covid-19 level. The recovery effects are expected to continue in 2023, but to a lesser extent. The development of demand for transport strongly depends on the infection situation, regulatory measures, economic developments and the associated mobility behavior of the population. Over the long term, commuter transport and business travel will be replaced noticeably by mobile work and digital communication.

- Motorized individual transport is expected to be close to pre-Covid-19 performance levels in 2023. However, rising and persistently high fuel prices as a result of the war in Ukraine and the increase in CO_2 tax dampen growth in volume sold.
- Domestic air transport is expected to claw back further Covid-19-related losses in 2023. However, the market share is likely to remain at a low level.
- Public road passenger transport is expected to increase noticeably again. The introduction of the Germany-Ticket 47 on May 1, 2023, should have a positive effect on local transport. Long-distance bus services are expected to grow more slowly in comparison due to strong competition from rail passenger transport.
- Continued growth in local and long-distance transport is expected for rail passenger transport. Long-distance transport should also win passengers from the air and bus long-distance transport sector and from the motorized individual transport sector if fuel prices continue to be high. Local transport will benefit greatly from the Germany-Ticket. The main premises for this development are consistently low levels of Covid-19 infections and an again increasing confidence in public transport, as well as the desire for a shift in the mode of transport.

In European passenger transport, too, development will be specific to the mode of transport and will vary from region to region. Strategic realignment of providers makes a consolidation of the mobility market probable. However, the progressive climate policy of the EU and its member states remains the long-term engine powering the development of environmentally friendly public mobility – and therefore rail passenger transport in particular.

FREIGHT TRANSPORT AND LOGISTICS

ANTICIPATED MARKET DEVELOPMENT / %	2022	2023
German freight transport (based on tkm)	- 0.3	+ 0.8
European rail freight transport (based on tkm)	- 0.8	+ 0.6
European land transport (based on revenues)	+ 2.2	- 0.3
Global air freight (based on t)	- 4.6	- 4.3
Global ocean freight (based on TEU)	- 3.9	+ 1.5
Global contract logistics (based on revenues)	+ 7.1	+ 4.9

As of February 2023.
Forecasts for 2023 rounded to half percentage points.

Following a stagnation in freight transport performance in 2022, slight growth is expected in Germany in 2023. Uncertain energy prices and high purchase prices in particular can continue to affect the development of freight transport. In the first half of 2023, a decline in demand for most industrial and consumer goods is still assumed, with recovery expected from the second half of the year at the earliest. Supply bottlenecks that were still in place in 2022 should continue to diminish or be resolved entirely during 2023. The market will continue to be characterized by sustained competitive pressure. In addition to prices, transport quality will become increasingly important.

- Rail freight transport will grow slightly in 2023 at about the previous year's level. Automobile transport, which is above average due to catch-up effects, and the continued growth of combined transport are expected to offset the declines in energy-intensive sectors. The growing importance of sustainable transport and the broader approval of a traffic shift to rail transport should also contribute to growth. The development of coal transport remains uncertain. If the volumes in 2023 are not at the previous year's level as expected, but instead collapse, the overall development will be negatively affected.
- After a slight decline in 2022, road freight transport is expected to be slightly above the previous year's level in 2023. Positive effects from the construction industry and the demand for consumer goods that recovered in the second half of the year are likely to have a stimulating effect. The shortage of drivers remains acute.
- After the significant decline in inland waterway volume sold in 2022, no significant catch-up effects are expected for 2023, as the inland waterway transport sectors are expected to remain only at the previous year's level. Container transport, which is expected to develop positively, but is rather insignificant for inland waterway transport, and an economic recovery in the second half of 2023 are expected to result in slight growth. Weather dependency remains a risk.

High energy prices and inflation are expected to continue to weigh on economic development and foreign trade in 2023, so little growth is expected for European rail freight transport. Catch-up effects and an economic recovery are expected to lead to moderate growth from 2024.

- Revenues for the European land transport market are expected to be just below the previous year's level in 2023. High energy prices and inflation weaken economic development and foreign trade in 2023; catch-up effects and an economic recovery are not expected to bring back moderate growth until 2024. It is expected that transport rates will continue to rise slightly.
- In air freight, economic development in China continues to contribute to uncertainties regarding the availability and utilization of capacity on flight connections to and from China. The expected normalization of air traffic between Europe and North America and the associated expansion of the available cargo space continues to lead to increasing pressure on air freight rates in transatlantic transport. The slowdown in global trade and general economic development are also likely to adversely affect demand for air freight transport. After a poor start to the first quarter of 2023, a decline in transport volume is currently also expected for the full year.
- The development of the ocean freight market in 2023 is marked by great uncertainty for all market participants. It depends, among other things, on the unpredictable development of capacity, due to the emissions regulations for older vessels, IMO 2023, falling freight rates, the possible impact of the Covid-19 pandemic, which is still ongoing globally, and changing consumer behavior as a result of economic developments. Global transport volume is expected to grow by 1.5 % in 2023.
- The development of the global contract logistics market strongly depends on the momentum of the global economy. The mix of an increasing risk of recession and rising prices in all sectors, scarce inventory capacity and disruptions to supply chains continues to cause great uncertainty and a slightly weakening development in contract logistics. Growth of just under 5 % is expected. The high-growth e-commerce, healthcare and electronics sectors in particular contribute to this. At the same time, there is a growing demand for value-added services.

INFRASTRUCTURE
Train-path demand is forecast to develop positively in 2023. In addition to further easing after the Covid-19 pandemic, the planned increases in regionalization funds in regional rail passenger transport and the expansion of supply in the course of the long-distance transport initiative in long-distance rail passenger transport are leading to increasing demand. Due to the macroeconomic environment and the importance of rail for energy transport, market growth is expected in rail freight transport. The effects of the continuing war in Ukraine may slow market growth. Bottlenecks and backlog in remedial actions required will not, however, allow any noticeable increase in volume produced on the network.

The number of station stops is expected to stabilize further in 2023, as is the demand structure for station stops.

As a result of the recovery from Covid-19 in 2023, rental income in stations should increase positively and be above the level of 2022.

Procurement markets

As a baseline scenario, we continue to expect scarcely any physical bottlenecks on the procurement side for DB Group in 2023. However, it remains to be seen how the continued high energy prices and the highly volatile commodity markets in production will affect prices. Producer prices are currently at a significantly higher level, due to inflation and raw materials prices. Forecasts predict a stabilization of the markets for 2023 at a significantly higher level than before the sharp increase in 2021.

Climate protection efforts are accelerating structural change in the energy sector. The expansion of renewable energies is expected to further strengthen price fluctuations on the electricity spot market due to their limited predictability. While the phase-out of nuclear power and coal power has created the potential for higher prices on the production side, developments in the mobility sector will have a significant impact on demand dynamics. In the long term, after a successful switch to renewable energies, a favorable energy source should be available, which is, however, in contrast to the expenses for the urgently needed expansion of the networks and storage systems.

For 2023, it remains to be seen whether the fall in demand among producers will continue at the end of 2022 as a result of inflation, and what effects this will have. An ongoing shortage of key products such as chips and raw materials (for example iron ore, paper) is also expected. The situation on the gas market in Germany and Europe is expected to remain tense. Due to the war in Ukraine, there is still the risk of a further increase in the prices of electricity, coal and crude oil. There is currently no foreseeable end to this development. On the production side, there may be shortfalls and thus further supply shortages.

There is likely to be little scope for prices of emissions allowances (CO_2 certificates) to fall in the long term. The political will of the Federal Government and the European Commission to achieve a rapid climate-neutral transformation of the energy supply will make itself felt here.

Overall, significant easing of the energy markets is not expected in 2023. Spot prices on the electricity market will be significantly influenced by temperature changes and wind volume.

Financial markets

With a high level of uncertainty overall, we assume that the general level of interest rates and yields will no longer increase as sharply as in 2022. If performance is favorable, lower interest rates and yields are again possible. A correction is likely to have more of an effect on the short side of the yield curve, as the highest growth was previously recorded in this area. The overall financing environment is becoming more challenging due to the discontinuation of net bond purchases by the European Central Bank and recession concerns.

Development of DB Group

- ⟶ *Progress in implementing the Strong Rail strategy.*
- ⟶ *Capital expenditure activities continue to grow.*
- ⟶ *Profit development is expected to be significantly burdened by additional measures to improve operational stability and general cost increases.*
- ⟶ *There are also burdens due to higher energy costs.*

Our forecasts for the development of DB Group and the business units in the 2023 financial year are based on our expectations of developments in the market, competition and environment, and the implementation success of the planned measures.

DB Group's business development in 2023 is expected to be largely characterized by burdens due to the implementation of additional measures for quality stabilization and quality improvements, particularly in track infrastructure. These burdens are also due, among other things, to the fact that negotiations on the future financing of the track infrastructure with the Federal Government have not yet been completed, but measures will be implemented already in 2023 and DB Group is therefore starting preliminary work. In addition, the development of inflation (especially higher energy costs) and the normalization of freight rates at DB Schenker will have a significant impact in the 2023 financial year. Countermeasures will partially compensate for this.

STRONG RAIL TOP TARGETS

ANTICIPATED DEVELOPMENT	2022	2023
Passengers (rail) long-distance transport (million)	132.0	> 155
Passengers (rail) local transport (million)	1,605	~ 1,900
Volume sold rail freight transport (Germany) (billion tkm)	59.6	~ 62
Train kilometers on track infrastructure (Germany) (million train-path km)	1,133	> 1,130
Customer satisfaction DB Long-Distance (SI)	74.8	~ 77
Customer satisfaction DB Regional (rail) (SI)	70.1	~ 70
Customer satisfaction DB Cargo (SI)	67	~ 61
Punctuality DB Long-Distance (%)	65.2	> 70
Punctuality DB Regional (rail) (%)	91.8	> 92
Punctuality DB Cargo (Germany) (%)	66.1	> 67
Share of renewable energies in the DB traction current mix in Germany (%)	65.2	67
Employee satisfaction (SI)	3.9	-
ROCE (%)	2.8	~ - 2
Debt coverage (%)	13.1	~ 6

- Volume figures for rail passenger transport should continue to stage a noticeable recovery in 2023.
- We also expect positive trends in rail freight transport volumes.
- Developments in volume produced should be stable, also in order to avoid any further burden on the infrastructure.
- Following the significant deterioration in customer satisfaction due to operational quality in 2022, a consistent level is expected for 2023. The background to this is the continuing challenges in relation to operating quality. At DB Cargo, we expect the customer satisfaction score to be significantly lower at the next measurement in March 2023 due to the significant drop in punctuality in 2022.
- Punctuality is expected to improve in 2023. In order to achieve these goals, quality-related measures will be further promoted and intensified, particularly with regard to structurally sustainable improvements, with a focus on infrastructure. However, achieving punctuality targets is a major challenge due to the further increase in volume of transport and capacity and aging problems in infrastructure.
- We will continue our measures to reduce the greenhouse gas intensity of the DB traction current mix in Germany through a gradual increase in the share of renewable energies.
- In 2023, the results of the employee survey will be analyzed and processed as part of the follow-up process. In autumn 2023, the culture barometer will be used as a random sample survey. The target value of the compass index 2023 is 52%.
- Due to the expected significant deterioration of adjusted EBIT, along with a simultaneous increase in capital employed, the ROCE is expected to decline.
- Debt coverage is also expected to decline significantly as a result of the expected weaker operating profit.

ADDITIONAL INDICATORS FOR THE ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

ANTICIPATED DEVELOPMENT / € billion	2022	2023
Revenues adjusted	56.3	> 56
EBIT adjusted	1.3	~ - 1
Gross capital expenditures	15.4	> 18
Net capital expenditures	6.8	> 8.5
Maturities	2.2	2.4
Bond issues (senior)	3.1	> 3
Net financial debt as of Dec 31	28.8	> 33

The economic development of DB Group in 2023 will be marked by additional burdens from the implementation of additional measures for quality stabilization and quality increases, higher energy prices and tariff developments. In addition, we expect the freight rate level at DB Schenker to normalize, as well as additional burdens from inflation. A further recovery in demand in rail passenger transport and the implementation of countermeasures will partially compensate for this.

Revenue development is therefore likely to be considerably weaker in 2023 and could also lead to a slight decline. Development of profits will be significantly negative. We will continue our quality and capital expenditure initiative for the Integrated Rail System with large capital expenditures. We thus intend to improve our quality and customer satisfaction, drive forward digitalization (including IT security improvements) and increase our performance capability.

Capital expenditures in 2023 are expected to be significantly above the 2022 level. Among other things, higher vehicle capital expenditures at DB Long-Distance and higher capital expenditures on track infrastructure, as well as measures to stabilize quality and increase capacity, are noticeable here.

Efficient liquidity management is once again a top priority for us in 2023. We are focusing on continually forecasting the cash flow from operating activities, as this is our main source of cash and cash equivalents. We produce liquidity forecasts every month on the basis of a 12-month liquidity plan.

In 2023, we must redeem financial liabilities (excluding current bank liabilities) at about the same level as in 2022. Funding needs for this are met by issuing public and non-public bonds. Roadshows are planned in Europe and Asia in conjunction with the bond issues. In addition, we are expecting to take out short-term loans in 2023 for advance financing of the measures to stabilize the operating quality of the infrastructure. The discussions with the Federal Government regarding the future financing of the track infrastructure have not yet been completed.

We continue to have adequate financial leeway for our capital market activities from our debt issuance programs 101f. and our commercial paper program 101f. The guaranteed credit facilities 101f. serve as a fallback in the event of interrupted access to the capital market. At the beginning of 2023, we issued one senior bond 202 through DB Finance. Our short- and medium-term liquidity supply is therefore also secure in 2023.

The majority of our gross capital expenditures in 2023 will again be covered by investment grants. In addition, a further equity measure from the Federal Government is planned as part of the Federal Government's Climate Action Program. The net capital expenditures to be financed by DB Group will likely also not be fully covered by internal sources in 2023.

We still plan to divest DB Arriva in the medium term.

Net financial debt is expected to increase significantly as of December 31, 2023, taking into account increased net capital expenditures and measures to stabilize quality and increase track infrastructure capacity.

We will also continue our M&A activities in a selective and focused manner in 2023.

ADDITIONAL KEY FIGURES FOR THE GREEN TRANSFORMATION

ANTICIPATED DEVELOPMENT	2022	2023
Specific greenhouse gas emissions in comparison to 2006 (%)	-42.1	-39.9
Track kilometers noise-remediated in total as of Dec 31 (km)	2,202	2,255
Recycling rate (%)	96.7	>95

- The slight decline in specific greenhouse gas emissions compared with 2006, which is forecasted for 2023, is mainly due to the changed energy mix (phase-out of nuclear energy) in DB traction current.
- We will continue the noise remediation of lines as scheduled in 2023.
- We will continue to keep the recycling rate at a high level in 2023.

Forward-looking statements

This management report contains statements and forecasts pertaining to the future development of DB Group, its business units and individual companies. These forecasts are estimates based on information that is available at the current time. Actual developments and profits may diverge from the current expectations as a result of the non-materialization of the assumptions upon which our forecasts are based or the materialization of risks such as those presented in the risk report.

DB Group does not assume any obligation to update the statements made within this management report.

Cross-references in the management report

This management report contains cross-references to additional information that is not part of this management report. The corresponding parts are marked in the report with the symbol **term** and are not part of the management report.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

JAN 1 THROUGH DEC 31 / € million	Note	2022	2021
Revenues	(1)	56,296	47,075
Inventory changes and other internally produced and capitalized assets	(2)	4,129	3,884
Overall performance		60,425	50,959
Other operating income	(3)	4,541	5,901
Cost of materials	(4)	- 33,623	- 28,419
Personnel expenses	(5)	- 20,300	- 19,219
Depreciation, amortization and impairments	(6)	- 3,998	- 3,804
Other operating expenses	(7)	- 5,777	- 5,716
Operating income (EBIT)		**1,268**	**- 298**
Result from investments accounted for using the equity method	(8)	- 5	- 10
Net interest income	(9)	- 351	- 528
Other financial result	(10)	20	48
Financial result		**- 336**	**- 490**
Profit / loss before taxes on income		**932**	**- 788**
Taxes on income	(11)	- 1,159	- 123
Net loss for the year		**- 227**	**- 911**
Net loss for the year			
thereof net loss attributable to shareholder of Deutsche Bahn AG		- 274	- 946
thereof remuneration entitlement of hybrid capital investors		25	26
thereof net profit for the year attributable to non-controlling interests		22	9
Earnings per share (€ per share)	(12)		
Undiluted		- 0.64	- 2.20
Diluted		- 0.64	- 2.20

Reconciliation of consolidated comprehensive income

JAN 1 THROUGH DEC 31 / € million	2022	2021
Net loss for the year	- 227	- 911
Changes due to the revaluation of defined benefit plans	2,164	1,482
Change in items recognized directly in equity, which are not reclassified to the income statement	2,164	1,482
Changes resulting from currency translation	19	101
Changes resulting from market valuation of securities	0	0
Changes resulting from market valuation of cash flow hedges and reclassifications	279	91
Share of profit items not recognized in the income statement due to investments accounted for using the equity method	- 9	3
Change in profit items recognized directly in equity, which are reclassified to the income statement	289	195
Balance of profit items covered directly in equity - other profits (before taxes)	**2,453**	**1,677**
Deferred taxes relating to revaluation of defined benefit plans	- 102	- 51
Changes in deferred taxes on profit items recognized directly in equity, which are not reclassified to the income statement	**- 102**	**- 51**
Deferred taxes relating to the change in the market valuation of cash flow hedges	- 4	- 7
Changes in deferred taxes on profit items recognized directly in equity, which are reclassified to the income statement	**- 4**	**- 7**
Balance of profit items recognized directly in equity - other profits (after taxes)	**2,347**	**1,619**
Comprehensive income	**2,120**	**708**
Comprehensive income		
thereof comprehensive income attributable to shareholder of Deutsche Bahn AG	2,077	674
thereof remuneration entitlement of hybrid capital investors	25	26
thereof comprehensive income for the year attributable to non-controlling interests	18	8

CONSOLIDATED BALANCE SHEET

Assets

€ million	Note	Dec 31, 2022	Dec 31, 2021
NON-CURRENT ASSETS			
Property, plant and equipment	(13)	52,268	50,100
Intangible assets	(14)	2,854	2,387
Investments accounted for using the equity method	(15)	446	461
Other investments and securities	(17)	134	99
Receivables and other assets	(19)	2,273	1,441
Derivative financial instruments	(21)	559	356
Deferred tax assets	(16)	510	1,305
		59,044	**56,149**
CURRENT ASSETS			
Inventories	(18)	2,076	2,155
Other investments and securities	(17)	502	1
Trade receivables	(19)	6,334	6,476
Other receivables and other assets	(19)	2,803	2,358
Income tax receivables	(20)	65	63
Derivative financial instruments	(21)	189	50
Cash and cash equivalents	(22)	5,138	4,591
Held-for-sale assets	(23)	152	0
		17,259	**15,694**
Total assets		**76,303**	**71,843**

Equity and liabilities

€ million	Note	Dec 31, 2022	Dec 31, 2021
EQUITY			
Subscribed capital	(24)	2,150	2,150
Reserves	(25)	4,901	978
Generated profits	(26)	5,489	5,357
Equity attributable to shareholder of Deutsche Bahn AG		**12,540**	**8,485**
Non-controlling interests	(27)	137	134
Hybrid capital	(27)	2,002	2,002
		14,679	**10,621**
NON-CURRENT LIABILITIES			
Financial debt	(28)	31,186	30,322
Other liabilities	(29)	933	341
Derivative financial instruments	(21)	329	200
Pension obligations	(31)	2,970	5,031
Other provisions	(32)	2,960	3,163
Deferred items	(33)	526	406
Deferred tax liabilities	(16)	241	168
		39,145	**39,631**
CURRENT LIABILITIES			
Financial debt	(28)	4,087	4,164
Trade liabilities	(29)	7,940	8,097
Other liabilities	(29)	4,463	3,883
Income tax liabilities	(30)	243	252
Derivative financial instruments	(21)	76	19
Other provisions	(32)	4,610	4,333
Deferred items	(33)	899	843
Liabilities in connection with assets held for sale	(23)	161	-
		22,479	**21,591**
Total assets		**76,303**	**71,843**

CONSOLIDATED STATEMENT OF CASH FLOWS

JAN 1 THROUGH DEC 31 / € million	Note	2022	2021
Profit/loss before taxes on income		932	-788
Depreciation on property, plant and equipment and intangible assets		3,998	3,804
Write-ups/write-downs on non-current financial assets		-40	-32
Result of disposal of property, plant and equipment and intangible assets		-25	123
Result of disposal of financial assets		4	-4
Result of the sale of consolidated companies		-36	0
Interest and dividend income		-241	-57
Interest expenses		589	583
Foreign currency result		-10	-27
Result of investments accounted for using the equity method		5	10
Other non-cash expenses and income [1]		1,574	2,786
Changes in inventories, receivables and other assets		-10	-2,372
Changes in liabilities, provisions and deferred items		-283	616
Cash generated from operating activities		6,457	4,642
Interest received		74	40
Received (+)/paid (-) dividends and capital distribution		13	-3
Interest paid		-443	-524
Paid (-)/reimbursed (+) taxes on income		-457	-255
Cash flow from operating activities		**5,644**	**3,900**
Proceeds from the disposal of property, plant and equipment and intangible assets		246	213
Payments for capital expenditures in property, plant and equipment and intangible assets		-14,310	-14,182
Proceeds from investment grants		8,603	9,045
Payments for repaid investment grants		-92	-43
Proceeds from sale and disposal of financial assets		56	82
Payments for investments in financial assets		-892	-185
Proceeds from sale of shares in consolidated companies less net cash and cash equivalents sold		47	0
Payments for acquisition of shares in consolidated companies less net cash and cash equivalents acquired as well as for the acquisition of share in companies		-272	-45
Proceeds from disposal of investments accounted for using the equity method		17	0
Payments for additions of investments accounted for using the equity method		-3	-1
Cash flow from investing activities		**-6,600**	**-5,116**
Proceeds from capital injections		1,985	2,675
Distribution of profits to non-controlling interests and hybrid capital investors		-34	-33
Payments for redemption of leasing liabilities		-1,059	-1,164
Payments for redemption of IFRIC 12 leasing liabilities		-16	-25
Proceeds from issue of senior bonds		3,083	4,860
Payments for redemption of senior bonds		-1,596	-1,832
Payments for redemption and repayment of interest-free loans		-157	-157
Proceeds from borrowings [2]		159	187
Payments for redemption of borrowings [2]		-804	-2,202
Cash flow from financing activities		**1,561**	**2,309**
Net change in cash and cash equivalents		**605**	**1,093**
Cash and cash equivalents as of Jan 1	(22)	4,591	3,411
Changes in cash and cash equivalents due to changes in the scope of consolidation	(23)	-14	-
Changes in cash and cash equivalents due to changes in exchange rates		-44	87
Cash and cash equivalents as of Dec 31	**(22)**	**5,138**	**4,591**

[1] Including additions to other provisions.
[2] Including change in short-term bank borrowings between reporting dates.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Subscribed capital	Reserves							Generated profits	**Equity attributable to shareholder of Deutsche Bahn AG**	Hybrid capital	Non-controlling interests	**Equity**
		Capital reserves	Currency translation	Fair value valuation of securities and investments	Fair value valuation of cash flow hedges	Revaluation of pensions	Other movements	**Total**					
As of Jan 1, 2021	2,150	871	-75	2	-171	-3,930	-13	**-3,316**	6,302	**5,136**	2,002	132	**7,270**
+ Capital increase/injection	–	2,675	–	–	–	–	–	**2,675**	–	**2,675**	–	1	**2,676**
− Capital decrease	–	–	–	–	–	–	–	**–**	–	**–**	–	–	**–**
− Dividend payment/remuneration hybrid capital	–	–	–	–	–	–	–	**–**	–	**–**	-26	-7	**-33**
− Withdrawal from capital reserve	–	–	–	–	–	–	–	**–**	–	**–**	–	–	**–**
± Other changes	–	–	-2	–	–	–	1	**-1**	1	**–**	–	0	**0**
± Comprehensive income	–	–	102	3	84	1,431	–	**1,620**	-946	**674**	26	8	**708**
thereof net profit/loss (after taxes)	–	–	–	–	–	–	–	**–**	-946	**-946**	26	9	**-911**
thereof currency effects	–	–	102	–	–	–	–	**102**	–	**102**	–	-1	**101**
thereof deferred taxes	–	–	–	–	-7	-51	–	**-58**	–	**-58**	–	–	**-58**
thereof market valuation/reclassification	–	–	–	0	91	–	–	**91**	–	**91**	–	–	**91**
thereof revaluation of defined benefit plans	–	–	–	–	–	1,482	–	**1,482**	–	**1,482**	–	–	**1,482**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	3	–	–	–	**3**	–	**3**	–	–	**3**
As of Dec 31, 2021	**2,150**	**3,546**	**25**	**5**	**-87**	**-2,499**	**-12**	**978**	**5,357**	**8,485**	**2,002**	**134**	**10,621**

GRI

€ million	**Subscribed capital**	**Reserves**							**Generated profits**	**Equity attributable to shareholder of Deutsche Bahn AG**	**Hybrid capital**	**Non-controlling interests**	**Equity**
		Capital reserves	**Currency translation**	**Fair value valuation of securities and investments**	**Fair value valuation of cash flow hedges**	**Revaluation of pensions**	**Other movements**	**Total**					
As of Jan 1, 2022	2,150	3,546	25	5	-87	-2,499	-12	**978**	5,357	**8,485**	2,002	134	**10,621**
+ Capital increase/injection	–	1,985	–	–	–	–	–	**1,985**	–	**1,985**	–	–	**1,985**
− Capital decrease	–	–	–	–	–	–	–	**–**	–	**–**	–	-1	**-1**
− Dividend payment/remuneration hybrid capital	–	–	–	–	–	–	–	**–**	–	**–**	-25	-9	**-34**
− Withdrawal from capital reserve	–	-413	–	–	–	–	–	**-413**	413	**–**	–	–	**–**
± Other changes	–	–	–	–	–	–	0	**0**	-7	**-7**	–	-5	**-12**
± Comprehensive income	–	0	24	-9	275	2,061	–	**2,351**	-274	**2,077**	25	18	**2,120**
thereof net profit/loss (after taxes)	–	–	–	–	–	–	–	**–**	-274	**-274**	25	22	**-227**
thereof currency effects	–	–	24	–	–	–	–	**24**	–	**24**	–	-5	**19**
thereof deferred taxes	–	–	–	–	-4	-102	–	**-106**	–	**-106**	–	–	**-106**
thereof market valuation/reclassification	–	–	–	0	279	–	–	**279**	–	**279**	–	–	**279**
thereof revaluation of defined benefit plans	–	–	–	–	–	2,163	–	**2,163**	–	**2,163**	–	1	**2,164**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	-9	–	–	–	**-9**	–	**-9**	–	–	**-9**
As of Dec 31, 2022	**2,150**	**5,118**	**49**	**-4**	**188**	**-438**	**-12**	**4,901**	**5,489**	**12,540**	**2,002**	**137**	**14,679**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment information according to segments

JAN 1 THROUGH DEC 31 OR RESPECTIVELY AS OF DEC 31 / € million	DB Long-Distance [1] 2022	DB Long-Distance [1] 2021	DB Regional 2022	DB Regional 2021	DB Cargo [2] 2022	DB Cargo [2] 2021	DB Netze Track 2022	DB Netze Track 2021	DB Netze Stations 2022	DB Netze Stations 2021	DB Netze Energy 2022	DB Netze Energy 2021
External revenues	4,845	2,792	8,921	7,929	4,998	4,713	2,035	1,975	593	520	2,451	1,808
Internal revenues	135	119	118	114	246	269	4,231	4,009	791	765	1,749	1,558
Total revenues	4,980	2,911	9,039	8,043	5,244	4,982	6,266	5,984	1,384	1,285	4,200	3,366
Other external income [1]	374	196	857	814	467	502	1,113	801	179	258	31	60
Other internal income	86	72	101	107	46	38	261	239	41	35	17	44
Inventory changes and other internally produced and capitalized assets	5	9	59	54	65	30	1,488	1,372	120	112	27	28
Total income	5,445	3,188	10,056	9,018	5,822	5,552	9,128	8,396	1,724	1,690	4,275	3,498
Cost of materials	-3,056	-2,810	-6,162	-5,662	-3,361	-3,072	-2,689	-2,498	-752	-809	-3,818	-2,973
Personnel expenses	-1,264	-1,199	-2,367	-2,261	-1,954	-1,888	-3,700	-3,498	-476	-444	-154	-145
Other operating expenses	-736	-613	-908	-877	-764	-673	-1,495	-1,390	-301	-277	-118	-126
EBITDA	**389**	**-1,434**	**619**	**218**	**-257**	**-81**	**1,244**	**1,010**	**195**	**160**	**185**	**254**
Depreciation [4]	-428	-356	-647	-634	-408	-383	-665	-690	-166	-159	-82	-84
Impairments recognized / reversed	–	–	-3	-1	0	-3	22	14	0	0	–	-1
EBIT (operating profit / loss)	**-39**	**-1,790**	**-31**	**-417**	**-665**	**-467**	**601**	**334**	**29**	**1**	**103**	**169**
Operating interest balance [5]	-36	-29	-50	-42	-64	-57	-96	-109	-3	-37	-6	-13
Operating income after interest [5]	**-75**	**-1,819**	**-81**	**-459**	**-729**	**-524**	**505**	**225**	**26**	**-36**	**97**	**156**
Property, plant and equipment	7,819	6,584	5,754	6,076	3,050	3,120	22,923	21,788	3,847	3,602	1,133	1,133
+ Intangible assets	60	56	405	57	217	201	243	199	71	63	1	4
thereof goodwill	0	0	6	5	0	4	11	12	–	–	–	–
+ Inventories	216	181	431	558	196	195	271	229	0	0	203	182
+ Trade receivables [6]	29	26	1,176	992	652	554	189	137	41	37	167	205
+ Receivables and other assets (excluding receivables from plan assets) [6]	553	131	1,478	1,004	225	181	682	590	39	44	192	170
− Receivables from financing and earmarked bank deposits [6]	–	–	–	–	–	–	–	–	–	–	–	–
+ Income tax receivables	–	–	0	0	0	2	0	0	–	–	0	0
+ Held-for-sale assets [6]	–	–	–	–	–	–	–	–	–	–	–	–
− Trade liabilities [6]	-444	-371	-657	-885	-494	-468	-823	-919	-107	-88	-497	-421
− Miscellaneous and other liabilities [6]	-618	-167	-1,435	-843	-215	-230	-853	-694	-191	-182	-90	-61
− Income tax liabilities	–	0	-1	-1	-5	-4	–	–	0	-1	–	–
− Other provisions [7]	-22	-28	-3,067	-2,693	-177	-179	-871	-959	-33	-37	-31	-33
− Deferred items	-499	-407	-342	-241	-20	-14	-164	-170	-97	-100	-1	-1
− Deferred liabilities [6]	-107	-69	-179	-164	-212	-187	-297	-232	-28	-17	-12	-9
− Liabilities due to assets held for sale [6]	–	–	–	–	–	–	–	–	–	–	–	–
Capital Employed [6], [8]	**6,987**	**5,936**	**3,563**	**3,860**	**3,217**	**3,171**	**21,300**	**19,969**	**3,542**	**3,321**	**1,065**	**1,169**
Net financial debt	4,179	3,325	775	1,157	2,627	2,680	9,623	9,718	894	746	699	773
Investments accounted for using the equity method	0	0	5	5	28	34	3	2	0	0	–	–
Result from investments accounted for using the equity method	0	0	0	0	2	3	1	1	–	–	–	–
Gross capital expenditures	1,667	1,507	716	480	452	527	8,969	9,349	1,434	1,380	303	340
Investment grants received	-1	–	-21	-25	-49	-28	-7,231	-7,611	-1,037	-1,083	-228	-274
Net capital expenditures	**1,666**	**1,507**	**695**	**455**	**403**	**499**	**1,738**	**1,738**	**397**	**297**	**75**	**66**
Additions due to changes in the scope of consolidation (acquisition of companies)	–	–	–	–	–	–	–	27	–	–	–	–
Employees [9]	19,139	18,790	37,738	37,220	31,167	30,753	52,510	51,290	6,997	6,811	1,943	1,900

[1] In H1 2022 train-path price support totalling 207 million was included in adjusted EBIT deviating from the previous year.
[2] Figures for the previous year adjusted; see "**Changes in segment allocation**" 218.
[3] Relating to special items and reclassification PPA amortization of customer contracts as well as the reconciliation of capital employed to the external display.
[4] The non-cash items are included in the segment result shown.
[5] Key figure from internal reporting, no external figures.
[6] Content allocation in accordance with management reporting.
[7] Figures for the previous year for DB Arriva and Consolidation other adjusted.
[8] Profit transfer agreements were not assigned to segment assets or liabilities.
[9] The number of employees comprises the workforce, excluding vocational trainees, and dual degree students at the end of the reporting period (part-time employees have been converted to full-time employees).

Subsidiaries/Other		Consolidation [2]		Integrated Rail System [2]		DB Arriva		DB Schenker [2]		Consolidation other [2]		DB Group adjusted		Reconciliation [3]		DB Group	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
696	593	–	–	24,539	20,330	4,212	4,067	27,545	22,853	–	–	56,296	47,250	0	-175	56,296	47,075
5,427	5,092	-12,576	-11,777	121	149	2	2	59	86	-182	-237	–	–	–	–	–	–
6,123	5,685	-12,576	-11,777	24,660	20,479	4,214	4,069	27,604	22,939	-182	-237	56,296	47,250	0	-175	56,296	47,075
460	447	–	–	3,481	3,078	362	431	252	215	–	-2	4,095	3,722	446	2,179	4,541	5,901
1,656	1,331	-2,108	-1,826	100	40	1	0	12	8	-113	-48	–	–	–	–	–	–
888	916	1,457	1,349	4,109	3,870	13	6	7	7	–	1	4,129	3,884	–	–	4,129	3,884
9,127	8,379	-13,227	-12,254	32,350	27,467	4,590	4,506	27,875	23,169	-295	-286	64,520	54,856	446	2,004	64,966	56,860
-3,354	-3,107	10,294	9,677	-12,898	-11,254	-1,612	-1,445	-19,249	-15,874	136	174	-33,623	-28,399	0	-20	-33,623	-28,419
-4,137	-3,898	–	–	-14,052	-13,333	-2,010	-2,139	-4,101	-3,654	–	–	-20,163	-19,126	-137	-93	-20,300	-19,219
-1,599	-1,261	2,811	2,439	-3,110	-2,778	-557	-563	-2,013	-1,815	156	112	-5,524	-5,044	-253	-672	-5,777	-5,716
37	113	-122	-138	2,290	102	411	359	2,512	1,826	-3	–	5,210	2,287	56	1,219	5,266	3,506
-581	-583	70	65	-2,907	-2,824	-398	-432	-670	-587	3	2	-3,972	-3,841	-28	-40	-4,000	-3,881
-2	-2	–	–	17	7	-1	–	-1	-5	–	–	15	2	-13	75	2	77
-546	-472	-52	-73	-600	-2,715	12	-73	1,841	1,234	–	2	1,253	-1,552	15	1,254	1,268	-298
-110	-89	–	–	-365	-376	-42	-31	-60	-57	–	–	-467	-464	–	–	–	–
-656	-561	-52	-73	-965	-3,091	-30	-104	1,781	1,177	–	2	786	-2,016	–	–	–	–
3,234	3,154	-917	-884	46,843	44,573	1,745	2,343	3,702	3,204	-22	-20	52,268	50,100	–	–	52,268	50,100
288	296	-84	-70	1,201	806	125	180	1,529	1,402	-1	-1	2,854	2,387	–	–	2,854	2,387
28	28	–	–	45	49	0	0	1,227	1,170	–	–	1,272	1,219	–	–	1,272	1,219
722	633	-37	-32	2,002	1,946	64	85	10	124	–	–	2,076	2,155	–	–	2,076	2,155
441	346	–	–	2,695	2,297	259	289	3,353	3,872	–	–	6,307	6,458	27	18	6,334	6,476
1,447	1,232	-1,545	-1,377	3,071	1,975	597	536	870	761	-85	-97	4,453	3,175	505	523	4,958	3,698
–	–	–	–	–	–	–	–	–	–	–	–	–	–	-683	-541	-683	-541
3	6	–	–	3	8	9	9	53	46	–	–	65	63	–	–	65	63
0	0	0	0	–	–	–	–	–	–	–	–	–	–	152	–	152	–
-798	-668	–	–	-3,820	-3,820	-519	-603	-3,395	-3,488	–	–	-7,734	-7,911	-206	-186	-7,940	-8,097
-897	-737	1,541	1,375	-2,758	-1,539	-367	-282	-687	-699	86	96	-3,726	-2,424	-1,670	-1,800	-5,396	-4,224
-25	-30	–	–	-31	-36	-43	-57	-177	-169	8	10	-243	-252	–	–	-243	-252
-2,686	-2,799	–	–	-6,887	-6,728	-208	-325	-475	-443	–	–	-7,570	-7,496	–	–	-7,570	-7,496
-69	-40	3	3	-1,189	-970	-217	-268	-19	-11	–	–	-1,425	-1,249	–	–	-1,425	-1,249
-401	-321	–	–	-1,236	-999	-142	-192	-658	-795	–	–	-2,036	-1,986	2,036	1,986	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	-161	–	-161	–
1,259	1,072	-1,039	-985	39,894	37,513	1,303	1,715	4,106	3,804	-14	-12	45,289	43,020	–	–	45,289	43,020
8,131	8,570	–	–	26,928	26,969	975	1,113	924	1,025	–	–	28,827	29,107	–	–	28,827	29,107
357	355	–	–	393	396	43	54	10	11	–	–	446	461	–	–	446	461
-11	-14	–	–	-8	-10	2	-1	1	1	–	–	-5	-10	–	–	-5	-10
724	815	-113	-120	14,152	14,278	255	267	946	842	–	–	15,353	15,387	–	–	15,353	15,387
-7	-6	–	–	-8,574	-9,027	-29	-18	–	–	–	–	-8,603	-9,045	–	–	-8,603	-9,045
717	809	-113	-120	5,578	5,251	226	249	946	842	–	–	6,750	6,342	–	–	6,750	6,342
–	–	–	–	–	27	–	–	499	57	–	–	499	84	–	–	499	84
59,992	58,345	–	–	209,486	205,109	38,059	43,189	76,591	75,418	–	–	324,136	323,716	–	–	324,136	323,716

Information by regions

JAN 1 THROUGH DEC 31 / € million	External revenues		Non-current assets [1]		Capital employed [1]		Gross capital expenditures		Net capital expenditures		Employees [1]	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Germany	29,003	24,055	48,935	46,187	40,236	37,983	14,273	14,363	5,709	5,338	212,188	209,763
Europe (excluding Germany)	15,892	14,278	5,087	5,757	3,868	4,145	801	833	762	813	78,908	84,260
Asia/Pacific	5,983	4,957	1,408	1,291	1,120	1,139	247	258	247	258	18,006	16,985
North America	4,417	3,180	750	271	1,025	680	106	40	106	40	11,299	9,256
Rest of world	1,001	780	58	37	93	82	39	13	39	13	3,735	3,452
Consolidation	–	–	-1,024	977	-1,053	-1,009	-113	-120	-113	-120	–	–
DB Group adjusted	**56,296**	**47,250**	**55,214**	**52,566**	**45,289**	**43,020**	**15,353**	**15,387**	**6,750**	**6,342**	**324,136**	**323,716**
Reconciliation	0	-175	–	–	–	–	–	–	–	–	–	–
DB Group	**56,296**	**47,075**	**55,214**	**52,566**	**45,289**	**43,020**	**15,353**	**15,387**	**6,750**	**6,342**	**324,136**	**323,716**

[1] As of balance sheet date.

Basic principles and methods

GRI

FUNDAMENTAL INFORMATION

Deutsche Bahn AG (DB AG), and its subsidiaries (together DB Group) provide services in the fields of passenger transport, as well as transport and logistics, and operate an extensive rail infrastructure which is also available to non-Group users on a non-discriminatory basis. Whereas rail infrastructure activities are conducted primarily in the company's domestic market of Germany, business activities in passenger and freight transport are conducted on a Europe-wide basis and logistics activities are conducted on a worldwide basis.

DB AG, Potsdamer Platz 2, 10785 Berlin is an Aktiengesellschaft (stock corporation); its shares are held entirely by the Federal Republic of Germany (Federal Government). The company is listed in the trade register of the Amtsgericht (local court) Berlin-Charlottenburg under the number HRB 50000. DB Group has issued securities in accordance with section 2 (1) clause 1 of the Securities Trading Act (Wertpapierhandelsgesetz; WpHG); these securities are traded on organized markets in accordance with section 2 (11) WpHG.

These consolidated financial statements have been prepared by the Management Board, and will be submitted to the Supervisory Board for the Supervisory Board meeting on March 29, 2023.

PRINCIPLES OF PREPARING FINANCIAL STATEMENTS

The consolidated financial statements are prepared on the basis of section 315e Commercial Code (Handelsgesetzbuch; HGB) and in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and their interpretation by the IFRS Interpretations Committee. The accounting standards have been applied consistently throughout the entire reporting period with no changes compared with the previous year.

The financial year of DB AG and its incorporated subsidiaries is the same as the calendar year. The consolidated financial statements are prepared in euros. Unless otherwise specified, all figures are stated in millions of euros (€ million).

STRUCTURE OF THE BALANCE SHEET AND THE STATEMENT OF INCOME

Assets and liabilities are stated in the balance sheet either as current or non-current items. Assets and liabilities are classified as current if they will be realized or are due within 12 months after the end of the year under review. The notes to the balance sheet take account of the requirements of the ordinance relating to the structure of the annual financial statements of transport companies. The statement of income uses the structure of total cost accounting.

CONSOLIDATION METHODS

a) Consolidation principles

In the consolidated financial statements of DB AG, DB AG and all companies (subsidiaries) are fully consolidated in accordance with IFRS 10 from the time at which DB AG acquires control.

For the purpose of standardized accounting, the affiliated companies have applied the accounting directives of the parent company.

Capital is consolidated in accordance with the acquisition method in line with IFRS 3.

The equity attributable to Group shareholders is shown separately from the non-controlling interests in the equity of subsidiaries. The amount is calculated based on the non-controlling interests at the time of the initial consolidation and the changes in equity attributable to this interest after that time.

Non-controlling interests are calculated on a pro rata basis from the assets, liabilities and contingent obligations valued with their fair value.

Intra-Group liabilities as well as expenses and income and intercompany results between fully consolidated companies are completely eliminated.

b) Business combinations

All subsidiaries acquired after December 31, 2002, have been consolidated using the acquisition method under IFRS 3.

Any difference between the acquisition costs of the business combination and the acquired assets valued at fair value is shown as goodwill. If the purchase price is lower than the fair value of the acquired assets, the difference is recognized immediately in the statement of income after reassessment.

The acquisition and sale of shares in an already fully consolidated company that do not result in a change of control are recognized in equity transactions. In this respect, there have been no changes in the carrying amounts of the assets and liabilities recognized from such transactions.

c) Joint ventures, joint operations and associated companies

Joint ventures are defined as companies which are managed by DB AG jointly with another party either directly or indirectly, and in which the partners own rights to the net assets of the company.

A joint operation is defined as agreements that are managed by DB AG jointly with another party either directly or indirectly, and in which the parties involved in the joint operation have rights relating to the assets and obligations relating to the liabilities attributable to the agreement.

Associated companies are defined as equity participations in which DB Group is able to exercise a major influence on the financial and business policy. Major influence is normally defined as a situation in which DB AG directly or indirectly holds 20 to 50% of the voting rights in these companies and the related assumption of association is not refuted.

In exceptional cases, companies in which DB Group holds fewer than 20% of the voting rights are also classified as associates. Despite such a low shareholding, a significant influence is deemed to exist in such cases, for instance as a result of various rights of codetermination in major issues concerning business policy or because members of general management are appointed by DB Group.

Joint ventures and associates are accounted for using the equity method in accordance with IAS 28 (Investments in Associates and Joint Ventures). Alternatively, they are valued in accordance with IFRS 5 if the shares are classified as held-for-sale.

Intercompany results attributable to transactions with associated companies or joint ventures are eliminated on a pro rata basis.

In the case of joint operations, the assets, liabilities, income and expenses have to be recognized on a pro rata basis.

CURRENCY TRANSLATION

Currency translation uses the concept of functional currency according to IAS 21 (The Effects of Changes in Foreign Exchange Rates) or IAS 29 (Financial Reporting in Hyperinflationary Economies) for annual financial statements of subsidiaries that are based in a hyperinflationary country.

No major subsidiary was domiciled in a hyperinflationary economy in the year under review or the previous year.

The consolidated financial statements are prepared in euros (reporting currency); in accordance with IAS 21, the financial statements of subsidiaries whose functional currency is not the euro are converted into the reporting currency.

The following exchange rates are some of the rates used for currency translation purposes:

	as of Dec 31		annual average	
€ 1 EQUIVALENT TO	**2022**	2021	**2022**	2021
Australian Dollar (AUD)	1.56930	1.56150	1.51653	1.57495
Canadian Dollar (CAD)	1.44400	1.43930	1.36975	1.48267
Swiss Franc (CHF)	0.98470	1.03310	1.00475	1.08103
Renminbi Yuan (CNY)	7.35820	7.19470	7.07898	7.62671
Danish Krone (DKK)	7.43650	7.43640	7.43955	7.43703
Pound Sterling (GBP)	0.88693	0.84028	0.85268	0.85958
Hong Kong Dollar (HKD)	8.31630	8.83330	8.24745	9.19130
Japanese Yen (JPY)	140.66000	130.38000	138.02515	129.85488
Norwegian Krone (NOK)	10.51380	9.98880	10.09953	10.16329
Polish Zloty (PLN)	4.68080	4.59690	4.68564	4.56556
Swedish Krona (SEK)	11.12180	10.25030	10.62887	10.14628
Singapore Dollar (SGD)	1.43000	1.52790	1.45127	1.58888
US Dollar (USD)	1.06660	1.13260	1.05335	1.18249

CRITICAL ESTIMATIONS AND ASSESSMENTS

The consolidated financial statements are based on assessments and assumptions relating to the future. Based on past experience and reasonable expectations of future events, the estimations and assessments that are derived are continuously reviewed and adjusted where appropriate. Nevertheless, the estimations will not always correspond to the subsequent actual circumstances.

The estimations and assessments that may involve a significant risk during the next year under review in the form of major adjustments to the carrying amounts of assets and liabilities are discussed under the relevant items.

COMPARABILITY WITH THE PREVIOUS YEAR

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After due consideration is given to the following issues (in particular the Covid-19 pandemic and the war in Ukraine), the financial information presented for the year under review is comparable with the financial information for the previous year.

Accounting and valuation methods

A) STANDARDS, REVISIONS OF STANDARDS AND INTERPRETATIONS THAT ARE THE SUBJECT OF MANDATORY FIRST-TIME ADOPTION FOR REPORTING PERIODS STARTING JANUARY 1, 2022, OR EARLY ADOPTION

In the year under review, the consolidated financial statements took account of all new and revised standards and interpretations which are the subject of mandatory first-time adoption starting on or after January 1, 2022, which are also relevant for DB Group and which have not been the subject of early adoption in previous periods. The changes to the standards have been recognized in accordance with the transitional regulations. The impact of the new regulations is considered to be immaterial.

B) STANDARDS, REVISIONS OF STANDARDS AND INTERPRETATIONS THAT HAD BEEN ADOPTED AS OF THE END OF THE YEAR UNDER REVIEW, BUT THAT ARE NOT YET MANDATORY AND DID NOT HAVE EARLY ADOPTION

Various new accounting standards and interpretations have been published, although they are not the subject of mandatory adoption for reporting periods up to December 31, 2022, and have not been the subject of early adoption by DB Group. The impact of the new regulations is considered to be immaterial.

Changes in segment allocation

As of January 1, 2022, the Full Load Solutions business area (FLS, bundling of large-volume full load transport services in the European land transport network) was transferred from DB Schenker to DB Cargo. This transfer mainly relates to Transa Spedition GmbH and Hangartner Terminal S.r.l., Verona, Italy. The previous year's figures in Segment information by operating segment were adjusted accordingly.

Information regarding major events and transactions in connection with the Covid-19 pandemic

In DB Group, revenues in the year under review increased to € 56,296 million (previous year: € 47,075 million). All segments reported positive revenue development compared with the previous year, the growth being driven particularly by the DB Schenker [1] segment. Revenues in the remaining segments also reached or exceeded the pre-Covid-19 level, adjusted for changes in the scope of consolidation.

Within the framework of various state support programs, Federal grants continued to be awarded to DB Group in connection with the Covid-19 pandemic. These grants were extended to individual subsidiaries of DB Group, for instance, to maintain passenger services, particularly in the segments DB Long-Distance, DB Regional and DB Arriva. If they are not concession fees, these grants were disclosed in DB Group mainly under other operating income.

In the year under review, income from government grants decreased to a total of € 1,779 million (previous year: €3,583 million; (Note (3) 223 f.). In addition, DB AG was granted a contribution to the capital reserve by the Federal Government to compensate for the loss of fare revenues amounting to € 860 million, of which € 215 million was passed on to DB Station&Service AG, DB Netz AG and DB Energy GmbH (Note (25) 242). In addition, the DB AG dividend payment allocated in the financing cycle to replacement capital expenditures under the Performance and Financing Agreement (€ 650 million) was replaced by additional Federal funds.

As a result of the continued positive business development and Federal support measures, EBIT improved significantly in the year under review to € 1,268 million (previous year: € −298 million); operating cash flow increased significantly to € 5,644 million (previous year: € 3,900 million).

Disclosures on material effects and business transactions in connection with the war in Ukraine

In spite of price hedging, the increase in energy prices due to the war in Ukraine could not be fully compensated for and resulted in a higher cost of materials.

We do not currently see any indications of impairment at the cash-generating unit level in connection with the additional economic burdens associated with the war in Ukraine. Energy price hedging, passing on price increases to our customers and long-term opportunities from the shift in the mode of transport toward rail have so far compensated for the risks of the war in Ukraine.

ESTIMATION AND FORECAST UNCERTAINTY

In view of the Covid-19 pandemic and the war in Ukraine, and also because it is extremely difficult for the corresponding consequences to be foreseen as of the end of the year under review, any estimations and forecasts in the year under review are subject to a particular degree of uncertainty.

This applies, for example, to the determination of provisions for loss-making passenger transport contracts (Note (6) 225 ff.), the valuation of doubtful receivables (Note (19) 236 ff.) or to the audit of possible impairments of assets (Note (32) 251 ff.).

LIQUIDITY MANAGEMENT AND GOING-CONCERN ASSUMPTION

As well as additional payments to the capital reserve of DB AG by the Federal Government, additional senior bond issues were made during the year under review (Note (28) 242 ff.). In view of the unrestricted access of DB Group to the capital market and the financing commitments for infrastructure capital expenditures which have been agreed, the going-concern assumption applies to DB Group for the foreseeable future without any restrictions.

OBLIGATIONS FROM DELIVERY RELATIONSHIPS

In the case of some supply arrangements, there are independent admissions of guilt with regard to fulfilling the purchase commitment; these are opposed by claims of the same amount, backed by bank guarantees and insurance policies with good ratings. These obligations and claims have been recognized in the balance sheet since the year under review. This resulted in an extension of the balance sheet totaling € 771 million in the items receivables and other assets (non-current) and other receivables and assets (current) as well as in the items other liabilities (long-term) and other liabilities (short term).

Scope of consolidation and investments in other companies

GRI

A) SUBSIDIARIES

According to IFRS 3, the acquisition cost of a business combination is determined by the fair values of the assets given and the liabilities incurred or assumed at the date of the transaction. The acquired identifiable assets, liabilities and contingent liabilities are valued under IFRS 3 with their fair value at the date of acquisition, irrespective of any non-controlling inter-

[1] Previous year's figures adjusted. See Changes in segment allocation 218.

ests. Alternatively, acquired non-current assets or groups of assets which are classified as held-for-sale in accordance with IFRS 5 are shown with their fair value less costs to sell.
Changes in the scope of fully consolidated companies of DB Group are detailed in the following:

	Germany 2022	Rest of world 2022	Total 2022	Total 2021
FULLY CONSOLIDATED SUBSIDIARIES				
As of Jan 1	113	410	**523**	**519**
Additions	1	19	**20**	**8**
Additions from change in the type of inclusion	0	0	**0**	**1**
Disposals	-11	-31	**-42**	**-5**
Disposals from change in the type of inclusion	0	0	**0**	**0**
As of Dec 31	**103**	**398**	**501**	**523**

Additions of companies and parts of companies

In the year under review, DB Group spent € 288 million (previous year: € 52 million) on company acquisitions according to IFRS 3. This relates to the following companies:

COMPANY	Activities	Segment
Bitergo GmbH, Dortmund (Bitergo)	Services and products in the field of warehouse management and transport management	DB Schenker
Les Triporteurs Group (Triporteurs), Rennes/France	Delivery of goods in urban areas with e-cargo bikes	DB Schenker
USA Truck Group (USA Truck), Van Buren/USA	Transport services in North America	DB Schenker

The additions also included the formations of four companies and two acquisitions for which no business operation as defined by IFRS 3 was acquired; this is not a business combination in the sense of IFRS 3.

With the exception of USA Truck, acquisitions were not significant from DB Group's point of view. The goodwill recognized for the first time in the year under review was as follows:

€ million	2022	thereof Bitergo	thereof Triporteurs	thereof USA Truck
PURCHASE PRICE				
Payments made	288	5	1	282
+ Outstanding purchase price payments	–	–	–	–
Total transferred equivalent	**288**	**5**	**1**	**282**
– Fair value of the net assets acquired	235	4	0	231
Goodwill	**53**	**1**	**1**	**51**

The goodwill of USA Truck of € 51 million takes into account expected synergies and new business opportunities due to the strategic expansion of land transport capacities on the North American market and non-recognized intangible assets (employee base). The goodwill was fully allocated to the DB Schenker segment. It is not tax-deductible.

On June 24, 2022, DB Group announced the conclusion of an agreement to acquire all USA Truck shares for USD 31.72 per share in cash. Contingent considerations were not agreed. The transaction was concluded on September 15, 2022. The purchase price allocation was as follows:

€ million	Fair value
Property, plant and equipment	361
Intangible assets	72
Inventories	1
Trade receivables	97
Other receivables and other assets	19
Cash and cash equivalents	22
Assets	**572**
Financial debt	180
Liabilities	80
Other provisions	19
Deferred income	0
Deferred tax liabilities	62
Liabilities	**341**
thereof recognized contingent liabilities in accordance with IFRS 3	–
Non-controlling interests	–
Net assets acquired	**231**
Purchase price paid in cash and cash equivalents	282
Cash and cash equivalents acquired	22
Outflow of cash and cash equivalents due to transaction	**260**

An amount of € 11 million was used for the portion of share-based compensation models that had not yet been granted. It is included in personnel expenses. The fair value of trade receivables amounted to € 97 million, which included impairments of € 0 million.

For the period from September 15, 2022, to December 31, 2022, USA Truck contributed € 194 million to DB Group's revenues. The net loss of € –23 million resulted mainly from higher depreciation due to the assets identified and revalued in the purchase price allocation. If USA Truck had already been part of DB Group as of January 1, 2022, revenues would have been € 534 million higher. The forecast of a hypothetical net profit/loss for this period was only possible with disproportionate effort, as this would have resulted in a significantly different purchase price allocation and assumptions about the (in some cases share-based) compensation of the former management should have been made.

After initial consolidation, Bitergo has generated revenues of € 0 million and a net profit of € 0 million and Triporteurs has generated revenues of € 1 million and a net profit of € 0 million.

Disposals of companies and parts of companies

The disposals from the scope of consolidation include 12 mergers, seven liquidations and 23 sales. The sales resulted in cash inflow of € 47 million (previous year: none), which in particular concerned the sale of the MTS Markentechnik Group, Rülzheim, EVAG Emder Verkehrs und Automotive Gesellschaft mbH, Emden, and the Arriva Sverige AB Group, Nacka/Sweden.

As was the case in the previous year, there were no major effects on profits due to the loss of control in the year under review.

The results are shown in the other operating expenses (Note (7) 228f.) or other operating income (Note (3) 223).

Effects on the consolidated statement of income

Overall, the effects of the changes in the scope of consolidation on the consolidated statement of income are not significant compared with the previous year.

The following table shows a summary of the effects on the consolidated statement of income resulting from the changes in the scope of consolidation which have taken place compared with the previous year:

€ million	DB Group Jan 1 to 31 Dec 2022	thereof from additions to the scope of consolidation	Amounts for disposals from scope of consolidation
Revenues	56,296	229	-322
Inventory changes and other internally produced and capitalized assets	4,129	2	0
Overall performance	60,425	231	-322
Other operating income	4,541	2	-13
Cost of materials	-33,623	-122	168
Personnel expenses	-20,300	-67	104
Scheduled depreciation and impairments	-3,998	-45	27
Other operating expenses	-5,777	-22	21
Operating profit (EBIT)	**1,268**	**-23**	**-15**
Result of investments accounted for using the equity method	-5	-	-
Net interest income	-351	-4	2
Other financial result	20	0	0
Financial result	**-336**	**-4**	**2**
Profit before taxes on income	**932**	**-27**	**-13**
Taxes on income	-1,159	6	3
Net loss for the year	**-227**	**-21**	**-10**

The revenues attributable to changes in the scope of consolidation were as follows:

JAN 1 THROUGH DEC 31 / € million	Revenues due to	
	Additions to the scope of consolidation	Disposals from the scope of consolidation
Bitergo	0	-
Triporteurs	1	-
USA Truck	194	-
Vähälä Group, Oulu/Finland [1]	32	-
SIGNON Deutschland GmbH [1]	2	-
MTS Markentechnik Group	-	151
Arriva Sverige AB Group, Nacka/Sweden	-	171
Total	**229**	**322**

[1] Acquired during the previous year.

B) JOINT VENTURES, ASSOCIATED COMPANIES AND COMPANIES WITH JOINT BUSINESS OPERATIONS

	Germany 2022	Rest of world 2022	Total 2022	Total 2021
JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD				
As of Jan 1	12	13	**25**	**25**
Additions	1	0	**1**	**0**
Additions from change in the type of inclusion	0	0	**0**	**0**
Disposals	-2	-3	**-5**	**0**
Disposals from change in the type of inclusion	0	0	**0**	**0**
As of Dec 31	**11**	**10**	**21**	**25**
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD				
As of Jan 1	47	36	**83**	**86**
Additions	2	7	**9**	**0**
Additions from change in the type of inclusion	0	0	**0**	**0**
Disposals	-1	-5	**-6**	**-3**
Disposals from change in the type of inclusion	0	-1	**-1**	**0**
As of Dec 31	**48**	**37**	**85**	**83**
COMPANIES WITH JOINT BUSINESS OPERATIONS				
As of Jan 1	0	1	**1**	**1**
Additions	0	0	**0**	**0**
Additions from change in the type of inclusion	0	0	**0**	**0**
Disposals	0	-1	**-1**	**0**
Disposals from change in the type of inclusion	0	0	**0**	**0**
As of Dec 31	**0**	**0**	**0**	**1**

From the perspective of DB Group, no joint venture, associated company or company with joint business operations is significant, either individually or when viewed together.

CAPITAL MANAGEMENT IN DB GROUP

The purpose of financial management of DB Group is not only to achieve sustainable growth in the enterprise value but also to comply with a capital structure that is adequate for maintaining a very good credit rating.

Based on adjusted EBIT, return on capital employed (ROCE) is calculated as a key component of the value management concept. The capital employed represents the use of capital provided by shareholders and debt investors that is tied up in DB Group and that is associated with yield expectations. The parameter is derived on the basis of the respective closing balance sheet for the year under review. The following table shows the process of calculating capital employed, using the asset and liability items shown in the balance sheet.

AS OF DEC 31 / € million	2022	2021	Change absolute	Change %
Property, plant and equipment	52,268	50,100	+2,168	+4.3
+ Intangible assets/goodwill	2,854	2,387	+467	+19.6
+ Inventories	2,076	2,155	-79	-3.7
+ Trade receivables	6,334	6,476	-142	-2.2
+ Receivables and other assets	5,076	3,799	+1,277	+33.6
− Receivables from plan assets	-118	-101	-17	+16.8
− Financial receivables and earmarked bank deposits (excluding receivables from finance lease)	-683	-541	-142	+26.2
+ Income tax receivables	65	63	+2	+3.2
+ Non-current assets held for sale	152	0	+152	-
− Trade liabilities	-7,940	-8,097	+157	-1.9
− Miscellaneous and other liabilities	-5,396	-4,224	-1,172	+27.7
− Income tax liabilities	-243	-252	+9	-3.6
− Other provisions	-7,570	-7,496	-74	+1.0
− Deferred income	-1,425	-1,249	-176	+14.1
− Liabilities in connection with assets held for sale	-161	-	-161	-
Capital employed	**45,289**	**43,020**	**+2,269**	**+5.3**

For further calculation, the adjusted EBIT and adjusted EBITDA in the following table is derived from the operating profit (EBIT) shown in the statement of income. The corresponding details at the segment level have been calculated using the same method.

€ million	2022	2021	Change absolute	Change %
Operating profit/loss (EBIT)	1,268	-298	+1,566	-
Income from the disposal of financial instruments	-37	-7	-30	-
Expenses from the disposal of financial instruments	6	3	+3	+100
Train-path price support to tackle the Covid-19 pandemic	316	-2,098	+1,782	+84.9
Adjustment of provisions/receivables from tunnel accident	-38	144	-182	-
Restructuring/contract obligations (personnel)	90	133	-43	-32.3
Adjustment of provisions for dismantling obligations and reversals of impairment of real estate	20	-122	+142	-
Depreciation on assets for sale	198	-	+198	-
Other	34	120	-86	-71.7
Operating profit/loss (EBIT) adjusted for special items	**1,225**	**-1,591**	**+2,816**	**-**
PPA amortization customer contracts (depreciation)	28	39	-11	-28.2
EBIT adjusted	**1,253**	**-1,552**	**+2,805**	**-**
Scheduled depreciation and impairments	3,998	3,804	+194	+5.1
PPA amortization customer contracts (depreciation)	-28	-39	+11	+28.2
Special items for scheduled depreciation, recognized impairments/recoveries	-13	74	-87	-
EBITDA adjusted	**5,210**	**2,287**	**+2,923**	**+128**

In the year under review, special items totaling € –43 million (previous year: € –1,293 million) were adjusted in EBIT. This was mainly due to temporary train-path price reductions for long-distance rail passenger transport as part of the implementation of the Federal Government's Covid-19 support measures for the period from June to December 2022. Train-path price support for the period from January to May 2022 was not adjusted as a special item, as it was approved before the beginning of the financial year. This was counteracted by depreciation on assets classified as held for sale. This mainly concerned companies in the DB Arriva segment, which were not part of the defined core markets and are in ongoing sales processes. In connection with the tunnel accident, settlements were concluded in part, meaning that provisions have been partially liquidated and proportional insurance reimbursements have been made. Other special items resulted from the formation of provisions for excess obligations from employment relationships (Subsidiaries/Other segment). In addition, the amortization of customer and franchise agreements has been reclassified from EBIT; these will be written down mainly at DB Arriva over the remaining term of the respective contracts as a result of being capitalized as intangible assets as part of the process of purchase price allocations (PPA) (€ 28 million; previous year: € 39 million).

The special items recorded are allocated to the following segments:

€ million	2022	thereof affecting EBIT	2021	thereof affecting EBIT
DB Long-Distance	337	337	1,826	1,826
DB Regional	0	–	2	2
DB Cargo	-20	-20	237	237
DB Netze Track	-9	-2	-243	-201
DB Netze Stations	–	–	–	–
DB Netze Energy	–	–	-19	-19
Other/consolidation Integrated Rail System	-90	-90	-639	-639
Integrated Rail System	**218**	**225**	**1,164**	**1,206**
DB Arriva	-177	-177	1	1
DB Schenker	-6	-6	75	75
Consolidation other	1	1	11	11
DB Group	**36**	**43**	**1,251**	**1,293**

The capital employed and the adjusted EBIT have resulted in the following figures for ROCE:

€ million	2022	2021	Change absolute	Change %
EBIT adjusted	1,253	-1,552	+2,805	-180.7
/ Capital employed as of Dec 31	45,289	43,020	+2,269	+5.3
ROCE (%)	**2.8**	**-3.6**	**-**	**-**

Notes to the statement of income

As a general rule, all income and expenses are reported on an unnetted basis, unless IFRS accounting rules permit or require offsetting.

Expenses are recognized in the income statement at the point at which the service is used or at the point at which the expenses are incurred.

The special items detailed at income and expenses ("Total") are issues that are considered to be unusual either in terms of the amount involved and/or the actual reason behind the issue. Irrespective of the amount involved, this item comprises book profits and losses arising from transactions with investments/financial assets as well as depreciation on long-term customer contracts that have been capitalized as part of the purchase price allocation process in connection with company acquisitions. In addition, the special items recognize individual issues if they are of an exceptional nature, if they are definable for accounting purposes, if they can be measured and if the amount involved is material. In addition to the special items, effects from changes in the scope of consolidation and exchange rate effects are also disclosed separately. The item "Total – comparable" does not involve IFRS figures; instead, it involves additional disclosures in accordance with internal reporting.

(1) REVENUES

Revenues generated in DB Group relate to the provision of passenger transport, freight transport and logistics services, the provision of rail infrastructure, the sale of goods and other services related particularly to rail operations, less value-added tax, discounts and any price reductions. In addition, revenues from the leasing of railway-related assets such as station space is also reported within revenues, while other rental revenues are recognized within other operating income.

In passenger transport, revenues from individual tickets are recorded in a simplified way on the first day of validity of the ticket. Revenues from season tickets are recorded over the validity period.

In the DB Regional and DB Arriva segments the order processing in the form of long-term transport contracts concluded with the contracting organizations of the Federal states in Germany and the franchisers in other European countries are very important for business development. Contractual relations with customers covering several years also exist in the contract logistics line of business in the DB Schenker segment, which accounts for about 6% of Group revenues. Revenues are realized accordingly over the contractual term of the respective long-term contract.

Revenue recognition in accordance with IFRS 15 is based on the principle that revenues are recognized when control over a product or service is transferred to the customers. Revenues from the provision of services is recorded at the amount expected to be received by a company in exchange for the transfer of promised goods or services to a customer (transaction price).

€ million	2022	2021
Revenues from freight and passenger transport services	49,965	41,683
thereof concession fees for rail transport	7,867	7,209
Revenues from operating track infrastructure	2,289	2,224
Revenues from rental and leasing	386	332
Revenues from sales of products	2,735	2,202
Other revenues	1,025	860
Revenue discounts	-104	-226
Total	**56,296**	**47,075**
± Special items	0	175
± Effects from changes in the scope of consolidation	-229	-322
± Exchange rate effects	-829	-
Total - comparable	**55,238**	**46,928**

The revenues from freight and passenger transport services were generated mainly by companies operating in the DB Schenker, DB Regional, DB Long-Distance, DB Cargo and DB Arriva segments. They included a minor amount of revenues from sub-operating leases in the DB Schenker segment. Revenues from operating track infrastructure related to the DB Netze Track and DB Netze Stations segments. Rental and leasing revenues were generated mainly in the DB Netze Stations segment, and revenues from product sales were mainly generated in the DB Netze Energy and DB Schenker segments. Other revenues relate to virtually all segments.

In the year under review, DB Group revenues increased by € 9,221 million to € 56,296 million (+19.6%). The increase in revenues resulted significantly from the strong revenue development in the DB Schenker and DB Long-Distance segments. The main drivers at DB Schenker were significant increases in freight rates in ocean and air freight, as well as the recovery in demand at DB Long-Distance, which has largely reached pre-Covid-19 levels since April 2022. Significant revenue increases were also recorded in the DB Regional segments (due, among other things, to higher concession fees) and DB Netze Energy (due in part to price effects and higher revenues from energy trading).

Positive exchange rate effects of € 829 million, mainly from the DB Schenker segment, were included in revenues. This was mainly the result of strong performance of the US dollar and the Chinese renminbi against the euro.

Significantly higher revenues at DB Energie GmbH had an impact on the increase in revenues from goods sales. The sale of the MTS Brand Technology Group had a dampening effect.

Even when adjusted for special items, effects from changes in the scope of consolidation and exchange rates, revenues were significantly higher than in the previous year (€ +8,309 million, +17.7%).

Movements in revenues broken down according to business segments and regions are set out in Segment information according to segments 214f.

As was the case in the previous year, revenue discounts from long-term transport contracts (contractual penalties) were netted directly with the revenues from freight and passenger transport services. The decline resulted from the loss of provisions formed in the previous year.

The order book of customer contracts with contractually agreed outstanding revenues (secured revenues) was broken down as follows:

ORDER BOOK SECURED AS OF DEC 31 / € million	**2022**	2021
Passenger transport contracts	87,183	74,765
Logistics and freight transport contracts [1]	304	221
Other contracts [1]	1,657	1,195
Total	**89,144**	**76,181**

[1] Contracts with a contract term of at least twelve months and a contract volume of at least € 5 million.

Most of the secured order book will be fulfilled within a period of ten years, with percentages declining over a period of time.

In addition to the DB Regional segment, the increase in order books for passenger transport contracts mainly affected the Subsidiaries/Other segment as a result of the conclusion of long-term contracts abroad. The order book in the DB Arriva segment declined. In terms of other contracts, there was a significant increase in the Subsidiaries/Other segment.

The exemption regulation of IFRS 15.121 (a) has been used for the logistics contracts and the other contracts.

Variable considerations of transport contracts as well as price adjustment clauses or contractual penalty are only taken into consideration in the estimation of secured revenues if they are highly likely.

Claims relating to contractual assets [1] were recognized together with the other receivables and assets and developed as follows:

CONTRACTUAL ASSETS / € million	**2022**	2021
As of Jan 1	30	35
Currency translation effects	-1	0
Additions	215	147
Impairments	0	0
Fulfillment/payment	-165	-24
Other changes	17	-140
Changes in the scope of consolidation	–	12
As of Dec 31	**96**	**30**

In particular, the clearing of advance payments received was included in the other changes. A figure of € 24 million (as of December 31, 2021: € 9 million) was attributable to long-term contractual assets.

The contractual liabilities in DB Group include advance payments received as well as other payments received in advance in relation to revenues for subsequent periods (for example for season tickets). Obligations from contractual liabilities were shown under the trade liabilities and deferred items and have developed as follows:

CONTRACTUAL LIABILITIES / € million	**2022**	2021
As of Jan 1	1,101	1,120
Currency translation effects	-2	7
Additions	2,098	2,655
Fulfillment of liabilities	-1,873	-2,726
Other changes	-35	37
Changes in the scope of consolidation	1	8
As of Dec 31	**1,290**	**1,101**
thereof long-term	213	110

The majority of the contractual obligations will be fulfilled in the following year.

(2) INVENTORY CHANGES AND OTHER INTERNALLY PRODUCED AND CAPITALIZED ASSETS

€ million	**2022**	2021
Inventory changes	-8	-3
Other internally produced and capitalized assets	4,137	3,887
Total	**4,129**	**3,884**
± Special items	–	–
± Effects from changes in the scope of consolidation	-2	0
± Exchange rate effects	0	–
Total - comparable	**4,127**	**3,884**

Own investments relate mainly to construction and project business in rail infrastructure and also the modernization of vehicles as well as the processing of appropriate spare parts. The increase compared to the previous year resulted from a higher construction volume in the track infrastructure.

(3) OTHER OPERATING INCOME

€ million	**2022**	2021
SERVICES FOR THIRD PARTIES AND SALE OF MATERIALS		
Income from maintenance and repair	3	1
Sale of materials and energy	169	158
Other services for third parties	582	520
	754	**679**
Leasing and rental income	181	169
Income from compensations for damages and refund of expenses	289	211
INCOME FROM GOVERNMENT GRANTS		
Federal Government compensation payments	116	99
Other investment grants	0	0
Income from reversal of deferred items	0	72
Other Government grants	1,663	3,412
	1,779	**3,583**
Income from the disposal of property, plant and equipment and intangible assets	275	147
Income from the disposal of non-current financial instruments	37	7
Income from the release of provisions	300	252
OTHER INCOME		
Income from third-party fees	29	19
Income from the rehabilitation of existing ecological damage	45	48
Utilization of provisions for impending losses	156	197
Miscellaneous other income	696	589
	926	**853**
Total	**4,541**	**5,901**
± Special items	-446	-2,179
± Effects from changes in the scope of consolidation	-2	-13
± Exchange rate effects	-5	–
Total - comparable	**4,088**	**3,709**

Adjusted for special items, effects from changes in scope of consolidation and exchange rate effects, other operating income was higher than the previous year (€ +379 million).

The decline before the adjustment for special items, effects from changes in the scope of consolidation and exchange rate effects was almost entirely attributable to income from other Government grants. The grants included, among other measures, temporary train-path price support from the Federal Government to deal with the consequences of the Covid-19 pandemic for long-distance rail passenger transport (€ 519 million; previous year: € 2,098 million). In addition, subsidiaries of DB Group were awarded

[1] The contractual assets include, among other things, claims from work-in-progress from long-term orders.

Covid-19 grants to compensate for the lack of revenues from fares among other things, particularly in the DB Regional and DB Arriva segments. In addition, € 170 million was attributable to compensation payments from the public sector as part of the 9-Euro-Ticket in the DB Regional segment. Government grants, for which the application and approval process to receive Covid-19 aid and for the 9-Euro-Ticket had not been completed as of the end of the year under review, were accounted for at the expected funding amount. The final approval may result in deviations from the estimated amount.

Federal payments to DB Group were reported as Government grants, provided these payments were not made on the basis of the Federal Government's legal status as a shareholder of DB Group and insofar as capital increases are to be reported.

The increase in income from the sale of materials and energy was mainly due to higher income from the sales of scrap in connection with construction work (DB Netze Track) due to increased scrap prices.

The leasing and rental income included subletting income of € 31 million (previous year: € 35 million).

The increase in income from the disposal of property, plant and equipment and intangible assets was due, among other factors, to the sale of non-operating real estate.

The miscellaneous other income comprises the reversal of liabilities as well as a range of individual issues that are individually of a minor nature.

(4) COST OF MATERIALS

€ million	2022	2021
EXPENSES FOR RAW MATERIALS AND SUPPLIES AND PURCHASED PRODUCTS		
ENERGY EXPENSES		
Electricity	2,904	2,259
Electricity tax	151	148
Diesel, other fuel	1,508	995
Other energies	519	294
Energy price derivatives	- 310	- 51
	4,772	**3,645**
Other supplies and purchased goods	510	539
Price adjustments and impairments for materials	- 92	- 20
	5,190	**4,164**
EXPENSES FOR PURCHASED SERVICES		
Purchased transport services	20,864	17,206
Cleaning, security, disposal, winter service	504	499
Commissions	205	92
EXPENSES FOR UTILIZATION OF INFRASTRUCTURE		
Train-path usage	324	348
Station usage	59	58
Use of local installations	0	0
	383	**406**
Other purchased services	964	826
	22,920	**19,029**
Expenses for maintenance and production	5,513	5,226
Total	**33,623**	**28,419**
± Special items	0	- 20
± Effects from changes in the scope of consolidation	- 122	- 168
± Exchange rate effects	- 588	-
Total - comparable	**32,913**	**28,231**

Adjusted for special items, effects from changes in scope of consolidation and exchange rate effects, the cost of materials increased by € 4,682 million compared with the previous year (+16.6 %).

The impairments on inventories recognized in cost of materials amount to € 24 million (previous year: € 43 million). Write-ups amounting to € 25 million (previous year: € 3 million) were recognized, in particular due to changes in estimates in the valuation of materials.

The energy expenses increased in the year under review as a result of price and volume effects. Due to long-term procurement contracts and hedging transactions, the sharp rise in market prices only partially resulted in additional charges in the year under review.

The expenses for purchased services increased significantly by € 3,891 million compared with the previous year (+20.4 %). The purchased transport services were higher than the corresponding previous year's level, mainly due to sharp increases in ocean and air freight rates and exchange rate effects at DB Schenker.

The expenses for maintenance and production increased by € 287 million (+5.5 %), and were mainly attributable to the DB Netze Track and Subsidiaries/Other segments.

(5) PERSONNEL EXPENSES AND EMPLOYEES

€ million	2022	2021
WAGES AND SALARIES		
for employees	15,663	14,682
for assigned civil servants	688	778
	16,351	**15,460**
SOCIAL SECURITY EXPENSES		
for employees	2,907	2,771
for assigned civil servants	164	189
Expenses for personnel adjustment	199	155
Retirement benefit expenses	679	644
	3,949	**3,759**
Total	**20,300**	**19,219**
± Special items	- 137	- 93
± Effects from changes in the scope of consolidation	- 67	- 104
± Exchange rate effects	- 121	-
Total - comparable	**19,975**	**19,022**

The figure stated for personnel expenses (social security expenses) included expenses of € 1,353 million for defined contribution plans (previous year: € 1,293 million).

The amount shown for personnel adjustment mainly comprises expenses for restructuring costs, obligation surpluses relating to employment agreements as well as costs of severance packages and semi-retirement agreements.

The retirement benefit expenses related to active persons as well as persons who are no longer employed in DB Group or their surviving dependents. They were attributable primarily to service costs, employers' contributions to the company top-up benefit scheme as well as the contributions to Pensions-Sicherungs-Verein aG (pension backing association). The interest expense resulting from compounding the pension obligations and the expected income from plan assets is shown in financial result. Detailed explanations on the development of pension obligations can be found in Note (31) 247 ff.

The activities of civil servants in DB Group are based on statutory allocation under Article 2, Section 12 of the Rail Restructuring Act (Eisenbahnneuordnungsgesetz, ENeuOG). For the work of the allocated civil servants, DB AG reimburses the Federal Railway Fund (Bundeseisenbahnvermögen; BEV) those costs which would be incurred if a tariff employee covered by collective bargaining arrangements were to be employed instead of the allocated civil servant in each case (pro forma calculation).

The increase in wages and salaries in Germany was largely due to the collective bargaining agreement 2020/2021: from 1 January 2022, scale wages were increased by 1.5%. In addition to the payment made in 2021, Covid-19-related aid was agreed for the period January to March 2022 in the amount of € 400 to € 500 (Railway and Transport Workers Union (EVG): € 500; German Train Drivers' Union (Gewerkschaft Deutscher Lokomotivführer; GDL): € 400), which was paid out in March 2022.

In addition, an energy bonus of € 150 per employee was paid out in December 2022. Also, increased provisions for bonuses, holiday entitlements and overtime led to an increase in expenses.

The development in the number of employees in DB Group, converted to full-time employees (FTE) in each case, is shown in the following:

	as of Dec 31		annual average	
FTE	2022	2021	2022	2021
Employees	311,800	309,402	311,135	308,123
Civil servants	12,336	14,314	13,225	15,482
Employees	**324,136**	**323,716**	**324,360**	**323,605**
Trainees and dual degree students	13,351	13,173	11,961	11,782
Total	**337,487**	**336,889**	**336,321**	**335,387**

In the event of changes in the scope of consolidation, the employees are included on a pro rata basis up to the time of deconsolidation or after the date of initial consolidation.

At the end of the year under review, the number of persons employed in DB Group was higher than at the end of the previous year. In the Subsidiaries/Other segment, the increase resulted in particular from increased business activities of the DB E.C.O. Group in Germany and abroad. At DB Systel, the expansion of innovative topics and the increased vertical production resulted in the higher number of employees. The increase in the DB Netze Track segment can be attributed to the increase in employees, mainly in construction project management. The increase in personnel at DB Cargo resulted in particular from the takeover of FLS from DB Schenker. At DB Schenker, the increase was driven by the land transport line of business (due to the acquisition of USA Truck) and the positive business development in the air and ocean freight line of business. This was counteracted by a lower number of employees in the DB Arriva segment, mainly due to the sale of the Arriva Transportes Sul do Tejo S.A. Group, Almada/Portugal and the Arriva Sverige AB Group, Nacka/Sweden.

The development in the number of employees, based on the number of natural persons (NP), is shown in the following:

	as of Dec 31	
NP	2022	2021
Employees	324,174	322,261
Civil servants	12,710	14,729
Employees	**336,884**	**336,990**
Trainees and dual degree students	13,351	13,173
Total	**350,235**	**350,163**

(6) DEPRECIATION AND IMPAIRMENTS

In the case of property, plants and equipment, depreciation is recognized using the straight-line method over the expected useful life of the assets or, in the case of leased assets, over the shorter contract duration. The following useful lives for the main groups of property, plant and equipment are taken as a basis:

	Years
Permanent way structures, tunnels, bridges, railway crossings	15 - 100
Track infrastructure	13 - 30
Buildings, halls, roofs	10 - 85
Other structures	5 - 60
Signaling equipment	7 - 40
Telecommunications equipment	5 - 20
Traction current installations	10 - 52
Rolling stock	10 - 30
Other technical equipment, machinery and vehicles	5 - 40
Operating and business equipment	3 - 15

The appropriateness of the chosen depreciation method and the useful lives is subject to an annual review. Our expectations regarding the residual value are also updated annually.

Intangible assets are amortized using the straight-line method. The following useful lives are used as the basis for scheduled amortization:

	Years
Franchises, rights, etc.	Duration of contract
Brand names	Indefinite useful life
Customer base	8 - 15
Purchased software	3 - 10
Software produced in-house	3 - 25

The adequacy of the amortization method and the useful life are subject to an annual review.

Goodwill arises as a positive difference between the acquisition costs of purchasing the shares and the fair values of the individually acquired assets, absorbed liabilities and contingent liabilities. It, like brand names, is not depreciated; instead, it is subject to an annual impairment test. Impairment losses on goodwill are not recovered.

Impairment of assets

IAS 36 governs the impairment test for substantial and intangible assets with a certain useful life, which is carried out using a so-called indicator-based asset impairment test. Such an asset impairment test has to be carried out when indicators (so-called triggering events) indicate a possible loss of value. In addition, according to IAS 36, goodwill as well as intangible assets with an indefinite useful life have to be subjected at least once a year to an impairment test.

DEFINITION OF CASH-GENERATING UNITS

Goodwill impairment tests have to be carried out at the level of individual assets as part of the asset impairment test. If it is not possible to determine future cash flows, which are to a large extent independent, for an individual asset, so-called cash-generating units (CGUs) have to be formed as an aggregation of assets whose future cash flows depend on each other. With no changes compared to the previous year, the CGU structure is fully in line with the planning and reporting structure of DB Group.

Due to the congruence between management structure and legal structure, the identified CGUs also always consist of at least one legal unit. This means that the data necessary for the asset impairment test can be derived from annual financial statements and planning data. Regardless of the presence of impairment indicators, an annual asset impairment test is carried out at the level of the groups of CGUs, which corresponds to the operating segments of DB AG. In addition, a test is also performed if current issues arising from business development or changes in assumptions indicate that there has been a major deterioration in the value in use.

The impairment test on goodwill is carried out at the level of the group of CGUs to which goodwill has been allocated. This is also applicable for the operating segments. Significant goodwill currently exists in the DB Schenker CGU. With regard to the recognition of goodwill for each CGU, please also refer to Segment information according to segments 214f.

METHOD

In the impairment test in accordance with IAS 36, the carrying amount of an asset or a CGU has to be compared with the corresponding recoverable amount. If the positive carrying amount is no longer covered by the recoverable amount, this results in a corresponding impairment requirement.

The carrying amount of a CGU is established by adding the carrying amounts of the assets less the liabilities which are related to the relevant assets (net position). In addition, for determining the carrying amount of a CGU, it is also necessary to recognize corporate assets and corporate liabilities jointly used by several CGUs, and the working capital necessary for the corresponding CGU must also be taken into consideration.

The recoverable amount is defined as the higher of the fair value less costs of disposal and the value in use. In the impairment tests carried out in DB Group, the recoverable amount is represented by the value in use. The value in use is established as the present value of the free cash flows before interest and after taxes attributable to the continuation of a CGU.

The flat tax rate for the CGUs of the Integrated Rail System remains unchanged compared with the previous year at 30.5%. Since the actual tax rates outside Germany sometimes differ significantly from the tax rate of 30.5%, the tax rates for the two CGUs operating mainly internationally were adjusted in the 2022 financial year. Accordingly, a tax rate of 23.0% is used for DB Arriva and 22.0% for DB Schenker. The forecast of cash flows reflects previous experience, and takes account of corporate management expectations with regard to future market developments. This cash flow forecast is based on the medium- and long-term planning adopted by the Management Board of DB AG, which covers a planning horizon that extends until 2030. For cash flow forecasts beyond the planning horizon, a sustainable free cash flow is derived and is extrapolated on the basis of a growth rate related to the specific market development. In order to take account of increased inflation expectations, a growth rate of +1.5% p.a. is expected for the carriers DB Long-Distance, DB Regional and DB Cargo. Due to the higher growth rates and expansion opportunities worldwide, the international CGUs DB Arriva and DB Schenker are expected to achieve sustainable growth in free cash flow of +2.0% p.a. For the remaining rail infrastructure CGUs, the long-term growth rate is in line with the derivation method used by the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railways (BNetzA) for costs of capital and remains unchanged compared with the previous year at +1.0% p.a.

A weighted average cost of capital (WACC) is used for discounting the free cash flows; this reflects the capital market interest rate request for providing debt capital and shareholders equity to the relevant CGU. Because free cash flow after taxes has been calculated, a WACC after taxes has also been used. Risks of free cash flows are recognized by a risk-equivalent capitalization rate.

The WACC of the CGUs that are applicable for the 2021 and 2022 annual financial statements are detailed in the following table:

	2022		2021	
%	**Before taxes**	**After taxes**	Before taxes	After taxes
DB Long-Distance	8.6	6.0	6.2	4.3
DB Regional	7.8	5.4	+5.3	3.7
DB Cargo	10.6	7.4	8.3	5.8
DB Netze Track	3.4	2.4	4.6	3.2
DB Netze Stations	3.6	2.5	6.1	4.2
DB Netze Energy	6.2	4.3	4.0	2.8
DB Arriva	7.8	6.0	5.8	4.0
DB Schenker	10.6	8.3	8.3	5.8

The changes in the WACCs compared with the previous year are attributable to current expectations of medium- to long-term developments in the capital market. For the CGUs of the rail infrastructure, DB Netze Track and DB Netze Stations, the WACC determined by BNetzA has been used to discount cash flows since this year. This change significantly reduces the WACCs of DB Netze Track and DB Netze Stations CGUs compared with the previous year. The reduction in WACCs reduced the value in use through the lower discounting of cash flows.

ASSET IMPAIRMENT TEST

Processes that comply with the specific requirements of IAS 36 have been implemented in order to carry out the asset impairment test. The useful lives of the individual CGUs used for the asset impairment test are based on the useful life of the asset or a group of homogeneous assets which is most significant for the particular CGU.

In addition, the process of establishing the value in use disregards assets or future cash flows that result from major structural changes, disinvestment measures or extension capital expenditures. Resultant adjustments to the original plans relate mainly to the major new and expansion infrastructure projects, where it is assumed that the construction process will be completed beyond the observation period (2030) and for which most of the intended DB funds have not yet been invested. The cash flow forecasts take account of internal transfer prices within DB Group on the basis of arm's length assessments of the companies involved. The published infrastructure prices are applicable for service relationships between transport and infrastructure segments; price increases in the forecast period have also been taken into consideration.

As of the balance sheet date, the value in use of the DB Netze Track and DB Cargo CGUs is lower than the carrying amount of the assets used. The impairment requirement amounts to € −14,455 million at DB Netze Track and € −1,522 million at DB Cargo. Subsequently, it was examined to what extent the identified shortfall can be allocated to individual assets. At the DB Netze Track CGU, the goodwill allocated to the CGU was first written-off in full (see "Goodwill impairment test" below). Since for all other assets of the DB Netze Track CGU a further recognition of the calculated impairment would result in the carrying amounts of the individual assets falling below their respective fair values, no further impairment loss was recognized in accordance with IAS 36.105. For the assets of the DB Cargo CGU, it also applies that recognition of the calculated impairment loss at the level of the individual assets would cause the carrying amounts of the assets to fall below their respective fair values. Here, too, no further impairment loss was recognized in accordance with IAS 36.105.

During the period under discussion, all other CGUs were able to cover their carrying amount with the value in use.

Independently of the impairment tests carried out in relation to the CGUs, impairments are recognized in relation to individual assets which are no longer capable of being used fully. These impairments are shown under the disclosures for the respective balance sheet item.

GOODWILL IMPAIRMENT TEST

A goodwill impairment test must be carried out annually for all CGUs to which goodwill can be allocated. Because the goodwill which arises in DB Group as a result of acquisitions is allocated to a CGU, this goodwill impairment test is an integral element of the asset impairment test that is always carried out annually for all CGUs.

Impairment losses of € 13 million resulted from the transfer of the FLS business from the DB Schenker CGU to the DB Cargo CGU. The value in use of the DB Cargo CGU amounted to € 2.1 billion as of the balance sheet date.

The respective recoverable amount is represented by the value in use of the CGU, which in turn has been derived from the planning of the relevant segments. The details relating to methods for the asset impairment tests presented above are thus applicable correspondingly.

CRITICAL ESTIMATIONS AND ASSESSMENTS

Impairment requirement at cash-generating units (CGUs)

Within the framework of the impairment test, the key premises and assumptions that have an impact on the impairment of a CGU were reviewed in the form of standardized sensitivity analyses. In the case of the DB Cargo CGU, the sensitivity analysis was carried out based on the calculated fair value less costs of the disposal of the material assets. Similarly to the previous year, there is no impairment requirement for a discount of 10% to the fair value less disposal costs. With the DB Netze Track CGU, it can be assumed that the fair value less costs of disposal has no scope for sensitivities. The fair value derivation method outlined in the methodological statements ensures a correlation between achievable returns and the costs of capital, which makes it unlikely that the rail infrastructure assets will require impairment.

Rail infrastructure CGUs are also exposed to risks relating to the extent of long-term investment grants for replacement capital expenditures in the existing network and the related scope of own funds at the infrastructure companies. The investment grants included in the medium- and long-term planning are based on the Performance and Financing Agreement signed by the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV, formerly the Federal Ministry of Transport and Digital Infrastructure (Bundesministerium für Verkehr und digitale Infrastruktur; BMVI)) and DB Group as well as the project and financing concept agreed between the Federal Government and DB Group for setting out the objectives of the Climate Action Program 2030.

The sensitivities shown in the following relate merely to an impairment test on the basis of the value in use. If a shortfall is identified in the course of the scenario analyses, this does not necessarily result in an impairment requirement. If the assumption set out in the respective scenario analysis materializes, a second step would be to analyze the coverage of carrying amounts via the fair value less costs of disposal, similar to DB Cargo and DB Netze Track. A scenario analysis of the fair value is only carried out if the fair value represents the relevant valuation variable in the financial year.

EBIT margin

For the scenario analysis of profit shortfalls, the risk of a 10% reduction in EBIT margin was considered. This model calculation identified a shortfall at the DB Long-Distance (€ −979 million) and DB Regional (€ −665 million) CGUs; this means that the value in use for these CGUs no longer provides adequate cover for the carrying amount of the capital employed. The DB Long-Distance CGU can withstand a reduction of up to 5.8% in the EBIT margin and the DB Regional CGU up to 5.5%. The rest of the CGUs report stable surplus coverage even if the EBIT margin is reduced by 10%.

Average real growth rate of cash flows

A reduction of 10% in the long-term growth rate was simulated in order to assess the sensitivity of the impairment test result in relation to the assumed long-term growth rate of cash flows. As was the case in the previous year, no impairment requirement was identified for any of the CGUs considered in this scenario.

Weighted average cost of capital

Risks relating to the assumptions of the capitalization rate, which is normally used for calculating the present value of the value in use, were analyzed by simulating the impairment of each CGU in conjunction with a capital cost markup of 10%. The basis for this simulation was the current weighted cost of capital (after taxes). This model calculation resulted in a shortfall for the DB Long-Distance CGU (€ −495 million). The maximum cost of capital surcharge up to which DB Long-Distance has surplus coverage is 7.0%.

Useful life and residual value

With regard to the assumptions relating to useful life and residual value, the effect of a 10% reduction in the residual value at the end of useful life (terminal value) was analyzed. This model calculation resulted in a shortfall for all the CGUs under investigation.

Depreciation was broken down as follows in the year under review:

€ million	2022	2021
Scheduled depreciation and amortization	4,000	3,881
Recognized impairments	22	14
Recognized reversals	-24	-91
Total	**3,998**	**3,804**
± Special items	-41	35
± Effects from changes in the scope of consolidation	-45	-27
± Exchange rate effects	-12	-
Total - comparable	**3,900**	**3,812**

In the year under review, depreciation was slightly higher than in the previous year, and related mainly to the property, plant and equipment used as rail infrastructure as well as the rolling stock. It is shown in the statement of income less any reversals recognized in the reporting period. The recorded reversals of € 23 million related to write-ups of track infrastructure in the DB Netze Track segment.

Further explanations on the development of property, plant and equipment or intangible assets can be found under Notes (13) 231ff. and (14) 234.

(7) OTHER OPERATING EXPENSES

€ million	2022	2021
LEASING, RENT AND LEASES		
Leasing expenses	864	741
Variable leasing expenses	19	9
	883	**750**
Legal, consultancy and audit costs	264	222
Fees and contributions	227	212
Insurance expenses	190	171
Advertising and sales promotion expenses	173	148
Printing and stationery expenses	60	56
Travel and representation expenses	336	234
Research and non-capitalized development costs	31	44
OTHER PURCHASED SERVICES		
Purchased IT services	718	654
Other communication services	56	57
Other services	1,040	931
	1,814	**1,642**
Expenses for compensation for damages	239	358
Impairments recognized in relation to receivables and other assets [1]	42	76
Losses from the disposal of property, plant and equipment and intangible assets	250	270
Expenses from disposal of non-current financial instruments	6	3
Impairments from disposal groups	198	-
Other operating taxes	59	87
OTHER EXPENSES		
Grants for third-party facilities	135	126
Concession fees for passenger transport	-5	9
Other personnel-related expenses	292	230
Miscellaneous other expenses	583	1,078
	1,005	**1,443**
Total	**5,777**	**5,716**
± Special items	-253	-672
± Effects from changes in the scope of consolidation	-22	-21
± Exchange rate effects	-34	-
Total - comparable	**5,468**	**5,023**

[1] Including payments for receivables written down in the previous year.

Other operating expenses only increased slightly overall by € 61 million (+1.1%). In most cases, price-related cost increases in almost all types of expenses were contrasted with lower expenses due to the absence of special items from the previous year for other expenses and compensation for damages.

The decline in expenses for compensation for damages resulted from the effects of the reversal of provisions in the previous year in connection with an accident (DB Netze Track segment).

The decline in miscellaneous other expenses resulted mainly from an addition to provisions from the revaluation of ecological burdens (Subsidiaries/Other segment) in the previous year.

Leasing expenses increased by € 133 million (+17.7%) and, in addition to the service element of capitalized leasing arrangements, also related to short-term leases (€ 213 million; previous year: € 210 million) and also leased assets of minor value (€ 69 million; previous year: € 58 million). This increase also resulted from higher rents for rolling stock at DB Regional, DB Long-Distance and DB Cargo, software and ancillary rental costs.

Travel and representation expenses have risen to pre-Covid-19 levels again following the lifting of Covid-19-related restrictions.

The decline in other operating taxes in the year under review resulted from the partial release of provisions for revenues tax of € 40 million.

For information on impairments from disposal groups, see Note (23) 241 f.

(8) RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following contributions to profits are recognized in the statement of income as a result of shares in companies over which significant influence can be exercised or which are managed as joint ventures:

€ million	2022	2021
JOINT VENTURES		
Trieste Trasporti S.P.A., Trieste/Italy	1	1
Intercambiador de Transportes Principe PIO S. A., Madrid/Spain	2	2
Other	2	0
	5	**3**
ASSOCIATED COMPANIES		
EUROFIMA European Company for the Financing of Railroad Rolling Stock (EUROFIMA), Basel/Switzerland	4	4
Barraqueiro SGPS SA, Lisbon/Portugal	-3	-3
GHT Mobility GmbH, Berlin	-16	-18
Container Terminal Dortmund GmbH, Dortmund	1	1
TriCon Container-Terminal Nürnberg GmbH, Nuremberg	1	0
Other	3	3
	-10	**-13**
Total	**-5**	**-10**

(9) NET INTEREST INCOME

€ million	2022	2021
INTEREST INCOME		
Net interest income from pension provisions	7	2
Other interest and similar income	62	29
Income from securities	1	1
Operating interest income	**70**	**32**
Interest income from the reversal of deferred items and other interest income	168	23
	238	**55**
INTEREST EXPENSES		
Other interest and similar expenses	-396	-430
Net interest expenses for pension provisions	-62	-28
Interest expenses for leasing liabilities	-86	-80
Operating interest expenses	**-544**	**-538**
Compounding of long-term provisions and liabilities	-45	-45
	-589	**-583**
Total	**-351**	**-528**
± Special items	7	42
± Effects from changes in the scope of consolidation	4	2
± Exchange rate effects	2	-
Total - comparable	**-338**	**-484**
For information only:		
Operating interest balance	-474	-506

Interest income and interest expenses are recognized in the income statement using the effective interest method in the period in which the income arises.

The increase in other interest and similar income was due in particular to increased interest income from banks as a result of increased market interest rates.

The increase in interest income from the reversal of deferred items and other interest income is mainly attributable to the adjustment of the discount rate for other provisions.

The increase in net interest expenses for pension provisions resulted from an increase in the discount rate.

(10) OTHER FINANCIAL RESULT

€ million	2022	2021
Result from subsidiaries	3	2
Result from exchange rate effects	60	-268
Result from currency-related derivatives	-50	295
Result from other derivatives	6	9
Result from disposal of financial instruments	0	0
Fair value change of financial instruments	29	32
Impairment losses and write-ups on financial instruments	10	-
Other financial result	-38	-22
Total	**20**	**48**
± Special items	-	-
± Effects from changes in the scope of consolidation	0	0
± Exchange rate effects	33	-
Total - comparable	**53**	**48**

Dividend income is recognized at the point at which the right to receive the payment arises.

The result from exchange rate effects was attributable to the conversion of foreign currency liabilities and receivables with an impact on the income statement using the spot rate applicable on the balance sheet date (IAS 21). The result from exchange rate effects has to be netted with the result from currency-related derivatives. The exchange rate fluctuations in the year under review are mainly attributable to the development of the exchange rate between the euro and the British pound and the Swiss franc. The result from currency-related derivatives contains reclassifications in other income from currency-induced fair value changes in cash flow hedges with no impact on profit and loss. The result from other derivatives relates to the development in the fair value of derivatives that are not classified as effective hedges in accordance with IFRS 9 (Financial Instruments).

The fair value changes to financial instruments related to the positive performance from the fair value assessment of other investments (Note (17) 235 f.).

(11) TAXES ON INCOME

€ million	2022	2021
Actual tax expense	- 509	- 321
Income due to discontinuation of tax obligations	54	19
Actual taxes on income	**- 455**	**- 302**
Deferred tax expense (previous year: deferred tax income)	- 704	179
Taxes on income	**- 1,159**	**- 123**

The actual taxes on income in the year under review were incurred mainly at foreign Group companies. The increase compared with the previous year is attributable to higher contributions to profits made by some international Group companies. Deferred taxes resulted in expense (previous year: income). This is due to the significantly lower anticipated future utilization of tax losses carried forward, whereas deferred tax income from the extension of the planning horizon was reported in the previous year.

Starting with the net profit/loss of DB Group before taxes on income and the imputed taxes on income calculated using an imputed tax rate of 30.5 %, the tax reconciliation to the actual income taxes is presented below:

€ million	2022	2021
Loss before taxes on income	932	- 788
Group tax rate (%)	30.5	30.5
Anticipated tax revenue	**- 284**	**240**
Adjustment of the expected future use of loss carry-forwards and new temporary differences that have arisen and loss carry-forwards	- 868	- 411
Income not subject to tax	32	34
Tax effects related to IAS 12.33	29	40
Expenses not deductible for tax purposes	- 69	- 35
Differences in tax rates for foreign companies	83	63
Other effects	- 82	- 54
Taxes on income as reported	**- 1,159**	**- 123**
Effective tax rate (%)	124.4	- 15.6

In the year under review, there were new tax loss carryforwards for which deferred tax assets were not recognized in full, as at the time of the forecast period sufficient taxable income was not expected for the loss carryforwards and temporary differences that existed in the previous year.

The reconciliation amount as detailed in IAS 12.33 related exclusively to additional tax write-downs resulting from the fact that tax-free grants in the IFRS financial statements have been deducted directly from the asset acquisition costs. It is not permissible for deferred taxes to be created in relation to these temporary differences.

In the year under review, the other effects included in particular effects attributable to the difference in the assessment bases of different income tax bases, and additional local income taxes outside Germany.

(12) EARNINGS PER SHARE

Under IAS 33 (Earnings per Share), undiluted earnings per share are calculated by dividing the net profit/loss of DB Group attributable to the shareholders of DB AG by the weighted average number of shares in issue during the year under review. Undiluted earnings per share correspond to diluted earnings per share.

€ million	2022	2021
Net loss for the year	- 227	- 911
thereof due to shareholders of DB AG	- 274	- 946
thereof attributable to providers of hybrid capital	25	26
thereof attributable to non-controlling interests	22	9
Number of issued shares as of Dec 31	430,000,000	430,000,000
EARNINGS PER SHARE (€/SHARE)		
Undiluted	- 0.64	- 2.20
Diluted	- 0.64	- 2.20

Notes to the balance sheet

(13) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost of purchase and cost of production in accordance with IAS 16 (Property, Plant and Equipment). Cost of production comprises individual costs as well as indirect costs which are directly allocatable.

If at least two years are required for manufacturing an asset in order to place it in its intended state in which it is capable of being used or sold, any directly attributable costs of debt are capitalized as costs of production of the asset. If a direct link cannot be established, the average cost of debt rate for the year under review is used. Value-added tax incurred in connection with the purchase or production of property, plant and equipment is only capitalized to the extent that authorization to deduct pre-tax is not given.

Subsequent costs are capitalized if the expenses enhance the economic benefit of the property, plant and equipment and if the costs can be reliably measured. Other repairs or maintenance, on the other hand, are generally recognized as an expense.

Components of property, plant and equipment that are significant in relation to the total cost of purchase and cost of production are recognized separately and written down over their useful life using the straight-line method.

Investment grants are deducted directly from the cost of purchase and cost of production of the subsidized assets.

Rights of use from leasing contracts

In the case of rented or leased assets, if they fall under the scope of IFRS 16, a right of use (in accordance with IFRS 16.24) and a lease liability are recognized as soon as the assets are available for use by DB Group. Depreciation is recognized using the straight-line method over the economic useful life of the asset or the shorter duration of the lease. This is not applicable for leasing contracts for minor-value assets (up to and including € 5,000) and short-term leasing contracts with a duration of 12 months or less, the costs of which are recognized on a linear basis in the statement of income. Components of lease payments that do not relate to the use of the asset are not included in the measurement of the right of use and the lease liability.

Critical estimations and assessments

With regard to defining the duration of the lease, management takes account of all facts and circumstances that have an influence on the possible exercising of an extension option or termination option. This assessment is reviewed regularly.

Leased assets

DB Group classifies every lease for which it is the lessor either as an operating lease or as a finance lease. A lease is classified as a finance lease if it transfers essentially all risks and opportunities associated with the ownership. If this is not the case, the lease is classified as an operating lease.

PROPERTY, PLANT AND EQUIPMENT / € million	Land	Commercial, operating and other buildings	Permanent way structures	Track infrastructure, signaling and control equipment	Vehicles for passenger and freight transport	Technical equipment and machinery	Other operating and business equipment	Advance payments and assets under construction	Total
COST OF PURCHASE AND COST OF PRODUCTION									
As of Jan 1, 2022	4,675	13,740	15,928	16,602	38,300	2,294	5,922	7,257	**104,718**
Changes in the scope of consolidation	7	- 107	–	–	152	- 12	- 4	- 1	**35**
thereof additions in scope of consolidation	25	39	–	–	424	0	19	1	**508**
thereof disposals in scope of consolidation	- 18	- 146	–	–	- 272	- 12	- 23	- 2	**- 473**
Additions	109	1,096	954	1,404	2,084	119	552	8,463	**14,781**
Addition of cost of debt	–	–	–	–	–	–	–	61	**61**
Investment grants	- 10	- 195	- 699	- 1,288	- 60	- 30	- 76	- 6,239	**- 8,597**
Transfers	25	275	13	244	386	37	89	- 1,082	**- 13**
Transfers of non-current assets held for sale	- 5	- 69	0	–	- 408	- 4	- 17	- 1	**- 504**
Changes with no impact on profit and loss	–	1	–	–	–	–	0	–	**1**
Disposals	- 32	- 226	- 7	- 272	- 764	- 55	- 340	66	**- 1,630**
Currency translation effects	- 15	- 50	- 3	0	- 132	- 4	- 12	- 1	**- 217**
As of Dec 31, 2022	**4,754**	**14,465**	**16,186**	**16,690**	**39,558**	**2,345**	**6,114**	**8,523**	**108,635**
ACCUMULATED DEPRECIATION									
As of Jan 1, 2022	- 677	- 6,008	- 6,024	- 13,012	- 23,418	- 1,505	- 3,966	- 8	**- 54,618**
Changes in the scope of consolidation	5	76	–	–	55	8	2	–	**146**
thereof additions in scope of consolidation	0	- 19	–	–	- 105	0	- 16	–	**- 140**
thereof disposals in scope of consolidation	5	95	–	–	160	8	18	–	**286**
Depreciation	- 51	- 898	- 204	- 335	- 1,713	- 130	- 498	–	**- 3,829**
Impairments	–	- 1	0	0	- 3	0	- 1	–	**- 5**
Reversals	–	–	–	23	0	0	1	–	**24**
Transfers	0	0	0	0	- 1	0	3	6	**8**
Transfers of non-current assets held for sale	0	45	0	–	212	2	12	–	**271**
Disposals	9	176	5	262	707	51	303	0	**1,513**
Currency translation effects	2	31	2	0	76	4	8	0	**123**
As of Dec 31, 2022	**- 712**	**- 6,579**	**- 6,221**	**- 13,062**	**- 24,085**	**- 1,570**	**- 4,136**	**- 2**	**- 56,367**
Carrying amount as of Dec 31, 2022	**4,042**	**7,886**	**9,965**	**3,628**	**15,473**	**775**	**1,978**	**8,521**	**52,268**
Carrying amount as of Dec 31, 2021	3,998	7,732	9,904	3,590	14,882	789	1,956	7,249	**50,100**

PROPERTY, PLANT AND EQUIPMENT / € million	Land	Commercial, operating and other buildings	Permanent way structures	Track infrastructure, signaling and control equipment	Vehicles for passenger and freight transport	Technical equipment and machinery	Other operating and business equipment	Advance payments and assets under construction	**Total**
COST OF PURCHASE AND COST OF PRODUCTION									
As of Jan 1, 2021	4,579	12,748	15,788	17,007	36,431	2,214	5,723	5,623	**100,113**
Changes in the scope of consolidation	1	23	–	–	13	1	4	0	**42**
thereof additions in scope of consolidation	1	27	–	–	13	1	4	0	**46**
thereof disposals in scope of consolidation	–	- 4	–	–	–	–	0	–	**- 4**
Additions	122	1,109	806	1,435	2,219	122	524	8,811	**15,148**
Addition of cost of debt	–	–	–	–	–	–	–	50	**50**
Investment grants	0	- 176	- 752	- 1,380	- 42	- 39	- 70	- 6,579	**- 9,038**
Transfers	12	171	101	- 214	403	48	97	- 620	**- 2**
Transfers of non-current assets held for sale	–	–	–	–	–	–	–	–	**–**
Changes with no impact on profit and loss	–	3	–	–	–	–	–	–	**3**
Disposals	- 59	- 200	- 19	- 246	- 852	- 58	- 387	- 34	**- 1,855**
Currency translation effects	20	62	4	0	128	6	31	6	**257**
As of Dec 31, 2021	**4,675**	**13,740**	**15,928**	**16,602**	**38,300**	**2,294**	**5,922**	**7,257**	**104,718**
ACCUMULATED DEPRECIATION									
As of Jan 1, 2021	- 717	- 5,218	- 5,831	- 12,913	- 22,517	- 1,442	- 3,755	- 16	**- 52,409**
Changes in the scope of consolidation	–	2	–	–	0	0	- 2	–	**0**
thereof additions in scope of consolidation	–	- 2	–	–	0	0	- 2	–	**- 4**
thereof disposals in scope of consolidation	–	4	–	–	–	–	0	–	**4**
Depreciation	- 45	- 890	- 203	- 346	- 1,580	- 128	- 496	–	**3,688**
Impairments	- 1	- 2	0	0	- 7	0	- 2	0	**- 12**
Reversals	75	0	–	14	2	–	0	–	**91**
Transfers	- 1	- 20	0	0	2	16	- 14	7	**- 10**
Transfers of non-current assets held for sale	–	–	–	–	–	–	–	–	**–**
Disposals	17	141	13	233	755	54	326	1	**1,540**
Currency translation effects	- 5	- 21	- 3	0	- 73	- 5	- 23	0	**- 130**
As of Dec 31, 2021	**- 677**	**- 6,008**	**- 6,024**	**- 13,012**	**- 23,418**	**- 1,505**	**- 3,966**	**- 8**	**- 54,618**
Carrying amount as of Dec 31, 2021	**3,998**	**7,732**	**9,904**	**3,590**	**14,882**	**789**	**1,956**	**7,249**	**50,100**
Carrying amount as of Dec 31, 2020	3,862	7,530	9,957	4,094	13,914	772	1,968	5,607	**47,704**

The additions to the cost of debt contain an average cost of debt rate of 1.34% (previous year: 1.44%).

The impairments of € 5 million (previous year: € 12 million) mainly related to vehicles for passenger and freight transport.

Reversals of € 24 million (previous year: € 91 million) mainly related to track infrastructure of DB Netz AG.

In the year under review, the carrying amount disposals for assets under construction included positive carrying amount disposals of € 75 million (previous year: € 7 million). These were attributable to the repayment of investment grants that had been received in previous years and deducted from assets.

Restrictions to rights of disposal over property, plant and equipment (as of December 31, 2022: € 28 million; as of December 31, 2021: € 34 million) existed mainly in Arriva Italia s.r.l., Milan/Italy.

Rights of use from leases (IFRS 16)

DB Group leases mainly consist of real estate. Compared with a solution involving purchasing of such assets, leasing provides much greater flexibility and results in lower amounts of capital being tied up. DB Group simultaneously participates in positive market developments by regularly agreeing extension options. In addition, DB Group rents rolling stock particularly if the economic useful life considerably exceeds the duration of the transport contract for which the rolling stock is intended.

Property, plant and equipment contains rights-of-use from leases that are shown separately in the following overview:

€ million	Rights of use for Land	Commercial, operating and other buildings	Permanent way structures	Track infrastructure, signaling and control equipment	Vehicles for passenger and freight transport	Technical equipment and machinery	Other operating and business equipment	Total
AS OF DEC 31, 2022								
Additions	58	764	1	1	234	9	25	**1,092**
Depreciation	- 42	- 661	- 2	- 1	- 223	- 32	- 17	**- 978**
Carrying amount	391	3,492	1	14	615	142	37	**4,692**
AS OF DEC 31, 2021								
Additions	51	788	0	14	199	18	20	**1,090**
Depreciation	- 38	- 655	- 4	- 1	- 196	- 33	- 16	**- 943**
Carrying amount	377	3,494	2	15	534	165	32	**4,619**

Further details of leasing-related liabilities, expenses and other financial obligations are set out in the Notes (6) 225 ff., (7) 228 f., (9) 229, (28) 242 ff. and (35) 261 as well as the Notes to the statement of cash flows 254.

The decrease in carrying amounts for vehicles for passenger and freight transport mainly resulted from the DB Arriva segment. In the case of commercial, operational and other buildings, as well as new contracts, term extensions in connection with existing real estate contracts resulted in an increase in the carrying amounts.

Rented assets

The rental activities of DB Group related mainly to premises in stations as well as the leasing of excess locomotive and rail car capacities. Agreements are not normally made with regard to assuring any residual values.

Subletting activities are carried out to a minor extent mainly at DB Schenker. Where appropriate, storage facilities are rented only for the purpose of fulfilling a logistics contract with a specific customer. If these customers take on the economic opportunities and risks with regard to the leased premises, the subletting income is not recognized in the income statement; instead, this is recognized as a sub-financing lease. Income from subletting amounted to € 31 million (previous year: € 35 million).

The assets which in certain cases are determined on the basis of retrospective calculations and completed surveys and which are leased by way of operating leases have the following residual carrying amounts:

RENTED ASSETS CLASSIFIED AS OPERATING LEASES / € million	Real estate	Mobile assets
Cost of purchase and cost of production	1,428	6,880
Accumulated depreciation	- 511	- 4,701
Carrying amount as of Dec 31, 2022	**917**	**2,179**
Cost of purchase and cost of production	1,393	6,889
Accumulated depreciation	- 481	- 4,580
Carrying amount as of Dec 31, 2021	**912**	**2,309**

The process of renting the assets is expected to generate rental and leasing inflows in future years as shown in the following overview:

EXPECTED RENTAL AND LEASING INCOME (NOMINAL VALUES) / € million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2022								
Minimum lease payments	374	198	178	135	121	473	**1,105**	**1,479**
AS OF DEC 31, 2021								
Minimum lease payments	357	211	178	161	121	518	**1,189**	**1,546**

(14) INTANGIBLE ASSETS

Purchased intangible assets are shown with their acquisition cost in accordance with IAS 38 (Intangible Assets). Intangible assets manufactured in-house are recognized with their cost of production, if the reporting criteria are met, and consist mainly of software.

Costs of production mainly comprise costs for material and services, wage and salary costs as well as relevant indirect costs.

Intangible assets (excluding goodwill and the Arriva brand) are subsequently valued at cost of purchase and cost of production less scheduled amortization and impairments plus any reversals of previous impairments.

INTANGIBLE ASSETS / € million	Capitalized development costs for products currently in use		Capitalized development costs for products under development		Purchased intangible assets		Goodwill		Advance payments		**Total**	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	**2021**
COST OF PURCHASE AND COST OF PRODUCTION												
As of Jan 1	897	766	425	369	2,193	2,196	3,144	3,003	1	1	**6,660**	**6,335**
Changes in the scope of consolidation	- 21	2	0	–	28	26	- 27	17	–	–	**- 20**	**45**
thereof additions in scope of consolidation	1	2	–	–	77	28	53	17	–	–	**131**	**47**
thereof disposals in scope of consolidation	- 22	–	0	–	- 49	- 2	- 80	–	–	–	**- 151**	**- 2**
Additions	37	44	179	174	356	21	–	–	0	0	**572**	**239**
Investment grants	- 2	- 6	- 4	–	0	- 1	–	–	–	–	**- 6**	**- 7**
Transfers	86	138	- 95	- 100	23	- 36	0	–	- 1	–	**13**	**2**
Transfers of non-current assets held for sale	–	–	0	–	- 49	–	- 127	–	–	–	**- 176**	**–**
Changes with no impact on profit and loss	–	–	–	–	–	0	–	–	–	–	**–**	**0**
Disposals	0	- 52	- 22	- 17	- 199	- 41	–	0	0	–	**- 221**	**- 110**
Currency translation effects	- 10	5	0	- 1	- 31	28	- 34	124	–	–	**- 75**	**156**
As of Dec 31	**987**	**897**	**483**	**425**	**2,321**	**2,193**	**2,956**	**3,144**	**0**	**1**	**6,747**	**6,660**
ACCUMULATED AMORTIZATION												
As of Jan 1	- 390	- 298	0	0	- 1,958	- 1,889	- 1,925	- 1,858	–	–	**- 4,273**	**- 4,045**
Changes in the scope of consolidation	12	- 2	–	–	43	- 1	70	–	–	–	**125**	**- 3**
thereof additions in scope of consolidation	0	- 2	–	–	0	- 3	–	–	–	–	**0**	**- 5**
thereof disposals in scope of consolidation	12	–	–	–	43	2	70	–	–	–	**125**	**2**
Depreciation	- 89	- 81	–	–	- 82	- 112	–	–	–	–	**- 171**	**- 193**
Impairments	- 3	- 2	–	–	- 1	0	- 13	–	–	–	**- 17**	**- 2**
Reversals	–	–	–	–	–	–	–	–	–	–	**–**	**–**
Transfers	–	- 26	–	–	- 8	36	–	–	–	–	**- 8**	**10**
Transfers of non-current assets held for sale	–	–	–	–	42	–	127	–	–	–	**169**	**–**
Disposals	0	22	–	–	199	34	–	–	–	–	**199**	**56**
Currency translation effects	5	- 3	–	–	21	- 26	57	- 67	–	–	**83**	**- 96**
As of Dec 31	**- 465**	**- 390**	**0**	**0**	**- 1,744**	**- 1,958**	**- 1,684**	**- 1,925**	**–**	**–**	**- 3,893**	**- 4,273**
Carrying amount as of Dec 31	**522**	**507**	**483**	**425**	**577**	**235**	**1,272**	**1,219**	**0**	**1**	**2,854**	**2,387**
Carrying amount as of Dec 31 of previous year	507	468	425	369	235	307	1,219	1,145	1	1	**2,387**	**2,290**

The acquired intangible assets included an amount of € 340 million (previous year: € 2 million) for claims from capital expenditures made for a transport contract that are to be taken into account in accordance with IFRIC 12. Software is also recorded under this item (carrying amount as of December 31, 2022: € 92 million; as of December 31, 2021: € 103 million), concessions and rights (carrying amount as of December 31, 2022: € 69 million; as of December 31, 2021: € 51 million) and acquired customer and franchise contracts (carrying amount as of December 31, 2022: € 54 million; as of December 31, 2021: € 79 million).

For the acquired Arriva brand (carrying amount as of December 31, 2022: € 27 million; as of December 31, 2021: € 32 million), there are no other legal, regulatory, contractual, competitive, economic or other factors that limit the useful life.

The impairments of € 17 million (previous year: € 2 million) were in the DB Cargo, DB Regional and Subsidiaries/Other segments.

The allocation of the reported goodwill to the segments is shown in Segment information according to segments 214f.

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Shares in associated companies and joint ventures are accounted for using the equity method in accordance with IAS 28. The carrying amount, based on the Group costs of purchase at the time of the purchase, is updated according to the DB Group share of changes in equity position of the company accounted for using the equity method.

The shares in the investments accounted for using the equity method have developed as follows:

million	**2022**	2021
As of Jan 1	461	458
Additions	0	0
Disposals	- 20	0
Share of DB Group in profit	11	8
Capital increase	3	1
Other movements in capital	- 2	–
Dividends received	- 9	- 9
Impairments	0	–
Reversals	11	–
Currency translation effects	0	0
Other valuation	- 9	3
As of Dec 31	**446**	**461**

The figure shown in the balance sheet as of December 31, 2022, was mainly attributable to the shares held in the associated companies EUROFIMA European Company for the Financing of Railroad Rolling Stock (EUROFIMA), Basel/Switzerland and Trieste Trasporti S.P.A., Trieste/Italy. The shares in EUROFIMA are subject to restrictions in terms of being sold; new shareholders must be railway administration entities which also require a guarantee from their respective state guaranteeing their obligations.

(16) DEFERRED TAXES

Deferred taxes are calculated in accordance with IAS 12 (Income Taxes).

The theoretical income tax rate for corporations of 30.5% is used as the basis for calculating deferred taxes for domestic companies. The income tax rate comprises the corporation tax rate plus solidarity surcharge and an average trade tax rate. Foreign subsidiaries use their relevant local tax rates for calculating deferred taxes.

A deferred tax asset is recognized in accordance with IAS 12.24 or IAS 12.34 if, after corresponding deferred tax liabilities have been deducted, it is likely that adequate taxable income is available. This is based on the mid-term planning and a further year, taking into account supplementary estimates for domestic companies. The international companies use medium-term planning as the basis. Deferred tax assets relating to income which can be generated after the forecast period are not recognized, on the grounds that they cannot be reliably determined.

Deferred taxes are established on the basis of the tax rates that can be expected for the period in which the deferred tax is realized on the basis of existing laws or laws that have in essence been adopted.

Critical estimations and assessments

The calculation of deferred tax assets is based on the medium- and long-term planning. If the sum of net profits planned in the medium-term planning were to decline by 10% in conjunction with otherwise unchanged tax parameters, deferred tax assets would have to be reduced by € 14 million (previous year: € 100 million).

Deferred tax assets are broken down as follows:

AS OF DEC 31 / € million	2022	2021
Deferred tax assets in respect of temporary differences	343	443
Deferred tax assets in respect of tax losses carried forward	167	862
Total	**510**	**1,305**

No deferred tax assets have been created in relation to the following losses carried forward and temporary differences:

AS OF DEC 31 / € million	2022	2021
Tax loss carry-forwards for which no deferred tax asset has been created	23,531	20,514
Temporary differences for which no deferred tax asset has been created	2,853	5,653
Temporary differences that are not permitted to be recognized in accordance with IAS 12.24b in conjunction with 12.33	1,771	1,868
Total	**28,155**	**28,035**

The losses carried forward are mainly attributable to the tax law treatment of Federal grants paid in the past to DB AG in accordance with section 21 (5) and section 22 (1) Deutsche Bahn Foundation Act (Deutsche Bahn Gründungsgesetz; DBGrG) as a contribution as well as further tax losses in recent years.

On the basis of current law, the domestic losses carried forward are fully permissible in accordance with current legislation (in terms of the actual amount and justification).

The temporary differences which are not permitted to be recognized in accordance with IAS 12.33 relate exclusively to additional tax depreciation from previously received tax-free investment grants.

The following deferred tax assets and deferred tax liabilities shown in the balance sheet were due to statement and valuation differences for the individual balance sheet items and tax losses carried forward:

	Deferred tax assets		Deferred tax liabilities	
AS OF DEC 31 / € million	2022	2021	2022	2021
NON-CURRENT ASSETS				
Property, plant and equipment	80	108	122	153
Intangible assets	0	0	25	34
CURRENT ASSETS				
Trade receivables	7	11	5	4
NON-CURRENT LIABILITIES				
Financial debt	0	2	0	0
Derivative financial instruments	0	7	0	0
Pension obligations	83	140	5	3
Other provisions	133	177	181	131
CURRENT LIABILITIES				
Trade liabilities	76	68	0	0
Other liabilities	29	32	0	0
Other provisions	43	67	11	12
Losses carried forward	167	862	0	0
Subtotal	**618**	**1,474**	**349**	**337**
Balancing [1]	-108	-169	-108	-169
Amount stated in the balance sheet	**510**	**1,305**	**241**	**168**

[1] To the extent permitted by IAS 12 (income taxes).

Tax assets and liabilities are netted if they exist in relation to the same tax authority, if they are of congruent maturity and if they relate to the same tax subject.

Of the deferred tax assets of € 618 million (as of December 31, 2021: € 1,474 million), € 147 million (as of December 31, 2021: € 177 million) will probably be realized in the course of the next 12 months. Of the deferred tax liabilities of € 349 million (as of December 31, 2021: € 337 million), € 11 million (as of December 31, 2021: € 16 million) will probably be realized in the course of the next 12 months.

The deferred taxes recognized in the balance sheet include deferred tax assets, set up with no impact on profit and loss, of € 71 million (as of December 31, 2021: € 222 million) and deferred tax liabilities, set up with no impact on profit and loss, of € 8 million (as of December 31, 2021: € 7 million).

(17) OTHER INVESTMENTS AND SECURITIES

Other investments are accounted for at fair value if the relevant information can be derived. Changes in the fair value with no impact on profit and loss are shown in the "Fair value securities and equity investments" reserve.

Long- or short-term securities are recognized at their fair values as of the balance sheet date – where such values exist. Changes in fair value are taken into account with no impact on profit and loss in the reserve from the fair value assessment of securities.

Other investments and securities developed as follows:

€ million	Other investments 2022	Other investments 2021	Securities 2022	Securities 2021	**Total 2022**	**Total 2021**
As of Jan 1	97	55	3	3	**100**	**58**
Currency translation effects	0	0	0	0	**0**	**0**
Additions	8	18	501	–	**509**	**18**
Disposals	-3	-7	0	0	**-3**	**-7**
Fair value changes	30	31	0	0	**30**	**31**
Other	0	0	–	–	**0**	**0**
As of Dec 31	**132**	**97**	**504**	**3**	**636**	**100**
thereof at cost/acquisition cost	–	–	0	1	**0**	**1**
thereof fair value (with no impact on profit and loss)	31	29	2	2	**33**	**31**
thereof fair value (recognized in the income statement)	101	68	502	–	**603**	**68**
Non-current share	132	97	2	2	**134**	**99**
Current share	–	–	502	1	**502**	**1**

In the year under review, fair value changes resulted in other investments amounting to € 30 million (previous year: € 31 million). As in the previous year, these related almost exclusively to the revaluation of the shares in Volocopter GmbH, Bruchsal.

Additions to other investments at fair value related to € 2 million to Teralytics Holding AG, Zurich/Switzerland, and € 1 million each to Liefergrün GmbH, Münster, Utilities Allianz 450 Beteiligungs GmbH&Co. KG, Bonn, Maniv Mobility II A, L.P., Santa Clara/USA, and Brighter AI Technologies GmbH, Berlin.

The additions within the securities mainly related to acquisitions of money-market funds by DB AG. Money market funds are available on a daily basis and are comparable in liquidity to cash and cash equivalents. Due to potential risks of changes in value, they are recognized under other investments.

(18) INVENTORIES

All costs which are directly related to the procurement process are capitalized as the acquisition costs of the inventories. The average method is used as the basis for establishing the acquisition cost of fungible and homogeneous raw materials and supplies. The costs of production comprise the individual costs and also the directly attributable indirect costs; borrowing costs and idle costs are not capitalized, and instead are recognized as expense in the period in which they are incurred.

As of the balance sheet date, inventories are measured with the lower of cost or net realizable value.

CO_2 certificates are also shown in inventories.

Inventories are broken down as follows:

AS OF DEC 31 / € million	2022	2021
Raw materials, consumables and supplies	2,256	2,062
Unfinished goods, unfinished services	139	128
Finished goods and products	145	413
Advance payments	0	11
Impairments	-464	-459
Total	**2,076**	**2,155**

The increase in raw materials, consumables and supplies was attributable, among other things, to price increases for CO_2 certificates.

The decline in finished products and goods mainly resulted in the DB Schenker segment as a result of the sale of the MTS-Markentechnik Group and in the DB Regional segment.

(19) RECEIVABLES AND OTHER ASSETS

In general, receivables and other financial assets are measured at amortized acquisition cost. Finance lease receivables, advance payments made and plan assets in accordance with IAS 19 (Employee Benefits) are not allocated to any category of IFRS 9. With regard to the measurement categories according to IFRS 9 (Additional disclosures relating to the financial instruments 260).

For trade receivables, DB Group uses the simplified approach according to IFRS 9 in order to measure the risk provision for the expected loan losses. Accordingly, for all trade receivables, the loan losses expected over the life of the receivables are used for this purpose. To this end, trade receivables were initially allocated to various collectives on the basis of common credit risk characteristics. The expected credit losses were then estimated using impairment rates that take into account past data and country-specific future-related risk characteristics.

For receivables from financing, other financial receivables and contractual assets, DB Group uses the general approach under IFRS 9 to measure the expected loan losses. Receivables for which objective indications of impairment are available are individually impaired.

Any impairments that are recognized are deducted from financial assets on the assets side of the balance sheet. Previous impairments are reversed if the reasons for the original impairments are no longer applicable. In DB Group, the maturities of the receivables and default risks are monitored constantly.

Some transport contracts include a handover obligation specifying that the deployed assets owned by DB Group have to be handed over at the end of the contract. Other transport contracts include a clause specifying that the deployed assets have to be rented from the contracting organization or a capital service guarantee is to be provided by the contracting organization for leasing from independent financial service providers. In accordance with IFRIC 12 (Service Concession Arrangements), the corresponding capital expenditures are capitalized as receivables from transport concession arrangements at the end of the contract, with the guaranteed residual values being separated. The receivables are redeemed out of the concession fees, which means that not all of the concession fees result in revenues. The residual value receivables are disclosed at their present value under the financing receivables.

Critical estimations and assessments

The calculation of expected credit losses to a considerable extent comprises assessments and appraisals that are based on the creditworthiness of the particular customer, current economic developments as well as an analysis of historical bad debts at the portfolio level. If the provision for expected credit losses is derived on the basis of historical default rates at the portfolio level, any decline in the overall volume of receivables results in a corresponding decrease in such provisions (and vice versa).

The receivables and other assets are broken down as follows:

€ million	Trade receivables	Financial receivables and earmarked bank balances	Receivables from transport concessions	Advance payments	Other assets	Total
AS OF DEC 31, 2022						
Gross value	6,517	1,033	855	343	2,878	**11,626**
Impairments	- 163	- 10	–	–	- 43	**- 216**
Net value	**6,354**	**1,023**	**855**	**343**	**2,835**	**11,410**
thereof due to related parties	41	2	–	0	221	**264**
AS OF DEC 31, 2021						
Gross value	6,681	875	682	304	1,972	**10,514**
Impairments	- 182	- 11	–	–	- 46	**- 239**
Net value	**6,499**	**864**	**682**	**304**	**1,926**	**10,275**
thereof due to related parties	38	2	–	0	310	**350**

Commitments and claims from the independent acknowledgement of debt have been recognized in the balance sheet since the year under review. This resulted in an extension of the balance sheet of € 771 million in total for the other assets. The commitments correspond to equal amounts of receivables from supply contracts, hedged by bank guarantees, in the event of a claim.

DB Group concluded factoring agreements with a bank; according to the terms of this agreement, the bank is obliged to purchase on a revolving basis current trade receivables (denominated in euro and Swedish krona) in companies of the DB Schenker segment up to a maximum volume of € 695 million (previous year: € 703 million) and under which rights or obligations remain with DB Group. The agreement has been concluded for an indefinite period of time. DB Group will continue to be responsible for sales ledger accounting and the dunning system on behalf of the bank until further notice. The risks relating to the receivables that are sold and that are relevant for the risk assessment are the credit risk and the risk of late payment. The purchase price is equivalent to the nominal amount. DB Group bears credit-risk-related default and late payment risks from the various tranches up to a certain amount in each case. The other bad debts related to the credit risk are borne by the bank. Virtually none of the opportunities and risks associated with the receivables have been transferred or retained (breakdown of major risks between DB Group and bank).

For some of the receivables, the right of disposal over the receivables that have been sold has been transferred to the bank as the bank has the actual ability to sell on the receivables. These receivables have been completely derecognized.

Disclosures on DB Group's continuing involvement in fully derecognized trade receivables:

€ million	2022	2021
Receivables sold as of Dec 31	260	260
Carrying amount of liabilities recorded in the balance sheet, which represent the sustained exposure as of Dec 31 [1]	0	0
Maximum risk of loss from sustained exposure to credit and late payment risks as of Dec 31	74	63
EFFECTS ON THE CONSOLIDATED STATEMENT OF INCOME		
Expenses in the year under review [2]	2	1
Expenses accumulated since the start of the contract [2]	7	5
Expenses from the transfer within the scope of the factoring agreement [2]	1	1

[1] Essentially corresponds to the fair value.
[2] Previous years' figures adjusted.

DB Group continues to account for the remainder of the trade receivables transferred under factoring agreements for which the power of disposal does not pass to the bank in the amount of its continued commitment, i.e. the maximum amount in which DB Group is still liable for the credit risk and the late payment risk of the sold receivable, and has a corresponding obligation within the other liabilities (continuing involvement). The receivables and the associated liabilities are derecognized to the extent that DB Group's sustained exposure is reduced due to the receipt of payments from customers.

Disclosures on DB Group's sustained exposure in partially derecognized trade receivables:

AS OF DEC 31 / € million	2022	2021
Receivables sold as of Dec 31	435	443
Remaining carrying amount of transferred receivables as of Dec 31 [1]	114	97
Carrying amount of the associated liabilities as of Dec 31 [1]	126	107
EFFECTS ON THE CONSOLIDATED STATEMENT OF INCOME		
Expenses in the year under review [2]	4	2
Expenses accumulated since the start of the contract [2]	13	9
Expenses from the transfer within the scope of the factoring agreement [2]	2	2

[1] The fair values of the receivables and the associated liabilities essentially correspond to their carrying amounts.
[2] Previous years' figures adjusted.

Purchase price payments received by the bank in the year under review increased the cash flow from operating activities.

The financial receivables and earmarked bank deposits include residual values agreed with the public transport authorities of transport contracts of € 470 million (as of December 31, 2021: € 321 million). These residual value receivables mainly relate to rolling stock that is sold for a fixed price at the end of the transport contract to the public transport authority or to a third party designated by the public transport authority. In addition, financial receivables and earmarked bank deposits also disclosed a figure of € 340 million for finance lease receivables (as of December 31, 2021: € 323 million) as well as a figure of € 27 million for earmarked funds (as of December 31, 2021: € 35 million) which can be used only as contributions for certain retirement benefit plans. A further € 142 million (as of December 31, 2021: € 83 million) relate to cash guarantees in the form of credit support agreements (CSA).

The other assets include contract fulfillment costs of € 6 million (December 31, 2021: € 13 million).

The recognized impairments for the financial instruments classified in accordance with IFRS 7 have developed as follows:

€ million	Trade receivables	Financial receivables and earmarked bank deposits	Receivables from transport concessions	Other assets	Total
As of Jan 1, 2022	-182	-11	0	-46	**-239**
Additions	-22	0	–	-3	**-25**
Reversals	28	–	0	4	**32**
Amounts used	4	–	–	2	**6**
Changes in the scope of consolidation	9	–	–	0	**9**
Currency translation effects	0	1	–	0	**1**
As of Dec 31, 2022	**-163**	**-10**	**–**	**-43**	**-216**
As of Jan 1, 2021	-164	-11	0	-47	**-222**
Additions	-55	–	–	-5	**-60**
Reversals	28	0	0	3	**31**
Amounts used	8	–	–	2	**10**
Changes in the scope of consolidation	0	–	–	–	**0**
Currency translation effects	1	–	–	1	**2**
As of Dec 31, 2021	**-182**	**-11**	**0**	**-46**	**-239**

Expenses decreased to € 50 million in the year under review for the complete derecognition of receivables and other assets (previous year: € 51 million).

Income of € 4 million was reported for payments received in relation to previously derecognized receivables and other assets (previous year: € 5 million).

The expected loan losses amounted to € 32 million as of December 31, 2022 (as of December 31, 2021: € 31 million).

AS OF DEC 31 / € million	Net carrying amount	Expected loss rate (%)	Risk provisioning	thereof risk provisioning for overdue receivables	thereof risk provisioning for non-overdue receivables
Trade receivables	6,354	0.50	32	19	13

As of December 31, 2022, a risk provision of € 3 million was formed for receivables from financing, other financial receivables and contractual assets (as of December 31, 2021: € 3 million).

The following overview shows the maturity structure of the receivables for the financial instruments classified in accordance with IFRS 7 and the advance payments that have been made:

€ million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2022								
Trade receivables	6,334	5	5	10	0	0	**20**	**6,354**
Financial receivables and earmarked bank deposits	341	58	42	36	26	520	**682**	**1,023**
Receivables from transport concessions	78	87	77	76	76	461	**777**	**855**
Advance payments	278	65	–	–	–	–	**65**	**343**
Other assets	2,106	218	235	154	43	79	**729**	**2,835**
Total	**9,137**	**433**	**359**	**276**	**145**	**1,060**	**2,273**	**11,410**
thereof non-financial assets	1,160	231	167	153	42	77	**670**	**1,830**
AS OF DEC 31, 2021								
Trade receivables	6,476	14	4	4	1	0	**23**	**6,499**
Financial receivables and earmarked bank deposits	341	84	37	32	27	343	**523**	**864**
Receivables from transport concessions	68	65	61	59	58	371	**614**	**682**
Advance payments	243	61	–	–	–	–	**61**	**304**
Other assets	1,706	60	32	19	2	107	**220**	**1,926**
Total	**8,834**	**284**	**134**	**114**	**88**	**821**	**1,441**	**10,275**
thereof non-financial assets	633	68	2	3	1	106	**180**	**813**

The trade receivables decreased slightly compared with the previous year. The decline in the DB Schenker segment was partially offset by increases in the DB Regional, DB Cargo and Subsidiaries/Other segments.

The increase in other current assets resulted in particular from the first-time capitalization of claims from independent debt recognitions and an increase in the Subsidiaries/Other segment.

As a result of the large number of customers in the various operating segments, there is no evidence of concentration of credit risks with trade receivables.

The fair values of the balance sheet items receivables and other assets, trade receivables, as well as other receivables and assets essentially correspond to the carrying amounts.

The maximum default risk is essentially equivalent to the carrying amount in each case. Collateral is not regularly held.

As of the balance sheet date, there were no indications that debtors of the receivables that are neither impaired nor overdue will not meet their payment obligations.

(20) INCOME TAX RECEIVABLES

The income tax receivables relate to advance payments that have been made as well as allowable withholding taxes.

(21) DERIVATIVE FINANCIAL INSTRUMENTS

Upon conclusion of a contract, derivative financial instruments are generally classified as hedging instruments for hedging the cash flows from contractual obligations or anticipated transactions (cash flow hedge).

Cash flow hedges

Cash flow hedges are used to provide protection against fluctuations in the cash flows of financial assets or liabilities or anticipated transactions. When future cash flows are hedged, the hedging instruments are also recognized with their fair value. Changes in value are initially recognized in other comprehensive income with no impact on profit and loss, and are only recognized in the statement of income at the point at which the corresponding losses or profits from the underlying transaction have an impact on the statement of income or the transactions expire. Any ineffectiveness is recognized in the statement of income in accordance with IFRS 9.

Fair value hedges

Fair value hedges are used to hedge assets or liabilities against the risk of a change in fair value. The results from the hedging instruments are reported in the consolidated statement of income, in which also the hedged underlying transaction is shown.

Derivative financial instruments that do not meet the requirements for accounting for hedging transactions in accordance with IFRS 9

If hedges that in economic terms are used for interest, currency or price hedging do not satisfy the requirements of IFRS 9 for being recognized as a hedge, the changes in fair value are immediately recognized in the statement of income.

Calculation of the fair value

The fair value of financial instruments that are traded in an active market is derived from the share price applicable on the balance sheet date. Common valuation methods such as option price or present value models are used for determining the fair value of financial instruments which are not traded in an active market. If valuation-relevant parameters are not directly observable on the market, forecasts are used based on comparable financial instruments that are traded in an active market; these forecasts are then adjusted by premiums or discounts on the basis of historical data. The mean value of bid and offer rates is used. DB AG operates with long-dated financial derivatives on a hedged basis, and does not perform any credit risk adjustment for the fair value for hedged transactions. For considerations of materiality, no credit risk adjustment is used for short-term derivatives. If credit risk adjustment is used, the relevant discounts are derived from the credit default swap (CDS) figures observable on the market.

All derivatives used in DB Group are measured using common methods such as option price or present value models, because their fair values are not traded on an active market. No parameters from non-observable markets are used for assessment purposes.

The volume of hedges that have been taken out is shown in the following overview of nominal values:

AS OF DEC 31 / € million	Nominal value of hedging instrument 2022	2021	Residual maturity up to 1 year 2022	2021	Residual maturity more than 1 year 2022	2021
INTEREST-BASED CONTRACTS						
Interest swaps	800	–	–	–	800	–
	800	**–**	**–**	**–**	**800**	**–**
CURRENCY-BASED CONTRACTS						
Currency swaps	260	803	260	803	0	0
Currency forwards	2,704	2,365	2,675	2,334	29	31
Cross-currency swaps	8,925	8,181	622	176	8,303	8,005
	11,889	**11,349**	**3,557**	**3,313**	**8,332**	**8,036**

AS OF DEC 31 / 1,000 t	Volume 2022	2021	Residual maturity up to 1 year 2022	2021	Residual maturity more than 1 year 2022	2021
OTHER CONTRACTS						
Diesel	428	364	94	26	334	338
Hard coal	1,380	1,408	1,092	928	288	480

Interest rate swaps were concluded to hedge interest rate risks. The changes in holdings of currency swaps and forwards vary in line with the corresponding hedging requirements of the subsidiaries. The nominal value of the interest-rate currency swaps rose by € 744 million, due in part to issues of foreign currency bonds in the year under review, the cash flows of which were exchanged for euros.

The scope of diesel hedges increased moderately due to higher levels of hedging. As of December 31, 2022, coal hedges remained unchanged at 1.4 million t.

The following table shows the average hedging prices / hedging rates for the main derivative hedging instruments of DB Group (per currency):

	Hedging price per 1,000 t		Hedging rate			
Currency	Diesel	Hard coal	Cross-currency swaps (CCS)	Interest rate swaps (IRS)	Currency swaps	Currency forwards
EUR	657.29	166.01	–	0.02	–	–
USD	–	–	1.13	–	1.05	1.07
GBP	578.03	–	0.87	–	–	0.87
CHF	–	–	1.12	–	–	0.99
JPY	–	–	119.66	–	–	143.56
NOK	–	–	9.18	–	–	10.52
SEK	–	–	10.16	–	–	10.98
DKK	3,010.00	–	7.45	–	–	7.44
CAD	–	–	–	–	–	1.45
AUD	–	–	1.55	–	–	1.57
NZD	–	–	1.65	–	–	1.66
HKD	–	–	–	–	–	8.22
MXN	–	–	–	–	–	21.05
SGD	–	–	1.56	–	1.42	1.43
PLN	4,237.35	–	4.41	–	–	4.73
CZK	17,058.50	–	26.08	–	–	25.05
HUF	–	–	–	–	–	425.73
RON	–	–	4.85	–	4.96	4.93
HRK	–	–	7.42	–	–	–
CNY	–	–	–	–	–	7.45
ILS	–	–	–	–	–	3.61
SAR	–	–	4.29	–	–	3.98
AED	–	–	4.25	–	–	3.91
ZAR	–	–	–	–	–	18.32
RUB	–	–	–	–	–	–

All derivative financial instruments are marked-to-market on the reporting date. The following overview shows the allocation of the item stated in the balance sheet depending on the type of underlying hedge:

	Assets		Liabilities	
AS OF DEC 31 / € million	**2022**	2021	**2022**	2021
INTEREST-BASED CONTRACTS				
Interest swaps	–	–	78	–
Interest forwards	0	–	–	–
	0	**–**	**78**	**–**
CURRENCY-BASED CONTRACTS				
Currency swaps	0	6	4	1
Currency forwards	26	15	12	7
Other currency derivatives	0	0	0	0
Cross-currency swaps	608	313	239	209
thereof effects from currency hedges	429	375	222	128
	634	**334**	**255**	**217**
OTHER CONTRACTS				
Energy price derivatives	114	72	72	2
	114	**72**	**72**	**2**
Total	**748**	**406**	**405**	**219**
Non-current share	559	356	329	200
Interest-based contracts	–	–	78	0
Currency-based contracts	507	314	225	198
Other contracts	52	42	26	2
Current share	189	50	76	19

Cash flow hedges

In order to minimize the interest rate and exchange rate risk, foreign currency issues as well as intra-Group foreign currency loans are converted into euros as a matter of principle, and floating-rate financial liabilities are generally converted into fixed-interest financial liabilities. Energy price hedging served to reduce price fluctuations attributable to energy sourcing.

The performance of the interest rate currency swaps was mainly based on the development of interest rates in the individual currencies, in particular against the Swiss franc and the Norwegian krone, as well as the devaluation of the euro against the Swiss franc. The appreciation of the euro against the British pound and the Swedish krona had a partially compensating effect.

The positive market value of the energy price derivatives reflected the development on the underlying raw materials markets.

The fair values of the cash flow hedges are shown as follows under assets and liabilities:

	Assets		Liabilities	
AS OF DEC 31 / € million	**2022**	2021	**2022**	2021
INTEREST-BASED CONTRACTS				
Interest swaps	–	–	–	–
	–	**–**	**–**	**–**
CURRENCY-BASED CONTRACTS				
Currency swaps	0	6	4	1
Cross-currency swaps	608	313	223	189
	608	**319**	**227**	**190**
OTHER CONTRACTS				
Energy price derivatives	114	72	72	2
Miscellaneous / other derivatives	–	–	0	0
	114	**72**	**72**	**2**
Total	**722**	**391**	**299**	**192**
Non-current share	558	355	235	179
Interest-based contracts	–	–	–	–
Currency-based contracts	506	313	209	177
Other contracts	52	42	26	2
Current share	164	36	64	13

Cash flow hedges are not classified under any category of IFRS 9.

The hedged cash flows of the underlying transactions will probably materialize, and have an impact on the income statement, in 2023 to 2042 (interest payments and payments of principal) or in 2023 to 2026 (payments for energy).

The underlying and hedging transactions, as well as the hedge reserve of cash flow hedges, developed as follows:

	2022		**As of Dec 31, 2022**	2021		As of Dec 31, 2021
€ million	**Changes in hedges and underlying transactions**	**thereof ineffective (with impact on income statement)**	**Status of the hedging reserve cash flow hedges**	Changes in hedges and underlying transactions	thereof ineffective (with impact on income statement)	Status of the hedging reserve cash flow hedges
INTEREST-BASED CONTRACTS						
Interest swaps	–	–	–	–	–	–
CURRENCY-BASED CONTRACTS						
Currency swaps	- 9	–	+ 2	+ 18	–	–
Cross-currency swaps	+ 262	+ 3	+ 152	+ 232	- 7	- 153
OTHER CONTRACTS						
Energy price hedges	- 28	–	+ 38	+ 137	–	+ 66

In the case of interest and cross-currency hedges, the effectiveness of the hedge is assessed using the critical terms match method. This method is used because the major valuation parameters of the underlying transaction and hedges are identical. Ineffectiveness is measured as of every balance sheet date by means of the hypothetical derivative method. In this method, the development in value of the hedge which is actually taken out is compared with the development in value of a theoretical hedge in which all valuation-relevant parameters are identical to those of the underlying transaction. In the case of energy price derivatives, the effectiveness of the hedge is assessed using the linear regression. The ineffectiveness is calculated using the dollar-offset method. In this case, the fair value changes of the underlying transactions are compared with the fair value changes of the hedging instrument. The resultant quotient determines the ineffectiveness.

As in the previous year, in the year under review the inefficiencies of cash flow hedges of the energy price derivatives recognized in the income statement were immaterial.

Fair value hedge derivatives

The fair values are shown under assets and liabilities as follows:

	Assets		Liabilities	
AS OF DEC 31 / € million	**2022**	2021	**2022**	2021
INTEREST-BASED CONTRACTS				
Interest swaps	–	–	78	–
Total	**–**	**–**	**78**	**–**
Non-current share	–	–	78	–
Interest-based contracts	–	–	78	–
Current share	–	–	–	–

The interest rate swaps were used to hedge issued senior bonds (included in the balance sheet item financial liabilities) with a nominal value of € 800 million. The effectiveness of the hedging relationship was checked using the critical terms match method. There was no ineffectiveness in the year under review.

In addition to rising interest rates in the Eurozone, the performance of the interest rate swaps is due to the conclusion of interest rate swaps in the year under review.

Non-hedge derivatives

Currency forwards taken out to hedge operations are normally classified as non-hedge derivatives.

The fair values of the non-hedge derivatives are shown under assets and liabilities as follows:

	Assets		Liabilities	
AS OF DEC 31 / € million	**2022**	2021	**2022**	2021
INTEREST-BASED CONTRACTS				
Interest forwards	–	–	–	–
	–	**–**	**–**	**–**
CURRENCY-BASED CONTRACTS				
Currency forwards	26	15	12	7
Other currency derivatives	0	0	0	0
Cross-currency swaps	–	–	16	20
	26	**15**	**28**	**27**
OTHER CONTRACTS				
Energy price derivatives	–	–	–	–
	–	**0**	**–**	**–**
Total	**26**	**15**	**28**	**27**
Non-current share	1	1	16	21
Currency-based contracts	1	1	16	21
Current share	25	14	12	6

The cross-currency swaps are based on a redesignation of hedges as a result of the transfer of transactions between banks. The conditions including the cash flows of the derivatives were unchanged and the economic hedge is thus still in place. The decline was attributable to the reversal of the redesignated amounts in line with the remaining maturities of the swaps.

The non-hedge derivatives are classified under the "held-for-trading" category of IFRS 9.

(22) CASH AND CASH EQUIVALENTS

This item comprises cash in hand and checks, deposits at banks that are due on sight, as well as time deposits with a maturity of up to three months.

Cash and cash equivalents are recognized with their nominal value (at amortized cost).

Cash and cash equivalents are broken down as follows:

AS OF DEC 31 / € million	**2022**	2021
Cash in hand and bank deposits	5,137	4,591
Cash equivalents	1	0
Total	**5,138**	**4,591**

The interest rates for short-term bank deposits were in a range of between − 0.58 % and 2.00 % (previous year: − 0.67 % to 0.01 %) and relate to euro-denominated cash investments. The durations of the investments are between one day and three months.

For a definition of cash and cash equivalents, please refer to section Notes to the statement of cash flows 254.

(23) NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE IN CONNECTION WITH ASSETS HELD FOR SALE

Under IFRS 5, non-current assets are classified as held-for-sale non-current assets if their carrying amount is to be realized by way of sale and not by way of continued use. This can be an individual asset, a disposal group or business unit of a company. Non-current held-for-sale assets are measured at the lower of the carrying amount or the fair value, less costs of disposal incurred.

Non-current assets and liabilities held for sale in connection with assets held for sale have developed as follows:

	2022		
€ million	**As of Jan 1**	**Addition**	**As of Dec 31**
Property, plant and equipment	–	36	36
Intangible assets	–	7	7
Shares in companies accounted for using the equity method	–	0	0
Available for sale financial assets	–	0	0
Inventories	–	17	17
Receivables and other assets	0	75	75
Cash and cash equivalents	–	14	14
Deferred tax assets	–	3	3
Assets	**0**	**152**	**152**
Financial debt	–	30	30
Other liabilities	–	69	69
Pension obligations	–	0	0
Other provisions	–	58	58
Deferred income	–	2	2
Deferred tax liabilities	–	2	2
Liabilities	**–**	**161**	**161**

The assets and liabilities related to the companies held for sale from the DB Arriva segment (in Denmark, Poland and Serbia) and the DB Schenker segment (in Russia). Impairment expenses totaling € 198 million were incurred in this context, which were recognized under other operating expenses.

(24) SUBSCRIBED CAPITAL

The share capital of DB AG is € 2,150 million. It consists of 430,000,000 no-par-value bearer shares. All shares are held by the Federal Republic of Germany.

(25) RESERVES

a) Capital reserves

Capital reserves comprise reserves that have not been part of profits. In the year under review, payments were made by the Federal Government to the capital reserve due to damage compensation for Covid-19 damage, approved by the European Commission in 2020 and 2021. There was a payment of € 88 million for damages to DB Cargo AG, a payment of € 215 million for damages to the infrastructure companies DB Netz AG, DB Station&Service AG and DB Energie GmbH, and a payment of € 557 million for damages to DB Fernverkehr AG. In addition, € 1.1 billion was paid to DB Netz AG from funds under the Climate Action Program.

In addition, a withdrawal from the capital reserve of DB AG amounting to € 413 million was made to generate a net retained profit in the annual financial statements of DB AG according to commercial law which was taken into account in the net profit and loss generated.

b) Reserve resulting from valuation with no impact on profit or loss

RESERVE FOR CURRENCY TRANSLATION DIFFERENCES

The currency translation effects resulting from the method of functional currency (IAS 21) are shown separately as part of consolidated shareholders' equity.

RESERVE FOR THE FAIR VALUE ASSESSMENT OF SECURITIES AND EQUITY INVESTMENTS

The reserve includes the changes in the fair value of financial instruments with no impact on profit and loss. The reserve is to be released to or derecognized from profit or loss upon due date or disposal/maturity or reclassification of a financial instrument.

RESERVE FROM THE FAIR VALUE ASSESSMENT OF CASH FLOW HEDGES

The development of the reserve is shown in the following:

€ million	2022	2021
As of Jan 1	- 87	- 171
Fair value change [1]	263	412
RECLASSIFICATIONS		
Financial result	50	- 295
Net interest income	- 34	- 26
Cost of materials [1]	0	0
Changes in deferred taxes	- 4	- 7
As of Dec 31	**188**	**- 87**

[1] Previous year's figures adjusted.

RESERVE FOR THE REVALUATION OF PENSIONS

The effects resulting from the revaluation of defined benefit plans in accordance with IAS 19 (Employee Benefits) are recognized in other income with no impact on profit or loss.

OTHER CHANGES IN THE RESERVES

This item mainly shows amounts resulting from transactions in relation to reductions or increases in non-controlling interests between the shareholders of DB AG and the non-controlling interests.

(26) GENERATED PROFITS

The generated shareholders' equity comprises the entire net profits generated since January 1, 1994, less the goodwill offset under HGB up to December 31, 2002, as well as the dividends paid to the shareholders.

This item also shows the impact on shareholders' equity attributable to the first-time adoption of IFRS if they are not included in the reserves attributable to valuation with no impact on profit and loss.

(27) NON-CONTROLLING INTERESTS AND HYBRID CAPITAL

Non-controlling interests comprise the share of third parties in the net assets of consolidated subsidiaries. Third-party interests in the currency reserve amounted to € −19 million (as of December 31, 2021: € −13 million).

In October 2019, Deutsche Bahn Finance GmbH (DB Finance) issued two junior hybrid bonds with a total volume of € 2 billion. The hybrid bonds have undated durations with an initial termination right for the issuer after 5.5 years (coupon: 0.95%) and ten years (coupon: 1.6%) respectively; the issue proceeds amounted to € 997 million and € 995 million respectively. The two hybrid bonds do not have a repayment obligation and do not have a termination right for the creditor. In addition, any retained interest payments only have to be made when a dividend is paid. According to IAS 32 (Financial Instruments: Presentation), the hybrid bonds have to be classified entirely as equity as there is no regular repayment obligation for the hybrid bonds, nor is there any termination right for the bond holders. Interest payments to be made to the bond holders (less the taxes on income) are recognized directly in equity. Interest payments of € 25 million were made in the year under review (previous year: € 26 million).

(28) FINANCIAL DEBT

In accordance with IFRS 9, the first-time assessment of financial debts/liabilities and other non-current liabilities is generally at fair value, taking into account transaction costs or premiums/discounts. Subsequently, they are stated using amortized acquisition costs using the effective interest method. The differences between the disbursement amount less transaction costs and the repayment amount are recognized in profit or loss over the term.

Interest-free loans that are related to infrastructure capital expenditures are recognized with the present value of the amounts to be repaid, and are adjusted to their nominal repayment amount over their life. The difference between the nominal amount of the loan and the present value is recognized as an interest benefit under accruals. The income from pro rata reversal of these accruals is shown as other operating income.

Liabilities from lease contracts for which a right of use has to be recognized in accordance with IFRS 16 are shown as the present value of the following lease payments: fixed payments less payments of the lessor that are received, variable payments based on an index, expected payments for residual value guarantees, the purchase price for probably exercised purchase options, probable compensation payments in the event of early *termination. The assessment of the lease liability also includes lease payments in relation to adequately certain utilization of extension options. The leasing installments are broken down into an interest component and a redemption component. The interest component of the leasing installment is recognized in the statement of income. The interest rate used corresponds to the implied interest rate of the lease contract or, if this is not known, the maturity-related marginal borrowing rate. Liabilities arising from leases are not classified under any category of IFRS 9.*

Some transport contracts comprise the leasing particularly of rail vehicles from transport authorities or from independent financial service providers, whereby the latter receive a capital service guarantee, a redeployment guarantee or similar from the public transport authority. The present value of these payment obligations is shown under the financing liabilities from transport concessions.

The financial debt comprises all interest-bearing liabilities including the interest-free loans stated with their present values. Financial debt has the following maturity structure:

€ million	Residual maturity Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2022								
Interest-free loans	153	145	–	–	–	–	**145**	**298**
Senior bonds	1,982	1,962	1,966	2,188	2,181	18,523	**26,820**	**28,802**
Bank borrowings	539	0	6	–	–	–	**6**	**545**
Leasing liabilities	1,120	801	641	504	391	1,723	**4,060**	**5,180**
Financing liabilities from transport concessions	20	19	19	19	18	69	**144**	**164**
Other financial liabilities	273	2	1	1	0	7	**11**	**284**
Total	**4,087**	**2,929**	**2,633**	**2,712**	**2,590**	**20,322**	**31,186**	**35,273**
thereof due to related companies and persons	153	146	–	–	–	–	**146**	**299**
AS OF DEC 31, 2021								
Interest-free loans	154	146	141	–	–	5	**292**	**446**
Senior bonds	1,575	1,958	1,948	1,983	2,288	17,651	**25,828**	**27,403**
Bank borrowings	1,315	1	0	0	–	4	**5**	**1,320**
Leasing liabilities	1,031	812	595	480	376	1,765	**4,028**	**5,059**
Financing liabilities from transport concessions	19	19	19	19	18	86	**161**	**180**
Other financial liabilities	70	5	0	0	1	2	**8**	**78**
Total	**4,164**	**2,941**	**2,703**	**2,482**	**2,683**	**19,513**	**30,322**	**34,486**
thereof due to related companies and persons	161	146	141	–	–	5	**292**	**453**

The following fair values are summarized in comparison with the carrying amounts:

AS OF DEC 31 / € million	**2022** Carrying amount	Fair value	2021 Carrying amount	Fair value
Interest-free loans	298	299	446	476
Senior bonds	28,802	24,512	27,403	28,269
Bank borrowings	545	546	1,320	1,321
Leasing liabilities	5,180	4,787	5,059	5,247
Financing liabilities from transport concessions	164	151	180	196
Other financial liabilities	284	284	78	78
Total	**35,273**	**30,579**	**34,486**	**35,587**

The differences between the carrying amounts and the fair values of the financial debt are due to the mostly changed market interest rates for financial debt with a comparable risk profile. In view of the short maturities involved and also in view of the fact that interest charged is closely linked to market rates, there are no significant differences between the carrying amounts and the fair values of other financial liabilities.

Interest-free loans were also attributable almost exclusively to financing provided by the Federal Government for capital expenditures in expanding and replacing track infrastructure. This is based on the responsibility for the transport needs of the public which is anchored in section 87e (4) of the German Basic Law (Grundgesetz; GG) and specified in the Federal Rail Infrastructure Extension Act (Bundesschienenwegeausbaugesetz; BSWAG).

The repayment of the loans is regulated in individual and collective financing agreements. In general, the loans are repaid in equal annual installments, which are based on the corresponding annual depreciation applicable for the financed assets.

Interest-free loans have developed as follows:

€ million	**2022**	2021
AS OF JAN 1	446	580
Addition	–	0
Redemption	–157	–157
Reclassifications	–7	–
Compounding	16	23
As of Dec 31	**298**	**446**

As of the balance sheet date, the senior bonds are issued as follows:

SENIOR BONDS AS OF DEC 31 / € million	Issue volume	Issue currency	Maturity (years)	Effective interest rate (%)	**2022** Carrying amount	**2022** Fair value	2021 Carrying amount	2021 Fair value
UNLISTED SENIOR BONDS								
DB Finance	1,185	AUD, JPY, EUR	1.4–9.8		1,180	1,088	1,192	1,262
Total					**1,180**	**1,088**	**1,192**	**1,262**
LISTED SENIOR BONDS OF DB FINANCE								
Bond 2010–2025	500	EUR	2.5	3.870	499	507	498	567
Bond 2010–2022	500	EUR	0.0	3.464	–	–	500	515
Bond 2012–2022	496	GBP	0.0	2.821	–	–	476	481
Bond 2012–2023	400	EUR	0.1	2.116	400	400	399	411
Bond 2012–2024	83	CHF	1.1	1.586	101	101	97	101
Bond 2012–2024	500	EUR	1.2	3.119	499	501	498	536
Bond 2012–2072	75	GBP	49.9	4.524	67	65	71	129
Bond 2013–2028	50	EUR	5.1	2.707	50	48	50	57
Bond 2013–2025	202	NOK	2.2	4.017	143	142	150	158
Bond 2013–2023	386	CHF	0.6	1.425	482	482	460	473
Bond 2013–2026	497	GBP	3.6	3.351	476	457	501	547
Bond 2013–2023	500	EUR	0.7	2.578	500	500	499	523
Bond 2014–2024	59	AUD	1.1	5.395	57	57	58	61
Bond 2014–2024	246	CHF	1.7	1.522	305	304	290	304
Bond 2014–2029	500	EUR	6.2	2.886	496	480	495	591
Bond 2014–2022	300	EUR	0.0	FRN	–	–	300	301
Bond 2014–2022	300	EUR	0.0	FRN	–	–	300	300
Bond 2015–2023	600	EUR	0.8	FRN	600	600	600	604
Bond 2015–2025	600	EUR	2.8	1.391	598	572	596	628
Bond 2015–2030	366	NOK	7.8	2.760	323	295	340	347
Bond 2015–2025	115	AUD	2.8	3.864	114	112	115	122
Bond 2015–2030	650	EUR	7.8	1.707	646	559	646	719
Bond 2015–2025	161	CHF	2.9	0.143	178	171	169	171
Bond 2016–2026	500	EUR	3.2	0.880	498	465	497	514
Bond 2016–2031	750	EUR	8.5	0.964	745	596	744	775
Bond 2016–2028	500	EUR	5.7	0.765	496	429	495	516
Bond 2016–2024	41	HKD	1.2	2.100	42	41	40	40
Bond 2017–2032	79	NOK	9.1	2.514	66	59	70	69
Bond 2017–2032	500	EUR	9.9	1.541	498	408	498	548
Bond 2017–2025	341	GBP	2.5	1.437	338	315	356	359
Bond 2017–2032	55	SEK	9.6	2.226	48	40	52	54
Bond 2017–2030	261	CHF	7.9	0.463	305	268	290	298
Bond 2017–2024	300	EUR	1.9	FRN	301	300	301	303
Bond 2018–2027	1,000	EUR	5.0	1.086	996	893	995	1,049
Bond 2018–2033	750	EUR	10.6	1.680	746	606	746	831
Bond 2018–2028	346	CHF	5.5	0.470	407	375	388	399
Bond 2018–2031	500	EUR	8.2	1.508	495	416	494	538
Bond 2018–2043	125	EUR	20.9	1.866	125	87	125	138
Bond 2019–2028	1,000	EUR	6.0	1.235	994	879	993	1,062
Bond 2019–2026	340	GBP	3.1	1.944	338	313	356	366
Bond 2019–2034	103	NOK	11.1	2.732	95	83	100	100
Bond 2019–2029	310	CHF	6.5	0.135	355	314	338	338
Bond 2019–2034	133	CHF	11.5	0.516	152	125	145	148
Bond 2019–2039	47	SEK	16.4	2.025	45	34	49	49
Bond 2020–2035	500	EUR	12.5	0.819	496	348	496	495
Bond 2020–2024	300	EUR	1.1	-0.062	300	290	300	301
Bond 2020–2032	150	EUR	9.2	0.257	150	108	150	143
Bond 2020–2027	900	EUR	4.3	0.639	895	800	894	917
Bond 2020–2040	750	EUR	17.3	1.433	743	523	743	789
Bond 2020–2029	850	EUR	6.5	0.411	848	698	848	857
Bond 2020–2039	650	EUR	16.5	0.977	640	421	639	631
Bond 2020–2035	48	SEK	12.5	1.544	45	34	49	47
Bond 2020–2050	1,000	EUR	27.9	0.656	992	483	991	861
Bond 2021–2036	370	CHF	13.1	0.100	407	305	388	372
Bond 2021–2026	339	GBP	3.9	0.523	336	288	354	341
Bond 2021–2026	494	SEK	3.1	0.524	449	401	487	479
Bond 2021–2036	1,000	EUR	13.3	0.759	983	669	982	959
Bond 2021–2033	296	CHF	10.4	0.211	330	267	315	311
Bond 2021–2041	168	AUD	18.4	3.124	165	116	166	168
Bond 2021–2051	1,000	EUR	28.4	1.159	992	548	991	980
Bond 2021–2036	196	NOK	13.5	2.241	190	154	200	187
Bond 2021–2031	750	EUR	8.7	0.393	747	566	747	739
Bond 2021–2031	279	CHF	8.8	0.241	305	257	291	290
Bond 2022–2042	191	AUD	19.0	3.350	190	137	–	–
Bond 2022–2027	200	EUR	4.1	0.791	199	181	–	–
Bond 2022–2034	750	EUR	11.2	1.389	747	580	–	–
Bond 2022–2030	900	EUR	7.4	1.992	891	804	–	–
Bond 2022–2040	52	SEK	17.7	3.511	49	47	–	–
Bond 2022–2032	308	CHF	9.7	1.903	305	297	–	–
Bond 2022–2034	51	NOK	11.7	4.370	47	49	–	–
Bond 2022–2042	500	EUR	19.8	3.924	495	502	–	–
Bond 2022–2042	151	CHF	19.9	2.285	151	152	–	–
Total					**27,706**	**23,424**	**26,211**	**27,007**
Adjustments from derivatives					-84	–	–	–
Senior bonds, total amount					**28,802**	**24,512**	**27,403**	**28,269**

In the year under review, two fixed-interest listed senior bonds from DB Finance amounting to € 500 million and GBP 400 million (€ 495 million), as well as two floating-rate listed senior bonds (each amounting to € 300 million) with a total value of € 1,595 million were redeemed on schedule.

In the year under review, DB Finance issued nine fixed-interest, listed senior bonds with a total value of € 3,102 million. These involve issues of AUD 300 million (€ 191 million), € 200 million, € 750 million, € 900 million, SEK 550 million (€ 52 million), CHF 300 million (€ 308 million), NOK 500 million (€ 50 million), € 500 million and CHF 150 million (€ 151 million). Part of the newly issued EUR bonds were swapped from fixed interest to floating interest. As a result, the valuation of the bond portfolio resulted in a reduction in carrying amount by € 84 million (as of December 31, 2021: none).

Bank borrowings are detailed in the following table:

BANK BORROWINGS AS OF DEC 31 / € million	Currency	Maturity in years	Nominal interest rate (%)	**2022** Carrying amount	**2022** Fair value	2021 Carrying amount	2021 Fair value
Bank loan 2002–2022	EUR	0.0	FRN	–	–	200	200
Bank loan 2003–2022	EUR	0.0	FRN	–	–	200	200
Bank loan 2021–2022	EUR	0.0	FRN	–	–	500	500
Other				545	546	420	421
Total				**545**	**546**	**1,320**	**1,321**

The decline in bank borrowing as of December 31, 2022, resulted mainly from the full scheduled repayment of two long-term loans and a short-term credit facility.

The increase in other bank borrowings was mainly attributable to an increase in short-term collateral (as of December 31, 2022: € 525 million; as of December 31, 2021: € 272 million) resulting from collateral agreements within the framework of derivative transactions.

Liabilities are not secured in DB Group as a ground rule.

As of December 31, 2022, further guaranteed credit facilities with a total volume of € 4,589 million were available to DB Group (as of December 31, 2021: € 4,577 million). Of this figure, € 2,000 million was attributable to back-up lines for the € 3.0 billion commercial paper program of DB AG (as of December 31, 2021: € 2,080 million). None of these back-up lines had been drawn down as of December 31, 2022. Global credit facilities totaling € 2,589 million (as of December 31, 2021: € 2,497 million) are used for working capital and surety for payment financing of subsidiaries with operations worldwide, primarily in the DB Schenker and DB Arriva segments.

Liabilities attributable to leasing (Note (13) 231 ff.) are secured by rights of the lessors in relation to the leased assets. As of December 31, 2022, the leased assets have a carrying amount of € 4,692 million (as of December 31, 2021: € 4,619 million).

The nominal values of the leasing liabilities are broken down as follows:

LEASING LIABILITIES / € million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2022								
Nominal values of lease payments	1,136	902	720	566	442	2,063	**4,693**	**5,829**
AS OF DEC 31, 2021								
Nominal values of lease payments	1,058	884	653	528	416	2,085	**4,566**	**5,624**

The financing liabilities from transport concessions in accordance with IFRIC 12 are detailed in the following:

AS OF DEC 31 / € million	Currency	Maturity in years	**2022** Carrying amount	**2022** Fair value	2021 Carrying amount	2021 Fair value
Diesel network Allgäu diesel multiple units (2020)	EUR	7.0	35	34	40	43
S-Bahn (metro) Nuremberg electric multiple units (2020)	EUR	8.0	60	57	66	73
S-Bahn (metro) Rhine-Neckar electric multiple units (2020)	EUR	12.0	8	7	9	10
S-Bahn (metro) Rhine-Neckar electric multiple units (2021)	EUR	12.0	61	53	65	70
Total			**164**	**151**	**180**	**196**

Various multiple units were leased by the responsible contracting organizations for the fulfilment of regional rail passenger transport services.

In the previous year, the second operational stage for the Rhine-Neckar S-Bahn (metro) was added with a term until 2034. Financial liabilities from transport concessions are opposed by receivables from transport concessions (Note (19) 236 ff.).

The fair values of the long-term financial debt are allocated to the following valuation categories:

AS OF DEC 31 / € million	2022 Level 1	2022 Level 2	2022 Level 3	2022 Total	2021 Level 1	2021 Level 2	2021 Level 3	2021 Total
NON-CURRENT FINANCIAL DEBT								
Interest-free loans	–	146	–	**146**	–	322	–	**322**
Senior bonds	2,335	20,194	–	**22,529**	5,332	21,342	–	**26,674**
Bank borrowings	–	7	–	**7**	–	6	–	**6**
Leasing liabilities	–	3,667	–	**3,667**	–	4,216	–	**4,216**
Financing liabilities from transport concessions	–	131	–	**131**	–	177	–	**177**
Other financial liabilities	–	11	–	**11**	–	8	–	**8**
Total	**2,335**	**24,156**	**–**	**26,491**	**5,332**	**26,071**	**–**	**31,403**

The interest-free loans shown at amortized acquisition cost are calculated by discounting the nominal values of the interest-free loans, which are broken down into maturity buckets using the DB interest curve (market interest curve plus current DB spread; source: Thomson Reuters or Bloomberg).

Market prices from an active market, multiplied by the foreign currency rates applicable on the balance sheet date, are used for senior bonds of DB Finance that are classified as level 1. Various sources are used for these prices, including Thomson Reuters and Bloomberg. The senior bonds for which the market activity does not meet the requirements of an active market have been allocated to level 2. For establishing the fair values of these senior bonds, binding offers were used from various sources, including Thomson Reuters and Bloomberg; these have been verified on the basis of the valuation models using the parameters that are observable on the market, such as interest rate curves and exchange rates.

The fair value of the leases and also of the financing liabilities from transport concessions is determined by discounting the outstanding lease payments with the corresponding DB interest rate curves (market interest curve plus current spread; source: Thomson Reuters or Bloomberg).

(29) LIABILITIES

In accordance with IFRS 9, the first-time assessment of liabilities is generally at fair value, taking into account transaction costs and premiums/discounts. Subsequently, non-current liabilities are stated using amortized acquisition cost using the effective interest method. The differences between the disbursement amount less transaction costs and the repayment amount are recognized in profit or loss over the term.

The fair values of the balance sheet items miscellaneous liabilities, trade liabilities and other liabilities essentially correspond to the carrying amounts.

Severance package commitments for agreements made as of the balance sheet date are recognized as other liabilities and – if they are not yet included in individual agreements and if they are part of a restructuring commitment in accordance with IAS 37 – are stated as other provisions.

Movements in the liabilities are shown in the following:

€ million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2022								
Trade liabilities including advance payments received	7,940	76	21	6	6	8	**117**	**8,057**
Miscellaneous and other liabilities	4,463	170	160	167	17	302	**816**	**5,279**
Total	**12,403**	**246**	**181**	**173**	**23**	**310**	**933**	**13,336**
thereof non-financial liabilities	2,660	8	3	2	2	4	**19**	**2,679**
thereof advance payments received	297	2	2	2	1	4	**11**	**308**
thereof due to related parties	185	–	–	–	–	–	**–**	**185**
AS OF DEC 31, 2021								
Trade liabilities including advance payments received	8,097	98	7	6	4	11	**126**	**8,223**
Miscellaneous and other liabilities	3,883	15	8	6	16	170	**215**	**4,098**
Total	**11,980**	**113**	**15**	**12**	**20**	**181**	**341**	**12,321**
thereof non-financial liabilities	2,613	11	3	2	2	6	**24**	**2,637**
thereof advance payments received	280	2	2	1	1	6	**12**	**292**
thereof due to related parties	152	0	–	–	–	–	**0**	**152**

The decline in trade liabilities was attributable to the DB Regional segment at € 228 million, with an increase in the Subsidiaries/Other segment (€ +134 million). Miscellaneous and other liabilities increased in the DB Regional segment (€ +617 million) and in the DB Long-Distance segment (€ +467 million). Please also refer to Segment information according to segments 214f.

Non-financial liabilities and advance payments received are not classified under any category of IFRS 9.

The miscellaneous and other liabilities were broken down as follows:

AS OF DEC 31 / € million	2022	2021
PERSONNEL-RELATED LIABILITIES		
Unused holiday entitlements	318	314
Outstanding overtime liability	304	284
Social security	129	137
Severance payments	36	25
Christmas bonuses	11	14
Vacation pay	25	28
Other personnel obligations	1,163	1,129
OTHER TAXES		
Value-added tax	81	91
Payroll and church taxes, solidarity surcharge	198	207
Miscellaneous other taxes	108	117
Interest payable	183	160
Revenue discounts	59	60
Deferred investment grants	286	243
Independent acknowledgement of debt issued for delivery transactions	771	–
Liabilities in accordance with the Railroad Crossings Act	4	0
Miscellaneous liabilities	1,603	1,289
Total	**5,279**	**4,098**

The increase in personnel-related liabilities resulted in particular from an increase in other personnel obligations in connection with the payment of pension obligations in Sweden and due to the increase in performance-related bonuses in the DB Schenker segment.

Liabilities as of December 31, 2022, were unchanged at € 0 million.

The miscellaneous other liabilities included existing risks for factoring agreements.

Commitments from issued independent acknowledgement of debt have been recognized in the balance sheet since the year under review. This resulted in an increase in miscellaneous and other liabilities of € 771 million. The commitments correspond to equal amounts of receivables from supply contracts that are hedged by bank guarantees in the event of a claim.

(30) INCOME TAX LIABILITIES

Income tax liabilities as of December 31, 2022, related in particular to commitments to the tax authorities in the United Kingdom, India and Germany.

(31) PENSION OBLIGATIONS

GRI

DB Group grants post-employment benefits to its employees in numerous countries. The form of the pension commitments depends on the legal, economic and tax conditions applicable in the particular country.

In DB Group, there are defined benefit as well as defined contribution retirement pension systems. The defined benefit commitments are assessed and accounted for in accordance with IAS 19. Major pension obligations exist only in Germany and in the United Kingdom. For this reason, only these pension obligations are described in greater detail in the following.

Germany

DB Group's pension obligations in Germany apply to both civil servants and employees.

After they retire, civil servants assigned to DB Group companies receive retirement benefits from the Federal Railway Fund under the Civil Servants Benefits Act (Beamtenversorgungsgesetz).

Only while the assigned civil servants are actively working for DB Group are payments made to the Federal Railway Fund as part of a pro forma settlement in the same way as for newly recruited employees (section 21 (1) DBGrG). This also includes theoretical amounts for contributions to statutory pension insurance schemes as well as theoretical costs in accordance with the collective bargaining agreements regarding the additional company pension scheme for employees of DB AG (Tarifvertrag über die betriebliche Zusatzversorgung; ZVersTV) and company pension plan (Tarifvertrag über die betriebliche Altersvorsorge; bAV-TV) of the employees of DB AG. The payments made to the Federal Railway Fund for retirement pensions of civil servants are defined contribution retirement schemes.

The pension obligations with regard to employees mainly relate to the following:

a) Employees who were employed by Deutsche Bundesbahn before DB AG was established (January 1, 1994) enjoy supplementary benefits in view of their former membership of the public sector. The employees are entitled to benefits from this additional pension insurance from Deutsche Rentenversicherung Knappschaft-Bahn-See (KBS). As an official authority, KBS has not only assumed responsibility for managing and paying the statutory pension for DB Group employees; it also continues the additional pension insurance for the transferred employees who are beneficiaries.

During the active phase of the employment agreement, a pro forma refund of expenses is also provided to the Federal Railway Fund for these employees. When the employee retires, this payment is no longer made to the Federal Railway Fund.

The Federal Railway Fund bears the costs of these additional benefits, less the contribution made by the employees themselves (section 14 (2) DBGrG). Accordingly, DB AG does not set aside any provisions for these public sector benefits.

b) Employees of the former Deutsche Reichsbahn and the employees who have been recruited after January 1, 1994, and before December 31, 2021, receive an additional company pension from DB AG within the framework of the ZVersTV. This supplementary company pension is a defined benefit scheme, which is linked to salary and length of service. The current pension benefits are adjusted every year in line with the regulations of the Company Pensions Act (Betriebsrentengesetz). Retirement benefits, invalidity benefits and benefits to surviving dependents are provided in the form of a lifetime pension. No plan assets are created for this scheme.

In addition, the employees in most Group companies receive a monthly contribution to the company retirement benefit scheme in the amount of 3.3% of the employee's monthly standard salary as well as of most of the salary elements paid in the month. The monthly contribution is paid into a pension plan (DEVK-Pensionsfonds). It is not necessary for provisions to be created for this purpose.

c) Various defined benefit pension obligations exist with regard to senior executives in DB Group who were granted a senior executive commitment before January 1, 2007. The extent of the benefits depends on the length of service and the salary of the beneficiary. In general, retirement benefits, invalidity benefits and benefits to surviving dependents are provided in the form of a lifetime pension. With the exception of a small number of reinsurance policies, there are no plan assets.

d) Senior executives of DB Group who were granted a senior executive commitment after December 31, 2006, are provided with a retirement benefit scheme in the form of a defined contribution commitment. For this purpose, a benefit module is calculated in each year of service, depending on the salary and age of the beneficiaries. These benefits are financed by way of a contractual trust arrangement (CTA), namely Deutsche Bahn Pension Trust e. V. The extent of the benefits depends on the yield of the CTA, whereby a minimum return is guaranteed (guarantees up to and including 2014: 2.25% p.a.; guarantees from 2015 onwards: only maintenance of contribution). To avoid longevity risks, the benefits are granted in the form of a five-year installment. The assets of the CTA are classified as plan assets. The pension obligation is covered by the plan assets on the assumption that the CTA produces a corresponding performance, thus minimizing investment risks. There are no legal or regulatory obligations requiring Deutsche Bahn Pension Trust e. V. to make minimum payments into the scheme. The contributions are invested in line with the fundamental assumption that the benefit commitment is guaranteed by a corresponding guarantee element. For each payment relating to an individual beneficiary, an age-related amount is invested in prime zero bonds. The investment amount remaining after the payment has been made into the guarantee element is mainly invested in passively managed European equity and bond funds (or equivalent products) with the aim of optimizing returns.

e) Senior executives are able to participate in a deferred compensation program. This employee-financed form of company pension plan constitutes a defined benefit obligation.

United Kingdom

a) The company pension plan of DB Cargo (UK) Holdings Limited is essentially a defined benefit pension plan (linked to salary and length of service) within the British Railway Pension Scheme. The plan assets are managed by an independent trustee. The process of collating the data of members in the plan for the purpose of compliance with legal requirements in relation to the members of the plan is generally carried out every three years. As of the intermediate valuation dates, the obligations in the plan are measured on the basis of the correspondingly updated data. The pension plan is based on final salary, and lifetime pensions are provided as benefits. The pension obligations are essentially covered by plan assets. Capital is invested by the trustee of the plan assets following liaison with DB Group.

b) At DB Arriva, there are mainly defined benefit retirement benefit commitments. Important defined benefit plans (related to salary and length of service) relate to employees of DB Arriva within the Railway Pension Scheme in the United Kingdom. These are sections other than the DB Cargo UK plan within the Railway Pension Scheme. The costs of the pension plans are reduced in a ratio of 60:40 (employer:employee) and accordingly recognized in the balance sheet. The pension plan is based on final salary, and lifetime pensions are provided as benefits. The corresponding pension obligations are essentially covered by plan assets. Capital is invested by the trustee of the plan assets following liaison with DB Group.

Some companies pay contributions within the framework of a franchise agreement to the British Railway Pension Scheme for employees employed for the duration of the agreement (franchise period). The obligations to these employees as well as the plan assets are completely disclosed after deduction of the element financed by the employees (40%). Within the framework of recognizing the effect of franchise agreements, the present value of the contributions payable for the duration of the franchise agreements for reducing a scheme deficit remains as a net liability recognized in the balance sheet. The current contributions to the benefit scheme are shown as personnel expenses.

In addition, individual companies of DB Arriva also issued defined contribution retirement benefit commitments to their employees. Under such arrangements, the employer does not enter into any obligations apart from paying contributions to an external benefit scheme. The extent of the future pension benefits depends exclusively on the amount of contributions paid to the external benefit scheme, including the income generated by investing these contributions.

In addition, some contributions have also been paid to social pension funds within the context of statutory regulations (government schemes).

Critical estimations and assessments

In the case of the defined benefit pension obligations in Germany and abroad, the actuarial risks are borne by DB Group. Actuarial methods have been used for measuring defined benefit pension commitments as well as benefit commitments which are similar to pensions and the resultant expenses and income. The valuations are based on actuarial assumptions. There are the following actuarial risks which are considered to be typical for companies with defined benefit schemes:

- ***Interest risk:** The discount factors which are used reflect the interest rates (giving due consideration to the duration of the underlying obligation) which are achieved on the balance sheet date for high-quality fixed-interest senior bonds with a corresponding duration. A change in the discount rate results in a change in the present value of the total obligation (DBO).*
- ***Inflation risk:** Part of the pension obligations, particularly as a result of adjustments to current pensions, is linked to the development of inflation.*
- ***Longevity risk:** A longevity risk may occur in the form of extended periods in which pensions are paid out as a result of an increase in life expectancy in future.*
- ***Investment risk:** In the case of externally financed pension plans, the values of the corresponding plan assets or the refund claims are based on the fair values as of the balance sheet date. The capital investment is exposed to numerous risks, which may have an impact on the present value recognized for the plan assets. In the case of pension schemes with an obligation to pay into the scheme, the amount of future contributions may be affected by the investment risk.*

Key assumptions for expenses and income attributable to pension commitments and benefit commitments similar to pensions are to some extent based on current market conditions. Expenses and income relating to pension commitments and benefit commitments similar to pensions may change as a result of changes to these underlying key assumptions.

The figures stated for pension provisions in the balance sheet are detailed in the following table:

AS OF DEC 31 / € million	Germany 2022	Germany 2021	Europe (excluding Germany) 2022	Europe (excluding Germany) 2021	Rest of world 2022	Rest of world 2021	Total 2022	Total 2021
Commitments for funded benefits	339	424	3,943	6,586	40	62	**4,322**	**7,072**
Commitments for unfunded benefits	2,782	4,371	58	73	11	14	**2,851**	**4,458**
Total obligations	**3,121**	**4,795**	**4,001**	**6,659**	**51**	**76**	**7,173**	**11,530**
Fair value of the plan assets	- 271	- 328	- 3,949	- 5,207	- 33	- 40	**- 4,253**	**- 5,575**
Effects due to cost sharing	–	–	- 34	- 420	–	–	**- 34**	**- 420**
Effects due to franchise agreements	–	–	- 34	- 604	–	–	**- 34**	**- 604**
Amount not recognized as an asset as a result of the IAS 19.58 restriction	–	–	0	0	–	–	**0**	**0**
Asset recorded on the balance sheet as receivables from plan assets	–	–	118	100	–	–	**118**	**100**
Net obligations recognized in the balance sheet	**2,850**	**4,467**	**102**	**528**	**18**	**36**	**2,970**	**5,031**

The total pension commitment has developed as follows:

€ million	Germany 2022	Germany 2021	Europe (excluding Germany) 2022	Europe (excluding Germany) 2021	Rest of world 2022	Rest of world 2021	Total 2022	Total 2021
Commitments as of Jan 1	4,795	5,530	6,659	6,909	76	79	**11,530**	**12,518**
Service cost, excluding employee contributions	189	228	48	72	3	4	**240**	**304**
Employee contributions	3	3	25	31	0	0	**28**	**34**
Interest expense	52	16	92	67	1	0	**145**	**83**
Payments	- 98	- 85	- 192	- 458	- 7	- 3	**- 297**	**- 546**
thereof pension payments	- 94	- 85	- 184	- 170	- 7	- 3	**- 285**	**- 258**
thereof payments for settlements	- 4	0	- 8	- 288	–	0	**- 12**	**- 288**
Past service costs and profit or losses from settlements	4	3	- 2	- 60	0	- 1	**2**	**- 58**
Transfers	1	2	0	0	–	–	**1**	**2**
Changes in the scope of consolidation	- 8	3	- 18	–	–	–	**- 26**	**3**
thereof additions in scope of consolidation	–	3	–	–	–	–	**–**	**3**
thereof disposals in scope of consolidation	- 8	–	- 18	–	–	–	**- 26**	**–**
Actuarial gains (-) / losses (+)	- 1,817	- 905	- 2,370	- 338	- 22	- 8	**- 4,209**	**- 1,251**
from revaluations based on experience	- 125	- 31	485	128	0	1	**360**	**98**
from changes in demographic assumptions	- 2	- 3	- 38	- 22	- 1	0	**- 41**	**- 25**
from changes in financial assumptions	- 1,690	- 871	- 2,817	- 444	- 21	- 9	**- 4,528**	**- 1,324**
Exchange rate effects	–	–	- 241	436	0	5	**- 241**	**441**
Scope of commitments as of Dec 31	**3,121**	**4,795**	**4,001**	**6,659**	**51**	**76**	**7,173**	**11,530**

The amounts reported in the previous year under payments for settlements in the above and in the following tables mainly relate to the payment of pension obligations at Arriva plc, Sunderland / United Kingdom.

The development of the plan assets is detailed in the following overview:

€ million	Germany 2022	Germany 2021	Europe (excluding Germany) 2022	Europe (excluding Germany) 2021	Rest of world 2022	Rest of world 2021	Total 2022	Total 2021
Fair value of plan assets as of Jan 1	328	314	5,207	4,503	40	37	**5,575**	**4,854**
Employer contributions	30	31	79	85	2	1	**111**	**117**
Employee contributions	1	1	25	31	0	0	**26**	**32**
Notional return from plan assets	4	1	86	56	0	0	**90**	**57**
Payments	- 5	- 5	- 185	- 241	- 7	- 2	**- 197**	**- 248**
thereof pension payments	- 5	- 5	- 177	- 158	- 7	- 2	**- 189**	**- 165**
thereof payments for settlements	–	–	- 8	-83	–	–	**- 8**	**-83**
Transfers	–	–	–	–	–	–	**–**	**–**
Changes in the scope of consolidation	0	1	- 13	–	–	–	**- 13**	**1**
Revaluation	- 87	- 15	- 1,016	463	- 2	2	**- 1,105**	**450**
Administrative costs: costs of pension assurance	–	–	- 10	- 10	0	- 1	**- 10**	**- 11**
Exchange rate effects	–	–	- 224	320	0	3	**- 224**	**323**
Fair value of plan assets as of Dec 31	**271**	**328**	**3,949**	**5,207**	**33**	**40**	**4,253**	**5,575**

The reported plan assets are broken down as follows:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
AS OF DEC 31 / € million	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	**2021**
Stocks and other securities	12	12	1,866	2,288	10	12	**1,888**	**2,312**
thereof with market price listing	12	12	1,866	2,288	10	12	**1,888**	**2,312**
Interest-bearing securities	158	213	1,426	2,115	21	24	**1,605**	**2,352**
thereof with market price listing	158	213	1,426	2,115	21	24	**1,605**	**2,352**
Reinsurance	68	69	96	121	–	–	**164**	**190**
thereof with market price listing	68	69	82	103	–	–	**150**	**172**
thereof without market price listing	–	–	14	18	–	–	**14**	**18**
Private equity	–	–	158	220	–	–	**158**	**220**
thereof without market price listing	–	–	158	220	–	–	**158**	**220**
Investments in infrastructure	–	–	167	210	–	–	**167**	**210**
thereof with market price listing	–	–	167	210	–	–	**167**	**210**
Cash and other assets	33	34	236	253	2	4	**271**	**291**
thereof with market price listing	33	34	69	77	0	2	**102**	**113**
thereof without market price listing	–	–	167	176	2	2	**169**	**178**
	271	**328**	**3,949**	**5,207**	**33**	**40**	**4,253**	**5,575**
thereof assets recorded as receivables from plan assets	–	–	- 118	- 100	–	–	**- 118**	**- 100**
	271	**328**	**3,831**	**5,107**	**33**	**40**	**4,135**	**5,475**

Changes in the net pension provisions are detailed in the following:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
€ million	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	**2021**
Provision as of Jan 1	4,467	5,216	528	1,259	36	42	**5,031**	**6,517**
Pension expenses	243	248	62	33	4	4	**309**	**285**
thereof service cost	189	228	48	72	3	4	**240**	**304**
thereof employee contributions	2	2	–	–	–	–	**2**	**2**
thereof interest income and interest expenses	48	15	6	11	1	0	**55**	**26**
thereof administrative expenses	–	–	10	10	0	1	**10**	**11**
thereof past service costs and profits or losses from settlements	4	3	- 2	- 60	0	- 1	**2**	**- 58**
Employer contributions	- 30	- 31	- 79	- 85	- 2	- 1	**- 111**	**- 117**
Payments	- 93	- 80	- 7	- 217	0	- 1	**- 100**	**- 298**
thereof pension payments	- 89	- 80	- 7	- 12	0	- 1	**- 96**	**- 93**
thereof payments for settlements	- 4	0	0	- 205	–	0	**- 4**	**- 205**
Transfers	1	2	0	0	–	–	**1**	**2**
Changes in the scope of consolidation	- 8	2	- 5	–	–	–	**- 13**	**2**
thereof additions in scope of consolidation	–	2	–	–	–	–	**–**	**2**
thereof disposals in scope of consolidation	- 8	–	- 5	–	–	–	**- 13**	**–**
Revaluation	- 1,730	- 890	- 414	- 582	- 20	- 10	**- 2,164**	**- 1,482**
from revaluations based on experience	- 125	- 31	405	83	0	1	**280**	**53**
from changes in demographic assumptions	- 2	- 3	- 36	- 20	- 1	0	**- 39**	**- 23**
from changes in financial assumptions	- 1,690	- 871	- 1,756	- 270	- 21	- 9	**- 3,467**	**- 1,150**
Difference between actual income and theoretical income from plan assets	87	15	973	- 375	2	- 2	**1,062**	**- 362**
Exchange rate effects	–	–	- 6	42	0	2	**- 6**	**44**
Change in recognized assets	–	–	23	78	–	–	**23**	**78**
Provisions as of Dec 31	**2,850**	**4,467**	**102**	**528**	**18**	**36**	**2,970**	**5,031**

All other items were recognized under personnel expenses.

The actuarial parameters used for assessing the value of most of the pension provision are set out in the following:

%	2022	2021
INTEREST RATE		
Germany and abroad (excluding United Kingdom)	3.80	1.10
United Kingdom	4.75	1.90
EXPECTED RATE OF SALARY INCREASES		
Germany and abroad (excluding United Kingdom)	4.10	3.10
United Kingdom	3.30	3.50
EXPECTED RATE OF PENSION INCREASE (DEPENDING ON GROUP OF PERSONNEL)		
Germany and abroad (excluding United Kingdom)	2.00	1.75
United Kingdom	2.30	2.50

The 2018 G mortality tables of Professor Dr. Klaus Heubeck have been used without changes for valuing the pension obligations for the German Group companies. Country-specific or benefit-scheme-specific mortality tables have been used for valuing the pension obligations of the other Group companies.

Sensitivities and additional information:

AS OF DEC 31 / € million	2022	2021
Total obligation for an interest rate increased by 1 percentage point	6,225	9,528
Total obligation for an interest rate reduced by 1 percentage point	8,364	14,186
Total obligation with salary growth increased by 0.5%	7,239	11,673
Total obligation for pensions increased by 0.5%	7,473	12,288
Total obligation for life expectancy increased by 1 year	7,411	11,876
Total obligations	7,173	11,530
thereof active beneficiaries	3,027	5,308
thereof former employees	1,245	2,252
thereof pensioners	2,901	3,970
Expected payments into plan assets for next year	110	107
Direct pension payments for next year	116	116
Duration of benefit obligation (years)	15.5	20.2

The sensitivity figures have been established using the method which was used for calculating the extent of the commitment. One assumption was modified while the other assumptions were retained, which means that interdependencies between the individual assumptions were disregarded.

(32) OTHER PROVISIONS

Other provisions are recognized if a legal or constructive commitment exists as a result of a past event, the probability of its utilization is greater than 50% and it will lead to an outflow of resources, and if a reliable estimate of the extent of the commitment can be made (IAS 37 Provisions, Contingent Liabilities and Contingent Assets).

Non-current provisions are discounted using market interest rates. Environmental protection provisions for the rehabilitation of existing ecological legacy issues are discounted on the basis of real interest rates, which are adjusted to reflect the risk and the period until fulfillment. The difference between the nominal value of the expected outflows and the present value recognized for the environmental protection provisions of DB AG for transferred liabilities for the elimination of legacy issues from the time previous to the foundation of DB AG is stated under deferred items, and represents the interest benefit resulting from the longer-term release of the provision. The compounding expense attributable to other provisions is recognized in net interest income. Provisions for impending losses are measured as the lower of the amount of the expected costs for fulfilling the agreement and the expected costs for terminating the agreement.

Critical estimations and assessments

The process of determining all types of provisions is associated with estimates regarding the extent and/or timing of obligations.

The environmental protection provisions relate primarily to the obligation of DB AG to remedy the ecological burdens which arose before January 1, 1994, on the land of the former Deutsche Bundesbahn and the former Deutsche Reichsbahn. Ecological burdens are defined as contamination of soil and groundwater that requires rehabilitation and that pose risks, considerable disadvantages or considerable problems for private individuals or society at large. The legal basis for deriving remediation obligations are summarized in the soil and water laws of the Federal Government and the Federal states. The process of dealing with ecological burdens also comprises necessary remediation measures for existing sewers, in order to avoid soil and groundwater contamination caused by leaks from the sewer system, as well as measures for shutting down old landfill sites.

The provision has been calculated on the basis of a discounting method using the present value, where remediation measures are probable, the remediation costs can be reliably estimated and no future benefit is expected to be derived from these measures.

The estimation of future remediation costs is subject to various factors. Major drivers in this respect can be the application of innovative rehabilitation measures, changes in legal conditions and also the development in market prices for disposing of legacy issues. In order to make a realistic assessment of the remediation costs in individual cases, the working programs have included adjustments to cost estimates as a result of greater knowledge and official agreements in the successive processing stages.

For the valuation of provisions as of the balance sheet date, the investigation and rehabilitation obligations which are currently known have been used as the basis for estimating the expected costs in relation to the current price level. The provision is discounted on the basis of expected cash outflows, using a risk-adjusted interest rate of 0.09% (as of Dec 31, 2021: 0.00%).

Provisions for impending losses from pending transactions are created if a loss is probable and can be reliably estimated. In view of the uncertainty associated with this assessment, the actual losses may differ from the original estimates and may thus also differ from the amount of the provision. In DB Group, such uncertainty results particularly from the estimates of future income from transport contracts, the associated material- and personnel-related expenses as well as any penalty payments. Changes in the estimations of these impending losses from pending transactions may have a considerable impact on the future income development.

The provisions for decommissioning are measured mainly on the basis of estimations that, for decommissioning and disposal costs, are derived mainly from sector-specific appraisals. The provisions are shown with their discounted settlement amount at the point at which they originate.

Movements in other provisions are shown in the following:

€ million	Personnel-related provisions 2022	2021	Revenue discounts 2022	2021	Provisions for impending losses 2022	2021	Decommissioning obligations 2022	2021	Environmental protection 2022	2021	Other provisions 2022	2021	Total 2022	2021
As of Jan 1	910	942	2,254	1,785	590	604	433	409	1,443	985	1,866	1,316	**7,496**	**6,041**
Currency translation effects	0	1	0	0	-4	5	–	–	0	0	-4	9	**-8**	**15**
Changes in the scope of consolidation	-5	1	-24	1	–	–	–	–	–	–	10	1	**-19**	**3**
thereof additions in scope of consolidation	0	1	–	1	–	–	–	–	–	–	19	1	**19**	**3**
thereof disposals in scope of consolidation	-5	–	-24	–	–	–	–	–	–	–	-9	–	**-38**	**–**
Amounts used	-250	-295	-485	-371	-164	-204	-44	-18	-45	-51	-253	-193	**-1,241**	**-1,132**
Reversals	-83	-52	-202	-138	-38	-35	-8	-10	0	0	-217	-167	**-548**	**-402**
Reclassifications [1]	-22	-6	13	5	-32	-2	–	–	-1	–	-35	-1	**-77**	**-4**
Additions	310	319	1,048	972	212	222	89	19	1	509	442	903	**2,102**	**2,944**
Compounding and discounting	-32	0	–	–	-19	0	-5	33	-15	–	-64	-2	**-135**	**31**
As of Dec 31	**828**	**910**	**2,604**	**2,254**	**545**	**590**	**465**	**433**	**1,383**	**1,443**	**1,745**	**1,866**	**7,570**	**7,496**

[1] The reclassifications in the year under review related to the sale of DB Arriva's activities in Denmark, Poland and Serbia as well as DB Schenker's activities in Russia at a total of € 59 million.

The following table breaks down the other provisions into current and non-current amounts, and also details their estimated residual maturity:

	Residual maturity							
€ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2022								
Personnel-related provisions	336	143	98	62	46	143	**492**	**828**
Revenue discounts	2,604	–	–	–	–	–	**–**	**2,604**
Provisions for impending losses	241	97	93	43	35	36	**304**	**545**
Decommissioning commitments	79	45	45	45	45	206	**386**	**465**
Environmental protection	55	58	59	57	52	1,102	**1,328**	**1,383**
Other provisions	1,295	106	99	61	60	124	**450**	**1,745**
Total	**4,610**	**449**	**394**	**268**	**238**	**1,611**	**2,960**	**7,570**
AS OF DEC 31, 2021								
Personnel-related provisions	356	143	101	65	49	196	**554**	**910**
Revenue discounts	2,254	–	–	–	–	–	**–**	**2,254**
Provisions for impending losses	255	97	100	72	31	35	**335**	**590**
Decommissioning commitments	37	45	44	44	44	219	**396**	**433**
Environmental protection	58	63	68	71	80	1,103	**1,385**	**1,443**
Other provisions	1,373	94	88	51	62	198	**493**	**1,866**
Total	**4,333**	**442**	**401**	**303**	**266**	**1,751**	**3,163**	**7,496**

Personnel-related provisions

Benefits arising on the occasion of the termination of employment agreements (severance packages) become payable if employees are released from their duties under the terms of an early retirement or semi-retirement scheme before the regular retirement age (which would not involve any reduction of retirement benefits) or if employees voluntarily terminate their employment contract in return for a severance package. Severance payments are recognized if there is a demonstrable commitment either to terminate the employment agreements of current employees in accordance with a detailed formal plan that cannot be reversed or to make severance payments if the employment contract is voluntarily terminated by employees within the framework of employment contract termination agreements.

Severance package commitments for agreements made as of the balance sheet date are recognized as other liabilities and – if they are not yet included in individual agreements and if they are part of a restructuring commitment in accordance with IAS 37 – are stated as other provisions.

Individual contractual agreements on part-time working in the lead-up to retirement are usually based on the block model. The top-up amounts paid in addition to salary by DB Group during the period of part-time working in the lead-up to retirement, as well as additional contributions to the statutory pension insurance scheme, are collected in installments up to the end of the active phase of the semi-retirement period and are recognized as provisions in accordance with IAS 19. The compensation backlog (plus the employer's contributions to social security insurance) for the additional work performed during the employment phase is also shown with the present pro rata present value as another non-current employee benefit.

If certain conditions are satisfied, under the collective bargaining agreement, DB Group offers its employees the opportunity to reduce their working hours to a level below their regular working hours (special semi-retirement arrangement). In these cases, the number of working hours is reduced to 81% of the reference or regular working hours, whereby the employees' remuneration is topped up to 90%. Payments into the company retirement benefit scheme are granted on the basis of 100% of the reference or regular working hours.

The personnel-related provisions were structured as follows:

AS OF DEC 31 / € million	2022	2021
Personnel contractual commitments	385	431
Early retirement and semi-retirement obligations	184	187
Service anniversary provisions	92	114
Other	167	178
Total	**828**	910

The personnel-related provisions included commitments arising from employment agreements that result from the entitlement of many employees under labor law and the willingness of DB AG not to terminate employment contracts for operational reasons. In such cases, DB Group will incur losses in the form of personnel expenses which will have to be borne until the employment contract is terminated or the employee is placed with another company; no reciprocal benefit will be provided in return for these costs (commitment surpluses relating to employment agreements). In addition, personnel contractual commitments included restructuring provisions.

A figure of about € 346 million was allocated to the provision for obligation surpluses from employment arrangements as of December 31, 2022 (as of December 31, 2021: € 395 million); this item accounted for a considerable percentage of the personnel-related provisions in DB Group. This provision recognizes the personnel-related commitments of DB AG for the employment guarantee included in the collective bargaining agreement designed to address demographic change (Demografietarifvertrag; DemografieTV).

The provisions for semi-retirement and early retirement commitments take into account the commitments arising from collective bargaining agreements, and have been calculated on the basis of actuarial reports. The regulations of DemografieTV on special part-time work in old age included an amount of € 86 million (as of December 31, 2021: € 82 million) for the entitlement of employees with many years of service and also many years of shift working to enjoy special semi-retirement benefits.

Revenue discounts

The increase in revenue discounts was mainly due to reductions at DB Regional in connection with concession fees as a result of the effects of the Covid-19 pandemic and the introduction of the temporary 9-Euro-Ticket and repayment risks from the industry solution for local public transport, which is intended to cushion the impact of Covid-19 for the industry.

Provisions for impending losses

The provisions for impending losses mainly relate to transport contracts in which commitment surpluses build up over the duration of the contracts. The additions related mainly to DB Regional and DB Arriva.

As of December 31, 2022, an amount of € 164 million (as of December 31, 2021: € 183 million) was allocated to DB Regional and € 8 million (as of December 31, 2021: € 17 million) to DB Arriva. This was due to various factors, including assumptions regarding reduced revenues from fares in future as well as higher maintenance expenses and higher energy prices. In particular, the estimates regarding the development of future revenues from fares are subject to particular uncertainty due to the Covid-19 crisis.

Decommissioning provisions

The provisions for decommissioning commitments referred to the pro rata decommissioning commitment in relation to a joint power generation plant. The valuation of the provision considered a standard cost increase rate in this sector of 3.25 % (as of December 31, 2021: 2.50 %) and a nominal interest rate of 3.00 % (as of December 31, 2021: 2.50 %). The 19th amendment to the Atomic Energy Act, which regulates fixed-term line operation no later than April 15, 2023, resulted in an additional allocation to decommissioning provisions of € 33 million in the year under review.

Provisions for environmental protection

Of the provisions for environmental protection € 1,374 million were allocated to DB AG as of December 31, 2022, (as of December 31, 2021: € 1,434 million). The change of € 60 million resulted from the utilization of restructuring obligations (€ 45 million) and an interest effect (€ 15 million). In order to take account of the remedial action obligations recognized in the environmental protection provisions, DB AG has set up various programs, including the following:

- the 4-stage soil decontamination program
- the 3-stage sewerage network program
- the 2-stage landfill shut-down program

The structured processing ensures that the procedure for recognizing, assessing the risk and taking appropriate remedial action is consistent with all legal requirements and optimized in terms of costs.

In the 4-stage soil decontamination program, existing soil and/or groundwater contamination is localized via the stages "historic exploration," "orienting investigation" and "detailed investigation," and is assessed on the basis of the relevant statutory testing criteria. If any negative change in soil conditions or ecological burdens is identified, implementation of the necessary remedial action is planned by the steps feasibility study, model planning and approval planning. The process of carrying out the remedial action is supported by a binding remedial action plan or a public-sector agreement with defined remedial action objectives.

The 3-stage sewerage network program aims to remedy any contamination of soil and/or groundwater resulting from leaks. The program also involves a plan to optimize the existing sewerage network to ensure that it is capable of meeting future requirements and to ensure that the need to take remedial action can be limited to this future network. The network that is not necessary for operation will be decommissioned. The sewerage program will be carried out via the stage 1 "recording," stage 2 "inspection" and stage 3 "remedial action/decommissioning." Legal requirements are set out in the Water Resources Accounting Act (Wasserhaushaltsgesetz; WHG), the Water Acts of the Federal states and the in-house control regulations.

The 2-stage program "shut-down of landfill sites" systematically records all legacy landfill sites operated by DB Group (stage 1). The requirements resulting from the Recycling Accounting Act (Kreislaufwirtschaftsgesetz; KrWG) and the Landfill Site Regulation (Deponieverordnung; DepV) are used as the basis for planning and implementing the processes of decommissioning and recultivating the areas (stage 2a) and the subsequent maintenance (stage 2b).

Other provisions

The other provisions comprised provisions for project risks, compensation for damages, real estate risks, decommissioning and demolition obligations, guarantee and warranty obligations, insurance and project risks, third-party obligations for maintenance and other tax risks as well as numerous other issues which individually are of minor significance.

(33) DEFERRED ITEMS

DB Group receives various public-sector grants, which are generally granted in relation to assets or income. The grants are recognized in the balance sheet as soon as it is certain that they will be provided and as soon as the conditions necessary for receiving the grants have been satisfied. The grants related to assets, and in particular investment grants, are deducted directly from the assets for which the grants have been received. The interest benefit (spread between nominal value and present value) of interest-free loans is deferred on the basis of the contractual grant conditions. The income from pro rata reversal of these accruals is shown as other operating income.

The deferred items contained the following:

AS OF DEC 31 / € million	2022	2021
Deferred public-sector grants	137	145
Deferred revenues	904	724
Other	384	380
Total	**1,425**	**1,249**
Non-current share	526	406
Current share	899	843

The changes to deferred revenues resulted from the DB Long-Distance and DB Regional segments.

€ million	2022	2021
As of Jan 1	0	67
Reversals	–	–67
As of Dec 31	**0**	**0**

Deferred revenues constituted that part of compensation that is attributable to the period after the balance sheet date.

Notes to the statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents in the year under review, and was prepared in accordance with IAS 7 (Statement of Cash Flows). The indirect method has been used for showing cash flow from operating activities.

Interest income and interest payments, dividend income as well as tax payments are stated under operating activities.

Cash and cash equivalents include the cash and cash equivalents stated in the balance sheet with a residual maturity of up to three months (cash in hand, cash at banks as well as security investments). As of December 31, 2022, € 1,277 million of the cash and cash equivalent (as of December 31, 2021: € 1,162 million) was subject to restrictions mainly as a result of provisions of the rail franchises in the United Kingdom as well as due to country-specific and contractual restrictions particularly in international logistics business.

Current receivables due from banks (as of December 31, 2022: € 142 million; as of December 31, 2021: € 83 million), resulting from collateral agreements in connection with financial futures, are shown under current other receivables and assets. Because it is becoming increasingly difficult to predict the development in the value of the financial futures, it can only be assumed to a limited extent that such hedges represent current liquidity.

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities is calculated by adjusting the net profit/loss for the period before taxes by items that are not cash-effective (in particular additions to and reversals of other provisions) and by adding other changes in current assets, in liabilities (excluding financial debt) and provisions. The cash flow from operating activities is then established after due consideration is given to interest and tax payments.

In accordance with IFRS 16, outflows related to leases are recognized in cash flow from financing activities if they are redemption payments, and are recognized in cash flow from operating activities if they are payments of interest.

The cash flow from operating activities has increased considerably in the year under review. This was due to a significantly higher net profit for the year, adjusted for reduced depreciation on property, plant and equipment and intangible assets, lower trade liabilities and reduced non-cash expenses.

Non-cash expenses and income decreased in the year under review, particularly as a result of a significantly lower balance of expenses from additions to and reversals of other provisions (€ +553 million).

CASH FLOW FROM INVESTING ACTIVITIES

The cash flow from investing activities is calculated as the cash inflow provided by the disposal of property, plant and equipment and intangible assets as well as by investment grants, and the cash outflow for capital expenditures in property, plant and equipment and intangible assets, as well as cash flow from the addition and disposal of non-current financial assets.

Payments received from investment grants are shown under investing activities due to the close connection between investment grants received and the payments made for capital expenditures in property, plant and equipment assets.

The significant increase in cash outflow from investing activities resulted in particular from increased payments for investments in financial assets, especially for investments in short-term money-market funds (€ 501 million) and from the acquisition of shares in consolidated companies (in the year under review: € 272 million; previous year: € 45 million). Capital expenditures on property, plant and equipment increased slightly by € 128 million. In contrast, the net inflow from investment grants fell (€ –491 million; –5.5%). On balance, inflows and outflows for investments in financial assets included outflows of € 326 million to pay for investments from the acquisition of transport concessions (IFRIC 12).

When changes take place in the scope of consolidation as a result of the acquisition or sale of companies, the acquisition price paid (excluding any liabilities that are transferred) less the acquired or sold financial resources are stated as cash flow from investing activities.

CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities is due to additions to capital, the net inflows and outflows attributable to senior bonds issued, changes in bank borrowings and loans as well as outflows for the redemption of finance leasing liabilities and interest-free loans.

The cash inflow from financing activities decreased by a further € 748 million. This was due in particular to a decline in the net outflow from the raising and repayment of funds of, mainly from the repayment of bank debts and a reduced net inflow from the issue and redemption of senior bonds. In addition, there were lower proceeds from capital injections and reduced redemption payments for leases.

INFORMATION REGARDING THE CHANGES IN FINANCIAL LIABILITIES (IAS 7)

€ million	As of Jan 1, 2022	Cash changes (inflow [+]/ outflow [-])	Non-cash changes: Acquisition (+)/ disposal (-) of companies	Non-cash changes: Exchange rate effects	Non-cash changes: Addition (+)/ disposal (-) of liabilities and financial receivables	Non-cash changes: Compounding [1]	As of Dec 31, 2022
Financial receivables	-83	-59	–	–	–	–	-142
LIABILITIES FROM FINANCING							
Interest-free loans	446	-157	–	–	-7	16	298
Senior bonds	27,403	1,487	–	-105	–	17	28,802
Bank borrowings	1,320	735	-40	0	–	–	545
EUROFIMA loan	–	–	–	–	–	–	–
Leasing liabilities [1]	5,059	-1,059	59	-29	1,148	2	5,180
Liabilities from transport concessions	180	-16	–	–	–	–	164
Other financial liabilities	78	149	65	-11	3	–	284
Liabilities from financing	**34,486**	**-331**	**84**	**-145**	**1,144**	**35**	**35,273**
Total	**34,403**	**-390**	**84**	**-145**	**1,144**	**35**	**35,131**

[1] The outflows for leasing liabilities including interest paid amounted to € 1,147 million as of December 31, 2022. For the statement of cash flows, these were broken down into an interest component and a redemption component. This interest element is netted under compounding.

€ million	As of Jan 1, 2021	Cash changes (inflow [+]/ outflow [-])	Non-cash changes: Acquisition (+)/ disposal (-) of companies	Non-cash changes: Exchange rate effects	Non-cash changes: Addition (+)/ disposal (-) of liabilities and financial receivables	Non-cash changes: Compounding [1]	As of Dec 31, 2021
Financial receivables	-856	187	–	–	586	–	-83
LIABILITIES FROM FINANCING							
Interest-free loans	580	-157	–	–	–	23	446
Senior bonds	24,021	3,028	–	337	–	17	27,403
Bank borrowings	3,304	-1,986	–	2	–	–	1,320
EUROFIMA loan	200	-200	–	–	–	–	–
Leasing liabilities [1]	4,931	-1,164	35	55	1,202	0	5,059
Liabilities from transport concessions	191	-25	–	–	14	–	180
Other financial liabilities	97	-16	1	0	-4	–	78
Liabilities from financing	**33,324**	**-520**	**36**	**394**	**1,212**	**40**	**34,486**
Total	**32,468**	**-333**	**36**	**394**	**1,798**	**40**	**34,403**

[1] The outflows for leasing liabilities including interest paid amounted to € 1,244 million as of December 31, 2021. For the statement of cash flows, these were broken down into an interest component and a redemption component. This interest element is netted under compounding.

Notes to the segment information according to segments

The DB Group segment reporting has been prepared in accordance with IFRS 8 (Operating Segments). The operating segments of DB Group result from the aggregation of fully consolidated legal entities; these legal entities have been allocated to specific segments on the basis of the company-specific operational performance on a defined market. The Management Board takes its decisions and carries out economic analyses as well as assessments at the level of the operating segments ("management approach").

The allocation of legal entities to operating segments in external accounting is consistent with the allocation in internal management reporting. This means that the management and legal structure of DB Group are congruent. As a result of this allocation principle, there are no partial balance sheets or partial income statements within a legal entity that are allocated to different segments.

In this context, management reporting is addressed to the Management Board in its function as the primary decision maker. Management reporting in DB Group is based on the accounting principles in accordance with IFRS. With regard to reconciling the segment data with the corresponding corporate data, it is accordingly mainly necessary to take account of consolidation effects. For this reason, a consolidation column is used for reconciliation purposes. The operations of the business segments are covered in the reporting format in line with the corporate organization structure of DB Group. The main regions covered by DB Group are detailed in the segment information by regions.

DB Group includes the following segments of the Integrated Rail System:

- **DB Long-Distance:** The DB Long-Distance segment comprises all cross-regional transport and service operations and other passenger transport services. Most of these transport services are provided in Germany.
- **DB Regional:** The DB Regional segment combines the activities for the German transport and general services in regional rail and road local passenger transport. These activities also comprise the S-Bahn (metro) operations in Berlin and Hamburg.
- **DB Cargo:** All European rail freight transport activities are pooled in the DB Cargo segment. In addition, the multimodal activities in the large-volume full load transport of the European land transport network are included (Changes in segment allocation 218). It operates primarily in Germany, Denmark, the Netherlands, Italy, the United Kingdom, France, Poland and Spain.
- **DB Netze Track:** The DB Netze Track segment is responsible for installing, maintaining and operating our track-related rail infrastructure in Germany.
- **DB Netze Stations:** The DB Netze Stations segment comprises the operation, development and marketing of passenger stations and retail facilities in stations in Germany.
- **DB Netze Energy:** The DB Netze Energy segment provides all standard energy products in the fields of transport energy and stationary energy.
- **Subsidiaries/Other:** DB AG with its numerous management, financing and service functions in its capacity as the management holding company of DB Group is shown in this segment. This also includes the service companies which mostly render the services within DB Group in the fields of transport, logistics, information technology and telecommunications. The other subsidiaries and remaining activities are classified under Subsidiaries/Other as well.

In addition to the Integrated Rail System, there are the following segments:

- **DB Schenker:** All global logistics activities of DB Group are classified under the DB Schenker segment. These comprise freight forwarding, transport and other services in commodity and goods transport.
- **DB Arriva:** All European local transport activities (rail and bus) outside Germany are pooled in the DB Arriva segment.

The data concerning the segments are shown after intra-segment relations have been eliminated. The transactions between the segments (inter-segment relations) are eliminated in the column consolidation.

The income and expenses detailed on the basis of operating segments in the segment information according to segments are adjusted by issues which are of an exceptional nature in terms of the amount involved or in terms of the reason for the specific issue. A general adjustment is recognized for book profits and losses attributable to transactions with investments/financial assets and in the amount of the depreciation on long-term customer contracts that have been capitalized as part of the purchase price allocation process during company acquisitions. In addition, an adjustment is recognized for individual issues if they are of an exceptional nature, if they are definable for accounting purposes, if they can be measured and if the amount involved is material. They are shown in the reconciliation column. This column also reconciles the balance sheet items of capital employed (contents allocated in accordance with management reporting) and the external presentation in accordance with the consolidated balance sheet of DB Group.

Segment reporting is based on the key business figures used for the internal management of the operating segments. These key figures form the basis of the value-oriented management concept (see Capital management in DB Group 220f.).

The external revenues and other income consist exclusively of income generated by the segments with non-Group parties. The internal revenues and other income show the income with other segments of DB Group (inter-segment income). The intercompany prices for intra-Group transactions are determined on a market-related basis.

EBITDA (earnings before interest, taxes, depreciation and amortization) is used for assessing the pure earning power of the operating segments. It does not include any costs of capital employed in the form of depreciation and interest. Accordingly, EBITDA is not influenced by segment-specific financing structures and long-term capital expenditure cycles (in particular in the infrastructure segments); consequently, depreciation is incurred sooner than the positive returns generated by these capital expenditures. EBITDA thus has the character of pre-tax cash flow.

On the other hand, EBIT additionally comprises depreciation recognized in relation to fixed assets (property, plant and equipment and intangible assets). EBIT represents the operating profit generated that is available to satisfy the interest yield claims on the investor side.

The costs of financing that are incurred as a result of the (in certain cases) very high amounts of capital tied up in the operating segments of DB Group (particularly in the infrastructure segments) are also relevant for a long-term assessment of results. This is the reason why the operating interest balance is also taken into consideration in the key figure operating income after interest.

The essential assets that are used (capital employed) also have to be taken into consideration in addition to the above-mentioned parameters for internal management of the operating segments. The capital employed comprises the essential capital which is used by providers of equity and debt investors and for which interest has to be paid.

Net financial debt corresponds to the balance of external liabilities subject to interest as well as cash and cash equivalents, interest-bearing external receivables and short-term cash investments in money-market funds. The net financial debt of the segments also comprises the receivables and liabilities attributable to Group financing as well as from domination and profit-and-loss transfer agreements.

Gross capital expenditures consist of capital expenditures in property, plant and equipment and intangible assets excluding capitalized costs of debt. Net capital expenditures are calculated by deducting the participation of third parties in the financing of specific capital expenditure projects (essentially the investment grants of the Federal Government and the Federal states).

Additions from changes in the scope of consolidation are shown as part of segment gross capital expenditures, and comprise exclusively the capital expenditures in property, plant and equipment and intangible assets, including the goodwill acquired as part of company acquisitions or included in the consolidated financial statements for the first time.

The number of employees comprises the workforce, excluding trainees and dual degree students, at the end of the reporting period (part-time employees have been converted to full-time equivalents).

The segments are subject to the same accounting principles (Basic principles and methods 216ff.) which are applicable for the remainder of the consolidated financial statements. Intra-Group segment transactions are generally conducted at market prices.

EXPLANATIONS CONCERNING THE INFORMATION BY REGIONS

External revenues are stated on the basis of the registered offices of the Group company providing the service.

Non-current assets are also allocated on the basis of the location of the company. The non-current assets comprise intangible assets, property, plant and equipment as well as non-current receivables and other assets (excluding financial instruments, deferred tax assets, rights from insurance policies as well as assets in conjunction with benefits after termination of the employment agreement).

INFORMATION CONCERNING MAJOR CUSTOMERS

In the year under review, once again, no single customer accounted for more than 10 % of overall revenues of DB Group.

Risk management and derivative financial instruments

MANAGEMENT OF FINANCIAL AND ENERGY PRICE RISKS

As a mobility, transport and logistics group with international operations, DB Group is exposed to financial risks in the form of changes in interest rates and exchange rates. In addition, there are also energy price risks on the procurement side as a result of fluctuations in the prices of diesel fuel and electricity. One of the aspects of corporate policy is to actively manage and thus limit these risks by means of the use of derivative financial instruments.

DB AG is responsible for all financing and hedging transactions of DB Group with its central Group Treasury, and operates in close cooperation with the subsidiaries, where the risk positions primarily arise. Group Treasury follows the relevant regulations for risk management (Minimum requirements for risk management (Mindestanforderungen an das Risikomanagement; MaRisk), Corporate Sector Supervision and Transparency Act (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich; KonTraG)). Speculation is not permitted. Ongoing market and risk assessment takes place as part of risk management.

Derivative financial instruments are used exclusively for hedging interest, currency and energy price risks. All individual transactions correspond to on-balance-sheet or anticipated underlying transactions (for example, issue of senior bonds, purchasing of diesel fuel and electricity). The aim is to achieve qualification as an effective hedge in accordance with IFRS 9.

INTEREST RATE RISKS

The interest rate risks are attributable to borrowings at variable interest rates.

In accordance with IFRS 7, the effects of theoretical changes in market interest rates on net profit and loss and shareholders' equity are investigated by means of a sensitivity analysis. For this purpose, the following financial instruments are considered:

- Derivatives designated in cash flow hedges (interest hedges and cross-currency hedges) have an impact on the hedge reserve in shareholders' equity and are therefore taken into consideration in the sensitivity calculations relating to shareholders' equity.
- The sensitivity calculations for net interest income include financial instruments with variable interest (bank deposits, short-term borrowings / investments, cross-currency swaps, loans).

If the level of market interest rates for the exposure had been 100 basis points higher (lower) as of the balance sheet date, the comprehensive income would have been affected as follows:

	2022		2021	
	Changes in market level of interest rates			
€ million	+ 100 BP [1]	- 100 BP [1]	+ 100 BP [1]	- 100 BP [1]
Impact on comprehensive income	-5	+6	-6	+5
thereof net profit / loss for the year	+14	-14	-12	+12
thereof other net profit and loss	-19	+20	+6	-7

[1] Basis points.

FOREIGN CURRENCY RISKS

The foreign currency risks are attributable to financing measures and operating activities.

In order to avoid interest rate and foreign currency risks, the foreign currency bonds issued and loans within the framework of DB Group treasury are converted into euro liabilities and receivables by means of cross-currency swaps. However, it is not necessary for such bonds to be converted in individual cases if there is a guarantee that the bond can be serviced out of inflows of foreign currency payments.

Subsidiaries hedge all significant foreign currency positions in their functional currency via Group Treasury. In exceptional cases and to a limited extent, subsidiaries are permitted to hedge foreign currency positions with banks themselves.

The currency sensitivity analysis in accordance with IFRS 7 is based on the following assumptions:

- The cross-currency swaps which are concluded and the current currency transactions are always allocated to original underlying transactions.
- All major foreign currency positions arising from business operations are always 100 % hedged. If exchange rate changes are 100 % hedged, they do not have any impact on net profit and loss or equity capital.
- Foreign currency risks can only occur if a 100 % hedge does not exist in justified exceptional cases; for instance if a conservative estimate is made for hedge volumes for anticipated foreign currency cash flows in order to avoid overhedging.
- On-balance-sheet foreign currency risks may result from energy price hedging which is not denominated in the respective functional currency.

If the following foreign currencies for currency hedges had weakened or strengthened by 10 % as of the balance sheet date, comprehensive income would not have been significantly affected:

	2022		2021	
	Percentage change in foreign currency exchange rates			
€ million	+ 10%	- 10%	+ 10%	- 10%
USD	+ 27	- 27	+ 13	- 13
CNY	+ 3	- 3	+ 3	- 4
CZK	0	0	- 1	+ 2
GBP	+ 1	- 1	0	0
SGD	- 12	+ 13	- 4	+ 4
HKD	- 31	+ 31	+ 1	- 1
HUF	- 2	+ 2	0	0
BDT	+ 1	- 2	0	0
VND	- 1	+ 2	0	0
PHP	- 2	+ 3	0	0
TWD	- 2	+ 2	- 5	+ 6
IDR	+ 2	- 2	0	0
TRY	- 3	+ 3	- 3	+ 3

DB Group has numerous equity investments in foreign subsidiaries whose net assets are exposed to a translation risk. This translation risk is not perceived to be a foreign currency risk for the purposes of IFRS 7, and is not hedged.

ENERGY PRICE RISKS

The Energy Price Risk Management Committee (ERMC) is responsible for managing and minimizing energy price risks; this committee is responsible for ensuring the implementation of the risk policy of DB Group specifically with regard to energy price risks (in particular for the procurement of diesel and electricity). The ERMC adopts specific hedging strategies and measures in which financial and energy derivatives are used.

Swaps relating to the commodities underlying the price formulae are used as hedges for the risks of price changes for sourcing electricity.

Diesel price risks are, for instance, limited by the conclusion of diesel swaps (usually by means of hybrid hedging of diesel price and currency risks).

The following assumptions have been made for performing the sensitivity analyses in accordance with IFRS 7:

- The effective part of the change in the fair values of energy price swaps is recorded in equity without affecting profit or loss, whereas the ineffective portion is recorded in the statement of income.
- If options are used (collars), the intrinsic value constitutes the effective part of the hedge, so that the intrinsic value is shown in shareholders' equity. On the other hand, the fair value is not part of the hedge, and is shown in the statement of income.

If the energy prices at the end of the year had been 10 % lower (or higher), comprehensive income would have been affected as follows:

	2022		2021	
	Changes in market prices			
€ million	+ 10%	- 10%	+ 10%	- 10%
Impact on comprehensive income	+ 52	- 52	+ 32	- 32
thereof other net profit and loss	+ 52	- 52	+ 32	- 32
Diesel	+ 29	- 29	+ 20	- 20
Hard coal	+ 23	- 23	+ 12	- 12

RISK OF DEFAULT OF INTEREST, CURRENCY AND ENERGY DERIVATIVES

The counterparty default risk is actively managed by way of strict requirements relating to the creditworthiness of the counterparty at the point at which the transactions are concluded and also throughout the entire duration of the transactions, and also by way of defining risk limits.

In order to minimize the credit risk of derivatives, DB Group has concluded credit support agreements (CSAs) with its core banks. In the CSAs, it was agreed that both parties would mutually provide cash securities for interest and cross-currency swaps as well as energy derivatives. Securities are exchanged daily with all relevant banks.

Related amounts that are not netted in the balance sheet:

	Financial assets/liabilities shown in the balance sheet		Related amounts that are not netted in the balance sheet: Amounts subject to framework netting agreement		Cash securities received/provided		**Net amounts**	
AS OF DEC 31 / € million	2022	2021	2022	2021	2022	2021	2022	2021
Derivative financial instruments – assets	748	406	- 223	- 134	- 525	- 272	**-**	**-**
Derivative financial instruments – liabilities	405	219	- 223	- 134	- 142	-83	**40**	**2**

The assets of financial derivatives and thus the maximum counterparty default risk have increased as a result of exchange rate fluctuations of the euro against other currencies, particularly against the Swiss franc, the British pound sterling and the Norwegian krone. At the same time, the liabilities from derivative financial instruments have decreased. The cash securities received were predominant. The maximum individual risk (default risk in relation to individual contract partners) was € 151 million (as of December 31, 2021: € 68 million) and existed in relation to a bank with an S&P rating of A–. For transactions with durations of more than one year, as of December 31, 2022, all contractual partners with whom there is a counterparty default risk, have at least a rating of Baa1/BBB+.

Liquidity risk

Liquidity management involves maintaining adequate cash and cash equivalents, constantly checking the commercial paper market to ensure adequate market liquidity and depth, and the constant availability of financial resources via guaranteed credit facilities of banks (Note (28) 242 ff.).

The following table shows the contractually agreed undiscounted interest payments and redemption payments relating to the original financial liabilities as well as the derivative financial instruments with a positive and negative fair value of DB Group:

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2022 / € million	**2023**		**2024**		**2025 – 2027**		**2028 – 2032**		**2033 ff.**	
	Fixed / variable interest	**Redemp-tion**	**Fixed / variable interest**	**Redemp-tion**	**Fixed / variable interest**	**Redemp-tion**	**Fixed / variable interest**	**Redemp-tion**	**Fixed / variable interest**	**Redemp-tion**
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	156	–	155	–	–	–	–	–	–
Senior bonds	419	1,982	379	1,962	896	6,380	965	9,736	1,056	8,963
Bank borrowings	0	539	0	–	–	6	0	–	–	–
EUROFIMA loan	–	–	–	–	–	–	–	–	–	–
Leasing liabilities	96	1,040	77	825	153	1,575	124	1,092	177	670
Financing liabilities from transport concessions	3	20	3	19	6	56	3	60	0	9
Other financial liabilities	–	273	–	2	–	2	–	7	–	–
Trade liabilities	–	7,643	–	74	–	28	–	4	–	–
Other and miscellaneous liabilities	–	2,100	–	164	–	342	–	302	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate / currency derivatives in connection with cash flow hedges	61	259	51	138	123	1,344	115	949	58	151
Interest derivatives in connection with cash flow hedges	12	–	16	–	28	–	10	–	–	–
Currency derivatives in connection with cash flow hedges	–	218	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	987	–	3	–	12	–	–	–	–
Energy price derivatives	50	–	17	–	4	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate / currency derivatives in connection with cash flow hedges	67	434	57	697	118	1,480	124	1,822	79	1,653
Currency derivatives in connection with cash flow hedges	–	42	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,679	–	13	–	2	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Energy price derivatives	- 103	–	- 22	–	- 3	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate / currency derivatives in connection with cash flow hedges	- 150	- 784	- 136	- 884	- 298	- 2,709	- 286	- 2,879	- 198	- 1,870
Currency derivatives in connection with cash flow hedges	–	- 257	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	- 2,677	–	- 18	–	- 13	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	16	–	–	–	–	–	–	–	–

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2021 / € million	2022		2023		2024 – 2026		2027 – 2031		2032 ff.	
	Fixed / variable interest	Redemp-tion	Fixed / variable interest	Redemp-tion	Fixed / variable interest	Redemp-tion	Fixed / variable interest	Redemp-tion	Fixed / variable interest	Redemp-tion
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	157	–	156	–	157	–	5	–	–
Senior bonds	364	1,576	336	1,960	811	6,238	774	9,543	829	8,222
Bank borrowings	0	1,315	0	1	–	–	0	4	–	–
EUROFIMA loan	–	–	–	–	–	–	–	–	–	–
Leasing liabilities	75	983	60	824	125	1,472	110	1,076	183	716
Financing liabilities from transport concessions	3	19	3	19	7	56	4	72	0	14
Other financial liabilities	–	70	–	5	–	1	–	2	–	–
Trade liabilities	–	7,817	–	96	–	13	–	5	–	–
Other and miscellaneous liabilities	–	1,550	–	6	–	27	–	170	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate / currency derivatives in connection with cash flow hedges	33	325	32	124	78	692	58	576	2	134
Interest derivatives in connection with cash flow hedges	0	–	–	–	–	–	–	–	–	–
Currency derivatives in connection with cash flow hedges	–	28	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,189	–	9	–	0	–	–	–	–
Energy price derivatives	0	–	0	–	1	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate / currency derivatives in connection with cash flow hedges	69	14	68	417	145	2,820	109	1,715	53	1,553
Currency derivatives in connection with cash flow hedges	–	784	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,335	–	16	–	5	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Energy price derivatives	- 51	–	- 23	–	- 6	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate / currency derivatives in connection with cash flow hedges	- 130	- 328	- 129	- 618	- 306	- 3,558	- 222	- 2,376	- 109	- 1,725
Currency derivatives in connection with cash flow hedges	–	- 818	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	- 2,532	–	- 26	–	- 5	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	18	–	–	–	–	–	–	–	–

This includes all instruments which were held as of December 31, 2022, and for which payments had already been agreed. Foreign currency amounts have been translated using the spot rate applicable as of the balance sheet date. The variable interest payments attributable to the financial instruments have been calculated on the basis of the interest rates applicable on December 31, 2022 (previous year: on December 31, 2021). Financial liabilities that can be repaid at any time are allocated to the earliest possible time segment.

The financial liabilities were opposed by cash and cash equivalents of € 5,138 million as of December 31, 2022 (as of December 31, 2021: € 4,591 million), consisting of positive account balances and current fixed-term deposits.

Additional disclosures relating to the financial instruments

If covered by the scope of IFRS 9, the financial assets and liabilities are categorized and measured in accordance with IFRS 9. Financial assets and liabilities not covered by the scope of IFRS 9 are valued in accordance with the relevant standards and not allocated to any of the valuation categories of IFRS 9.

The carrying amounts as well as the net result per valuation category of IFRS 9 are shown in the following. The fair values and the details of individual classes of financial instruments are shown within the notes to the respective balance sheet items.

In DB Group, financial assets that are allocated to a valuation category according to IFRS 9 mainly comprise trade receivables and cash and cash equivalents.

In DB Group, financial liabilities that are allocated to a valuation category according to IFRS 9 mainly comprise senior bonds, EUROFIMA loans, bank borrowings, trade liabilities and other liabilities.

Classification of financial assets and liabilities

The valuation categories of IFRS 9 are set out in the following:

CARRYING AMOUNT / € million	Recognized in the income statement at fair value	With no impact on profit and loss at fair value		Derivatives in hedging transactions	At amortized acquisition costs	Not within the scope of IFRS 7	Total	of which fair value	Fair value		
		with recycling	without recycling						Level 1	Level 2	Level 3
AS OF DEC 31, 2022											
Non-current financial assets	102	2	31	558	1,880	393	**2,966**	693	2	559	132
Current financial assets	526	822	–	164	12,210	1,396	**15,118**	1,512	502	189	821
Non-current financial liabilities	16	–	–	313	28,040	4,079	**32,448**	329	–	329	–
Current financial liabilities	12	–	–	64	12,710	3,941	**16,727**	76	–	76	–
Net result	41	–	–	-53	-369	–	**–**	–	–	–	–
AS OF DEC 31, 2021[1]											
Non-current financial assets	69	2	29	355	1,085	356	**1,896**	455	2	356	97
Current financial assets	14	819	–	36	11,827	780	**13,476**	869	0	50	819
Non-current financial liabilities	21	–	–	179	26,610	4,053	**30,863**	200	–	200	–
Current financial liabilities	6	–	–	13	12,501	3,643	**16,163**	19	–	19	–
Net result	44	–	–	33	-535	–	**–**	–	–	–	–

[1] Figures have been adjusted in accordance with the presentation in the year under review.

The net result according to valuation categories in particular contains interest income of € 79 million (previous year: € 47 million [1]) and interest expenses of € 429 million (previous year: € 461 million [1]) from the financial assets or liabilities that are not recognized in the statement of income at fair value.

If observable market values are not available, a non-market-based valuation (Level 3 valuation) was carried out, e.g. on the basis of similar transactions at normal market conditions in sufficient time. This includes, in DB Group, the valuation of the investment in Volocopter GmbH, Bruchsal, where the share price was to be used as of December 31, 2022, not adjusted for the assessment, based on the last financing rounds. If these share prices were to change by +/−10%, this would result in a change in fair value of € 9 million. For non-material other investments, amortized acquisition costs has been used for simplification purposes. In addition, those receivables are also included in the Level 3 valuation that meet certain criteria relevant to a sale and are therefore valued at fair value using country-weighted credit spreads. If the credit risk increases or decreases, this would result in proportional valuation effects in the fair value of these receivables.

There have been no reclassifications between the valuation levels in the year under review.

For establishing the fair values of the derivative financial instruments, contractually agreed or most probable cash flows are discounted using the appropriate market interest rate, whereby due consideration is given to the credit risk by means of credit spreads. No credit risk markdowns have been recognized in the case of secured exposures. The credit risk resulting from the derivative portfolio is treated on a net basis. Credit support annexes, which are still subject to daily security settlement with a threshold value of € 0, were concluded to minimize the credit risk of long-term interest and cross-currency transactions.

[1] Figure adjusted.

Other disclosures

(34) CONTINGENT RECEIVABLES AND LIABILITIES, AND GUARANTEE OBLIGATIONS

Contingent receivables (as of December 31, 2022: € 16 million; as of December 31, 2021: € 26 million) mainly comprised a recovery claim in conjunction with construction grants provided but that had not been sufficiently determined as of the balance sheet date in terms of the specific amount and the time at which the claim would become due. Potential further compensation payments by public authorities in connection with the Covid-19 pandemic are not included in the contingent receivables as the absence of a legal basis means that neither their timing nor their extent can be estimated.

As of December 31, 2022, the case remained that no contingent receivables had been recognized for all injunction proceedings in view of the high level of uncertainty relating to refund claims, the timing of refunds and the probability of refunds.

The contingent liabilities were broken down as follows:

AS OF DEC 31 / € million	2022	2021
Negotiation and transfer of bills of exchange	11	2
Provisions of warranties	–	0
Other contingent liabilities	111	109
Total	**122**	**111**

Other contingent liabilities also comprise risks arising from litigation that had not been stated as provisions because the expected probability of occurrence is less than 50%. This relates to numerous individual cases of minor significance.

There are also contingencies of € 16 million from guarantees as of December 31, 2022 (as of December 31, 2021: € 18 million). Property, plant and equipment with carrying amounts of € 3 million (as of December 31, 2021: € 5 million) were also used as security for loans. The reported figure related to rolling stock used at the operating companies in the DB Arriva segment.

DB Group acts as guarantor mainly for equity participations and consortiums, and is legally subject to joint and several liability for all consortiums in which it is involved.

Potential claims for compensation that are not recognized in the balance sheet are not included in contingent liabilities as they cannot currently be quantified.

(35) OTHER FINANCIAL OBLIGATIONS

Capital expenditures in relation to which DB Group has entered into contractual commitments as of the balance sheet date, but for which no consideration has yet been received, were broken down as follows:

AS OF DEC 31 / € million	2022	2021
PURCHASE COMMITMENT FOR THE ACQUISITION OF		
Property, plant and equipment	20,439	21,196
Intangible assets	39	35
Acquisition of financial assets	477	455
Total	**20,955**	**21,686**
Order commitment for leasing property, plant and equipment	190	212
Possible but unlikely lease payments	2,509	2,204

The decline in purchase commitments in property, plant and equipment was due in particular to the activation of independent acknowledgement of debt in the year under review for individual delivery relationships (Obligations from delivery relationships 218). The order commitment for the acquisition of property, plant and equipment also contains future obligations for rolling stock in connection with transport contracts to be recognized in accordance with IFRIC 12.

The order commitment for leasing property, plant and equipment relates to leases that had been concluded as of the balance sheet date but for which the duration has not yet commenced. Possible lease payments for unlikely lease extensions or for periods in which the leased asset will not be used as a result of a likely termination have not been included in the measurement of leasing liabilities.

The figure of € 477 million shown for the acquisition of financial assets (as of December 31, 2021: € 455 million) related to unpaid capital contributions at EUROFIMA that have not been called in. This increase was due to exchange rate effects.

(36) STRUCTURED COMPANIES

DB AG holds 100% of the shares in DB Barnsdale AG and DB Competition Claims GmbH. The purpose of these structured companies is to enforce claims for compensation from cartel operations; they are included as subsidiaries in the consolidated financial statements. There are profit and loss transfer agreements with DB AG.

(37) INFRASTRUCTURE AND TRANSPORT CONTRACTS

The following notes and information refer to the requirements of SIC-29 (Disclosure – Service Concession Arrangements).

Infrastructure contracts

GRI

The main rail infrastructure companies (RIC) of DB Group are DB Netz AG, DB Station&Service AG and DB Energie GmbH.

On the basis of section 6 of the General Railways Act (Allgemeines Eisenbahngesetz; AEG), the RIC that operate track, control and safeguarding systems or platforms require approval for such operations. This is applicable particularly for DB Netz AG and DB Station&Service AG, whose approvals are valid until the end of December 31, 2048.

The rights of the RIC to operate the rail infrastructure is connected to various commitments. In particular, they are obliged to ensure that their operations are managed safely and that all rail infrastructure is constructed safely and maintained in a safe condition (section 4 (3) AEG). With regard to compliance with this regulation, the RIC of DB Group are regulated by the Federal Railway Authority (Eisenbahn-Bundesamt; EBA).

In addition, the RIC also have to observe statutory duties in the case of any new or expansion projects, for instance with regard to noise abatement. DB Group voluntarily participates in the rail noise abatement program of the Federal Government with regard to existing lines.

The RIC provide non-discriminatory access to the rail infrastructure in accordance with sections 10ff. Railway Regulation Act (Eisenbahnregulierungsgesetz; EReG) and charge the train operating companies (TOCs) for this access. The fees of DB Netz AG and DB Station&Service AG must comply with the requirements of the EReG. The fees for the usage of traction current lines of DB Energie GmbH have to comply with the requirements of the Energy Industry Law (Energiewirtschaftsgesetz; EnWG).

In the year under review, DB Netz AG, DB Station&Service AG and DB Energie GmbH generated overall revenues of € 11,618 million (previous year: € 10,268 million); thereof € 4,978 million (previous year: € 4,052 million) was generated with non-Group customers.

The assets of the rail infrastructure are the legal and economic property of the companies.

Transport contracts

DB Regio AG and its subsidiaries provide transport services on the basis of ordered services of the contracting organizations. These so-called transport contracts for regional rail passenger transport services are signed with the public transport authority of the transport services authorized by the Federal states (for example, special purpose association, local transport company); these contracts determine the volume and the quality level of the transport service, the future development as well as the payment (concession fees).

The funds necessary for this purpose are made available to the Federal states by the Federal Government in accordance with the regulations of the Regionalization Act (Regionalisierungsgesetz; RegG). The total concession fees received by DB Regio AG and by the subsidiaries of the DB Regional segment for rail transport amounted to € 6,508 million in the year under review (previous year: € 5,824 million) (Note (1) 222f.). This amount included a figure of € 1,489 million in the year under review (previous year: € 1,392 million) for revenues from fares which had to be netted against the claims for concession fees within the framework of gross contracts.

In addition, there are similar transport contracts with international contracting organizations in the DB Arriva segment, with a volume of € 1,359 million in the year under review (previous year: € 1,386 million) (Note (1) 222f.).

About 68 % of all secured transport agreements have a duration up to at least 2026; about 43 % have a duration until at least 2031, and about 28 % have a duration until at least 2034. The transport contracts can only be terminated by the contracting organization during the term of the contract for a compelling reason.

In many cases, the companies enjoy legal and beneficial ownership of the assets necessary for providing the services, and in particular the rolling stock. Some transport contracts include commitments whereby the assets that are deployed have to be handed over at the end of the term of the contract. In addition, DB Group is recording an increasing share of transport contracts in which the rolling stock are either leased by the contracting organization or for which the leasing arrangement is supported by capital service guarantees by the contracting organization.

GRI (38) RELATED-PARTY DISCLOSURES

The following parties are deemed to be related parties of DB Group in accordance with IAS 24 (Related Party Disclosures):

- the Federal Government in its capacity as the owner of all shares in DB AG,
- companies controlled and jointly controlled by the Federal Government, as well as companies over which the Federal Government can exert significant influence,
- affiliated, non-consolidated and associated companies as well as joint ventures of DB Group, as well as
- the members of the Management Board and the Supervisory Board of DB AG and their close relatives.

Transactions with related parties are conducted on an arm's length basis.

Figures attributable to related companies and persons are stated under the corresponding notes to the balance sheet with the designation "thereof." Individual figures are set out in the Notes (19) 236ff., (28) 242ff. and (29) 246f.

Notes and explanations of transactions between DB Group and the Federal Government are set out in the Notes (3) 223f., (5) 224f., (9) 229, (13) 231ff., (31) 247ff., (35) 261 and (37) 261f.

Significant economic relations that need to be reported separately between DB Group and related companies and persons are explained in the following:

Relations with the Federal Government

AS OF DEC 31 / € million	Federal Government 2022	Federal Government 2021
SERVICES RECEIVED BY DB GROUP		
Purchase of goods and services	967	1,079
Rents and leases	0	0
Other services	3	1
Investment grants [1]	8,049	8,055
Other income grants	1,147	2,777
	10,166	**11,912**
SERVICES RENDERED BY DB GROUP		
Sale of goods and services	447	362
Sale of real estate, buildings, rail facilities and other assets	-2	0
Rents and leases	16	16
Other services	45	47
Repayment of loans	157	157
Repayment of investment grants	57	22
	720	**604**
OTHER DISCLOSURES		
Unsecured receivables [2]	221	310
Unsecured liabilities [2]	480	589
Current total of guarantees received [2,3]	1,074	1,024

[1] Including € 144 million EU subsidies paid out via the Federal Government (previous year: € 52 million).
[2] As of the balance sheet date.
[3] Previous year's figures adjusted.

Purchases of goods and services mainly comprise the fees paid to the Federal Government within the framework of the pro forma billing of the allocated civil servants as well as refund of expenses for staff secondments in the service provision field.

Since 2009, financing for the existing network has been governed between DB AG, the RIC and the Federal Government by way of so-called Performance and Financing Agreements (Leistungs- und Finanzierungsvereinbarung; LuFV). The use of Federal funds within the framework of the LuFV has been managed in a quality-oriented manner since that time. The LuFV improved the predictability, efficiency and transparency of funding for maintaining the infrastructure.

The third agreement of this type, namely LuFV III, came into force as of January 1, 2020. The agreement has a volume of € 86.2 billion and, for the first time, has a duration of ten years – twice as long as that of the previous agreement LuFV II.

The infrastructure contribution of the Federal Government increased to an average of € 5.143 billion per calendar year (LuFV II: an average of € 3.316 billion per calendar year). There was also an increase agreed of the maintenance expenses to be provided by the RIC to an average of € 2.278 billion per calendar year. The RIC's own contribution increased to an average of € 137.5 million per calendar year.

Within the framework of the bridge program, it was agreed that a total of 2,000 bridges would be comprehensively modernized in the period 2020 to 2029.

In addition, resources are provided for requirements that go beyond the technical need, for instance for improving accessibility and weather protection as well as additional funds for customer-friendly construction. In addition, the LuFV III provides a total of € 7 billion for earmarked capital expenditures in signaling equipment for the years 2020 to 2029.

The LuFV III also for the first time contains a contractual regulation regarding the reduction of backlog demand. Although the considerably increased volume of resources of the LuFV III does not yet enable the backlog demand to be completely reduced, the total of € 4.506 billion means that there is a defined sum available, at least two-thirds of which must be used for reducing the backlog of particularly critical parts (track, switches, railway bridges, tunnels, culverts, signaling equipment and pedestrian underpasses). A new parameter for substance value (not subject to any penalties) is to be used as an indicator for the development of backlog demand.

With regard to the ten-year duration, the LuFV III also includes a provision for the application of a "renegotiation clause" which can trigger discussions for adjusting the LuFV III in the event of major changes, for instance considerable price increases for construction services in the rail infrastructure. At the end of July 2022, in view of the developments that have occurred, DB AG indicated to the Federal Government that there is a need for talks. In this context, DB AG intends to present the current price developments in detail and discuss the possibilities of adapting the contractual rights and obligations.

During the life of the LuFV III, the parties to the agreement will investigate whether different or additional quality parameters can be used for the LuFV III (starting January 1, 2025) or for the succeeding LuFV IV (starting January 1, 2030) in order to bring about an improvement in the informative value in terms of the status of the track.

In addition, DB Netz AG and DB Station&Service AG established a scientific basis for the cause and effect connection between available resources and thus achievable quality as of December 31, 2022. The subsequent implementation will be agreed upon with the Federal Government in the course of 2023. If the parties to the agreement fail to reach agreement regarding the application of other or additional quality parameters by no later than June 30, 2024, or if there is no robust cause and effect correlation on the basis of the mutually agreed model, the Federal Government is authorized to terminate the LuFV III at the end of the 2024 calendar year.

On July 25, 2017, the RIC and the Federal Government signed the Requirement Plan Implementation Agreement (Bedarfsplanumsetzungsvereinbarung; BUV). This entered into force on January 1, 2018, and regulates the financing of requirement plan projects. Key elements include a readjustment of planning costs, a stipulation of the RIC's own contribution to the projects as well as an agreement regarding binding commissioning dates which are subject to penalties if not met.

The Federal Government covers all the costs of the projects, including the entire planning costs. The previous regulation in the form of a fixed amount for planning costs equivalent to 18 % of the construction costs has been canceled.

The RIC contribute to all costs of the project in accordance with their own economic benefit, i.e. including the total construction costs. This provides a powerful incentive to avoid increases in construction costs.

The RIC give the Federal Government a commitment for milestones and binding commissioning dates for the projects. The penalties in the event of failure to meet these deadlines provide an incentive for complying with the deadlines.

On August 25, 2020, the Federal Government and RIC concluded a new framework agreement regarding the financing and implementation of capital expenditures in the rail infrastructure of the Federal railways (Rahmenvereinbarung über die Finanzierung und Durchführung von Investitionen in die Schienenwege der Eisenbahnen des Bundes). It governs the financing and implementation of capital expenditure projects of the Federal Government in expanding the rail network, if not covered under the scope of the LuFV, BUV or the previous agreement (1999 framework agreement). With the exception of the so-called starter package, the framework agreement is not applicable for financing agreements that relate to the Digital Rail for Germany project. In the case of measures covered by the framework agreement, the RICs agree to cofinance the eligible costs. The extent of such cofinancing depends on the effectiveness of the measure for the infrastructure companies. Four different categories with a contribution of 0–15 % have been agreed for this purpose.

Further investment grants are provided under the Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG) for measures of the traffic program, in accordance with the noise abatement program of the Federal Government in relation to existing rail tracks and within the framework of the European Rail Traffic Management System (ERTMS) for equipping German sections of the trans-European rail network.

For infrastructure projects within the framework of priority measures for the expansion of the trans-European network (Connecting Europe Facility; CEF funds), DB Netz AG has received grants from the European Union.

The grants recognized in the income statement also relate to payments provided by the Federal Government for covering excessive charges borne by DB Group as a result of operating and maintaining level crossings with roads of all construction authorities.

Sales of products and services also comprise services for carrying severely disabled persons, and German Armed Forces soldiers and traffic.

During the year under review, as in the previous year, interest-free loans in accordance with the BSWAG of € 157 million were repaid to the Federal Government within the framework of the agreed annual standard redemption payment.

The liabilities due to the Federal Government comprised the extended loans, which are shown here with their present values, and other liabilities of € 182 million (as of December 31, 2021: € 143 million).

The guarantees received from the Federal Government primarily related to the loans received from EUROFIMA as well as the outstanding contributions and liabilities arising from the collective liability of DB AG with EUROFIMA. The guarantees that have been received included a maximum commitment of € 1,153 million from the Federal Government for EUROFIMA loans. As of December 31, 2022, there were no EUROFIMA loans.

Twenty-one new financing contracts were concluded in the year under review in addition to the Adjustment Agreement 2020 (Anpassungsvereinbarung; APV). The Federal Government has provided finance totaling about € 5,562 million for the new agreements. The financing agreements have different durations, which in certain cases extend to the year 2034. Financing is provided entirely in the form of investment grants that do not have to be repaid.

The joint implementation of the Deutsche Bahn Foundation Act (Deutsche Bahn Gründungsgesetz; DBGrG) is based on an agreement in accordance with section 21 (8) DBGrG in relation to section 21 (5) No. 2 and (6) DBGrG of June 10/17, 2015, between the Federal Railway Fund on the one hand and DB AG on the other. On June 24/July 28, 2015, the BMDV and the German Federal Ministry of Finance (BMF) gave their consent to this agreement. The agreement states that DB AG shall provide evidence (with documentation of each individual case) that an employee of DB JobService GmbH (a civil servant or tariff employee satisfying certain criteria at the foundation in 1994) was affected by a rationalization measure and employment elsewhere is not possible. The personnel expenses plus an additional amount of 10% of the personnel expenses to cover costs shall be reimbursed only after each individual case has been reviewed by the Federal Railway Fund.

As of June 3, 2021, the Act Amending the Provisions of the DBGrG on the Reimbursement of Staff Costs for Allocated Civil Servants (Gesetz zur Änderung der Vorschriften des Deutsche Bahn Gründungsgesetzes über die Personalkostenerstattung für zugewiesene Beamtinnen und Beamte; DBGrGÄndG) entered into force. Under this, the Federal Government will only reimburse the costs for rationalization measures completed before January 1, 2020.

The 2022 annual financial statements of DB JobService GmbH disclosed reimbursement claims of DB AG against the Federal Government in the total amount of € 30.7 million (including 10% reimbursement of costs) on the basis of section 21 (5) and (6) DBGrG.

On the basis of the Federal Government's Climate Action Program 2030, additional Federal funds totaling € 11 billion will be made available by 2030 to strengthen the rail system. At the end of January 2020, the BMF and the BMDV, and DB AG, DB Netz AG, DB Station&Service AG and DB Energie GmbH, agreed on the inflow and use of the funds in a joint letter of intent. The funds will be used exclusively for infrastructure; half will be paid as equity and half as grants to DB Netz AG and DB Station&Service AG. In terms of content, the funds will be used in the categories of a robust network, digital rail, attractive stations and infrastructure measures operated on a purely commercial basis. Following the coordination with the European Commission with respect to state aid law, in the previous year the Federal Government paid out the tranches for 2020 and 2021 in the amount of € 2.125 billion in total to DB AG, which passed the funds directly to DB Netz AG (€ 1.125 billion) and DB Station&Service AG (€ 1 billion). The tranche of € 1.125 billion in 2022 was passed on directly and completely to DB Netz AG. Further equity increases of € 1.125 billion each are planned for 2023 and 2024.

DB AG has also agreed with the Federal Government that they will jointly bear any consequences of the Covid-19 pandemic on the DB Group. The Federal Government continued the measures to compensate for Covid-19-related losses in 2022:

- The Covid-19-related support for train-path prices in long-distance transport were extended until the end of 2022.
- The Federal funds intended for the maintenance of tracks of Federal Government railways were also increased to compensate for the loss of DB AG's dividend payment for 2022.
- Following approval of the European Commission, further damage compensation for Covid-19-related damage was paid out to DB AG.
- The industry solution for regional transport in Germany was also continued in 2022, with the Federal Government and the Federal states continuing to share the costs for this equally. DB Group companies operating in regional transport benefited proportionally from this.

Relations with Federal companies

Most of the transactions carried out in accordance with IAS 24 in the year under review and in the previous year related to operations, and were of minor overall significance for DB Group. The receivables and liabilities incurred had been settled almost in full as of the end of the balance sheet date.

Relations with affiliated, non-consolidated companies, associations and joint ventures

In the year under review, DB Group purchased goods and services worth € 159 million (previous year: € 130 million), mainly for purchasing passenger transport and freight services. At € 102 million (previous year: € 84 million), most of the total figure was attributable to transactions with associated companies. In addition, rental and lease payments amounting to € 6 million continued to be made.

In the year under review, no interest payments were made (previous year: € 7 million) were made in the year under review. The interest payments in the previous year resulted almost exclusively from loans granted by EUROFIMA, which were completely repaid in the previous year (Note (28) 242 f.).

In the year under review, DB Group generated an income of € 384 million from the sale of goods and services (previous year: € 337 million). The income was generated mainly in the DB Cargo segment and related to income generated by transport services provided.

As of December 31, 2022, as in the previous year, guarantees totaling € 3 million were granted, of which € 3 million (as of December 31, 2021: € 3 million) to joint ventures. Transactions with related companies were carried out to a comparable extent in the previous year.

Relations with the Management Board and Supervisory Board of DB AG

The following section sets out the transactions between DB Group and the members of the Management Board and the Supervisory Board, as well as the companies in which members of the Management Board or the Supervisory Board hold a majority interest.

€ thousand	2022	2021
DB GROUP BENEFICIARIES		
Purchase of goods and services	926	674

The figures relate to the amounts received by the employees' representatives on the Supervisory Board.

Compensation of the Management Board

€ thousand	2022	2021
Benefits due in the short term	9,063	4,129
Post-employment benefits	1,769	1,880
Other benefits due in the long term [1]	2,426	1,894
Total compensation of the Management Board according to IFRS	**13,258**	**7,903**
Fixed	5,992	6,009
Variable [1]	7,266	1,894
Pension provisions for active members of the Management Board [2] as of Dec 31	14,100	26,575
Provisions for long-term incentives (LTI) as of Dec 31	6,541	3,842
Total compensation of the Management Board according to HGB	9,034	4,102
Compensation of former Management Board members and their surviving dependents	10,070	9,619
Retirement benefit obligations in respect of former members of the Management Board and their surviving dependents [2]	140,382	164,086

[1] The long-term variable compensation relates to the additions to and reversals of provisions for long-term incentives (LTI).
[2] Defined benefit obligation.

In addition to the aforementioned provisions, as of December 31, 2022, there were no other receivables and liabilities to the members of the Management Board. Nor did the company take on any contingencies for the benefit of Management Board members. In addition, due to plan changes for retirement benefit commitments in the year under review, there is a service cost of € 1,329 thousand (previous year: € 1,604 thousand).

The total compensation for Management Board members consists of a fixed salary, a performance-linked annual bonus and a long-term incentive plan based on multi-year figures. Total compensation also includes benefit commitments, other commitments and ancillary benefits.

The fixed salary is cash compensation linked to the financial year. It is based on the scope of responsibility and the experience of each Management Board member.

The performance-linked annual director's fee is calculated using a factor linked to the achievement of business targets (director's fee factor) and the achievement of individual targets (performance factor).

The business and personal targets of the Management Board members are determined by the Supervisory Board annually based on recommendations from the Personnel Committee, and are then agreed in writing with the Management Board members.

The long-term incentives for the Management Board now also focus on long-term transport and climate policy targets and the sustainable creditworthiness and profitability of DB Group. After the end of the respective plan term of four years, the extent to which LTI targets have been achieved at the end of the tranche is measured using the average target achievement for the individual years.

After leaving the company, Management Board members are entitled to pension payments. The system governing benefit commitments to Management Board members was amended in 2017. Members appointed to the Management Board for the first time in 2017 and thereafter receive a defined benefit commitment under which a capital stock is saved up for the Board member for the duration of their employment and paid out when they reach retirement age. The commitment is granted in the form of a capital account plan with an annual contribution derived as a fixed percentage rate of the fixed salary. Company pension commitments for Management Board members already in office beforehand are based on a percentage of the basic salary depending on the length of time that the Management Board member has been with the company. Pension commitments include lifelong retirement and surviving dependent benefits.

Compensation of the Supervisory Board

€ thousand	2022	2021
Total compensation of the Supervisory Board	983	1,010
thereof short-term	983	1,010
thereof fixed	480	496
thereof performance-related share [1]	311	323
thereof attendance fees	42	45
thereof benefits in kind from discounted travel	42	54
thereof remuneration for Supervisory Board / Advisory Board activities at subsidiaries of DB AG (including attendance fee)	108	92

[1] Two Supervisory Board members waived the variable remuneration due to them for 2022.

No compensation was incurred for former members of the Supervisory Board and their surviving dependents. There are no pension obligations for former Supervisory Board members and their surviving dependents as of December 31, 2022. The members of the Supervisory Board only receive benefits due in the short term.

No loans and advances were extended to members of the Supervisory Board in the year under review. The company also did not take on any contingencies for the benefit of members of the Supervisory Board.

The total amount of compensation for the Management Board and Supervisory Board in the year under review was € 14,241 thousand (previous year: € 8,913 thousand). Individual details as well as further details concerning the payments to the members of the Management Board and Supervisory Board are included in the Corporate Governance report in the Group management report.

(39) AUDITOR'S FEES AND SERVICES

The fees for the Group auditor amounted to € 25.5 million (previous year: € 22.1 million); this figure comprised auditing services of € 12.1 million (previous year: € 7.9 million), other certification services of € 7.7 million (previous year: € 7.9 million), tax advice services of € 0.4 million (previous year: € 0.2 million) as well as other services of € 5.3 million (previous year: € 6.1 million). Of the figure shown for the other rendered services, € 2.6 million (previous year: € 3.5 million) were attributable to services provided by affiliated companies of the auditor of the consolidated financial statements.

(40) EVENTS AFTER THE BALANCE SHEET DATE

Senior bond issues

Up to the point at which the consolidated financial statements were prepared, the following senior bond was issued by DB Finance in 2023:

VOLUME OF ISSUE	Duration in years	Coupon (%)	Placing
€ 750 million	14.9	3.625	Institutional investors primarily in Europe

(41) EXEMPTION OF SUBSIDIARIES FROM THE DISCLOSURE REQUIREMENTS OF THE GERMAN COMMERCIAL CODE (HGB)

The following subsidiaries intend to utilize the simplification provisions of section 264 (3) and section 264b HGB and to exempt themselves from the disclosure provisions of sections 325 to 329 HGB:

- Autokraft GmbH, Hamburg
- BRN Busverkehr Rhein-Neckar GmbH, Ludwigshafen am Rhein
- BVO Busverkehr Ostwestfalen GmbH, Bielefeld
- BVR Busverkehr Rheinland GmbH, Düsseldorf
- DB Bahnbau Gruppe GmbH, Berlin
- DB Barnsdale AG, Berlin
- DB broadband GmbH, Frankfurt am Main
- DB Cargo BTT GmbH, Mainz
- DB Cargo Eurasia GmbH, Berlin
- DB Cargo Logistics GmbH, Kelsterbach
- DB Cargo Vermögensverwaltungs-Aktiengesellschaft, Mainz
- DB Competition Claims GmbH, Berlin
- DB Dialog GmbH, Berlin
- DB Engineering&Consulting GmbH, Berlin
- DB Fahrwegdienste GmbH, Berlin
- DB Fahrzeuginstandhaltung GmbH, Frankfurt am Main
- DB Gastronomie GmbH, Frankfurt am Main
- DB Intermodal Services GmbH, Mainz
- DB JobService GmbH, Berlin
- DB Kommunikationstechnik GmbH, Eschborn
- DB Projekt Stuttgart—Ulm GmbH, Stuttgart
- DB Regio Bus Bayern GmbH, Ingolstadt
- DB Regio Bus Mitte GmbH, Mainz
- DB Regio Bus Nord GmbH, Hamburg
- DB Regio Bus Ost GmbH, Potsdam
- DB Regionalverkehr Bayern GmbH, Ingolstadt
- DB RegioNetz Infrastruktur GmbH, Frankfurt am Main
- DB RegioNetz Verkehrs GmbH, Frankfurt am Main
- DB Services GmbH, Berlin
- DB SEV GmbH, Berlin
- DB Sicherheit GmbH, Berlin
- DB Systel GmbH, Frankfurt am Main
- DB Systemtechnik GmbH, Minden
- DB Vertrieb GmbH, Frankfurt am Main
- DB Zeitarbeit GmbH, Berlin
- Deutsche Bahn Connect GmbH, Frankfurt am Main
- Deutsche Bahn Digital Ventures GmbH, Berlin
- Deutsche Bahn International Operations GmbH, Berlin
- Deutsche Umschlaggesellschaft Schiene – Straße (DUSS) mbH, Bodenheim
- DSD Digitale Schiene Deutschland GmbH, Berlin
- DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Bad Homburg v. d. Höhe
- ESE Engineering und Software-Entwicklung GmbH, Brunswick
- Friedrich Müller Omnibusunternehmen GmbH, Schwäbisch Hall
- Haller Busbetrieb GmbH, Walsrode
- infraView GmbH, Mainz
- ioki GmbH, Frankfurt am Main
- Mitteldeutsche Eisenbahn GmbH, Schkopau
- NVO Nahverkehr Ostwestfalen GmbH, Münster
- Omnibusverkehr Franken GmbH (OVF), Nuremberg
- ORN Omnibusverkehr Rhein-Nahe GmbH, Mainz
- Railway Approvals Germany GmbH, Minden
- RBH Logistics GmbH, Gladbeck
- RBO Regionalbus Ostbayern GmbH, Regensburg
- Regional Bus Stuttgart GmbH RBS, Stuttgart
- Regionalbus Braunschweig GmbH – RBB –, Hamburg
- Regionalverkehr Alb-Bodensee GmbH (RAB), Ulm
- Regionalverkehr Allgäu GmbH (RVA), Oberstdorf
- Regionalverkehr Oberbayern Gesellschaft mit beschränkter Haftung, Munich
- Regionalverkehre Start Deutschland GmbH, Frankfurt am Main
- RVS Regionalbusverkehr Südwest GmbH, Karlsruhe
- S-Bahn Berlin GmbH, Berlin
- S-Bahn Hamburg GmbH, Hamburg
- S-Bahn Hamburg Service GmbH, Hamburg
- SBG SüdbadenBus GmbH, Freiburg im Breisgau
- Schenker Aktiengesellschaft, Essen
- Schenker Dedicated Services Germany GmbH, Essen
- Schenker Deutschland AG, Frankfurt am Main
- Schenker Europe GmbH, Frankfurt am Main
- Schenker Flight Services GmbH, Frankfurt am Main
- Schenker Global Management&Services GmbH, Essen
- Schenker GmbH für Beteiligungen, Essen
- Schenker Technik GmbH, Essen
- SIGNON Deutschland GmbH, Berlin
- TFG Transfracht GmbH, Mainz
- TRANSA Spedition GmbH, Offenbach am Main
- UBB Usedomer Bäderbahn GmbH, Heringsdorf
- Verkehrsgesellschaft mbH Untermain – VU –, Aschaffenburg
- WB Westfalen Bus GmbH, Münster
- Weser-Ems Busverkehr GmbH (WEB), Hamburg

(42) LIST OF SHAREHOLDINGS

The list of shareholdings is set out on the following pages.

Breakdown of shareholdings of DB AG

(in accordance with section 313(2) HGB)

SUBSIDIARY/COMPANY AND REGISTERED OFFICE	Equity (€ thousand) [1]	Investment (%)
DB LONG-DISTANCE		
FULLY CONSOLIDATED		
DB Bahn Italia S.r.l., Verona/Italy	11,489	100.00
DB Fernverkehr Aktiengesellschaft, Frankfurt am Main	2,815,357	100.00
DB Reise&Touristik Suisse SA, Basel/Switzerland	2,866	100.00
AT EQUITY		
Railteam B.V., Amsterdam/the Netherlands [2),3)]	150	20.00
Rheinalp GmbH, Frankfurt am Main [2),4)]	338	50.00
DB REGIONAL		
FULLY CONSOLIDATED		
Autokraft GmbH, Hamburg	38,618	100.00
BRN Busverkehr Rhein-Neckar GmbH, Ludwigshafen am Rhein	17,813	100.00
Busverkehr Märkisch-Oderland GmbH, Fürstenwalde	4,073	51.17
Busverkehr Oder-Spree GmbH, Fürstenwalde	7,549	51.17
BVO Busverkehr Ostwestfalen GmbH, Bielefeld	13,060	100.00
BVR Busverkehr Rheinland GmbH, Düsseldorf	9,200	100.00
DB Regio Aktiengesellschaft, Frankfurt am Main	2,388,766	100.00
DB Regio Bus Bayern GmbH, Ingolstadt	8,240	100.00
DB Regio Bus Mitte GmbH, Mainz	57,698	100.00
DB Regio Bus Nord GmbH, Hamburg	2,404	100.00
DB Regio Bus Ost GmbH, Potsdam	16,518	100.00
DB Regio Bus Rhein-Mosel GmbH, Montabaur	-2,200	74.90
DB Regionalverkehr Bayern GmbH, Ingolstadt	409	100.00
DB RegioNetz Verkehrs GmbH, Frankfurt am Main	65,224	100.00
DB SEV GmbH, Berlin	2,154	100.00
Friedrich Müller Omnibusunternehmen GmbH, Schwäbisch Hall	22,294	100.00
Haller Busbetrieb GmbH, Walsrode	5,223	100.00
KOB GmbH, Oberthulba	2,448	70.00
NVO Nahverkehr Ostwestfalen GmbH, Münster	1,002	100.00
Omnibusverkehr Franken GmbH (OVF), Nuremberg	25,388	100.00
ORN Omnibusverkehr Rhein-Nahe GmbH, Mainz	14,069	100.00
RBO Regionalbus Ostbayern GmbH, Regensburg	19,378	100.00
Regional Bus Stuttgart GmbH RBS, Stuttgart	21,399	100.00
Regionalbus Braunschweig GmbH – RBB –, Hamburg	12,142	100.00
Regionalverkehr Alb-Bodensee GmbH (RAB), Ulm	31,824	100.00
Regionalverkehr Allgäu GmbH (RVA), Oberstdorf	5,784	70.00
Regionalverkehr Oberbayern Gesellschaft mit beschränkter Haftung, Munich	27,121	100.00
Regionalverkehre Start Deutschland GmbH, Frankfurt am Main	7,670	100.00
rhb rheinhunsrückbus GmbH i.L., Simmern, Germany	84	48.69
RMV Rhein-Mosel Verkehrsgesellschaft mbH, Koblenz	1,805	74.90
RVS Regionalbusverkehr Südwest GmbH, Karlsruhe	22,513	100.00
S-Bahn Berlin GmbH, Berlin	178,511	100.00
S-Bahn Hamburg GmbH, Hamburg	154,008	100.00
S-Bahn Hamburg Service GmbH, Hamburg	38	100.00
SBG SüdbadenBus GmbH, Freiburg im Breisgau	20,349	100.00
Verkehrsgesellschaft mbH Untermain – VU –, Aschaffenburg	4,211	100.00
WB Westfalen Bus GmbH, Münster	12,230	100.00
Weser-Ems Busverkehr GmbH (WEB), Hamburg	20,123	100.00
AT EQUITY		
"ZOB" Zentral-Omnibus-Bahnhof Gesellschaft mit beschränkter Haftung, Bremen [2),3)]	25	25.60
Bodensee-Oberschwaben Verkehrsverbund GmbH, Ravensburg [2),4)]	676	28.02
Connect-Fahrplanauskunft GmbH, Hanover [2),4)]	278	42.51
Deutschlandtarifverbund-GmbH (DTVG), Frankfurt am Main [2),4)]	257	30.24
Filsland Mobilitätsverbund GmbH, Geislingen an der Steige, Germany [2),4)]	101	20.00

SUBSIDIARY/COMPANY AND REGISTERED OFFICE	Equity (€ thousand) [1]	Investment (%)
FSN Fahrzeugservice Neunkirchen GmbH, Neunkirchen [2),4)]	221	47.50
Kahlgrund-Verkehrs-Gesellschaft mit beschränkter Haftung, Schöllkrippen [2),4)]	10,281	28.00
Kitzinger Nahverkehrsgemeinschaft (KiNG), Kitzingen [2),5)]	4	50.00
Kreisbahn Aurich GmbH, Aurich [2),4)]	999	33.33
Niedersachsentarif GmbH, Hanover [2),4)]	72	12.50
NSH Nahverkehr Schleswig-Holstein GmbH, Kiel [2),4)]	274	48.39
OstalbMobil GmbH, Aalen [2),4)]	278	19.65
RBP Regionalbusverkehr Passau Land GmbH, Bad Füssing [2),6)]	482	33.33
Regio-Verkehrsverbund Freiburg GmbH (RVF), Freiburg im Breisgau [2),4)]	253	46.55
Saarländische Nahverkehrs-Service GmbH, Saarbrücken [2),6)]	51	16.67
stadtbus Ravensburg Weingarten GmbH, Ravensburg [2),4)]	25	39.80
TGO – Tarifverbund Ortenau GmbH, Offenburg [2),4)]	203	49.00
Verkehrsgemeinschaft am Bayerischen Untermain – VAB GmbH, Aschaffenburg [2),4)]	78	32.80
Verkehrsgemeinschaft Mittelthüringen GmbH (VMT), Erfurt [2),4)]	309	11.11
Verkehrsunternehmen Hegau-Bodensee Verbund GmbH (VHB), Konstanz [2),4)]	30	15.05
Verkehrsunternehmens-Verbund Mainfranken GmbH – VVM, Würzburg [2),4)]	30	22.04
Verkehrsverbund Großraum Nuremberg GmbH (VGN), Nuremberg [2),4)]	54	25.93
Verkehrsverbund Neckar-Alb-Donau GmbH (naldo), Hechingen [2),4)]	440	19.62
Verkehrsverbund Schwarzwald-Baar GmbH (VSB), Villingen-Schwenningen [2),4)]	226	32.00
Verkehrsverbund Süd-Niedersachsen GmbH (VSN), Göttingen [2),6)]	141	31.16
VGC Verkehrsgesellschaft Bäderkreis Calw mbH, Calw [2),6)]	666	32.60
VHN Verkehrsholding Nord GmbH&Co. KG, Schleswig [2),4)]	720	20.00
VHN Verwaltungsgesellschaft mbH, Schleswig [2),4)]	606	20.00
WNS Westpfälzische Nahverkehrs-Service GmbH, Kaiserslautern [2),4)]	117	45.00
WTV Waldshuter Tarifverbund GmbH, Waldshut-Tiengen [2),4)]	129	40.00
FAIR VALUE		
Regio Verkehrsverbund Lörrach GmbH (RVL), Lörrach [2),4)]	292	54.00
Verkehrsverbund Rottweil GmbH (VVR), Villingen-Schwenningen [2),4)]	169	70.20
VVW Verkehrsverbund Warnow GmbH, Rostock [2),6)]	27	20.63
vgf Verkehrs-Gemeinschaft Landkreis Freudenstadt GmbH, Waldachtal [2),4)]	244	51.42
DB CARGO		
FULLY CONSOLIDATED		
Compañía Aragonesa de Portacoches S.A., Saragossa/Spain	6,996	67.22
Container-Terminal Púchov s.r.o., Púchov/Slovakia	108	100.00
Corridor Operations DB Cargo B Logistics N.V. i.L., Brussels/Belgium	1,674	51.00
DB Cargo (UK) Holdings Limited, Doncaster/United Kingdom	248,144	100.00
DB Cargo (UK) Limited, Doncaster/United Kingdom	429,507	100.00
DB Cargo Aktiengesellschaft, Mainz	651,232	100.00
DB Cargo Belgium BV, Antwerp/Belgium	6,901	100.00
DB Cargo Border Agent Sp. z o. o., Małaszewicze/Poland	1,241	100.00
DB Cargo BTT GmbH, Mainz	22,363	100.00
DB Cargo Bulgaria EOOD, Sofia/Bulgaria	8,817	100.00
DB Cargo Czechia s.r.o., Ostrava/Czech Republic	3,509	100.00
DB Cargo Eurasia GmbH, Berlin	16,516	100.00
DB Cargo France SAS, Aubervilliers/France	22,755	100.00
DB Cargo Hungaria Kft., Györ/Hungary	30,180	100.00
DB Cargo Information Services Limited, Doncaster/United Kingdom	1,302	100.00
DB Cargo International Limited, Doncaster/United Kingdom	35,066	100.00
DB Cargo Italia S.r.l., Milan/Italy	37,608	60.00

SUBSIDIARY/COMPANY AND REGISTERED OFFICE	Equity (€ thousand) [1]	Investment (%)
DB Cargo Italy S.r.l., Milan/Italy	11,629	100.00
DB Cargo Logistics GmbH, Kelsterbach	97,432	100.00
DB Cargo Maintenance Limited, Doncaster/United Kingdom	6,048	100.00
DB Cargo Nederland N.V., Utrecht/the Netherlands	16,002	100.00
DB Cargo Polska S.A., Zabrze/Poland	94,904	100.00
DB Cargo Scandinavia A/S, Taastrup/Denmark	33,089	100.00
DB Cargo Schweiz GmbH, Opfikon/Switzerland	3,507	100.00
DB Cargo Services Limited, Doncaster/United Kingdom	216	100.00
DB Cargo Spedkol Sp. z o.o., Kędzierzyn-Koźle/Poland	4,772	100.00
DB Cargo Transa – Full Load Solutions Italia S.r.l., Milan/Italy	3,487	100.00
DB CARGO TRANSASIA International Freight Forwarding Shanghai Co., Ltd., Shanghai/China	2,279	100.00
DB Cargo Vermögensverwaltungs-Aktiengesellschaft, Mainz	50	100.00
DB Intermodal Services GmbH, Mainz	9,787	100.00
DB PORT SZCZECIN Sp. z o.o., Stettin/Poland	8,730	96.82
Deutsche Bahn Cargo Romania S.R.L., Bucharest/Romania	- 10,811	100.00
Deutsche Bahn Iberica Holding, S.L., Barcelona/Spain	44,989	100.00
Deutsche TRANSFESA GmbH Internationale Eisenbahn-Spezial-Transporte, Kehl/Rhein	1,560	84.03
HANGARTNER Terminal S.r.l., Verona/Italy	1,370	100.00
Infra Silesia S.A., Rybnik/Poland	4,321	100.00
KombiTerminal Burghausen GmbH, Mainz	1,923	68.86
Locomotive 6667 Ltd, Doncaster/United Kingdom	156,135	100.00
Locomotive Operating Leasing Partnership, Doncaster/United Kingdom	88,546	100.00
MDL Distribución y Logistica S.A., Madrid/Spain	1,934	84.03
Mitteldeutsche Eisenbahn GmbH, Schkopau	5,493	80.00
OOO DB Cargo Russija, Moscow/Russia	3,974	100.00
Pool Ibérico Ferroviario A.I.E., Madrid/Spain	903	55.12
Rail Express Systems Ltd, Doncaster/United Kingdom	21,452	100.00
Rail Service Center Rotterdam B. V., Rotterdam/the Netherlands	2,460	51.79
Rail Terminal Services Limited, Doncaster/United Kingdom	789	100.00
RBH Logistics GmbH, Gladbeck	25,756	100.00
Sociedad de Estudios y Explotacion de Material Auxiliar de Transportes, S.A. ("SEMAT"), Madrid/Spain	6,802	51.54
TFG Transfracht GmbH, Mainz	7,436	100.00
TRANSA Spedition GmbH, Offenbach am Main	- 7,305	100.00
Transervi S.A., Madrid/Spain	3,574	84.03
Transfesa France SAS, Aubervilliers/France	2,115	84.03
Transfesa Logistics, S.A., Madrid/Spain	59,192	84.03
Transfesa Portugal Lda., Lisbon/Portugal	379	84.03
Transfesa UK Ltd., Rainham (Essex)/United Kingdom	674	84.03
Transfracht Polska Sp. z o.o., Szczecin/Poland	269	96.82
AT EQUITY		
ATN Auto Terminal Neuss GmbH & Co. KG, Neuss [2,4]	3,715	50.00
baymodal Bamberg GmbH, Bamberg [2,6]	872	25.10
CD-DUSS Terminal, a.s., Lovosice/Czech Republic [2,4]	1,447	49.00
Container Terminal Dortmund GmbH, Dortmund [2,4]	5,152	30.88
Container Terminal Enns GmbH, Enns/Austria [2,4]	14,354	49.00
CTS Container-Terminal GmbH Rhein-See-Land-Service, Cologne [2,4]	1,762	22.50
DCH Düsseldorfer Container-Hafen GmbH, Düsseldorf [2,4]	2,331	62.02
Dörpener Umschlaggesellschaft für den kombinierten Verkehr mbH (DUK), Dörpen [2,4]	5,485	35.00
Development Agency for Sustainable Freight Transport Hamm GmbH, Hamm [2,7]	25	29.61
EP Merseburg Transport und Logistik GmbH, Merseburg [2,4]	329	39.20
INTERCONTAINER – INTERFRIGO SA i. L., Sint-Agatha-Berchem/Belgium [2,4]	- 21,392	36.77
KombiRail Europe GmbH, Duisburg [2,4]	25	75.34
Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. Kommanditgesellschaft, Frankfurt am Main [2,4]	19,650	52.18

SUBSIDIARY/COMPANY AND REGISTERED OFFICE	Equity (€ thousand) [1]	Investment (%)
Lokomotion Gesellschaft für Schienentraktion mbH, Munich [2,4]	16,053	41.78
OPTIMODAL NEDERLAND B.V., Rotterdam/the Netherlands [2,4]	1,737	63.42
PKV Planungsgesellschaft kombinierter Verkehr Duisburg mbH, Duisburg [2,4]	2,195	76.09
SLASKIE CENTRUM LOGISTYKI S.A., Gliwice/Poland [2,4]	11,941	20.55
Stifa S.A. i.L., Malveira/Portugal [4,7]	- 85	42.01
Terminal Singen TSG GmbH, Singen [2,4]	249	52.41
Xrail AG, Basel-City/Switzerland [2,4]	813	36.80
DB NETZE TRACK		
FULLY CONSOLIDATED		
DB broadband GmbH, Frankfurt am Main	7,426	100.00
DB Fahrwegdienste GmbH, Berlin	2,866	100.00
DB Netz Aktiengesellschaft, Frankfurt am Main	11,625,316	100.00
DB RegioNetz Infrastruktur GmbH, Frankfurt am Main	4,089	100.00
Deutsche Umschlaggesellschaft Schiene – Straße (DUSS) mbH, Bodenheim	5,814	94.02
DSD Digitale Schiene Deutschland GmbH, Berlin	25	100.00
MegaHub Lehrte Betreibergesellschaft mbH, Bodenheim	1,620	87.05
SIGNON Deutschland GmbH, Berlin	24,846	100.00
AT EQUITY		
BahnflächenEntwicklungsGesellschaft NRW mbH, Essen [2,4]	538	49.90
EEIG Corridor Rhine – Alpine EWIV, Frankfurt am Main [2,4]	0	25.00
EWIV Atlantic Corridor, Bordeaux/France [2,4]	0	25.00
Güterverkehrszentrum Entwicklungsgesellschaft Dresden mbH, Dresden [2,4]	5,151	24.53
TriCon Container-Terminal Nürnberg GmbH, Nuremberg [2,4]	3,106	36.55
DB NETZE STATIONS		
FULLY CONSOLIDATED		
DB BahnPark GmbH, Berlin	8,960	51.00
DB Station & Service Aktiengesellschaft, Berlin	2,632,905	100.00
MEKB GmbH, Berlin	32	100.00
AT EQUITY		
Clever Order Services GmbH, Berlin [2,8]	200	25.00
DB NETZE ENERGY		
FULLY CONSOLIDATED		
DB Energie GmbH, Frankfurt am Main	377,667	100.00
OTHER SUBSIDIARIES		
FULLY CONSOLIDATED		
Arriva Holding N.V., Amsterdam/the Netherlands	45	100.00
Arriva Investments Limited, Sunderland/United Kingdom	539,936	100.00
BAX Global Inc., Norfolk/USA	81,359	100.00
DB Bahnbau Gruppe GmbH, Berlin	76,883	100.00
DB Barnsdale AG, Berlin	6,636	100.00
DB Competition Claims GmbH, Berlin	18,125	100.00
DB Dialog GmbH, Berlin	1,378	100.00
DB E.C.O. North America Inc., Wilmington/NC/Delaware/USA	845	100.00
DB Engineering & Consulting GmbH, Berlin	79,596	100.00
DB Fahrzeuginstandhaltung GmbH, Frankfurt am Main	243,939	100.00
DB Gastronomie GmbH, Frankfurt am Main	1,472	100.00
DB International (Beijing) Co., Ltd., Beijing/China	- 191	100.00
DB JobService GmbH, Berlin	29,992	100.00
DB Kommunikationstechnik GmbH, Eschborn	19,170	100.00
DB Projekt Stuttgart-Ulm GmbH, Stuttgart	2,364	100.00
DB RRTS Operations India Private Limited, Bangalore/India	865	100.00
DB Services GmbH, Berlin	13,067	100.00
DB Sicherheit GmbH, Berlin	2,502	100.00
DB Systel GmbH, Frankfurt am Main	85,499	100.00
DB Systel UK Limited, Doncaster/United Kingdom	1,619	100.00
DB Systemtechnik GmbH, Minden	13,563	100.00
DB US Corporation, Tarrytown/USA	434,449	100.00
DB US Holding Corporation, Tarrytown/USA	443,008	100.00
DB Vertrieb GmbH, Frankfurt am Main	96,492	100.00
DB Zeitarbeit GmbH, Berlin	386	100.00

SUBSIDIARY / company and registered office	Equity (€ thousand) [1)]	Investment (%)
Deutsche Bahn Connect GmbH, Frankfurt am Main	87,962	100.00
Deutsche Bahn Digital Ventures GmbH, Berlin	28,646	100.00
Deutsche Bahn Finance GmbH, Berlin	2,073,004	100.00
Deutsche Bahn International Operations GmbH, Berlin	4,841	100.00
Deutsche Bahn Stiftung gGmbH, Berlin	3,739	100.00
DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Bad Homburg v. d. Höhe	5,671	65.00
DVA REINSURANCE DESIGNATED ACTIVITY COMPANY, Dublin/Ireland	4,657	65.00
Engineering Support Group Ltd, Doncaster/United Kingdom	1,486	100.00
ESE Engineering und Software-Entwicklung GmbH, Braunschweig	22,156	100.00
infraView GmbH, Mainz	2,113	100.00
Innovationszentrum für Mobilität und gesellschaftlichen Wandel (InnoZ) GmbH i.L., Berlin	-3,811	76.99
ioki GmbH, Frankfurt am Main	12,420	100.00
Liropa S.A., Montevideo/Uruguay [9)]	528	49.00
Mobimeo GmbH, Berlin	21,756	100.00
ONxpress Operations Inc., Toronto/Canada	386	72.00
Precision National Plating Services, Inc., Delaware/USA	-27,067	100.00
Railway Approvals Germany GmbH, Minden	246	100.00
Railway Approvals Ltd, Doncaster/United Kingdom	254	100.00
Schenker (BAX) Holding Corp., Delaware/USA	86,401	100.00
Thelo DB (Pty) Ltd., Johannesburg/South Africa [9)]	68	49.00
UBB Polska Sp.z o.o., Swinemünde/Poland	390	100.00
UBB Usedomer Bäderbahn GmbH, Heringsdorf	8,771	100.00
AT EQUITY		
BwFuhrparkService GmbH, Troisdorf [2),4)]	896,608	24.90
EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basel/Switzerland [4)]	1,556,340	22.60
GHT Mobility GmbH, Berlin [2),4)]	-40,771	86.00
inno2grid GmbH, Berlin [2),4)]	235	50.00
Mobility inside Holding GmbH & Co. KG, Frankfurt am Main [2),4)]	6,661	20.78
Mobility inside Verwaltungs GmbH, Frankfurt am Main [2),4)]	52	20.02
ONxpress Transportation Partners Inc., Toronto/Canada [2),7)]	458	25.00
Rail Technology Company Limited, Jeddah/Saudi Arabia [2),3)]	312	24.90
SSG Saar-Service GmbH, Saarbrücken [2),4)]	1,948	25.50
Stinnes Holz GmbH, Berlin [2),4)]	137	53.00
FAIR VALUE		
Eurail B.V., Utrecht/the Netherlands [2),4)]	2,132	28.72
Eurail Group G.I.E., Luxembourg/Luxembourg [2),4)]	0	24.47
TREMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bahnhöfe West KG, Berlin [2),4)]	4,215	94.00
TRENTO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bahnhöfe Ost KG i.L., Düsseldorf [2),4)]	0	100.00
DB ARRIVA		
FULLY CONSOLIDATED		
00741078 Limited, Sunderland/United Kingdom	605	100.00
Alliance Rail Holdings Ltd, Sunderland/United Kingdom	0	100.00
Ambuline Limited, Sunderland/United Kingdom	1,114	100.00
APS (Leasing) Ltd, Sunderland/United Kingdom	0	100.00
Arriva ABC GP Limited, Edinburgh/United Kingdom	0	100.00
Arriva ABC Scottish Limited Partnership, Edinburgh/United Kingdom	-158	100.00
ARRIVA autobusy a.s., Chrudim/Czech Republic	56,591	100.00
Arriva Bus & Coach Holdings Limited, Sunderland/United Kingdom	0	100.00
Arriva Bus & Coach Ltd, Sunderland/United Kingdom	4,011	100.00
Arriva Bus Abu Dhabi Limited, Sunderland/United Kingdom	0	100.00
Arriva Bus Transport Polska Sp. z o.o., Toruń/Poland	-21,594	99.80
Arriva City s.r.o., Prague/Czech Republic	17,328	100.00
Arriva Cymru Limited, Sunderland/United Kingdom	16,509	100.00
Arriva Danmark A/S, Kastrup/Denmark	20,172	100.00
Arriva Durham County Limited, Sunderland/United Kingdom	26,446	100.00
Arriva East Herts & Essex Ltd, Sunderland/United Kingdom	0	100.00
Arriva Finance Lease Limited, Sunderland/United Kingdom	1,770	100.00
Arriva Galicia S.L., Ferrol/Spain	19,382	100.00
Arriva Holding ApS, Kastrup/Denmark	58	100.00
Arriva Hrvatska d.o.o., Osijek/Croatia	35,907	100.00
Arriva Hungary Zrt., Budapest/Hungary	99,993	100.00
Arriva Insurance A/S, Kastrup/Denmark	7,900	100.00
Arriva Insurance Company (Gibraltar) Limited, Gibraltar/Gibraltar	4,687	100.00
Arriva International (Northern Europe) Limited, Sunderland/United Kingdom	0	100.00
Arriva International (Southern Europe) Limited, Sunderland/United Kingdom	0	100.00
Arriva International Limited, Sunderland/United Kingdom	1,132,452	100.00
Arriva International Trains (Leasing) Limited, Sunderland/United Kingdom	1,634	100.00
Arriva Italia Rail S.R.L., Milan/Italy	685	100.00
Arriva Italia s.r.l., Milan/Italy	259,575	100.00
Arriva Kent & Surrey Limited, Sunderland/United Kingdom	5,020	100.00
Arriva Kent Thameside Limited, Sunderland/United Kingdom	11,749	100.00
ARRIVA Liorbus, a. s., Ružomberok/Slovakia	13,022	60.42
ARRIVA LISBOA TRANSPORTES SA, Almada/Portugal	43	100.00
Arriva LITAS d.o.o. Požarevac, Požarevac/Serbia	6,298	100.00
ARRIVA LONDON NORTH LTD, Sunderland/United Kingdom	-24,706	100.00
Arriva London Pension Scheme Trustee Limited, Sunderland/United Kingdom	0	100.00
ARRIVA LONDON SOUTH LTD, Sunderland/United Kingdom	95,359	100.00
ARRIVA MADRID MOVILIDAD S.L., Madrid/Spain	35,296	100.00
Arriva Manchester Limited, Sunderland/United Kingdom	0	100.00
Arriva Merseyside Limited, Sunderland/United Kingdom	55,431	100.00
ARRIVA METROPOLITANA S.L., Paseo de la Estacion/Spain	148	100.00
ARRIVA Michalovce, a.s., Michalovce/Slovakia	7,660	60.14
Arriva Midlands Limited, Sunderland/United Kingdom	17,207	100.00
Arriva Midlands North Limited, Sunderland/United Kingdom	3,519	100.00
Arriva Mobility Solutions, s.r.o., Bratislava/Slovakia	6,277	100.00
Arriva Motor Holdings Limited, Sunderland/United Kingdom	109,755	100.00
Arriva Multimodaal BV, Heerenveen/the Netherlands	18	100.00
ARRIVA NITRA a.s., Nitra/Slovakia	25	60.48
Arriva North East Limited, Sunderland/United Kingdom	7,124	100.00
Arriva North West Limited, Sunderland/United Kingdom	3,105	100.00
Arriva Northumbria Limited, Sunderland/United Kingdom	10,492	100.00
ARRIVA Nové Zámky, a.s., Nové Zámky/Slovakia	11,062	60.36
Arriva Passenger Services Pension Trustees Limited, Sunderland/United Kingdom	0	100.00
Arriva Personenvervoer Nederland BV, Heerenveen/the Netherlands	344,612	100.00
Arriva plc, Sunderland/United Kingdom	989,478	100.00
Arriva Polska Sp. z o.o., Warsaw/Poland	3,150	100.00
ARRIVA PORTUGAL – TRANSPORTES LDA, Guimaraes/Portugal	3,841	100.00
Arriva Rail East Midlands Limited, Sunderland/United Kingdom	0	100.00
Arriva Rail London Limited, Sunderland/United Kingdom	32,285	100.00
Arriva Rail North Limited, Sunderland/United Kingdom	-69,862	100.00
Arriva Rail XC Limited, Sunderland/United Kingdom	0	100.00
Arriva RP Sp. z o.o., Toruń/Poland	12,999	100.00

SUBSIDIARY / company and registered office	Equity (€ thousand)[1]	Investment (%)
Arriva Letbane ApS, Kastrup / Denmark	2,334	100.00
Arriva Scotland West Limited, Glasgow / United Kingdom	1,841	100.00
Arriva Service A / S, Kastrup / Denmark	273	100.00
Arriva Service s.r.o., Komárno / Slovakia	11,489	100.00
Arriva Services a.s., Králův Dvůr / Czech Republic	2,967	100.00
ARRIVA Slovakia a.s., Nitra / Slovakia	30,703	100.00
Arriva South Eastern Rail Limited, Sunderland / United Kingdom	0	100.00
ARRIVA SPAIN HOLDING, S.L., Madrid / Spain	59,888	100.00
Arriva Spain Rail S.A., Madrid / Spain	154	100.00
Arriva Střední Čechy s.r.o., Kosmonosy / Czech Republic	38,690	100.00
Arriva Techniek BV, Heerenveen / the Netherlands	1,254	100.00
Arriva the Shires Limited, Sunderland / United Kingdom	10,776	100.00
Arriva Tog A / S, Kastrup / Denmark	3,125	100.00
Arriva Touring BV, Heerenveen / the Netherlands	4,814	100.00
Arriva Trains Holdings Limited, Sunderland / United Kingdom	128,920	100.00
Arriva Trains Romania SRL, Bucharest / Romania	4,505	100.00
Arriva Trains Wales / Trenau Arriva Cymru Limited, Sunderland / United Kingdom	8,338	100.00
Arriva Transport Česká Republika a.s., Prague / Czech Republic	152,710	100.00
Arriva Transport Solutions Limited, Sunderland / United Kingdom	- 772	100.00
ARRIVA Trnava, a. s., Trnava / Slovakia	15,529	60.50
Arriva Trustee Company Limited, Sunderland / United Kingdom	0	100.00
Arriva Udine S.P.A., Udine / Italy	81,281	60.00
Arriva UK Bus Holdings Limited, Sunderland / United Kingdom	483,046	100.00
Arriva UK Bus Investments Limited, Sunderland / United Kingdom	84,032	100.00
Arriva UK Bus Limited, Sunderland / United Kingdom	2,163	100.00
Arriva UK Bus Properties Limited, Sunderland / United Kingdom	1,445	100.00
Arriva UK Trains Limited, Sunderland / United Kingdom	282,037	100.00
Arriva Veneto S.r.l., Venice / Italy[9]	110	50.00
ARRIVA VIAJES AGENCIA OPERADORA S.L., Madrid / Spain	337	100.00
Arriva vlaky s.r.o., Prague / Czech Republic	13,847	100.00
Arriva Yorkshire Ltd, Sunderland / United Kingdom	27,436	100.00
Arriva, druzba za prevoz potnikov, d.o.o., Kranj / Slovenia	63,823	100.00
ArrivaBus Kft., Székesfehérvár / Hungary	59,454	99.00
At Seat Catering (2003) Limited, Sunderland / United Kingdom	0	100.00
Autobusni kolodovr d.o.o. Karlovac, Karlovac / Croatia	794	68.06
Autocares Mallorca, s.l., Alcudia / Spain	3,667	100.00
Autos Carballo, S.L., Paseo de la Estacion / Spain	3,494	100.00
Autotrans d.d., Cres / Croatia	16,358	73.18
Autotrans Lika d.d., Otočac / Croatia	298	58.14
Bergamo Trasporti Est S.c.a.r.l., Bergamo / Italy	10	93.67
Bus Nort Balear s.l., Alcudia / Spain	283	100.00
BUS Service Járműjavitó es Szolgáltató Kft., Budapest / Hungary	10,041	99.00
Busdan 32.1 A / S, Kastrup / Denmark	5,258	100.00
BUSDAN 35 ApS, Kastrup / Denmark	13,313	100.00
BUSDAN 37 ApS, Kastrup / Denmark	26,366	100.00
BUSDAN 38 ApS, Kastrup / Denmark	6,018	100.00
BUSDAN 39 ApS, Kastrup / Denmark	2,620	100.00
BUSDAN 40 ApS, Kastrup / Denmark	6,424	100.00
BUSDAN 42 ApS, Kastrup / Denmark	2,053	100.00
Centrebus Holdings Limited, Sunderland / United Kingdom	1,049	100.00
Classic Coaches (Continental) Limited, Sunderland / United Kingdom	0	100.00
CSAD MHD Kladno a.s., Kladno / Czech Republic	9,765	100.00
DB Regio Tyne and Wear Limited, Sunderland / United Kingdom	- 1,645	100.00
EMPRESA DE BLAS Y COMPANIA S.A., Madrid / Spain	59,150	100.00
Estacion de autobuses de Ferrol S.A., Ferrol / Spain	280	80.14

SUBSIDIARY / company and registered office	Equity (€ thousand)[1]	Investment (%)
Grand Central Railway Company Limited, Sunderland / United Kingdom	- 47,010	100.00
Great North Eastern Railway Company Limited, Sunderland / United Kingdom	0	100.00
Great North Western Railway Company Ltd, Sunderland / United Kingdom	0	100.00
Green Line Travel Limited, Sunderland / United Kingdom	9	100.00
INTEGRAL AVTO prodaja, servisi in tehnični pregledi vozil d.o.o., Jesenice / Slovenia	3,343	100.00
KD SERVIS a.s., Kladno / Czech Republic	2,528	100.00
London and North Western Railway Company Limited, Sunderland / United Kingdom	23,996	100.00
M40 Trains Limited, Sunderland / United Kingdom	91,223	100.00
MTL Services Limited, Sunderland / United Kingdom	130,791	100.00
NV Personeel de Noord-Westhoek, Heerenveen / the Netherlands	421	100.00
Panturist dioničko društvo za prijevoz putnika i turizam d.d., Osijek / Croatia	- 905	99.88
Premier Buses Ltd, Sunderland / United Kingdom	2,255	100.00
SAD INVEST, s.r.o., Trnava / Slovakia	685	60.50
Stevensons of Uttoxeter Limited, Sunderland / United Kingdom	1	100.00
Teamdeck Limited, Sunderland / United Kingdom	0	100.00
TGM (Holdings) Limited, Sunderland / United Kingdom	0	100.00
TGM Group Limited, Sunderland / United Kingdom	1,349	100.00
The Chiltern Railway Company Limited, Sunderland / United Kingdom	33,867	100.00
Transcare Solutions Limited, Sunderland / United Kingdom	1,065	100.00
TRANSURBANOS DE GUIMARAES TP, LDA, Guimaraes / Portugal	1,102	100.00
Trasporti Brescia Nord S.c.a.r.l., Brescia / Italy	100	92.00
Trasporti Brescia Sud S.c.a.r.l., Brescia / Italy	100	93.00
TUF-TRANSPORTES URBANOS DE FAMALICAO, LDA, Vila Nova de Famalicao / Portugal	- 4	66.67
UCPLUS A / S, Kastrup / Denmark	1,236	100.00
White Rose Bus Company Limited, Sunderland / United Kingdom	0	100.00
XC Trains Limited, Sunderland / United Kingdom	47,993	100.00
Yorkshire Tiger Limited, Sunderland / United Kingdom	3,600	100.00
Zeta Automotive Limited, Bicester / United Kingdom	0	100.00
AT EQUITY		
Aquabus BV, Heerenveen / the Netherlands[2,4]	7,917	50.00
Autopromet d.d. Slunj, Slunj / Croatia[2,4]	1,009	20.37
Bergamo Trasporti Ovest S.c.a.r.l., Bergamo / Italy[2,4]	10	65.76
Bergamo Trasporti Sud Scarl, Bergamo / Italy[2,4]	10	25.57
Estacion Autobuses de Pobra, Ferrol / Spain[2,10]	3	33.33
Explotacion Gasoleos de la Coruna, s.l., Ferrol / Spain[2,3]	177	40.00
EXTRA.TO S.c.a.r.l., Turin / Italy[2,4]	115	30.01
Intercambiador de Transportes Principe PIO S.A., Madrid / Spain[2,4]	16,159	30.00
Lecco Trasporti S.c.a.r.l., Lecco / Italy[2,4]	10	58.73
NRES Limited, London / United Kingdom[2,4]	80	20.00
Omnibus partecipazioni S.R.L., Milan / Italy[6,7]	9,861	50.00
Rail Settlement Plan Limited, London / United Kingdom[2,4]	177	20.00
Rail Staff Travel Limited, London / United Kingdom[2,4]	- 2,411	20.00
S.I.T. VALLEE SOC. CONS. AR.L., Charvensod (AO) / Italy[2,4]	56	33.33
S.T.I. Servizi Trasporti Interregionali SpA, Pordenone / Italy[2,4]	883	9.81
TPL FVG Scarl s.r.l., Gorizia / Italy[2,4]	132	24.98
Train Information Services Limited, London / United Kingdom[2,4]	- 12	20.00
Trieste Trasporti S.P.A., Trieste / Italy[7]	60,361	39.94
Viajeros del Eo, Ferrol / Spain[2,3]	2	50.00
West Yorkshire Ticketing Company Limited, Altrincham / United Kingdom[2,4]	0	42.47
WSMR (Holdings) Limited, London / United Kingdom[2,4]	23	50.00

SUBSIDIARY / company and registered office	Equity (€ thousand)[1]	Investment (%)
DB SCHENKER		
FULLY CONSOLIDATED		
Air Terminal Handling SAS, Tremblay en France / France	1,899	100.00
Almoayed Schenker W.L.L., Manama / Bahrain[9]	2,022	49.00
Anterist + Schneider Zeebrugge BVBA, Zeebrugge / Belgium	1,606	100.00
AO Schenker, Moscow / Russia	3,843	100.00
AS Schenker, Tallinn / Estonia	8,426	100.00
ASIMEX Anterist + Schneider Import – Export SAS, Stiring-Wendel / France	678	100.00
ATLANTIQUE EXPRESS SAS, Montaigu Cedex / France	1,383	100.00
B&G Leasing LLC dba Pro-Lease Trucking, Carnesville / USA	0	100.00
BAX Global (Pty) Ltd., Johannesburg / South Africa	78	86.75
Bischof Gesellschaft mbH., Vienna / Austria	71	100.00
Bitergo GmbH, Dortmund	4,819	100.00
BTL Reinsurance S.A., Luxembourg / Luxembourg	3,334	100.00
Transfer Logistics, Inc., Carnesville, USA	9	100.00
Davis Transfer, Inc., Carnesville / USA	49,395	100.00
DB France Holding SAS, Gennevilliers Cedex / France	296,921	100.00
DB Schenker (Cambodia) Limited, Phnom Penh / Cambodia	2,988	100.00
DB Schenker FLLC, Minsk / Belarus	150	100.00
DB Schenker GBS Bucharest S.R.L., Bucharest / Romania	6,822	100.00
DB Schenker Global Services Asia Pacific Inc., Taguig City / Philippines	9,334	99.94
DB Schenker Logistics Campus MEA (Pty) Ltd., Kempton Park / South Africa[9]	3,615	47.00
DB Schenker, Kiev / Ukraine	-1,920	100.00
Engelberg Transportes Internacionales C.A. (Entra), Caracas / Venezuela	1,191	100.00
Fastighets Aktiebolaget Orbyn, Gothenburg / Sweden	603	100.00
Fullerö 67:2 Uppsala Aktiebolag, Gothenburg / Sweden	6,326	100.00
International Freight Services, Inc., Van Buren / USA	322	100.00
Intreprinderea Mixta "S.C. Schenker" S.R.L., Chişinău / Moldova	172	96.75
Karpeles Freight Services, Inc., Chesapeake / USA	773	100.00
KB Ädelgasen 1-Jönköping, Jönköping / Sweden	7,538	100.00
KB Älghunden Jönköping, Jönköping / Sweden	1,516	100.00
KB Arbetsbasen 4-Stockholm, Stockholm / Sweden	2,817	100.00
KB Ättehögen Östra 1-Helsingborg, Helsingborg / Sweden	6,199	100.00
KB Backa 107:3, Gothenburg / Sweden	11,155	100.00
KB Baggböle 2:35-Umeå, Umeå / Sweden	2,246	100.00
KB Benkammen 12-Malmö, Malmö / Sweden	11,721	100.00
KB Bleket 1-Karlstad, Karlstad / Sweden	4,286	100.00
KB Distributören 3 och 4-Örebro, Örebro / Sweden	7,126	100.00
KB Forsmark 2-Stockholm, Stockholm / Sweden	4,563	100.00
KB Forsmark 3-Stockholm, Stockholm / Sweden	15,367	100.00
KB Forsmark 5 Stockholm, Gothenburg / Sweden	19	100.00
KB Frysen 1 Visby, Visby / Sweden	1,132	100.00
KB Fryshuset 3-Visby, Visby / Sweden	93	100.00
KB Köpmannen 10-Västerås, Västerås / Sweden	3,032	100.00
KB Langtradaren 2 Borlänge, Borlänge / Sweden	3,102	100.00
KB Lertaget 1, Skara, Skara / Sweden	3,862	100.00
KB Malmö Hamnen 22 Malmö, Malmö / Sweden	5,137	100.00
KB Maskinen 3-Linköping, Linköping / Sweden	5,946	100.00
KB Önnestad 108:4-Kristianstad, Kristianstad / Sweden	3,832	100.00
KB Överön 1:66-Örnsköldsvik, Örnsköldsvik / Sweden	937	100.00
KB Pantern 1-Växjö, Växjö / Sweden	3,379	100.00
KB Reläet 8-Norrköping, Norrköping / Sweden	2,290	100.00
KB Sörby 24:3-Gävle, Gävle / Sweden	3,326	100.00
KB Storheden 1:8-Luleå, Luleå / Sweden	2,672	100.00
KB Transporten 1-Hultsfred, Hultsfred / Sweden	1,655	100.00
KB Transportören 1-Värnamo, Värnamo / Sweden	7,798	100.00
KB Tveta-Valsta 4:5 Södertälje, Stockholm / Sweden	1,282	100.00
KB Vindtrycket 1-Borås, Borås / Sweden	5,684	100.00
KB Vivstamon 1:13-Timrå, Timrå / Sweden	4,047	100.00
Kiinteistö Oy Seinäjoen Kiitolinja-asema, Seinäjoki / Finland	983	100.00
Kiinteistö Oy Tampereen Rahtiasema, Tampere / Finland	1,883	100.00

SUBSIDIARY / company and registered office	Equity (€ thousand)[1]	Investment (%)
Kiinteistö Oy Tir-Trans, Joentaustankatu / Finland	1,386	100.00
Kiinteistö Oy Turun Nosturinkatu 6, Turku / Finland	658	100.00
Kiitoterminaali Oy, Oulu / Finland	618	100.00
Langtradaren i Jämtland AB, Gothenburg / Sweden	1,042	100.00
Lauri Vähälä Oy, Oulu / Finland	5,705	100.00
Les Triporteurs Francais SAS, Rennes / France	1,019	100.00
Luxemburger Transport Logistik Diekirch S.A., Wilwerdange / Luxembourg	2,288	100.00
PT. Schenker Logistics Indonesia, Jakarta / Indonesia	22,995	100.00
Redhead Freight Limited, Hounslow / United Kingdom	6,642	100.00
Redhead Holdings Limited, Hounslow / United Kingdom	-394	100.00
Rengaslinja Oy, Nokia / Finland	736	100.00
SCHENKER & CO AG, Vienna / Austria	164,764	100.00
Schenker (Asia Pacific) Pte. Ltd., Singapore / Singapore	593,881	100.00
Schenker (H.K.) Ltd., Hong Kong / China	87,608	100.00
Schenker (Ireland) Ltd., Shannon / Ireland	78,121	100.00
Schenker (LLC), Dubai / United Arab Emirates[9]	59,866	49.00
Schenker (Lao) Sole Co., Ltd., Vientiane / Laos	65	100.00
Schenker (NZ) Limited, Auckland / New Zealand	5,501	100.00
Schenker (Thai) Holdings Ltd., Bangkok / Thailand[9]	12,124	49.00
Schenker (Thai) Ltd., Bangkok / Thailand[9]	58,878	49.00
Schenker A.E., Athens / Greece	3,015	100.00
Schenker A/S, Hvidovre / Denmark	21,151	100.00
Schenker AB, Gothenburg / Sweden	187,978	100.00
Schenker AG & Co. Beteiligungsverwaltungs OHG, Essen	176	100.00
Schenker Åkeri AB, Gothenburg / Sweden	17,210	100.00
Schenker Aktiengesellschaft, Essen	1,748,157	100.00
Schenker Americas, Inc., Miami / USA	477,072	100.00
Schenker Angola, Limitada, Luanda / Angola	869	99.90
Schenker Argentina S.A., Buenos Aires / Argentina	5,769	100.00
Schenker AS, Oslo / Norway	69,791	100.00
Schenker Australia Pty. Ltd., Alexandria / Australia	100,981	100.00
Schenker BITCC Customs Broker (Beijing) Co. Ltd., Beijing / China	151	70.00
Schenker BITCC Logistics (Beijing) Co., Ltd., Beijing / China	19,660	70.00
Schenker Business Services LLC, Moscow / Russia	5,617	100.00
Schenker Chile S.A., Santiago / Chile	10,111	100.00
Schenker China Ltd., Pudong / Shanghai / China	422,396	100.00
Schenker Consulting AB, Gothenburg / Sweden	1,095	100.00
Schenker d.d., Ljubljana / Slovenia	23,335	100.00
SCHENKER d.o.o., Sarajevo / Bosnia-Herzegovina	943	100.00
Schenker d.o.o., Zagreb / Croatia	3,110	100.00
Schenker d.o.o., Novi Banovci / Serbia	3,545	100.00
Schenker Dedicated Services Germany GmbH, Essen	977	100.00
Schenker Dedicated Services Sweden AB, Gothenburg / Sweden	13,208	100.00
Schenker Deutschland AG, Frankfurt am Main	56	100.00
Schenker Distribution Solutions, Inc., Paranaque City / Philippines	3,429	98.51
Schenker do Brasil Transportes Internacionais Ltda., São Paulo / Brazil	34,657	100.00
SCHENKER DOOEL, Skopje / Macedonia	1,914	100.00
Schenker Egypt Ltd., Cairo / Egypt	4,853	100.00
Schenker Eiendom Bergen AS, Oslo / Norway	4,344	100.00
SCHENKER EOOD, Sofia / Bulgaria	36,729	100.00
Schenker Equipment AB, Gothenburg / Sweden	7,288	100.00
Schenker Europe GmbH, Frankfurt am Main	25	100.00
Schenker Filen 8 Aktiebolag, Gothenburg / Sweden	1,374	100.00
Schenker Flight Services GmbH, Frankfurt am Main	1,695	100.00
Schenker Flight Services International (H.K.) Limited, Hong Kong / China	1,710	100.00
SCHENKER FRANCE SAS, Montaigu Cedex / France	209,524	100.00
Schenker Global Management & Services GmbH, Essen	-20,727	100.00
Schenker Global Management & Services Pte. Ltd., Singapore / Singapore	1,885	100.00

SUBSIDIARY / company and registered office	Equity (€ thousand) [1]	Investment (%)
Schenker Global Management&Technology Center Americas Inc., Miami/USA	1,993	100.00
Schenker GmbH für Beteiligungen, Essen	155	100.00
SCHENKER INDIA PRIVATE LIMITED, New Delhi/India	77,176	100.00
Schenker International (HK) Ltd., Hong Kong/China	307,417	100.00
Schenker International (Macau) Ltd., Macau/Macau	3,843	100.00
Schenker International S.A. de C.V., Mexico City/Mexico	62,617	100.00
Schenker Italiana S.p.A., Peschiera Borromeo (MI)/Italy	126,095	100.00
Schenker Jinbei Logistics (Shenyang) Co. Ltd., Shenyang/China [9]	21,533	50.00
Schenker Kazakhstan LLP, Almaty/Kazakhstan	-303	100.00
Schenker Khimji's LLC, Muscat/Sultanate of Oman	1,626	60.00
Schenker Korea Ltd., Seoul/Republic of Korea	68,194	100.00
Schenker Limited, London/United Kingdom	61,850	100.00
Schenker Limited, Nairobi/Kenya	-2,435	100.00
Schenker Logistics (Bangladesh) Limited, Dhaka/Bangladesh [9]	8,098	40.00
Schenker Logistics (Chengdu) Co., Ltd., Chengdu/China	4,084	100.00
Schenker Logistics (Chongqing) Co., Ltd., Chongqing/China	2,303	100.00
Schenker Logistics (Guangzhou) Company Ltd., Guangzhou/China	14,220	100.00
Schenker Logistics (Jiaxing) Co., Ltd., Jiaxing/China	41,504	100.00
Schenker Logistics (Kunshan) Co., Ltd., Kunshan/China	6,313	100.00
Schenker Logistics (Malaysia) Sdn Bhd., Kuala Lumpur/Malaysia [9]	86,714	40.00
Schenker Logistics (Shanghai) Co., Ltd., Shanghai/China	17,815	100.00
Schenker Logistics (Shenzhen) Co. Ltd., Shenzhen/China	2,020	100.00
Schenker Logistics (Suzhou) Company Ltd., Suzhou/China	17,273	100.00
Schenker Logistics (Thai) Ltd., Bangkok/Thailand [9]	-4,369	49.00
Schenker Logistics (Xiamen) Co. Ltd., Xiamen/China	12,067	100.00
Schenker Logistics AB, Gothenburg/Sweden	8,782	100.00
Schenker Logistics Inc., City of Calamba/Philippines	334	100.00
Schenker Logistics L.L.C., Abu Dhabi/United Arab Emirates [9]	10,374	49.00
Schenker Logistics Nederland B.V., Rotterdam/the Netherlands	106,142	100.00
Schenker Logistics Romania S.A., Bucharest/Romania	70,436	99.53
Schenker Logistics S.A., Barcelona/Spain	127,323	100.00
Schenker Logistics Vietnam Co., Ltd., Ho Chi Minh City/Vietnam	4,583	51.00
Schenker Logistics W.L.L., Doha/Qatar [9]	1,697	49.00
SCHENKER LUXEMBOURG GMBH, Contern/Luxembourg	6,965	100.00
Schenker Manila Administrative Competence Center Inc., Taguig City/Philippines	6,871	99.94
Schenker Maroc S.A.S, Casablanca/Morocco	1,023	100.00
Schenker Middle East FZE, Dubai/United Arab Emirates	74,145	100.00
Schenker Myanmar Co., Ltd., Yangon/Myanmar	3,267	100.00
Schenker Namibia (Pty) Ltd., Windhoek/Namibia	310	100.00
Schenker Nederland B.V., Tilburg/the Netherlands	24,988	100.00
Schenker Nemzetközi Szállitmányozási és Logisztikai Kft., Szigetszentmiklós/Hungary	21,939	100.00
Schenker NV, Antwerp/Belgium	49,136	100.00
Schenker Ocean Freight Services WLL, Doha/Qatar [9]	835	49.00
Schenker of Canada Ltd., Toronto/Canada	113,694	100.00
Schenker OY, Helsinki/Finland	91,197	100.00
Schenker Panama S.A., Panama City/Panama	1,460	100.00
Schenker Peru S.R.L., Lima/Peru	1,311	100.00
Schenker Philippines (Subic) Inc., Subic/Philippines	1,153	100.00
Schenker Philippines, Inc., City of Makati/Philippines	18,175	100.00
Schenker Property Sweden AB, Gothenburg/Sweden	61,022	100.00
SCHENKER RE DESIGNATED ACTIVITY COMPANY, Dublin/Ireland	45,410	100.00
Schenker S.A., Guatemala City/Guatemala	-2,463	100.00
SCHENKER s.r.o., Bratislava/Slovakia	6,971	100.00
Schenker Saudi Arabia LLC, Riyadh/Saudi Arabia	7,163	100.00
Schenker Schweiz AG, Zurich/Switzerland	102,069	100.00
Schenker Shared Services (Nanjing) Co. Ltd., Nanjing/China	7,492	100.00

SUBSIDIARY / company and registered office	Equity (€ thousand) [1]	Investment (%)
Schenker Singapore Pte. Ltd., Singapore/Singapore	356,256	100.00
Schenker South Africa (Pty) Ltd., Isando/South Africa	12,872	86.75
Schenker Sp. z o.o., Warsaw/Poland	77,334	99.69
SCHENKER spol. s r.o., Prague/Czech Republic	48,746	100.00
Schenker Technik GmbH, Essen	6,051	100.00
Schenker Technology Center (Warsaw) sp. z o.o., Warsaw/Poland	1,595	100.00
Schenker Transitarios, S.A., Loures/Portugal	15,317	100.00
Schenker Transport Aktiebolag, Gothenburg/Sweden	1,995	100.00
Schenker Transport Groep B.V., Tilburg/the Netherlands	5,598	100.00
Schenker Vietnam Co., Ltd., Ho Chi Minh City/Vietnam	67,872	100.00
Schenker, Inc., New York/USA	567,477	100.00
Schenker-Arkas Nakliyat Ve Tic. A.S., Zincirlikuyu/Turkey	17,965	55.00
Schenkerocean Ltd, Wanchai/Hong Kong/China	922	100.00
Schenker-Seino Co. Ltd., Tokyo/Japan	62,404	60.00
SIA Schenker, Riga/Latvia	6,356	100.00
Sky Partners OÜ, Tallinn/Estonia	577	100.00
Skyraider Risk Retention Group, Inc., Charleston/USA	104	100.00
SW Zoll-Beratung GmbH, Furth im Wald	5,774	100.00
The Great Ocean Line Pte. Ltd., Singapore/Singapore	70	100.00
Trafikaktiebolaget NP Kagström, Gothenburg/Sweden	107	100.00
Transworld Asig - Broker de Asigurare SRL, Bucharest/Romania	70	99.53
UAB "Schenker", Vilnius/Lithuania	1,995	100.00
USA Truck Fleetco LLC, Van Buren/USA	0	100.00
USA Truck Logistics LLC, Van Buren/USA	0	100.00
USA Truck, Inc., Van Buren/USA	239,096	100.00
USA Truck, LLC, Van Buren/USA	0	100.00
Vähälä Logistics Oy, Oulu/Finland	10,753	100.00
AT EQUITY		
ADRIA KOMBI d.o.o., Ljubljana, Ljubljana/Slovenia [2),4)]	12,591	33.72
ATS Air Transport Service AG, Zurich/Switzerland [2),4)]	3,381	26.00
Bäckebols Akeri AB, Gothenburg/Sweden [2),4)]	5,474	35.00
BTU - Bilspedition Transportörer Utvecklings AB, Solna/Sweden [2),4)]	1,422	50.00
Elevator-Gesellschaft mit beschränkter Haftung, Hanover [2),4)]	54	50.00
Express Air Systems GmbH (EASY), Kriftel [2),4)]	3,151	50.00
Gardermoen Perishables Center AS, Gardermoen/Norway [2),4)]	2,055	33.30
Germans Corbalan&Alvarez, S.L., Manresa (Barcelona)/Spain [2),4)]	1,214	20.00
I.M. "Moldromukrtrans" S.R.L., Chişinău/Moldova [2),4)]	614	33.17
Les Triporteurs Montpellierains SAS, Montpellier/France		20.00
Les Triporteurs Parisiens SAS, Paris/France		20.00
Les Triporteurs Rochelais SARL, La Rochelle/France		30.00
Les Triporteurs Tourangeaux SARL, Tours/France		20.00
Les Triporteurs Vannetais SAS, Vannes/France		25.00
Stream Finance GmbH, Berlin [2),7)]	156	22.30
Trans Jelabel S.L., Aldeamayor de San Martín/Spain [2),4)]	1,159	20.00
Volla Eiendom AS, Oslo/Norway [2),4)]	1,492	50.00

1) IFRS data.
2) Disclosures comply with local accounting principles.
3) Data: 2019 financial year.
4) Data: 2021 financial year.
5) Data: 2015 financial year.
6) Data: 2020 financial year.
7) Preliminary data.
8) Data: 2018 financial year.
9) Consolidation is based on agreements under corporation law, which gives DB Group control over the relevant activities.
10) Data: 2017 financial year.

(43) MANAGEMENT BOARD, SUPERVISORY BOARD AND SUPERVISORY BOARD COMMITTEES

Details of the names and memberships in (a) other supervisory boards that are legally required to be created and (b) equivalent domestic and international control bodies of commercial enterprises of members of the Management Board and the Supervisory Board of DB AG are set out in the following.

Management Board

DR. RICHARD LUTZ
Chief Executive Officer and Chairman of the Management Board,
Berlin

a)
- DB Cargo AG (Chairman)
- DB Long-Distance AG (since August 1, 2022; Chairman)
- DB Regional AG (since August 1, 2022; Chairman)
- DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a. G. Betriebliche Sozialeinrichtung der Deutschen Bahn
- DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a. G. Betriebliche Sozialeinrichtung der Deutschen Bahn

b)
- Arriva plc, Sunderland / United Kingdom (until July 31, 2022; Member of the Board of Directors)
- DB Stiftung gGmbH (Advisory Board, Chairman)

DR. DANIELA GERD TOM MARKOTTEN
Digitalization and Technology,
Dallgow-Döberitz

a)
- Schenker AG
- DB Fahrzeuginstandhaltung GmbH (since January 14, 2022; Chairwoman)
- DB Systel GmbH (since January 25, 2022; Chairwoman)
- DB Systemtechnik GmbH (since February 1, 2022; Chairwoman)
- DEVK Rückversicherungs- und Beteiligungs-AG (since July 6, 2022)

b)
- DB broadband GmbH (Chairwoman)
- Hermann von Helmholtz-Gemeinschaft Deutscher Forschungszentren e. V. / Deutsches Zentrum für Luft- und Raumfahrt (DLR) (since January 1, 2023; Member of the Senate)
- IUHHOO GmbH

DR. LEVIN HOLLE
Finance and Logistics,
Berlin

a)
- Schenker AG (Chairman)
- DEVK Allgemeine Versicherungs-AG

b)
- Arriva plc, Sunderland / United Kingdom (Chairman of the Board of Directors)
- BwConsulting GmbH (Advisory Board)

BERTHOLD HUBER
Infrastructure division (since July 1, 2022),
Weilheim

a)
- DB Netz AG (since August 1, 2022; Chairman)
- DB Long-Distance AG (until July 31, 2022; Chairman)
- DB Regional AG (until July 31, 2022; Chairman)
- DB Vertrieb GmbH (until July 31, 2022; Chairman)
- DEVK Allgemeine Lebensversicherungs AG

DR. SIGRID NIKUTTA
Freight Transport,
Berlin

a)
- DB Cargo Polska S.A. (Chairwoman)
- Knorr-Bremse AG (since May 24, 2022)

b)
- DEVK Allgemeine Versicherungs-AG (Advisory Board)
- Deutsche Bank Ost (Advisory Board)
- Deutsches Zentrum für Luft- und Raumfahrt (DLR) (Deputy Chairwoman of the Senate)
- Association of Berlin Merchants and Industrialists (VBKI) (Executive Board)
- Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. KG (Administrative Board)

EVELYN PALLA (SINCE JULY 1, 2022)
Regional Transport,
Vienna

a)
- S-Bahn Berlin GmbH (since September 22, 2022; Chairman since October 5, 2022)

b)
- Arriva plc, Sunderland / United Kingdom (Member of the Board of Directors)

DR. MICHAEL PETERSON (SINCE JULY 1, 2022)
Long-Distance Passenger Transport,
Heidelberg

a)
- DB Systel GmbH
- DB Vertrieb GmbH (since August 9, 2022; Chairman)

b)
- DB Bahn Italia S.r.l. (Chairman of the Board of Directors)

RONALD POFALLA (UNTIL APRIL 30, 2022)
Infrastructure,
Essen

a)
- DB Netz AG (Chairman)
- DEVK Rückversicherungs- und Beteiligungs-AG

b)
- Verband der Sparda-Banken e. V. (Advisory Board)
- Initiativkreis Ruhr GmbH (Advisory Board)

MARTIN SEILER
Human Resources and Legal Affairs,
Berlin

a)
- Schenker AG
- DB Cargo AG
- DB Gastronomie GmbH (Chairman)
- DB JobService GmbH (Chairman)
- DB Zeitarbeit GmbH (Chairman)
- DB Station & Service AG (Chairman)
- DB Energie GmbH (Chairman)
- DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a. G. Betriebliche Sozialeinrichtung der Deutschen Bahn
- DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a. G. Betriebliche Sozialeinrichtung der Deutschen Bahn

b)
- DB Stiftung gGmbH (Advisory Board)

Supervisory Board

WERNER GATZER
Chairman of the Supervisory Board (since September 28, 2022)
Secretary of State in the Federal Ministry of Finance,
Teltow

a)
- PD – Berater der öffentlichen Hand GmbH (until November 14, 2022; Chairman)
- Flughafen Berlin Brandenburg GmbH (until October 4, 2022)

b)
- Bundesanstalt für Immobilienaufgaben (BImA) (Chairman of the Administrative Board)
- Fritz Thyssen Stiftung (Member of the Board of Trustees)
- DB Stiftung gGmbH (Advisory Board) (since December 22, 2022)

MARTIN BURKERT*
Deputy Chairman of the Supervisory Board (since May 15, 2022)
Chairman of the Railway and Transport Workers Union (EVG),
Nuremberg

a)
- DB Cargo AG (until November 30, 2022; Deputy Chairman)
- S-Bahn Berlin GmbH (Deputy Chairman)
- DB JobService GmbH (until November 30, 2022; Deputy Chairman)
- DB Regio AG (since December 1, 2022; Deputy Chairman)
- DEVK Vermögensvorsorge- und Beteiligungs-AG (Chairman)
- DEVK Pensionsfonds-AG
- DEVK Allgemeine Lebensversicherungs-AG
- Adler Versicherung AG

b)
- Signal Iduna Gruppe (Advisory Board)

JÜRGEN BEUTTLER* (UNTIL JULY 31, 2022)
Head of Purchasing, Real Estate, Compliance of DB Fernverkehr AG,
Wiesbaden

RALF DAMDE* (SINCE DECEMBER 8, 2022)
Chairman of the Central Works Council of DB Regio AG,
Ensdorf/Saar

ENAK FERLEMANN (UNTIL JUNE 15, 2022)
Member of the German Parliament,
Cuxhaven

a)
- Siedlungsgesellschaft Cuxhaven AG
- Cuxhavener Hafen Entwicklungsgesellschaft GmbH

STEFFEN GELBHAAR (SINCE JUNE 16, 2022)
Member of the German Parliament,
Berlin

ANJA HAJDUK (SINCE JUNE 16, 2022)
State Secretary in the Federal Ministry of Economic Affairs and Climate Action,
Berlin

a)
- Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) (since May 18, 2022)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (since February 24, 2022)

SUSANNE HENCKEL (SINCE JUNE 16, 2022)
State Secretary in the Federal Ministry of Transport and Digital Infrastructure,
Berlin

a)
- Flughafen Berlin Brandenburg GmbH

b)
- Agora Transport Transformation gGmbH (Advisory Board)

DR. INGRID HENGSTER (UNTIL AUGUST 19, 2022)
Country Chief Executive Office Germany Global Chairwoman
Investment Banking Barclays,
Frankfurt am Main

JÖRG HENSEL*
Chairman of the Central Works Council of DB Cargo AG,
Chairman of the Works Council of DB Cargo business unit,
Chairman of the European Works Council of DB AG,
Hamm

a)
- DB Cargo AG
- DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
- DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn

b)
- DEVK Pensionsfonds-AG (Advisory Board)

KLAUS-DIETER HOMMEL* (UNTIL SEPTEMBER 30, 2022)
Chairman of the Railway and Transport Workers Union (EVG),
Großefehn-Felde

a)
- DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
- DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
- DEVK Pensionsfonds-AG
- DEVK Rechtsschutz-Versicherungs-AG
- DB Fernverkehr AG
- DB Regio AG
- DB Vertrieb GmbH

COSIMA INGENSCHAY*
Federal Director of the Railway and Transport Workers Union (EVG),
Berlin

a)
- DB Station&Service AG (Deputy Chairwoman)
- DEVK Allgemeine Versicherungs-AG (Chairwoman)
- DEVK Vermögensvorsorge- und Beteiligungs-AG (Deputy Chairwoman)
- DEVK Rechtsschutz-Versicherungs-AG
- DGB Rechtsschutz GmbH

b)
- DEVK Allgemeine Versicherungs-AG (Chairwoman of the Advisory Board)

ALEXANDER KACZMAREK* (SINCE SEPTEMBER 13, 2022)
Group representative for the states of Berlin, Brandenburg, Mecklenburg-Western Pomerania,
Berlin
a) – S-Bahn Berlin GmbH
b) – Usedomer Bahn GmbH (Advisory Board, Deputy Chairman)
– DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

PROF. DR. SUSANNE KNORRE
Management consultant,
Hanover
a) – Salzgitter AG
– Norddeutsche Landesbank
– Rain Carbon Germany GmbH

JÜRGEN KNÖRZER* (UNTIL OCTOBER 31, 2022)
Speaker of the General Works Council of DB Regio AG (since June 1, 2022),
Chairman of the General Works Council of DB Regio AG (until May 31, 2022),
Schwarzach
a) – DB Regio AG
b) – DEVK Allgemeine Versicherungs-AG (Advisory Board)

KIRSTEN LÜHMANN (UNTIL JUNE 15, 2022)
Representative Deutscher Beamtenbund und Tarifunion (German Civil Service Federation),
Hermannsburg
a) – Nürnberger Beamten-Lebensversicherung AG
– Nürnberger Beamten Allgemeine Versicherung AG

DOROTHEE MARTIN (SINCE JUNE 16, 2022)
Member of the German Parliament,
Hamburg

DANIELA MATTHEUS (SINCE OCTOBER 1, 2022)
Lawyer and management advisor,
Berlin
a) – Commerzbank AG
– Die Autobahn GmbH des Bundes
– Yunex GmbH (since June 30, 2022)

HEIKE MOLL*
Chairwoman of the Central Works Council of DB Station&Service AG,
Munich
a) – DB Station&Service AG
b) – DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

MICHAEL ODENWALD (UNTIL JULY 22, 2022)
Chairman of the Supervisory Board, Former State Secretary,
Kleinmachnow
a) – Fraport AG
b) – DB Stiftung gGmbH (until September 29, 2022; Advisory Board)

MICHAEL PUSCHEL (SINCE DECEMBER 7, 2022)
Federal Ministry of Transport and Digital Infrastructure,
Head of the Federal Roads Department,
Nieder-Olm
a) – Hafenbetriebe Rheinland-Pfalz GmbH
– Hafenbetriebe Ludwigshafen am Rhein GmbH
– Trierer Hafengesellschaft mbH
b) – Landeseigene Anlagen an Wasserstraßen (BLAW) (Administrative Board)
– ivm GmbH (integrated transport and mobility management)

DR. IMMO QUERNER
Managing Partner of KoppaKontor GmbH,
Celle
a) – BÖAG Börsen AG
b) – Arriva plc, Sunderland/United Kingdom (Member of the Board of Directors)
– Caplantic GmbH (until December 27, 2022; Chairman)
– Insr Insurance Group ASA, Oslo/Norway (until May 20, 2022; Administrative Board)
– Assenagon Asset Management S.A. (Administrative Board)
– Fonds zur Finanzierung der kerntechnischen Entsorgung (Chairman of the Investment Committee)
– Akinn Group SPF Sàrl, Luxembourg (since November 10, 2022; Member of the Board of Directors)

ECKHARDT REHBERG (UNTIL JUNE 15, 2022)
Marlow

MARIO REISS* (UNTIL JULY 31, 2022)
Chairman of the Works Council of DB Cargo AG, NL South-East,
Süptitz
a) – DB Cargo AG
b) – Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)
– Sparda-Bank Berlin eG

BERND REUTHER (SINCE JUNE 16, 2022)
Member of the German Parliament,
Wesel
a) – Toll Collect GmbH
b) – DeltaPort GmbH&Co. KG

CHRISTIAN SCHMIDT (UNTIL APRIL 30, 2022)
Federal Minister (retired),
High Representative for Bosnia and Herzegovina,
Fürth

MANFRED SCHOLZE* (SINCE DECEMBER 8, 2022)
Chairman of the General Works Council of DB Long-Distance AG,
Ebersbach-Neugersdorf
a) — DB Fernverkehr AG (Chairman)

KLAUS-PETER SCHÖLZKE* (SINCE SEPTEMBER 13, 2022)
Chairman of the Central Works Council of DB Regio AG,
Dresden

JENS SCHWARZ*
Chairman of the Group Works Council of Deutsche Bahn AG,
Chemnitz
a) — DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Deputy Chairman)
— DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

VEIT SOBEK*
Chairman of the Central Works Council of DB Netz AG,
Halberstadt
b) — Bundesbahn-Wohnungsbaugesellschaft Kassel GmbH
— DB broadband GmbH (until July 31, 2022)
— DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

ELISABETH WINKELMEIER-BECKER (UNTIL JUNE 15, 2022)
Member of the German Parliament,
Siegburg
a) — Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)

* Employees' representative on the Supervisory Board.

Supervisory Board committees

MEMBERS OF THE EXECUTIVE COMMITTEE
- Werner Gatzer (Chairman) (since September 28, 2022)
- Michael Odenwald (Chairman) (until July 22, 2022)
- Martin Burkert (since December 15, 2022)
- Enak Ferlemann (until June 15, 2022)
- Susanne Henckel (since June 23, 2022)
- Klaus-Dieter Hommel (until September 30, 2022)
- Jens Schwarz

MEMBERS OF THE AUDIT COMMITTEE AND COMPLIANCE COMMITTEE
- Dr. Immo Querner (Chairman)
- Enak Ferlemann (until June 15, 2022)
- Susanne Henckel (since June 23, 2022)
- Jörg Hensel
- Cosima Ingenschay

MEMBERS OF THE PERSONNEL COMMITTEE
- Werner Gatzer (Chairman) (since September 28, 2022)
- Michael Odenwald (Chairman) (until July 22, 2022)
- Martin Burkert (since December 15, 2022)
- Enak Ferlemann (until June 15, 2022)
- Susanne Henckel (since June 23, 2022)
- Klaus-Dieter Hommel (until September 30, 2022)
- Jens Schwarz

MEMBERS OF THE MEDIATION COMMITTEE
- Werner Gatzer (Chairman) (since September 28, 2022)
- Michael Odenwald (Chairman) (until July 22, 2022)
- Martin Burkert (since December 15, 2022)
- Enak Ferlemann (until June 15, 2022)
- Susanne Henckel (since June 23, 2022)
- Klaus-Dieter Hommel (until September 30, 2022)
- Jens Schwarz

ADDITIONAL INFORMATION

INDEPENDENT AUDITOR'S REPORT

To Deutsche Bahn Aktiengesellschaft, Berlin

Audit Opinions

We have audited the consolidated financial statements of Deutsche Bahn Aktiengesellschaft, Berlin, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2022, and the consolidated statement of income and the reconciliation of consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash-flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Deutsche Bahn Aktiengesellschaft for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to §322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the corporate governance report pursuant to No. 7 of the German Federal Public Corporate Governance Code included in section "Corporate Governance Report" of the group management report
- the sections of the Group management report highlighted in gray and headed "FURTHER INFORMATION"

The other information comprises further all remaining parts of the "Integrated Report" – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. 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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Berlin, March 7, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Kieper Wirtschaftsprüfer (German Public Auditor)	Philipp Medrow Wirtschaftsprüfer (German Public Auditor)

GRI

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING [1)]

To Deutsche Bahn AG, Berlin

We have performed a limited assurance engagement on the disclosures made in the sections "To our Stakeholders – Open Stakeholder Dialog", "To our Stakeholders – Charitable Commitment by the Deutsche Bahn Foundation" and the sections highlighted with a gray background and titled "FURTHER INFORMATION" of the Integrated Report 2022 of Deutsche Bahn AG, Berlin, (hereinafter the "Company") for the period from 1 January 2022 to 31 December 2022 (hereinafter the "Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Report.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles set out in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI criteria").

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

[1)] PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the disclosures in the Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the disclosures in the Company's Report, other than the external sources of documentation or expert opinions mentioned in the Report, have not been prepared, in all material aspects, in accordance with the relevant GRI criteria.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Company's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Report about the preparation process, about the internal control system relating to this process and about selected disclosures in the Report
- Identification of likely risks of material misstatement in the Report under consideration of the GRI criteria
- Review of processes for the collection, control, analysis and aggregation of selected data from different locations of the Company on a sample basis
- Analytical procedures on selected disclosures in the Report
- Reconciliation of selected disclosures with the corresponding data in the financial statements and management report
- Inquiries on the relevance of climate-risks
- Evaluation of the presentation of the Report

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the disclosures in the Company's Report for the period from 1 January 2022 to 31 December 2022 have not been prepared, in all material aspects, in accordance with the relevant GRI criteria. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Berlin, 7 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
Wirtschaftsprüfer
(German Public Auditor)

ppa. Nicola Jung

GLOBAL REPORTING INITIATIVE (GRI) INDEX

Statement of use	DB Group has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD		Page(s)	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: GENERAL DISCLOSURES 2021					
1. THE ORGANIZATION AND ITS REPORTING PRACTICES					
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2-2	Entities included in the organization's sustainability reporting	42, 216–217, 267–272			
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2. ACTIVITIES AND WORKERS					
2-6	Activities, value chain and other business relationships	37–38, 38–40, 110–111, 114–116, 119–121, 127–129, 138–139, 142–143, 148–149, 156–157, 165–167, 188, 211, 218–220			
2-7	Employees	89, 92, 117–118, 123–125, 130–131, 140–141, 147–148, 150–151, 160–161, 169–170	b. iii	Information unavailable/ incomplete	Not all companies outside of Germany have a central data warehouse to consolidate and process the individual data from the different companies.
2-8	Workers who are not employees	–	a., b., c.	Information not available/ incomplete	Not all companies outside of Germany have a central data warehouse to consolidate and process the individual data from the different companies.
3. GOVERNANCE					
2-9	Governance structure and composition	37–38, 195–197			
2-10	Nomination and selection of the highest governance body	195–197			
2-11	Chair of the highest governance body	195			
2-12	Role of the highest governance body in overseeing the management of impacts	40–41			
2-13	Delegation of responsibility for managing impacts	40–41, 195			
2-14	Role of the highest governance body in sustainability reporting	42–43, 216	a.	Information unavailable/ incomplete	A more detailed description of the procedure for review and approval is planned for future reporting years.
2-15	Conflicts of interest	195–196			
2-16	Communication of critical concerns	28			
2-17	Collective knowledge of the highest governance body	–	a.	Information unavailable/ incomplete	Questions of long-term training for Supervisory Board members, in particular on sustainability issues, will be included in the upcoming efficiency audit in 2023.
2-18	Evaluation of the performance of the highest governance body	198			
2-19	Remuneration policies	41, 198–201			
2-20	Process to determine remuneration	198			
2-21	Annual total compensation ratio	–	a., b., c.	Information unavailable/ incomplete	Not all companies outside of Germany have a central data warehouse to consolidate and process the individual data from the different companies.

GRI STANDARD		Page(s)	Requirement(s) omitted	Omission Reason	Explanation
4. STRATEGY, POLICIES AND PRACTICES					
2-22	Statement on sustainable development strategy	22–24			
2-23	Policy commitments	110–111, 180, 185, 186–188, 188–189			
2-24	Embedding policy commitments	110–111, 185, 186–188, 188–189			
2-25	Processes to remediate negative impacts	111, 186–188, 188–189	a.	Information unavailable/incomplete	There are currently no comprehensive commitments to remedy this situation. Through the policy declaration of the LKSG, there will be a commitment to remedy human rights and environmental obligations in 2023.
2-26	Mechanisms for seeking advice and raising concerns	186–187, 188–189			
2-27	Compliance with laws and regulations	51, 186–188, 188	a., b.	Information unavailable/incomplete	Information system not yet available. In development.
2-28	Membership associations	30, 32			
5. STAKEHOLDER ENGAGEMENT					
2-29	Approach to stakeholder engagement	30–32			
2-30	Collective bargaining agreements	91–92	a., b.	Information unavailable/incomplete	Not all companies outside of Germany have a central data warehouse to consolidate and process the individual data from the different companies.
Material topics					
GRI 3: MATERIAL TOPICS 2021					
3-1	Process to determine material topics	31, 42–43			
3-2	List of material topics	42–43			
Economic performance capability					
3-3	Management of material topics	30–32, 51–57, 101–102, 103–105, 105–109, 203–208			
GRI 201: ECONOMIC PERFORMANCE 2016					
201-1	Direct economic value generated and distributed	99–101, 210, 213			
201-2	Financial implications and other risks and opportunities due to climate change	180–181	a. v.	Information unavailable/incomplete	Costs for managing climate-related opportunities and risks are set out in various items of the statement of income in the reporting. However, they have not yet been combined under this aspect.
201-3	Defined benefit plan obligations and other retirement plans	105, 247–251			
201-4	Financial assistance received from government	36, 44–47, 106–108, 155, 262–264			
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
203-1	Infrastructure investments and services supported	106–108, 181, 261			
203-2	Significant indirect economic impacts	51–57			
Corporate management and compliance					
3-3	Management of material topics	186–188			
GRI 205: ANTI-CORRUPTION 2016					
205-1	Operations assessed for risks related to corruption	44, 172–174, 186	a.	Information unavailable/incomplete	Quantitative survey in accordance with requirements is not material from DB Group perspective and therefore undue. Within a three-year cycle, all Group companies with operating activities are to be examined for risks of corruption. Compliance risks must be reported annually on business units level.
205-2	Communication and training about anti-corruption policies and procedures	111, 186–188, 188	a., b., c., d., e.	Information unavailable/incomplete	Quantitative survey in accordance with requirements is not material from DB Group perspective and therefore undue. Communication and training on anti-corruption are described under “Compliance instruments”. Upon conclusion of the contract, suppliers are informed of and obliged to meet anti-corruption requirements.
205-3	Confirmed incidents of corruption and actions taken	186–188, 188			

GRI STANDARD	Page(s)	Requirement(s) omitted	Reason	Explanation
		Omission		
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016				
206-1 Legal proceedings due to anti-competitive behavior, anti-trust and monopoly practices	–	a.	Information unavailable/incomplete	The total number is currently not available and will be reported in the future.
		b.	Not applicable	No completed proceedings during the reporting period.
Sustainable resource use				
3-3 Management of material topics	74–75, 180			
GRI 301: MATERIALS 2016				
301-1 Materials used by weight or volume	74–75, 75	a.	Information unavailable/incomplete	According to the material flow analysis conducted in 2021, the materials used in track infrastructure (rail steel, gravel, concrete ties) are the main resources of DB Group. The materiality of additional resources is checked continuously.
301-2 Recycled input materials used	74–75, 75	a.	Information unavailable/incomplete	According to the material flow analysis conducted in 2021, the materials used in track infrastructure (rail steel, gravel, concrete ties) are the main resources of DB Group. The materiality of additional resources is checked continuously.
301-3 Reclaimed products and their packaging materials	74–75, 75	a.	Information unavailable/incomplete	According to the material flow analysis conducted in 2021, the materials used in track infrastructure (rail steel, gravel, concrete ties) are the main resources of DB Group. The materiality of additional resources is checked continuously.
GRI 306: WASTE 2020				
306-1 Waste generated and significant waste-related impacts	76			
306-2 Management of significant waste-related impacts	74–75, 76			
306-3 Waste generated	76			
306-4 Waste diverted from disposal	76, 76–77	b., c.	Information unavailable/incomplete	The data on "Preparation for reuse" is not collected by DB Group or by the commissioned disposal companies because it is not currently part of the waste law system.
306-5 Waste directed to disposal	76, 76–77	b., c.	Information unavailable/incomplete	Excluding DB Arriva. DB Cargo AG is the only part of the DB Cargo business unit included. The extent to which the data can be collected in the medium term is being examined.
Climate protection				
3-3 Management of material topics	70–74, 117, 123, 124, 129, 130, 140, 146, 147, 149, 149–150, 151, 159, 160, 167–168, 169, 180–181			
GRI 305: EMISSIONS 2016				
305-1 Direct (Scope 1) GHG emissions	78, 78–79	c.	Information unavailable/incomplete	In the context of the Scope 3.3 emissions that are currently not reported in accordance with the GHG protocol, accounting for biogenic CO_2 emissions does not make sense. The aim is to expand in the medium term.
		d.	Not applicable	No separate scope targets are stated in the Group climate protection target for the base year 2006.
305-2 Energy indirect (Scope 2) GHG emissions	70, 78, 78–79			
305-3 Other indirect (Scope 3) GHG emissions	70, 78, 78–79	c.	Information unavailable/incomplete	In the context of the Scope 3.3 emissions that are currently not reported in accordance with the GHG protocol, accounting for biogenic CO_2 emissions does not make sense. The aim is to expand in the medium term.
305-4 GHG emissions intensity	71, 78, 78–79			
305-5 Reduction of GHG emissions	70, 71, 78, 78–79	a.	Information unavailable/incomplete	No quantitative information is available at the time of data collection. In addition to qualitative data, quantitative data is also being reported in the medium term.
305-6 Emissions of ozone-depleting substances (ODS)	–	a., b., c., d.	Not applicable	If used, refrigerants are used in such small quantities that materiality is not given.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	80			

GRI STANDARD	Page(s)	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 302: ENERGY 2016				
302-1 Energy consumption within the organization	72, 78–79	b., c., d.	Information unavailable/incomplete	Total fuel consumption is reported, but the fuel types used cannot be broken down at present. A breakdown by fuel type is only available for the DB traction current mix. Further information will be reported in the medium term.
302-2 Energy consumption outside the organization	72, 78–79	a.	Information unavailable/incomplete	The primary energy consumption reported includes the energy consumption of the main Scope 3.4 transport services in accordance with the GHG Protocol (DB Schenker, DB Regional Bus, rail freight transport to China). Additional Scope 3 categories are specified in the medium term.
302-3 Energy intensity	72			
302-4 Reduction of energy consumption	70, 72, 78–79	a., b., c.	Information unavailable/incomplete	No quantitative information is available at the time of data collection. In addition to qualitative data, quantitative data is also being reported in the medium term.
302-5 Reductions in energy requirements of products and services	70, 72, 78–79			
Customer safety				
3-3 Management of material topics	67–68			
GRI 410: SECURITY PRACTICES 2016				
410-1 Security personnel trained in human rights policies or procedures	67			
GRI 416: CUSTOMER HEALTH AND SAFETY 2016				
416-1 Assessment of the health and safety impacts of product and service categories	–	a.	Information unavailable/incomplete	Information cannot currently be reported due to the complex business structure.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	–	a., b.	Information not available/incomplete	Information cannot currently be reported due to the complex business structure.
Capacity expansion of the infrastructure and vehicle fleet				
3-3 Management of material topics	52–54, 54, 55–56			
GRI 413: LOCAL COMMUNITIES 2016				
413-1 Operations with local community engagement, impact assessments, and development programs	–	a.	Information unavailable/incomplete	Percentage can currently not be represented due to the complex Group structure and extensive infrastructure.
413-2 Operations with significant actual and potential negative impacts on local communities	–	a.	Information unavailable/incomplete	Information can currently not be represented due to the complex Group structure and extensive infrastructure.
Dealing with politics and regulations				
3-3 Management of material topics	30, 44–51, 139–140, 140, 144, 148–149, 178, 202			
GRI 415: PUBLIC POLICY 2016				
415-1 Political contributions	30	a., b.	Not applicable	Contributions of any kind to political parties, their representatives, political leaders, elected representatives and candidates for political office are generally prohibited.
Solutions for modern and digital mobility, logistics and service				
3-3 Management of material topics	63, 64			
Customer benefit and product quality				
3-3 Management of material topics	59, 60–62			

UN GLOBAL COMPACT INDEX

The UN Global Compact is the largest and most important initiative in the world for responsible corporate management. Upon joining the UN Global Compact in 2009, DB Group made a commitment to support its ten principles, and regularly reports on its activities and services in a Communication on Progress.

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HUMAN RIGHTS		
Principle 1	Support and respect for international human rights	32–34, 42–51, 110–111, 188–189
Principle 2	Exclusion of human rights abuses	110–111, 188–189
LABOR STANDARDS		
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Principle 4	Elimination of all forms of forced labor	110–111, 188–189
Principle 5	Elimination of child labor	110–111, 188–189
Principle 6	Elimination of discrimination	42–51, 81–94
ENVIRONMENTAL PROTECTION		
Principle 7	Preventive environmental protection	30–32, 40–57, 69–80, 149–150
Principle 8	Initiative for greater environmental awareness	30–32, 40–57, 69–80, 117, 123, 129, 140, 145–146, 149–150, 159, 167–168
Principle 9	Development and dissemination of eco-friendly technologies	30–32, 40–41, 51–57, 69–80, 110–111, 116–117, 122–123, 129, 140, 144–146, 149–150, 159, 166–168, 208
ANTI-CORRUPTION		
Principle 10	Measures against corruption	30–32, 110–111, 185–189

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

DB Group supports the recommendations of the TCFD on reporting climate-related information. In this Integrated Report, we publish content recommended by the TCFD at various points.

The index table shows in which chapters and sub-chapters relevant topics can be found. The table is broken down according to the TCFD recommendations into the four core areas of governance, strategy, risk management, as well as key figures and targets.

TCFD RECOMMENDED DISCLOSURES		Page [1]
GOVERNANCE		
Disclose the organization's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	40–41, 51–54, 56–57, 172–173, 180, 197
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	30, 40–41, 73
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	73, 172–173, 175–181
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	45–46, 51–54, 56–57, 69–73, 175–181
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	45–46, 51–54, 56–57, 69–73, 180
RISK MANAGEMENT		
Disclose how the organization identifies, assesses and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks.	73, 172–173, 175–181
	b. Describe the organization's processes for managing climate-related risks.	73, 175–181
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	172–173, 175–181
METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	40–41, 56–57, 69–73, 92, 116–117, 198–199
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	78–79, 290
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	56–57, 69–73

[1] Page references refer to the chapters and sections in the report containing TCFD-relevant information.

GLOSSARY

A

Accessibility
Understood as universal design, meaning a design of products, environments, programs and services in such a way that they can be used by all people. Accessibility at train stations covers a wide range of aspects, from information and service to structural design. The overall objective is to dismantle all attitude-based and environmental barriers that prevent passengers from full, effective and equal participation in the rail system.

Airborne pollutants
Natural substances or airborne substances caused by human activities which may have a detrimental effect on the environment. Examples of airborne pollutants caused by combustion are soot particles, nitric oxides, hydrocarbons or sulfur dioxide.

B

Biofuel
Fuel that is produced from biomass and is a climate-friendly alternative compared to diesel. Biofuels that are produced exclusively from waste and residues and without the use of cultivated biomasses are also known as advanced biofuels. HVO (hydrogenated vegetable oil) is an example of an advanced biofuel.

Bond
Interest-bearing security which is used to borrow funds on the capital market. Helps mid-term to long-term debt financing by companies.

Bus kilometers (bus km)
The journey of a bus over a distance of 1 km.

C

Capital employed
Includes property, plant and equipment (including intangible assets) and net current assets.

Climate
The entirety of the meteorological events (for example temperature, precipitation, wind), which describe the average condition of the atmosphere at a certain location for a duration of at least 30 years.

Climate neutrality
DB Group's climate neutrality target is based on the net-zero standard of the Science Based Targets initiative (SBTi) and thus an established standard. DB Group follows the principle of "avoid, reduce, neutralize." Essentially, this means reducing all greenhouse gas emissions (Scopes 1–3) for which it is technically possible and economically reasonable to do so, and to neutralize the remaining emissions. At the same time, a maximum of 10% of emissions may be neutralized, i.e. removed from the atmosphere and permanently bound by technical or natural solutions. DB Group's ambitious reduction path is consistent with the objective of holding global warming to 1.5°C (1.5°C compliant path) until the 2040 targets have been achieved in full.

Combined transport
Combined transport of containers or entire trucks on rail and road.

Commercial paper program (CP program)
Contractual framework or model documentation for the issue of short-term commercial papers.

Compass index
Measures the implementation of the "compass for strong teamwork" in DB Group. It is a key indicator for the transformation of the organization as part of the Strong Rail strategy. It is collected annually as part of the employee survey and the culture barometer (from 2021).

Compliance
An important component of corporate governance. This is understood as compliance with laws and directives, as well as voluntary codes of conduct in the company.

Contracting organizations
In general, the Federal states are responsible for ordering regional rail passenger transport services from transport companies. This is carried out by a total of 27 different public transport authorities.

Contract logistics
Service packages comprising multiple logistics activities. The service provider not only organizes transport orders, but also independently assumes parts of the value-added chain.

Costs of capital
Based on fair values as a weighted average of risk-adequate market returns for the minimum return requirement calculated for debt and equity capital.

Credit facilities
Credit facilities granted by banks which can be utilized if necessary. These are firm commitments of credit lines with different maturities, some of which serve as liquidity reserves that are available at all times, while the umbrella credit lines are available in particular to foreign subsidiaries for working capital financing and as a guarantee line.

Credit rating
Credit rating assigned by rating agencies that affect a company's refinancing options and costs.

Culture barometer
Germany-wide random sample survey in the Integrated Rail System in Germany. Short, compact and digital instrument as a supplementary format in the years between the more comprehensive employee survey. The focus of the survey is the compass index – which measures corporate culture in relation to the "compass for strong teamwork."

Customer satisfaction
Satisfaction of customers and partners with a product/offer or a service, surveyed on a representative basis and evaluated on behalf of DB Group by independent market research institutes by telephone, in person or online.

Customer satisfaction index
This index is generally rated on a grading scale of 1 (very satisfied) to 6 (very dissatisfied). These grades are converted and shown on a scale of 0 to 100 (0 points = grade 6; 20 points = grade 5; 40 points = grade 4; 60 points = grade 3; 80 points = grade 2; 100 points = grade 1).

D

DBeco plus
Service for rail freight transport customers to have their goods transported in a climate-neutral way on all electrified lines within Germany and Austria.

DB traction current
Electric traction current, with which DB Netze Energy supplies intra-Group train operating companies in Germany.

Debt coverage
Key financial indicator that describes the relationship between the company's current financing power and its financial obligations (adjusted net financial debt).

Debt issuance program
Contractual framework or sample documentation for the issuance of bonds. This guarantees a high degree of flexibility in issue activity.

Derivative financial instruments (derivatives)
Financial instruments, the price or value of which depends on the future rates or prices of other goods, assets or reference values (interest rates, indices). These are contracts in which the contracting parties agree to buy, sell or swap assets at specified conditions in the future, or alternatively make value equalization payments.

Diversity
Refers to the variation within the workforce with regard to gender, ethnicity and social background, age, religion, sexual orientation and identity, as well as physical and mental ability. Diversity also encompasses employees' variety of perspectives, values, professional experience and skills.

E

Earnings before interest and taxes (EBIT)
Operating profit/loss before interest and tax.

Earnings before interest, taxes, depreciation and amortization (EBITDA)
Operating profit/loss before interest, taxes, depreciation and amortization.

Ecosystem (digital)
Ecosystems are networks of partners who work on common (or competing) value-added chains for a value proposition. In partnership-based value chains, the created value exceeds the sum of the isolated value-added chains, for example, through a simple and better customer experience or increased efficiency in production.

Electricity mix
Composition of electricity by type of energy generation (for example renewable energies, gas and others).

Employee satisfaction index (SI)
As part of the Group-wide employee survey conducted every two years, the index is calculated using questions about motivation, job satisfaction and (emotional) loyalty to the company on a scale from 1 to 5 (best possible value).

Employee survey
It has been conducted within DB Group every two years since 2012. The aim of the employee survey is to give the individual divisions, business units and the entire DB Group a status update for various organizational and cultural frameworks. Another objective of the survey is the subsequent improvement processes, which are triggered by the discussion of the results.

Equity method/at-equity accounting
Procedures for the accounting of affiliated companies which are not included in the consolidated financial statements on the basis of full consolidation with all assets and liabilities. The book value of the subsidiary is adjusted by the development of the pro rata equity in the holding.

Equity ratio
Key financial indicator based on the balance sheet structure: proportion of equity in the balance sheet total as a percentage.

ESG rating
Assessment of sustainability, for example of a company. The degree of sustainability is assessed on the basis of the fulfillment of environmental, social and governance (ESG) criteria.

European Train Control System (ETCS)
Train control system, through which the interaction between the vehicle and line is standardized across Europe. The migration to ETCS affects vehicles and lines. ETCS offers a modular system of functions, clustered in levels and operating modes, the use of which depends on the rules and use cases of the respective infrastructure.

Existing network
Existing rail network and therefore core of the infrastructure.

F

Facilities quality
To ensure maintenance funds are used according to demand and to assess improvements stemming from implemented measures, the condition of structural and technical facilities undergo periodic and event-based evaluations.

Fast-track program (SLP)
Economic stimulus program from the Federal Government, DB Group and industry to renew signaling, interlocking and level crossing technology within a very short time.

Final energy
The energy form for which an end consumer receives an invoice, for example the quantity of fuel added, or the traction current obtained.

Floating rate notes (FRN)
Bonds with variable interest rates.

G

Global Reporting Initiative (GRI)
An international organization committed to the distribution and improvement of sustainability reporting. The GRI standards are regarded as the most widely used and most internationally recognized reporting standard for sustainability.

Global warming potential (GWP)
The global warming potential of a climate-effective chemical compound such as methane describes the relative warming effect on the Earth's atmosphere over a period of 100 years (as a rule). The dimensionless figure describes the number of times a greenhouse gas contributes to global warming in comparison with CO_2. In the example of methane, it is 28 times this figure. The respective status reports of the IPCC are decisive in this.

Greenhouse gas emissions (CO_2 equivalents [CO_2e])
Emissions of trace gases that contribute to the greenhouse effect on Earth. According to the Kyoto Protocol and GHG Protocol, this includes the following compounds: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrochlorofluorocarbons (H-FKW/HFC), perfluorinated hydrocarbons (HFCs/PFC), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). The CO_2 equivalent (unit: CO_2e) is used as a measure of the relative contribution to the greenhouse effect. This is also referred to in international standards as GWP (global warming potential).

Greenhouse Gas (GHG) Protocol
A globally-recognized standard for the quantification and management of greenhouse gas emissions which is used by many companies, non-governmental organizations (NGOs) and governments.

Gross capital expenditure
Total capital expenditures in property, plant and equipment and intangible assets – irrespective of the type of financing.

Gross profit
Amount of revenues remaining after deduction of the variable (= sales-related) costs or direct (= contract-related) costs.

H

Hybrid bonds
A corporate bond which, under certain conditions, is counted as equity within the scope of the IFRS accounting regulation. Hybrid bonds usually have very long maturities or no fixed redemption dates, but may be terminated by the issuer after the expiry of a predefined minimum term.

I

IFRS 16
An accounting rule of the International Accounting Standards Board (IASB), which, since 2019, has obligated companies preparing balance sheets in accordance with IFRS to record all lease agreements with a contract term of more than one year in their balance sheets.

Interest-free loans
Loans from the Federal Government that have to be repaid, but are not interest-bearing. These result from financing contributions from the Federal Republic of Germany for capital expenditures for track expansion and replacement.

Intermodal competition
Competition between different modes of transport, for example between rail and air transport.

International Financial Reporting Standards (IFRS)
Internationally recognized accounting standards. Since 2002, IFRS has been regarded as the overall concept of standards adopted by the International Accounting Standards Board. Previously adopted standards are still cited as International Accounting Standards (IAS).

Interoperability (multisystem capability)
Ability of rolling stock to adapt to different technical standards (for example track gauges or power systems) so as to run as consistently as possible between different rail networks of individual countries.

Investment grants
Financing contributions from third parties in specified capital expenditures projects without future repayment requirements.

K

K brake shoe
Brake shoe made from composite materials (K), see also V brake shoes.

L

LL brake shoe
Brake shoe made from composites (LL: low noise, low friction), see also V brake shoe.

Load factor
Load factor describes the share of the capacity used of the production equipment (for example train, bus) in the total available capacity.

Local transport
Transport services with the products IRE, RB, RE and S-Bahn (metro).

Long-distance transport
DB Transport services with ICE and Intercity/Eurocity products. There are also offers from non-Group train operating companies.

Lost time injury frequency (LTIF)
Describes the relationship between accident frequency and hours actually worked based on one million working hours.

M

Mode of transport
The type of transport, for example road or rail.

N

Net capital expenditures
Gross capital expenditures less investment grants from third parties, for example for infrastructure investments.

Net financial debt
Balance from interest-bearing external liabilities and leasing liabilities as well as cash and cash equivalents and interest-bearing external receivables.

Nettable plan assets
Assets that are offset against gross pension obligations in the balance sheet.

Noise
Noise which disturbs people and the environment or which in extreme cases is damaging to health.

Noise barrier
Installation of active noise protection on rail lines, mostly made from materials such as aluminum, wood, concrete or wire baskets filled with stones (gabions).

Noise prevention
Noise remediation measures on new and expanded/upgraded lines based on legal claims.

Noise reduction
Noise reduction through active measures at the source (for example brake shoes made of composite materials on freight cars, known as whisper brakes) and to stop the spread (for example noise barriers) as well as passive noise protection measures (for example soundproof windows).

Noise remediation program
Voluntary program of the Federal Government implemented by DB Group to reduce the noise on existing Federal rail lines.

O

On-demand services
Services that are provided to the customer when they need and request them.

Operating leases
Off-balance-sheet financial instruments: leased or rented assets.

Operating profit after interest
Key earnings figure that also takes financing costs into account for a sustainable assessment of earnings (particularly relevant in the infrastructure business fields). Therefore, in comparison with EBIT, the operating interest balance is also taken into account.

Overall punctuality
Covers all rail transport on DB Netz AG infrastructure at DB Netze Track.

P

Passenger kilometers (pkm)
Unit of measurement for transport volume or volume sold in passenger transport: product of the number of passengers transported and the average travel distance.

Preferred carriers
Key transport partners (freight carriers) of our logistics provider DB Schenker.

Primary energy
Energy which is available in its original energy form or source, such as coal, natural gas, sun, wind and nuclear fuel.

Procurement volume
Net total of all order values from individual orders and batches from framework contracts that were concluded by the respective product areas.

Punctuality
Share of on-time stops in relation to all stops along and at the end of routes in Germany. A stop is considered on time if the scheduled arrival time is exceeded by less than six minutes in passenger transport or less than 16 minutes in freight transport. In addition, since 2020, DB Regional Bus has also evaluated buses that have been operated more than one minute too early as not on time, with retroactive effect.

R

Renewable energies
Energy from renewable sources that are theoretically unlimited in supply, such as water, wind or sunlight.

Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz – EEG)
Federal law to promote the supply of electricity from renewable energy.

Requirement plan
New construction and expansion/upgrade projects set out in the Federal Government's Transport Infrastructure Plan.

Resource
Aid, fund, reserve, raw material.

Return on capital employed (ROCE)
Key performance indicator for value-based management. Corresponds to the yield on capital employed. Percentage ratio of (adjusted) EBIT to the capital employed.

S

Science Based Targets initiative (SBTi)
The Science Based Targets initiative is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It defines methodologies for defining science-based targets in accordance with the latest findings in climate science, and defines and promotes best practice for emissions reductions and net zero targets.

TCFD **Scope 1–3 (according to GHG protocol)**
As part of carbon accounting based on the Greenhouse Gas (GHG) Protocol, emissions are divided into three scopes. For DB Group: Scope 1 = greenhouse gas emissions from our own combustion-powered vehicles or stationary heat generation plants, Scope 2 = electricity, district heating and cooling supply, Scope 3 = third-party emissions from business relationships, for example transport services provided by our subcontractors (commissioned transport services). Due to our business model, we report on the main transport-related emissions within Scope 3.

Scope of consolidation
Subsidiaries of a group which are included in the consolidated financial statements.

Senior bond
Bond that is serviced in the event of insolvency before other issued bonds of the same company with a lower rank (for example hybrid bonds) and therefore has a higher level of security, but also a lower interest rate.

Sickness rate
The sickness rate shows the share of labor that is lost due to illness in relation to overall labor and therefore only includes employees who are still paid a salary.

Specific
Relative to a certain (reference) quantity, for example based on the volume sold.

Stakeholders
Interest groups and representatives.

Stationary facilities
Buildings and facilities such as depots and train stations.

Station pricing system
Transparent and non-discriminatory pricing system for the use of passenger stations. The station prices depend largely on the volume level and standard of amenities/facilities at the respective station.

Supply chain
The stages of production illustrated as an orderly sequence of activities. These activities add value, consume resources and are connected with each other in processes.

Supply reliability
Measure of the reliability of the energy supply. Can also be used for sub-areas, such as security of the energy supply in Germany or the energy supply of rail operations.

Sustainability
Guiding principle of reconciling ecological, social and economic objectives for sustainable and generationally equitable development.

Sustainable Development Goals (SDGs)
Political targets set by the United Nations with a view to ensuring sustainable development on an economic, social and environmental level. The goals took effect on January 1, 2016, and will run until 2030, and apply to all member states.

Swap
The basic concept for financial instruments that involve the exchange of future cash flows. This allows financial risks (interest, currencies, raw materials) to be hedged in a targeted manner.

T

Task Force on Climate-related Financial Disclosure (TCFD)
The Task Force on Climate-related Financial Disclosure is an initiative established in 2015 to make recommendations for reporting material financial opportunities and risks that result from climate change for companies.

Ton kilometers (tkm)
Unit of measurement for the transport volume or volume sold in freight transport: product of the freight carried (tons) and the distance traveled (kilometers).

Traction
Propulsion to move trains. Depending on the energy source, drive machine and power transmission, a distinction is made, among other things, between electric, diesel-electric, and diesel-hydraulic traction. Traction units that, in addition to electric traction, also have diesel-assisted traction are also referred to as hybrid vehicles.

Traction current
Composition of the traction current of all train operating companies in Germany supplied by DB Netze Energy (in addition to other suppliers) through the traction current grid.

Train-path
The share of the rail track capacity that is required for a train to be able to travel between two places in a set time.

Train-path kilometers (trkm)
See “Volume produced.”

Train-path pricing system
DB Netz AG’s transparent and non-discriminatory fee system for train-path use by customers, dependent on the relevant market segments and the train-path kilometers traveled.

Transport contract
Agreement between the contracting organization and train operating company on the provision of regional passenger transport services.

U

United Nations Global Compact
The world’s largest initiative for responsible corporate governance. On the basis of its ten universal principles, it pursues the vision of an inclusive and sustainable global economy to the benefit of all people, communities and markets, today and in future.

V

V brake shoe
Brake shoe made from composites (V) which halves the rolling noise of freight cars. Collective term for K and LL brake shoes.

Vegetation control
Vegetation control includes all vegetation-related maintenance and traffic safety measures to ensure the safety of railway operations and third parties. These include checking and cutting/removing vegetation in and on the tracks using mechanical and chemical (only in the immediate vicinity of the tracks) procedures.

Volume produced
Distance covered by train operating companies on the rail network. Measurement: train-path kilometers (train-path km).

Volume sold
Key performance indicator for measuring the transport services provided in passenger and freight transport. Units of measurement: passenger kilometers (pkm), ton kilometer(tkm).

W

Weight-related ton kilometers (Ltkm)
Indicator for the provided transport performance in rail passenger and freight transport. Product from the gross weight of the entire train, including the traction unit (weight-related tons) and the distance covered (kilometers).

Well-to-wheel (WTW)
Method for calculating emissions considering the entire chain of effects from extraction and provision to the conversion and use of energy (in vehicles or facilities).

Whisper brakes
See K and LL brake shoes.

LIST OF ABBREVIATIONS

A

ABS Expansion line
AEG General Railways Act
AGV MOVE Mobility and Transport Services Association
AI Artificial Intelligence
AktG Stock Corporation Act
ATO Automatic train operation
AUD Australian dollar

B

bAV Company pension plan
bbl Barrel
BDI Federal Association of German Industry
BEV Federal Railway Fund
BGB German Civil Code
BGH German Federal Supreme Court
BilMoG German Accounting Law Modernization Act
BIM Building information modeling
BKartA Federal Cartel Office
BMAS Federal Ministry of Labor and Social Affairs
BMDV Federal Ministry of Transport and Digital Infrastructure
BMF Federal Ministry of Finance
BMI Federal Ministry of the Interior
BMUV Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
BMWK Federal Ministry for Economic Affairs and Climate Protection
BNetzA Federal Network Agency
BSWAG Federal Rail Infrastructure Extension Act
Bund Bundesrepublik Deutschland (Federal Republic of Germany)
Buskm Bus kilometers
BVerfG Federal Constitutional Court

C

CCO Chief Compliance Officer
CEF Connecting Europe Facility
CEO Chief Executive Officer
CER Community of European Railway and Infrastructure Companies
CHF Swiss francs
CO_2 Carbon dioxide
CO_2e CO_2 equivalent
COSO Committee of Sponsoring Organizations of the Treadway Commission
CP Commercial paper
CSA Credit Support Agreements
CSO Chief Sustainability Officer
CSR Corporate Social Responsibility
CSR-RUG CSR Directive Implementation Act
CTA Contractual Trust Arrangement

D

DAC Digital automatic coupling
DB AG Deutsche Bahn AG
DB E&C Deutsche Bahn Engineering & Consulting GmbH
DB Finance Deutsche Bahn Finance GmbH
DB Group Deutsche Bahn Group
DB IO Deutsche Bahn International Operations
DGCN German Global Compact Network
DKS Stuttgart Digital Hub
DSD Digital Rail for Germany
DSTW Digital interlocking

E

EAV Profit and loss transfer agreement
EBA Federal Railway Authority
EBIT Earnings before interest and taxes
EBITDA Earnings before interest, taxes, depreciation and amortization
EC Eurocity
ECB European Central Bank
ECJ European Court of Justice
EDIP European Debt Issuance Program
EEG Renewable Energy Sources Act
EFA Emission factors
ERA European Union Agency for Railways
ERegG Railway Regulation Act
ERTMS European Rail Traffic Management System
ESG Environmental, Social, Governance
ESTW Electronic interlocking
ETCS European Train Control System
EU European Union
EVG Railway and Transport Workers' Union

F

FCL Full container load
FS Ferrovie dello Stato (Italian state-owned railway)
FTE Full-time employees
FüPoG II Second Act for the Equal Participation of Women and Men in Management Positions

G

GBP British pound sterling
GDL German Train Drivers' Union
GDP Gross domestic product
GDPR General Data Protection Regulation
GHG Greenhouse gas
GRI Global Reporting Initiative
GVFG Municipal Transport Financing Act
GWh Gigawatt hour

H

HR Human Resources
HVO Hydrotreated vegetable oil

I

IC Intercity
ICE Intercity Express
ICS Internal control system
IFRS International Financial Reporting Standards
IMO International Maritime Organization
ISO International Organization for Standardization

K

KBV Group Employer/Works Council Agreement
KonTraG Corporate Sector Supervision and Transparency Act
kWh Kilowatt hour

L

LCL Less than container load
LKSG German Supply Chain Act
LTI Long-term incentive
LTIF Lost time injury frequency
Ltkm Weight-related ton kilometers
LuFV Performance and Financing Agreement

M

m^2 Square meters
MaaS Mobility as a service
MaRisk Minimum requirements for risk management
MitbestG German Co-Determination Act
MJ Megajoule
MRR Minimum required rate of return
MWh Megawatt hour

N

NABU Nature and Biodiversity Conservation Association (Naturschutzbund Deutschland e. V.)
NBS New construction line
NFS Non-financial statement
Nkm Commercial vehicle kilometers
No. Number
NOK Norwegian krone
NOx Nitrogen oxide emissions
NP Natural persons
NPM National Platform for the Future of Mobility
NS Nederlandse Spoorwegen (Dutch state-owned railway)

O

ÖPNV Local public transport

P

Para. Paragraph
PCGK Federal Public Corporate Governance Code
PFA Financing agreement
Pkm Passenger kilometers
PKP Polskie Koleje Państwowe (Polish state-owned railway)
PPA Power purchase agreements
PwC PricewaterhouseCoopers

R

RB Regional railway
RE Regional Express
RegG Regionalization Act
RESY Regional energy-saving system
RIC Rail infrastructure company
RMS Risk management system
ROCE Return on capital employed

S

S. Clause
SAF Sustainable aviation fuel
SBB Swiss Federal Railways
SBTi Science Based Targets initiative
SDGs Sustainable development goals
SGV Rail freight transport
SI Satisfaction index
SNCF Société Nationale des Chemins de fer Français (French state-owned railway)
SO_2 Sulfur dioxide emissions
S&P S&P Global Ratings
SPNV Regional rail passenger transport
Sts(in) Secretary of State
SWP Strategic workforce planning

T

t Tons
TCFD Task Force on Climate-related Financial Disclosures
TEE TransEuropExpress
TEN Trans-European Network
TEU Twenty-foot equivalent unit
TJ Terajoule
tkm Ton kilometers
TOC Train operating company
TPS Train-path pricing system
Trkm Train-path kilometers

U

UBA German Environment Agency
UNGC United Nations Global Compact
USD US dollar

V

VDB Association of the Railway Industry
VDE German unification transport projects

W

WACC Weighted average cost of capital
WiFi Wireless local area network
WSF Economic Stabilization Fund

CONTACT INFORMATION

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This Integrated Report and the Annual Financial Statements of Deutsche Bahn AG, the Annual Reports of DB Long-Distance AG, DB Regional AG, DB Cargo AG, DB Station&Service AG and DB Netz AG (only available in German) as well as up-to-date information are also available on the Internet.

This Integrated Report and the Annual Financial Statements of Deutsche Bahn AG are published in German and English.

The 2022 Integrated Report was published on March 30, 2023, and is available on the Internet at db.de/ib-e.

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DB SERVICE NUMBER

DB Group provides its customers in the passenger transport sector in Germany with all telephone information at local rates. A hotline provides information about timetables, tickets and the BahnCard, and navigates passengers in a targeted way to the service team.

- **DB service number:** +49 (0)30 2970. Information about fares and timetables, information about Deutsche Bahn services and the BahnCard.
- **Services for travelers with reduced mobility hotline:** +49 (0)30 652 128 88. Contact for planning accessible travel.
- **Passenger rights service center:** +49 (0)30 586 020 920. Information on fare reimbursements within the scope of the EU Regulation on Rail Passengers' Rights and Obligations.
- **Lost and found:** +49 (0)30 586 020 909. Reporting lost or found objects in the train or station. Customers can find answers to frequently asked questions and other ways to contact us at bahn.com/en/contact.

SOCIAL MEDIA

DB Group

DB Group has a strong presence on various social media channels: Facebook, Instagram, YouTube, LinkedIn, TikTok and Twitter.

Passenger transport

Our passenger transport team is available on various social media channels for conversations, discussions, and for service and product questions. Find us on Facebook, Instagram, YouTube, Twitter and LinkedIn.

SUSTAINABLE PRODUCTION

Paper from certified sustainable production.
The printing company is certified according to FSC® and PEFC standards. Each year, suitable audits are performed to review compliance with the strict rules in place for handling certified paper.

RECYCLED
Paper made from recycled material
FSC www.fsc.org
FSC® C016267

Mineral oil-free inks.
This report was printed using mineral oil-free inks derived from renewable raw materials.

Conserving resources.
Using no-process printing plates saves on development, cleaning and rubberizing after exposure. Chemicals and fresh water are no longer used to wash the printing plates and power consumption is reduced.

Energy-efficient printing.
An energy management strategy has been implemented at the printing company and an energy audit was carried out in accordance with DIN EN 16247-1.

FINANCIAL CALENDAR

July 27, 2023

Interim Results Press Conference,
publication of the Integrated Interim Report January–June 2023

March 21, 2024

Annual Results Press Conference,
publication of the 2023 Integrated Report

IMPRINT

Edited by: Deutsche Bahn AG, Investor Relations and Sustainable Finance, Berlin
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PHOTO CREDITS

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10-YEAR SUMMARY

To the interactive key figure comparison

€ million	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
STATEMENT OF INCOME										
Revenues	56,296	47,075	39,901	44,430	44,065	42,693	40,557	40,403	39,728	39,107
Overall performance	60,425	50,959	43,465	47,596	47,156	45,593	43,298	43,102	42,422	41,756
Other operating income	4,541	5,901	3,439	3,030	2,998	2,954	2,834	2,772	2,824	2,853
Cost of materials	-33,623	-28,419	-22,757	-22,262	-22,258	-21,457	-20,101	-20,208	-20,250	-20,414
Personnel expenses	-20,300	-19,219	-18,297	-18,152	-17,301	-16,665	-15,876	-15,599	-14,919	-14,383
Depreciation [1]	-3,998	-3,804	-5,372	-3,671	-2,688	-2,847	-3,017	-4,471	-3,190	-3,228
Other operating expenses [1]	-5,777	-5,716	-5,235	-5,157	-6,088	-5,890	-5,677	-5,750	-5,057	-4,817
Operating profit/loss (EBIT)	1,268	-298	-4,757	1,384	1,819	1,688	1,461	-154	1,830	1,767
Result from investments accounted for using the equity method	-5	-10	-21	-12	12	14	33	22	8	3
Other financial result	20	48	-91	-36	-14	-30	-16	0	-3	-15
Net interest income [1]	-351	-528	-615	-655	-645	-704	-772	-800	-898	-879
Profit/loss before taxes on income	932	-788	-5,484	681	1,172	968	706	-932	937	876
Net profit/loss for the year	-227	-911	-5,707	680	542	765	716	-1,311	988	649
Dividend payment (for previous year)	–	–	650	650	450	600	850	700	200	525
VALUE MANAGEMENT										
EBITDA adjusted [1]	5,210	2,287	1,002	5,436	4,739	4,930	4,797	4,778	5,110	5,139
EBIT adjusted	1,253	-1,552	-2,903	1,837	2,111	2,152	1,946	1,759	2,109	2,236
Capital employed as of Dec 31 [1]	45,289	43,020	41,764	42,999	36,657	35,093	33,066	33,459	33,683	33,086
Return on capital employed (ROCE) [1] (%)	2.8	-3.6	-7.0	4.3	5.8	6.1	5.9	5.3	6.3	6.8
Debt coverage (%)	13.1	4.3	0.8	15.3	17.6	18.7	18.1	19.0	20.3	20.8
CASH FLOW/CAPITAL EXPENDITURES										
Cash flow from operating activities [1]	5,644	3,900	1,420	3,278	3,371	2,329	3,648	3,489	3,896	3,730
Gross capital expenditures [1]	15,353	15,387	14,402	13,093	11,205	10,464	9,510	9,344	9,129	8,224
Net capital expenditures [1]	6,750	6,342	5,886	5,646	3,996	3,740	3,320	3,866	4,442	3,412
BALANCE SHEET AS OF DEC 31										
Non-current assets [1]	59,044	56,149	52,964	53,213	46,646	45,625	45,290	45,199	45,530	43,949
thereof property, plant and equipment and intangible assets [1]	55,122	52,487	49,994	50,485	44,487	43,207	42,575	42,821	43,217	41,811
Current assets	17,259	15,694	12,471	12,615	11,881	10,811	11,034	10,860	10,353	8,945
thereof cash and cash equivalents	5,138	4,591	3,411	3,993	3,544	3,397	4,450	4,549	4,031	2,861
Equity	14,679	10,621	7,270	14,927	13,592	14,238	12,657	13,445	14,525	14,912
Equity ratio [1] (%)	19.2	14.8	11.1	22.7	23.2	25.2	22.5	24.0	26.0	28.2
Non-current liabilities [1]	39,145	39,631	37,686	32,820	29,104	27,510	28,525	28,091	28,527	26,284
thereof financial debt [1]	31,186	30,322	27,070	23,977	20,626	19,716	20,042	19,753	19,173	18,066
thereof pension obligations	2,970	5,031	6,517	5,354	4,823	3,940	4,522	3,688	4,357	3,164
Current liabilities	22,479	21,591	20,479	18,081	15,831	14,688	15,142	14,523	12,831	11,698
thereof financial debt [1]	4,087	4,164	6,254	4,716	2,618	2,360	2,439	2,675	1,161	1,247
Net financial debt [1]	28,827	29,107	29,345	24,175	19,549	18,623	17,624	17,491	16,212	16,362
Total assets [1]	76,303	71,843	65,435	65,828	58,527	56,436	56,324	56,059	55,883	52,894
RAIL TRANSPORT PERFORMANCE FIGURES										
PASSENGER TRANSPORT										
Passengers (million)	1,980	1,413	1,499	2,603	2,581	2,564	2,365	2,251	2,254	2,235
Long-distance transport	132	82	81	151	148	142	139	132	129	131
Regional transport	1,848	1,331	1,418	2,452	2,433	2,422	2,226	2,119	2,125	2,104
Volume sold (million pkm)	82,642	50,831	51,933	98,402	97,707	95,854	91,651	88,636	88,407	88,746
Long-distance transport	41,720	24,762	23,542	44,151	42,827	40,548	39,516	36,975	36,102	36,777
Regional transport	40,922	26,069	28,391	54,251	54,880	55,306	52,135	51,661	52,305	51,969
FREIGHT TRANSPORT										
Freight carried (million t)	222.3	226.5	213.1	232.0	255.5	271.0	277.4	300.2	329.1	390.1
Volume sold (million tkm)	84,468	84,850	78,670	85,005	88,237	92,651	94,698	98,445	102,871	104,259
INFRASTRUCTURE										
Train kilometers on track infrastructure (million train-path km)	1,133	1,109	1,066	1,090	1,086	1,073	1,068	1,054	1,044	1,035
thereof non-Group railways	420	414	386	368	349	331	322	290	261	247
SOCIAL										
Employees as of Dec 31 (FTE)	324,136	323,716	322,768	323,994	318,528	310,935	306,368	297,202	295,763	295,653
Employee satisfaction (SI)	3.9	–	3.9	–	3.7	–	3.7	–	3.7	–
ENVIRONMENTAL										
Specific greenhouse gas emissions in comparison to 2006 (%)	42.1	-36.1	-34.4	-34.8	-33.2	-29.5	-27.3	-24.5	-22.8	-18.5

[1] Since 2019, limited comparability with the previous years' figures due to the **IFRS 16 effect** (**2019 Integrated Report** 101).

OUR STRATEGIC TOP TARGETS

Germany needs a strong rail system – and that is our inner ambition! At Deutsche Bahn, we are committed to achieving that goal. A strong rail system encompasses everything that we represent and advocate, what we devote our full attention to and combine our strengths for. The Strong Rail strategy will help our country to overcome existential challenges: Germany will only achieve its climate protection targets if it succeeds in shifting large amounts of its traffic to rail in the next decade. In addition, Germany will only continue to be economically successful if people and goods remain mobile and are not increasingly stuck in traffic jams.

OUR FOCUS IS ON SHIFTING THE MODE OF TRANSPORT TO RAIL AND CREATING THE CAPACITY REQUIRED TO DO SO.

TOGETHER WITH THE FEDERAL GOVERNMENT, WE ARE INVESTING AT RECORD LEVELS THIS DECADE IN ORDER TO MAKE THE RAIL NETWORK FIT FOR GROWTH.

AFTER OVERCOMING THE COVID-19 PANDEMIC, WE ARE CONTINUING ON OUR GROWTH PATH.

THE TREND TOWARDS CLIMATE-FRIENDLY MOBILITY AND LOGISTICS CONTINUES UNABATED. RAIL BENEFITS FROM THIS AS THE GREENEST MODE OF TRANSPORT.

WE HAVE SET AMBITIOUS TARGETS FOR IMPLEMENTING OUR GREEN TRANSFORMATION AND WANT TO BE CLIMATE-NEUTRAL BY 2040.

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COVER IMAGE

Wendlingen – Ulm new construction line

In Filstal, a two-part concrete bridge has been built at an altitude of 85 m for the Wendlingen – Ulm new construction line. That makes it the third-highest railway bridge in Germany and an outstanding building both in terms of its engineering and visual impression.