### (33) DEFERRED ITEMS

*DB Group receives various public-sector grants, which are provided in relation to specific assets or on the basis of a specific performance. The grants are recognized in the balance sheet as soon as it is certain that they will be provided and as soon as the conditions necessary for receiving the grants have been satisfied. The grants related to assets, and in particular investment grants, are deducted directly from the assets for which the grants have been received. The interest benefit (spread between nominal value and present value) of interest-free loans is deferred on the basis of the contractual grant conditions. The income from pro rata reversal of these accruals is shown as other operating income.*

The deferred items contained the following:

| AS OF DEC 31 / € million | 2023 | 2022 |
|---|---|---|
| Deferred public-sector grants | 111 | 137 |
| Deferred income | 862 | 904 |
| Other | 390 | 384 |
| **Total** | **1,363** | **1,425** |
| Non-current share | 598 | 526 |
| Current share | 765 | 899 |

## Notes to the statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents in the year under review, and was prepared in accordance with IAS 7 (Statement of Cash Flows). The indirect method has been used for showing cash flow from regular business operations.

The following explanations relate to the continuing operations:

- Interest income and interest payments, dividend income and tax payments are stated under operating activities.
- Cash and cash equivalents include the cash and cash equivalents stated in the balance sheet with a residual maturity of up to three months (cash in hand, cash at banks as well as security investments). As of December 31, 2023, of the total figure stated for cash and cash equivalents, € 6 million (as of December 31, 2022: € 1,277 million) was restricted. In the previous year, restricted cash balances of companies operating at country level were shown in certain countries from which the transfer of money appeared difficult. Our experience has now shown that transfers can be made on a regular basis, meaning that the cash balances of these companies operating at country level are no longer shown as restricted cash.
- Current receivables due from banks (as of December 31, 2023: € 228 million; as of December 31, 2022: € 142 million), resulting from collateral agreements in connection with financial futures, are shown under current other receivables and assets. Because it is becoming increasingly difficult to predict the performance of financial futures, it can only be assumed to a limited extent that such hedges represent current liquidity.

Cash flow from the discontinued operations relates to the former DB Arriva segment.

### CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities is calculated by adjusting the net profit/loss for the period before taxes by non-cash amounts (in particular additions to and reversals of other provisions) and by adding other changes in current assets, in liabilities (excluding financial debt) and provisions. The cash inflow from operating activities is then established after due consideration is given to interest and tax payments.

In accordance with IFRS 16, outflows related to leases are recognized in cash flow from financing activities if they are redemption payments, and are recognized in cash flow from operating activities if they are payments of interest.

The cash inflow from operating activities has decreased considerably in the year under review. This was due to a significantly reduced net profit for the year, adjusted for increased depreciation on property, plant and equipment and intangible assets, lower trade liabilities and significantly increased non-cash expenses.

Non-cash expenses and income increased in the year under review, particularly as a result of a significantly increased balance of expenses from additions to and reversals of other provisions (€ +926 million).

### CASH FLOW FROM INVESTING ACTIVITIES

The cash flow from investing activities is calculated as the cash inflow provided by the disposal of property, plant and equipment and intangible assets as well as by investment grants, and the cash outflow for capital expenditures on property, plant and equipment and intangible assets, as well as cash flow from the addition and disposal of non-current financial assets.

Payments received from investment grants are shown under investing activities due to the close connection between investment grants received and the payments made for investments in property, plant and equipment assets.

The increase in cash outflows from investing activities was particularly the result of a significant increase in payments for investments in property, plant and equipment and intangible assets (€ +2,119 million/+15.0%) and an increase in the payment balance from investment grants (€ +701 million; +8.3%). This was countered by payments for investments in financial assets (€ –565 million) and payments for the acquisition of shares in consolidated companies (€ –272 million). On balance, inflows and outflows for investments in financial assets included outflows of € 243 million (previous year: € 326 million) for investments from the acquisition of transport concessions (IFRIC 12).

When changes take place in the scope of consolidation as a result of the acquisition or sale of companies, the acquisition price paid (excluding any liabilities that are transferred) less the acquired or sold financial resources are stated as cash flow from investing activities.

### CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities is due to additions to capital, the net inflows and outflows attributable to senior bonds issued, changes in bank borrowings and loans as well as outflows for the redemption of finance leasing liabilities and interest-free loans.

The cash inflow from financing activities increased by about 50 %. This was due in particular to an increase in the net inflow from the raising and repayment of funds, mainly from the repayment of bank borrowings and a reduced net inflow from the issue and redemption of senior bonds. In addition, there were lower proceeds from capital injections, the distribution of profits to the Federal Government and increased payments for redemptions of lease contracts.

### INFORMATION REGARDING THE CHANGES IN FINANCIAL LIABILITIES (IAS 7)

| | | | Non-cash changes | | | | | |
|---|---|---|---|---|---|---|---|---|
| € million | As of Jan 1, 2023 | Cash-effective changes (inflow [+]/ outflow [-]) | Acquisition (+)/ disposal (-) ofcompanies | Exchange rate effects | Addition (+)/ disposal (-) of liabilities and receivables from financing | Reclassification of discontinued operations | Compounding[1] | As of Dec 31, 2023 |
| Financial receivables | -142 | -86 | - | - | - | - | - | -228 |
| **LIABILITIES FROM FINANCING** | | | | | | | | |
| Interest-free loans | 298 | -155 | - | - | - | - | 9 | 152 |
| Senior bonds | 28,802 | 1,124 | - | 98 | - | - | 18 | 30,042 |
| Commercial paper | - | 358 | - | - | - | - | - | 358 |
| Bank borrowings | 545 | 2,030 | - | -1 | - | - | - | 2,574 |
| Leasing liabilities[1] | 5,180 | -1,021 | -4 | -29 | 774 | -115 | 2 | 4,787 |
| Liabilities from transport concessions | 164 | -17 | - | - | 4 | - | - | 151 |
| Other financial liabilities | 284 | -220 | - | -1 | -11 | -8 | - | 44 |
| | **35,273** | **2,099** | **-4** | **67** | **767** | **-123** | **29** | **38,108** |
| **Total** | **35,131** | **2,013** | **-4** | **67** | **767** | **-123** | **29** | **37,880** |

[1] The outflows for leasing liabilities including interest paid amounted to € 1,131 million as of December 31, 2023. For the statement of cash flows, these were broken down into an interest component and a redemption component. This interest element is netted under compounding.

| | | | Non-cash changes | | | | | |
|---|---|---|---|---|---|---|---|---|
| € million | As of Jan 1, 2022 | Cash-effective changes (inflow [+]/ outflow [-]) | Acquisition (+)/ disposal (-) of companies | Exchange rate effects | Addition (+)/ disposal (-) of liabilities and receivables from financing | Reclassification of discontinued operations | Compounding[2] | As of Dec 31, 2022 |
| Financial receivables | -83 | -59 | - | - | - | - | - | -142 |
| **LIABILITIES FROM FINANCING** | | | | | | | | |
| Interest-free loans | 446 | -157 | - | - | -7 | - | 16 | 298 |
| Senior bonds | 27,403 | 1,487 | - | -105 | - | - | 17 | 28,802 |
| Commercial paper | - | - | - | - | - | - | - | - |
| Bank borrowings | 1,320 | -779[1] | -40 | - | - | 44[1] | - | 545 |
| Leasing liabilities[2] | 5,059 | -935[1] | 59 | -29 | 1,148 | -124[1] | 2 | 5,180 |
| Liabilities from transport concessions | 180 | -16 | - | - | - | - | - | 164 |
| Other financial liabilities | 78 | 149 | 65 | -11 | 3 | - | - | 284 |
| | **34,486** | **-251** | **84** | **-145** | **1,144** | **-80** | **35** | **35,273** |
| **Total** | **34,403** | **-310** | **84** | **-145** | **1,144** | **-80** | **35** | **35,131** |

[1] Figure adjusted.
[2] The outflows for leasing liabilities including interest paid amounted to € 1,015 million as of December 31, 2022. For the statement of cash flows, these were broken down into an interest component and a redemption component. This interest element is netted under compounding.

## Notes to the segment information by operating segments

The DB Group segment reporting has been prepared in accordance with IFRS 8 (Operating Segments). The operating segments of DB Group result from the aggregation of fully consolidated companies; these companies have been allocated to specific segments on the basis of the company-specific operational performance on a defined market. The Management Board takes its decisions and carries out economic analyses as well as assessments at the level of the operating segments ("management approach").

The allocation of companies to operating segments in external accounting is consistent with the allocation in internal management reporting. This means that the management and legal structure of DB Group are congruent. As a result of this allocation principle, there are no partial balance sheets or partial income statements within a legal entity that are allocated to different segments.

In this connection, management reporting is addressed to the Management Board in its function as the primary decision maker. Management reporting in DB Group is based on the accounting principles in accordance with IFRS. With regard to reconciling the segment data with the corresponding corporate data, it is accordingly mainly necessary to take account of consolidation effects. For this reason, a consolidation column is used for reconciliation purposes. The operations of the business segments are covered in the reporting format in line with the corporate organization structure of DB Group. The main regions covered by DB Group are detailed in the segment information by regions.