GRI 102-7

INFORMATION BY REGIONS

	External revenues		Non-current assets [1]		Capital employed [1]		Gross capital expenditures		Net capital expenditures		Employees [1]	
Jan 1 to Dec 31 (€ million)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Germany	21,568	25,165	43,811	42,013	36,671	35,483	13,282	11,826	4,788	4,414	207,996	202,328
Europe (excluding Germany)	12,031	13,653	5,799	7,953	4,472	6,863	1,012	1,186	990	1,151	85,699	92,106
Asia/Pacific	3,519	3,121	1,109	1,143	1,026	1,076	182	133	182	133	16,764	16,890
North America	2,236	1,924	243	263	483	389	38	37	38	37	9,027	9,285
Rest of world	548	568	36	45	60	66	8	13	8	13	3,282	3,335
Consolidation	–	–	-919	-849	-948	-878	-120	-102	-120	-102	–	–
DB Group adjusted	**39,902**	**44,431**	**50,079**	**50,568**	**41,764**	**42,999**	**14,402**	**13,093**	**5,886**	**5,646**	**322,768**	**323,944**
Reconciliation	-1	-1	–	–	–	–	–	–	–	–	–	–
DB Group	**39,901**	**44,430**	**50,079**	**50,568**	**41,764**	**42,999**	**14,402**	**13,093**	**5,886**	**5,646**	**322,768**	**323,944**

[1] As of balance sheet date.

BASIC PRINCIPLES AND METHODS

Fundamental information

Deutsche Bahn AG (DB AG), and its subsidiaries (together DB Group) provide services in the fields of passenger transport, freight transport and logistics, and operate an extensive rail infrastructure which is also available to non-Group users on a non-discriminatory basis. Whereas rail infrastructure activities are conducted primarily in the company's domestic market of Germany, business activities in passenger transport are conducted on a Europe-wide basis and freight transport and logistics activities are conducted on a worldwide basis.

DB AG, Potsdamer Platz 2, 10785 Berlin is an Aktiengesellschaft (joint stock corporation); its shares are held entirely by the Federal Republic of Germany (Federal Government). The company is maintained under the number HRB 50000 in the commercial register of the Amtsgericht (local court) Berlin-Charlottenburg. DB Group has issued securities in accordance with section 2 (1) clause 1 of the Securities Trading Act (Wertpapierhandelsgesetz; WpHG); these securities are traded on organized markets in accordance with section 2 (11) WpHG.

These consolidated financial statements have been prepared by the Management Board, and will be submitted to the Supervisory Board for the Supervisory Board meeting on March 24, 2021.

Principles of preparing financial statements

The consolidated financial statements are prepared on the basis of section 315e Commercial Code (Handelsgesetzbuch; HGB) and in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and their interpretation by the IFRS Interpretations Committee. The accounting standards have been consistently applied throughout the entire reporting period with no changes compared with the previous year.

The financial year of DB AG and its incorporated subsidiaries is the same as the calendar year. The consolidated financial statements are prepared in euros. Unless otherwise specified, all figures are stated in million euros (€ million).

A) STANDARDS, REVISIONS OF STANDARDS AND INTERPRETATIONS WHICH ARE THE SUBJECT OF MANDATORY FIRST-TIME ADOPTION FOR REPORTING PERIODS STARTING JANUARY 1, 2020 OR EARLY ADOPTION

In the year under review, the consolidated financial statements took account of all new and revised standards and interpretations which are the subject of mandatory first-time adoption starting on or after January 1, 2020, which are also relevant for DB Group and which have not been the subject of early adoption in previous periods. The changes to the standards have been recognized in accordance with the transitional regulations. The impact of the new regulations is considered to be of minor nature.

B) STANDARDS, REVISIONS OF STANDARDS AND INTERPRETATIONS WHICH HAD BEEN ADOPTED AS OF THE REPORTING DATE, BUT WHICH ARE NOT YET THE SUBJECT OF MANDATORY ADOPTION AND EARLY ADOPTION

Various new accounting standards and interpretations have been published, although they are not the subject of mandatory adoption for reporting periods up to December 31, 2020 and have not been the subject of early adoption by DB Group. The impact of the new regulations is considered to be of minor nature.

Structure of the balance sheet and the statement of income

Assets and liabilities are stated in the balance sheet either as current or non-current items. Assets and liabilities are classified as current if they are realized or due within 12 months after the end of the reporting year. The notes to the balance sheet take account of the requirements of the ordinance relating to the structure of the financial statements of transport companies. The statement of income uses the structure of total cost accounting.

GRI 102-48

Principles underlying the consolidated financial statements

COMPARABILITY WITH THE PREVIOUS YEAR

After due consideration is given to the following issues (in particular the Covid-19 pandemic), the financial information presented for the year under review is comparable with the financial information for the previous year.

Information regarding major events and transactions, particularly in connection with the Covid-19 crisis

Particularly as a result of the impact of the Covid-19 crisis, revenues have declined in virtually all segments, significantly so in certain cases. In DB Group, revenues in the year under review declined to € 39,901 million (previous year: € 44,430 million).

Also due to the impact of the Covid-19, EBIT in the year under review declined to € –4,757 million (previous year: € 1,384 million). The cash flow from operating activities has also declined to € 1,420 million (previous year: € 3,278 million). Net capital expenditures increased in the year under review, and net financial debt also increased to € 29,345 million as of December 31, 2020 (as of December 31, 2019: € 24,175 million).

Major events and transactions, and the corresponding impact on the consolidated financial statements, are described in greater detail in the following.

INCOME FROM FEDERAL GRANTS

In conjunction with various government support programs, companies of DB Group have received Federal grants in connection with the Covid-19 crisis. If these grants are not concession fees, they are mainly shown under the other operating income in DB Group. See *Note (3) → 196 f.*

COST OF MATERIALS

As a result of the reduced volume of transport activities due to the Covid-19 crisis, there has also been a considerable decline in energy expenses, as well as in transport services purchased from third parties. This has been opposed by a one-off effect for energy expenses for electricity. See *Note (4) → 197.*

IMPAIRMENTS OF ASSETS

IAS 36 governs the impairment test for property, plant and equipment and intangible assets which is carried out using a so-called indicator-based asset impairment test. Such an asset impairment test has to be carried out when indicators (so-called triggering events) indicate a possible loss of value. For DB Group, the impact of the Covid-19 crisis represents such a triggering event, and impairment tests were accordingly carried out as of April 30, 2020. These were repeated as of September 30, 2020, including the observation as of the balance sheet date.

With regard to the methods, please also refer to *Note (6) → 198 ff.* In this connection, the forecast of the cash flows was extended to include assumptions regarding risks relating to the Covid-19 crisis which are subject to a high degree of uncertainty.

PROVISIONS RELATING TO ONEROUS CONTRACTS

Particularly in connection with the Covid-19 crisis, lower revenues from fares from transport contracts meant that it was necessary for additions to be made to provisions for onerous contracts. At DB Regional, the additions to provisions for pending losses amounted to € 280 million as of December 31, 2020 (as of December 31, 2019: € 64 million); at DB Arriva, the corresponding figure was € 118 million (as of December 31, 2019: € 141 million). See *Note (32) → 224 ff.*

IMPAIRMENT OF INVENTORIES

As of December 31, 2020, pandemic protection articles held in inventories were measured at the lower of cost or net realizable value. In view of the increased worldwide production and the decline in market prices, impairments of € 38 million have been recognized in relation to such protection articles. Please refer in this respect to *Note (18) → 208.*

IMPAIRMENTS AND RISK PROVISIONING RELATING TO RECEIVABLES

A total of € 96 million was recognized as of December 31, 2020 in relation to the derecognition of receivables or individual impairments recognized in relation to receivables (as of December 31, 2019: € 75 million). Also as a result of the Covid-19 crisis, the global risk provisioning for anticipated credit losses was increased to € 35 million (as of December 31, 2019: € 28 million). See *Note (19) → 208 ff.*

MEASUREMENT OF OTHER PARTICIPATIONS

As of December 31, 2020, the carrying amount of various other participations recognized at fair value was reduced (a total of € 11 million; previous year: € 5 million), resulting from necessary profit and cash flow planning updates due to the Covid-19 crisis. See *Note (17) → 207 f.*

Depreciation of € 43 million (previous year: none) was recognized in relation to the shares in the associated company Barraqueiro SGPS SA, Lisbon / Portugal. See *Note (15) → 206.*

ESTIMATION AND FORECAST UNCERTAINTY

In view of the Covid-19 crisis, and also because it is extremely difficult for the corresponding consequences to be foreseen as of the end of the year under review, any estimations and forecasts in the year under review are subject to a particular degree of uncertainty. We consider such estimation uncertainty in detail under the respective notes.

LIQUIDITY MANAGEMENT AND GOING-CONCERN ASSUMPTION

In view of the financial challenges resulting from the Covid-19 crisis, financial resources have been obtained particularly by way of issuing commercial paper during the year, the utilization of short-term bridging loans as well as the issuing of senior bonds *(Note (28) → 214 ff.)*. In this way, it was possible to guarantee the liquidity of DB Group at all times despite the exceptionally high financial challenges posed by the Covid-19 crisis. In view of the unrestricted access of DB Group to the capital market and the long-term financing commitments of the Federal Government which have been agreed, the going-concern assumption is applicable for DB Group for the foreseeable future without any restrictions.

CONSOLIDATION METHODS

a) Consolidation principles

In the consolidated financial statements of DB AG, DB AG and all companies (subsidiaries) are fully consolidated in accordance with IFRS 10 from the time at which DB AG acquires control.

For the purpose of uniform accounting, the affiliated companies have applied the accounting guidelines of the parent company.

Capital is consolidated in accordance with the acquisition method in line with IFRS 3.

The equity attributable to Group shareholders is shown separately from the non-controlling interests in the equity of subsidiaries. The amount is calculated based on the non-controlling interests at the time of the initial consolidation and the changes in equity attributable to this interest after that time.

Non-controlling interests are calculated on a pro rata basis from the assets, liabilities and contingent obligations valued with their fair value.

Intra-Group liabilities as well as expenses and income and intercompany results between fully consolidated companies are completely eliminated.

b) Business combinations

All subsidiaries acquired after December 31, 2002 have been consolidated using the acquisition method under IFRS 3.

Any difference between the purchase costs of the business combination and the acquired assets valued at fair value is shown as goodwill. If the purchase price is lower than the fair value of the acquired assets, the difference, following a further assessment, is shown immediately in the statement of income.

The acquisition and sale of shares in an already fully consolidated company which does not result in a change of control is shown directly in equity. There have accordingly been no changes to the carrying amounts of the assets and liabilities recognized from such transactions.

c) Joint ventures, joint operations and associated companies

Joint ventures are defined as companies which are managed by DB AG jointly with another party either directly or indirectly, and in which the partners own rights to the net assets of the company.

A joint operation is defined as agreements which are managed by DB AG jointly with another party either directly or indirectly, and in which the parties involved in the joint operation have rights relating to the assets and obligations or their liabilities attributable to the agreement.

Associated companies are defined as equity participations for which DB Group is able to exercise a major influence on the financial and business policy. Major influence is normally defined as a situation in which DB AG directly or indirectly holds 20 to 50 % of the voting rights in these companies and the related assumption of association is not refuted.

In exceptional cases, companies in which DB Group holds fewer than 20 % of the voting rights are also classified as associates. Despite such a low shareholding, a major influence is deemed to exist in such cases, for instance as a result of various rights of co-determination in major issues of business policy or because members of management are appointed by DB Group.

Joint ventures and associated companies are accounted for using the equity method in accordance with IAS 28 (Investments in Associates and Joint Ventures). Alternatively, they are valued in accordance with IFRS 5 if the shares are classified as held-for-sale.

Intercompany results attributable to transactions with associated companies or joint ventures are eliminated on a pro rata basis.

In the case of joint operations, the assets, liabilities, income and expenditures have to be recognized on a pro rata basis.

CHANGES IN DB GROUP

GRI 102-48

a) Subsidiaries

According to IFRS 3, the acquisition cost of a business combination are measured as the aggregate of the fair values, at the date of the transaction, of assets given and liabilities incurred or assumed. The acquired identifiable assets, liabilities and contingent liabilities are valued under IFRS 3 with their fair value at the date of acquisition, irrespective of any non-controlling interests. Alternatively, acquired non-current assets or groups of assets which are classified as held-for-sale in accordance with IFRS 5 are shown with their fair value less costs to sell.

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

	Germany 2020	Rest of world 2020	Total 2020	Total 2019
FULLY CONSOLIDATED SUBSIDIARIES				
As of Jan 1	125	417	**542**	**555**
Additions	1	2	**3**	**13**
Additions due to changes in type of incorporation	1	2	**3**	**0**
Disposals	-12	-17	**-29**	**-25**
Disposals due to changes in type of incorporation	0	0	**0**	**-1**
As of Dec 31	**115**	**404**	**519**	**542**

ADDITIONS OF COMPANIES AND PARTS OF COMPANIES

The additions of companies to the scope of consolidation consist of two acquired companies as well as one newly established company, three companies which previously had been measured at equity, and one asset deal. From the portfolio point of view of DB Group, none of the acquisitions was significant.

Overall, a total figure of net € 16 million was spent on company acquisitions according to IFRS 3 in the year under review (previous year: no acquisitions). They are set out in the following:

Company	Activities	Segment
Sociedad de Estudios y Explotacion de Material Auxiliar de Transportes, S.A. ("SEMAT"), Madrid/Spain, and Pool Ibérico Ferroviario A.I.E., Madrid/Spain	Rail transport of vehicles and freight	DB Cargo
ESE Engineering und Software-Entwicklung GmbH, Brunswick	Engineering and software development for software- and safety-relevant components	Subsidiaries/Other
Operation in Germany (acquisition of a software platform and acquisition of employees) in return for the granting of new shares	Operation of a software platform	Subsidiaries/Other

The goodwill is calculated as follows:

(€ million)	2020	thereof SEMAT and Pool Iberico	thereof ESE	thereof Opera-tion	thereof other
PURCHASE PRICE					
Payments made	16	–	16	–	0
+ Rendering of shareholder rights	8	–	–	8	–
+ Outstanding purchase price payments	4	–	4	–	–
Total transferred equivalent	**29**	**1**	**20**	**8**	**0**
− Fair value of net assets acquired	16	1	10	5	0
Goodwill	**13**	**0**	**10**	**3**	**0**

The transferred equivalent of € 1 million (SEMAT and Pool Iberico) has resulted from the change in which these two companies are integrated.

DISPOSALS OF COMPANIES AND PARTS OF COMPANIES

The disposals from the scope of consolidation relate to 18 mergers, nine liquidations and two sales. The sales have generated a cash inflow of € 4 million (previous year: € 0 million).

As was the case in the previous year, there were no major effects on results due to the loss of control in the year under review.

The results are shown in the other operating expenses *(Note (7) → 201)* or other operating income *(Note (3) → 196 f.)*.

EFFECTS ON THE CONSOLIDATED STATEMENT OF INCOME

The following table shows a summary of the effects on the consolidated statement of income resulting from the changes in the scope of consolidation which have taken place compared with the previous year:

(€ million)	DB Group Jan 1 to Dec 31, 2020	thereof due to additions to scope of consolidation	Amounts due to disposals from scope of consolidation
Revenues	39,901	44	-101
Inventory changes and internally produced and capitalized assets	3,564	0	-1
Overall performance	43,465	44	-102
Other operating income	3,439	0	-2
Cost of materials	-22,757	-29	71
Personnel expenses	-18,297	-9	12
Depreciation and impairments	-5,372	-4	1
Other operating expenses	-5,235	0	7
Operating profit / loss (EBIT)	**-4,757**	**2**	**-13**
Result from investments accounted for using the equity method	-21	–	–
Net interest income / loss	-615	0	0
Other financial result	-91	0	-24
Financial result	**-727**	**0**	**-24**
Profit / loss before taxes on income	**-5,484**	**2**	**-37**
Taxes on income	-223	-1	0
Net profit / loss for the year	**-5,707**	**1**	**-37**

The revenues attributable to changes in the scope of consolidation are as follows:

Jan 1 to Dec 31, 2020 (€ million)	Revenues due to	
	Additions to scope of consolidation	Disposals from scope of consolidation
Sociedad de Estudios y Explotacion de Material Auxiliar de Transportes, S. A. ("SEMAT"), Madrid / Spain and Pool Ibérico Ferroviaro A.I.E., Madrid / Spain	36	–
ESE Engineering und Software-Entwicklung GmbH	8	–
AMEROPA-REISEN GmbH	–	91
Station Food GmbH	–	10
Total	**44**	**101**

b) Joint ventures, associated companies and companies with joint operations

	Germany 2020	Rest of world 2020	Total 2020	Total 2019
JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD				
As of Jan 1	13	13	**26**	**26**
Additions	0	0	**0**	**1**
Additions due to changes in type of incorporation	0	0	**0**	**0**
Disposals	0	0	**0**	**-1**
Disposals due to changes in type of incorporation	-1	0	**-1**	**0**
As of Dec 31	**12**	**13**	**25**	**26**
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD				
As of Jan 1	47	41	**88**	**90**
Additions	3	0	**3**	**1**
Additions due to changes in type of incorporation	0	0	**0**	**1**
Disposals	-1	-2	**-3**	**-4**
Disposals due to changes in type of incorporation	0	-2	**-2**	**0**
As of Dec 31	**49**	**37**	**86**	**88**
COMPANIES WITH JOINT OPERATIONS				
As of Jan 1	0	1	**1**	**1**
Additions	0	0	**0**	**0**
Additions due to changes in type of incorporation	0	0	**0**	**0**
Disposals	0	0	**0**	**0**
Disposals due to changes in type of incorporation	0	0	**0**	**0**
As of Dec 31	**0**	**1**	**1**	**1**

From the perspective of DB Group, no joint venture, associated company or company with joint operations is significant, either individually or when viewed together.

CURRENCY TRANSLATION

Currency translation uses the concept of functional currency according to IAS 21 (The Effects of Changes in Foreign Exchange Rates) or IAS 29 (Financial Reporting in Hyperinflationary Economies) for annual financial statements of subsidiaries which are based in a hyperinflationary country.

No major subsidiary was domiciled in a hyperinflationary economy in the year under review or the previous year.

The consolidated financial statements are prepared in euros (reporting currency); in accordance with IAS 21, the financial statements of subsidiaries whose functional currency is not the euro are converted into the reporting currency.

The following exchange rates are some of the rates used for currency translation purposes:

	As of Dec 31		Annual average	
€ 1 equivalent to	2020	2019	2020	2019
Australian Dollar (AUD)	1.58960	1.59950	1.65541	1.61088
Canadian Dollar (AUD)	1.56330	1.45980	1.52961	1.48548
Swiss Franc (CHF)	1.08020	1.08540	1.07041	1.11245
Renminbi Yuan (CNY)	8.02250	7.82050	7.87213	7.73549
Danish Krona (DKK)	7.44090	7.47150	7.45438	7.46606
Pound Sterling (GBP)	0.89903	0.85080	0.88936	0.87777
Hong Kong Dollar (HKD)	9.51420	8.74730	8.85331	8.77150
Japanese Yen (JPY)	126.49000	121.94000	121.79628	122.00576
Norwegian Krone (NOK)	10.47030	9.86380	10.72502	9.85109
Polish Zloty (PLN)	4.55970	4.25680	4.44356	4.29762
Swedish Krona (SEK)	10.03430	10.44680	10.48882	10.58908
Singapore Dollar (SGD)	1.62180	1.51110	1.57364	1.52728
US Dollar (USD)	1.22710	1.12340	1.14148	1.11947

CAPITAL MANAGEMENT IN DB GROUP

The purpose of financial management of DB Group is not only to achieve sustainable growth in the enterprise value but also to comply with a capital structure which is adequate for maintaining a very good rating.

Based on adjusted EBIT, return on capital employed (ROCE) is calculated as a key component of the value management concept. The capital employed represents the use of capital provided by shareholders and providers of debt which is tied up in DB Group and which is associated with yield expectations. The parameter is derived on the basis of the closing balance sheet for the year under review. The following table shows the process of calculating capital employed, using the asset and liability items shown in the balance sheet.

			Change	
As of Dec 31 (€ million)	2020	2019	absolute	%
Property, plant and equipment	47,704	46,591	+ 1,113	+ 2.4
+ Intangible assets/goodwill	2,290	3,894	- 1,604	- 41.2
+ Inventories	1,937	1,520	+ 417	+ 27.4
+ Trade receivables	4,849	4,871	- 22	- 0.5
+ Receivables and other assets	3,345	2,792	+ 553	+ 19.8
− Financial receivables and earmarked bank deposits (excluding receivables from finance lease)	- 625	- 404	- 221	+ 54.7
+ Receivables from income taxes	55	60	- 5	- 8.3
+ Held-for-sale assets	0	0	0	-
− Trade liabilities	- 6,312	- 5,789	- 523	+ 9.0
− Miscellaneous and other liabilities	- 4,042	- 3,770	- 272	+ 7.2
− Income tax liabilities	- 191	- 190	- 1	+ 0.5
− Other provisions	- 6,041	- 5,098	- 943	+ 18.5
− Deferred items	- 1,205	- 1,478	+ 273	- 18.5
Capital employed	**41,764**	**42,999**	**- 1,235**	**- 2.9**

The decline in intangible assets/goodwill is mainly attributable to the write-down of the goodwill recognized by DB Arriva. For further calculation, the adjusted EBIT and adjusted EBITDA in the following table is derived from the operating result (EBIT) shown in the statement of income. The corresponding details at the segment level have been calculated using the same method.

			Change	
(€ million)	2020	2019	absolute	%
Operating profit/loss (EBIT)	- 4,757	1,384	- 6,141	-
Income from the disposal of financial instruments	- 4	0	- 4	-
Expenses from the disposal of financial instruments	0	1	- 1	- 100
Restructuring/contract obligations (personnel)	114	115	- 1	- 0.9
Potential losses (DB Arriva)	- 15	152	- 167	-
Adjustment for provisions for restoration obligations (DB Netze Track)	79	71	8	+ 11.3
Energy expenses attributable to other periods	72	-	72	-
Other risks	109	-	109	-
Impairment goodwill DB Arriva	1,411	-	1,411	-
Other	31	51	- 20	- 39.2
Operating profit/loss (EBIT) adjusted for special items	**- 2,958**	**1,775**	**- 4,733**	**-**
PPA amortization customer contracts (depreciation)	55	62	- 7	- 11.3
EBIT adjusted	**- 2,903**	**1,837**	**- 4,740**	**-**
Depreciation and impairments	5,372	3,671	+ 1,701	+ 46.3
PPA amortization customer contracts (depreciation)	- 55	- 62	+ 7	+ 11.3
Special items for depreciation, recognized impairments/recoveries	- 1,412	- 10	- 1,402	-
EBITDA adjusted	**1,002**	**5,436**	**- 4,434**	**- 81.6**

Special items totaling € 1,799 million (previous year: € 391 million) were adjusted in EBIT in the year under review. These are mainly attributable to the write-down of the goodwill recognized by DB Arriva, effects resulting from the creation of provisions for excess liabilities relating to employment relationships (Subsidiaries/Other) as well as the adjustment of provisions for restoration obligations (DB Netze Track). Further special items have resulted from additional energy expenses as well as other obligations. In addition, the amortization of customer and franchise agreements has been reclassified from EBIT; these will be written down essentially at DB Arriva over the remaining term of the respective contracts as a result of being capitalized as intangible assets as part of the process of purchase price allocations (PPA) (€ 55 million; previous year: € 62 million). This amount was mainly attributable to DB Arriva.

The capital employed and the adjusted EBIT have resulted in the following figures for ROCE:

			Change	
(€ million)	2020	2019	absolute	%
EBIT adjusted	- 2,903	1,837	- 4,740	-
/ Capital employed as of Dec 31	41,764	42,999	- 1,235	- 2.9
ROCE (%)	**- 7.0**	**4.3**	**-**	**-**

CRITICAL ASSESSMENTS AND APPRAISALS

The consolidated financial statements are based on assessments and assumptions relating to the future. Based on past experience and reasonable expectations of future events, the estimates and assessments which are derived are continuously reviewed and adjusted where appropriate. Nevertheless, the assessments will not always correspond to subsequent actual circumstances.

The assessments and assumptions which may involve a significant risk during the next year under review in the form of major adjustments to the carrying amounts of assets and liabilities are discussed under the relevant items.

GRI 201-1

NOTES TO THE STATEMENT OF INCOME

Revenues generated in DB Group relate to the provision of passenger transport, freight transport and logistics services, the provision of rail infrastructure, the sale of goods and other services related particularly to rail operations, less value-added tax, discounts and any price reductions. They are recognized with their fair value.

Services provided by DB Group are normally completed within a few hours/days. Accordingly, with the exception of season tickets, revenues in regional and long-distance services are recognized at the time at which the tickets are sold. Exceptions in this respect are the segments DB Regional and DB Arriva, where order processing in the form of long-term transport contracts concluded with the contracting organizations of the Federal states in Germany and the franchisors in other European countries are very important for the development of business. Contractual relations with customers covering several years also exist in the contract logistics line of business in the DB Schenker segment, which accounts for about 7% of Group revenues.

Revenue recognition in accordance with IFRS 15 is based on the principle that revenues are recognized when control over a product or service is transferred to the customers. Revenues generated by the rendering of services are recognized with the amount which is expected as the consideration as soon as control over the services has been transferred.

All expense and income items are normally recognized without being netted, unless the accounting principles under IFRS permit or require netting.

Expenses are recognized in the income statement at the point at which the service is used or at the point at which the expenses are incurred.

The special items detailed at income and expenses (“Total”) are issues which are considered to be unusual either in terms of the amount involved and/or the actual reason behind the issue. Irrespective of the amount involved, this item is used for disclosing book profits and losses arising from transactions with investments/financial investments as well as depreciation on long-term customer contracts, which have been capitalized as part of the purchase price allocation process in connection with company acquisitions. In addition, the special items recognize individual issues if they are of an exceptional nature, if they are definable for accounting purposes, if they can be measured and if the amount involved is material. In addition to the special items, effects from changes in the scope of consolidation and effects from changes in exchange rates are also disclosed separately. The item “Total – comparable” does not involve IFRS figures; instead, it involves additional disclosures in accordance with internal reporting.

(1) Revenues

(€ million)	2020	2019
Revenues from freight and passenger transport services [1]	35,058	39,472
thereof concession fees for rail transport	6,529	6,585
Revenues from operating rail infrastructure	2,050	1,907
Revenues from letting and leasing	374	444
Revenues from sales of products [1]	1,690	1,690
Other revenues	805	1,004
Revenue reductions	–76	–87
Total	**39,901**	**44,430**
± Special items	1	1
± Effects from changes in scope of consolidation	–44	–101
± Effects from changes in exchange rates	339	0
Total – comparable	**40,197**	**44,330**

[1] Previous year figure adjusted.

The revenues from freight and passenger transport services were generated mainly by companies operating in the segments DB Schenker, DB Regional, DB Arriva, DB Long-Distance and DB Cargo. They include a minor amount of revenues from sub-operating leases in the segment DB Schenker. Revenues from operating rail infrastructure related to the segments DB Netze Track and DB Netze Stations. Rental and leasing revenues were generated mainly in the segment DB Netze Stations, and revenues from product sales were mainly generated in the segments DB Netze Energy and DB Schenker. Other revenues related to virtually all segments.

In the year under review, revenues decreased by € 4,529 million (–10.2%) to € 39,901 million. The decline in revenues in DB Group is mainly attributable to lower numbers of passengers resulting from the Covid-19 crisis. The recommended Covid-19-related mobility restrictions have resulted in considerable declines in revenues particularly at DB Long-Distance, DB Regional and DB Arriva. A further decline in revenues (€ –719 million) is attributable to the transfer of the transport contract of Arriva Rail North to the Department for Transport (DfT) on March 1, 2020.

Revenues included negative exchange rate effects of € 339 million, mainly affecting DB Schenker. These exchange rate effects were mainly attributable to the currency regions responsible for generating strong revenues, namely the United Kingdom and the USA, as well as the weaker rates of the Norwegian krone.

Even when adjusted for special items, effects from changes in the scope of consolidation and exchange rates, the revenues were below the previous year figure (€ –4,133 million, –9.3%).

Movements in revenues broken down according to business segments and regions are set out in segment reporting.

As was the case in the previous year, revenue reductions of long-term transport contracts (contractual penalties) were netted directly with the revenues of freight and passenger services. The separately disclosed revenue reductions (€ 76 million) also related mainly to revenues of freight and passenger services (for instance passenger rights).

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