

**Strategic report (continued)  
For the Year Ended 31 December 2022**

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**FUTURE DEVELOPMENTS (CONTINUED)**

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

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the company will continue to have full and immediate access to its pooled credit facility balances with DB and that management actions over the assessment period will be sufficient to remain within its credit facility limit, such that adequate financing will remain in place and that the company will continue to operate for the foreseeable future.

As set out in the DB 31 December 2022 annual report, DB plans to divest the Arriva group which could result in a change in ownership of the company within 12 months of the date of approval of these financial statements. Should a change in ownership occur, the directors are unable to assess or control all scenarios for the company's future, including the intent and ability of any future owner to continue to provide funding to the company.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would arise if the company were unable to continue as a going concern.

**KEY PERFORMANCE INDICATORS**

The Management Board of Deutsche Bahn AG manage 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.

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
- Arriva plc
- Local communities in which the company is based.

During the financial year ended 31 December 2022 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.

**Strategic report (continued)**  
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**SECTION 172 STATEMENT (continued)**

Throughout the last two years, the Arriva group has worked on facilitating a comprehensive review of the Arriva group, called Project Revitalise; a series of programmes aimed at building a stronger, more competitive Arriva group. The object of the project was to ensure that the purpose of the business was clearly promoted, and that the Arriva group's values, strategy and culture were all aligned, and that the Arriva group continued to meet the needs of its customers, clients and society as a whole.

As part of Project Revitalise, the Arriva group embarked on a review of its vision, mission, purpose and strategic plan, which also included a review of the organisational values. This process included using support from an external business partner, and employees from all parts of the Arriva group were engaged. The aim of the process was to build a strategic plan that would provide the Arriva group with both objectives and direction for the next three to five years. This included developing a new set of Values and Behaviours that could be used to help the company effectively execute the Arriva group's strategy.

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.

This report was approved by the board on 16 August 2023 and signed on behalf of the Board.



**A Furlong**  
Director