

**Strategic report (continued)
For the Year Ended 31 December 2023**

FUTURE DEVELOPMENTS (continued)

The letter of support states that, for the period of 12 months from the date of approval of these financial statements, repayment will not be sought for any amounts advanced to the company unless adequate alternative financing has been secured, access to pooled cash will be provided as necessary to meet liabilities as they fall due and further amounts will be advanced to the company as required to meet its projected funding requirements.

In completing their going concern assessment, the directors have also considered the expected impact of the company's financial position, based on a severe but plausible downside scenario, along with associated management actions, including management of planned dividend income from subsidiaries, to mitigate those impacts on the company's cash position.

KEY PERFORMANCE INDICATORS

The Management Board of Deutsche Bahn AG managed the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development performance and position of the group, including this company, is discussed in the Deutsche Bahn AG Integrated Report which does not form part of this report.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard to (amongst other matters):

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The role of the Company's Board of Directors (the Board) is to be collectively responsible for the Company's long-term sustainable success, providing strategic leadership, direction and governance within a framework of effective controls. In giving due regard to their duties as directors, the Board are mindful of the principal activities and purpose of the Company and its interaction with the wider Arriva group. The directors are particularly focussed on the need to foster business relationships with suppliers, customers, and others and the impact of the Company's operations on the community and environment. The Board recognises that it is accountable to its stakeholders for ensuring that the Company is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The issues and factors which have guided the directors' decisions are outlined in the 'Principal Risks and Uncertainties' section of this report.

The company's key stakeholders which are most relevant to the decision making of the Board, include, but are not limited to:

- Deutsche Bahn AG (until 31 May 2024)
- I Squared Capital (from 31 May 2024)
- Arriva Limited
- Local communities in which the company is based

**Strategic report (continued)
For the Year Ended 31 December 2023**

SECTION 172 STATEMENT (continued)

During the financial year ended 31 December 2023 the directors the directors did not make any principal decisions that impacted the company or its ability to meet the expectations of the company's key stakeholders.

The directors of the company promote good governance, which is key to driving the success of the company. The directors aim to align with the values of the Arriva group and maintain effective relationships with all stakeholders who are critical to the long-term success of the company. The directors consider the Arriva group values when making decisions.

The directors of the company aim to meet at least once in each financial year to discuss the matters that cannot be delegated under Companies Act 2006.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The directors consider that the climate-related risks and opportunities of the company, including how they are identified, assessed and managed, are integrated with those of the Arriva Limited group, because the company is part of the main business of the group and a number of UK directors are members of the group executive committee.

The principal climate-related risks and opportunities for the company are the transitional risks associated with future government and regulatory measures and the physical risks connected with a trend towards more extreme and unseasonal weather patterns and associated flooding at the company's operating locations and across areas of key infrastructure.

These issues have been included in the group's scenario analysis and will continue to be monitored by the directors as more information becomes available. The directors do not consider that it is necessary for an understanding of the company's business to establish specific targets or key performance indicators as yet, because of the nature of these risks.

The climate-related risks and opportunities of the Arriva Limited group (including the related time periods), and its arrangements for managing them, are discussed further in Arriva Limited's annual financial report, which does not form part of this report.

This report was approved by the board on 7 November 2024 and signed on behalf of the Board.



A Furlong
Director