Deutsche Bahn
Integrated Interim Report
January – June 2022

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 “This is green.”, we showcase the diversity of our green projects in our “This is green.” Internet portal.

Further information can be found on our link page at db.de/links-interim-report22 or on the specified Web site.

COMPARABILITY WITH THE PRE-COVID-19 YEAR 2019

In order to be able to present a comparability of the developments to the pre-Covid-19 year 2019, the figures for the first half of 2019 and as of June 30, 2019, respectively, were additionally included.

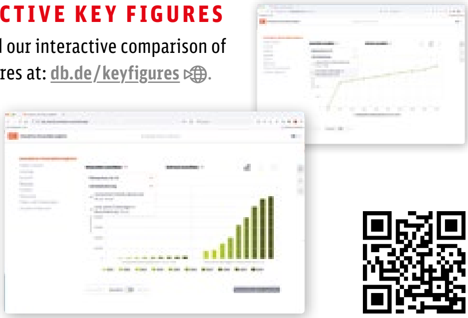
ONLINE REPORT

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

ONLINE SUPPLEMENTS

INTERACTIVE KEY FIGURES

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



AT A GLANCE

To the interactive key figure comparison

SELECTED KEY FIGURES	H 1 2022	H 1 2021	Change absolute	Change %	H 1 2019
KEY FINANCIAL FIGURES (€ MILLION)					
Revenues	27,968	21,784	+ 6,184	+ 28.4	22,014
Profit / loss before taxes on income	682	- 1,306	+ 1,988	–	277
Net profit / loss (after taxes)	424	- 1,428	+ 1,852	–	205
EBITDA adjusted	2,804	883	+ 1,921	–	2,534
EBIT adjusted	876	- 975	+ 1,851	–	757
Equity as of Jun 30 / Dec 31	13,459	10,621	+ 2,838	+ 26.7	14,927
Net financial debt as of Jun 30 / Dec 31	30,504	29,107	+ 1,397	+ 4.8	24,175
Total assets as of Jun 30 / Dec 31	74,056	71,843	+ 2,213	+ 3.1	65,828
Capital employed as of Jun 30 / Dec 31	44,968	43,020	+ 1,948	+ 4.5	42,999
Return on capital employed (ROCE) (%)	3.9	- 4.5	+ 8.4	–	3.6
Debt coverage (%)	13.2	2.7	+ 10.5	–	13.8
Gross capital expenditures	5,402	5,550	- 148	- 2.7	4,825
Net capital expenditures	2,740	2,659	+ 81	+ 3.0	2,350
Cash flow from operating activities	1,498	10	+ 1,488	–	1,386
PERFORMANCE FIGURES					
Passengers (million)	1,809	1,229	+ 580	+ 47.2	2,456
RAIL PASSENGER TRANSPORT					
Punctuality of DB passenger transport (rail) in Germany (%)	92.5	94.9	- 2.4	–	94.3
Punctuality of DB Long-Distance (%)	69.6	79.5	- 9.9	–	77.2
Passengers (million)	917.5	559.6	+ 357.9	+ 64.0	1,293
thereof in Germany	783.9	479.9	+ 304.0	+ 63.3	1,050
thereof DB Long-Distance	59.1	27.2	+ 31.9	+ 117	71.8
Volume sold (million pkm)	36,431	17,422	+ 19,009	+ 109	47,250
Volume produced (million train-path km)	352.2	338.7	+ 13.5	+ 4.0	381.4
RAIL FREIGHT TRANSPORT					
Freight carried (million t)	115.0	115.1	- 0.1	- 0.1	122.4
Volume sold (million tkm)	43,523	43,010	+ 513	+ 1.2	43,738
TRACK INFRASTRUCTURE					
Punctuality (rail) in Germany [1] (%)	91.5	94.0	- 2.5	–	93.6
Punctuality DB Group (rail) in Germany (%)	92.3	94.7	- 2.4	–	94.2
Train kilometers on track infrastructure (million train-path km)	563.2	548.4	+ 14.8	+ 2.7	543.0
thereof non-Group railways	205.4	203.0	+ 2.4	+ 1.2	179.9
Share of non-Group railways (%)	36.5	37.0	- 0.5	–	33.1
Station stops (million)	79.6	79.5	+ 0.1	+ 0.1	77.7
thereof non-Group railways	22.1	23.1	- 1.0	- 4.3	19.5
BUS TRANSPORT					
Passengers (million)	891.5	669.0	+ 222.5	+ 33.3	1,163
Volume sold [2] (million pkm)	2,425	2,090	+ 335	+ 16.0	3,368
Volume produced (million bus km)	714.4	707.8	+ 6.6	+ 0.9	795.5
FREIGHT FORWARDING AND LOGISTICS					
Land transport shipments (million)	53.2	56.3	- 3.1	- 5.5	53.9
Air freight volume (export) (thousand t)	673.3	712.1	- 38.8	- 5.4	578.9
Ocean freight volume (export) (thousand TEU)	966.2	1,000	- 33.8	- 3.4	1,115
ADDITIONAL KEY FIGURES					
Order book in passenger transport as of Jun 30 / Dec 31 (€ billion)	91.0	93.6	- 2.6	- 2.8	87.9
Rating Moody's / S&P Global Ratings	Aa1 / AA-	Aa1 / AA-	–	–	Aa1 / AA-
Employees as of Jun 30 (FTE)	324,526	323,640	+ 886	+ 0.3	321,765

[1] Non-Group and DB Group train operating companies.
[2] Excluding DB Arriva.

CONTENTS

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

CHAIRMAN'S LETTER

Dear readers,

The world is in an extraordinary state. Russia's war of assault on Ukraine continues. Inflation is also reaching record levels and energy costs are skyrocketing. The Covid-19 pandemic is not over yet, either. But, despite all the uncertainties, there is one real positive for Deutsche Bahn. We are seeing a stable trend toward rail as an environmentally friendly mode of transport.

Never before in the history of long-distance transport have May and June been so busy in terms of travel. The 9-Euro-Ticket continued to encourage the surge towards the railway. Our regional and local public transport welcomed ten percent more passengers in June than in pre-Covid-19 times. Freight transport performance also increased slightly.

This shows that it was right to maintain our course during Covid-19, to position ourselves for further growth with new trains, better offers and more staff. Shifting more traffic to environmentally friendly rail lies at the heart of our Strong Rail strategy and guides our actions. We have hired about 90,000 new employees since 2019. With more than 360 trains, our ICE fleet will be larger and more modern than ever before by the end of the year.

We are grateful for the trust our customers place in us. Strong demand has also caused the economic trend to reverse. In the first half of 2022, we once again posted positive figures, and we expect this to continue for 2022 as a whole. DB Schenker is performing excellently and making a key contribution to profits. DB Long-Distance has more than doubled its revenues compared to the first half of 2021. DB Cargo's revenues are more than five percent higher than in the first half of 2021, but is feeling the effects of the tense overall economic situation.

Part of the truth is also that the high demand and an increasing number of trains are encountering an overburdened infrastructure that continues to be restricted by construction activity – some parts of which are outdated and susceptible to disruption. This is currently leading to quality and reliability problems which are having a massive impact on our customers and all the train operating companies.

The German rail network is already at its limits, and is not equipped to handle future growth. That is why we are switching to a radical new approach for the renovation of our infrastructure. Together with the Federal Government and the industry as a whole, we are transforming the heavily used network into a high-performance network. We are tackling head on all of the elements that are essential to a high-performance network and which can be implemented immediately. We have significantly increased the funding for preventive maintenance and will implement as many measures in the rail network as day-to-day operations permit.

In 2023, we will upgrade the diversion routes necessary for the construction work. In 2024, we will start the general renovation of the first corridor. In doing so, we will bundle all construction measures, replace facilities ahead of schedule and build as customer-friendly as possible. The result is a robust and high-performance network with space for even more trains, which is also free of construction on the renovated corridors for many years and has a positive effect on capacity and quality in the overall network.

Record levels of construction whilst still satisfying growing demand cannot be achieved without causing restrictions for our customers and transport companies. This will also be reflected in the punctuality. For this reason, during the years of renovation and modernization work, we will do everything we can to ensure customers are as satisfied as possible, by providing timely information, implementing replacement plans, securing connections even during construction work and ensuring a reliable service.

The focus in the coming years must be on making infrastructure an anchor of stability for the quality and reliability of the rail system.

Major challenges lie ahead of us. To this end, we have also restructured the Management Board team: Berthold Huber as Member of the Management Board for Infrastructure, Evelyn Palla as Member of the Management Board for Regional Transport and Dr. Michael Peterson as Member of the Management Board for Long-Distance Passenger Transport. I will end with the most important thank you. Our employees give their absolute best for our customers every day. They deserve the greatest recognition, especially given the current operating situation.

As Team DB, and working closely with the Federal Government and industry, we are making the rail network fit for growth and for the shift in the mode of transport. It is only with a strong rail that Germany and Europe can achieve their climate goals.

Sincerely,

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

INTERIM GROUP MANAGEMENT REPORT (UNAUDITED)

OVERVIEW

Covid-19 pandemic

As a result of the Omicron variant, the effects of the Covid-19 pandemic on the demand for transport were still noticeable in the first quarter of 2022. There have been signs of a significant recovery since April 2022. However, the ramp-up of demand 27 varied greatly across the individual market segments of German passenger transport.

Deutsche Bahn AG (DB AG) and the Federal Republic of Germany (Federal Government) have agreed to jointly bear the effects of the Covid-19 pandemic on DB Group.

The Federal Government is largely continuing the measures to compensate for Covid-19-related losses 5 f. in 2022 with:

- Covid-19-related support for train-path prices in long-distance transport continues.
- The Federal funds intended for the maintenance of Federal Government railways were also increased to compensate for the loss of DB AG's dividend payment for 2022.
- The Federal budget includes provisions for additional compensation for losses. The European Commission has approved appropriate measures to counteract damage to infrastructure and freight transport, the payment of which is still pending.
- The sector solution for regional transport in Germany will also be continued in 2022, with the Federal Government and the Federal states continuing to share the costs for this equally.

The war in Ukraine

On the whole, the war in Ukraine and the resulting sanctions against Russia had only a slight direct impact on DB Group in the first half of 2022. It was mainly the transport services to and from Russia by DB Schenker and DB Cargo that were affected.

All topics and information about the war in Ukraine within DB Group are dealt with by a Ukraine crisis team, the Group security management center which is staffed around the clock, and the subject-specific teams.The crisis team is in constant dialog with the Federal Government's crisis unit.

DB Group took important steps to allow refugees with Ukrainian passports or ID cards to use trains from Poland to Germany free of charge and to facilitate the onward journey from the border and within Germany to those who have fled the war in Ukraine. Further measures include exemptions without red tape for relatives of DB employees, free trips for Ukrainian refugees and housing opportunities, an aid fund for refugees and the provision of housing in cooperation with the foundation family BSW&EWH. The foundation family also has a dedicated team who help refugees to become integrated in Germany, helping out with organizational and legal issues.

DB Group has also built up a rail and road logistics network to transport relief supplies from Germany directly to Ukraine. This allowed thousands of tons of food, drinking water and sanitation items to be taken directly into the country by truck and rail.

Trends in energy and procurement prices

Significant price increases were recorded in the first half of 2022 as an indirect consequence of the war in Ukraine and, primarily, the reduction or the complete suspension of energy imports from Russia and the continuing restrictions on supply chains. These, among other things, did not have a full impact on DB Group as a result of hedging measures and long-term procurement contracts. However, this will result in considerable risks 59 for DB Group in subsequent years. If the current development continues, significant burdens for DB Group are to be expected from the turn of the year at the latest, in particular due to the drastic rise in energy prices.

Temporary introduction of a 9-Euro-Ticket

The 9-Euro-Ticket is a clear signal as regards local public transport and climate action in Germany. Under the scheme, local public transport will be offered throughout Germany from June 2022 up to and including August 2022 for just € 9 per month.

In June 2022, we recorded an increase in demand from 20 % in passenger kilometers compared with pre-Covid-19 levels. For June 2022, more than 30 million 9-Euro-Tickets had been sold or used by subscribers.

Alongside additional service staff, the use of more trains or cars and the deployment of relief buses, mobile maintenance was expanded and cleaning intervals on the trains were increased to ensure that vehicle capacities were available. The focus was also on providing more employees in trains and control centers. Proactive customer communication was also expanded.

Continued positive environment for freight forwarding and logistics activities

The freight business of DB Schenker 56ff. continued to perform very positively. The challenges on the international transport markets have been exacerbated once again, as the already meager transport capacities have been reduced further. Renewed shutdowns in parts of China as a result of Covid-19 and the war in Ukraine have further intensified competition for cargo space. There were correspondingly dynamic changes in prices and margins in the first half of 2022. In this volatile environment, DB Schenker once again achieved very strong growth.

Establishing a high-performance network for greater reliability and growth

Together with our owner, we presented a new approach for the modernization of the existing network 40f. The high-performance network is to include the busiest rail connections in Germany, which now extend across 10 % of the overall network. About 25 % of all trains already run through this network today. In addition, it already has an extraordinarily high average capacity utilization even without construction activities. Due to the projected transport growth, the length of this highly utilized network will increase from its current level of about 3,500 km to probably more than 9,000 km by the end of this decade, thus significantly increasing the share of the overall network.

FUNDAMENTALS

Changes in the executive bodies of DB AG

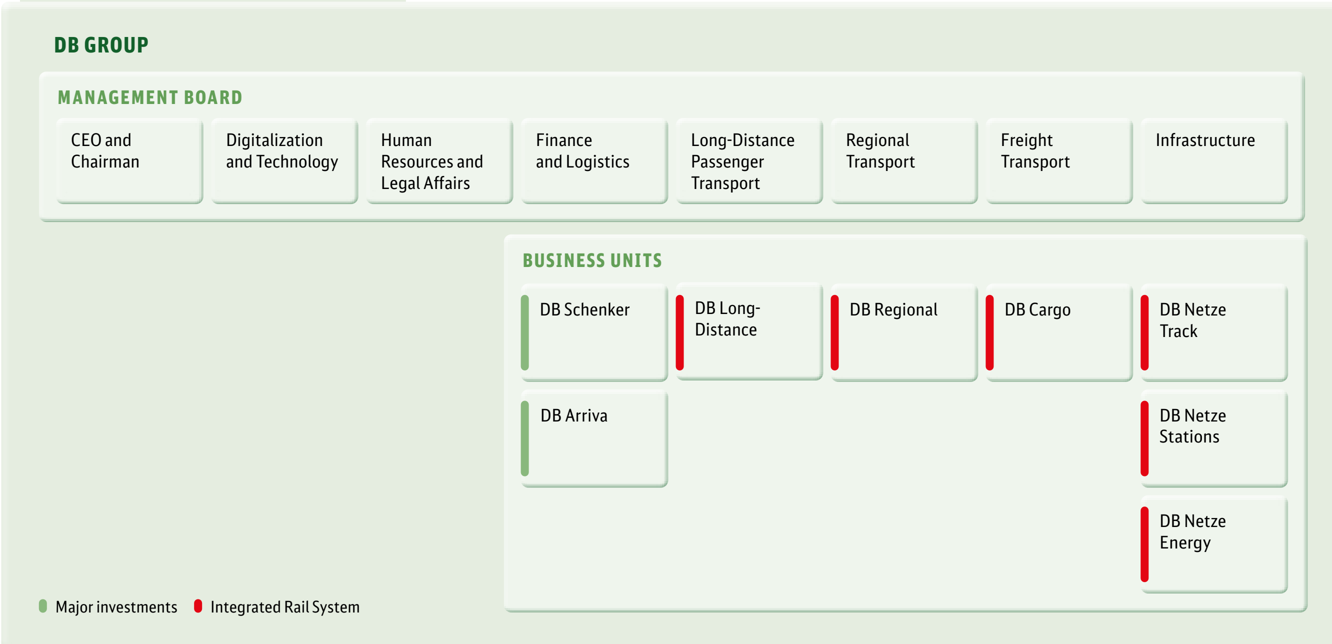
MANAGEMENT BOARD

- 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, the Supervisory Board of DB AG decided to dissolve the previous Passenger Transport Board division and to create two independent new Board divisions:
  - With effect from July 1, 2022, Ms. Evelyn Palla was appointed as a member of the Management Board of DB AG responsible for the new Regional Transport Board division.
  - Also with effect from July 1, 2022, Dr. Michael Peterson was appointed as a member of the Management Board of DB AG for the new Long-Distance Passenger Transport Board division.
- The Infrastructure Board division will be managed by Mr. Berthold Huber from July 1, 2022, onwards.

SUPERVISORY BOARD

- Mr. Enak Ferlemann, Member of the Bundestag, Parliamentary State Secretary (ret.), and Ms. Elisabeth Winkelmeier-Becker, Member of the Bundestag, Parliamentary State Secretary (ret.), have each resigned from the Supervisory Board at the end of June 15, 2022.
- With effect from June 16, 2022, Parliamentary State Secretary Susanne Henckel, Federal Ministry of Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV), and Parliamentary Secretary of State Anja Hajduk, Federal Ministry of Economics and Climate Protection (Bundesministerium für Wirtschaft und Klimaschutz; BMWK), were appointed to the Supervisory Board of DB AG for the remainder of the term of office.
- In addition, Ms. Kirsten Lühmann and Mr. Eckhardt Rehberg both resigned from the Supervisory Board at the end of April 15, 2022, while Mr. Christian Schmidt resigned with effect from April 30, 2022. At an extraordinary general meeting held on June 16, 2022, Mr. Stefan Gelbhaar, member of the Upper House of Parliament, Ms. Dorothee Martin, member of the Upper House of Parliament, and Mr. Bernd Reuther, member of the Upper House of Parliament, were elected to the Supervisory Board of DB AG.

DB GROUP ORGANIZATION CHART



As of July 1, 2022

- Mr. Michael Odenwald, former Parliamentary Secretary of State, resigned from his position as Chairman of the Supervisory Board on June 23, 2022, with effect from the end of July 22, 2022.
- Mr. Jürgen Beuttler resigned from the Supervisory Board on July 1, 2022, with effect from the end of July 31, 2022.

ESG ratings

The feedback of ESG (environmental, social and governance) rating agencies is very important to us as a benchmark and an indicator of our stakeholders' main concerns.

ESG RATINGS	2022	2021	2020	Last update	Rating scale
CDP (climate rating)	–	A	A	Dec 2021	A to F
EcoVadis	68	61	59	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+	B–	Dec 2021	A+/4.00 to D–/1.00
Moody's ESG	–	52	46	Sep 2021	advanced (60–100) robust (50–59) limited (30–49) weak (0–29)
MSCI	AA	A	A	Feb 2022	Leader (AA–AAA) Average (BB–A) Laggard (CCC–B)
Sustainalytics	24.4	19.7	19.5	Feb 2022	Risk assessment: negligible (0–10) low (10–20) medium (20–30) high (30–40) severe (40–100)

In alphabetical order.

- In our EcoVadis rating, we were awarded the gold medal for our sustainability performance and therefore rank among the top 5%. We were able to improve our results in areas such as Sustainable procurement (from 60 to 80) and Labor and human rights (from 60 to 70).
- Our ESG rating has been upgraded by rating agency MSCI. MSCI cited further improvements to the already strong corporate governance practices as the main reason for this.
- In the Sustainalytics rating, DB Group was assessed with a moderate ESG risk, a higher ESG risk than in the previous year. This is due to the determination of a higher exposure to material, sector-specific ESG risks, combined with a worse assessment of the management of individual ESG issues.

More information on our ESG ratings is available on our investor relations Web site.

Development of business environment

NATIONAL ENVIRONMENT

DB Group

2022 FEDERAL BUDGET

The 2022 Federal budget was approved at the beginning of June 2022. The late approval of the budget was due to the change in the legislative period. Until it was finalized, provisional budget management was carried out.

The 2022 Federal budget includes the following significant developments for rail compared with the previous year:

- The Federal Government's Covid-19 compensation measures (2021 Integrated Report 46) will continue in 2022 (long-distance train-path price subsidies, dividends sacrificed for replacement capital expenditures as part of the Performance and Financing Agreement, funds for damage compensation).
- One-off increase in regionalization funds of an additional € 3.7 billion in 2022. The funds will be used to finance the 9-Euro-Ticket 4 as part of the energy relief package (€ 2.5 billion) and to continue to finance half of the rescue fund for regional transport together with the Federal states.
- Funds for the development and construction of new Federal rail infrastructure will be increased from € 1.56 billion in 2021 to € 1.9 billion this year.
- Funds for noise remediation will rise from € 139 million to € 185 million.
- The facility price support for rail freight was reduced from € 80 million to € 40 million.

RELIEF PACKAGE

In view of the sharp rise in energy prices, the Federal Government has decided to ease the burden. This eliminates the surcharge under the Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz; EEG) of July 1, 2022, which previously served to promote electricity generation from renewable energies. Funding to promote renewable energies under the EEG will be financed from the Federal budget from July 1, 2022, onwards.

In order to take the burden off German citizens, energy taxes on mineral oil were reduced for the months of June, July and August 2022, and a 9-Euro-Ticket was introduced for use on all regional passenger transport services. In order to finance the 9-Euro-Ticket, the German Regionalization Act was amended and the funds topped up by a one-off amount of € 2.5 billion.

In a further package of relief measures, the Federal Government is providing credit and guarantee schemes for companies affected by the war in Ukraine. Equity support can also be provided for "large companies in the real economy across all sectors." Energy-intensive companies are to 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.

NEW IMMEDIATE CLIMATE ACTION PROGRAM

The coalition agreement of the Federal Government states that the Climate Change 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.

As part of the Immediate Climate Action Program, a first amendment was passed to amend the EEG and other laws. The aims included:

- the massive expansion of renewable energies with a target proportion of 80 % of electricity consumption by 2030,
- accelerated planning and approval procedures by giving priority to renewable energies in the assessment of protected goods, and
- the EEG surcharge is to be financed by the Federal budget and no longer by a surcharge in addition to the electricity price.

On July 13, 2022, the BMDV presented an Immediate Action Program for the Transport Sector in accordance with the requirements of the German Federal Climate Change Act. This was necessary as the transport sector exceeded the permitted annual emissions volume in 2021. The development and expansion of the refueling and charging infrastructure for passenger cars and commercial vehicles, the expansion of the promotion of efficient truck trailers, an expansion initiative for cycle infrastructure, an expansion and quality initiative in local public transport, the expansion of digital forms of work and the adjustment of the national greenhouse gas (GHG) reduction rate should ensure compliance with the climate targets in the transport sector in future.

The Federal Government is continuing to work on the cross-sectoral Immediate Climate Action Program. The aforementioned measures are to be integrated into this program.

NATURAL GAS SUPPLY CRISIS

Against the backdrop of greatly reduced exports of Russian natural gas to the EU, the 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 Energy Industry Law, coal-fired power plants that had already been shut down, or that are planned to do so shortly, may now 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. On the basis of the amended Energy Protection Act, natural gas suppliers may make extraordinary price adjustments in the event of a limited import situation. Finally, the Federal Government is authorized to introduce a new surcharge for the general financing of high gas costs. In order to avoid a crisis, the Federal Government is authorized to draw up a regulation on the rail-based transport of energy sources. This is intended to facilitate prioritized use of such transport services and to ensure that this is done in a legally compliant manner. The aim of the LNG Acceleration Act (LNG-Beschleunigungsgesetz) is to significantly accelerate the construction and operation of new terminals and lines for the import of liquefied natural gas (LNG) to Germany.

CREATION OF A HIGH-PERFORMANCE NETWORK

On June 22, 2022, Federal Transport Minister Volker Wissing and Dr. Richard Lutz announced the development of a high-performance network 40f. at a joint press conference.

MASTER PLAN FOR RAIL TRANSPORT AND GERMANY IN SYNC

As a result of the work of the Rail Future Alliance, the BMDV published the Master Plan for Rail Transport in 2020. The key element of this is the Germany in sync (Deutschland-Takt). In August 2021, the BMDV announced its positive economic assessment of a range of measures for Germany in sync. Some 180 measures have since become 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, for whom the final report was submitted in September 2021. 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 and the planned expansion measures in the south-west.

The Germany in sync management support unit was established at the BMDV on July 1, 2022. Its goals are internal and external bundling, transparent communication and the visibility of all activities of the BMDV regarding Germany in sync.

RAIL ACCELERATION COMMISSION

The first meeting of the Rail Acceleration Commission was held on June 29, 2022, under the direction of the BMDV. By late 2022, the commission is to submit recommendations for action to speed up planning, approval and construction processes in rail transport as well as to review and further develop financing processes. Industry associations and DB Group are both involved in the process.

Infrastructure

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 fulfill this obligation to cooperate, DB Group has initiated the project Rail Connectivity Master Plan in order to make this a reality. In consultation with telecommunication companies, the project is identifying central areas where cooperation is needed and reaching agreements on calling for cooperation. 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 On Track (5G am Gleis) 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 objective, frequency regulation, to ensure uninterrupted connectivity along transport routes by 2026 if possible.

In 2021, we have reached an agreement with Deutsche Telekom and, in the first half of 2022, also with Vodafone to exceed the 2019 coverage requirements. It was agreed that the two telecommunications companies will expand their network on DB rail routes by 2026, close existing gaps and significantly increase the performance of their networks. Together, we are investing more than € 100 million.

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 Federal program, the Future of Rail Freight Transport, provides the basis for the pro rata funding of projects in the areas of digitalization, automation and vehicle technology. After the first-time funding from the Federal program in the 2020 Federal budget of € 30 million and its continuation in 2021, the funding was increased to just under € 40 million in 2022. As a further measure to strengthen rail freight transport, facility price support has been assigned in the Federal budget since 2020. The amount granted in 2022 was € 40 million. The Funding Guidelines for sidings were evaluated and published with new funding opportunities in March 2021, with € 18 million allocated in 2022. Train-path price support, which also results from the Master Plan, totals € 350 million per year. It currently has a fixed term lasting until 2023, but is expected to be extended after an evaluation. The Funding Guidelines are currently being revised.

The Combined Transport Funding Directive is currently being evaluated and the new Guidelines are to be published before the end of this year.

EUROPEAN ENVIRONMENT

DB Group

THE EUROPEAN FIT FOR 55 PACKAGE

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

On June 22, 2022, the plenary session of the European Parliament voted on key parts of the Fit for 55 package, concluding that the expansion of emissions trading to include transport and buildings will initially only apply to commercial users. Private households are to be exempt until at least 2029. In addition, the plenary session approved stricter CO_2 emissions requirements for newly registered passenger cars and light commercial vehicles (ban on the sale of combustion engines from 2035 onwards). The expansion of emissions trading to include international flights was also approved by the plenary session.

On June 29, 2022, the Council finalized its position on the relevant parts of the Fit for 55 package. The second part of emissions trading for transport and buildings is also to apply to private households (contrary to the position of the European Parliament). A target for reducing CO_2 emissions by 100 % by 2035 is to be introduced for new passenger cars and light commercial vehicles. Emissions trading is only to apply to intra-European flights (including the United Kingdom and Switzerland). As a next step, negotiations with the European Parliament can begin in order to reach an agreement on the final regulations. The whole Fit for 55 package is not expected to be finalized before 2023.

REVISION OF THE DIRECTIVE REGARDING THE CERTIFICATION OF TRACTION UNIT DRIVERS

The European Commission started revising the Directive for Traction Unit Drivers in January 2022 (2007/59/EC). The first step, a call for evidence in January, was followed by a comprehensive sector-wide consultation on June 1, 2022, which will run until early September 2022. 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 more than 14 years, the existing directive is no longer considered to be up-to-date, due in part to insufficient harmonization of certification requirements, which hinders the mobility of traction unit drivers between member states and employers. In order to develop a certification system that is fit for traction unit drivers' future tasks and a greater convergence between member states, several possible options are currently being analyzed and assessed. Based on the results of the consultation, the European Commission intends to present a draft revision in late 2022.

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 on passenger transport lines, for the most part, and a structure gage profile in rail freight transport/combined transport (standardized cross-sections of the infrastructure that ensures space to guarantee the unrestricted passage of vehicles and loads with certain characteristics and dimensions must be maintained) with a standard of at least P400 (a profile that is suitable for 4 m high semi-trailers). In view of the announced efficiency gains in links with the European rail freight transport corridors, the draft's proposals include adjustments for more efficient governance. Initial votes in the Council highlighted the member states' concerns about possible additional or new investment obligations due to changes in specifications. Work in the Council working groups is to continue under the Czech Presidency of the EU Council from July 1, 2022. Parallel negotiations in the Parliament are ongoing. The dossier is expected to be completed in 2023. The revision of the TEN-T Guidelines is also relevant to Germany, as almost one-third of the DB network is part of the TEN-T core network.

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 routes for freight transport both within the EU and with third countries. Nine European rail freight transport (RFC) corridors were created to achieve this. Central sales structures, products and committee structures were also established to manage the RFC corridors. A further two corridors were added in 2017 and 2018. Six of the now 11 European rail freight transport corridors run through Germany. The corridors are being developed 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, 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). The role of the European coordinator for transport corridors as an intermediary should also be strengthened. Proposals for the restructuring of European capacity management and for more efficient sales and distribution are to be presented in late 2022/early 2023.

EUROPEAN INITIATIVE FOR SUSTAINABLE EUROPEAN FREIGHT TRANSPORT

The European Commission is looking to tap into further potential for energy savings in European freight transport. To this end, it plans to present a proposal for the first quarter of 2023 on the revised "Directive concerning setting the maximum permitted dimensions for road vehicles in national and cross-border traffic and setting the maximum permitted weights in cross-border traffic." The preparatory stakeholder surveys have begun. 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.

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). After the European Commission's first initiative was withdrawn in 2017, a proposal for a revised directive is now planned for early 2023. The European Commission's starting points include the development of future eligibility for combined transport, measures to support the sector, requirements for harmonization and potential to increase competitiveness.

Legal topics

Important legal topics are highlighted in the 2021 Integrated Report 50f. Significant developments occurred in relation to the following legal issues in the first half of 2022.

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. We assume that the court will not schedule a hearing before the fourth quarter of 2022 at the earliest.

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 actually 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 cheapness on the basis of Section 315 of the German Civil Code (Bürgerliches Gesetzbuch; BGB), even if they were effective under regulatory law. The European Court of Justice (ECJ) ruled in 2017 that a review of the cheapness of infrastructure charges by civil courts in accordance with Section 315 BGB is incompatible with European railway law.

However, the BGH continued to adhere to 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. At the same time, the question of whether civil courts may conduct antitrust-law reviews of regulated rail infrastructure charges in the absence of a final decision by the regulatory body is still pending before the ECJ. The Advocate General of the ECJ answered this in the affirmative in her written opinions dated April 7, 2022, but these are not binding on the ECJ judges. The ECJ is expected to deliver a decision on this in 2022.

ANTITRUST TOPICS

Abuse proceedings initiated by the Federal Cartel Office regarding online sales and 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 decree, known as a warning letter, on April 14, 2022. According to the preliminary assessment, the Federal Cartel Office accuses DB AG of improperly hindering its online sales service providers who sell tickets for DB AG as commercial representatives. DB AG has commented on the allegations and is in dialog with the BKartA. 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.

STRONG RAIL

Implementation of the Strong Rail strategy

There were no changes to our Strong Rail strategy (2021 Integrated Report 52 ff.) in the first half of 2022.

PRODUCT QUALITY AND DIGITALIZATION

Punctuality

PUNCTUALITY / %	H1 2022	2021	H1 2021
DB Group rail in Germany	92.3	93.7	94.7
DB rail passenger transport in Germany	92.5	93.8	94.9
DB Long-Distance	69.6	75.2	79.5
DB Regional	93.1	94.3	95.3
DB Cargo (Germany)	67.0	69.8	71.2
DB Arriva (rail: United Kingdom, Denmark, Sweden, the Netherlands, Poland and the Czech Republic) [1]	92.5	93.5	94.8
DB Regional (bus) [2]	86.5	83.9	84.5
DB Cargo	66.9	69.5	70.8

To measure punctuality, we continuously compare the actual arrival time for each train/bus journey with the scheduled arrival time. We use a punctuality rate to summarize the arrival of on-time trains/buses or up to a defined maximum delay.
[1] Change of methods in the UK Trains line of business in 2021 with retroactive adjustment of the figure for the first half of 2021.
[2] Figure for the first half of 2021 adjusted.

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

- **High level of construction activity:** From March 2022 onwards, there is a very high level of construction activity alongside a continued increase in the demand for network capacity.
- **Highly utilized railways:** About 25% of all trains run through highly utilized railways 40 f.
- **Increased primary disruptions:** Particularly in the area of infrastructure (for example switches, tracks, interlockings), there is an increased incidence of primary incidents due to the ageing of the equipment and its susceptibility to faults.
- **Special external 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.
- 9-Euro-Ticket 4: In June 2022, capacity utilization in regional rail passenger transport also increased significantly. This led primarily to more excessive stopping times and train delays on tourist routes and at weekends.
- **Unstable operating situation:** The unstable operating situation in long-running long-distance and freight transport led to disrupted operating processes (including vehicle and staff rotations that no longer worked, and maintenance windows that could no longer be adhered to), which in turn had a negative effect on punctuality.

CAPACITY AND PUNCTUALITY PROGRAM

Since January 2022, the Capacity and Punctuality Program has been focusing on optimized management of rail capacity in the highly utilized network 40f. in order to reconcile the competing aims of the shift in the mode of transport, modernization/expansion and operational quality under the Strong Rail strategy. The following targets were set:

- stabilizing operating quality in 2022 and 2023 through targeted countermeasures,
- converting the highly utilized network on the most important corridors and hubs into a high-performance network by 2030,
- and
- renovating the busy corridors.

By meeting these targets, we achieve for our customers greater punctuality, a significant reduction in infrastructure-related disruptions and high-performance corridors with low construction activity into the 2030s following the renovation. We are addressing these topics over three time horizons:

- stabilization in 2022,
- predictive management in 2023, and
- rapid capacity expansion in 2024 onward (working toward a high-performance network).

The following measures have already begun to stabilize operations in 2022:

- **Improving capacity utilization management:** Identification and management of peak construction work during 2022, assessment of capacity utilization and development of construction project-specific measures. Regular capacity utilization meetings are also held to ensure early coordination with customers (in two regions so far, but we plan to expand this).
- **Increasing construction efficiency:** This includes reviewing all major construction projects for their operational corridor impact and analyzing planned construction sites for the second half of 2022.
- **Reducing disruptions:** This includes expanding preventive maintenance in order to best bridge the time until the full renovation.
- **Optimizing operational management:** This will be achieved by setting up the Rhine Valley plan corridor and by managing capacity and setting up a border coordination system in Basel.

Predictive management is already being implemented for 2023 on the basis of the Stabilization 2022 program. This includes, in particular, securing capacity and managing capacity utilization (smoothing peaks in construction and capacity utilization at an earlier stage), increasing robustness (identifying critical points and time periods with the subsequent reorganization of the construction program) and ensuring the overarching control system is maintained. The goal of establishing a high-performance network will then be achieved through rapidly expanding capacity in 2024 and subsequent years. To this end, from 2024 onwards, two to three busy corridors will be renovated each year. In addition to the concentration of all construction projects, the renovation also includes increasing the performance capability through improved standard equipment and customer-friendly construction.

Customer safety

SECURITY ON TRAINS AND IN STATIONS

Every major station in Germany will be equipped with modern video technology by the end of 2024. The number of video cameras at stations will therefore increase to about 11,000. The live images from the cameras are used by our employees for scheduling in stations and to protect our rights as the owner of the premises. Only the Federal police has access to the recordings produced by the cameras. Video technology is taking on an increasingly prominent role in providing information on criminal offenses and identifying criminals.

TECHNICAL SAFETY WORKING GROUP

The Technical Safety Working Group (2021 Integrated Report 259) has developed construction, staffing and organizational measures and explored their feasibility under scientific support. Preparations and initial construction work are now underway to test selected technical components for greater travel safety at Berlin's Südkreuz station under real-world conditions.

PRESENCE AND SITUATION-SPECIFIC DEPLOYMENT

The security concept provides for a continuous increase in the presence of our own security staff. The two-person and on-call teams comprised of about 4,300 DB security staff are now being supplemented in all regions of DB Security by Mobile Support Groups (Mobile Unterstützungsgruppen; MUG), each with eight rapid response personnel and a team leader. Mobile support groups are trained to focus on providing efficient support to the police force when deployed to situations involving several potential troublemakers.

PREVENTION WORK WITH A NEW FOCUS

Despite Covid-19 restrictions, the six nationwide prevention teams carried out more than 180 prevention deployments in the first half of 2022. Deployment locations are stations, railway crossings and freight stations, for example, if unauthorized track crossings increase. They also attend schools and youth organizations, raising awareness on the risks at railway facilities and measures for safe travel. In cooperation with the Berlin Senate, the prevention teams have developed a multiplier training for teachers.

Digitalization

DIGITAL RAIL FOR GERMANY

Together with the BMDV, the Federal Railway Authority (Eisenbahn-Bundesamt; EBA) and the sector, we agree to drive forward and implement the Digital Rail for Germany project. In addition to securing financing (for infrastructure and vehicle equipment), this will require, among other things, series-ready technology, optimized processes for planning, implementation and commissioning, sufficient radio capacity and the securing of personnel resources. The entire sector is constantly involved in the implementation of a Digital Rail for Germany project together with the Federal Government.

As part of the starter pack, the specific planning and rollout of the European Train Control System (ETCS) and digital interlocking started in 2020 in the context of the Stuttgart Digital Hub, the Cologne—Rhine/Main high-speed rail line and the ability to traverse the Scandinavia—Mediterranean trans-European corridor. Stuttgart will be the first region in Germany to receive the digitalized command and control technology under the Digital Rail for Germany project. We intend to implement highly automated driving. The retrofitting of the relevant vehicles is subsidized by the BMDV.

To accelerate the rollout of digital interlockings, the Federal Government has provided additional funds amounting to € 500 million for a high-speed program from 2020 to 2022. Across a total of seven projects, the existing signaling and railway crossing safety technology will be replaced by the Digital Rail for Germany digital systems. This program will be used for developing and testing new processes and technologies together with the railway industry in order to equip the network comprehensively with digital interlockings. The expanded and modernized signaling system from the program went into operation in Finnentrop in the first half of 2022. Key milestones have also been reached in the digitalization of the rail system:

- As part of the Digital S-Bahn (metro) Hamburg pilot project, highly automated rail operations based on Automatic Train Operation (ATO) and ETCS as well as the fully automated shunting process were demonstrated at the ITS World Congress in October 2021. Qualifications and training sessions are currently being provided for other traction unit drivers. From July 2022, ATO and ETCS trips will be planned for daily passenger services.
- Together with our project partners Siemens Mobility, Bosch Engineering, ibeo automotive and HERE Technologies, we have equipped another S-Bahn (metro) Hamburg train with state-of-the-art sensors as part of our joint project Sensors4Rail. The 14 sensors record information about the area around the train using the speed camera, lidar and camera systems. The sensor information can be matched with a digital card to precisely position the vehicle. In future, trains will be able to be controlled optimally based on this data, and run at shorter intervals. At the ITS World Congress, the Sensors4Rail project was demonstrated for the first time on the S-Bahn S21 (metro) line between the Bergedorf and Hamburg Dammtor stations. From 2022 to 2023, we will continue testing the technology in continuous operations. Data will be collected and scenario tests will be carried out to improve the (AI-based) functions.
- At the digital rail test site in the Erzgebirge region, switches and signals for the local railway (Erzgebirgsbahn) have already been digitalized in the Annaberg—Buchholz section. This is complemented by the expansion of a 5G test network along the Markersbach—Schlettau section. In 2021, a research environment with eight 5G radio masts along the line was completed and put into operation. Various innovative technologies relating to the new Future Railway Mobile Communication System (FRMCS)/5G standard were tested for use in operation. Together with Ericsson and Rohde&Schwarz, new antenna technologies were tested for the rail radio network, for example. Findings from the tests serve to optimize radio network planning with regard to future digital rail applications. With the help of Federal Government funding, reconstruction of the freight yard in Scheibenberg began in 2022. A technology and data center will be set up for the digital test site in future. We have already begun equipping the line with GSM-R and ETCS for operational tests in 2022 and expect the work to be completed in 2023. We are also coordinating testing at the digital rail test site.

GREEN TRANSFORMATION

Achieving sustainability requires a holistic approach. The Green Transformation is the basis for ensuring that environmental sustainability guides the actions of DB Group. For this reason, it is also anchored in our Strong Rail strategy. We are making all our products, services and the way we work increasingly green. To help advance the Green Transformation, we have defined four environmental areas of action: climate protection, nature conservation, resource conservation and noise remediation. At DB Group, we also recognize our social responsibility and involve our stakeholders in our actions. 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.

Climate protection

CLIMATE PROTECTION TARGET

We refined our climate protection target as early as 2021: we will be climate-neutral by 2040. Our target year is therefore five years ahead of the Federal Government's target year for Germany becoming climate-neutral.

To achieve this target, we rely on three strong levers:

- expanding eco-power,
- phasing out fossil fuels and introducing alternative drives, and
- entering the heat transition.

From 2025, all of our depots, office buildings and stations green. no. 147 in Germany will be fully eco-powered. By 2030, we will more than halve our greenhouse gas (GHG) emissions compared with 2006 and increase the share of renewable energies in the traction current mix to 80 %. And by 2038 at the latest, we will switch our traction current to 100 % eco-power. As we move toward a climate-neutral DB Group, we no longer want to use fossil fuels. Around 90 % of our volume sold in rail passenger and freight transport is operated on electricity already. We also focus on an approach that includes being open to new technologies, using alternative drives and fuels. Pilot projects, together with partners from industry, are also focusing on green local transport on road and rail. Plans include changing the bus fleet to one that uses more climate-friendly fuels, constructing new infrastructure for battery-powered trains green. no. 45, supplying hydrogen green. no. 53 for fuel cell trains, and using alternative fuels on road and rail. From summer 2022, the Sylt Shuttle 29 will be fueled with the climate-friendly biofuel HVO (hydrotreated vegetable oil) green. no. 164. The continuous roll-out of driver assistance systems green. no. 8 at DB Regional, for example, or the use of longer trains at DB Cargo are helping us to further reduce consumption and increase energy efficiency. We are also emitting fewer greenhouse gases thanks to much younger train fleets in long-distance, regional and freight transport, as well as capital expenditures in sustainable technologies. In addition, we will make the heat supply greener by gradually replacing heating systems operated with fossil energy sources with climate-neutral alternatives after the end of their life cycle.

The digitalization of the rail system green. no. 145 and trains and capital expenditures in our infrastructure are also having a positive impact on our climate footprint and our contribution to climate protection. In this way we can lay the foundations for the shift in the mode of transport toward climate-friendly rail services.

Further information on individual climate protection measures can be found in the chapter Development of the business units 27 ff.

CLIMATE RESILIENCE

As an infrastructure operator, we are more heavily impacted than any other major company in Germany by the effects of climate change in our core business area, the railway in Germany. We are therefore preparing for the increasingly extreme weather conditions caused by climate change. We are using this scientific data from the studies we commissioned with the Potsdam Institute for Climate Impact Research (PIK) to strategically refine our climate resilience management and, above all, to prepare our infrastructure, vehicles and stations to an even greater extent so that they can withstand the impact of climate change more effectively.

Nature conservation

We consider protecting biodiversity to be an essential task and integrate it at every stage from planning and construction through to operating our facilities. In our activities, for example in the construction and expansion of the track 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. In addition, we are converting as much of our land throughout Germany as possible into biotopes green. no. 38 so that honeybees green. no. 10, bumblebees and butterflies green. no. 85 can find food and a safe haven all year round. For example, we sow flowering meadows green. no. 150, plant domestic shrubs and set up corners to allow wild bees green. no. 150 to create a nest. With the expansion of our services as part of the "Destination Nature" green. no. 37 cooperation, as with the new addition of the Schwäbische Alb (Swabian Alps) biosphere region as the 24th destination, we also make an important contribution to relieving the pressure on sensitive natural environments from car traffic. We also set ourselves ambitious targets on protecting biodiversity in our operations: we are planning to operate our rail transport glyphosate-free from 2023 onwards. To achieve this, we are developing the existing vegetation control measures for tracks into a sustainable vegetation management system.

Resource conservation

Circular economy principles frame our thinking about how we deploy, use and dispose of resources. Recycled materials are used and our material cycles are being optimized. Using our internal waste management system, we collect and dispose of almost every type of waste separately according to individual fractions. Our goal is to keep our waste recycling rate at over 95% overall. Particularly where construction waste is concerned, we achieve a very high recycling rate due to an extensive reuse of materials. For our other waste, such as municipal waste, we will increase the recycling rate over the next few years by developing an improved waste management system. In addition, we are reducing the use of raw materials for maintenance, including with the aid of the 3D printing process green. no. 149. Since the beginning of 2022, we have also been producing plastic replacement parts at the Neumünster facility using 3D printing. DB Schenker offers 3D printing as a solution for the production of replacement parts on-demand. This gives companies access to a global service ecosystem without needing additional capital expenditures or minimum order quantities. Replacement parts can be printed on-site and made available at any time and globally via a digital warehouse, taking the pressure off the warehouse and saving resources. Supply chains and thus processing times are shortened and enormous economic and ecological potential can be tapped into.

Noise reduction

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 our efforts to achieve our 2030/2050 noise reduction target:

- By 2030, as part of the continuation of the Federal Government's noise remediation program, we will reduce rail transport noise on a total of 3,250 km of existing lines, helping to relieve the burden on about 800,000 people and therefore half of the residents living near noisy rail transport lines.
- By 2050, we will have completely remedied the noise pollution caused by rail transport on about 6,500 km of existing lines, thus helping 1.6 million residents in affected areas.

By the end of June 2022, we had put on-site noise remediation measures in place on a total of 2,137 km of track. Using € 50.9 million from the Federal Government's budgetary funds, 17.4 km of noise barriers green. no. 25 were built in the first half of 2022 as part of the noise remediation program, and 783 apartments were fitted with passive soundproofing measures green. no. 101. Noise remediation also takes place directly at the source: the vehicles themselves. The switch from diesel drives to hybrid trains green. no. 44 helps to reduce noise pollution.

The installation of a new drive unit completed in February 2022 as part of the conversion of the hybrid train HybridFLEX 50 from DB Arriva not only helps to reduce GHG emissions, but also to lower noise pollution by 75%.

EMPLOYEES

Number of employees and employee structure

EMPLOYEES BY BUSINESS UNITS	Full-time employees (FTE) [1] Jun 30, 2022	Jun 30, 2021	absolute	%	Dec 31, 2021	Natural persons (NP) Jun 30, 2022	Jun 30, 2021	absolute	%	Dec 31, 2021
DB Long-Distance	18,852	19,026	- 174	- 0.9	18,790	19,928	20,088	- 160	- 0.8	19,836
DB Regional	37,594	37,350	+ 244	+ 0.7	37,220	39,701	39,488	+ 213	+ 0.5	39,333
DB Cargo [2]	30,931	30,877	+ 54	+ 0.2	30,057	31,557	30,744	+ 813	+ 2.6	30,606
DB Netze Track	51,976	51,347	+ 629	+ 1.2	51,290	53,510	52,797	+ 713	+ 1.4	52,756
DB Netze Stations	6,992	6,778	+ 214	+ 3.2	6,811	7,351	7,132	+ 219	+ 3.1	7,161
DB Netze Energy	1,905	1,890	+ 15	+ 0.8	1,900	1,985	1,963	+ 22	+ 1.1	1,968
Other	58,975	58,187	+ 788	+ 1.4	58,345	61,669	60,843	+ 826	+ 1.4	60,978
Integrated Rail System [2]	**207,225**	**205,455**	**+ 1,770**	**+ 0.9**	**204,413**	**215,701**	**213,055**	**+ 2,646**	**+ 1.2**	**212,638**
DB Arriva	41,877	44,345	- 2,468	- 5.6	43,189	44,859	47,326	- 2,467	- 5.2	46,031
DB Schenker [2]	75,424	73,840	+ 1,584	+ 2.1	76,114	78,061	76,893	+ 1,168	+ 1.5	78,321
DB Group	**324,526**	**323,640**	**+ 886**	**+ 0.3**	**323,716**	**338,621**	**337,274**	**+ 1,347**	**+ 0.4**	**336,990**
± Changes in the scope of consolidation	- 84	-	- 84	-	-	- 84	-	- 84	-	-
DB Group – comparable	**324,442**	**323,640**	**+ 802**	**+ 0.2**	**323,716**	**338,537**	**337,274**	**+ 1,263**	**+ 0.4**	**336,990**

[1] 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.
[2] FTE figures for first half of 2021 and as of June 30, 2021 adjusted due to intragroup reassignment of the FLS business area 36.

The number of employees in DB Group has increased worldwide as of June 30, 2022. The development in the Integrated Rail System is mainly attributable to the increase in employees at DB Netze Track, primarily in construction project management at DB Netz AG. The increase in the number of employees at DB Cargo resulted from the intragroup reassignment of the FLS business area 36 of DB Schenker. In the Other business unit, the number of employees rose due to an increase in order volume, in particular at DB Vehicle Maintenance and DB E.C.O. At DB Systel, this was due to the expansion of innovative topics and the increased vertical integration of production. At DB Netze Stations, the increase is the result of increased project volumes in the construction sector, in particular as a result of the Performance and Financing Agreement (LuFV) III. DB Regional recorded an increase in employees primarily due to the takeover of Abellio transport services 31. The increase in the number of employees at DB Schenker in air and ocean was due to shipment growth in the previous year and in land transport among other things due to an acquisition in Finland. This contrasts with the development at DB Arriva (impact of the Covid-19 pandemic and reduced order volume). As of June 30, 2022, the share of employees outside Germany was about 35% (as of June 30, 2021: about 35%).

EMPLOYEES BY REGIONS / FTE	Jun 30, 2022	Jun 30, 2021	Change absolute	Change %	Dec 31, 2021
Germany	211,330	209,903	+ 1,427	+ 0.7	209,763
Europe (excluding Germany)	83,137	84,686	- 1,549	- 1.8	84,260
Asia / Pacific	17,217	16,836	+ 381	+ 2.3	16,985
North America	9,267	8,850	+ 417	+ 4.7	9,256
Rest of world	3,575	3,365	+ 210	+ 6.2	3,452
DB Group	**324,526**	**323,640**	**+ 886**	**+ 0.3**	**323,716**

EMPLOYEES BY REGIONS / NP	Jun 30, 2022	Jun 30, 2021	Change absolute	Change %	Dec 31, 2021
Germany	220,520	218,985	+ 1,535	+ 0.7	218,705
Europe (excluding Germany)	87,804	89,092	- 1,289	- 1.4	88,486
Asia / Pacific	17,248	16,874	+ 374	+ 2.2	17,021
North America	9,425	8,951	+ 474	+ 5.3	9,311
Rest of world	3,624	3,372	+ 252	+ 7.5	3,467
DB Group	**338,621**	**337,274**	**+ 1,347**	**+ 0.4**	**336,990**

Recruiting

YOUNG PROFESSIONALS

In the first half of 2022, DB Group hired in Germany more young professionals than in the same period in the previous year. For the third year impacted by Covid-19, and the seventh year in a row overall, DB Group also increased its training capacities and plans to hire in Germany around 5,200 trainees and students on a dual study course throughout the year. As a result of our recruiting activities in recent years, including during the Covid-19 pandemic, the structurally existing personnel requirements have been covered by the hires.

RECRUITMENT MEASURES

- Mobile jobs have been advertised in DB Group since February 2022 – these are marked on our careers Web site with the location "Wo-Du-Willst-Jobs" (Where-You-Want-Jobs).
- In accordance with the motto "Germany's Greatest Application," DB Group showcased itself over the course of a whole month with numerous events to mark International Women's Day on March 8, 2022. More than 700 women received a job offer in March 2022 – significantly more than in the other months of the year.
- On May 11, 2022, the first "Female ICE!" ran from Munich to Berlin. Only women were responsible for the specially branded train. More female employees were deployed along the line – in signal towers, at stations and on construction sites. At events in Halle and Nuremberg, female DB employees also informed prospective female applicants about job profiles and exciting projects. With this campaign, a total of more than 500 DB women wanted to make a mark and encourage other women to strive for professions even in traditionally male-dominated areas and in management positions.

Work of the future

MOBILE WORKING

When the Covid-19 Occupational Health and Safety Ordinance expired, the recommendation to work from home as a result of the Covid-19 pandemic was also lifted throughout DB Group. Since then, mobile working has been in place both inside and outside the office, based on agreements between managers and employees. DB Group has developed various training and consulting formats to empower managers and employees to work with hybrid models and other new models of cooperation.

Safety

24/7 THREAT MANAGEMENT

Through our threat management system (2021 Integrated Report 259) more than 30 cases were registered in the first six months of 2022 – about as many as in the first half of 2021 – and those affected or reporting them were given support. Support ranges from empathetic dialog to the provision of qualified psychological or medical assistance.

ATTACKS ON EMPLOYEES

The implementation of the Covid-19-related code of conduct, in particular the obligation to wear a mask, leads to a persistently high potential for conflicts for employees in direct contact with customers. The sharp rise in passenger numbers since the spring of 2022, the return of soccer fan traffic and the 9-Euro-Ticket 4 have once again resulted in a shift in focus and require the adaptation of security concepts. Our employees were attacked about 1,500 times nationwide in the first half of 2022; rising passenger numbers and the ongoing potential for conflict as a result of infection control and hygiene measures have caused an increase of around one-fifth. The most frequently affected professions are the train attendants and security personnel, each accounting for just under half of the cases.

BUILDING BLOCK SAFE TRAVEL

With the Safe travel employee building block, our employees have specified safety as a central area of action for DB Group. In view of the continuously high number of attacks on employees, we are also taking further measures to ensure the safety of our employees. These include, for example:

- The standardized safety survey within the framework of the Passenger Information System for customer service employees in local transport results in consolidated findings about regions and lines that lead to an above-average number of harmful events for employees. Targeted use of security services for such key areas will increase safety for both customers and employees.
- The multimedia internal campaign "Safety is everybody's business" continues to raise awareness for safety among the entire workforce.
- From 2023, a new IT platform will enable you to record dangerous situations more quickly and comprehensively and to react with more specific measures. The first trial runs of the new app will begin in 2022.

Other issues

AID FOR REFUGEES FROM UKRAINE

DB Group supports refugees from Ukraine on the German labor market. Together with the Federal Employment Agency, a hotline was set up to provide funding opportunities and arrange mental health counseling. In addition, we have been discussing the first steps for the German labor market and job prospects in DB Group together with the Federal Employment Agency in Berlin, Frankfurt am Main and Cologne since April 2022. Since May 2022, orientation courses have been offered in several cities for refugees from Ukraine accompanied by social education workers and trainers, including basic knowledge for training in DB Group as well as initial insights into operational requirements.

BUSINESS DEVELOPMENT

OVERVIEW

REVENUES ADJUSTED / € million	Total revenues H1		Change		H1	External revenues H1		Change		H1
	2022	2021	absolute	%	2019	2022	2021	absolute	%	2019
DB Long-Distance	2,116	1,054	+1,062	+101	2,392	2,052	996	+1,056	+106	2,310
DB Regional	4,487	3,954	+533	+13.5	4,412	4,433	3,902	+531	+13.6	4,361
DB Cargo[1]	2,631	2,504	+127	+5.1	2,270	2,521	2,388	+133	+5.6	2,141
DB Netze Track	3,116	2,938	+178	+6.1	2,803	995	966	+29	+3.0	812
DB Netze Stations	697	625	+72	+11.5	680	300	243	+57	+23.5	303
DB Netze Energy	1,946	1,458	+488	+33.5	1,410	1,051	695	+356	+51.2	640
Other	2,790	2,616	+174	+6.7	2,398	314	270	+44	+16.3	280
Consolidation Integrated Rail System[1]	-6,056	-5,619	-437	+7.8	-5,407	-	-	-	-	-
Integrated Rail System[1]	**11,727**	**9,530**	**+2,197**	**+23.1**	**10,958**	**11,666**	**9,460**	**+2,206**	**+23.3**	**10,847**
DB Arriva	2,175	1,931	+244	+12.6	2,690	2,174	1,930	+244	+12.6	2,687
DB Schenker[1]	14,162	10,432	+3,730	+35.8	8,525	14,129	10,396	+3,733	+35.9	8,491
Consolidation other	-95	-107	+12	-11.2	-160	-	-	-	-	-12
DB Group	**27,969**	**21,786**	**+6,183**	**+28.4**	**22,013**	**27,969**	**21,786**	**+6,183**	**+28.4**	**22,013**

OPERATING PROFIT FIGURES / € million	EBITDA adjusted H1		Change		H1	EBIT adjusted H1		Change		H1
	2022	2021	absolute	%	2019	2022	2021	absolute	%	2019
DB Long-Distance	9	-975	+984	-	367	-195	-1,144	+949	-83.0	224
DB Regional	213	-43	+256	-	512	-104	-359	+255	-71.0	186
DB Cargo[1]	-99	-21	-78	-	20	-299	-204	-95	+46.6	-132
DB Netze Track	834	649	+185	+28.5	708	496	302	+194	+64.2	379
DB Netze Stations	142	67	+75	+112	201	61	-7	+68	-	123
DB Netze Energy	76	81	-5	-6.2	65	35	40	-5	-12.5	23
Other/consolidation Integrated Rail System[1]	-61	52	-113	-	-156	-304	-194	-110	+56.7	-376
Integrated Rail System[1]	**1,114**	**-190**	**+1,304**	**-**	**1,717**	**-310**	**-1,566**	**+1,256**	**-80.2**	**427**
DB Arriva	197	166	+31	+18.7	326	-8	-31	+23	-74.2	101
DB Schenker[1]	1,486	906	+580	+64.0	499	1,186	620	+566	+91.3	238
Consolidation other	7	1	+6	-	-8	8	2	+6	-	-9
DB Group	**2,804**	**883**	**+1,921**	**-**	**2,534**	**876**	**-975**	**+1,851**	**-**	**757**
Margin (%)	10.0	4.1	+5.9	-	11.5	3.1	-4.5	+7.6	-	3.4

CAPITAL EXPENDITURES / € million	Gross capital expenditures H1		Change		H1	Net capital expenditures H1		Change		H1
	2022	2021	absolute	%	2019	2022	2021	absolute	%	2019
DB Long-Distance	793	675	+118	+17.5	169	793	675	+118	+17.5	169
DB Regional	150	259	-109	-42.1	273	145	246	-101	-41.1	269
DB Cargo	132	179	-47	-26.3	163	117	178	-61	-34.3	163
DB Netze Track	3,019	3,155	-136	-4.3	2,875	718	725	-7	-1.0	636
DB Netze Stations	490	491	-1	-0.2	397	245	142	+103	+72.5	216
DB Netze Energy	102	127	-25	-19.7	67	27	38	-11	-28.9	23
Other/consolidation Integrated Rail System[1]	297	327	-30	-9.2	297	293	327	-34	-10.4	297
Integrated Rail System[1]	**4,983**	**5,213**	**-230**	**-4.4**	**4,241**	**2,338**	**2,331**	**+7**	**+0.3**	**1,773**
DB Arriva	120	88	+32	+36.4	323	103	79	+24	+30.4	316
DB Schenker[1]	299	249	+50	+20.1	261	299	249	+50	+20.1	261
Consolidation other	-	-	-	-	-	-	-	-	-	-
DB Group	**5,402**	**5,550**	**-148**	**-2.7**	**4,825**	**2,740**	**2,659**	**+81**	**+3.0**	**2,350**
thereof investment grants	2,662	2,891	-229	-7.9	2,475	-	-	-	-	-

[1] Figures for first half of 2021 adjusted due to intragroup reassignment of the FLS business area 36.

Market environment

DEMAND FOR MOBILITY

The effects of the Covid-19 pandemic declined significantly in the first half of 2022. The milder disease process of the Omicron variant, combined with the vaccine progress, required fewer restrictions on public life and had a positive effect on economic development. At the same time, the market environment was noticeably burdened by the outbreak of the war in Ukraine. As a result, the environmental conditions developed to varying degrees. Demand in the area of mobility rose significantly as a result of the recovery from the Covid-19 pandemic, but was still below pre-Covid-19 levels. In the case of private travel, the desire to travel and visit that had built up over the winter had a strengthening effect on the positive development of mobility. In freight transport, the increase in demand, which was still significant at the beginning of the year, was significantly dampened from March 2022. With the outbreak of the war in Ukraine, growth in global industrial production and trade weakened, resulting in rail freight transport also being noticeably affected by the repercussions.

GLOBAL ECONOMY

The global economy has grown due to a further recovery from the Covid-19 pandemic in the first half of 2022, particularly due to an increase in private consumption. However, global economic growth was significantly reduced by the outbreak of the war in Ukraine. Rising energy prices as a result of the war also had an increasing effect on the already high level of inflation rates, and dampened growth. The recovery in global value-added chains, which was still expected at the beginning of 2022, has been further delayed by the outbreak of war and regional shutdowns in China due to the zero-Covid strategy. These disruptive factors also have a noticeable impact on the global trade in goods. As a result, congestion at ports are increasing, for example, and global trade remains unbalanced. Renewed disruptions in global supply chains are having a dampening effect on industrial production, after a slow recovery in the event of bottlenecks was still expected at the beginning of the year 2022.

Apart from the parties directly involved in the war, the war in Ukraine is also having a major impact on the European Economic Area. In particular, the high levels of dependency on energy and raw material imports dampened economic development in Europe. In addition to the increased cost pressure, the high level of uncertainty regarding future developments also led to a lower willingness to invest among companies. By contrast, the increase in private consumption, especially in the service sector, had a positive effect. The relaxing of restrictions relating to Covid-19 compared to the previous spring and winter of 2021 served as key drivers of growth.

ENERGY MARKETS

The central hedging policy of DB Group aims to reduce the impact of energy price fluctuations. Our activities are therefore not exposed to the full impact of changes in market prices, at least not in the short term.

Brent oil

BRENT CRUDE / USD/bbl	H1 2022	2021	Change absolute	Change %
Average price	104.9	71.0	+33.9	+47.7
Highest price	139.1	86.7	+52.4	+60.4
Lowest price	77.0	50.6	+26.4	+52.2
Final price as of Jun 30	114.8	77.8	+37.0	+47.6

Source: Thomson Reuters

Oil prices continued to rise significantly in the first half of 2022. The main reasons for this were the end of Covid-19 restrictions worldwide, the war in Ukraine and the sanctions imposed on Russia by the majority of Western countries. A scarce supply of crude oil contrasted with robust demand. In addition, the euro depreciated against the US dollar, making the price of imported crude oil more expensive.

Fuel prices in Germany in the first half of 2022 were about 35% higher than in the previous year. Despite temporary energy tax cuts, fuel prices continued to rise in 2022 as a result of oil price developments, a further increase in CO_2 tax and adverse currency effects.

Rising fuel prices usually strengthen the competitiveness of rail in comparison to cars. However, given the lingering effect of the Covid-19 restrictions and the associated preference for more individual means of transport (due to the smaller amount of contact involved), the development of fuel prices is currently of minor importance for passengers choosing their method of transport. However, further significant increases in fuel prices in 2022 will continue to dampen the expected increase in performance of private motorized transport and will favor a shift towards rail.

Electricity and emissions certificates

	H1 2022	2021	Change absolute	Change %
BASE LOAD POWER (FOLLOWING YEAR) (€/MWH)				
Average price	121.3	89.0	+ 32.3	+ 36.3
Highest price	296.9	325.2	- 28.3	- 8.7
Lowest price	114.0	48.7	+ 65.3	+ 134
Final price as of Jun 30	296.9	120.5	+ 176.4	+ 146
EMISSIONS CERTIFICATES (€/t CO_2)				
Average price	83.5	53.7	+ 29.8	+ 55.5
Highest price	98.5	90.8	+ 7.7	+ 8.5
Lowest price	55.0	31.3	+ 23.7	+ 75.7
Final price as of Jun 30	90.2	80.7	+ 9.5	+ 11.8

Source: Thomson Reuters

Prices on the futures market for electricity increased extraordinarily steeply in the first half of 2022. The most important price drivers were the prices for emissions allowances (European allowances as part of the European Emissions Trading System) and the price increase for natural gas. In DB Group's operating business our hedging activities have had a strong dampening effect to date.

Income situation

⟶ *Economic development significantly improved also as a result of Covid-19 having less of an impact on passenger transport.*
⟶ *Continuing very positive development of DB Schenker.*
⟶ *Revenues significantly above pre-Covid-19 levels, net profit clearly positive again.*

COMPARABILITY WITH THE FIRST HALF OF 2021

The first half of 2022 also saw the income, financial and net assets position of DB Group significantly impacted by the easing of measures to contain the Covid-19 pandemic. The end of Covid-19 restrictions led to a continuation of the recovery trend that began in the previous year, with passenger numbers again rising significantly.

Changes in the scope of consolidation 71 did not have a material impact on the development of expenses and income in the first half of 2022.

REVENUES

REVENUES / € million	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Revenues	27,968	21,784	+ 6,184	+ 28.4	22,014
± Special items	1	2	- 1	- 50	- 1
Revenues adjusted	**27,969**	**21,786**	**+ 6,183**	**+ 28.4**	**22,013**
thereof Integrated Rail System[1]	11,727	9,530	+ 2,197	+ 23.1	10,958
± Changes in the scope of consolidation	- 23	-	- 23	-	-
± Exchange rate changes	- 461	-	- 461	-	-
Revenues comparable	**27,485**	**21,786**	**+ 5,699**	**+ 26.2**	**22,013**
thereof Integrated Rail System[1]	11,722	9,530	+ 2,192	+ 23.0	10,958

[1] Figures for first half of 2021 adjusted due to the intragroup reassignment of the FLS business area 36.

The increase in revenue was broadly supported across all business units. Freight rate development at DB Schenker had a very significant effect. So, too, the business units in the Integrated Rail System 27 recorded higher revenues, which also 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 slightly, mainly as a result of Covid-19 recovery effects and exchange rate effects. Reduced Government support measures had a dampening effect.

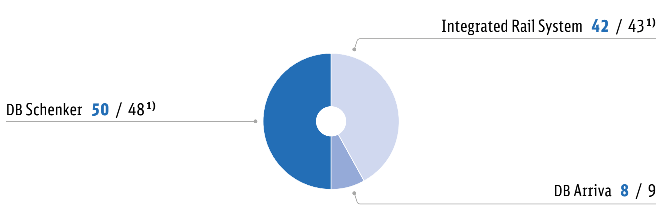
Special items continued to be irrelevant for the revenue development.

Changes in the scope of consolidation 71 and exchange rate changes also had no material impact:

- The effects of changes in the scope of consolidation related to DB Schenker (€ + 21 million) and DB Netze Track (€ + 2 million).
- The effects of exchange rate changes applied primarily to DB Schenker (€ + 429 million) and DB Arriva (€ + 29 million).

Revenue structure

EXTERNAL REVENUES ADJUSTED BY DIVISION / % — **H1 2022** / H1 2021

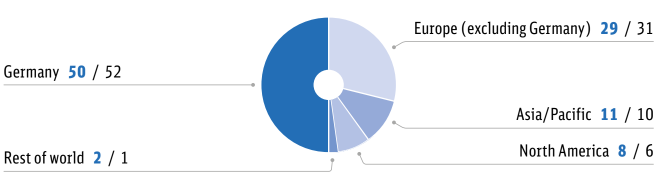


[1] Figures for first half of 2021 adjusted due to the intragroup reassignment of the FLS business area 36.

TRANSITION TO THE ADJUSTED STATEMENT OF INCOME / € million	H1					Change				H1
	2022	Reclassifi-cations	Adjustment of special items	2022 adjusted	2021 adjusted	absolute	thereof due to changes in the scope of consolidation	thereof due to exchange rate effects	%	2019 adjusted
Revenues	27,968	–	1	27,969	21,786	+6,183	+23	+461	+28.4	22,013
Inventory changes and other internally produced and capitalized assets	1,923	–	–	1,923	1,805	+118	+1	-0	+6.5	1,490
Other operating income	1,710	–	-1	1,709	1,403	+306	+1	+4	+21.8	1,116
Cost of materials	-16,502	–	–	-16,502	-12,682	-3,820	-5	-315	+30.1	-10,876
Personnel expenses	-10,029	–	71	-9,958	-9,349	-609	-12	-67	+6.5	-8,902
Other operating expenses	-2,343	–	6	-2,337	-2,080	-257	-3	-24	+12.4	-2,307
EBITDA	2,727	–	77	2,804	883	+1,921	+5	+59	–	2,534
Depreciation	-1,946	14	4	-1,928	-1,858	-70	-5	-7	+3.8	-1,777
Operating profit/loss (EBIT) | EBIT adjusted	781	14	81	876	-975	+1,851	+0	+52	–	757
Net interest income | net operating interest balance	-184	-59	4	-239	-235	-4	+0	-1	+1.7	-333
Operating income after interest	**597**	**-45**	**85**	**637**	**-1,210**	**+1,847**	**+0**	**+51**	**–**	**424**
Result from investments accounted for using the equity method | net investment income	-2	–	–	-2	-4	+2	–	-0	-50.0	–
Other financial result	87	59	–	146	7	+139	+0	+2	–	-18
PPA amortization customer contracts	–	-14	–	-14	-17	+3	–	+0	-17.6	-32
Extraordinary result	–	–	-85	-85	-82	-3	–	-0	+3.7	-97
Net profit/loss before taxes	**682**	**–**	**–**	**682**	**-1,306**	**+1,988**	**+0**	**+53**	**–**	**277**
Taxes on income	-258	–	–	-258	-122	-136	–	-13	+111	-72
Actual taxes on income	-262	–	–	-262	-135	-127	–	–	+94.1	-90
Deferred tax expense (-)/income (+)	4	–	–	4	13	-9	–	–	-69.2	18
Net profit/loss (after taxes)	**424**	**–**	**–**	**424**	**-1,428**	**+1,852**	**+0**	**+40**	**–**	**205**
DB AG shareholders	400	–	–	400	-1,443	+1,843	–	–	–	198
Hybrid capital investors	13	–	–	13	13	–	–	–	–	–
Other shareholders (non-controlling interests)	11	–	–	11	2	+9	–	–	–	7

The revenue structure did not change significantly in the first half of 2022.

EXTERNAL REVENUES ADJUSTED BY REGIONS / % **H1 2022** / H1 2021



EXTERNAL REVENUES ADJUSTED BY REGIONS / € million	H1		Change		H1
	2022	2021	absolute	%	2019
Germany	14,051	11,254	+2,797	+24.9	12,457
Europe (excluding Germany)	8,121	6,673	+1,448	+21.7	6,836
Asia/Pacific	3,120	2,213	+907	+41.0	1,504
North America	2,208	1,285	+923	+71.8	947
Rest of world	469	361	+108	+29.9	269
DB Group	**27,969**	**21,786**	**+6,183**	**+28.4**	**22,013**

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 performance of DB Schenker.

INCOME DEVELOPMENT

The economic development of DB Group was marked by the recovery in passenger transport as a result of the declining impact of the Covid-19 pandemic and the strong development of our transport and logistics activities. Operating profit figures improved noticeably again. In passenger and rail freight transport, however, the situation remained under pressure:

- In the Integrated Rail System, revenue growth, mainly due to the recovery in demand for passenger services, higher concession fees and new services at DB Regional, exceeded additional burdens resulting from higher expenses, in particular for materials (including higher energy costs relating to performance and price factors) and personnel (increased capacity and wage increases).

- The operating income development at DB Schenker was once again very strong, driven primarily by the performance 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 27 ff.

Transition to the adjusted statement of income

The transition to the adjusted statement of income is a two-step process. The reclassification and adjustment procedure (2021 Integrated Report 86 f.) has not changed.

Development in the first half of 2022

Overall, income development was very positive:

- Revenues 19 f. increased significantly.
- Other operating income also increased. This was partly due, among other things, to higher income from the sale of real estate at DB Netze Track and changes in provisions. Grants increased slightly. Higher income in connection with the Covid-19-related train-path price support (only paid out in the previous year in the second half of 2021) was largely offset by declining government grants at DB Arriva (especially at UK Bus and in the Netherlands) and effects in connection with the repayment of interest-free loans at DB Netze Track.

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 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, as well as higher purchased transport services at DB Cargo. At DB Arriva, higher expenses for energy and rail replacement services, among other things, 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.
- Other operating expenses increased due, among other things, to a higher demand for IT services. In addition, the intensification of advertising activities to win back customers, which were significantly reduced during the Covid-19 pandemic, and higher rental expenses, in particular for freight cars and in connection with cross-border transport services, 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 net operating interest balance resulted from the development of interest rate levels.

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

- Net investment income remained at a very low level, and the change was mainly driven by lower losses at GHT Mobility GmbH.
- The significant increase in the other financial result was mainly due to exchange rate effects and the positive development of the fair value of other investments.
- The extraordinary result was roughly at the level of the first half of 2021 and resulted mainly from restructuring measures, effects from the adjustment of provisions (particularly in connection with civil proceedings on infrastructure fees 9) and transactions with affiliated companies.

	H1			
EXTRAORDINARY RESULT / € million	**2022**	**thereof affecting EBIT**	2021	thereof affecting EBIT
DB Long-Distance	0	0	–	–
DB Regional	0	0	0	0
DB Cargo	-10	-10	-19	-19
DB Netze Track	-5	-1	-1	-1
DB Netze Stations	–	–	–	–
DB Netze Energy	–	–	-25	-25
Other/consolidation Integrated Rail System	-70	-70	-38	-38
Integrated Rail System	**-85**	**-81**	**-83**	**-83**
DB Arriva	0	0	0	0
DB Schenker	0	0	0	0
Consolidation other	0	0	1	1
DB Group	**-85**	**-81**	**-82**	**-82**
thereof restructuring measures	-71	-71	-61	-61

Profit before taxes was also positive again. The development of the income tax position was weaker:

- Actual income taxes rose due to higher results for some foreign Group companies.
- The somewhat weaker deferred tax income resulted from lower temporary spreads at foreign Group companies.

The net profit (after taxes) also recovered noticeably and was positive.

Financial position

- A total of four bond transactions (total volume about € 2.0 billion).
- Moody's rating outlook has been increased again to stable.

INTEREST RATE ENVIRONMENT

YIELD ON TEN-YEAR GERMAN FEDERAL BONDS / %	H1 2022	2021	Change (percentage points)
Average yield	0.63	- 0.31	+ 0.94
Highest yield	1.76	- 0.06	+ 1.82
Lowest yield	- 0.13	- 0.62	+ 0.49
Final yield as of June 30	1.37	- 0.18	+ 1.55

Source: Thomson Reuters (daily closing prices)

The sustained high inflation rates worldwide led to a rethink of the central banks' interest rate policies. While the US Federal Reserve Bank had already been raising interest rates, the ECB initially announced such a step for July 2022 and then also implemented it more clearly than previously expected. As a result, the main refinancing rate returns to a positive value for the first time in six years. At the same time, the international central banks' bond-buying programs are coming to an end. In this environment, yields on securities rose sharply. The yield curve for German Federal Government bonds with a residual maturity of more than one year was then consistently in positive territory.

FINANCIAL MANAGEMENT SYSTEM

FINANCIAL INSTRUMENTS / € billion	Volume as of Jun 30, 2022	thereof utilized	Volume as of Dec 31, 2021	thereof utilized
European debt issuance program	35.0	27.6	35.0	26.4
Australian debt issuance program (AUD 5 billion)	3.3	0.9	3.2	0.9
Multi-currency commercial paper program	3.0	-	3.0	-
Guaranteed credit facilities	2.0	-	2.6	0.5

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. The maturity profile is a particularly important part of this management.

- DB Group has access to a European debt issuance program (EDIP) for long-term debt financing. Under the EDIP, four senior bonds were issued in the first half of 2022 (total volume: € 2.0 billion) and two senior bonds (total volume: € 0.8 billion) were redeemed. As of June 30, 2022, the utilization rate increased to about 79 % (as of December 31, 2021: about 75 %).
- An Australian debt issuance program (Kangaroo Program) is also available, but was not used for new issues in the first half of 2022. Although no senior bonds were due for repayment, the utilization rate decreased slightly to 27 % as of June 30, 2022 compared with the end of the previous year (as of December 31, 2021: 28 %) due to exchange rate effects.
- In terms of short-term external financing, a multi-currency commercial paper program remained available to us. As of June 30, 2022, the program was not in use (utilization rate as of December 31, 2021: - %).
- As of June 30, 2022, we also had contractually guaranteed credit facilities with a residual maturity of up to two years (unchanged at € 2.0 billion). As of June 30, 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 June 30, 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 were made available to our subsidiaries around the world and include both working capital financing and provision of guarantees.

CREDIT RATINGS

CREDIT RATINGS DB AG	First issued	Last published	Ratings: Short-term	Ratings: Long-term	Ratings: Outlook
S&P Global Ratings	May 16, 2000	Jun 11, 2020	A-1+	AA-	negative
Moody's	May 16, 2000	Jul 7, 2022	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. In the first half of 2022, S&P did not make any changes to the ratings of DB AG. Moody's confirmed the ratings given to DB AG 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.

BOND ISSUES

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

[1] Private placement.

In the first half of 2022, we issued four new senior bonds (total volume: € 2.0 billion) through DB Group's financing company, Deutsche Bahn Finance GmbH (DB Finance). The funds were raised to refinance liabilities falling due and for ongoing general Group financing. All funds from senior bonds not issued in euros were converted into euros. Demand for our bonds came primarily from institutional investors in Europe and Asia.

Key economic performance indicators

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

ROCE

ROCE	H1 2022	H1 2021	Change absolute	Change %	H1 2019
EBIT adjusted [1] (€ million)	876	- 975	+ 1,851	-	757
/ Capital employed as of Jun 30 (€ million)	44,968	43,124	+ 1,844	+ 4.3	42,114
ROCE (%)	**3.9**	**- 4.5**	**+ 8.4**	**-**	**3.6**
Target value (%)	≥ 6.5	≥ 6.5	-	-	≥ 7.0

[1] Figures extrapolated to the full year for calculation purposes.

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 25.

DEBT COVERAGE

DEBT COVERAGE / € million	H1 2022	H1 2021	Change absolute	Change %	H1 2019
EBITDA adjusted [1]	2,804	883	+ 1,921	-	2,534
+ Operating interest balance [1]	- 239	- 235	- 4	+ 1.7	- 333
+ Original tax expenses [1]	- 262	- 135	- 127	+ 94.1	- 90
Operating cash flow after taxes [1]	**2,303**	**513**	**+ 1,790**	**-**	**2,111**
Net financial debt as of Jun 30	30,504	32,002	- 1,498	- 4.7	25,409
+ Pension obligations as of Jun 30	3,435	5,343	- 1,908	- 35.7	5,270
+ Hybrid capital [2] as of Jun 30	1,003	1,003	-	-	-
/ Net debt as of Jun 30	**34,942**	**38,348**	**- 3,406**	**- 8.9**	**30,679**
Debt coverage (%)	**13.2**	**2.7**	**+ 10.5**	**-**	**13.8**
Target value (%)	≥ 20	≥ 20	-	-	≥ 20

[1] Figures extrapolated to the full year for calculation purposes.
[2] 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.

Debt coverage improved significantly compared to June 30, 2021:

- The operating cash flow after taxes increased as a result of the improved operating profit.
- Net debt fell significantly compared to June 30, 2021. This resulted from lower pension obligations and lower net financial debt 24.

Asset situation

⟶ *Net financial debt increased slightly compared with the end of the prior 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	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Cash flow from operating activities	1,498	10	+ 1,488	-	1,386
Cash flow from investing activities	- 2,532	- 2,292	- 240	+ 10.5	-1,857
Cash flow from financing activities	256	2,264	- 2,008	- 88.7	584
Net change in cash and cash equivalents as of Jun 30 / Dec 31	- 764	1,180	- 1,944	-	119
Cash and cash equivalents as of Jun 30 / Dec 31	3,827	4,591	- 764	- 16.6	3,993

- The very significant increase in cash flow from operating activities was mainly due to the improved profit development 20f. Negative working capital effects had a partially offsetting effect.

- The slight increase in cash outflow from investing activities resulted mainly from higher net capital expenditures 24f. Increased cash outflows for investments in financial assets, in particular for the leasing of rail vehicles from contracting organizations under service concession agreements, had a supporting effect. In contrast, higher proceeds from the sale and disposal of property, plant and equipment (including real estate at DB Netze Track, among others) had a partially compensating effect.
- Cash inflow from financing activities decreased significantly:
  - The lower borrowing out of financial loans essentially led to a net outflow of funds (€ −270 million; in the first half of 2021: net inflow of € 1,248 million). This was due in particular to the issuance of commercial paper for short-term Group financing in the first half of 2021. In addition, the decline in net inflow of funds from senior bonds 22f. (€ −535 million) reduced the inflow.
  - This was partly counteracted by the decline in cash outflow for lease repayments (€ +55 million).
- On balance, as of June 30, 2022, cash and cash equivalents were down compared to the end of the previous year.

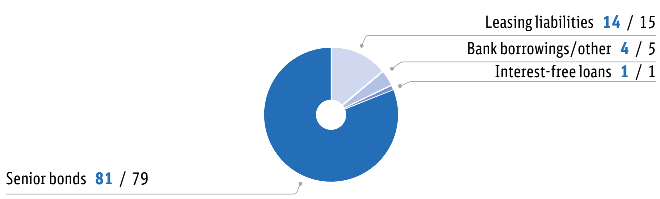
NET FINANCIAL DEBT

NET FINANCIAL DEBT / € million	Jun 30, 2022	Dec 31, 2021	Change absolute	Change %	Dec 31, 2019
Senior bonds	28,698	27,403	+1,295	+4.7	20,966
Leasing liabilities	4,889	5,059	-170	-3.4	5,015
Commercial paper	-	-	-	-	890
Interest-free loans	300	446	-146	-32.7	707
Other financial debt	1,313	1,578	-265	-16.8	1,115
Financial debt	**35,200**	**34,486**	**+714**	**+2.1**	**28,693**
− Cash and cash equivalents and receivables from financing	-4,380	-5,132	+752	-14.7	-4,397
± Effects from currency hedges	-316	-247	-69	+27.9	-121
Net financial debt	**30,504**	**29,107**	**+1,397**	**+4.8**	**24,175**

Net financial debt increased slightly as of June 30, 2022. This resulted from a demand for funds, particularly in the Integrated Rail System. A significantly improved but still tense profit situation in the Integrated Rail System and a simultaneously strong funding need for capital expenditures could only be partially offset by the positive profit development at DB Schenker.

- Financial debt increased slightly:
  - The euro value of the outstanding senior bonds 22 was somewhat higher due to issues. Exchange rate effects did not play a key role here as a result of closed hedging transactions.
  - Leasing liabilities fell slightly due to repayments. The conclusion of new leasing contracts and the extension of existing leasing contracts had a partially offsetting effect.
  - Interest-free loans fell as a result of redemptions.
  - Other financial debt fell significantly, 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.
- Net financial debt increased as cash and cash equivalents decreased alongside the increase in financial debt.

COMPOSITION OF FINANCIAL DEBT / % — as of Jun 30, 2022 / as of Dec 31, 2021



The maturity structure and the composition of financial debt had not substantially changed:

- Current financial debt (up to one year) fell slightly as a result of redemptions. In contrast, the share of financial debt with a maturity of one to five years increased.
- The composition of the financial debt shifted slightly toward senior bonds. The share of bank borrowings was down as a result of redemptions. The share of leasing liabilities also declined.

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES / € million	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Gross capital expenditures	5,402	5,550	- 148	- 2.7	4,825
thereof Integrated Rail System	4,983	5,213	- 230	- 4.4	4,241
− Investment grants	2,662	2,891	- 229	- 7.9	2,475
thereof Integrated Rail System	2,645	2,882	- 237	- 8.2	2,468
Net capital expenditures	**2,740**	**2,659**	**+81**	**+3.0**	**2,350**
thereof Integrated Rail System	2,338	2,331	+7	+0.3	1,773

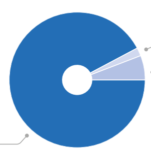
[1] Figures for first half of 2021 adjusted due to the intragroup reassignment of the FLS business area 36.

Gross capital expenditures fell slightly at a high level, driven by the Integrated Rail System. This was mainly due to reporting date effects for infrastructure projects and lower vehicle capital expenditures at DB Regional in line with the requirements of transport contracts. This was partially offset by higher capital expenditures in the vehicle fleet at DB Long-Distance and the increase in capital expenditure activities at DB Arriva (including the implementation of a depot project in the United Kingdom) and DB Schenker (including the modernization and digitalization of the existing business in Europe and Asia).

Investment grants, which are almost exclusively allocated to the Integrated Rail System, also decreased as a result of reporting date effects. They accounted for about 49 % of gross capital expenditures (in H1 2021: about 52 %).

Net capital expenditures were somewhat higher, driven by the slight increase in capital expenditure activities at DB Arriva and DB Schenker. In the Integrated Rail System, they were roughly at the level of the first half of 2021.

GROSS CAPITAL EXPENDITURES BY DIVISIONS / % H1 2022 / H1 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

GROSS CAPITAL EXPENDITURES BY REGIONS / € million	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Germany	4,977	5,200	- 223	- 4.3	4,299
Europe (excluding Germany)	335	271	+ 64	+ 23.6	457
Asia / Pacific	62	64	- 2	- 3.1	53
North America	16	9	+ 7	+ 77.8	28
Rest of world	5	7	- 2	- 28.6	9
Consolidation	7	- 1	+ 8	-	-21
DB Group	**5,402**	**5,550**	**- 148**	**- 2.7**	**4,825**

NET CAPITAL EXPENDITURES BY REGIONS / € million	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Germany	2,344	2,319	+ 25	+ 1.1	1,831
Europe (excluding Germany)	306	261	+ 45	+ 17.2	450
Asia / Pacific	62	64	- 2	- 3.1	53
North America	16	9	+ 7	+ 77.8	28
Rest of world	5	7	- 2	- 28.6	9
Consolidation	7	- 1	+ 8	-	-21
DB Group	**2,740**	**2,659**	**+ 81**	**+ 3.0**	**2,350**

In the regional breakdown of gross capital expenditures, the focus remained on Germany. The decline is mainly due to reporting date effects of infrastructure measures.

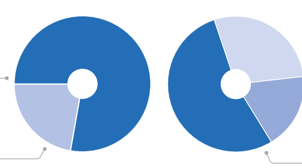
Capital expenditures significantly increased in Europe (excluding Germany). This was mainly due to higher capital expenditures at DB Arriva and DB Schenker.

Capital expenditures fell slightly in the Asia / Pacific region due to regional developments at DB Schenker.

BALANCE SHEET

BALANCE SHEET / € million	Jun 30, 2022	Dec 31, 2021	Change absolute	Change %	Dec 31, 2019
Total assets	74,056	71,843	+ 2,213	+ 3.1	65,828
ASSETS					
Non-current assets	57,655	56,149	+ 1,506	+ 2.7	53,213
Current assets	16,401	15,694	+ 707	+ 4.5	12,615
EQUITY AND LIABILITIES					
Equity	13,459	10,621	+ 2,838	+ 26.7	14,927
Non-current liabilities	39,510	39,631	- 121	- 0.3	32,820
Current liabilities	21,087	21,591	- 504	- 2.3	18,081

BALANCE SHEET STRUCTURE / % as of Jun 30, 2022 / as of Dec 31, 2021



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

Total assets were above the level at the end of the previous year:

- Non-current assets increased significantly, driven primarily by higher property, plant and equipment (€ + 656 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 increased (€ +510 million), partly as a result of higher receivables from plan assets for pension obligations, particularly at DB Arriva and DB Cargo, as well as the development of derivative financial instruments in connection with hedging transactions for foreign currencies and energy (€ +358 million).

- Current assets increased somewhat more sharply. The main factors were:
  - higher trade receivables (€ +806 million), particularly at DB Schenker, as a result of freight rate development,
  - the increase in assets held for sale (€ +441 million) especially as a result of the sale of DB Arriva's activities in Sweden 51 and the MTS Group 55,
  - higher derivative financial instruments in connection with hedging transactions for foreign currencies and energy (€ +221 million), and
  - a partial offset by the decline in cash and cash equivalents (€ –764 million).

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

On the equity and liabilities side, equity increased, due in part to the positive profit (€ +400 million). Other drivers were the changes recognized in the reserves in connection with the revaluation of pensions (€ +1,867 million), the fair value measurement of cash flow hedges (€ +451 million) and exchange rate differences (€ +116 million).

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

- Non-current liabilities were almost at the same level as of the end of the previous year. In essence, this development was characterized by:
  - a decline in pension obligations (€ –1,596 million), mainly as a result of an increased interest rate at revaluation, that was almost completely eliminated by
  - in part higher non-current financial debt 24 (€ +1,352 million), and
  - an increase in other liabilities (€ +99 million), particularly at DB Regional, in connection with vehicle purchases.
- Current liabilities declined. In essence, this development was characterized by the following:
  - Lower current financial debt (€ –638 million). The main driver was the decline in short-term bonds (€ –376 million) and bank debt (€ –208 million).
  - The decline in trade liabilities (€ –480 million), mainly at DB Netze Track (including reporting date effects) and DB Regional (mainly related to vehicle purchases), had a supporting effect.
  - In contrast, there was an increase in other current liabilities (€ +212 million) at DB Regional and DB Cargo.
  - Also in the liabilities held for sale (€ +212 million), due in part to the sale of DB Arriva's activities in Sweden and the MTS Group.

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

PROCUREMENT VOLUME

The procurement volume corresponds to the contractual obligations to suppliers that DB Group has entered into. On subsequent realization these become capital expenditure or expenses (mainly cost of materials and other operating expenses). The total procurement volume amounted to € 20.4 billion (in the first half of 2021: € 16.5 billion).

- Freight and freight forwarding services were roughly unchanged at € 5.5 billion (in the first half of 2021: € 5.4 billion).
- Industrial products increased significantly to € 5.2 billion (in the first half of 2021: € 3.0 billion), mainly as a result of the second call for ICE 3neo vehicles.
- In construction and engineering services, the purchasing volume increased slightly to € 3.8 billion (in the first half of 2021: € 3.6 billion). This was due to the rising cost of materials.
- Third-party services rose to € 4.3 billion (in the first half of 2021: € 3.1 billion). The growth was mainly due to the business development at DB Schenker.
- Cable- and pipe-bound power and fuel rose to € 1.6 billion, due among other things to higher energy prices (in the first half of 2021: € 1.4 billion).

DEVELOPMENT OF BUSINESS UNITS

Business units in the Integrated Rail System

DEVELOPMENT IN THE RELEVANT MARKETS

The developments described below are based on available data, which sometimes has different time horizons, since full information about market developments in the first half of 2022 was not available at the time this report was prepared.

German passenger transport market

- The effects of the Covid-19 pandemic were also noticeable in the first quarter of 2022 as a result of the Omicron variant. However, there were signs of a significant recovery in the further course of the year. However, the ramp-up of demand varied greatly across the individual market segments of German passenger transport.
- In the first half of 2022, motorized private transport gradually approached pre-Covid-19 levels again. The increase in fuel prices due to the new CO_2 pricing and the war in Ukraine initially remained of minor significance.
- Domestic air transport recovered in early 2022, but remained well below the pre-Covid-19 level. The gradual recovery in the middle of the year with very high growth rates is the result of a very weak base in the previous year.

RAIL PASSENGER TRANSPORT

- In the first quarter of 2022, rail passenger transport showed significant growth in volume sold (+84%) compared with the same period in the previous year, although strict Covid-19-related travel restrictions were still in place in the first quarter of 2021. DB Group volume sold increased by 91% compared with the same quarter of the previous year.
- The rapid increase in demand in the second quarter of 2022 and the continuing restrictions to prevent a rapid rise in infections in the previous year have resulted in strong growth year-on-year. In the second quarter of 2022, volume sold in DB Group rail passenger transport increased by approximately 124% compared with the same period in the previous year.
- Regional rail passenger transport increased in the first quarter of 2022 (+55%) despite continued effects from people working from home and a corresponding reduction in business trips and commuter journeys. DB Regional saw a similar increase in performance (+57%) in the first quarter of 2022. Comparing the second quarters, DB Regional achieved growth of 103%, due in part to the introduction of the 9-Euro-Ticket 4.
- Long-distance rail passenger transport also significantly exceeded the level of the first quarter of 2021 in the first quarter of 2022 (+136% for the sector as a whole; +132% for DB Long-Distance).
- In comparison with the second quarters of 2021 and 2022, there was a strong increase in volume sold of 144% for DB Long-Distance.
- FlixTrain expanded its network and services in the first half of 2022. The company aims to serve a total of 70 stations by the summer.

PUBLIC ROAD PASSENGER TRANSPORT

- In the first quarter of 2022, public road passenger transport recorded noticeable gains in volume sold (+26%) in scheduled transport.
- In regional bus transport, growth in the first quarter of 2022 was somewhat more moderate due to the publicly ordered and largely continued basic services in the first quarter of 2021. DB Regional Bus recorded an increase in performance (+31%) in the first quarter of 2022 and was also able to improve in the second quarter by +16% compared to the same period in the previous year.
- Long-distance bus services had almost completely ceased operations between the beginning of the year and May 2021. Market leader FlixBus resumed its services with a limited network in the first half of 2022, but remained below the pre-Covid-19 level.

German freight transport market

After a strong start to the year across all modes of transport in the first two months of 2022, there was a noticeable slowdown in demand in March, which continued at the beginning of the second quarter. This market situation reflects both the baseline effect on performance in the corresponding months of the previous year, where recovery after the impact of Covid-19 started in March, and the current negative framework conditions. Overall, a significant slowdown in growth is expected for the second quarter of 2022.

The consequences of the strict Covid-19 measures with further shutdowns in China continue to have an impact on transport capacities in Germany and Europe due to disruptions at the seaports. In addition, there are significant changes in flows of transport as a result of the war in Ukraine. Production shutdowns in Ukraine resulted in a market environment with high uncertainty for industry and transport companies, which was burdened by material scarcity, disrupted supply chains and sharp cost increases.

Over the further course of the year, the activities of the German government to reduce dependence on Russian oil and gas supplies will have a significant impact on the transport market. At present, there are already noticeable effects on coal transport and mineral oil transport.

In addition to these challenges, the massive rise in energy and fuel costs across all modes of transport represents a growing burden.

RAIL FREIGHT TRANSPORT

According to previous publications by the Federal Statistical Office, volume sold in rail freight transport increased by 2.2% up to April 2022 compared with the same period in the previous year. After a dynamic start to the year with growth of 6.5%, there has been a noticeable slowdown since March. Growth was supported, above all, by an increase in performance in the coal, stone/earth, mineral oil products and combined transport sectors. There was a decline primarily in demand for transport from the automotive industry, which is mainly due to the persistently challenging resource situation for semiconductors. In the months of March and April 2022, there were also difficulties in the supply of cable harnesses as a result of the war in Ukraine. Steel transports also performed rather weakly due to the drop in production in the automotive industry.

Since March 2022, the consequences of the war in Ukraine on flows of transport in rail freight transport have been visible. Direct traffic from/to Russia has been suspended, and container transport (transit) on the trans-Eurasian corridor is in line with the applicable sanctions. There were no significant shifts in terms of market share.

ROAD FREIGHT TRANSPORT

After a dynamic start to the year, truck transport has seen a significant slowdown in almost all key sectors since March 2022. This applies to both national and cross-border transport services. This is compounded by the sharp rise in the cost of fuel, staff and vehicles, among other things. These added costs can only be partially passed on to customers through prices, and are a severe burden on the economic situation. The issue of driver shortages continues to be an acute issue and has been exacerbated once again. This means that demand has slowed down, while the supply of shipping space has become even scarcer.

- According to our own calculations, there was moderate growth in volume sold of about 1.5% up to May 2022.
- A similar development is reflected in the toll statistics of the Federal Agency for Freight Transport. On the toll road network, volume sold up to May barely increased compared with the same period in the previous year at 1.4%. At +3.3%, the vehicles registered abroad continued to develop at an above-average rate compared with trucks from Germany, which remained at the previous year's level.

INLAND WATERWAY TRANSPORT

After a very weak start in 2020 and 2021, volume sold in inland waterway transport increased by 2.1% in the first quarter of 2022. A positive development, in particular in coal transport and mixed cargo/containers, was offset by significant declines in the transport of agricultural and chemical products, as well as in the area of ores, stone and earth.

European rail freight transport market

Volume sold in European rail freight transport (EU 27, Switzerland, Norway and the United Kingdom) continued to develop positively in the first quarter of 2022 compared with the same period in the previous year, with growth of 3%. Development at the beginning of the year was supported by the continued recovery of industrial production and trade as well as the baseline effects from the first quarter of 2021, which was still dominated by the Covid-19 pandemic. Developments in subsequent months were negatively affected, primarily by rising energy prices due to the war in Ukraine and the ongoing supply chain problems, with the result that a slowdown in growth is also expected for the European rail freight transport market in the second quarter of 2022.

- Volume sold for rail freight transport in the United Kingdom increased by about 4% in the first quarter of 2022. Since June, however, there has been a significant decline. Construction materials and intermodal transport, among other things, developed negatively. There were also declines in metal transports. At DB Cargo UK, volume sold fell by about 7% in the first half of 2022.
- In Poland, volume sold in rail freight transport had increased by about 14% by May 2022 compared with the same period in the previous year. The reason for this is the continued economic revival of Polish industry and the change in flows of transport as a result of the war in Ukraine. Demand for transport increased, particularly in industrial sectors, which are of central importance for rail freight transport, i.e. in the areas of coal, construction materials, mineral oil products, coke and metal products. Combined transport, which has been growing rapidly in recent years, has stagnated. DB Cargo Polska grew above the market average.
- In France, volume sold for the rail freight transport market rose by about 6% in the first quarter of 2022. The economic recovery helped stabilize the situation. A positive development in volume sold was also seen at DB Cargo France.

DB LONG-DISTANCE BUSINESS UNIT

Development of our fleet

VEHICLE PROJECTS AND PROCUREMENTS

- To date, 13 ICE 1 trains have been modernized. Six more will follow in 2022. Implementation of the improved drive technology (IGBT converters) was also taken up in parallel with the modernization work to optimize the robustness of the drives. Twenty-four modified multiple units are currently in use.
- The redesign of the ICE 3 is continuing. A further nine multiple units will be redesigned by the end of 2022. The redesign program will be completed by the end of 2024 once 50 ICE 3 trains have been redesigned.
- In 2020, the first nine Intercity 2 trains (KISS) were put into operation. Another eight vehicles will be added in 2022.
- A further 12 new ICE 4 trains were added in the first half of 2022. This makes the ICE 4 the largest ICE series.
- The gradual purchase of ICE 3neo trains will begin in 2022. The first ones will go into operation in late 2022. The ICE 3neo trains will further strengthen our ICE fleet.
- 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. Both the procurement process for the EU tender-relevant components and the design and construction process for the new components were finalized in the first half of 2022.
- ICE L will only gradually start operation from October 2024 due to supply chain delays on the part of the manufacturer Talgo brought about by the Covid-19 pandemic. From June 2025, all routes between Berlin and Amsterdam will then use the 230 km/h ICE L.

VEHICLE AVAILABILITY

In the first half of 2022, the vehicle availability of the ICE fleet was increased. The systematic modernization of the existing fleet has a positive effect on operational stability. The delivery of new vehicles is helping to increase vehicle availability.

There is also a positive development in terms of operational deterioration in the passenger sector (for example Wi-Fi, reservations). There was a reduction in this regard across all fleets in the first half of 2022.

Further vehicle projects will be implemented in order to maintain this positive development in the future. These include the launch of new vehicles such as the ICE 3neo and continuous optimization measures.

Environmental measures

- From summer 2022, the Sylt Shuttle will be fueled by the climate-friendly biofuel HVO green no. 164, made from residual and waste materials. This will cut greenhouse gas emissions by up to 90% overall compared to conventional diesel.
- A new, completely overhauled range of products has been introduced for our on-board catering service. 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

- Construction of the new railway depot in Cottbus has begun. Once the second workshop is completed in 2026, a total of 1,200 new jobs will be created.
- The interior of the future ICE fleet will be completely redesigned. The long-distance trains will be given a contemporary makeover with newly designed seats, greater functionality, new colors and modern, durable materials. Passengers will be able to experience the new design for the first time in December 2023 in the new ICE 3neo. From this point onwards, this equipment will be integrated into all newly procured long-distance trains. The new design is geared to passengers' demands for modern travel comfort, greater individuality and sustainability.
- With the start of the summer timetable on June 12, 2022, we have expanded our long-distance transport services to include more trains, new direct connections and additional journeys. For the first time, there are more than three million seats available per week, which is 20% more than in the summer of 2019. There are more XXL ICE trains in use than ever before: on the most in-demand connections, the 32 extra-large ICE 4 trains each have capacity for about 1,000 passengers.

Development in the first half of 2022

⟼ *Noticeable recovery in demand continues – return to pre-Covid-19 level since May.*

⟼ *Punctuality impaired by renewed increase in volume produced and construction-related capacity restrictions.*

DB LONG-DISTANCE	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Punctuality (rail) (%)	69.6	79.5	-9.9	-	77.2
Customer satisfaction (SI)	75.4	80.3	-4.9	-	77.4
Passengers (rail) (million)	59.1	27.2	+31.9	+117	71.8
Volume sold (rail) (million pkm)	18,339	7,664	+10,675	+139	20,894
Volume produced (million train-path km)	78.8	70.6	+8.2	+11.6	73.0
Load factor (%)	41.1	20.4	+20.7	-	53.3
Total revenues (€ million)	2,116	1,054	+1,062	+101	2,392
External revenues (€ million)	2,052	996	+1,056	+106	2,310
EBITDA adjusted (€ million)	9	-975	+984	-	367
EBIT adjusted (€ million)	-195	-1,144	+949	-83.0	224
Gross capital expenditures (€ million)	793	675	+118	+17.5	169
Employees as of Jun 30 (FTE)	18,852	19,026	-174	-0.9	16,938
Average employees (FTE)	18,838	18,966	-128	-0.7	16,864

Punctuality was significantly worse. The main reasons for this were capacity restrictions due to construction work alongside a simultaneous increase in volume produced, increasing infrastructure disruptions and secondary delays, especially in the highly utilized core lines 40f. In addition, a weather-related slump in February had a negative impact on punctuality.

Customer satisfaction fell significantly in the first half of 2022. Punctuality and the successful connection rate have been heavily impaired and represent the biggest challenge. In addition, the significant rise in passenger numbers is having an increasing impact on capacity utilization and customer satisfaction.

The positive trend from the previous year has continued, performance development has recovered impressively, exceeding the pre-Covid-19 level since May:

- More than anything else, the ongoing easing of measures to contain the Covid-19 pandemic has led to a significant increase in passenger numbers and volume sold, particularly among private customers.
- Volume produced also increased. Positive effects from fewer Covid-19 restrictions and the expansion of available offers outweighed the negative effects from construction activities on the network.
- Capacity utilization increased noticeably 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:

- The recovery in demand led to a very significant rise in revenues.
- Other operating income (+122%/€ +175 million) also increased significantly, in particular due to train-path price reimbursements by the Federal Government to partially compensate for losses in connection with the Covid-19 pandemic (previous year, payment was only made in the second half of 2021). This was partly held back mainly by the loss of a one-off effect in the first half of 2021 (insurance benefits for damages in previous years).

Expenses increased, largely as a result of higher cost of materials due to price and volume increases and increased personnel costs.

- The increase in the cost of materials (+11.1%/€ +147 million) resulted mainly from higher infrastructure and energy expenses due to volume factors. A price effect also had a negative impact on infrastructure expenses. Additional expense increases resulted from the increased use of goods in on-board catering and higher expenses for commissions, vehicle cleaning and cross-border transports, due mainly to the recovery in performance. The weak operating quality also led to additional expenses in the customer service area.

- The increase in other operating expenses (+30.4%/€ +79 million) resulted, among other things, from increased rental expenses in connection with cross-border transport services (resumption after Covid-19-related restrictions) and for office buildings. In addition, more intensive advertising activities to regain customers, the implementation of IT projects and positive performance development increased expenses.
- Depreciation (+20.7%/€ +35 million) also increased, due primarily to the addition of ICE 4 trains and the redesign of ICE 1 and ICE 3 trains. Partially counteracting effects resulted from ICE and Intercity trains reaching the end of their useful lives.
- The higher personnel expenses (+4.0%/€ +24 million) resulted mainly from wage increases.

Capital expenditure activities rose to a very high level, resulting primarily from continued vehicle projects 29.

The number of employees was around the level as of June 30, 2021.

DB REGIONAL BUSINESS UNIT

Development of the order book

AWARDED TRANSPORT CONTRACTS

GERMAN REGIONAL RAIL PASSENGER TRANSPORT MARKET / million train-path km	H1 2022 p.a.	H1 2022 total	H1 2021 p.a.	H1 2021 total
Tender procedures (number)	7	–	17	–
thereof to DB Regional	5	–	3	–
Awarded tender volume	14.7	197.8	69.0	785.9
thereof DB services (%)	59	–	56	–
thereof to DB Regional	13.9	192.6	34.7	378.3
Hit rate (%)	95	97	50	48
SIGNIFICANT CONTRACTS WON				
Niederrhein-Münsterlandnetz, partial network 2	4.0	55.7	–	–
Warnow II partial network	3.4	46.7	–	–
2023-Taunus	1.8	21.9	–	–

The volume of awarded tenders for regional rail passenger transport was lower than in the first half of 2021. DB Regional's award figures developed very positively in the first half of 2022.

GERMAN PUBLIC ROAD PASSENGER TRANSPORT MARKET / million commercial vehicle km	H1 2022 p.a.	H1 2022 total	H1 2021 p.a.	H1 2021 total
Tender procedures (number)	82	–	113	–
thereof including participation by DB Regional	69	–	67	–
Awarded tender volume	54.6	405.8	92.0	753.7
thereof DB services (%)	26	–	26	–
thereof including participation by DB Regional	47.2	353.3	67.6	547.1
Hit rate (%)	32	–	21	–

An unusually high volume of bus transport services was awarded in 2021. In 2022, this is expected to return to a lower level in terms of the awarded tender volume. The hit rate in the first half of 2022 was above average. DB Regional Bus is currently expanding its market share.

NEW COMMISSIONINGS AND CESSATIONS

COMMISSIONINGS (RAIL) 2021–H1 2022	Term	Million train-path km p.a.	thereof versus H1 2022[1]
Ruhr-Sieg network interim	02/2022 - 12/2023	3.4	+1.4
S-Bahn (metro) Rhein-Ruhr Lot B interim	02/2022 - 12/2023	7.1	+3.0
Total		**10.5**	**+4.4**

[1] Effect of the change on the year-on-year comparison. As commissionings took place in the middle of the month, the linear calculation is carried out on a weekly basis.

CESSATIONS (RAIL) 2021–H1 2022	Change	Million train-path km p.a.	thereof versus H1 2021[1]
Hanover S-Bahn (metro) (S1, S2/S21, S4, S5, S51)	06/2022	9.3	-0.5
Total		**9.3**	**-0.5**

[1] 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 / € billion	Jun 30, 2022	Dec 31, 2021	Change absolute	Change %
DB Regional	79.7	80.0	-0.3	-0.4
secured	65.6	64.9	+0.7	+1.1
unsecured	14.1	15.1	-1.0	-6.6

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 the first half of 2022, DB Regional's order book decreased slightly. The additions from transport contracts of about € 4.1 billion were offset by disposals of about € 4.4 billion, mainly as a result of services rendered. 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.

Development of our fleet

In the first half of 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 29 vehicles were rebuilt and modernized, mainly for the Mainfranken, Taunus and Elbe-Spree e-networks and for the Oberelbe and NeiTech Thuringia diesel networks.
- We are further focusing on the procurement of new vehicles for transport contracts won. A total of 23 new vehicles were delivered in the first half of 2022.

Vehicle availability improved again in the first half of 2022. Delays and restrictions relating to the delivery of new trains did, however, occur.

Digitalization and innovation

- The regular bus service remains a central component of strong local public transport, but it will not realize its full potential until it is linked up with a large number of other services, such as on-demand shuttles. This is the conclusion of the Mobility Turnaround 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 metro station: Passengers can book many climate-friendly mobility services in a digital network and use them flexibly.

Environmental measures

- The Regional Energy Savings System (RESY) green. no. 8 is already helping our traction unit drivers in 19 diesel networks to drive in an energy-saving manner. This meant that about 2.5 million liters of diesel could be saved by June 2022.
- In cooperation with the states of Baden-Württemberg and Bavaria, the first fully approved battery train (Battery Electric Multiple Unit; BEMU) green. no. 45 from Alstom is being tested in real passenger operations. It was put into use on two different lines in order to examine its suitability for different route profiles and usage scenarios.

Development in the first half of 2022

- *Slowdown of negative Covid-19 effects, new transport contracts and the introduction of the 9-Euro-Ticket were main factors for development in the first half of 2022.*
- *Higher costs, especially for energy and personnel, are weighing on development.*
- *Operating profit development significantly improved.*

DB REGIONAL	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Punctuality (rail) (%)	93.1	95.3	-2.2	–	94.7
Punctuality (bus)[1] (%)	86.5	84.5	+2.0	–	82.1
Passengers (million)	949.5	646.1	+303.4	+47.0	1,259
thereof rail	724.8	452.8	+272.0	+60.1	977.7
Volume sold (million pkm)	17,338	10,277	+7,061	+68.7	23,661
thereof rail	14,918	8,189	+6,729	+82.2	20,382
Volume produced (rail) (million train-path km)	218.6	215.8	+2.8	+1.3	226.9
Volume produced (bus) (million bus km)	248.5	231.9	+16.6	+7.2	249.2
Total revenues (€ million)	4,487	3,954	+533	+13.5	4,412
External revenues (€ million)	4,433	3,902	+531	+13.6	4,361
Rail concession fees (€ million)	3,262	2,947	+315	+10.7	2,803
EBITDA adjusted (€ million)	213	-43	+256	–	512
EBIT adjusted (€ million)	-104	-359	+255	-71.0	186
Gross capital expenditures (€ million)	150	259	-109	-42.1	273
Employees as of Jun 30 (FTE)	37,594	37,350	+244	+0.7	36,362
Average employees (FTE)	37,572	37,328	+244	+0.7	36,116

[1] Figure for the first half of 2021 adjusted.

Punctuality in regional rail passenger transport has decreased. The main causes of this were the high network utilization, the operational impact of the high construction volume and infrastructure disruptions. From June 2022, the introduction of the 9-Euro-Ticket 4 also led to a significant increase in excessive stopping times on tourist lines and at weekends in the overall network. The capacity bottlenecks combined with a high primary disruption level 10 led to a significant increase in train delays. Punctuality in bus transport has improved, however.

The performance development was very positive – in June 2022, the pre-Covid-19 level was clearly exceeded as a result of additional effects from the introduction of the 9-Euro-Ticket:

- The number of passengers and volume sold in rail transport developed very positively, mainly as a result of the recovery in demand after the lifting of most of the Covid-19 measures in the course of the first half of 2022. Effects from new commissionings 31 also exceeded effects from cessations.
- The negative Covid-19 effects also continued to weaken in bus transport. 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 still lower overall passenger numbers in a pre-Covid-19 comparison, passenger revenues still remain below that of the first half of 2019. Due to the high proportion of gross contracts, the revenue risk lies primarily with the public transport authorities.

Income development was positive:

- The increase in revenues was mainly the result of higher concession fees in rail transport, demand-related increases in revenues from fares and performance gains. The loss of revenues from fares due to the introduction of the 9-Euro-Ticket 4 had the opposite effect. This will not be compensated for until the second half of 2022.
- Other operating income (+6.1%/€ +13 million) also increased, among other things as a result of higher income from compensation for damages in connection with delayed vehicle deliveries.

On the expense side, there were additional burdens primarily from demand- and price-related increases in the cost of materials and higher personnel expenses as a result of collective bargaining agreements:

- Cost of materials (+9.2%/€ +255 million) rose mainly due to cost increases, particularly for energy, and above all as a result of volume-related higher expenses for the use of train paths and stations in rail transport. Furthermore, higher maintenance expenses led to additional burdens.
- Personnel expenses (+5.0%/€ +56 million) rose as a result of collective bargaining agreements and the higher average number of employees.

The decrease in other expense items had an offsetting dampening effect:

- Other operating expenses (−5.4%/€ −19 million) decreased, driven by the rail line of business.
- Depreciation (+0.3%/€ +1 million) was at the level of the first half of 2021.

Capital expenditure activities developed in line with the requirements from transport contracts awarded and were down.

The number of employees as of June 30, 2022 increased, driven by the takeover of Abellio traffic (Ruhr-Sieg network and S-Bahn [metro] Rhein-Ruhr).

RAIL LINE OF BUSINESS

→ *Weakening of negative Covid-19 effects, new transport contracts and the introduction of the 9-Euro-Ticket have shaped developments in the first half of 2022.*

→ *Higher costs, especially for energy and personnel, are weighing on development.*

→ *Operating profit development improved significantly.*

RAIL LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Passengers (million)	724.8	469.3	+255.5	+54.4	998.3
thereof rail	724.8	452.8	+272.0	+60.1	977.7
Volume sold (million pkm)	14,918	8,445	+6,473	+76.6	20,691
thereof rail	14,918	8,189	+6,729	+82.2	20,382
Volume produced (million train-path km)	218.6	215.8	+2.8	+1.3	226.9
Total revenues (€ million)	3,913	3,489	+424	+12.2	3,853
External revenues (€ million)	3,861	3,439	+422	+12.3	3,805
Rail concession fees (€ million)	3,262	2,947	+315	+10.7	2,803
EBITDA adjusted (€ million)	249	15	+234	-	490
EBIT adjusted (€ million)	-27	-265	+238	-89.8	196
Gross capital expenditures (€ million)	118	200	-82	-41.0	249
Employees as of Jun 30 (FTE)	28,114	28,332	-218	-0.8	27,721

Since the second half of 2021, the bus transport activities of Regionalverkehr Alb-Bodensee GmbH (RAB) have been reported under the bus line of business. This results in immaterial limitations in the comparability of the figures from the first half of 2021 (RAB effect).

The trend of recovery in demand that began in the previous year continued as the measures used to contain the Covid-19 pandemic were progressively removed in the first half of 2022. In addition, the takeover of Abellio traffic (Ruhr-Sieg network and S-Bahn [metro] Rhein-Ruhr) and the introduction of the 9-Euro-Ticket 4 had a positive effect. As a result, the number of passengers and volume sold rose very significantly. Volume produced increased slightly. The discontinuation of the Hanover S-Bahn (metro) services was partially compensated by additional services in North Rhine-Westphalia.

Operating profit figures also improved considerably. Adjusted for the RAB effect, the increase was slightly weaker. The recovery in performance supported the positive income development:

- Revenues increased as a result of performance-related higher revenues from fares and driven by higher concession fees. In addition to general increases by the public transport authorities, particularly in connection with energy price increases, new transport services also had an effect. Traffic losses and the 9-Euro-Ticket-related loss of revenues from fares (compensation will not take place until the second half of 2022) partially counteracted the positive development.

— Other operating income fell slightly, partly as a result of a lower utilization of provisions for impending losses, which were unusually high in the first half of 2021 due to the Covid-19 pandemic. This was partially offset by higher income from compensation for damages in connection with delayed vehicle deliveries, among other things.

On the expense side, there were additional negative effects, primarily from price effects and additional traffic:

— Cost of materials rose, mainly as a result of higher costs for energy and volume-related expenses for the use of train-paths and stations. Higher maintenance expenses also had a negative effect.
— Personnel expenses rose, largely as a result of collective bargaining agreements.

The decrease in other expenses had an offsetting dampening effect:

— The lower other operating expenses resulted mainly from lower additions to provisions for impending losses. The implementation of measures for digitalization, winning back customers and increasing quality had a partially offsetting effect on expenses.
— Depreciation was roughly at the level of the first half of 2021.

Capital expenditure activities developed in line with the requirements from transport contracts awarded and were down significantly.

The number of employees was at the level of the first half of 2021. Adjusted for the RAB effect, there was a slight increase as a result of new operations, particularly the takeover of Abellio traffic.

BUS LINE OF BUSINESS

⟼ *Recovery after Covid-19-induced losses continues – loss of revenues from fares due to the 9-Euro-Ticket slows down revenue development.*

⟼ *Additional expenses due to higher energy prices and transport of refugees from Ukraine.*

⟼ *Integration of RAB's bus transport activities.*

BUS LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Passengers (million)	224.7	176.7	+48.0	+27.2	260.5
Volume sold (million pkm)	2,419	1,832	+587	+32.0	2,970
Volume produced (million bus km)	248.5	214.8	+33.7	+15.7	236.0
Total revenues (€ million)	632	492	+140	+28.5	580
External revenues (€ million)	572	463	+109	+23.5	556
EBITDA adjusted (€ million)	-36	-58	+22	-37.9	23
EBIT adjusted (€ million)	-77	-94	+17	-18.1	-9
Gross capital expenditures (€ million)	33	59	-26	-44.1	25
Employees as of Jun 30 (FTE)	9,480	9,018	+462	+5.1	8,641

Since the second half of 2021, the bus transport activities of Regionalverkehr Alb-Bodensee GmbH (RAB) have been reported under the bus line of business. This results in limitations in the comparability of the figures from the first half of 2021 (RAB effect).

The clearly positive performance development in the bus line of business resulted from the recovery in demand after the Covid-19-related restrictions, the RAB effect and performance gains.

Operating profit figures improved again. However, the economic situation remains challenging, due to special issues.

The positive development in performance had an effect on income:

— Revenues increased, mainly as a result of increased volumes. The loss of revenues from fares as a result of the introduction of the 9-Euro-Ticket 4 (compensation will not take place until the second half of 2022) partially countered this positive development.
— Other operating income increased significantly, largely due to the utilization of provisions for impending losses, and the RAB effect.

There were additional negative effects on the expense side, mainly from the cost of materials and personnel expenses:

— The rise in the cost of materials resulted mainly from increased procurement of transport services for volume-related reasons and from the rise in diesel prices.
— Personnel expenses increased due to the higher average number of employees and as a result of collective bargaining agreements.
— The increase in depreciation resulted from capital expenditures in the previous year as well as the RAB effect.
— Other operating expenses were around the level of the first half of 2021. Expense-reducing effects such as lower allocations to provisions for impending losses were almost completely offset by the RAB effect.

Capital expenditure activities declined compared to the first half of 2021. In the second half of 2022, significantly higher capital expenditures will be made due to capital expenditure-intensive commissionings.

The number of employees rose. Adjusted for the RAB effect, there was a slight decrease due to changes in performance (including shift from direct to contractor services).

DB CARGO BUSINESS UNIT

For DB Cargo, becoming a European rail logistics provider is of crucial strategic importance. A major milestone on this path was reached in the first half of 2022 with the acquisition of DB Schenker's Full Load Solutions (FLS) business area 36.

Legal topics

EUROPEAN COMMISSION INITIATES INVESTIGATION INTO SUPPORT MEASURES FOR DB CARGO

In its decision of January 31, 2022, the European Commission initiated a formal investigation into the German Federal Government. The investigation is based on a complaint from a competitor. The competitor believes the profit transfer agreement between DB Cargo AG and DB AG, as well as certain other measures, represents competition-distorting aid from DB AG. The purpose of the investigation that has now been initiated is to clarify the questions raised. The European Commission is conducting the investigation without prejudging the outcome. The German Federal Government and DB Group had already rejected the allegations in the preliminary proceedings on the grounds that the measures did not actually include any aid.

Digitalization and innovation

- With m²system, DB Cargo offers an innovative freight car system. In 2020, DB Cargo along with the railway freight car lessor VTG constructed a modular and multifunctional carrier car that offers new opportunities for vehicle design. Different containers and superstructures have been developed to match the m² carrier car. The aim is to adapt the cars to customer needs more quickly and in a more tailored way, thereby achieving greater flexibility. The m²system is unique in Europe. DB Cargo's single-wagon-capable freight car system has been fully approved since June 2021. Since then, DB Cargo has been driving the market launch. The market launch of the first pre-production series for various types of goods is partly funded by the German Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV) program Future of Rail Freight Transport. The coil, scrap and timber applications were technically validated by November 2021, the first cars were delivered and tested for customer use by March 2022. Capital expenditures in climate-friendly and modern technology are shaping the new face of rail freight transport – green cargo. This is also the case with the m²-coil-scrap concept: a logistical solution for steel industry cycles. m² transports coils from the steelworks to the automobile manufacturer and takes steel waste products back to the steelworks for recycling. The containers can be handled by crane and truck – ideal for intermodal transport in single wagons. This gives customers without sidings access to rail. m² thus gets more goods onto eco-friendly rail.
- Digital automatic coupling (DAC) (2021 Integrated Report 16) is one of the most important innovations for a green transport transition. The research project DAC4EU, which has received € 13 million in financing from the BMDV, has been running since June 2020. Thanks to the ongoing process tests, the DAC demonstration train is now making significant headway in the second phase of the project: in shunting operations under realistic conditions and on various routes in Germany and Europe. The DAC was presented to representatives of the European Parliament, the European Commission, the Federal Government and the industry together with SNCF in Strasbourg on June 7, 2022. DAC technology enables a continuous electricity and data supply to the trains. It provides the basis for the automation of further processes and is a platform for the automation of train composition and dispatching. In this way, the DAC creates process buffers, reduces the cost per unit and increases availability through data-based control. In addition, the DAC is a prerequisite for ETCS Level 31, enables longer, heavier, faster freight trains and accelerates train handling. This enables the existing infrastructure to accommodate more trains and makes capacity increases possible. DAC also enables the elimination of complex manual processes at customers' and freight forwarders' premises. These are the prerequisites for better shipment transparency and significantly higher flexibility and reliability of the transport chains in rail freight transport. The most important prerequisites for the successful implementation of this digitalization and automation of rail transport in Europe are a uniform European standard, viable promotion and financing of the introduction of DAC and the smooth conversion of freight cars and traction units in Europe without any major impact on customers. Important steps on the way to promoting and financing the introduction of DAC are the European Cost-Benefit Calculation for DAC and the European Investment Plan for DAC, both of which are currently being developed at the European level.

Environmental measures

- The Alternative Fuels@DB Cargo project will continue to promote the use of alternative fuels at DB Cargo. The project includes reviewing the technical and operational feasibility of using HVO green no. 164 and eFuels (synthetic fuels) as a substitute for diesel fuel and the expansion of the EcoSolutions portfolio (DBeco fuel) for DB Cargo customers. After successful motor bench tests and field trials for individual diesel locomotive series in 2021, the tests were expanded to all key DB Cargo diesel locomotive series. As of June 15, 2022, all key DB Cargo series, i.e. more than 800 locomotives, were approved for HVO. The next step tests the options for adjusting the filling station infrastructure together with other business units in order to advance the phasing out of diesel.
- Dansk Retursystem shifted its transports of cans for recycling from Denmark to Germany from street to rail with the support of DB Cargo. Doing so could reduce GHG emissions of the transports by about 75%. After a test phase from November 2021 to January 2022, the fixed rail connection is now in place. The first stage consists of increasing the frequency and speed, so that we will be able to transport all cans from eastern Denmark to Germany by train in 2022.
- A state-of-the-art Automotive Logistics Center is opening in Bremen in the direct vicinity of the Mercedes-Benz plant in Bremen. The Center for Battery Logistics is the linchpin of the climate-neutral logistics concept for the battery systems of the new Mercedes-Benz EQE electric model. DB Cargo has been transporting the systems by rail from the Mercedes-Benz plant in Hedelfingen in Stuttgart over a distance of about 650 km to Bremen since March 2022 and delivers them to the assembly line of the Mercedes-Benz plant in Bremen on an as-needed and climate-neutral basis. The logistics hub enables DB Cargo to shunt trains right up to the workshops and unload them there.

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 multimodal 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 first half of 2022

⟼ *Dampening effects as a result of the war in Ukraine.*
⟼ *Performance development stable overall.*
⟼ *Increasing factor costs and additional burdens continue to put economic development under pressure.*

DB CARGO	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Punctuality (%)	66.9	70.8	-3.9	–	73.8
Freight carried (million t)	115.0	115.1	-0.1	-0.1	122.4
Volume sold (million tkm)	43,523	43,010	+513	+1.2	43,738
Volume produced (million train-path km)	85.4	84.0	+1.4	+1.7	82.9
Capacity utilization (t per train)	509.9	512.0	-2.1	-0.4	527.8
Total revenues [1] (€ million)	2,631	2,504	+127	+5.1	2,270
External revenues [1] (€ million)	2,521	2,388	+133	+5.6	2,141
EBITDA adjusted [1] (€ million)	-99	-21	-78	–	20
EBIT adjusted [1] (€ million)	-299	-204	-95	+46.6	-132
EBIT margin (adjusted) [1] (%)	-11.4	-8.1	-3.3	–	-5.8
Gross capital expenditures (€ million)	132	179	-47	-26.3	163
Employees [1] as of Jun 30 (FTE)	30,931	30,877	+54	+0.2	29,198

[1] Figures for first half of 2021 and as of June 30, 2021, adjusted due to intragroup reassignment of the FLS business area 36.

The punctuality of DB Cargo has decreased as a result of reductions in capacity due to construction measures, increased infrastructure disruptions and highly utilized freight transport corridors. The operating situation was under a lot of strain in many train formation yards. This resulted in increased disruptions in the operating process.

The quantity of freight carried and volume sold increased in the first half of 2022. This was significantly influenced by the performance data of DB Cargo Schweiz being included for the first time. The difficult operating situation caused by construction and disruption and the effects of the war in Ukraine had a dampening effect.

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 increased considerably driven by the positive development in all regions.
- Other operating income (+2.2%/€ +5 million) increased slightly, mainly as a result of non-periodic reimbursements in connection with the noise-based train-path pricing system for previous years, increased asset sales in the United Kingdom and grants for single-wagon transport in France. This was partly offset by a decline in Federal grants (mainly from facility price support).

There was additional strain on expenses, driven by price and performance-related rises in the cost of materials and increased personnel expenses:

- Cost of materials increased (+10.0%/€ +152 million), in particular due to increased expenses for purchased transport services to stabilize the operating situation and for energy and maintenance.
- Personnel expenses (+4.1%/€ +38 million) increased, in particular due to an increased average number of employees as a result of the continued training and qualification offensive.
- Other operating expenses increased (+8.6%/€ +27 million) in part due to increased leasing of locomotives and freight cars.
- Depreciation also increased (+9.3%/€ +17 million), mainly due to increased leasing (IFRS 16) of locomotives and freight cars.
- The decline in capital expenditures partly result from the delayed start of the new logistics concept for BASF. This also led to delays in leasing freight cars. In addition, 110 carrier cars were no longer delivered from the Russian manufacturer United Wagon Company (UWC) due to the outbreak of the war in Ukraine. In addition, extended procurement processes pushed back capital expenditures in an overhaul in locomotives as a result of a shortage of raw materials.

The number of employees remained more or less unchanged. The addition and qualification initiative for operative personnel is still being implemented.

CENTRAL EUROPE REGION

⟶ *Performance increases through intermodal transport, in particular trans-Eurasian traffic.*

⟶ *Additional burdens as a result of the war in Ukraine, increasing factor costs and lower Federal grants.*

⟶ *Operating profit development still under pressure.*

CENTRAL EUROPE REGION	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Freight carried (million t)	120.5	116.2	+4.3	+3.7	116.1
Volume sold (million tkm)	35,268	34,712	+556	+1.6	35,052
Volume produced (million train-path km)	68.5	67.6	+0.9	+1.3	64.8
Total revenues [1] (€ million)	2,704	2,609	+95	+3.6	2,489
External revenues [1] (€ million)	1,866	1,778	+88	+4.9	1,736
EBITDA adjusted [1] (€ million)	-153	-75	-78	+104	26
EBIT adjusted [1] (€ million)	-295	-203	-92	+45.3	-80
Gross capital expenditures (€ million)	93	126	-33	-26.2	147
Employees [1] as of Jun 30 (FTE)	22,052	21,969	+83	+0.4	19,343

[1] Previous year adjusted due to changes in the presentation of Eurasian transport (from the Eastern Europe region to the Central Europe region).

The development of the quantity of freight carried and volume sold in Central Europe was influenced considerably by the economic recovery and first-time inclusion of the DB Cargo Schweiz performance data in the first half of 2022. The positive business development of intermodal transport, in particular on the trans-Eurasian corridor at the start of the year was largely offset by the dampening effects from restrictions in track infrastructure caused by construction and disruptions, operational bottlenecks and effects from the war in Ukraine (including the suspension of transports to Russia). Overall, the volume was slightly higher than before the Covid-19 pandemic.

Economic development remains very challenging due to the operational situation. The operating profit figures deteriorated significantly:

- Revenues rose, largely as a result of price increases. The slightly positive performance development had a supporting effect.
- Other operating income was at the level of the first half of 2021. Decreases due to a reduced volume of subsidies from the facility price system and the expiration of subsidies for the conversion of freight cars to whisper brakes ("brake shoes") could be compensated by non-periodic reimbursement from the dissolution of the "noise bonus pot" due to the completed freight car conversion.

On the expense side, there were additional burdens driven by the cost of materials:

- The cost of materials increased in particular due to increased purchasing of transport services. For train paths and energy expenses, a higher price level in connection with a slight increase in quantity led to additional burdens.
- Personnel expenses increased mainly as a result of collective bargaining agreements, with a slight increase in the number of operating employees.
- The increase in other operating expenses was mainly due to an increase in freight car leasing, higher compensation payments to customers, and higher IT costs.
- Depreciation increased in part as a result of additional leasing (IFRS 16) of locomotives and freight cars.

The decrease in capital expenditures resulted mainly from delays in the procurement of freight cars.

The number of employees was at the same level as of June 30, 2021. The addition and qualification initiative for operative personnel was continued.

WESTERN EUROPE REGION

⟼ *Difficult market environment in the United Kingdom and France, Spain is recovering.*

⟼ *Burdens as a result of increased energy prices – However, one-off effects in the United Kingdom and France have an offsetting positive effect.*

WESTERN EUROPE REGION	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Freight carried (million t)	21.6	22.9	-1.3	-5.7	24.7
Volume sold (million tkm)	5,700	5,852	-152	-2.6	6,308
Volume produced (million train-path km)	12.7	12.3	+0.4	+3.3	14.2
Total revenues (€ million)	377	347	+30	+8.6	358
External revenues (€ million)	283	261	+22	+8.4	288
EBITDA adjusted (€ million)	26	30	-4	-13.3	32
EBIT adjusted (€ million)	-16	-11	-5	+45.5	-4
Gross capital expenditures (€ million)	19	47	-28	-59.6	11
Employees as of Jun 30 (FTE)	4,287	4,280	+7	+0.2	4,335

Performance development in Western Europe was differentiated in the first half of 2022:

- At DB Cargo France, portfolio adjustments in particular (replacing heavy automotive transport with lighter intermodal transport) led to lower volume.
- Reductions in volume had a negative effect at DB Cargo UK for building materials transport in particular.
- In Spain, an upturn in the pivotal automotive sector led to higher volumes.

Economic development continued to be challenging. The operating profit figures declined due to additional costs.

Income grew:

- Higher volumes in Spain, higher prices in the United Kingdom and positive exchange rate effects led to an increase in revenues.
- The increase in other operating income resulted in particular from an increase in state grants in France to support single-wagon transport and from increased income from the disposal of locomotives, freight cars and real estate at DB Cargo UK.

However, the increase in expenses was more pronounced, driven by the cost of materials:

- Cost of materials increased mainly as a result of higher energy costs, higher maintenance expenses in the United Kingdom and exchange rate effects.
- Personnel expenses increased as a result of higher pension costs and a higher average number of employees at DB Cargo UK. Adjusted for exchange rate effects, the increase was less significant.
- Depreciation increased as a result of leasing activities in the United Kingdom and as a result of currency exchange rates.
- The slight increase in other operating expenses was caused by currency exchange rate effects. Adjusted for exchange rate effects, they were at the level of the first half of 2021. Effects from a release of provisions in the United Kingdom were almost completely offset by losses from asset disposals.

Capital expenditures decreased. In the first half of 2021, there was a change of accounting method at DB Cargo UK following the SAP migration from recording net fixed assets to recording gross fixed assets, resulting in an apparent increase.

The number of employees was at the same level as of June 30, 2021.

EASTERN EUROPE REGION

⟶ *New transport and expansion of available offers, in particular in Poland and the Czech Republic.*

⟶ *Burdens resulting from the war in Ukraine and increased factor costs, especially for energy.*

EASTERN EUROPE REGION	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Freight carried (million t)	8.8	8.7	+0.1	+1.1	7.5
Volume sold (million tkm)	2,555	2,447	+108	+4.4	2,377
Volume produced (million train-path km)	4.2	4.0	+0.2	+5.0	3.9
Total revenues [1] (€ million)	179	154	+25	+16.2	176
External revenues [1] (€ million)	107	91	+16	+17.6	116
EBITDA adjusted [1] (€ million)	18	14	+4	+28.6	13
EBIT adjusted [1] (€ million)	6	3	+3	+100	3
Gross capital expenditures [1] (€ million)	17	6	+11	-	4
Employees [1] as of Jun 30 (FTE)	3,965	3,954	+11	+0.3	3,893

[1] Previous year adjusted due to changes in the presentation of Eurasian transport (from the Eastern Europe region to the Central Europe region).

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 transports (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 trend was encouraging: the operating profit figures improved significantly. This was driven by a growth in income:

- Revenues increased significantly, in particular as a result of demand. Price measures also helped. Adjusted for exchange rate effects, the increase was even more pronounced.
- Other operating income increased, partly as a result of asset sales in Poland and insurance reimbursements in Romania.

On the expense side, there was a significant but disproportionately low increase due to performance.

- Cost of materials increased significantly, largely as a result of the growth in demand, an increase in maintenance and purchased transport services, and rising energy costs. Exchange rate effects had a partially compensating effect.
- Personnel expenses increased, in particular in Poland and Czechia as a result of collective bargaining agreements. Positive exchange rate effects also had a partially compensating effect here.
- Other operating expenses also increased due to volume as a result of additional leases and purchased services.
- Depreciation increased as a result of higher locomotive and freight car maintenance services (overhauls) being eligible for capitalization.

Gross capital expenditures increased considerably due to procurement of freight cars and locomotives. Net capital expenditures remained more or less unchanged due to funding received from the EU.

The number of employees was at the level as of June 30, 2021.

FLS

⟶ *Road and special transport as a growth driver.*

⟶ *Burden on Eurasian transport due to the war in Ukraine.*

FLS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Total revenues (€ million)	323	316	+7	+2.2	-
External revenues (€ million)	265	254	+11	+4.3	-
EBITDA adjusted (€ million)	11	9	+2	+22.2	-
EBIT adjusted (€ million)	8	7	+1	+14.3	-
Gross capital expenditures (€ million)	3	1	+2	-	-
Employees as of Jun 30 (FTE)	627	674	-47	-7.0	-

A significant driver of positive revenue development was the increasing volume of road and special transport in Germany which grew by approximately 12%. Further significant growth was recorded in the smallest area of the intermodal business in Italy (+20%). The rail business experienced stable performance. The Eurasia business recorded significant declines of approximately 24% as a result of the war in Ukraine.

The improved revenue development is reflected accordingly in EBIT and EBITDA.

Gross capital expenditures increased. This was a result of the long-term lease extension for a commercial building.

INFRASTRUCTURE

Development in relevant markets

Demand for train-paths continued to be strong in the first half of 2022, showing growth. Growth continues to be driven by Covid-19 catch-up effects as well as increased traffic in long-distance and freight transport. Growth-impeding effects such as reductions in real income, employment and economic growth, but also supply shortages and declines in production as a result of the war in Ukraine, prevented even stronger growth. Restrictions due to the necessary capital expenditures in the rail network are also reducing capacity in the short-term. Local transport has suffered slight losses, which is partly due to the traffic transitions caused by the Abellio insolvency and the continuing traffic restrictions on the Eifel route and in the Ahr valley as a result of the 2021 floods. The emergency award of the Abellio transports also meant that the intra-Group railways could regain market share.

The number of station stops was at the level of the first half of 2021. The market share of the intra-Group railways in rail passenger transport increased slightly, bucking the long-term trend.

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, travel times on long-distance services will be accelerated by up to 15 minutes in the first stage when the high-speed line between Wendlingen and Ulm goes into operation.

The total scope 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 higher costs. In addition to the new total amount of € 9.15 billion, the Supervisory Board resolved to establish an additional provision of € 640 million to cover further risks and forecast uncertainties.

Garmisch-Partenkirchen train accident

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. As a purely precautionary measure, in mid-July 2022 DB Group decided to replace ties across the German network, as ties of a certain construction type are also being examined by the investigating authorities in connection with the accident. DB Group decided to take this measure even though, at this time and at the time of reporting, the investigations into the cause of the accident had not yet been concluded and the cause had not yet been determined.

Preparation of the 2021/2022 schedule

Approximately 85,000 train-path offers were sent to the parties with access rights for the 2022 network schedule. There was an increased number of registration conflicts, the result of several train operating companies ordering the same time slot on the same infrastructure. Of the 130 conflicts, 50% were amicably resolved with the affected parties with access rights. All the remaining conflicts were decided in a dispute resolution procedure, with the amount of full-year train-path usage fees being the decisive factor for awarding the train path. The DB Netz AG therefore had to reject 59 train-path requests. The increase in train-path registrations by non-Group train operating companies in long-distance and freight transport in particular shows that competition and demand on the rail network continues to increase. The scheduling process is subject to a strict regulatory framework and is monitored by the Federal Network Agency (Bundesnetzagentur; BNetzA).

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 rail infrastructure. The high-performance network is to include the most highly utilized rail connections in Germany. Today, these cover about 10% of the total network. Due to the forecast traffic development, the length of this highly utilized network is expected to grow as a result of additional traffic from about 3,500 km to over 9,000 km by the end of the decade, thereby increasing the share of the total network considerably.

During the general renovation of the high-performance network, all obsolete facilities prone to disruptions are to be completely replaced and improved. This will comprehensively eliminate the capital expenditure backlog. Three decisive and new elements are applicable to the general renovation of the highly utilized routes: consolidation of all construction measures, improved performance and customer-friendly construction. The experience gained from the general renovation of the highly utilized network 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.

General renovation of the first rail corridor is scheduled to begin in 2024. Selection and actual implementation are to take place in close consultation with the rail sector and the business community. In order to directly stabilize and improve the operating situation by the start of the general renovation work, elements of the high-performance network that can be implemented in the short-term shall be brought forward: closure times will be consolidated more effectively and peaks in the construction workload will be spread out to a greater extent, diversion routes will be made more accessible and higher-quality and more robust elements will have been installed in advance wherever possible. DB Group increases its annual preventative maintenance budget by a significant three-figure million sum. This makes it easier to prevent small disruptions. By communicating comprehensively and at an early stage, DB Group is ensuring greater planning predictability for the public transport authorities, train operating companies and their customers.

Development of the infrastructure

In 2022, more than € 13.6 billion is to be used to renew and maintain the network, stations and energy facilities. This includes LuFV funds (grants and own contribution) amounting to € 5.4 billion and € 2.6 billion for maintenance.

In the first half of 2022, the impact of the Covid-19 pandemic on the implementation of construction projects continued to be minimized through effective crisis management. The impact of the material price increases and bottlenecks resulting from the war in Ukraine on current construction projects was also kept at a low level through effective crisis management and close cooperation with the construction industry. In both cases, close monitoring and targeted countermeasures often enabled us to resolve any disruptions quickly in cooperation with the construction industry.

- In January 2022, a second eastern bypass track near Maschen was put into operation in the Hamburg hub. The rail track between the Maschen marshaling yard turnout Meckelfeld stop and Hamburg-Harburg is one of the most important connections for the Hamburg maritime ports. 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.
- In April 2022, one year earlier than planned, the four-track expansion between Bamberg and Ebensfeld (Hallstad—Breitengüssbach expansion) as part of the Nuremberg—Erfurt high-speed expansion line / new construction line (ABS / NBS) (VDE 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.
- In order to continue with the construction of the Rastatt Tunnel in the Karlsruhe—Basel expanded / new line (ABS / NBS) project, a replacement section of the Rhine Valley rail line was built in the area of the tunnel, which was an essential requirement for any subsequent work.
- In June 2022, the next stage of the renewal project on the Hanover—Würzburg high-speed line began. Construction will continue on the Fulda—Würzburg section until December. On the expansion line from Stuttgart to Singen and on to the Germany / Switzerland border (Gäubahn), construction started on the dual-track upgrade of the Horb—Neckarhausen section.

Key milestones were also reached in spring 2022 for projects in the planning phase, such as the decision being made in favor of the preferred option for the upcoming new construction line between Fulda and Gerstungen (Eisenach): the planned line will run via Bad Hersfeld.

In addition, two major multi-year projects will go into operation at the end of 2022:

- In preparation for the commissioning of the new construction line Wendlingen—Ulm of the Stuttgart—Ulm rail project in December 2022, the high-speed, acceptance and test runs started in spring 2022.

– Also on the home straight is the expansion of the rail connection to Germany's deep-water port JadeWeserPort: after work on the Sande rail relocation (new dual-track construction) was completed in the first half of 2022, the entire Oldenburg–Wilhelmshaven line will go into operation after electrification has been completed in December 2022.

CONSTRUCTION BEGAN IN THE FIRST HALF OF 2022	
PROJECT NAME	***PROJECT DESCRIPTION***
Stuttgart–Singen–Germany/Switzerland border expansion line (Gäubahn)	– Horb–Neckarhausen dual-track expansion
Lines affected by flooding	– Electrification, new sections and expansion of sections to the Eifel line and Ahr valley railway

COMMISSIONED IN THE FIRST HALF OF 2022	
PROJECT NAME	***PROJECT DESCRIPTION***
Expansion line/new construction line Nuremberg–Erfurt (VDE 8.1)	– Hallstadt–Breitengüssbach 4-track expansion (plan approval section 23)
Hamburg hub	– Eastern Maschen bypass (additional bypass track)
Expansion line Oldenburg–Wilhelmshaven/Langwedel–Uelzen	– Sande railway relocation (new dual-track construction)

Overall, construction began on two projects and three projects went into operation in the first half of 2022. At the end of June 2022, a total of 199 projects from the Requirement Plan and the Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG) were in planning and construction.

Further information on the projects is available on the Construction Information Portal (BauInfoPortal) Web site.

DB Netze Track business unit

GENERAL FRAMEWORK

Train-path prices for 2022 and 2023

In its decision from February 28, 2022, the BNetzA approved the fees for the train-path prices for 2023. Train-path usage fees will increase by 4.0% for long-distance transport, 2.3% for freight transport and 1.8% for local transport. The higher rates of dynamization in long-distance rail passenger transport and rail freight transport compared with previous years are due to the fact that, following an amendment to Section 13 of the General Railways Act (Allgemeines Eisenbahngesetz; AEG), other operating income from infrastructure connection contracts that no longer applies was factored into the train-path pricing system. DB Netz AG is expected to submit the fee approval application for train-path usage fees for the 2023/2024 working timetable period at the beginning of October 2022.

DEVELOPMENT IN THE FIRST HALF OF 2022

→ *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 and an increase in personnel.*

→ *Higher expenses, in particular for improvements in capacity and quality.*

DB NETZE TRACK	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Punctuality DB Group (rail) in Germany (%)	92.3	94.7	-2.4	–	94.2
Punctuality (rail) in Germany [1] (%)	91.5	94.0	-2.5	–	93.6
Train kilometers on track infrastructure (million train-path km)	562.6	547.7	+14.9	+2.7	542.3
thereof non-Group railways	205.4	203.0	+2.4	+1.2	179.9
Share of non-Group railways (%)	36.5	37.1	-0.6	–	33.2
Total revenues (€ million)	3,116	2,938	+178	+6.1	2,803
External revenues (€ million)	995	966	+29	+3.0	812
Share of total revenues (%)	31.9	32.9	-1.0	–	29.0
EBITDA adjusted (€ million)	834	649	+185	+28.5	708
EBIT adjusted (€ million)	496	302	+194	+64.2	379
Gross capital expenditures (€ million)	3,019	3,155	-136	-4.3	2,875
Net capital expenditures (€ million)	718	725	-7	-1.0	636
Employees as of Jun 30 (FTE)	51,976	51,347	+629	+1.2	48,021
Average employees (FTE)	51,787	50,994	+793	+1.6	47,545

[1] Non-Group and DB Group train operating companies.

Punctuality declined as a result of the high utilization of the track infrastructure, in particular in the highly utilized core lines 40f. Reasons for this in particular included the higher construction activity on the network with a simultaneous increase in operational volume, highly utilized rail lines even without construction activity and an increase in primary disruptions, in particular in infrastructure.

Train kilometers on track infrastructure continued to increase significantly. The main drivers were fewer corona-related service cancellations 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.

Economic development was very satisfactory. As a result, operating profit figures increased significantly. This resulted in particular from increased price- and performance-related income that more than compensated for the increased expenses, for example for personnel.

The income trend was very positive:

- Revenues increased significantly due to price effects and higher demand.
- This was supported by the increase in other operating income (+31.2%/€ +138 million), among other things as a result of higher income from real estate sales and increased subsidies, especially for the repair of flood damage. Lower income from the reversal of deferred incomes in connection with interest-free loans in particular had a contrary effect.

In terms of expenses, there were significant additional burdens, in particular due to measures to expand capacity, improve quality and in connection with the floodings:

- Personnel expenses (+5.6%/€ +98 million) rose considerably as a result of collective bargaining agreements and the higher number of employees.
- The development of the cost of materials (+6.7%/€ +71 million) was mainly due to increased maintenance services and the rectification of flood damage. Lower expenses for winter service helped to offset this.
- The increase in other operating expenses (+3.1%/€ +18 million) resulted, among other things, from higher expenses for projects and IT services. On the other hand, lower impairments on receivables had the effect of reducing expenses.

The slight decrease in depreciation (−2.6%/€ −9 million) had a dampening effect.

Gross capital expenditures declined slightly as a result of lower capital expenditures in the existing network. Net capital expenditures are slightly below the high level of the first half of 2021. Lower capital expenditures, especially in new construction and expansion projects, led to a slight decrease.

The number of employees increased significantly to cover demand and ensure succession planning, particularly in the areas of maintenance, construction projects and operations.

DB Netze Stations business unit

GENERAL FRAMEWORK

Approval procedure for station fees for 2023

BNetzA is currently reviewing the approval of the requested station fees of DB Station&Service AG in 2023. The authority has exercised its extension option to consider the approval application and has extended the term of the procedure until assumption of approval to September 30, 2022.

DEVELOPMENT OF THE INFRASTRUCTURE

Modernization of stations and construction of new stations

- Dortmund central station is expected to provide accessible links between all modes of transport by 2025. The fourth of the eight platforms to be modernized went into operation at the end of May 2022.
- Construction work on the hall roof has begun at Berlin Ostbahnhof (East Station). Since May 2021, scaffolding platforms and a movable transport platform spanning the hall roof have been set up to renovate the entire roof membrane which is currently being replaced, install new skylights and renew the corrosion protection on all of the roof girders. Train traffic is largely unaffected and can continue as scheduled.
- The complete renovation of the Berlin Zoologischer Garten station is being implemented in several construction phases. In 2021, the areas of the first construction phase including the long-distance rail hall and the intermediate level to the tracks were recommissioned following renovation. Planning services are currently being carried out for further areas and construction phases. The measures in the S-Bahn (metro) hall that form part of the second construction phase have been ongoing since June 2022.
- In the Frankfurt am Main central station project (complete renovation of the B level and northern building), the first and second construction phases, the complete renovation of the feeder level below the station forecourt (B level) and the (supply) levels below, began in October 2020. Another construction phase, which will include changing the guidance systems for passengers, began in May 2022.
- The contracts for the main construction works to replace the platform and to rebuild the hall roof in Duisburg central station were awarded at the start of 2022. The structural implementation of the renovation work, which will run until 2028, is expected to start in August 2022 with the scheduled closure of the first platform.

DIGITALIZATION AND INNOVATION

Passenger information of the future

The hardware and software for the next generation of dynamic visual displays (DSA+) were completed. The field test on the selected stations started in May 2022 with devices from the first of two suppliers. In the second half of 2022, the devices from the second supplier will be tested in real operations in the other stations.

Smart City at DB Netze Stations

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 the first half of 2022, we were able to take further innovative development steps, such as:

- **Increased quality of stay:** The self-developed free-space kit creates more attractive station forecourts with its pleasing design and colorful furnishings. In addition to seating and greening elements, the free-space kit provides opportunities for local services and events and integrates the station even better into the surrounding neighborhood. In 2022, bright urban furniture was placed in three locations: in Berlin-Charlottenburg (seasonally from July to September 2022), Kassel (since June 2022) and Hanover (from September 2022).
- **Focused work at the station:** With our everyworks coworking offer, we are giving passengers the opportunity to do their work in the station. In February 2022, an additional location was opened at the central station in Frankfurt am Main together with our partner Intercity-Hotel. A workspace has been available to our customers in Mannheim central station since July 2022. Further site openings are planned for 2022.
- **"Collection point":** Automated transfer points in the "last mile" around the station are to be used for a number of services (such as handover of keys, package and shopping deliveries) for all providers. As part of a new cooperation with Deutsche Post DHL, approximately 800 additional DHL package stations will be set up across Germany by the end of 2023.
- **Smart, smarter, Hanover:** The starting signal sounded for the Smart City partnership with Hanover on May 12, 2022. We want to offer attractive services in the stations together. Plans include comfortable waiting area furniture, new bike services and mobility hubs that pool sharing vehicles for onward travel from the station, micro depots and smart packing stations.

DEVELOPMENT IN THE FIRST HALF OF 2022

- *Demand trend more or less stable.*
- *Rental business continues to recover impressively after Covid-19-related restrictions.*
- *Additional costs as a result of collective bargaining agreements and special Covid-19 payments and support provided to Ukrainian refugees.*
- *Measures implemented to save energy and to improve quality and customer satisfaction.*

DB NETZE STATIONS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Facility quality (school grade)	2.78 [1]	2.86	- 0.08	–	2.89
Station stops (million)	77.7	77.9	- 0.2	- 0.3	76.2
thereof non-Group railways	21.9	23.0	- 1.1	- 4.8	19.4
Total revenues (€ million)	697	625	+72	+11.5	680
thereof station revenues (€ million)	495	482	+13	+2.7	451
thereof rental (€ million)	181	134	+47	+35.1	204
External revenues (€ million)	300	243	+57	+23.5	303
EBITDA adjusted (€ million)	142	67	+75	+112	201
EBIT adjusted (€ million)	61	-7	+68	–	123
Gross capital expenditures (€ million)	490	491	- 1	- 0.2	397
Net capital expenditures (€ million)	245	142	+103	+72.5	216
Employees as of Jun 30 (FTE)	6,992	6,778	+214	+3.2	6,002
Average employees (FTE)	6,955	6,702	+253	+3.8	5,936

[1] Preliminary figure.

Facilities quality improved slightly.

Station stops were at the level of the first half of 2021. Positive effects resulted mainly from the resumption of transport services, which were temporarily reduced due to Covid-19. Decreased demand in regional transport and restrictions due to construction work had the opposite effect.

The economic trend was very positive as 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:

- Revenue growth can be attributed in particular to a recovery effect in the rental business following Covid-19-related losses and to a price-related increase in station fees from intra-Group customers.
- Other operating income (+25.0%/€ +14 million) also increased. This was mainly due to growth in the marketing of advertising space to non-Group customers and an increase in services for intra-Group customers.

On the expense side, there were additional burdens, in particular from personnel expenses:

- Personnel expenses (+6.8%/€+15 million) increased as a result of a higher number of employees and collective bargaining agreements.
- Depreciation (+9.5%/€+7 million) increased significantly due to capital expenditures.
- The slight increase in other operating expenses (+1.6%/€+2 million) resulted in particular from higher expenses for rent and IT projects. In addition, effects from higher impairments on receivables and a renewed increase in travel activity had an increasing impact on expenses. A special item, predominantly caused by Covid-19, in connection with marketing expenses for shopping railway stations partly offset this.
- Cost of materials remained more or less unchanged. Additional expenses for project-related maintenance were offset by a decline in Covid-19-related additional hygiene and security measures in our stations. Energy expenses increased slightly. Negative price effects could therefore be partially offset by measures to save energy.

Gross capital expenditures were stable at the level of the first half of 2021, but investment grants declined during the business year due to seasonal factors, meaning that net capital expenditures were, for a time, considerably above the level of the first half of 2021. The decrease in investment grants had a counteractive effect. We expect gross capital expenditures to expand again significantly in the second half of 2022.

As of June 30, 2022, the number of employees increased, mainly as a result of an increase in personnel in construction and facilities management.

DB Netze Energy business unit

GENERAL FRAMEWORK

- Energy markets 18 f. experienced very high price increases in the first half of 2022.
- In addition to the competence to recognize testing experts, which has been transferred to the Federal Railway Authority (Eisenbahn-Bundesamt; EBA) since the beginning of 2021, the option has been created for companies with testing organizations to have their testing organization recognized by the EBA according to specified criteria as a testing body for the testing experts used in their own company, whereby some of the tasks and competencies are transferred back to the company. Through such a test center, the preparation for testing expert recognition can be more closely geared toward the needs of the company. In addition, the lead role in the testing expert recognition discussions and monitoring will be transferred from the EBA to the test center. For the aforementioned reasons, DB Energie GmbH has prepared the recognition of its testing organization as a testing body for the field of electrical engineering and has received confirmation from the EBA with its ruling of March 23, 2022 that all the relevant requirements for recognition as a testing center have been met.

ENVIRONMENTAL MEASURES

Energy supply for alternative drives

In addition to the further electrification of the DB 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 provision of battery-powered trains green no. 45, the implementation and financing agreement for charging infrastructure for regional rail passenger transport in the Schleswig-Holstein battery-powered network between the state of Schleswig-Holstein, the regional authority NAH.Schleswig-Holstein, as well as DB Netze Track and DB Netze Energy was entered into in the first half of 2022. In addition, plans to establish recharging infrastructure in Pfalznetz in Rhineland-Palatinate and in the Lower Rhine-Münsterland network in North Rhine-Westphalia were pushed forward in collaboration with DB Netze Track.
- 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 cell train, which has been newly developed by Siemens Mobility, for regional rail passenger transport. Within this project, DB Netze Energy is responsible for developing an innovative supply infrastructure for hydrogen green no. 53. In the first half of 2022, production of mobile hydrogen fueling facilities as part of the innovative supply infrastructure was completed.
- DB Netze Energy supports the testing and regular use of alternative fuels within DB Group. Since mid-2020, this has included a field test of advanced TrainLab green no. 159, in which supply with 100% HVO fuel green no. 164 is provided via a mobile tank container. The test supply and operation of the mobile tank container was extended again in the first half of 2022 for another six months until the end of 2022.

DEVELOPMENT IN THE FIRST HALF OF 2022

⟼ *Sales and revenue increases from traction current and stationary energies.*

⟼ *Hedging strategy limits the impact of significant price increases on the energy procurement market.*

⟼ *Supply reliability stable at a high level.*

DB NETZE ENERGY	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Supply reliability (%)	99.99[1]	99.99[1]	–	–	99.99
Traction current (16.7 Hz and direct current) (GWh)	3,833	3,712	+121	+3.3	4,031
Traction current pass-through (16.7 Hz) (GWh)	1,150	1,168	-18	-1.5	717.9
Stationary energy (50 Hz and 16.7 Hz) in GWh	7,022	6,835	+187	+2.7	7,268
Diesel fuel (million l)	190.2	195.8	-5.6	-2.9	208.3
Total revenues (€ million)	1,946	1,458	+488	+33.5	1,410
External revenues (€ million)	1,051	695	+356	+51.2	640
EBITDA adjusted (€ million)	76	81	-5	-6.2	65
EBIT adjusted (€ million)	35	40	-5	-12.5	23
Gross capital expenditures (€ million)	102	127	-25	-19.7	67
Net capital expenditures (€ million)	27	38	-11	-28.9	23
Employees as of Jun 30 (FTE)	1,905	1,890	+15	+0.8	1,747
Average employees (FTE)	1,896	1,883	+13	+0.7	1,737

[1] Preliminary figure (not rounded).

The high level of supply reliability was maintained.

Volume development was characterized by sales increases in traction current and stationary energies:

- Traction current sales increased, mainly as a result of higher demand from long-distance transport and non-Group customers. A decline in regional and freight transport had a slightly dampening effect.
- Traction current pass-through for non-Group customers was somewhat below the level of the first half of 2021.
- Electricity sales in stationary energies increased. Positive effects from new businesses were partly offset by the decline in portfolio optimization measures on the energy market.
- Demand for diesel fuels declined, driven by developments in the freight transport.

Economic development was somewhat weaker. The increases in sales were offset by higher energy procurement costs. The operating profit figures declined slightly.

Income grew noticeably:

- Revenues increased, in particular due to a considerably higher price level. Higher sales also led to an increase in traction current and stationary energies. The decline in demand in diesel fuels had the opposite effect.
- The decline in other operating income (–60.6%/€ –20 million) resulted in particular from an amended recognition of revenues for the provision and operational management of direct current supply facilities, which have been recognized in revenues since the first half of 2022. Adjusted by this effect, the decrease was less significant. It resulted in particular from the loss of positive one-off effects from the first half of 2021.

On the expense side, there were additional burdens in the cost of materials, mainly due to price factors and increased demand in individual areas:

- Cost of materials increased significantly (+36.8%/€ +476 million). Increased sales volumes and prices for stationary energies and a significant increase in reference prices for traction energies, in energy trade and for CO_2 certificates led to an increase in energy purchasing costs. The price increase in diesel fuels clearly exceeded counteracting effects from declining demand.
- Personnel expenses (+4.1%/€ +3 million) increased, mainly as a result of collective bargaining agreements.

Other expense items decreased slightly:

- For other operating expenses (–10.2%/€ –6 million), the loss of additions to provisions in the first half of 2021 and positive effects from bad debt allowances had the effect of reducing expenses. This was offset in part by expenses in connection with IT projects and services.
- Depreciation was at the level of the first half of 2021.

Capital expenditures declined considerably as a result of the loss of the one-off effect from the capitalization of a lease contract in the first half of 2021.

The number of employees was at the same level as of June 30, 2021.

Subsidiaries/other

The Subsidiaries/other area comprises the governance functions and the legally dependent service units of the holding company DB AG. In addition, the legally independent service units of DB Group and the independent operational services are 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 acts as a single-source partner, offering DB Group's engineering, consulting and operations know-how to its customers. Its subsidiaries include DB Engineering & Consulting (DB E&C), Deutsche Bahn International Operations (DB IO), infraView and ESE.

DB Engineering & Consulting

- DB E&C has been awarded the contract for the modernization of the Duisburg central station by a bidder consortium. The main construction work is expected to start at the end of 2022. DB E&C assumes technical leadership and supports all construction monitoring services alongside environmental and geological services.
- The project of the Latvian Vangazi—Salaspils—Misa line entered the next phase. DB E&C plans include a combined road and rail bridge. There are only four bridges in the world in which tracks for high-speed rail lines and a highway are combined.
- The BIM implementation is progressing at DB E&C. In 2022, BIM shall arrive on-site with the first projects.

Deutsche Bahn International Operations

- As the leading partner of a joint venture, DB IO assumes 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. This is a highly important local transport project in Canada with an operation and maintenance volume in the double-digit billion range.
- The consortium DBCC Transport, managed by DB IO, was commissioned with the operation of a freight transport line in Uruguay. This is part of a large state investment program concerning a new cellulose plant. The project is currently considered one of the most important economic programs in Uruguay.
- DB IO was able to beat the competition to a multi-million euro order for India's first high-performance transport project and take over the operation and maintenance of a regional high-speed rail system. The project will connect the metropolises of Delhi, Ghaziabad and Meerut with an 82 km line. The volume of the contract, which will run for over 12 years, is in the triple-digit million euro range. The contract was signed at the start of July 2022.

DB NEW MOBILITY

DB New Mobility groups together DB Group's range of new mobility solutions. These include the offers from ioki, Mobimeo and CleverShuttle and the products Call a Bike, Flinkster, Bonvoyo and Curbside Management from DB Connect. The DB New Mobility ecosystem is working together to make local public transport more attractive and addresses public-sector bodies such as municipalities and transport associations, as well as B2B customers, with its integrated range of services.

- In the first half of 2022, CleverShuttle started six on-demand transport services in Aschaffenburg, Neustadt an der Donau, Rosenheim, Dresden, Kassel and Hanau. In addition, CleverShuttle was instructed by Kreisverkehrsgesellschaft Offenbach mbH (kvgOF) to expand the operation of the Hopper on-demand transport service. From autumn 2022, the service is to be extended to six new municipalities in the Offenbach district. With over 40 vehicles, expanding the Hopper will make it the largest public passenger transport-integrated on-demand service in Germany.
- ioki was able to further increase its position as a trailblazer for digital needs-based mobility and mobility analyses. On-demand transport services with the ioki software received the German Transport Transition Award 2022 from Allianz pro Schiene e. V. (Pro-Rail Alliance) in the first half of 2022 and were awarded the Reallabore 2022 innovation prize as part of the Reallabor Hamburg (RealLabHH) research project. The most important project launches in 2022 so far include the start of the city shuttle in Aschaffenburg, a new autonomous on-demand service in Bad Birnbach, and joint services in Neustadt an der Donau and Chiemgau with the DB subsidiaries DB Regional Bus and CleverShuttle.
- As a technology partner of the industry initiative Mobility inside (Mi), Mobimeo is developing the front end of the Mi white-label apps. For the first six participating transport associations, the apps, which connect public transport across regions, were successfully launched on the market in spring 2022. At the same time, the DB Streckenagent (route agent) app was relaunched by DB Regional based on Mobimeo's Mobility-as-a-Service (MaaS) platform. It offers easy access to real-time information in public passenger transport across Germany.
- Curbside Cockpit, a software application from DB Connect and DB Systel, helps to connect local transport and sharing services more efficiently. To do this, designated parking areas are digitally regulated, promoting the correct

parking of mobility services. GPS data and structured mobility zones help municipalities and cities to give mobility providers and users a better location-based overview of sharing services. Curbside Cockpit has been operated as a pilot project since November 2021 at the Stuttgart-Vaihingen station as a mobility hub. Further DB Connect services: Bonvoyo and HVV will continue the cooperation in 2022 after the successful completion of Reallabor Hamburg with the goal of making the mobility budget the travel companion of all employees in Hamburg. Flinkster, the largest station-based car-sharing network in Germany, was given the award for the best online portal in Germany in 2022 by the German Institute for Service Quality and the n-tv news channel.

DEVELOPMENT IN THE FIRST HALF OF 2022

- *Personnel expenses increased as a result of a higher number of employees and as a result of collective bargaining agreements.*
- *Digitalization and Group projects were pressed ahead with.*
- *Operating loss increased.*

SUBSIDIARIES/OTHER	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Total revenues (€ million)	2,790	2,616	+174	+6.7	2,398
DB Business Services	0	2	-2	-100	31
DB Operational Services	3,213	3,003	+210	+7.0	2,759
Other/consolidation	-423	-389	-34	+8.7	-392
External revenues (€ million)	314	270	+44	+16.3	280
EBITDA adjusted (€ million)	-49	14	-63	-	-119
EBIT adjusted (€ million)	-328	-263	-65	+24.7	-366
DB Business Services	-38	-36	-2	+5.6	-36
DB Operational Services	-22	23	-45	-	-59
Other	-268	-250	-18	+7.2	-271
Gross capital expenditures (€ million)	290	327	-37	-11.3	318
DB Business Services	1	3	-2	-66.7	2
DB Operational Services	164	169	-5	-3.0	202
Other	125	155	-30	-19.4	114
Net capital expenditures (€ million)	286	327	-41	-12.5	318
Employees as of Jun 30 (FTE)	58,975	58,187	+788	+1.4	54,926
DB Business Services	11,573	11,636	-63	-0.5	11,907
DB Operational Services	44,937	43,984	+953	+2.2	40,576
Other	2,465	2,567	-102	-4.0	2,443
Average employees (FTE)	58,657	58,124	+533	+0.9	54,502

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 cyber security solutions (DB Systel), for construction projects (DB Bahnbau) 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 the result of recovery-related growth at DB Sales and an increase in project business at the DB Bahnbau Group. This was partly offset by declines in the DB E.C.O. Group project business.

The operating profit figures in the Other area are significantly affected by corporate management functions performed for the business units. There is no cost transfer to the business units by means of Group charges. 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 in part from higher expenses for personnel (mainly as a result of collective bargaining agreements), an increased need for internal services (DB Systel), higher energy costs and higher effects from the impairment of warehouse material (DB Vehicle Maintenance). Rental expenses were also above the level of the first half of 2021. Seasonal fluctuations, mainly in the construction project business, also had a negative effect. Countermeasures and the positive business development, including at DB Systel and 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 activities at DB Connect.

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. In contrast, the number of employees working for DB Sales and the human resources service providers of DB Group fell. The number of employees at Group headquarters also fell.

DB Arriva business unit

DEVELOPMENT IN THE RELEVANT MARKETS

The environment for European passenger transport improved from spring 2022 onwards due to the decline in Covid-19 infection numbers. Official contact and travel restrictions were gradually loosened or withdrawn across Europe. Restrictions in passenger transport were removed in other European countries somewhat earlier than in Germany. The obligation to wear a mask on passenger transport is not uniformly governed in Europe at present. However, in most countries the obligation to wear a mask in regional and long-distance transport has been completely removed. The aforementioned effects led to an increase in volume sold in the first half of 2022 but the pre-Covid-19 level has still not yet been reached overall.

United Kingdom

- According to the Williams-Shapps Plan for Rail, the British government is creating a new public body, Great British Railways (GBR), that will operate and develop the rail network, own the rail infrastructure and receive revenues from fares. The private sector will continue to play an important role through the development and implementation of passenger transport service agreements. The British Department for Transport published a consultation in which the necessary statutory amendments were examined and opinions obtained.
- Members of the RMT trade union voted to take industrial action with strikes at 13 rail transport operators commissioned by the British Department for Transport (for DB Arriva these are Chiltern Railways and CrossCountry) and the infrastructure operator Network Rail. Other trade unions in the rail sector also stepped up their trade union activities. The nationwide strikes took place as part of a dispute over pay and working conditions, in which the British rail industry worked closely with the government and trade unions to implement a reform program to cut costs, improve efficiency and promote recovery.
- The British government announced further funding to support bus services from April to October 2022 in a final Covid-19 support package.
- In addition to extending the Bus Recovery Grant, the British government announced financing packages for the Bus Service Improvement Plan as part of the National Bus Strategy (NBS) to support the transformation of bus services. Operators and local authorities as partners worked together on the bids under the British Support for Infrastructure Project (BSIP).

Mainland Europe

- The recovery from the Covid-19 pandemic has continued across Europe, and although some impacts remain, Covid-19 currently has limited impact on operational activity.
- Across Europe, fuel price increases and volatility are a major challenge. This is partially mitigated by indexation of contracts, hedging and pricing, but not fully offset.
- The shortage of drivers and the pressure on wages across Europe continues, and together with general inflation, this creates a difficult environment for 2022. Alternative ways to procure labor or mitigate cost increases continue to be explored.

ORDER BOOK

Awarded transport contracts

TRANSPORT CONTRACTS AWARDED (BUS) H1 2022		Term	Volume (million bus km) p.a. [1]	Volume (million bus km) total [1]
Slovakia	Košice region	04/2022-03/2029	12.2	85.3
The Netherlands	Friesland [2]	12/2022-12/2024	21.6	43.1
The Netherlands	Brabant Oost [2]	12/2024-12/2026	19.0	38.0
United Kingdom	TfL Contracts x 5 [3]	Variable	5.8	23.3
Other [3]		3 months-4 years	31.5	17.0
Total			**90.1**	**206.7**

[1] Differences due to rounding are possible.
[2] Including extensions of existing contracts.
[3] Extension of the existing transport contract.

Major commissionings

MAJOR COMMISSIONINGS (BUS) 2021 – H1 2022 [1]		Term	Million bus km p.a.	thereof versus H1 2021
Slovakia	Bratislava region	11/2021-11/2031	15.3	+7.7
Total [2]			**15.3**	**+7.7**

[1] Services were previously not provided by DB Arriva.
[2] Differences due to rounding are possible.

Major contract cessations

MAJOR CONTRACT CESSATIONS (RAIL) 2021 – H1 2022 [1]		Cessation	Million train-path km p.a.	thereof versus H1 2021
Sweden	E20 Train Roslagsbanan	04/2022	3.2	- 0.5
Total [1]			**3.2**	**- 0.5**

[1] Differences due to rounding are possible.

MAJOR CONTRACT CESSATIONS (BUS) 2021 – H1 2022 [1]		Cessation	Million bus km p.a.	thereof versus H1 2021
Portugal	North Portugal	12/2021	9.1	- 4.6
Denmark	Movia A18	06/2021	5.0	- 2.5
Denmark	NT26.4	08/2021	3.0	- 1.5
Slovakia	Nitra	12/2021	4.2	- 2.1
Czech Republic	Královéhradecký region	02/2021	6.9	- 1.2
Czech Republic	Ústecký region	11/2021	2.9	- 1.5
Total [1]			**31.1**	**- 13.4**

[1] Differences due to rounding are possible.

Order book

ORDER BOOK / € billion	Jun 30, 2022	Dec 31, 2021	Change	
			absolute	%
DB Arriva	11.3	13.6	- 2.3	- 16.9
secured	8.3	9.9	- 1.6	- 16.2
unsecured	3.0	3.7	- 0.7	- 18.9

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.

Overall, in the first half of 2022 the order book declined. The additions from transport contracts awarded of about € 0.6 billion were offset by disposals of about € 1.7 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 the business in Sweden as of July 1, 2022.

ENVIRONMENTAL MEASURES

— In February 2022, Chiltern Railways, a rail company owned by DB Arriva, put the first 100 mph HybridFLEX train into passenger service on Britain's national rail network. The HybridFLEX is the result of a four-year partnership between Chiltern Railways, Porterbrook (the train's owner) and Rolls-Royce. The train has been fitted with a Rolls-Royce power unit, which means quieter and faster journeys and a 25% reduction in greenhouse gas emissions. Nitrogen oxides and pollutants are also reduced by 70% to 90%. The HybridFLEX train significantly reduces fuel consumption and cuts noise in and around stations and urban areas by up to 75%. It offers the possibility for customers to travel faster in the future, as it can leave the station more quickly.
— In March 2022, DB Arriva helped secure government financing for 74 new zero-emissions green no. 63 buses in West Yorkshire and Hertfordshire: DB Arriva UK Bus receives funding in two regions to accelerate its sustainability aspirations and pursuit of a zero-emissions fleet. The British government has announced the winners of financing for electric vehicles under its ZEBRA (Zero Emissions Bus Regional Areas) program.
— As part of its commitment to sustainability, DB Arriva has launched a project to use hydrogen in rail transport together with the Czech fuel distributor Čepro and the Czech chemical company Spolchemie. DB Arriva is aiming to purchase and operate a hydrogen train that could take over passenger transport mainly on non-electrified lines in the Ústí nad Labem region, where it would partially replace diesel locomotives.
— In spring 2022, DB Arriva introduced 16 new buses in the Friuli-Venezia Giulia and Veneto regions that run on biomethane (CNG), making them among the first vehicles of this kind in these regions that can be used in urban and extra-urban transport.
— ProRail, DB Arriva Netherlands and the provinces of Overijssel, Gelderland and Friesland are testing an innovative new battery train (WINK) to see if the trains could (partially) run on a battery instead of diesel on non-electrified railway lines. This is a joint effort on the way to emissions-free public transport. The tests were successful.
— In 2022, all diesel buses in the Limburg region were converted to hydrogenated vegetable oils (HVO) as a more sustainable fuel. In total, 22% of DB Arriva's bus fleet in the region has been running on HVO since February 2022.

INVESTMENTS

- 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 business units and all employees of DB Arriva Sweden.
- In May 2022, DB Arriva reached an agreement with Dan Group to acquire its remaining bus business in Lisbon, Portugal. The transaction is expected to be completed in the third quarter of 2022.

DEVELOPMENT IN THE FIRST HALF OF 2022

⟼ *Performance development mainly driven by recovery effects – pre-Covid-19 level not yet reached again.*

⟼ *Revenues increased, particularly due to Covid-19 recovery effects.*

DB ARRIVA	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Punctuality (rail) (United Kingdom, Denmark, Sweden, the Netherlands, Poland and the Czech Republic) [1] (%)	92.5	94.8	-2.3	–	90.8
Passengers bus and rail (million)	799.9	555.2	+244.7	+44.1	1,124
Volume sold (rail) (million pkm)	3,174	1,570	+1,604	+102	5,973
Volume produced (bus) (million bus km)	465.0	475.3	-10.3	-2.2	542.0
Volume produced (rail) (million train-path km)	54.8	52.4	+2.4	+4.6	81.4
Total revenues (€ million)	2,175	1,931	+244	+12.6	2,690
External revenues (€ million)	2,174	1,930	+244	+12.6	2,687
EBITDA adjusted (€ million)	197	166	+31	+18.7	326
EBIT adjusted (€ million)	-8	-31	+23	-74.2	101
Gross capital expenditures (€ million)	120	88	+32	+36.4	323
Employees as of Jun 30 (FTE)	41,877	44,345	-2,468	-5.6	52,590
Average employees (FTE)	42,518	44,949	-2,431	-5.4	53,305

[1] Change of methods in the UK Trains line of business in 2021 with retroactive adjustment of the figures for the first half of 2019.

Punctuality in rail passenger transport decreased slightly, largely due to adverse weather events and fleet-related issues.

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 continuing burdens from the Covid-19 pandemic.

Economic development has improved, mainly due to the ongoing recovery process, but remains strained.

Overall, income development was positive:

- Revenues increased mainly due to the Covid-19 recovery effects in all lines of business as well as due to exchange rate effects. Concession fees, which were lower overall, had a dampening effect. Lower government support payments, especially in the United Kingdom, were partly offset by higher payments due to general price adjustments in Mainland Europe.
- Other operating income (–34.7%/€ –76 million) decreased significantly. Lower government support measures related to the Covid-19 pandemic were partly offset by higher income from the release of provisions related to portfolio adjustments as well as positive exchange rate effects.

On the expense side, there was a noticeable increase:

- The significant increase in the cost of materials (+18.1%/€ +124 million) is mainly due to higher energy, maintenance and rail replacement costs as well as exchange rate effects.
- Other operating expenses (+9.0%/€ +23 million) rose, however. This development was mainly due to the reclassification of management fees for the centralization of departments at UK Bus (which were offset in other operating income) as well as negative exchange rate effects.
- Depreciation (+4.1%/€ +8 million) increased mainly due to higher capital expenditures in 2021 in Mainland Europe, partly offset by decreases caused by the change in accounting for leased assets at Chiltern Railways. Adjusted for exchange rate effects, the increase is weaker.
- Personnel expenses (–0.8%/€ –8 million) were virtually unchanged. Effects arising mainly from the lower number of employees were largely offset by negative exchange rate effects.

Capital expenditures increased significantly due to projects at UK Bus and the completion of capital expenditure measures for traffic in Mainland Europe. The absence of high-level capital expenditures in the Netherlands in the first half of 2021 had a partially offsetting effect.

The number of employees decreased in all lines of business.

UK Bus line of business

- *Recovery continues, but effects from the Covid-19 pandemic are still evident.*
- *Lower government support measures partially offset recovery effects.*

UK BUS LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Passengers (million)	262.5	160.2	+102.3	+63.9	353.7
Volume produced (million bus km)	143.0	152.0	-9.0	-5.9	172.8
Total revenues (€ million)	467	404	+63	+15.6	543
External revenues (€ million)	467	404	+63	+15.6	542
EBITDA adjusted (€ million)	47	33	+14	+42.4	59
EBIT adjusted (€ million)	-1	-11	+10	-90.9	15
Gross capital expenditures (€ million)	19	7	+12	+171	28
Employees as of Jun 30 (FTE)	13,260	14,185	-925	-6.5	15,475

UK Bus saw an increase in passengers following the elimination from Covid-19-related restrictions such as strict shutdowns at the beginning of 2021. The loss of tenders in London had a dampening effect.

Schedules have been adjusted to current service levels, reducing regional services.

The economic development has improved. Revenue growth outpaced the negative impact of declining Covid-19 government support and higher expenses, mainly due to exchange rate effects. Operating profit figures improved.

Income development was positive overall:

- Revenue development improved, mainly due to the recovery in demand as well as positive exchange rate effects.
- Other operating income declined significantly, 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 negative exchange rate effects that led to an increase:

- Other operating expenses increased due to the reclassification of management fees for the centralization of departments (offset in other operating income) and negative exchange rate effects.
- Depreciation increased due to effects from the revaluation of assets.
- The cost of materials increased mainly due to higher energy prices and negative exchange rate effects.

On the other hand, the decline in personnel expenses partially compensated for this:

- Personnel expenses fell slightly. Effects from a lower headcount and from the closure of company pension plans were almost completely offset by negative collective bargaining 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

- *Positive development due to the ongoing Covid-19 recovery.*
- *Additional burdens due to higher energy prices.*
- *Development influenced by structural changes due to new contract for Chiltern Railways.*

UK TRAINS LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Passengers (million)	80.7	40.0	+40.7	+102	180.5
Volume sold (million pkm)	2,114	821.7	+1,292	+157	4,846
Volume produced (million train-path km)	24.0	22.2	+1.8	+8.1	55.0
Total revenues (€ million)	600	535	+65	+12.1	1,071
External revenues (€ million)	582	520	+62	+11.9	1,048
EBITDA adjusted (€ million)	16	13	+3	+23.1	105
EBIT adjusted (€ million)	5	-5	+10	–	38
Gross capital expenditures (€ million)	0	4	-4	-100	179
Employees as of Jun 30 (FTE)	4,759	4,849	-90	-1.9	10,965

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 due to the ongoing recovery process were only partially offset by lower government support and additional burdens. As a result, operating profit figures rose.

Income development was significantly better:

- Revenues increased due to higher ticket revenues driven by higher volumes as well as positive exchange rate effects. Lower government Covid-19 support measures partially offset this.
- Other operating income was virtually unchanged.

On the expense side, price and volume-related higher expenses as well as exchange rate effects led to additional burdens:

- The cost of materials increased significantly, mainly due to higher energy prices, increased volume-related expenses and negative exchange rate effects.
- Other operating expenses also rose considerably, predominantly due to higher infrastructure fees for rail transport and higher costs for rail replacement services. Excluding exchange rate effects, the increase was slightly lower.

- The increase in personnel expenses is mainly due to exchange rate effects. Adjusted for exchange rate effects, personnel expenses remained almost unchanged.

The decrease in depreciation partially compensated for this:

- Depreciation decreased significantly due to a change in accounting for leased assets at Chiltern Railways.

Capital expenditures fell to a low level, primarily due to the changes at Chiltern Railways regarding the new National Rail Contract.

The number of employees fell slightly.

Mainland Europe line of business

⟶ *The recovery of demand continued, especially in the Netherlands and the Czech Republic.*

⟶ *The effects of the Covid-19 pandemic have continued.*

⟶ *Additional burdens due to higher energy prices.*

MAINLAND EUROPE LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Passengers (bus) (million)	403.8	315.4	+88.4	+28.0	527.7
Passengers (rail) (million)	52.9	39.6	+13.3	+33.6	62.6
Volume sold (rail) (million pkm)	1,059	748.0	+311.0	+41.6	1,127
Volume produced (bus) (million bus km)	322.0	323.3	-1.3	-0.4	369.2
Volume produced (rail) (million train-path km)	30.9	30.1	+0.8	+2.7	26.4
Total revenues (€ million)	1,214	1,083	+131	+12.1	1,165
External revenues (€ million)	1,126	1,006	+120	+11.9	1,097
EBITDA adjusted (€ million)	166	149	+17	+11.4	182
EBIT adjusted (€ million)	22	17	+5	+29.4	70
Gross capital expenditures (€ million)	100	77	+23	+29.9	106
Employees as of Jun 30 (FTE)	23,492	24,969	-1,477	-5.9	25,725

Performance development in Mainland Europe was positive overall, driven by a recovery in demand:

- In rail transport, recovery effects led to an increase in demand, especially in Sweden and the Netherlands.
- In bus transport, the number of passengers and volume produced increased in all regions, mainly due to the Covid-19 pandemic recovery effects.

The economic development was positive, driven by a noticeable growth in income:

- The significant increase in revenues was mainly due to the continuing recovery in demand and higher concession fees due to general price adjustments in Sweden and Slovakia.
- Other operating income fell. A reduction in government Covid-19 support in the Netherlands was partly offset by higher releases of provisions in Portugal.

The expense side was significantly impacted by higher energy costs as well as recovery effects:

- The significant increase in the cost of materials was due in particular to higher fuel costs. In addition, more intensive maintenance also contributed to higher expenses.
- Other operating expenses also increased, mainly due to an increased number of temporary employees in Italy and one-off effects related to portfolio adjustments.
- Higher capital expenditures in the Netherlands in 2021 led to higher depreciation.
- Personnel expenses remained virtually unchanged.

The increase in capital expenditures also resulted from the completion of capital expenditure measures, particularly in Portugal and Slovakia.

The number of employees due to delays in rehiring temporary staff following the Covid-19 restrictions in some Eastern European markets, the impact of strategic decisions in non-core countries, and the cessation of transport contracts.

DB Schenker business unit

DEVELOPMENT IN RELEVANT MARKETS

Land transport

EUROPE

The European land transport market continues to be characterized by strong demand coupled with extreme price developments. These are driven in particular by rising diesel prices (due to the war in Ukraine, among other things) and the implementation of the EU mobility package.

AMERICAS

Demand for land transport in North America was robust last year. Both LTL (less than truck load) and FTL (full truck load) freight forwarders achieved record results as they were able to optimize their networks and control prices. Fuel costs increased significantly, leading to an increase in operating costs, but these are largely passed on to customers. Over the last three months spot market prices have decreased, but prices for customer contracts have remained stable. Volume in South America was less affected, and is generally driven by port activity and fluctuating demand.

ASIA / PACIFIC

The market for international truck transport in Asia has been noticeably affected by the partial to full border closures in China due to the zero-Covid strategy in the second half of 2021 and in 2022. Due to the uncertainties in cross-border truck transport, customers switched to ocean freight for shipments within Asia or tested the newly opened train corridors between China and Laos / Vietnam.

During the same period, national transport within Asian countries saw a recovery and robust growth after the Covid-19 pandemic waves subsided.

The market for international rail transport between Asia and Europe experienced a great boom from May 2021 until the end of 2021, driven mainly by the development in ocean freight with a lack of ship capacity. The high volume led to train network congestion in Europe and on China's borders in the second half of 2021. Since the start of the war in Ukraine, the market has suffered severely from a drop in volume, primarily from Western customers.

Air freight

The global air freight market made a solid start to 2022, growing by 4.8% in the first quarter. Quarterly growth therefore slowed for the third time in a row.

In terms of capacity, the market continues to see recovery effects from a gradual return of passenger transport, but these have been accompanied by sanctions against Russian airlines and associated capacity restrictions in the wake of the war in Ukraine. As a result, air freight rates remained at a consistently high level and significantly above their historical averages.

Ocean freight

Weaker macroeconomic development, sustained port congestion, the war in Ukraine, and China's adherence to its zero-Covid-19 strategy are the main reasons why supply chains are not expected to recover in a timely manner and have impacted the development of the ocean freight market in the first half of 2022. Freight rates remained at a consistently high level.

Contract logistics

Global contract logistics started 2022 with the wind in its tail. The main drivers are the e-commerce, healthcare and electronics verticals across all regions, while the automotive sector has so far shown hardly any signs of recovery due to supply bottlenecks, especially in the case of semiconductor goods. Risks include the supply of raw materials from Russia, high cost inflation and increasing uncertainty among end consumers.

DIGITALIZATION AND INNOVATION

- The partnership between DB Schenker and Volocopter aims to offer solutions in the area of Urban Air Mobility (UAM). After a successful initial demo flight in October 2021 in Hamburg, DB Schenker, together with Volocopter, is planning additional flights with Volocopter in order to test the commercial potential of VoloDrone, a versatile heavy-load cargo drone for logistics and transport applications. In addition to middle-mile deliveries, the drone is also suitable for other applications in coastal and mountainous regions and maritime applications, such as country-to-country deliveries. Although not all logistical operations can be handled by drones, heavy-load cargo drones can play a crucial role in sustainable supply chains. In the first half of 2022, the focus was on selecting and analyzing initial flight routes for operational use. In addition to analysis of legal and technical aspects, the potential for savings from direct GHG emissions has been investigated in particular. The ideal, optimized 21st century supply chain will require a mix of electric drones, autonomous trucks, climate-neutral freight aircraft and climate-neutral container ships.
- With Avatour, DB Schenker has developed a virtual warehouse inspection that enables audits to be carried out completely remotely. By using a standard video conference, Avatour gives remote users the option of freely selecting the viewpoint in full-picture mode within a VR session. The platform uses mobile 360° video recording technology in real-time and can be used via laptops and VR goggles. The technology allows participants to be close to the action with their own avatar and interact with up to 25 participants. The benefit is that DB Schenker can offer its customers an exclusive service and the operating personnel can be trained virtually, which saves on GHG emissions. In the first half of 2022, 20 trips were carried out with a total of 132 participants. This saved about 109 t of GHG emissions, assuming that each of these participants would have had to travel from Germany to the various locations. Thirty-one locations worldwide are currently able to carry out these trips.

ENVIRONMENTAL MEASURES

- Lenovo has joined DB Schenker and Lufthansa Cargo on the road to greener supply chains. Every week, 20 tons of freight are flown from Shanghai to Frankfurt am Main. The carbon-neutral cargo flight is the only regular full-charter service in the world that is 100% covered by sustainable aviation fuel (SAF).
- DB Schenker regularly offers net emissions-free maritime transport of general cargo. Together with the French shipping company CMA CGM, DB Schenker entered into a purchase agreement for 2,500 t of bio fuel for all LCL (less than container load) transport and additional FCL (full container load) containers in February 2022. The fuel requirements for the transport of DB Schenker's LCL containers are thereby covered by advanced biofuels to such an extent that new greenhouse gas emissions are completely averted. The cooperation enables savings of more than 7,000 t of CO_2e each year.
- DB Schenker became the first company to take delivery of a battery-electric Mercedes-Benz eActros as a series-production vehicle in February 2022, and is using the 19 t truck to deliver general cargo in an urban logistics setting. The basis for using the Mercedes-Benz eActros was established in 2020. At that time, in Leipzig, emissions-free delivery green. no. 122 was successfully tested within the city using a pre-series eActros model. DB Schenker already makes electric deliveries at more than 60 locations across Europe and thus free of direct emissions in general cargo transport.
- DB Schenker is making a further contribution to a green supply chain in Borlänge, Sweden, in cooperation with Godsservice. Godsservice purchased the first fully electric Scania truck in the region with a range of 120 km, while DB Schenker invested in a rapid charging station. By switching to fully electric trucks, DB Schenker is able to completely avert direct emissions at the local level.
- In March 2022, DB Schenker implemented AutoStore, an automated goods-to-person system, in order to improve logistics for MQ Marqet, a leading individual 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.
- DB Schenker modernized a logistics terminal in Tilburg/the Netherlands, which it reopened for sustainable operations in July 2022. The number of eco warehouses green. no. 73 has therefore grown to 50 at DB Schenker. Eco warehouses are part of a holistic concept developed by DB Schenker to operate terminals and warehouses in a more energy-efficient manner and to reduce GHG emissions. The construction of the new terminal adhered to global standards for sustainable building practices for thermal insulation, the use of renewable resources from the surrounding environment, the installation of modern, natural lighting systems, and the use of efficient HVAC systems for heating, ventilation and air-conditioning.

INVESTMENTS

- On June 24, 2022, DB Schenker and USA Truck Inc. (USA Truck), Van Buren/USA, announced an agreement by DB Schenker to take over all shares of USA Truck in circulation. The merger underscores DB Schenker and USA Truck's objective of becoming the leading provider of transport solutions in North America. After the transaction is completed, which is expected to take place at the end of 2022, DB Schenker will expand the joint market position of DB Schenker and USA Truck in the land transport sector in North America.
- DB Schenker acquired Bitergo GmbH in full on May 31, 2022. Bitergo is a software company and 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 the digital strategy of DB Schenker. 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.
- The business area Full Load Solution (FLS) of DB Schenker was transferred to DB Cargo with economic effect from January 1, 2022. The previous year's figures have been adjusted accordingly.
- On April 22, 2022, DB Schenker and Wessels & Müller SE agreed to acquire all outstanding limited partner shares in MarkenTechnikService GmbH & Co. KG (MTS). Wessels & Müller SE is a long-standing and experienced shareholder who is focusing on international expansion and sustainable growth in the MTS Group. The closing of the transaction is scheduled for the third quarter of 2022.

DEVELOPMENT IN THE FIRST HALF OF 2022

⟶ *Still a very positive market environment overall.*

⟶ *Significant improvement in profits, particularly in air and ocean freight.*

⟶ *Comprehensive measures to improve efficiency and digitalization.*

DB SCHENKER	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Land transport shipments (million)	53.2	56.3	- 3.1	- 5.5	53.9
Air freight volume (export) (thousand t)	673.3	712.1	- 38.8	- 5.4	578.9
Ocean freight volume (export) (thousand TEU)	966.2	1,000	- 33.8	- 3.4	1,115
Total revenues [1] (€ million)	14,162	10,432	+ 3,730	+ 35.8	8,525
External revenues [1] (€ million)	14,129	10,396	+ 3,733	+ 35.9	8,491
Gross profit margin [1] (%)	30.6	33.3	- 2.7	-	35.9
EBITDA adjusted [1] (€ million)	1,486	906	+ 580	+ 64.0	499
EBIT adjusted [1] (€ million)	1,186	620	+ 566	+ 91.3	238
EBIT margin [1] (adjusted) (%)	8.4	5.9	+ 2.5	-	2.8
Gross capital expenditures (€ million)	299	249	+ 50	+ 20.1	261
Employees [1] as of Jun 30 (FTE)	75,424	73,840	+ 1,584	+ 2.1	75,981
Average employees (FTE)	75,626	74,215	+ 1,411	+ 1.9	76,041

[1] Figures for first half of 2021 and as of June 30, 2021, adjusted due to intragroup reassignment of the FLS business area 36.

The volume trend was down overall. The absence of catch-up effects following the Covid-19-related losses in the first half of 2021 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 (+24.7%). Adjusted for exchange rate effects, the increase was somewhat less pronounced.

Income development was very positive, driven by strong revenue growth:

- Revenues increased significantly 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 (+20.4%/€ +21 million) increased slightly at a low level. The reason for this included higher income from the release of provisions.

Expenses were driven mainly by freight rate developments. Effects from measures to improve productivity had the opposite effect:

- Cost of materials (+40.2%/€ +2,837 million) increased due to the development of freight rates, particularly in air and ocean freight. Exchange rate effects also had the effect of increasing expenses.
- Personnel expenses (+11.5%/€ +203 million) increased significantly as a result of the higher average number of employees and due to exchange rate effects.
- The considerable increase in other operating expenses (+16.2%/€ +130 million) resulted, among other things, from higher expenses for advertising in connection with IT projects and exchange rate effects.
- Depreciation (+4.9%/€ +14 million) increased 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. Europe continued to be the main focus of capital expenditures. Adjusted for exchange rate effects, the increase was somewhat less pronounced.

The number of employees was above the level as of June 30, 2021. More complex work processes related to Covid-19 resulted in additional new hires, in particular in air and ocean freight.

Land transport line of business

⟶ *The increase in demand for international transport is more than offset by the decline in domestic transport.*

⟶ *Quality improvements with positive effects.*

⟶ *An additional increase in demand for the digital platforms Connect4land and Drive4Schenker – focus on further development of digital services.*

LAND TRANSPORT LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Land transport shipments (million)	53.2	56.3	- 3.1	- 5.5	53.9
Total revenues [1] (€ million)	3,846	3,443	+ 403	+ 11.7	3,638
External revenues [1] (€ million)	3,835	3,434	+ 401	+ 11.7	3,606
EBITDA adjusted [1] (€ million)	238	198	+ 40	+ 20.2	175
EBIT adjusted [1] (€ million)	140	110	+ 30	+ 27.3	95
Employees [1] as of Jun 30 (FTE)	22,846	21,911	+ 935	+ 4.3	21,868

[1] Figures for first half of 2021 and as of June 30, 2021, adjusted due to intragroup reassignment of the FLS business area 36.

In land transport, demand declined due to declines in parcel and direct transport in particular, after the first half of 2021 was characterized by Covid-19-related catch-up effects. The decline in the shipment figures for direct transports is largely due to the effect of the FLS transaction 36. System and special transports were roughly on a par with the first half of 2021.

Economic development, on the other hand, was encouraging: operating profit figures developed positively as a result of a disproportionate increase in income:

- Revenues increased, mainly as a result of a general rise in selling prices. Demand development had a dampening effect in the opposite direction. Adjusted for exchange rate effects, the increase was somewhat less pronounced.
- Other operating income decreased as a result of lower carrying amount gains on the disposal of fixed assets.

Developments on the expense side were characterized by more cost-intensive processes in the areas of direct, system and special transport due to the Covid-19 pandemic. Compared to income, the increase was disproportionately low:

- Personnel expenses increased as a result of a higher number of employees.
- Other operating expenses increased due to the reclassification of IT expenses within the business unit with no effect on profit or loss.
- The cost of materials was approximately at the level of the first half of 2021. Decreases in demand were fully offset by higher prices and negative exchange rate effects.

The number of employees increased significantly due to a transfer of temporary workers to fixed employment in Germany and the Vähala acquisition in Finland in October 2021.

Air and ocean freight line of business

⟼ *Slight decline in demand due to weak market momentum.*

⟼ *Capacity shortages and Covid-19-related uncertainties continue to shape development, in particular in ocean freight.*

⟼ *A further increase in freight rates as a result of the war in Ukraine.*

⟼ *Air freight: various measures implemented to safeguard transport operations, standardization and productivity improvements.*

⟼ *Ocean freight: projects to improve efficiency and optimize organization implemented worldwide.*

AIR AND OCEAN FREIGHT LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Air freight volume (export) (thousand t)	673.3	712.1	-38.8	-5.4	578.9
Ocean freight volume (export) (thousand TEU)	966.2	1,000	-33.8	-3.4	1,115
Total revenues (€ million)	8,683	5,545	+3,138	+56.6	3,531
External revenues (€ million)	8,680	5,543	+3,137	+56.6	3,530
EBITDA adjusted (€ million)	977	481	+496	+103	128
EBIT adjusted (€ million)	943	450	+493	+110	101
Employees as of Jun 30 (FTE)	14,079	13,107	+972	+7.4	13,972

Performance development declined:

- In global air freight, negative effects, mainly caused by the war in Ukraine and shutdowns in China, could not be offset.
- In ocean freight, volumes were also slightly below the low level of the first half of 2021 in line with market developments. Equipment and capacity shortages, alongside the tense market situation due to Covid-19, were only partially offset by volume growth on transpacific routes and between Asia and Europe.

Economic development was very encouraging. The adjusted operating profit figures improved due to the significant increase in revenues, in particular in ocean freight:

- Revenues increased significantly, due in part to the growth in 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 same time, it was persistently difficult in some cases to pass on higher rates to customers. Adjusted for exchange rate effects, the increase in revenues was somewhat less pronounced.
- Other operating income increased at a low level, partly as a result of lower effects from the release of provisions.

On the expense side, the development of freight rates was particularly noticeable:

- The cost of materials increased significantly, mainly as a result of freight rate developments and exchange rate effects.
- Other operating expenses increased due to the reclassification of IT expenses within the business unit with no effect on profits.
- 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 increased significantly. More complex work processes brought about by Covid-19 resulted in additional new hires.

Contract logistics line of business

⟼ *Significant recovery of business activities following more stringent restrictions as a result of the Covid-19 pandemic.*

⟼ *Growth drivers are Asia / Pacific and America – effects from the war in Ukraine are curbing development in Europe.*

⟼ *Measures to improve productivity and profitability are currently being implemented.*

CONTRACT LOGISTICS LINE OF BUSINESS	H1 2022	H1 2021	Change absolute	Change %	H1 2019
Total revenues (€ million)	1,616	1,422	+ 194	+ 13.6	1,356
External revenues (€ million)	1,615	1,421	+ 194	+ 13.7	1,355
EBITDA adjusted (€ million)	236	188	+ 48	+ 25.5	165
EBIT adjusted (€ million)	101	61	+ 40	+ 65.6	41
Employees as of Jun 30 (FTE)	23,114	23,888	- 774	- 3.2	24,293

The development in contract logistics followed overall market trends thanks to the business line's geographically and sectorally diversified portfolio. There was also a slight increase in market share across the board. Development in Europe was curbed by a slow recovery in the automotive business, restructuring measures and the war in Ukraine, among other factors.

The economic development was very encouraging in a challenging market environment. Adjusted operating profit figures rose, driven by above-average income gains in particular:

- Revenues grew, driven by a continued recovery after the Covid-19 restrictions. Trends in the automotive sector stabilized, although the ongoing semiconductor shortage continued to have a dampening effect. The electronics and consumer sectors in particular developed positively. Adjusted for exchange rate effects, the increase was somewhat less pronounced.
- Other operating income also increased as a result of reversals from provisions for impending losses and the sale of assets at a low level.

In terms of expenses, the recovery in demand was particularly noticeable:

- Cost of materials increased in line with revenue development and as a result of exchange rate effects.
- Personnel expenses also increased as a result of business development. Exchange rate effects also had the effect of increasing expenses.
- Other operating expenses increased due to higher expenses for temporary workers as a result of increased business development. Exchange rate effects also had the effect of increasing expenses.
- Depreciation increased significantly as a result of the conclusion of lease contracts for storage capacity.

The number of employees fell slightly, due in part to higher productivity and a tense labor market.

OPPORTUNITY AND RISK REPORT

Our business activities are associated with risks as well as opportunities. Our business policy therefore aims to take advantage of opportunities through our opportunity management system, while also actively managing those risks identified within the framework of our risk management system. There were no significant changes to DB Group's risk management system (2021 Integrated Report 155 ff.) in the first half of 2022.

In the 2022 financial year, the opportunity/risk profile continues to be heavily influenced by the possible further effects of the Covid-19 pandemic. The opportunity and risk assessment is carried out in relation to the updated anticipated development of DB Group 62 f. in 2022, with reference to the adjusted operating profit (EBIT adjusted). Compared with the assessment as of December 31, 2021 (2021 Integrated Report 169 f.) the overall risk assessment has decreased significantly in relation to the EBIT forecast for the 2022 financial year:

- For the forecast of EBIT development in the 2022 financial year 63, there are further risks in the amount of € 0.7 billion, taking countermeasures into consideration (of which very likely [>70 % probability]: € 0.0 billion). These risks arise primarily in the areas of the Covid-19 pandemic, production and technology, as well as procurement and the energy market.
- There are opportunities for EBIT development in the amount of € 0.1 billion (of which very likely: € 0.0 billion), which arise in the areas of the Covid-19 pandemic as well as production and technology.

Energy and procurement price risks are not yet significant in the 2022 financial year. This is due in part to extensive hedging activities. However, from today's perspective, the impact on profits is expected to be greater in subsequent years. This also applies to the significant increase in the general inflation rate. Opportunities may arise from countermeasures to be developed by DB Group on the revenue and expense side.

According to our analyses of risks, countermeasures (including financial support from the Federal Government), hedging and provisions, as well as in line with the opinion of the Group Management Board based on the current risk assessment and our mid-term planning, there are no risks that, individually or jointly, would pose a threat to the assets, financial situation or results of operations of DB Group.

EVENTS AFTER THE BALANCE SHEET DATE

No events of particular significance occurred after the end of the reporting period.

OUTLOOK

At present, further consequences of the war in Ukraine, such as in the form of a complete interruption of energy supplies from Russia, are not included in our forecasts, as the potential impact cannot be estimated at present.

Economic outlook

ANTICIPATED DEVELOPMENT / %	2021	2022 (Mar forecast)	2022 (Jul forecast)
World trade	+11.9	+5.0	+3.5
GDP world	+5.9	+4.0	+3.1
GDP Eurozone	+5.3	+3.5	+2.9
GDP Germany	+2.9	+3.5	+1.7

As of July 2022.
Source: Oxford Economics

Moderate growth in the global economy is expected for 2022, with the pre-Covid-19 level being exceeded in the European Economic Area for the first time in 2022. The continued recovery from the Covid-19 pandemic, driven particularly by a sharp increase in private consumption, is having a positive effect. However, due to the impact of the war in Ukraine, it is expected that gross domestic product (GDP) and trade will not grow as strongly as assumed in the forecast from March 2022. High inflation rates, disrupted global value-added chains and uncertainties regarding the geopolitical framework are having a noticeable negative impact on economic development in 2022.

Transport markets

PASSENGER TRANSPORT

ANTICIPATED MARKET DEVELOPMENT / %	2021	2022 (Mar forecast)	2022 (Jul forecast)
German passenger transport (based on pkm)	+5.0	+8.0	+9.5

As of July 2022.
Outlook for 2022 rounded to half percentage points.

In 2022, the German passenger transport market is expected to recover noticeably from the Covid-19-related performance slump of the two previous years. Nevertheless, the volume sold in all sectors, with the exception of the motorized private transport sector, will remain below pre-Covid-19 levels overall. The development of demand strongly depends on the Covid-19 infection situation, the regulatory measures and the associated mobility behavior. Commuting and business travel are being replaced to a significant extent by working from home and digital communication. Individual forms of transport where there is a low risk of Covid-19 infection – such as traveling by car, bicycle or on foot – should continue to benefit from an ongoing Covid-19 pandemic at the expense of public transport.

- In these circumstances, private motorized transport in particular is likely to reach pre-Covid-19 levels. Rising fuel prices, partly as a result of the CO_2 pricing that entered into force in 2021, will initially remain of minor importance. Further significant increases in 2022 as a result of the war in Ukraine will dampen the increase and favor shifts to rail transport.
- Domestic German air transport is facing a lengthy recovery in view of subdued demand due to Covid-19, climate change policies and a dramatic drop in supply. In 2022, it will only conceivably recover some of the losses sustained as a result of Covid-19.
- Public road passenger transport is expected to increase noticeably again, benefitting in particular from the 9-Euro-Ticket 4, but local transport is nevertheless suffering from the effects of substitution by cars and bicycles. Long-distance bus services are expected to grow more slowly in comparison due to reduced supply and strong competition from rail passenger transport.
- A noticeable recovery in local and long-distance transport is expected for rail passenger transport. Long-distance transport is likely to benefit from gains from air and long-distance bus transport, as well as an improved service offering. Local public transport will be strengthened by the 9-Euro-Ticket, particularly in the summer months. The main assumptions underlying this development are a decline in Covid-19 infection numbers, the loosening or lifting of Covid-19-related contact restrictions, and a revival of 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. Financial weaknesses and strategic realignments of individual providers make it probable that the mobility market will undergo consolidation. 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 rail passenger transport in particular therefore.

FREIGHT TRANSPORT AND LOGISTICS

ANTICIPATED MARKET DEVELOPMENT / %	2021	2022 (Mar forecast)	2022 (Jul forecast)
German freight transport (based on tkm)	+4.3	+3.0	+1.0
European rail freight transport (based on tkm)	+7.4	+3.0	+1.0
European land transport (based on revenues)	+8.0	+5.0	+0.5
Global air freight (based on t)	+19.0	+4.0	+4.0
Global ocean freight (based on TEU)	+6.0	+3.0	+3.0
Global contract logistics (based on revenues)	+8.7	+5.5	+7.0

As of July 2022.
Forecasts for 2022 rounded to half percentage points.

There is a high level of uncertainty surrounding any forecast for the second half of 2022. In addition to the war in Ukraine and the effects of high inflation, supply chain problems have been exacerbated by the shutdown in China. These effects are having a massive impact on the transport sector. According to market participants, these effects are only expected to really make themselves felt at the beginning of the second half of 2022, and will significantly exceed the impact of the blockage of the Suez Canal in the previous year. Against this backdrop, only a moderate increase in performance is currently expected for the German freight transport market across all modes of transport.

- Following the strong growth in the previous year, rail freight transport is showing modest development in 2022. This is due, among other factors, to the lack of growth momentum from the vital steel sector, the development in the automotive sector, which is increasing again but is still lagging behind expectations from the beginning of the year 2022, and the deteriorated expectations in combined transport. Coal transport will develop more positively than was assumed at the beginning of 2022. The infrastructure problems resulting from intensive construction activities remain a challenge. Overall, rail freight transport and also DB Cargo will be unable to grow as much as the demand would allow due to the capacity limitations of the infrastructure.
- There are currently some slightly above-average increases in truck traffic, but only a moderate increase in performance. The noticeably slowed development in sectors dominated by trucks, such as the mechanical engineering and consumer goods industries, along with the slowdown in the e-commerce sector, will be reflected accordingly in demand. Stimuli from the construction industry, an important sector, are also likely to fade.
- The performance development of inland waterway transport, as with other modes of transport, will initially weaken in subsequent months. Noticeably diminishing stimuli from another important industry – iron, coal and steel – for example, are likely to counteract further increases in coal transport, catch-up effects in mineral oil transport and a positive baseline effect due to the low water levels in fall 2021. A moderate increase in performance is expected for the year as a whole. However, it will still not be possible to return to pre-Covid-19 levels.
- The global crises and their consequences, such as high energy prices and ongoing supply chain problems, will have a particularly strong impact on energy-intensive industries such as the steel, chemical, construction and automotive sectors, thus limiting the growth prospects for European rail freight transport. Under these conditions, only moderate growth in volume sold is expected.
- In 2021, the European land transport market was dominated by the catch-up effects from 2020. In 2022, the market situation was extremely unstable, driven by external influences such as the war in Ukraine and extreme price increases. Forecasts must therefore be seen as highly volatile and interpreted with caution.
- For the global air and ocean freight markets, major uncertainties are still expected in the second half of 2022 as a result of capacity bottlenecks and traffic jams in the ports.
- The contract logistics market will be able to continue its growth after a full recovery from the declines caused by the Covid-19 pandemic.

INFRASTRUCTURE

Despite the tense operating situation, train-path demand is forecast to continue its consistently positive development in the second half of 2022. In addition to the further easing of the effects of the Covid-19 pandemic and partial commissioning after the flooding, smaller losses from exceptional events in the previous year (thunderstorms, strikes) are leading to an increase in volume compared to the previous year. Volume growth is expected in rail freight transport due to the macroeconomic environment although this may, however, weaken further depending on the development of the war in Ukraine and the global supply chain problems.

Station stops are expected to experience slightly positive development over the full year. The share of non-Group railways remains stable.

Leasing income in stations should stabilize slowly over the course of 2022 as a result of a moderate recovery from the effects of the Covid-19 pandemic, and should be slightly above 2021 levels.

Procurement markets

The assumed baseline scenario for the first half of 2022, with regard to uncertainties from the war in Ukraine, has been confirmed in hindsight. Overall, we have only recorded a few physical bottlenecks on the procurement side in DB Group. In many markets, however, there is still an imbalance resulting from strong demand and an additional supply shortage due to the Covid-19 pandemic and the war in Ukraine. In addition to the continuing highly volatile commodity markets, we are observing extremely high price dynamics in the construction and logistics sectors.

Against the backdrop of the war in Ukraine, the Federal Government's climate-protection efforts and the targeted structural change in the energy sector are becoming increasingly important. Dealing with the planned simultaneous phase-out of nuclear power and coal could cause further price momentum, particularly from 2023 onwards. Until then, it is very probable that prices for electricity, coal and crude oil will rise further, and supply bottlenecks may occur. There is currently no foreseeable end to this development. In the long term, however, cheaper sources of energy should become available following the successful transition to renewable energies.

In addition to rising raw material prices, prices for work-in-progress and finished products are also rising. Furthermore, companies are concerned about higher manufacturer prices over the medium term as a result of rising labor costs. In this case, there is the risk of a wage-price spiral, which could also have an impact on DB Group.

By the end of 2022, it is expected that the difficult environment will start to ease due to a slightly declining but still high level of demand and a shortage of key products such as semiconductors and raw materials (like iron ore, crude oil and paper).

Financial markets

With inflation rates remaining high, not least because of the war in Ukraine, yields on bonds should continue to rise as a result of central banks tightening their interest rate policies. Scaling back government bond purchasing programs will remove a considerable portion of the demand for bonds, which will also be noticeable in higher interest rates.

Development of DB Group

- *DB Group's development in 2022 will continue to be driven by the consequences of the Covid-19 pandemic. Demand in rail passenger transport will, however, develop better than previously expected.*
- *Punctuality and customer satisfaction will develop more weakly than previously expected.*
- *Expectations for revenue and profit development adjusted significantly upward.*
- *Continuing to push ahead with the implementation of the Strong Rail strategy.*
- *Capital expenditure activities continue to grow.*

Despite the current upward trend, there are uncertainties regarding the further development of the Covid-19 pandemic and the possible impact on mobility behavior. Our forecasts are based on the assumption that the effects of the Covid-19 pandemic will not increase noticeably again. It is also impossible to estimate whether, to what extent and with what impact there could be possible bottlenecks in energy supplies in Europe as a result of the war in Ukraine, which would lead to further massive burdens on energy prices.

TOP TARGETS STRONG RAIL

ANTICIPATED DEVELOPMENT	2021	2022 (Mar forecast)	2022 (Jul forecast)
Passengers (rail) long-distance transport (million)	81.9	~ 130	> 138
Passengers (rail) local transport (million)	1,121	~ 1,400	> 1,600
Volume sold rail freight transport (Germany) (billion tkm)	60.3	> 62	~ 60
Train kilometers on track infrastructure (Germany) (million train-path km)	1,109	> 1,130	~ 1,130
Customer satisfaction DB Long-Distance (SI)	77.8	80	74
Customer satisfaction DB Regional (rail)	71.6	72	70
Customer satisfaction DB Cargo [1] (SI)	70	67	67
Punctuality DB Long-Distance (%)	75.2	~ 80	~ 70
Punctuality DB Regional (rail) (%)	94.3	~ 95	~ 93
Punctuality DB Cargo (Germany) (%)	69.8	~ 72	~ 67
Share of renewable energies in the DB traction current mix in Germany (%)	62.4	64	64
Employee satisfaction (SI)	–	3.8	3.8
ROCE (%)	– 3.6	> 0	~ 2
Debt coverage (%)	4.3	↗	~ 10

↗ above previous year's figure
→ at previous year's level
↘ below previous year's figure
[1] The survey is conducted annually in the spring.

Based on the development to date and updated estimates, we have adjusted some of our expectations for the development in the 2022 financial year:

- Performance development in local and long-distance transport in Germany is recovering more quickly than previously expected. We assume that DB Long-Distance will also benefit from operational capacity-related restrictions in air traffic. The 9-Euro-Ticket 4 is having a positive effect on local transport.
- We have somewhat decreased our expectations for performance development in rail freight transport due to operating restrictions.
- As a result of the unsatisfactory operating situation, we expect weaker development in customer satisfaction and punctuality:
  - At DB Long-Distance, we expect lower customer satisfaction due to the low punctuality and the tense operating situation.
  - At DB Regional (rail), we expect lower customer satisfaction, in particular as a result of infrastructure-related restrictions on operating quality, more heavily utilized vehicles and space restrictions during the summer months in connection with the 9-Euro-Ticket.
  - We have adjusted the forecast for punctuality values downward, at DB Long-Distance significantly, at DB Regional and DB Cargo less clearly. This was mainly due to heavier capacity bottlenecks in infrastructure, primarily as a result of construction work, and greater expected demand for rail passenger transport.
- An improved forecast of adjusted EBIT is expected to result in ROCE recovering somewhat more strongly.

ADDITIONAL KEY FIGURES FOR INCOME, FINANCIAL AND ASSETS SITUATION

ANTICIPATED DEVELOPMENT / € billion	2021	2022 (Mar forecast)	2022 (Jul forecast)
Revenues adjusted	47.3	> 48	> 54
EBIT adjusted	- 1.6	> 0	> 1
Gross capital expenditures	15.4	> 16	> 16
Net capital expenditures	6.3	> 6.5	> 6.5
Maturities	2.2	2.2	2.2
Bond issues (senior)	4.9	< 5	< 4
Net financial debt as of Dec 31	29.1	> 30	> 30

Based on the development to date and the current estimates for the second half of 2022, we have partially adjusted our expectations:

- Driven mainly by DB Schenker, revenues and adjusted net profit and loss will increase significantly more than previously expected.
- As a result of the more positive expectations regarding net profit, bond issues are expected to be somewhat lower than previously expected.

ADDITIONAL KEY FIGURES FOR THE GREEN TRANSFORMATION

ANTICIPATED DEVELOPMENT	2021	2022 (Mar forecast)	2022 (Jul forecast)
Specific greenhouse gas emissions compared to 2006 [1] (%)	- 36.1	-39.2	-39.9
Track kilometers noise remediated in total as of Dec 31 (km)	2,110	2,200	2,200
Recycling rate (%)	96.2	> 95	> 95

[1] Excluding DB Arriva.

- Our expectations for the reduction of specific greenhouse gas emissions compared to 2006 have increased significantly due to more positive developments in land transport, particularly at DB Schenker, as well as in air and ocean freight.
- The expectations for track kilometers noise remediated in total and the recycling rate remain unchanged.

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.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF INCOME

FOR THE PERIOD JAN 1 THROUGH JUN 30 / € million	H 1 2022	H 1 2021	2021
Revenues	27,968	21,784	47,075
Inventory changes and other internally produced and capitalized assets	1,923	1,805	3,884
Overall performance	29,891	23,589	50,959
Other operating income	1,710	1,420	5,901
Cost of materials	-16,502	-12,706	-28,419
Personnel expenses	-10,029	-9,409	-19,219
Depreciation and impairments	-1,946	-1,876	-3,804
Other operating expenses	-2,343	-2,092	-5,716
Operating income (EBIT)	**781**	**-1,074**	**-298**
Result of investments accounted for using the equity method	-2	-4	-10
Net interest income	-184	-233	-528
Other financial result	87	5	48
Financial result	**-99**	**-232**	**-490**
Profit/loss before taxes on income	**682**	**-1,306**	**-788**
Taxes on income	-258	-122	-123
Net profit/loss	**424**	**-1,428**	**-911**
Net profit/loss			
thereof net loss attributable to shareholder of Deutsche Bahn AG	400	-1,443	-946
thereof remuneration entitlement of hybrid capital investors	13	13	26
thereof net profit/loss attributable to non-controlling interests	11	2	9
Earnings per share (€ per share)			
Undiluted	0.93	-3.36	-2.20
Diluted	0.93	-3.36	-2.20

Reconciliation of consolidated comprehensive income

FOR THE PERIOD JAN 1 THROUGH JUN 30 / € million	H 1 2022	H 1 2021	2021
Net profit/loss	424	-1,428	-911
Changes due to the revaluation of defined benefit plans	2,013	1,318	1,482
Changes in profit/loss items recorded in equity, which are not reclassified to the statement of income	2,013	1,318	1,482
Changes resulting from currency translation	116	32	101
Changes resulting from market valuation of securities/reclassifications of cash flow hedges	0	0	0
Changes resulting from market valuation of cash flow hedges	467	115	91
Share of profit items not recognized in the income statement due to investments accounted for using the equity method	-6	4	3
Changes in profit/loss items recorded in equity, which are reclassified to the statement of income	577	151	195
Balance of profit/loss items covered directly in equity (before taxes)	**2,590**	**1,469**	**1,677**
Deferred tax liabilities from the revaluation of defined benefit plans	-146	-26	-51
Changes in deferred tax liabilities on profit items recognized directly in equity, which are not reclassified to the income statement	**-146**	**-26**	**-51**
Deferred tax liabilities relating to the change in the market valuation of cash flow hedges	-16	1	-7
Changes in deferred tax liabilities on profit items recognized directly in equity, which are reclassified to the income statement	**-16**	**1**	**-7**
Balance of profit/loss items recognized directly in equity (after taxes)	**2,428**	**1,444**	**1,619**
Comprehensive income	**2,852**	**16**	**708**
Comprehensive income			
thereof comprehensive income attributable to shareholder of Deutsche Bahn AG	2,828	1	674
thereof remuneration entitlement of hybrid capital investors	13	13	26
thereof comprehensive income attributable to non-controlling interests	11	2	8

CONSOLIDATED BALANCE SHEET

Assets

€ million	Jun 30, 2022	Dec 31, 2021	Jun 30, 2021
NON-CURRENT ASSETS			
Property, plant and equipment	50,756	50,100	48,507
Intangible assets	2,411	2,387	2,335
Investments accounted for using the equity method	450	461	463
Other investments and securities	127	99	67
Receivables and other assets	1,951	1,441	1,212
Derivative financial instruments	714	356	167
Deferred tax assets	1,246	1,305	1,158
	57,655	**56,149**	**53,909**
CURRENT ASSETS			
Inventories	2,154	2,155	2,055
Other investments and securities	1	1	1
Trade receivables	7,282	6,476	5,614
Other receivables and other assets	2,345	2,358	2,163
Income tax receivables	80	63	57
Derivative financial instruments	271	50	52
Cash and cash equivalents	3,827	4,591	3,434
Held-for-sale assets	441	0	0
	16,401	**15,694**	**13,376**
Total assets	**74,056**	**71,843**	**67,285**

Liabilities

€ million	Jun 30, 2022	Dec 31, 2021	Jun 30, 2021
EQUITY			
Subscribed capital	2,150	2,150	2,150
Reserves	3,406	978	– 1,872
Generated profits	5,759	5,357	4,859
Equity attributable to shareholder of Deutsche Bahn AG	**11,315**	**8,485**	**5,137**
Non-controlling interests	139	134	132
Hybrid capital	2,005	2,002	2,005
	13,459	**10,621**	**7,274**
NON-CURRENT LIABILITIES			
Financial debt	31,674	30,322	28,738
Other liabilities	440	341	375
Derivative financial instruments	243	200	232
Pension obligations	3,435	5,031	5,343
Other provisions	3,004	3,163	2,537
Deferred items	451	406	408
Deferred tax liabilities	263	168	161
	39,510	**39,631**	**37,794**
CURRENT LIABILITIES			
Financial debt	3,526	4,164	7,228
Trade liabilities	7,617	8,097	6,672
Other liabilities	4,108	3,883	3,711
Income tax liabilities	323	252	234
Derivative financial instruments	28	19	15
Other provisions	4,358	4,333	3,556
Deferred items	915	843	801
Held-for-sale liabilities	212	–	–
	21,087	**21,591**	**22,217**
Total assets	**74,056**	**71,843**	**67,285**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD JAN 1 THROUGH JUN 30 / € million	H 1		
	2022	2021	2021
Profit / loss before taxes on income	682	- 1,306	- 788
Depreciation on property, plant and equipment and intangible assets	1,946	1,876	3,804
Write-ups / write-downs on non-current financial assets	- 27	1	- 32
Result of disposal of property, plant and equipment and intangible assets	- 126	- 14	123
Result of disposal of financial assets	6	0	- 4
Result of the sale of consolidated companies	-	-	0
Interest and dividend income	- 62	- 34	- 57
Interest expenses	246	268	583
Foreign currency result	- 67	- 11	- 27
Result of investments accounted for using the equity method	2	4	10
Other non-cash expenses and income [1]	573	708	2,786
Changes in inventories, receivables and other assets	- 1,648	- 1,001	- 2,372
Changes in liabilities, provisions and deferred items	332	- 189	616
Cash generated from operating activities	1,857	302	4,642
Interest received	26	18	40
Received (+) / paid (-) dividends and capital distribution	6	6	- 3
Interest paid	- 185	- 219	- 524
Paid (-) / reimbursed (+) taxes on income	- 206	- 97	- 255
Cash flow from operating activities	**1,498**	**10**	**3,900**
Proceeds from the disposal of property, plant and equipment and intangible assets	197	116	213
Payments for capital expenditures in property, plant and equipment and intangible assets	- 5,165	- 5,228	- 14,182
Proceeds from investment grants	2,662	2,891	9,045
Payments for repaid investment grants	- 81	- 37	- 43
Receipts of payment from the sale and disposal of financial assets	25	0	82
Payments for investments in financial assets	- 164	- 12	- 185
Proceeds from sale of shares in consolidated companies less net cash and cash equivalents sold	-	-	0
Payments for acquisition of shares in consolidated companies less net cash and cash equivalents acquired	- 5	- 21	- 45
Proceeds from disposal of investments accounted for using the equity method	0	0	0
Payments for additions of investments accounted for using the equity method	- 1	- 1	- 1
Cash flow from investing activities	**- 2,532**	**- 2,292**	**- 5,116**
Proceeds from capital injections	-	0	2,675
Distribution of profits to non-controlling interests and hybrid capital investors	- 15	- 12	- 33
Payments for redemption of leasing liabilities	- 526	- 581	- 1,164
Payments for the settlement of IFRIC 12 leasing liabilities	- 8	-	- 25
Proceeds from issue of senior bonds	2,027	2,648	4,860
Payments for redemption of senior bonds	- 796	- 882	- 1,832
Payments for redemption and repayment of interest-free loans	- 156	- 157	- 157
Proceeds from borrowings and commercial paper [2]	3	1,265	187
Payments for redemption of borrowings and commercial paper [2]	- 273	- 17	- 2,202
Cash flow from financing activities	**256**	**2,264**	**2,309**
Net changes in cash and cash equivalents	**- 778**	**- 18**	**1,093**
Cash and cash equivalents as of Jan 1	4,591	3,411	3,411
Change in cash and cash equivalents of non-current assets for sale	- 14	-	-
Changes in cash and cash equivalents due to changes in exchange rates	28	41	87
Cash and cash equivalents as of Jun 30 / Dec 31	**3,827**	**3,434**	**4,591**

[1] Including additions to other provisions.
[2] Including changes in current bank debt between reporting dates.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Subscribed capital	Reserves							Generated profits	Equity attributable to shareholders of Deutsche Bahn AG	Hybrid capital	Non-controlling interests	Equity
		Capital reserve	Currency translation	Fair value valuation of securities	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	–	–	–	–	–	–	–	–	–	–	–	–	–
− Capital decrease	–	–	–	–	–	–	–	–	–	–	–	–	–
− Dividend payment/remuneration hybrid capital	–	–	–	–	–	–	–	–	–	–	-10	-2	**-12**
± Withdrawal from capital reserve	–	–	–	–	–	–	–	–	–	–	–	–	–
± Other changes	–	–	–	–	–	–	–	–	–	–	–	0	**0**
± Comprehensive income	–	–	32	4	116	1,292	–	**1,444**	-1,443	**1**	13	2	**16**
thereof net profit/loss (after taxes)	–	–	–	–	–	–	–	–	-1,443	**-1,443**	13	2	**-1,428**
thereof currency effects	–	–	32	–	–	–	–	**32**	–	**32**	–	0	**32**
thereof deferred tax liabilities	–	–	–	–	1	-26	–	**-25**	–	**-25**	–	–	**-25**
thereof market valuation/reclassification	–	–	–	0	115	–	–	**115**	–	**115**	–	–	**115**
thereof revaluation of defined benefit plans	–	–	–	–	–	1,318	–	**1,318**	–	**1,318**	–	–	**1,318**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	4	–	–	–	**4**	–	**4**	–	–	**4**
As of Jun 30, 2021	**2,150**	**871**	**-43**	**6**	**-55**	**-2,638**	**-13**	**-1,872**	**4,859**	**5,137**	**2,005**	**132**	**7,274**

€ million	Subscribed capital	Reserves							Generated profits	Equity attributable to shareholders of Deutsche Bahn AG	Hybrid capital	Non-controlling interests	Equity
		Capital reserve	Currency translation	Fair value valuation of securities	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	–	–	–	–	–	–	–	–	–	–	–	–	–
− Capital decrease	–	–	–	–	–	–	–	–	–	–	–	–	–
− Dividend payment/remuneration hybrid capital	–	–	–	–	–	–	–	–	–	–	-10	-5	**-15**
± Withdrawal from capital reserve	–	–	–	–	–	–	–	–	–	–	–	–	–
± Other changes	–	–	–	–	–	–	–	–	2	**2**	–	-1	**1**
± Comprehensive income	–	–	116	-6	451	1,867	–	**2,428**	400	**2,828**	13	11	**2,852**
thereof net profit (after taxes)	–	–	–	–	–	–	–	–	400	**400**	13	11	**424**
thereof currency effects	–	–	116	–	–	–	–	**116**	–	**116**	–	0	**116**
thereof deferred tax liabilities	–	–	–	–	-16	-146	–	**-162**	–	**-162**	–	–	**-162**
thereof market valuation/reclassification	–	–	–	0	467	–	–	**467**	–	**467**	–	–	**467**
thereof revaluation of defined benefit plans	–	–	–	–	–	2,013	–	**2,013**	–	**2,013**	–	–	**2,013**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	-6	–	–	–	**-6**	–	**-6**	–	–	**-6**
As of Jun 30, 2022	**2,150**	**3,546**	**141**	**-1**	**364**	**-632**	**-12**	**3,406**	**5,759**	**11,315**	**2,005**	**139**	**13,459**

SEGMENT INFORMATION ACCORDING TO SEGMENTS

JAN 1 THROUGH JUN 30 OR RESPECTIVELY AS OF JUN 30 / € million	DB Long-Distance [1]		DB Regional		DB Cargo		DB Netze Track		DB Netze Stations		DB Netze Energy	
	2022	2021	**2022**	2021	**2022**	2021 [2]	**2022**	2021	**2022**	2021	**2022**	2021
External revenues	2,052	996	4,433	3,902	2,521	2,388	995	966	300	243	1,051	695
Internal revenues	64	58	54	52	110	116	2,121	1,972	397	382	895	763
Total revenues	2,116	1,054	4,487	3,954	2,631	2,504	3,116	2,938	697	625	1,946	1,458
Other external income [1]	287	107	179	161	214	213	474	345	54	42	7	14
Other internal income	31	36	47	52	20	16	107	98	16	14	6	19
Inventory changes and other internally produced and capitalized assets	3	6	29	27	20	13	693	637	61	55	14	14
Total income	2,437	1,203	4,742	4,194	2,885	2,746	4,390	4,018	828	736	1,973	1,505
Cost of materials	-1,470	-1,323	-3,020	-2,765	-1,674	-1,522	-1,123	-1,052	-326	-326	-1,768	-1,292
Personnel expenses	-619	-595	-1,176	-1,120	-969	-931	-1,834	-1,736	-236	-221	-76	-73
Other operating expenses	-339	-260	-333	-352	-341	-314	-599	-581	-124	-122	-53	-59
EBITDA	**9**	**-975**	**213**	**-43**	**-99**	**-21**	**834**	**649**	**142**	**67**	**76**	**81**
Depreciation [4]	-204	-169	-316	-316	-200	-183	-338	-347	-81	-74	-41	-41
Impairments recognized/reversed [4]	–	–	-1	0	0	0	0	0	0	–	–	–
EBIT (operating profit/loss)	**-195**	**-1,144**	**-104**	**-359**	**-299**	**-204**	**496**	**302**	**61**	**-7**	**35**	**40**
Operating interest balance [5]	-16	-15	-24	-20	-30	-28	-47	-61	-4	-16	-4	-7
Operating income after interest [5]	**-211**	**-1,159**	**-128**	**-379**	**-329**	**-232**	**449**	**241**	**57**	**-23**	**31**	**33**
Property, plant and equipment	7,169	5,952	5,886	6,213	3,013	3,033	22,219	21,105	3,779	3,545	1,125	1,146
+ Intangible assets	59	57	70	44	208	191	217	188	66	54	2	8
thereof goodwill	0	0	6	5	0	4	11	12	–	–	–	–
+ Inventories	203	181	575	561	197	205	256	243	0	0	191	91
+ Trade receivables [6]	28	32	1,014	859	653	565	150	128	45	45	211	127
+ Receivables and other assets (not including receivables from plan assets) [6]	228	222	1,066	839	249	206	485	353	33	42	219	164
– Receivables from financing and earmarked bank deposits [6]	–	–	–	–	–	–	–	–	–	–	–	–
+ Income tax receivables	–	–	0	0	4	2	0	–	–	–	0	0
+ Held-for-sale assets [6]	–	–	–	–	–	–	–	–	–	–	–	–
– Trade liabilities [6]	-299	-343	-698	-852	-450	-462	-606	-526	-72	-71	-542	-388
– Miscellaneous and other liabilities [6]	-207	-182	-1,014	-774	-388	-350	-700	-651	-198	-240	-44	-54
– Income tax liabilities	–	0	-1	-1	-4	-3	–	–	-2	0	–	–
– Other provisions	-26	-29	-2,691	-2,315	-166	-199	-940	-483	-36	-29	-29	-28
– Deferred items	-548	-420	-297	-251	-15	-17	-168	-168	-102	-104	-1	-1
– Deferred liabilities [6]	-99	-88	-191	-193	-198	-191	-292	-281	-25	-23	-11	-10
– Held-for-sale liabilities [6]	–	–	–	–	–	–	–	–	–	–	–	–
Capital employed [7]	**6,508**	**5,382**	**3,719**	**4,130**	**3,103**	**2,980**	**20,621**	**19,908**	**3,488**	**3,219**	**1,121**	**1,055**
Net financial debt	4,100	4,060	1,116	1,893	2,920	2,788	9,885	10,651	854	1,688	696	633
Investments accounted for using the equity method	0	0	5	5	28	35	2	2	0	0	–	0
Result from investments accounted for using the equity method	0	0	0	0	1	3	–	0	–	–	–	–
Gross capital expenditures	793	675	150	259	132	179	3,019	3,155	490	491	102	127
Investment grants received	–	–	-5	-13	-15	-1	-2,301	-2,430	-245	-349	-75	-89
Net capital expenditures	**793**	**675**	**145**	**246**	**117**	**178**	**718**	**725**	**245**	**142**	**27**	**38**
Additions due to changes in the scope of consolidation (acquisition of companies)	–	–	–	–	–	–	–	27	–	–	–	–
Employees [8]	18,852	19,026	37,594	37,350	30,931	30,877	51,976	51,347	6,992	6,778	1,905	1,890

[1] In the first half of 2022, train-path price support of € 207 million was recorded in adjusted EBIT unlike in the 2021 financial statements.
[2] Figures adjusted; see section **Changes in segment allocation** 70.
[3] Relating to special items and reclassification PPA amortization of customer contracts as well as the reconciliation of capital employed to the external figures.
[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] Profit transfer agreements were not assigned to segment assets or liabilities.
[8] 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 [3]		**Integrated Rail System**		DB Arriva		DB Schenker		Consolidation other		**DB Group adjusted**		Reconciliation [3]		**DB Group**	
2022	2021	**2022**	2021	**2022**	**2021 [2]**	**2022**	2021	**2022**	2021 [2]	**2022**	2021 [2]	**2022**	**2021**	**2022**	2021	**2022**	**2021**
314	270	–	–	**11,666**	**9,460**	2,174	1,930	14,129	10,396	–	–	**27,969**	**21,786**	-1	-2	**27,968**	**21,784**
2,476	2,346	-6,056	-5,619	**61**	**70**	1	1	33	36	-95	-107	**–**	**–**	–	–	**–**	**–**
2,790	2,616	-6,056	-5,619	**11,727**	**9,530**	2,175	1,931	14,162	10,432	-95	-107	**27,969**	**21,786**	-1	-2	**27,968**	**21,784**
204	195	–	–	**1,419**	**1,077**	143	219	118	100	29	7	**1,709**	**1,403**	1	17	**1,710**	**1,420**
760	598	-928	-809	**59**	**24**	0	0	6	3	-65	-27	**–**	**–**	–	–	**–**	**–**
503	503	594	545	**1,917**	**1,800**	5	3	1	2	–	–	**1,923**	**1,805**	–	–	**1,923**	**1,805**
4,257	3,912	-6,390	-5,883	**15,122**	**12,431**	2,323	2,153	14,287	10,537	-131	-127	**31,601**	**24,994**	–	15	**31,601**	**25,009**
-1,541	-1,425	5,060	4,699	**-5,862**	**-5,006**	-809	-685	-9,902	-7,065	71	74	**-16,502**	**-12,682**	0	-24	**-16,502**	**-12,706**
-2,041	-1,945	–	84	**-6,951**	**-6,537**	-1,039	-1,047	-1,968	-1,765	–	–	**-9,958**	**-9,349**	-71	-60	**-10,029**	**-9,409**
-724	-528	1,318	1,138	**-1,195**	**-1,078**	-278	-255	-931	-801	67	54	**-2,337**	**-2,080**	-6	-12	**-2,343**	**-2,092**
-49	**14**	**-12**	**38**	**1,114**	**-190**	**197**	**166**	**1,486**	**906**	**7**	**1**	**2,804**	**883**	**-77**	**-81**	**2,727**	**802**
-279	-277	36	31	**-1,423**	**-1,376**	-204	-196	-301	-286	1	1	**-1,927**	**-1,857**	-14	-18	**-1,941**	**-1,875**
–	–	–	–	**-1**	**0**	-1	-1	1	0	–	–	**-1**	**-1**	-4	–	**-5**	**-1**
-328	**-263**	**24**	**69**	**-310**	**-1,566**	**-8**	**-31**	**1,186**	**620**	**8**	**2**	**876**	**-975**	**-95**	**-99**	**781**	**-1,074**
-68	-47	–	–	**-193**	**-194**	-17	-13	-29	-28	–	–	**-239**	**-235**	–	–	**–**	**–**
-396	**-310**	**24**	**69**	**-503**	**-1,760**	**-25**	**-44**	**1,157**	**592**	**8**	**2**	**637**	**-1,210**	**–**	**–**	**–**	**–**
3,136	3,033	-834	-799	**45,493**	**43,228**	2,120	2,414	3,164	2,887	-21	-22	**50,756**	**48,507**	–	–	**50,756**	**48,507**
281	288	-79	-65	**824**	**765**	145	199	1,443	1,372	-1	-1	**2,411**	**2,335**	–	–	**2,411**	**2,335**
28	28	–	–	**45**	**49**	0	0	1,210	1,129	–	-1	**1,255**	**1,177**	–	–	**1,255**	**1,177**
717	671	-71	-69	**2,068**	**1,883**	79	89	7	83	–	–	**2,154**	**2,055**	–	–	**2,154**	**2,055**
351	342	–	–	**2,452**	**2,098**	299	304	4,466	3,184	–	–	**7,217**	**5,586**	65	28	**7,282**	**5,614**
1,011	1,004	-1,298	-1,217	**1,993**	**1,613**	756	561	1,262	925	-233	-222	**3,778**	**2,877**	47	498	**3,825**	**3,375**
–	–	–	–	**–**	**–**	–	–	–	–	–	–	**–**	**–**	-553	-525	**-553**	**-525**
5	5	–	–	**9**	**7**	8	11	63	39	–	–	**80**	**57**	–	–	**80**	**57**
–	–	–	–	**–**	**–**	–	–	–	–	–	–	**–**	**–**	441	–	**441**	**–**
-672	-630	–	–	**-3,339**	**-3,272**	-635	-661	-3,460	-2,641	–	–	**-7,434**	**-6,574**	-183	-98	**-7,617**	**-6,672**
-918	-794	1,293	1,215	**-2,176**	**-1,830**	-383	-305	-757	-611	232	222	**-3,084**	**-2,524**	-1,464	-1,562	**-4,548**	**-4,086**
-33	-31	2	–	**-38**	**-35**	-52	-59	-240	-150	7	10	**-323**	**-234**	–	–	**-323**	**-234**
-2,759	-2,276	21	7	**-6,626**	**-5,352**	-291	-335	-452	-397	7	-9	**-7,362**	**-6,093**	–	–	**-7,362**	**-6,093**
-51	-46	4	2	**-1,178**	**-1,005**	-175	-190	-13	-14	–	–	**-1,366**	**-1,209**	–	–	**-1,366**	**-1,209**
-352	-338	–	81	**-1,168**	**-1,043**	-169	-182	-522	-434	–	–	**-1,859**	**-1,659**	1,859	1,659	**–**	**–**
–	–	–	–	**–**	**–**	–	–	–	–	–	–	**–**	**–**	-212	–	**-212**	**–**
716	**1,228**	**-962**	**-845**	**38,314**	**37,057**	**1,702**	**1,846**	**4,961**	**4,243**	**-9**	**-22**	**44,968**	**43,124**	**–**	**–**	**44,968**	**43,124**
8,626	7,677	–	–	**28,197**	**29,390**	1,177	1,108	1,130	1,504	–	–	**30,504**	**32,002**	–	–	**30,504**	**32,002**
356	354	–	–	**391**	**396**	48	54	11	13	–	–	**450**	**463**	–	–	**450**	**463**
-4	-7	–	–	**-3**	**-4**	0	-1	1	1	–	–	**-2**	**-4**	–	–	**-2**	**-4**
290	327	7	–	**4,983**	**5,213**	120	88	299	249	–	–	**5,402**	**5,550**	–	–	**5,402**	**5,550**
-4	0	–	–	**-2,645**	**-2,882**	-17	-9	–	–	–	–	**-2,662**	**-2,891**	–	–	**-2,662**	**-2,891**
286	**327**	**7**	**–**	**2,338**	**2,331**	**103**	**79**	**299**	**249**	**–**	**–**	**2,740**	**2,659**	**–**	**–**	**2,740**	**2,659**
–	–	–	–	**–**	**27**	–	–	7	–	–	–	**7**	**27**	–	–	**7**	**27**
58,975	58,187	–	–	**207,225**	**205,455**	41,877	44,345	75,424	73,840	–	–	**324,526**	**323,640**	–	–	**324,526**	**323,640**

Information by regions

FOR THE PERIOD JAN 1 THROUGH JUN 30 / € 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	14,051	11,254	47,131	44,771	39,127	37,819	4,977	5,200	2,344	2,319	211,330	209,903
Europe (excluding Germany)	8,121	6,673	5,409	5,646	4,572	4,425	335	271	306	261	83,137	84,686
Asia/Pacific	3,120	2,213	1,338	1,125	1,440	1,252	62	64	62	64	17,217	16,836
North America	2,208	1,285	291	244	709	511	16	9	16	9	9,267	8,850
Rest of world	469	361	38	39	98	76	5	7	5	7	3,575	3,365
Consolidation	–	–	-934	-887	-978	-959	7	-1	7	-1	–	–
DB Group adjusted	**27,969**	**21,786**	**53,273**	**50,938**	**44,968**	**43,124**	**5,402**	**5,550**	**2,740**	**2,659**	**324,526**	**323,640**
Reconciliation	-1	-2	–	–	–	–	–	–	–	–	–	–
DB Group	**27,968**	**21,784**	**53,273**	**50,938**	**44,968**	**43,124**	**5,402**	**5,550**	**2,740**	**2,659**	**324,526**	**323,640**

[1] As of the balance sheet date.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basic principles and methods

The unaudited and condensed interim financial statements as of June 30, 2022, are prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the European Union (EU) and their interpretation by the IFRS Interpretations Committee. The requirements of IAS 34 (Interim Financial Reporting) have been followed. The accounting and valuation policies underlying the 2021 consolidated financial statements have been applied consistently to these interim financial statements.

Comparability with the first half of 2021

After giving due consideration to the following issues, the financial information presented for the first half of 2022 is comparable with the financial information for the first half of 2021 (in particular, in connection with the Covid-19 pandemic and the war in Ukraine).

ACCOUNTING AND VALUATION METHODS

There were no other new standards, interpretations or amendments to IAS/IFRS standards which were significant for Deutsche Bahn Group (DB Group) nor which were the subject of mandatory adoption within the reporting period.

CHANGES IN SEGMENT ALLOCATION

As of January 1, 2022, the Full Load Solutions (FLS, bundling of large-volume full load transport services in the European land transport network) business area 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 figures for the first half of 2021 in the segment report were adjusted accordingly.

INFORMATION REGARDING MATERIAL EVENTS AND BUSINESS TRANSACTIONS IN CONNECTION WITH THE COVID-19 PANDEMIC

As was the case in the first half of 2021, the first half of 2022 also experienced considerable effects arising from the progression of the Covid-19 pandemic. As the situation began to improve in the first half of 2022, revenues improved in almost all segments and largely reached or even exceeded pre-Covid-19 levels. In the DB Schenker segment, revenues increased considerably compared with the first half of 2021, namely to € 14,162 million (in the first half of 2021: € 10,432 million[1]), and also exceeded pre-Covid-19 levels. In DB Group, revenues in the first half of 2022 amounted to € 27,968 million (in the first half of 2021: € 21,784 million). For further information, please refer to the disclosures on revenues from contracts with customers (IFRS 15).

Within the framework of various state support programs, Federal grants were awarded to DB Group in connection with the Covid-19 pandemic. These grants were extended to individual subsidiaries of DB Group to, for instance, maintain passenger services, particularly in the segments DB Regional and DB Arriva. If they are not concession fees, these grants are disclosed in DB Group mainly under other operating income. In the first half of 2022, income from Federal grants increased to a total of € 491 million (in the first half of 2021: € 463 million).

As a result of the positive business development and Federal support measures, EBIT improved significantly in the financial year to € 781 million (in the first half of 2021: € –1,074 million); cash flow from operating activities increased significantly to € 1,498 million (in the first half of 2021: € 10 million).

INFORMATION REGARDING MATERIAL EVENTS AND BUSINESS TRANSACTIONS IN CONNECTION WITH THE WAR IN UKRAINE

Despite price hedging in the first half of 2022, energy price rises due to the war in Ukraine could not be fully compensated for, and resulted in increased ongoing costs of materials.

[1] Previous year's figure adjusted; see section "Changes in segment allocation."

Some subsidiaries with their headquarters in Ukraine and Russia saw significant revenue decreases in some cases due to the limited business activities. However, this does not result in any material effects for DB Group as a whole. In addition, balance sheet losses could arise from the deconsolidation of subsidiaries located there if control no longer exists due to the restriction of substantive rights. At the present time, however, control by DB Group is assumed. As of the balance sheet date, there was no need to make material impairments from receivables for expected credit losses in these countries.

We do not currently see any indications of impairment at the cash-generating unit level in connection with the 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.

ESTIMATE AND FORECAST UNCERTAINTIES

As a result of the Covid-19 pandemic and the war in Ukraine, and also in view of the fact that it is very difficult to foresee the consequences in the first half of 2022, estimates and forecasts in the first half of 2022 are subject to a particular degree of uncertainty.

This applies, for instance, for determining provisions for loss-making passenger transport contracts, determining the valuation for doubtful receivables or for assessing possible impairments of assets.

LIQUIDITY MANAGEMENT AND GOING-CONCERN ASSUMPTION

In view of the unrestricted access of DB Group to the capital market and the financing commitments for infrastructure which have been agreed, the going-concern assumption applies to DB Group for the foreseeable future without any restrictions.

STATEMENT OF CASH FLOWS

Since December 31, 2021, of the financial receivables and earmarked bank deposits recognized, only the cash flows from cash securities for derivative financial instruments (credit support agreements; CSA) are allocated to cash flow from financing activities. Receivables from financing to third parties and the cash changes to receivables from transport concessions are shown under cash flow from investing activities (payments for investments in financial assets). The remaining financial receivables (in particular, finance lease receivables) were allocated to cash flow from operating activities.

As a result, the inflow of funds from financing activities decreased in the year under review by € 29 million and the outflow of funds from investing activities decreased by € 53 million, while cash flow from operating activities increased by € 82 million.

SCOPE OF CONSOLIDATION

Movements in the scope of fully consolidated companies of DB Group are detailed in the following:

	Germany Jun 30, 2022	Rest of world Jun 30, 2022	Total Jun 30, 2022	Total Jun 30, 2021	Total Dec 31, 2021
FULLY CONSOLIDATED SUBSIDIARIES					
As of Jan 1	113	410	**523**	**519**	**519**
Additions	1	3	**4**	**1**	**8**
Additions due to changes in type of incorporation	0	0	**0**	**0**	**1**
Disposals	-1	-11	**-12**	**0**	**-5**
Disposals due to changes in type of incorporation	0	0	**0**	**0**	**0**
As of Jun 30 / Dec 31	**113**	**402**	**515**	**520**	**523**

Additions of companies

In the first half of 2022, DB Group spent a net of € 5 million (in the first half of 2021: net € 21 million) on acquisitions of companies in accordance with IFRS 3. This relates to the following company:

COMPANY	Activities	Segment
Bitergo GmbH, Dortmund (Bitergo)	Services and products for warehouse management and transport management	DB Schenker, from May 31, 2022

The additions continued to include the formations of two companies and one acquisition in which no business operations within the meaning of IFRS 3 were acquired. This is not a business combination within the meaning of IFRS 3.

These acquisitions were not of a material nature for DB Group.

Goodwill is to a large extent substantiated by the synergy effects expected for the period after the acquisition. This resulted in the following findings:

€ million	2022	thereof Bitergo
PURCHASE PRICE		
Payments made	5	5
+ Outstanding purchase price payments	–	–
Total transferred equivalent	**5**	**5**
− Fair value of net assets acquired	4	4
Goodwill	**1**	**1**

From the time of initial consolidation, Bitergo has generated revenue of € 0 million and a net profit of € 0 million.

Disposals of companies and parts of companies

The disposals from the scope of consolidation relate to one merger and 11 liquidations.

Effects on the consolidated statement of income

Overall, the effects of the changes in the scope of consolidation on the consolidated statement of income which have occurred compared with the first half of 2021 were not of a material nature.

Information regarding the changes in financial liabilities (IAS 7)

€ million	**Jan 1, 2022**	Jan 1, 2021	Cash-effective changes (inflow [+]/ outflow [–]) **Jun 30, 2022**	Jun 30, 2021	Non-cash-effective changes: Acquisition (+)/ sale (–) of companies **Jun 30, 2022**	Jun 30, 2021	Effects from changes in exchange rates **Jun 30, 2022**	Jun 30, 2021	Addition (+)/ sale (–) of liabilities and financial receivables **Jun 30, 2022**	Jun 30, 2021	Compounding [1] **Jun 30, 2022**	Jun 30, 2021	**Jun 30, 2022**	Jun 30, 2021
Financial receivables and earmarked bank deposits	- 83	- 856	- 14	120	–	–	–	10	–	- 37	–	–	- 97	- 763
LIABILITIES FROM FINANCING														
Interest-free loans	446	580	- 156	- 157	–	–	–	–	–	–	10	14	300	437
Senior bonds	27,403	24,021	1,231	1,766	–	–	55	83	–	–	9	8	28,698	25,878
Commercial paper	–	–	–	1,050	–	–	–	–	–	–	–	–	–	1,050
Bank borrowings	1,320	3,304	- 205	98	–	–	- 2	- 1	–	–	–	–	1,113	3,401
EUROFIMA loan	–	200	–	–	–	–	–	–	–	–	–	–	–	200
Leasing liabilities [1]	5,059	4,931	- 526	- 581	–	–	10	32	346	349	0	0	4,889	4,731
Liabilities from transport concessions	180	191	- 8	- 13	–	–	–	–	–	–	–	–	172	178
Other financial liabilities	78	97	- 51	- 7	1	1	0	0	0	–	–	–	28	91
Liabilities from financing	**34,486**	**33,324**	**285**	**2,156**	**1**	**1**	**63**	**114**	**346**	**349**	**19**	**22**	**35,200**	**35,966**
Total	**34,403**	**32,468**	**271**	**2,276**	**1**	**1**	**63**	**124**	**346**	**312**	**19**	**22**	**35,103**	**35,203**

[1] The outflow for leasing liabilities including interest paid amounted to € 566 million in the first half of 2022 (in the first half of 2021: € 621 million). This interest element is netted under compounding.

Information regarding held-for-sale assets (IFRS 5)

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 part of a company. Non-current held-for-sale assets are measured at the lower of the carrying amount or the fair value, less costs incurred. The disclosure concerned MTS Group with its parent company MTS HandelService GmbH on behalf of Intertec Beteiligungs-GmbH (DB Schenker segment) and five companies in Sweden from the DB Arriva segment; these five companies were sold on July 1, 2022.

Information concerning revenues from contracts with customers (IFRS 15) and public grants

Revenues of DB Group are broken down as follows:

€ million	**Jan 1 to Jun 30, 2022**	Jan 1 to Jun 30, 2021	2021
Revenues from freight and passenger transport services	24,952	19,279	41,683
thereof concession fees for rail transport	3,879	3,619	7,209
Revenues from operating rail infrastructure	1,118	1,086	2,224
Revenues from letting and leasing	193	147	332
Revenues from sales of material	1,277	891	2,202
Other revenues	464	395	860
Revenue discounts	- 36	- 14	- 226
Total	**27,968**	**21,784**	**47,075**

Revenues from freight and passenger transport services were generated mainly by companies operating in the DB Schenker, DB Regional, DB Cargo, DB Arriva and DB Long-Distance segments. Revenues from operating rail 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 sales of material were mainly generated in the DB Netze Energy and DB Schenker segments. Other revenues relate to virtually all segments.

The order book of customer contracts with contractually agreed outstanding revenues (secured revenues) was broken down as follows:

SECURED ORDER BOOK / € million	**Jun 30, 2022**	Dec 31, 2021	Jun 30, 2021
Passenger transport contracts	73,865	74,765	71,610
Logistics and freight transport contracts [1]	255	221	909
Other contracts [1]	1,293	1,195	727
Total	**75,413**	**76,181**	**73,246**

[1] Contracts with a duration of at least 12 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.

The significant decline in the order book for passenger transport contracts in the DB Arriva segment was not offset by the slight increase in the order book in the DB Regional segment. In terms of other contracts, there was a significant increase in the Subsidiaries/Other segment.

Order books of held-for-sale subsidiaries are only taken into account up to their planned date of sale. This particularly affected the five companies in the DB Arriva segment in Sweden as of the balance sheet date.

Claims relating to contractual assets[1] of € 78 million were recognized together with the other receivables and assets. Long-term contractual assets accounted for € 36 million.

[1] The contractual assets include claims relating to work-in-progress from long-term orders.

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 of € 1,213 million (thereof non-current: € 150 million) were shown under the trade liabilities and deferred items.

Public subsidies as part of the temporary reduction in ticket prices for nationwide regional and local passenger transport (9-Euro-Ticket) have not yet been recognized, as the contractual supplements and approvals have not yet been received.

Contingent receivables and liabilities, and guarantee obligations

Contingent receivables (as of June 30, 2022: € 19 million; as of December 31, 2021: € 26 million; as of June 30, 2021: € 29 million) mainly comprised a recovery claim in connection with construction grants which have been provided but which 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. Possible further public sector compensation payments in connection with the Covid-19 pandemic are not recognized in the contingent receivables, because – due to the lack of a legal basis – it is not possible to assess the time at which they occur, nor the extent to which they will occur.

As of the balance sheet date, 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 likelihood of refunds.

The contingent liabilities were broken down as follows:

€ million	Jun 30, 2022	Dec 31, 2021	Jun 30, 2021
Negotiation and transfer of bills of exchange	–	2	–
Provisions of warranties	0	0	–
Other contingent liabilities	108	109	136
Total	**108**	**111**	**136**

Other contingent liabilities also comprise risks arising from litigation which had not been stated as provisions because the expected probability of occurrence is less than 50 %.

There are also contingencies of € 15 million from guarantees as of June 30, 2022 (as of December 31, 2021: € 18 million; as of June 30, 2021: € 17 million). As of June 30, 2022, property, plant and equipment with carrying amounts of € 4 million (as of December 31, 2021: € 5 million; as of June 30, 2021: € 22 million) were also used as security for loans. The reported figure essentially related to vehicles used at the operating companies in the DB Arriva segment.

DB Group acts as guarantor mainly for equity participations and working groups (Arbeitsgemeinschaften), and is subject to joint and several liability for all working groups in which it holds a stake.

Information regarding the fair value of financial instruments

The carrying amounts of the cash and cash equivalents (as of June 30, 2022: € 3,827 million; as of December 31, 2021: € 4,591 million; as of June 30, 2021: € 3,434 million), trade receivables and other financial assets (as of June 30, 2022: € 10,343 million; as of December 31, 2021: € 9,462 million; as of June 30, 2021: € 8,268 million) approximate the fair values as of the balance sheet date.

The carrying amounts of the trade liabilities, the other and miscellaneous financial liabilities (as of June 30, 2022: € 9,657 million; as of December 31, 2021: € 9,684 million; as of June 30, 2021: € 8,485 million) as well as the current financial debt approximate the fair values as of the balance sheet date.

As of June 30, 2022, receivables and other assets amounted to € 1,235 million (as of December 31, 2021: € 813 million; as of June 30, 2021: € 721 million) to non-financial assets. As of June 30, 2022, of the total figure stated for other liabilities, € 2,508 million (as of December 31, 2021: € 2,637 million; as of June 30, 2021: € 2,273 million) to non-financial liabilities.

The fair value of the non-current financial debt amounted to € 28,213 million as of June 30, 2022 (as of December 31, 2021: € 31,403 million; as of June 30, 2021: € 30,544 million).

The derivative financial instruments recognized at fair value are classified under valuation level 2 and to a lesser extent under valuation level 1. There have been no reclassifications between the valuation levels in the first half of 2022.

Other financial commitments

Capital expenditures in relation to which DB Group has entered into contractual obligations as of the balance sheet date, but for which no consideration has yet been received, are broken down as follows:

€ million	Jun 30, 2022	Dec 31, 2021	Jun 30, 2021
COMMITTED CAPITAL EXPENDITURES FOR			
Property, plant and equipment	21,971	21,196	19,488
Intangible assets	38	35	34
Acquisition of financial assets	472	455	428
Total	**22,481**	**21,686**	**19,950**

The slight increase in the purchase commitment in property, plant and equipment was particularly due to the planned capital expenditure projects relating to own construction services and the procurement of new vehicles. 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 very good ratings. The purchase commitment for the acquisition of property, plant and equipment also contains future obligations for vehicles in connection with transport contracts to be recognized in accordance with IFRIC 12.

The acquisition of financial assets related to outstanding contributions for EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basel/Switzerland which have not been called in.

Related-party disclosures

Material economic relationships between DB Group and the Federal Republic of Germany (Federal Government) relate to liabilities due to the Federal Government arising from loans which have been extended (present value as of June 30, 2022: € 300 million; as of December 31, 2021: € 446 million; as of June 30, 2021: € 437 million). There are also service relationships arising from the fees paid to the Federal Government within the framework of pro forma billing[1] for the assigned civil servants, refunds of expenses for the secondment of service provision personnel as well as from investment grants which have been received. The guarantees received from the Federal Government primarily relate to the loans received from EUROFIMA as well as the outstanding contributions and liabilities arising from the collective liability of Deutsche Bahn AG (DB AG) with EUROFIMA.

Other disclosures

BOND ISSUES AND REDEMPTIONS

In the first half of 2022, the following senior bonds were issued by Deutsche Bahn Finance GmbH (DB Finance):

VOLUME OF ISSUE	Term (years)	Coupon (%)	Placing
AUD 300 million (€ 191 million)	20.0	3.350	Institutional investors, primarily in Asia
€ 200 million	5.0	0.791	Private placement
€ 750 million	12.0	1.375	Institutional investors in Europe
€ 900 million	8.0	1.875	Institutional investors, primarily in Europe and Asia

In the same period, a total of two senior DB Finance bonds (£ 400 million and € 300 million) which had become due were redeemed.

NO DIVIDEND PAYMENT TO THE FEDERAL GOVERNMENT

No dividend was paid to the Federal Government for the 2021 financial year.

NUMBER OF ISSUED SHARES

The number of issued shares is unchanged at 430,000,000.

DB SCHENKER INTENDS TO ACQUIRE US TRANSPORT PROVIDER USA TRUCK

DB Schenker and USA Truck Inc. (USA Truck), Van Buren/USA, announced an agreement on June 24, 2022, for DB Schenker to acquire all USA Truck shares in circulation.

Material events after the balance sheet date

CHANGES IN THE MANAGEMENT BOARD

Mr. Ronald Pofalla (Infrastructure Board division) prematurely terminated his Management Board contract on April 30, 2022.

With effect from July 1, 2022, Mr. Berthold Huber has been in charge of the Infrastructure Board division. Effective July 1, 2022, the Supervisory Board of DB AG resolved to split the Passenger Transportation Board division into the Regional Transport and Long-Distance Passenger Transport Board divisions. From this date, Ms. Evelyn Palla took over the Regional Transport Board division and Dr. Michael Peterson took over the Long-Distance Passenger Transport Board division.

CHANGES IN THE SUPERVISORY BOARD

The Chairman of the Supervisory Board, Mr. Michael Odenwald, will resign at his own request at the end of July 2022.

Berlin, July 21, 2022

Deutsche Bahn Aktiengesellschaft
The Management Board

[1] For the work of the allocated civil servants, DB AG reimburses to the Federal Railroad Fund (Bundeseisenbahnvermögen; BEV) those costs which would be incurred if an employee covered by collective bargaining arrangements were to be an employee instead of an allocated civil servant.

CONTACT INFORMATION

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This Integrated Interim Report was published on July 28, 2022 (copy deadline: July 22, 2022) and is available online at db.de/zb-e.

The Integrated Interim Reports and Integrated Reports of Deutsche Bahn Group and the Annual Financial Statements of Deutsche Bahn AG are published in German and English.

The Integrated Interim Reports and Integrated Reports of Deutsche Bahn Group, the Annual Financial Statements of Deutsche Bahn AG, the Annual Reports of DB Fernverkehr AG, DB Regio 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 at db.de/reports.

CORPORATE COMMUNICATIONS

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DB SERVICE NUMBERS

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) 30.297-0. Information about fares and timetables, information about Deutsche Bahn services and the BahnCard.
- **Mobility service center:** +49 (0) 30.65212888. Contact for planning accessible travel.
- **Passenger rights service center:** +49 (0) 30.586020920. Information on fare reimbursements within the scope of the EU Regulation on Rail Passengers' Rights and Obligations.
- **Lost and found:** +49 (0) 3.586020909. Report lost or found objects on the train or in the station.

Customers can find answers to frequently asked questions and other contact options at bahn.com/en/contact.

SOCIAL MEDIA

DB Group

DB Group has an extensive 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 and Twitter.

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® C016267
www.fsc.org

Mineral oil-free ink.
This report was printed using mineral oil-free ink 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 being 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

March 30, 2023

Annual Results Press Conference,
publication of the 2022 Integrated Report

July 27, 2023

Interim Results Press Conference,
publication of the Integrated Interim Report January–June 2023

IMPRINT
Edited by: Deutsche Bahn AG, Investor Relations and Sustainable Finance, Berlin
Design and typesetting: Studio Delhi, Mainz
Proofreading: AdverTEXT, Düsseldorf
Lithography: Koch Prepress GmbH, Wiesbaden
Printing: W. Kohlhammer Druckerei GmbH + Co. KG, Stuttgart
Photography and consulting: Max Lautenschläger, Berlin

PHOTO CREDITS
Title, U2 DB AG/Max Lautenschläger 1 DB AG/Max Lautenschläger

OUR STRATEGIC TOP TARGETS

Germany needs a strong rail system. 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.

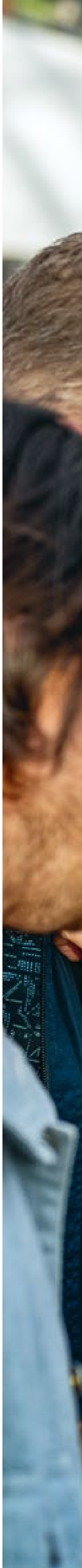
OUR FOCUS IS ON SHIFTING THE MODE OF TRANSPORT TO RAIL AND CREATING THE CAPACITY REQUIRED TO DO SO.

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 INTEND TO CONTINUE ON OUR GROWTH COURSE.

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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www.deutschebahn.com

COVER IMAGE

Expansion of long-distance services
With the start of the summer schedule on June 12, 2022, we are expanding our long-distance transport services to include more trains, new direct connections and additional journeys. On the most in-demand connections, 32 extra-large ICE4 trains each offer space for about 1,000 passengers. By continuously expanding our long-distance transport services and the vehicle fleet, we are creating space for the sharply increasing demand.