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YEARS

**DFS** Deutsche  
Flugsicherung

# Annual Report 2023



**DFS** Deutsche Flugsicherung



# The business year 2023

This is a courtesy translation of the German original of the DFS Annual Report 2023. It is provided solely for your information and for the convenience of English-speaking readers. In the event that the English and German versions permit different interpretations, the German text shall prevail.

## Report of the Supervisory Board

### Type and scope of review and consultation

In the business year 2023, the Supervisory Board performed its functions as prescribed by law and the Articles of Association. It regularly advised and monitored the Executive Board and was involved in decisions of fundamental importance to the company.

In fulfilling its tasks, the Supervisory Board was supported by the audit committee, the committee for the commercial business, the personnel committee and the project committee. The committees thoroughly discussed the resolutions to be adopted and prepared recommendations for the decisions to be taken at the plenary meetings.

In the business year 2023, there were several changes to the composition of the Supervisory Board, primarily due to the election of employee representatives. Ms Sabrina Leitzbach, Mr Günther Achatz, Mr André Vöcking and Mr Jörg Waldhorst left the Supervisory Board. Ms Yvonne Dalitz, Mr André Hückelkempken, Mr Thorsten Wesp and Mr Mathias Wiegand were elected to the Supervisory Board as new members. On the Shareholder's side, Mr Gero von Fritschen left the Supervisory Board at the end of the year and was succeeded by Mr Kai Ohlemacher. The Supervisory Board would like to thank the departing members for their dedicated work and the responsibility they assumed.

The Executive Board reported to the Supervisory Board properly, regularly, promptly and comprehensively on the course of business and all important strategic and operational decisions. Regular reporting was carried out in accordance with Section 90(1)(3) of the German Stock Corporation Law (AktG). The Supervisory Board was also provided with information on important issues in a timely manner.

During the business year 2023, the Supervisory Board held five ordinary meetings to discuss the situation and development of the company. In addition, two extraordinary meetings were held to discuss the recruitment of managers of the first management level, the adjustment of public-private partnership (PPP) contracts and the ATS system strategy.

The Supervisory Board's deliberations in 2023 focused, among other things, on:

- the reconstitution of the body
- the 2022 annual financial statements and consolidated financial statements, including the management report and the group management report as well as the audit report on the 2022 annual financial statements and consolidated financial statements
- the 2024 group economic plan, with the associated investment and financial plan
- the target agreement system at board level
- the implementation of the iCAS project at the branches in Bremen and Langen

- the submission of an offer for the provision of DAS personnel for Dubai Air Navigation Services
- the situation at ANSL
- the connection of the new building of the Paul Ehrlich Institute to DFS Energy
- the change in the shareholding in Unifly N.V.

### **Result of the review**

The Supervisory Board notes that the company was able to successfully cope with the changed underlying conditions of a post-pandemic period that has changed the aviation sector in particular. DFS was able to continue to guarantee the high level of safety in German air traffic despite the changing requirements of military airspace users.

On the basis of the audit report prepared by the auditors Mazars GmbH & Co. KG, the Supervisory Board discussed the 2022 annual financial statements and consolidated financial statements and the associated management reports including conclusions in accordance with Section 53 of the German Budgetary Principles Act (HGrG). The audit committee met for discussions in advance. The control and risk management system established in the company was also included in the audits. The auditors were present at the discussions. They gave an account of the key results of their report and were available to answer questions. The Supervisory Board found no objections to be taken against the audit reports and the auditors' findings. It proposed that the Shareholder Meeting approve the annual financial statements and the consolidated financial statements. The Supervisory Board reviewed the proposal of the Executive Board on the use of profits and agreed to it.

By supporting Air Defender 2023, the largest military deployment exercise of air forces since the establishment of NATO, DFS has proven that the long-standing civil-military integration of air navigation services is a successful model and that DFS reliably fulfils the task of providing sovereign air navigation services in Germany. The Supervisory Board would like to thank the Executive Board and all staff members for their commitment to mastering these duties in particular.

May 2024

The Supervisory Board



Antje Geese  
Chairperson



## Members of the Supervisory Board

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<b>Chairperson</b> <b>Antje Geese</b> <i>Ministerialdirektorin</i> Federal Ministry for Digital and Transport	<b>Deputy Chairperson</b> <b>Markus Siebers</b> Supervisor tower (in transitional retirement)
<b>Yvonne Dalitz</b> Head of Surveillance Data & Service	<b>Gero von Fritschen</b> Colonel (G.S.) Federal Ministry of Defence
<b>André Hückelkempken</b> Head of Tower and Approach Frankfurt	<b>Oktay Kaya</b> Chairperson of the Central Staff Council
<b>Dr Carl-Stefan Neumann</b> Managing Director Carl-Stefan Neumann Advisory & Investments GmbH	<b>Iris Reimold</b> <i>Ministerialdirigentin</i> Federal Ministry for Digital and Transport
<b>Thorsten Ruge</b> <i>Ministerialrat</i> Federal Ministry of Finance	<b>Thorsten Wesp</b> Financial analyst
<b>Mathias Wiegand</b> Air traffic controller (tower)	<b>Dr Katharina Ziolkowski</b> <i>Ministerialrätin</i> Federal Ministry of Defence

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As at 31 December 2023

## Members of the Advisory Council

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**Chairperson**

**Oliver Luksic**

Member of the German Bundestag  
Parliamentary State Secretary

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**Prof Dr Karsten Benz**

Chairperson of the Supervisory Board  
Droniq GmbH

**Ingo Gerhartz**

Chief of Staff, Air Force  
German Air Force Command

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**Michael Hoppe**

Chairperson  
BARIG – Board of Airline  
Representatives in Germany e.V.

**Prof Dr Anke Kaysser-Pyzalla**

Chair of the Executive Board  
German Aerospace Centre (DLR)

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**Jürgen Lenders**

Member of the German Bundestag

**Susanne Menge**

Member of the German Bundestag

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**Dr Michael Niggemann**

Member of the Executive Board  
Deutsche Lufthansa AG

**Christian Scherer**

Chief Commercial Officer and Head of  
Airbus International  
Airbus SE

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**Dr Stefan Schulte**

President  
German Airports Association (ADV)  
Chairperson of the Executive Board  
Fraport AG

**Ralf Teckentrup**

President  
German Airline Association (BDF)  
CEO of the Executive Board  
Condor Flugdienst GmbH

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**Björn Simon**

Member of the German Bundestag

**Anja Troff-Schaffarzyk**

Member of the German Bundestag

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As at 31 December 2023



## Combined management report of DFS Deutsche Flugsicherung GmbH for the business year 2023

The Group management report 2023 has been combined with the management report of DFS Deutsche Flugsicherung GmbH (henceforth DFS) in accordance with Section 315(5) of the German Commercial Code (HGB) in conjunction with Section 289(2) of the HGB. The financial statements of DFS, which are prepared in accordance with the provisions of the HGB, and the combined management report are published simultaneously in the electronic German Federal Gazette. Unless otherwise stated, the following information applies jointly to the DFS Group and DFS. Sections that contain information on DFS only are marked as such.

### Group management report

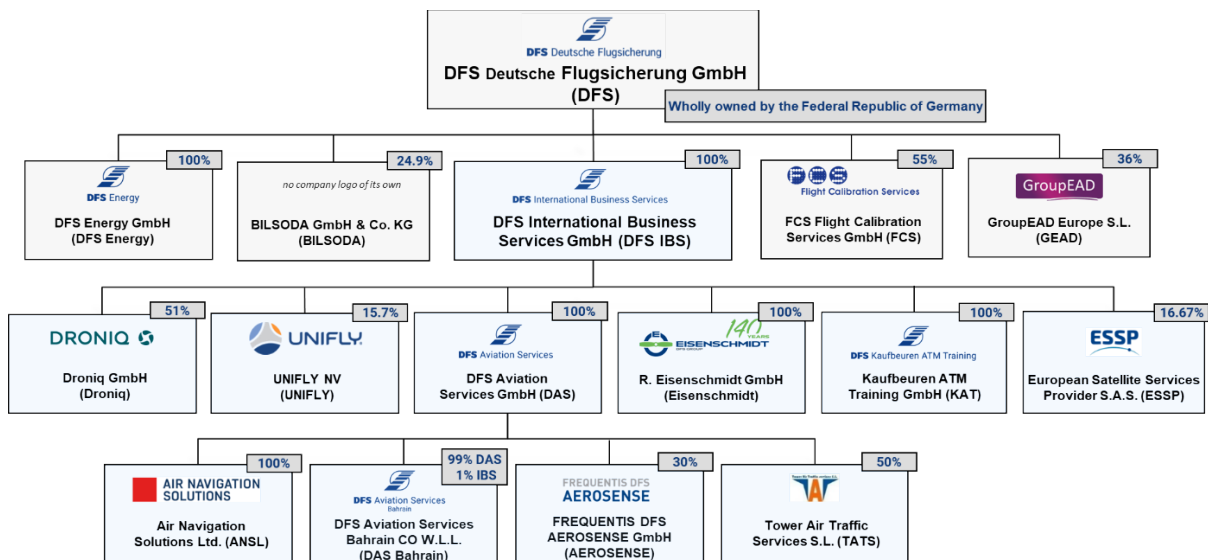
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# 1 Group organising principles

## 1.1 Structure of the Group



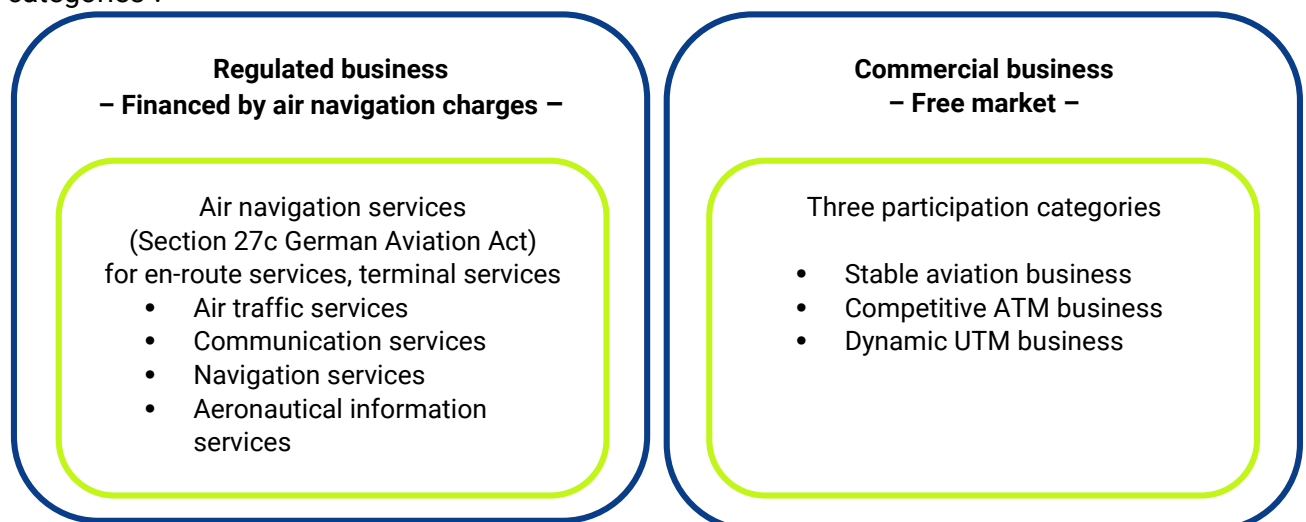
The DFS Group is made up of DFS as the parent company and the subsidiaries shown above. The consolidated financial statements cover eight indirect and direct investments. The results and financial position are primarily determined by the business activities of DFS. Information on the scope of consolidation can be found in Group Note 3.2.

## 1.2 Business activities

### 1.2.1 Overview

With a total of 6,155 operational and administrative staff (of which 5,687 at DFS), the DFS Group ensures the safe, orderly and expeditious handling of air traffic in Germany. The DFS Group also offers additional services on the free market (the commercial business).

The DFS Group divides its business activities into two segments. One segment – the regulated business – is financed by air navigation charges, while the other segment – the commercial business – competes for business on the free market. The segment financed by air navigation charges is the main business. The commercial business comprises three "participation categories".



### 1.2.2 Regulated business

The regulated business – providing air navigation services – is defined by the tasks set out in Section 27c of the German Aviation Act (LuftVG). As a company entrusted to perform State functions, DFS provides air traffic services (ATS) and support services. To provide air traffic control services, DFS operates four control centres in Langen, Munich, Karlsruhe and Bremen as well as 15 aerodrome control towers. From these locations, en-route services and approach control (APP) for lower and upper airspace as well as the air traffic control services at the 15 designated international airports in Germany are provided. These services also include the aeronautical information service, air traffic flow management and airspace management. For this purpose, DFS develops and operates systems for air traffic management (ATM), for communication, navigation and surveillance services as well as for administration.

The en-route and the terminal charges are laid down by EUROCONTROL per calendar year on the basis of a decision of the enlarged Commission in accordance with the German Ordinance on Route Charges of the Air Navigation Services (FSStrKV).

The charges for aerodrome control services are set by means of a statutory instrument of the German Federal Government (Section 1(1) FSAAKV).

### 1.2.3 Commercial business

The management of the Group has bundled the commercial business (see also section 3.2) in subsidiaries and investment entities primarily under the DFS International Business Services GmbH (DFS IBS) holding company to the extent legally possible and economically sensible.

The subsidiaries and investment entities support and enhance the portfolio of products and services offered by the Group on the free market. These commercial services are offered worldwide, while air navigation services are currently provided in Europe only. The commercial business is not subject to regulatory requirements (with the exception of the aerodrome control services provided by DFS Aviation Services at German regional airports since September 2021). Intra-Group transactions are conducted at arm's length conditions and prices.

## 1.3 Legal framework and management organisation

In 1993, DFS was entrusted with the tasks of the Federal Administration of Air Navigation Services (BFS) by the Federal Republic of Germany. The Headquarters of DFS are located in Langen near Frankfurt at: Am DFS-Campus 10, Langen, Germany. The company is registered under HRB 34977 on the Commercial Register at the Local Court in Offenbach am Main.

The object of the company is the development, provision and execution of the air navigation services delegated to the company by the German Federal Ministry for Digital and Transport (BMDV). The company can also provide air navigation services in Europe as well as carry out related sideline activities in Germany and abroad.

The sole Shareholder is the Federal Republic of Germany.

The Executive Board consists of four members, responsible for the directorates operations, engineering, human resources, as well as the chairperson of the Executive Board.

The Supervisory Board of DFS comprises 12 members, six appointed by the Shareholder and six elected by employees (see Group Note 37.2 for the members of the Supervisory Board).

#### 1.4 Research and development

German airspace demands a particularly high-performing air navigation service provider over the long term, as this airspace is extremely busy and complex in international comparison. Technological and operational innovations represent an important prerequisite for managing growing cost pressure, increasing requirements as regards environmental sustainability and the rise in air traffic predicted in all forecasts for the medium term. These issues must all be managed while maintaining an unrestricted safety level. Therefore, DFS has been involved in international and national research projects for many years. It concentrates on applied research which leads to new products, procedures and working methods and follows the path from invention to innovation.

As part of its DFS Group Strategy 2030, DFS is pushing ahead with its innovations in a targeted manner. National activities focus on regional challenges, such as the optimisation of flight routes for overflights and the operation of busy airports, such as Frankfurt and Munich (including their arrivals and departures). For this purpose, DFS conducts real-time and fast-time simulations, tests new key technologies and develops techniques and procedures based on these and suitable simulators. DFS also participates in funding programmes of the German government and the European Union, such as the aeronautical research programme and the Single European Sky ATM Research Programme (SESAR). The goal of the national grant funding projects, and of all other forms of national cooperation, is to work jointly with German partners from research and industry to improve the starting basis for subsequent international activities.

DFS allocated a total of approximately €58.6 million to research and internally generated developments. The capitalisation ratio equals roughly 45.4 percent.

DFS received grant funding payments of around €18.7 million in 2023 from European research framework programmes for this purpose, including from SESAR, the German aeronautical research programme as well as the mFUND research initiative (*Modernitätsfonds*).

## 2 Report on economic position

In addition to the overall economic situation, political, legal and industry-specific factors have a fundamental influence on the development of air transport. A thriving global economy boosts air transport, while political tensions, the military operations associated with the war in Ukraine, natural disasters, regulatory, legal or fiscal constraints, and global disease clusters (pandemics) can shift traffic flows and may have a downward effect on traffic volumes. The number of aircraft movements controlled by DFS thus has a considerable influence on the business activities of the regulated business as well as on the significant elements of commercial business.

### 2.1 Overall economic situation

Global growth slowed from 3.5 percent in 2022 to 3.0 percent in 2023 according to International Monetary Fund (IMF) projections. The Organisation for Economic Co-operation and Development (OECD) found that global gross domestic product (GDP) grew by around 2.9 percent year-on-year, down from an increase of 3.3 percent in 2022.

The sharp rise in inflation, the tightening of financial conditions in most regions and the global armed conflicts continued to weigh heavily on the economy in 2023. A key factor in the slowdown in global growth was the general tightening of monetary policy, driven by the unexpectedly large overshoot of inflation targets.

The EU economy grew by around 0.6 percent in 2023, after 3.4 percent in the previous year. The consequences of the war in Ukraine hit the EU economy both directly and indirectly, putting it on a path of lower growth and higher inflation. The rapid rise in energy and food prices fed global inflationary pressures, reduced household purchasing power and triggered a faster monetary policy response.

The macroeconomic environment in Germany in 2023 was characterised by persistently high inflation together with higher interest rates, which had a particularly negative impact on domestic demand in Germany. The German economy was unable to perform fully under these conditions in 2023. According to the German Federal Statistical Office, real GDP decreased by roughly 0.3 percent in 2023. A restrictive monetary policy was introduced in response to the high inflation at the start of the year and the associated fall in real incomes. This resulted in a decline in private consumption. An unusually high sickness rate and the slump in government consumption following the end of the COVID-19 measures also dampened economic output.

### 2.2 Development of business

Traffic volumes and thus the development of the business in 2023 continued to be impacted by the effects of the war in Ukraine. The inflation rate, especially at the beginning of the year, had a noticeable impact on the cost situation at DFS. On the other hand, steadily falling energy and commodity prices, in addition to the German Federal Government's caps on gas and electricity prices, resulted in an improvement on the planned figures.

The war in Ukraine and the associated airspace closure on NATO's eastern flank resulted in a significant increase in traffic flows in central Europe, particularly over Germany. In addition, there was a further rise and recovery in air traffic volumes over Germany, albeit weaker than expected overall and primarily in intercontinental traffic. Retrospectively, this figure is over 90 percent of the 2019 level. In 2023, only just over 75 percent of the 2019 level was reached on domestic German or European short and medium-haul routes. The positive trend in long-haul flights has led to a traffic level of up to 130 percent of the 2019 traffic volumes at the Karlsruhe

control centre, particularly for overflights and especially in sectors of the upper airspace. Compared to the previous year, the total number of flight movements under instrument flight rules logged by DFS was almost 7.5 percent higher than in 2022, while there was a slight decrease in military flight operations.

iCAS II, an air traffic control system of the latest generation, has been in operation at the Munich control centre since mid-March 2023. In June, the large-scale NATO exercise Air Defender 23 took place over a period of two weeks in German airspace. Despite the system-related reduction in capacity in Munich and the significant increase in traffic volumes in some parts of airspace, DFS continued to be able to guarantee a high level of punctuality for flight operations overall.

In July, DFS became the first comparable air navigation service provider in Europe to introduce a certified environmental management system under the EU EMAS regulation, which forms the technical and conceptual basis for the calculation, planning and implementation of environmental protection measures.

The RASUM 8.33 Radio Site Upgrade and Modernisation project, which has been running since 2020, was successfully completed at the end of 2023. As a result, the radio technology with around 4,000 radios at almost 100 sites across Germany was modernised.

### **2.2.1 Development of air traffic**

#### *IFR flights 2023*

After the pandemic-related travel restrictions were lifted, the recovery in 2023 remained very heterogeneous in the various transport segments. Arrivals and departures were well below the pre-pandemic level and are likely to settle at a lower normal level. In general, a restrained momentum could be observed not only in domestic traffic in Germany, but also in connections to neighbouring countries. The main reasons for this included new forms of work such as remote working, greater environmental awareness among travellers when choosing a mode of transport and changing company guidelines with regard to air travel.

Overflights, on the other hand, recovered and approached the 2019 level. Traffic flows recorded strong growth along the south-east axis. This growth was driven by the rerouting of flights around Russia due to the conflict in Ukraine and the strengthening of hubs in the Middle East. As a result, the pre-pandemic level was significantly exceeded locally in upper airspace.

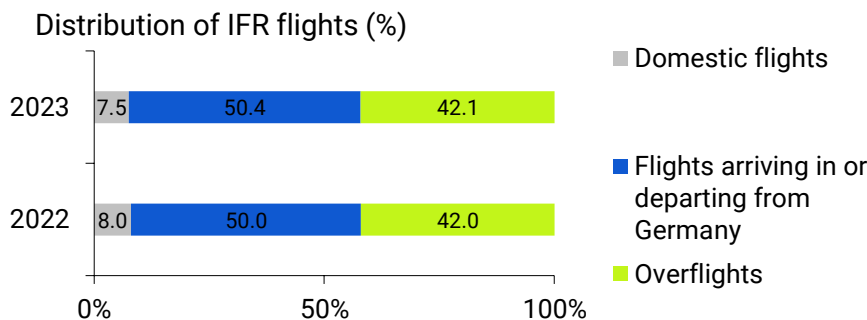
Traffic growth was mainly driven by the traditional airlines. While the point-to-point airlines (low-cost carriers) flew over German airspace on a large scale, they remained relatively cautious when it came to flying to German destinations. This was due to Lufthansa's dominant market position in Germany. The sanctions against Russia continued to lead to a drop in traffic flows that could not be offset in the German market.

**IFR flights in Germany**

	2023	2022	Change
Civil flights	2,790,984	2,585,096	7.96%
Military flights	47,767	50,963	-6.27%
<b>Total</b>	<b>2,838,751</b>	<b>2,636,059</b>	<b>7.69%</b>

The busiest day of 2023 was 07 July 2023, with 9,553 controlled flights. The increase in traffic was due to a rise in overflights (+8.8%) and entries and exits (+7.9%) year-on-year, and was rooted predominantly in the resumption of continental services. Domestic traffic rose by only 0.9 percent year-on-year, however.

This is reflected in the shares of total traffic volume. While the proportion of domestic flights fell by less than 1 percentage point, the proportion of overflights and entries and exits remained almost the same compared to the previous year.



*Traffic at the airports where DFS operates*

At the designated international airports in Germany, arrivals/departures increased from 1,474,929 last year to 1,591,373 in 2023. This represents an increase of approximately 7.9 percent and is 74.6 percent of the 2019 level of 2,132,289 arrivals and departures.

*Drones – integration and detection*

The work of DFS to comply with the mandate on the systematic detection of unmanned aircraft systems in the vicinity of aerodromes has been put on hold due to the pending clarification of the financing of the project. An inter-ministerial working group of the Federal Ministry for Digital and Transport (BMDV) and the Federal Ministry of the Interior and Community (BMI) continues to work on clarifying who should bear the costs for a coordinated overall system, which includes detection and defence.

To further promote the safe and fair integration of unmanned aircraft systems into German airspace in line with European regulation, DFS developed the digital platform for unmanned aviation (dipul) in 2021 on behalf of the BMDV, and operates it. Dipul makes map-based information on no-fly zones and information around the applicable rules easily accessible online for drone operators. Thus, for the first time, the platform bundles all relevant information and rules for unmanned aviation according to the German Aviation Regulation (LuftVO) centrally on one website. By the end of 2023, dipul had more than 530,000 users.

As part of a project funded by the BMDV, DFS has worked with consortium partners to develop solutions and recommended actions for implementation of the U-Space Regulation throughout Germany. The practical testing of the recommendations started on 1 December 2023 in a further funding project called Blueprint U-Space (BLU-Space). The work is planned for a period of three years.

## 2.2.2 Principal legal and regulatory influencing factors

### *Reference period 3*

The European Commission set the third reference period (RP3) for the period from 2020 to 2024, combined with binding European targets for the key areas of safety, capacity, cost-efficiency and the environment, as well as a financial incentive system for the key area of capacity. The basis is Commission Implementing Regulations (EU) 2019/317 and 2020/1627.

The European Commission rejected the FABEC performance plan and approved the national performance plan for Germany instead. The national performance plan ensures that carry-over from 2020 and 2021 will be taken into account from 2023.

### *Reference period 4*

The fourth reference period is being prepared on the basis of the current Regulation on a common charging scheme (Regulation (EU) 2019/317). Following the adoption of binding EU target values by the EU Member States, the FABEC supervisory authorities are preparing national contributions for the FABEC performance plan, which must be submitted to the European Commission for approval by 1 October 2024.

### *Uncontrollable costs – costs exempt from cost-sharing*

For the third reference period (RP3) from 2020 to 2024, Article 28(3) of Regulation (EU) 2019/317 also allows for the sharing of costs with airspace users for the costs that do not lie within the control of air navigation service providers. It also provides, among other things, for a sharing of costs with airspace users for unforeseen changes in the costs of new and existing investments from 2020.

### *Risk/reward transfer*

For the Control Centre division (since 2012) and the Tower division (since 2015), the regulatory situation has split the risks and rewards resulting from the differences between planned and actual traffic volume between airspace users and DFS. If defined thresholds are exceeded, DFS is authorised and obliged to return or demand any over- or under-recoveries (carry-over).

<b>Risk/reward transfer from deviations in traffic volume</b>	<b>DFS share</b>	<b>User share</b>
$v \leq 2.0\%$	100.0%	
$2.2\% < v \leq 10.0\%$	30.0%	70.0%
$v > 10.0\%$		100.0%

### European funding programme

Through the Connecting Europe Facility (CEF) funding programme, the EU provides targeted support for investments in the air traffic management (ATM) sector, in particular for the implementation of the European ATM Master Plan. DFS participates extensively in this programme and receives grants from the EU for a large number of projects.

However, under Article 14(2)(13) of Commission Implementing Regulation (EU) No 409/2013 (Common Projects), such grant funding counts as 'other revenue' as set out in Article 25(3a) of Commission Implementing Regulation (EU) 2019/317 and should be used to reduce air navigation charges.

### 2.2.3 Forecast/actual comparison

Forecast/actual comparison 2023			
	Actual as at 31 Dec 2022	Forecast for 2023	Actual as at 31 Dec 2023
Service units	En-route services: 12.5 million Terminal services: 1.1 million	Slight increase	En-route services: 13.6 million Terminal services: 1.2 million
Revenues (total)	€1,327.7m	Not cost-covering	€1,372.0m
Revenues: commercial business (total operating revenues and income)	€94m (€98m)		€97m (€98m)
Depreciation and amortisation	€110.2m	Declining	€106.1m
Earnings (total) (incl. minority interest)	-€31.6m	Losses in the high two-digit euro range	€135.1m
Earnings (commercial business)	-€7.7m	Losses in the high two-digit euro range	€5m
ATC training starts (of which DFS share)	142 (126)	Continued pipeline of student ATCOs	136 (120)

More information on earnings can be found in section 2.3.4.

## 2.3 Results of operations

### 2.3.1 Revenues

In the business year 2023, the DFS Group generated revenues from terminal charges, en-route charges and the carry-over of €1,348.7 million (previous year: €1,327.7 million). Revenues were thus 1.6 percent over the previous year.

They also include items for military operational air traffic, aeronautical publications and flight inspections. Other operating income mainly includes grants received from EU subsidised projects.

The Group generated other revenues primarily from air traffic control services at the German regional airports where DFS Aviation Services (DAS) operates and at London Gatwick and Edinburgh airports, and from consultancy and staffing services, apron management service and training services.

(Material components are shown in Group Note 6.)

### 2.3.2 Principal expense categories

At 75.8 percent of total expenses, staff costs were the main expense item (previous year: 79.2%). At 57.7 percent, or €742.7 million, wages and salaries were the largest cost component of total expenses (previous year: €714.9 million, equivalent to 54.2%): This was followed by pension expenses of €231.9 million, or 18.0 percent (previous year: €328.7 million, or 24.9%).

Other operating expenses accounted for 13.2 percent (previous year: 10.9%) and depreciation and amortisation for 8.2 percent (previous year: 8.4%).

The cost of materials and write-downs of receivables were of minor importance.

### 2.3.3 Taxes on income

Corporation tax including the solidarity surcharge as well as municipal trade tax and foreign taxes are recognised under current income taxes (current year: €4.5 million, previous year: €4 million). The computation of income taxes at DFS is based on applicable tax regulations in connection with Section 31b(3)(3) of the German Aviation Act (LuftVG). For the other Group subsidiaries, the trade and corporation tax laws and regulations are of relevance.

Deferred taxes totalled minus €25.5 million (previous year: €2 million). The total amount of taxes decreased by €27.5 million year-on-year.

The tax ratio (tax expense / EBT) was minus 18 percent.

### 2.3.4 Group earnings

In 2023, the DFS Group generated net income of €135.2 million after a net loss of €31.6 million in the previous year.

Of this amount, €136.5 million is attributable to the ultimate parent company and minus €1.3 million to minority interests. The net loss from the commercial business amounted to €5 million. (This line item includes the result component of the minority shareholder in Droniq.)

Earnings include capitalised development costs of €26.9 million (previous year: €31.2 million) and grant funding of €17.1 million (previous year: €17.1 million). The effects from the carry-over totalling €59.4 million (previous year: €292.0 million) recognised in the business year had a positive impact on earnings, while the reduced income from charges from 2020 and 2021 to be offset in the charges for users in 2023 negatively impacted earnings.

A net loss of €1.3 million was attributable to the minority shareholder of the Droniq subsidiary (previous year: net loss of €1.4 million).

## 2.4 Assets and financial position

### 2.4.1 Capital expenditure (CAPEX)

The DFS Group invests in a targeted manner in preserving and developing the required infrastructure. Regulations and standards from ICAO, EUROCONTROL and the EU are taken into consideration. The safety of air traffic plays a decisive role when it comes to decisions on capital expenditure. Against this background, capital expenditure amounted to €81.7 million (previous year: €89.1 million) in the business year 2023.

In the business year 2023, assets under construction worth €13.1 million were completed (previous year: €21.2 million).

### 2.4.2 Balance sheet structure

In 2023, the balance sheet total decreased by 1.9 percent over the previous year to €2,684.8 million (previous year: €2,737.9 million).

#### *Assets*

Non-current assets declined by 6.1 percent from €1,852.1 million to €1,739.3 million, while current assets increased by 6.7 percent from €885.8 million to €945.5 million, which was mainly due to withdrawals from fund assets.

The structure of non-current assets remained almost constant overall compared with the previous year.

Within current assets, trade receivables increased by €31.1 million (23.2%). Cash and cash equivalents also rose by around €1.4 million (0.9%), investments in fund assets that have not been assigned decreased by around €114.2 million (26.6%), also due to the withdrawal of €125 million. The carry-over receivable due in 2024 increased other assets by €327.7 million.

#### *Equity and liabilities*

Equity sank noticeably by 47.4 percent from €1,180.0 million to €638.2 million. This is mainly due to the remeasurement of the net defined benefit liability (€677.8 million, OCI).

Non-current liabilities rose by 55.8 percent from €1,155.6 million to €1,800.0 million. The main impact here was the change in the net liability from pension obligations.

Current liabilities sank by 38.7 percent from €402.7 million to €246.8 million. Current financial liabilities decreased due to the repayment of the *Schuldscheindarlehen* (debenture loan) in 2023.

The structure remained basically constant.

Balance sheet indicators	2023	2022
<b>Net financial indebtedness (€m)* (Financial liabilities – liquid funds)</b>	<b>127.7</b>	<b>131.8</b>
<b>Leverage ratio (%) (Net financial indebtedness / balance sheet total)</b>	<b>4.8</b>	<b>4.8</b>
<b>Asset intensity (%) (Non-current assets / balance sheet total)</b>	<b>64.8</b>	<b>67.6</b>

### 2.4.3 Liquidity

Financing is carried out primarily by drawing on the cash inflows from operating activities and on funds from a money and capital market programme.

Group Treasury plans and controls the level of cash and cash equivalents and the procurement of funds. It incorporates subsidiaries in the flow of funds by means of intra-Group liquidity offsetting (cash pool agreements). The DFS Group pays attention to a balanced financing structure in order to effectively counter market developments.

The DFS Group finances its non-current liabilities congruently with *Schuldscheindarlehen* (debenture loans). Short-term liquidity is covered by means of a multi-currency commercial paper programme. This financing form was not used in the business year. The solvency of the DFS Group is supported by fund assets.

The financing requirements of subsidiaries are satisfied by intra-Group settlement accounts and loans.

The rating agency Standard & Poor's confirmed for DFS the ratings in combination with its Shareholder for both their short- and long-term ratings (AAA/Stable/A-1+).

### 2.5 Overall assessment on the economic situation

The development of the results and financial position was materially shaped by the war in Ukraine, collective bargaining developments and the fact that air traffic volumes were still below plan. The income from carry-overs, which largely offset the liquidity shortfalls in the 2020 and 2021 business years under the current legal situation as part of the risk-sharing mechanism, had a positive effect. The persistently high level of interest rates and the favourable development on the capital markets had a positive effect on the balance sheet situation. This led to an increase in provisions for pensions, although the discount rate fell below the previous year's reference value at the end of the year. Other influencing factors are the legal framework, regulatory requirements, grant funding, capitalisation of development costs and the measures taken by the Executive Board on cost containment.

With increasing service units (year-on-year), the DFS Group generated revenue above the previous year's level in the 2023 business year. Due to the increased total operating revenues and the positive development on the capital market, the DFS Group recorded an overall net income of €135.2 million (for DFS share, see also section 2.3.4). This was primarily influenced by the financial result and regulatory effects (carry-over as well as the imputed model for closing the deficit in occupational pensions).

## 3 Segment reporting

### 3.1 Regulated business

#### 3.1.1 En-route services

##### *Service units*

The amount to be paid by the airspace user is calculated by multiplying the service unit by the en-route unit rate.

<b>Service units – en-route services</b>			
	<b>2023</b>	<b>2022</b>	<b>Change</b>
Total	13,619,197	12,518,746	8.8%

The number of service units increased by around 8.8 percent in 2023 compared with the previous year, equivalent to 90.0 percent of the 2019 level. This number was 8.4 percent lower than in the performance plan, which forecast 14,862,500 service units for 2023.

The national unit rate for en-route services consists of the cost elements of DFS, EUROCONTROL, the Maastricht Upper Area Control Centre and national authorities, such as the German Meteorological Service (DWD) and the Federal Supervisory Authority for Air Navigation Services (BAF), which are apportionable to air traffic.

The national en-route unit rate is calculated by taking the determined costs for the year in question as defined in the performance plan plus the adjustments defined in Commission Implementing Regulation (EU) 2019/317 and dividing by the service units based on the basic forecasts of EUROCONTROL's Statistics and Forecast Service (STATFOR) for the year in question.

<b>Development of unit rate for en-route services</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Total</b>	<b>80.14</b>	<b>72.95</b>	<b>62.35</b>
DFS share	65.36	59.70	50.31

The EU Regulation on the common charging scheme for air navigation services contains compensation mechanisms to partly offset losses in revenues as a consequence of deviations in traffic volumes as well as an inflation adjustment. In 2023, the unit rate rose by around 17.0 percent due to a series of stabilisation measures.

In 2024, the unit rate will increase again by around 9.9 percent as a result of under-recoveries from previous years.

#### 3.1.2 Terminal services

##### *Service units*

The amount to be paid by the airspace user is calculated by multiplying the service unit by the unit rate for terminal services.

<b>Development of service units for terminal services</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>
Total	1,166,920	1,067,026	9.4%

The performance plan, which envisaged a total of 1,426,000 service units for 2023, was undershot by 18.2 percent. Compared with 2019, this corresponds to a level of 78.2 percent.

The unit rate for terminal services comprises air traffic-related cost elements of DFS, national bodies such as the German Meteorological Service (DWD) and the Federal Supervisory Authority for Air Navigation Services (BAF) in keeping with the EU regulations concerning the provision of air navigation services.

Development of unit rate for terminal services	2024	2023	2022
<b>Total</b>	<b>271.24</b>	<b>255.94</b>	<b>218.05</b>
DFS share	265.25	250.89	213.17
Compared with previous year (total, in %)	6.0	17.4	67.4

In 2024, the unit rate will increase by around 6.0 percent as a result of carry-overs from previous periods. The proportional unit rate will take a share of the total unit rate of about 98 percent.

### 3.1.3 Results of operations

Results of operations (€m)	2023	2022
Total operating revenues and income	1,301.0	1,290.2
Total expenses	-1,176.0	-1,211.3
<b>EBIT</b>	<b>125.0</b>	<b>78.9</b>
Financial result	-2.0	-94.8
<b>EBT</b>	<b>123.0</b>	<b>-15.9</b>
Taxes on income	17.0	-8.0
<b>Net loss/income</b>	<b>140.0</b>	<b>-23.9</b>
of which DFS	140.0	-23.9

More information on segment reporting can be found in Group Note 26.

## 3.2 Commercial business

### 3.2.1 Business activities

#### *Stable aviation business*

In the stable aviation business, the focus is on the sale of aviation-related products and publications as well as the training of military air traffic control personnel.

The data collected by the Group for aeronautical charts and publications relating to German airspace are marketed by Eisenschmidt in the B2B and B2C business, mainly via an online shop. In addition to these products, aeronautical charts for Europe, as well as further products and services for the training of pilots, are also developed, produced and distributed. Despite the decline in revenues in 2023, Eisenschmidt achieved a positive result as at the balance sheet date compared to the previous year.

The training provided by Kaufbeuren ATM Training (KAT) for Bundeswehr military air traffic control personnel takes place using a contractually agreed simulator and teaching infrastructure, and on the basis of a comprehensive quality management system. As at the balance sheet date, KAT generated positive earnings.

#### *Competitive ATM business*

DFS Aviation Services (DAS) provides aerodrome control services at nine regional airports and one special-purpose airport in Germany. In addition, aerodrome flight information services (AFIS) and apron management services are provided at other German airports. In addition, the apron control services that were provided for the first time in 2022 are being successfully continued through a branch at Jorge Chávez International Airport in Lima (Peru).

In addition to the provision of classic air navigation services from the control tower, DAS also offers aerodrome control services and AFIS as a remote service. The operational implementation and associated technology are offered through the joint venture AERONSENSE.

The business activities of DAS also include the distribution of radar and position data as well as flight plan data from Germany and the system engineering (maintenance) for supplied air traffic control systems offered worldwide. The order book for ATS systems continued to develop positively in 2023.

Furthermore, DAS offers training courses for external customers to maintain the competence of operational personnel. In addition to traditional on-site training, online courses, including online simulations, are offered. As regards AFIS services, DAS has been certified for initial training since 2022 and offers this in Germany.

In 2023, demand for consulting services in the international air navigation services business was still subdued. A recovery is also expected here in the following years.

In the 2023 business year, DAS posted a significant increase in sales compared to the previous year. The net income for the year was negative due to one-off effects (mainly impairment of the carrying amount of the investment in ANSL).

## Combined management report of DFS Deutsche Flugsicherung GmbH

Air Navigation Solutions Ltd. (ANSL), as a subsidiary of DAS, provides aerodrome control services at Edinburgh Airport. The seamless handover of aerodrome control services at Gatwick Airport to NATS took place in October 2022. With the discontinuation of services at Gatwick Airport and the lack of offsetting sales, the net income was clearly negative. DAS has taken appropriate measures to ensure ANSL's liquidity.

As a subsidiary of DAS, DFS Aviation Services Bahrain CO W.L.L. (DAS Bahrain) has been providing air traffic control personnel to the Bahraini air navigation service provider since 1 January 2019. The contract with Bahrain Civil Aviation Affairs for the provision of personnel was extended by one year in 2023 until 31 December 2024. As in previous years, DAS Bahrain ended the business year with a positive result.

### *Dynamic UTM business*

Droniq was able to achieve the planned sales and continue to position itself as the provider that enables professional drone flying inside and outside a U-Space. This was despite the difficult market situation and the fact that regulation is not yet in place in Germany. Numerous grant funding projects contributed to a further expansion of the range of services.

In 2023, revenues increased year-on-year. On the balance sheet date, due to the high expenses for the further development of Droniq and the initially gradually increasing revenues, there was a net loss for the year. However, this was lower than forecast.

### **3.2.2 Results of operations**

<b>Results of operations (€m)</b>	<b>2023</b>	<b>2022</b>
Total operating revenues and income	98.0	97.8
Total expenses	-108.0	-106.7
<b>EBIT</b>	<b>-10.0</b>	<b>-8.9</b>
Financial result	1.0	-0.8
<b>EBT</b>	<b>-9.0</b>	<b>-9.7</b>
Taxes on income	4.0	2.0
<b>Net loss/income</b>	<b>-5.0</b>	<b>-7.7</b>
of which DFS	-4.0	-6.3
of which minority interest	-1.0	-1.4

More information on segment reporting can be found in Group Note 26.

## 4 Personnel

Motivated and qualified staff are indispensable for a continuously high quality of service. This is why human resources management at DFS stresses a holistic approach from selection through attractive compensation and targeted training and development to the long-term retention of staff.

### 4.1 Employee structure

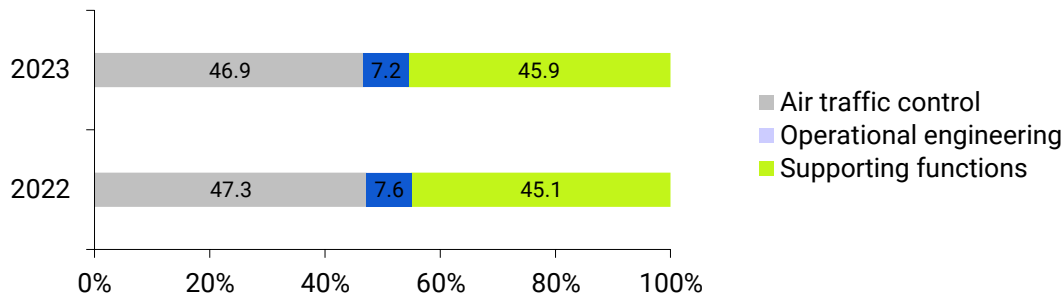
As at 31 December 2023, the DFS Group had a total of 6,155 employees. This number is made up of non-exempt staff (covered by collective agreements), exempt employees (not covered by collective agreements) and executive staff as well as assigned personnel of the Federal Aviation Office (LBA) working for DFS and soldiers released from regular service. Non-exempt employees are subject to the provisions of the company-specific collective bargaining agreements.

Executive staff and exempt employees negotiate their contracts freely on an individual basis. These employees have target agreements covering corporate goals and their area of expertise. The degree of fulfilment of these agreements determines the variable salary components.

The assigned personnel of the Federal Aviation Office (LBA) working for DFS form another employee group. These established and non-established civil servants, who have remained in an employment relationship with the Federal Government, still fall under the Federal Civil Servants' Remuneration Regulation (*Bundesbesoldungsordnung*) and the collective agreement for the public service (*Tarifvertrag für den öffentlichen Dienst – TVöD*). The collective agreements of DFS do not apply to them. DFS bears the relevant expenses.

Reporting date 31 Dec	2023	2022
<b>Permanent employees (total)</b> (of which at subsidiaries)	<b>6,155</b> <b>(468)</b>	<b>6,070</b> <b>(458)</b>
Salaried staff (of which at subsidiaries)	5,713 (445)	5,576 (434)
Managers (of which from subsidiaries) (proportion of female managers)	520 47 84	
Wage-earners	12	14
Technical/commercial students & apprentices (of which at subsidiaries)	90 (0)	102 (1)
Trainee air traffic controllers (of which at subsidiaries)	169 (23)	178 (23)
Soldiers released from regular service and personnel of the Federal Aviation Office (LBA)	171	200
Compared with previous year (%)	1.4	-0.1
Share of female employees (%)	27.3	27.3
Share of foreign employees (%)	5.4	5.3

Employees by area of duties (%)



Of the 6,155 employees of the Group, 1,169 were part-time – 640 women and 529 men. The share of part-time employees rose by 7.5 percent over the previous year, reaching 19.0 percent. The age structure of staff is well balanced, with the average age being 42.9 years. The turnover rate was 2.0 percent in 2023.

At present, 27.3 percent of employees are women. Currently, 84 of the 520 management positions in the company are held by women, representing a share of 16.2 percent.

Foreign employees mainly come from the United Kingdom, followed by Spain, Austria and the United States. Overall, 62 nations are represented.

**4.2 Training**

DFS is well aware of its responsibility to society and has been offering job-starters attractive trainee and university places with a career perspective for years.

Training starts		
	2023	2022
<b>Total</b>	<b>178</b>	<b>177</b>
Air traffic controllers (of which at subsidiaries)	136 (16)	142 (16)
Dual courses of studies / apprenticeships (of which at subsidiaries)	42 (0)	35 (3)
Compared with previous year (%)	<b>+0.6</b>	<b>+25.5</b>

On 31 December 2023, a total of 408 people (including controllers in on-the-job training – OJT) were undergoing multi-year air traffic controller training in the Group, 385 of whom (including OJT controllers) were at DFS. A total of 160 people were undergoing theoretical basic training.

In addition to the training of air traffic controllers, the portfolio of training offered at DFS also encompasses dual courses of studies in IT, air traffic control technology, electrical engineering, air traffic management as well as IT-related and commercial apprenticeships. The portfolio of dual courses of studies is being supplemented by a degree course in air traffic management as a combination of a bachelor's degree in business administration with practical air traffic controller training.

This allows DFS to meet its demand for qualified staff. As these staff are trained internally, they will, in all likelihood, take on duties within DFS on completion of their training or degree.

### **4.3 Collective bargaining**

In 2023, the cooperation between the collective bargaining parties, DFS and the air navigation services union (GdF), was characterised not only by specific individual collective bargaining topics but in particular by the collective bargaining structure topic called Future DFS, which, in addition to the aspects of flexibilisation and simplification of collective bargaining agreements, is also intended to enable improved and more needs-based career development.

## 5 Compliance

As a State-owned entity, DFS and the domestic subsidiaries where DFS is the majority shareholder are subject to the Public Corporate Governance Code (PCGK) of the Federal Government of Germany. Under this code, the Executive Board has to ensure adherence to and compliance with legal provisions and corporate guidelines. DFS introduced a compliance management system (CMS) on the basis of this code.

The CMS, with the risk management system (RMS) and the safety and security management system form the three pillars of the corporate structure for risk management.

The existing DFS whistleblower system, which enables employees to report possible compliance violations, was adapted in 2023 on the basis of the new law for better protection of whistleblowers (HinSchG). In addition to the formal establishment of a so-called internal reporting centre, appropriate measures were taken to increase the protection of the persons involved through reporting and to ensure the confidentiality of the identity of whistleblowers.

At the beginning of 2023, a mandatory compliance training programme was implemented for all DFS employees, which will be held every two years in future.

At the same time, the DFS majority investments were made increasingly responsible for establishing or reinforcing their own compliance structures and advised accordingly.

DFS is committed to sustainable and responsible corporate behaviour and respect for human rights. It rejects child labour, forced labour and inhumane working conditions in any form. In the event that there are nevertheless indications of possible violations of human and environmental rights in the DFS supply chains, DFS provides those affected with a channel for submitting any complaints. A Human Rights Body set up specifically for this purpose deliberates and decides on incoming reports.

The compliance management system is constantly upgraded and expanded. Organisationally, the matter is assigned to the Institutional & Legal Affairs division. There is a direct reporting channel from the Compliance Officer to the Executive Board and the Supervisory Board.

## 6 Risk report

Corporate strategy risks arise primarily from misjudgements of external conditions and future market developments. With the support of all committees, the Executive Board monitors the development of air transport, political developments and the European charging and performance scheme with the help of a risk management and internal control system.

In order to avoid financial risks, the DFS Group relies on a system for managing **financial risks** that is tailored to the specific business of the Group. It continuously monitors and analyses events on the financial markets in order to reassess existing strategies or develop new strategies where necessary.

The value-at-risk (VaR) analysis conducted determines the **currency and interest risk**, which is based on a sensitivity model used for internal planning and control. Through historical simulations of statistical time series on relevant past financial market data, scenarios are extrapolated into the future and used to compute simulated changes in market values for financial instruments. The analysis shows the absolute decline which will not be exceeded with a probability of 99.00 percent when the holding period is one, ten and twenty days.

<b>Value-at-risk metrics</b>			
<b>31 Dec 2023</b>	<b>1 day</b>	<b>10 days</b>	<b>20 days</b>
VaR 99 (%)	0.34%	1.08%	1.52%
VaR 99 (€m)	1062	3373	4747
<b>31 Dec 2022</b>	<b>1 day</b>	<b>10 days</b>	<b>20 days</b>
VaR 99 (%)	0.43%	1.36%	1.92
VaR 99 (€m)	1812	5732	8092

The presentation of the value-at-risk metrics is based on the potential risk exposure resulting from the more significant investments in the non-assigned fund assets.

Due to the charges laid down in Commission Implementing Regulation (EU) 2019/317 establishing a performance and charging scheme, DFS is generally not exposed to any increased **liquidity risk**. However, abrupt declines in traffic or national requirements can lead to a liquidity risk.

In the operating business, receivables are monitored on an ongoing basis and taken into account through individual value adjustments in terminal services as well as through security deposits. As the invoicing unit, EUROCONTROL initiates enforcement measures for en-route services. The maximum **default risk** is reflected in the carrying amounts of the financial assets recognised on the balance sheet.

The downgrading of the rating by an external rating agency and the Deutsche Bundesbank (eligibility of the debt instruments of DFS) would jeopardise the conditions of future financing as a **rating risk** and lead to higher interest expenses.

**Interest rate risk** is managed through the use of derivative financial instruments with term and volume congruence between the underlying transaction and the hedge.

The congruent hedging of financial transactions directly upon conclusion of the transaction through commercial paper reduces the **exchange rate risk** to a low level. In the reporting period, the total volume was \$0.2 million (previous year: \$1.0 million). Other currencies were only of minor importance.

DFS and its subsidiaries give top priority to the safety of air traffic. Security systems were set up for the provision of air navigation services in accordance with Section 27c of the German Aviation Act (LuftVG), the German BSI Critical Infrastructure Ordinance (BSI KritisV) and Commission Implementing Regulation (EU) 2017/373. As part of Germany's "critical infrastructure", DFS established a Security Operation Centre, which is being continuously optimised and further developed. The aim is to prevent **risks from cyber-attacks** on administrative applications of the air navigation services of DFS and its subsidiaries. In recent years, the topic of cyber-attacks has moved more into the public eye as well as at DFS. Due to several risk prevention measures that have been implemented, the cyber-risk is currently no longer considered a threat to the company as a going concern. Nevertheless, due to the prevailing security policy framework, criminal activities and the collection and analysis of information on commercial enterprises, an increased threat from cyber-attacks and espionage by foreign intelligence services must still be assumed.

A variety of measures are taken at the level of planning, implementing and operating of the infrastructure and system landscape of DFS and its subsidiaries to minimise the probability of downtime of the operational infrastructure (**performance-related risk**), which would endanger the safety of air traffic and impact business performance.

With a targeted, strategic personnel and management development programme and targeted HR marketing and recruitment measures, HR management is helping to counteract demographic change and the ever-increasing competition for highly qualified specialists and managers. HR management is required to support employees, also with regard to internal demographics, to support upcoming regulatory requirements or technical changes and thus minimise **personnel risk**.

DFS insurance cover includes, in particular, compensation for the loss or damage of material assets, including the resulting interruption of operations. It should be kept in mind when assessing the **insured risks** that DFS mainly performs sovereign functions on behalf of the Federal Republic of Germany in keeping with Article 87d of the German Basic Law (*Grundgesetz*) in conjunction with Sections 31b and 31d of the German Aviation Act (LuftVG). As a consequence, the Federal Republic of Germany is liable for claims brought by third parties for damages in line with the principles of State liability.

As an overall assessment, it can be summarised that the Executive Board does not currently recognise any risks, either individually or in combination, that would pose a threat to the going-concern status of the company.

## 7 Outlook

### 7.1 Development of the economic environment and effects on air transport

The pandemic-related travel restrictions of the past years should no longer play a significant role in future traffic growth (with a few exceptions in the intercontinental sector). Therefore, DFS expects the recovery of air transport to continue over the next few years.

However, the development is not the same in all segments. Business travel in particular is expected to settle at a new normal level that is well below pre-pandemic levels. In the short term, it remains to be seen whether flight cancellations due to staff shortages and a lack of aircraft due to delivery difficulties on the part of aircraft manufacturers can be avoided.

The challenges facing the air transport industry are largely related to global economic growth, high fuel costs and staff shortages, and may have a dampening effect on air traffic growth. Thus, despite the recovery, the outlook for the coming years is somewhat more cautious than previously assumed.

Global growth is projected by the IMF in its World Economic Outlook to fall from an estimated 3.0 percent in 2023 to 2.9 percent in 2024, and then rise to 3.1 percent in 2025. The forecast for 2024 is thus below the average of 3.8 percent for the years 2000 to 2019. The increase in central bank interest rates to fight inflation and Russia's war in Ukraine continue to negatively impact economic activity. In the OECD Economic Outlook from November 2023, the OECD forecasts growth of just 2.9 percent for 2023, followed by an increase of 2.7 percent in 2024 and 3.0 percent in 2025.

The EU is one of the most vulnerable economies due to its geographical proximity to the war in Ukraine and its strong, albeit rapidly decreasing, dependence on fossil fuel imports. The EU forecasts average growth of 0.9 percent for 2024 and 1.7 percent for 2025. For Germany, however, the EU only forecasts an increase in economic activity of 0.3 percent.

For 2024, the five leading economic research institutes again forecast economic growth of 0.9 percent for the German economy. This is 0.4 percentage points less than assumed in mid-2023. The German Federal Government, on the other hand, forecasts expected GDP growth of only 0.2 percent in 2024 in its Annual Economic Report 2024.

The global outlook remains subject to considerable risks and financial stresses due to the high levels of debt in individual countries. It is expected that inflationary pressures will ease as the supply bottlenecks are resolved and that wage costs will rise only moderately.

EUROCONTROL's Statistics and Forecast Service (STATFOR) outlines in its EUROCONTROL Forecast 2023-2029, published in October 2023, traffic growth in 2024 of 8.8 percent year on year. In the following years, STATFOR expects average growth of around 1.8 percent per year, with air traffic volumes increasing more strongly in the first years and shifting to its long-term trend towards the end of the medium-term. According to STATFOR estimates, the 2019 level will not be reached again until 2025.

## 7.2 Future development

### 7.2.1 Regulated business

#### *Third reference period (2020-2024)*

The third reference period (RP3) began on 1 January 2020 on the basis of the Implementing Regulation on a common charging scheme (Regulation (EU) 2019/317) and the EU targets under Commission Implementing Regulation (EU) 2019/903. The adjustment regulation, Commission Implementing Regulation (EU) 2020/1627, initiated by the European Commission due to the COVID-19 pandemic and the related traffic/revenue slump, led to a revision of all five years of RP3 and thus new EU targets and the drawing up of new performance plans. In the meantime, the FABEC States have each submitted their national contributions individually to the European Commission. The national German performance plan was approved by the European Commission on 14 December 2022.

### 7.2.2 Commercial business

The management of the Group pursues a long-term strategy of value-creating expansion of the commercial business to support the core business, provided that suitable opportunities arise on the market. The commercial business offers growth potential for the DFS Group and is therefore an essential part of the Group Strategy 2030.

In 2024, DFS plans to generate the largest revenue with the provision of aerodrome control services, the training of military air traffic controllers, and with apron control. This also includes the provision of air traffic control personnel, programming services and contracts for ground situation displays at individual airports.

In air traffic control operations at the German regional airports, the launch of a remote tower control (RTC) centre in Braunschweig is a focal point, which is intended to enable air traffic control services at Braunschweig and Emden airports (AFIS) to be provided remotely. In the area of UTM, Droniq will continue to position itself as an enabler for the use of drones in unmanned aviation. To this end, certification as the U-Space service provider in Germany is being sought in 2024. The company is forecasting losses for the coming business year.

The Executive Board forecasts negative earnings in the mid-single-digit million euro range in the commercial business of the DFS Group in 2024.

The support of commercial business by DFS provides relief for the regulated business (to the tune of €22.0 million) and thus for airspace users.

## 7.3 Results and financial position

### 7.3.1 Revenues and costs

The European Commission approved the national performance plan submitted by the Federal Republic of Germany in December 2022. The under-recoveries of 2020 and 2021 were recognised in one amount in the business year 2021 in profit or loss and taken into account in the calculation of charges spread over six years from the year 2023 onwards. This will increase revenues for DFS from 2023.

However, in the regulated business, it is doubtful that the pre-pandemic level will be reached in 2024 and revenues from air navigation charges are expected to remain lower than assumed in the performance plan. The forecast of EUROCONTROL's Statistics and Forecast Service

(STATFOR) from October 2021, on which the performance plan is based, assumes that the revenue-relevant service units will reach their pre-pandemic level in 2024. The current STATFOR forecast dated October 2023 already qualifies this assessment and forecasts that the 2019 traffic level will not be reached until 2025. Even this lower forecast is currently not fully shared by DFS. It also assumes continued positive growth in traffic volumes, although it is currently expected that a return of air traffic to pre-pandemic levels will not be possible until 2027 at the earliest. The resulting deviations from the targets in the reference period are subject to traffic risk sharing, as in previous reference periods.

Expenses in both the regulated business and the commercial business are primarily influenced by staff costs, including the cost of occupational pension provision. Staff costs will continue to increase due to the pipeline of new student air traffic controllers and salary increases under collective bargaining agreements. Depending on the development of interest rates, the cost of occupational pension provision can change significantly.

The business opportunities in the DFS Group arise predominantly on the free market in the commercial business.

### **7.3.2 Capital expenditure (CAPEX)**

DFS will continue to invest primarily in capacity-expanding and productivity-enhancing technology in air traffic control. These capital expenditures, as well as those on infrastructure and replacement investments, will be financed from cash flow and amortised by matched depreciation/amortisation charges.

With the projects for the replacement of the system infrastructure of the ATS systems as well as the replacement of communication, navigation and surveillance facilities, substantial replacement investments are being made. In addition, the increased inflation rates will lead to higher procurement costs for projects.

As a result, investments in 2024 are expected to be slightly above the level of 2023.

### **7.3.3 Liquidity**

The approval of the national performance plan described above will lead to higher revenues from 2024. DFS will therefore be able to ensure solvency at all times without borrowing.

Developments on the capital markets remain difficult to predict. In particular, the development of inflation and the associated interest rates will influence the financial strategy of DFS. While high inflation will lead to higher prices and staff costs, rising interest rates will ensure a reduction in the pension benefits obligation and that interest will be earned on demand deposits.

### **7.3.4 General statement and earnings forecast**

In 2023, DFS worked consistently on implementing the strategic measures adopted in 2022 and will continue to do so in 2024. By doing this, it is meeting the challenges arising from the expected increase in air traffic, the associated increase in airspace capacity and the continued need to ensure safety. Among other things, age-related separations of air traffic controllers must be constantly offset by the recruitment of new staff.

The approval of the national performance plan and the associated revenues from the carry-over from 2020 and 2021 have put DFS back in a position to meet its financial obligations on its own after three years.

Cost increases due to high inflation, especially in energy and project costs, are being mitigated by consistent implementation of the efficiency programme. However, an increase in expenditure cannot be completely avoided by this.

The capital markets will continue to face major challenges in 2024. They are likely to remain shaped by the business cycle, monetary policy and geopolitics. Due to the persistently high level of interest rates and the continuing recovery of the stock markets, DFS expects its investments to grow slightly.

Naturally, the opportunities are also accompanied by risks. The still uncertain geopolitical consequences of the wars in Ukraine and the Gaza Strip, the development of inflation and interest rates, and ultimately the weak economic development in Europe and especially in Germany are just a few examples.

Overall, the Executive Board expects slightly positive earnings (EBT) in the lower double-digit million euro range for 2024 on the basis of the charges-related financial statements.

## 8 Notes to the separate financial statements of DFS Deutsche Flugsicherung GmbH (HGB)

The Group management report 2023 has been combined with the management report of DFS Deutsche Flugsicherung GmbH (DFS) in accordance with Section 315(5) of the German Commercial Code (HGB) in conjunction with Section 289(2) of the HGB. In substance, the presentations contained in sections 1 to 7 correspond to those of DFS. The following information relates exclusively to the separate financial statements of DFS in accordance with the HGB.

### 8.1 DFS organising principles

DFS, which employs 5,687 operational and administrative staff, ensures the safety of German airspace and also offers additional products and services on the free market (the commercial business).

The organising principles of DFS essentially correspond to those of the DFS Group (see section 1).

### 8.2 Report on economic position

#### 8.2.1 Forecast/actual comparison

##### Forecast/actual comparison 2023

	Actual as at 31 Dec 2022	Forecast for 2023	Actual as at 31 Dec 2023
Service units	En-route services: 12.5 million Terminal services: 1.1 million	Slight increase	En-route services: 13.6 million Terminal services: 1.2 million
Revenues (total)	€1,256.7m	Not cost-covering	€1,268.7m
Depreciation and amortisation	€83.9m	Slightly above previous year's level	€81.9m
Earnings (total)	-€617.5m	Losses in the low three-digit euro range	-€313.4m
ATC training starts	126	Continued pipeline of student ATCOs	120

More information on earnings can be found in section 8.2.5.

#### 8.2.2 Revenues

In the business year 2023, DFS generated revenues of €1,268.7 million (previous year: €1,256.7 million), 1.0 percent higher than the previous year's level.

Revenues from air navigation services increased from €1,214.0 million to €1,229.5 million. Overall, they take into account the effects from the carry-over of €59.0 million (previous year: €292.0 million) recognised in the business year, which resulted from the greatly reduced traffic

situation and which will only be borne by the airspace users in the future through a compensation mechanism.

Revenues are mainly made up of en-route charges totalling €813 million (previous year: €630 million), terminal charges of €292.7 million (previous year: €227.5 million) and carry-over of €59 million (previous year: €292.0 million). Other revenues accounted for a share of €39 million (previous year: €43 million).

Within other air navigation services and other revenues, the commercial business accounted for a share of €20.4 million (previous year: €18.6 million).

### 8.2.3 Other operating income

Other operating income changed from €32 million to €25 million (21%).

Significant components are shown in HGB Note 4.2.

### 8.2.4 Principal expense categories

At 82.3 percent of total expenses, staff costs were the main expense item (previous year: 83.4%). Staff costs include wages and salaries at 39.7 percent (previous year: 43.5%) and expenses for pensions at 42.6 percent (previous year: 40.0%). Other operating expenses accounted for 12.5 percent (previous year: 10.5%) and depreciation and amortisation for 4.6 percent (previous year: 5.4%). Other operating expenses increased in 2023 due to the full inclusion of the outstanding amounts (€52.7 million) from the conversion to the HGB as part of the German Accounting Law Modernisation Act (BilMog). The cost of materials were of minor importance.

### 8.2.5 Earnings

In the business year 2023, DFS generated a net loss of €313.4 million (previous year: net loss of €617.5 million). This corresponds to a year-on-year change of 49.2 percent (previous year: >100%).

The result contained grant funding totalling €17.0 million (previous year: €17.0 million). The effects from the carry-over totalling €59.0 million (previous year: €292.0 million) recognised in the business year only had a minor positive impact on earnings.

As a result of the increase in total operating revenues and income (due to the continued recovery in air traffic), earnings developed slightly better than forecast despite higher total costs.

DFS also took into account the reduced proportionate income from charges from the COVID-19 years 2020 and 2021 to be offset in the charges for users in 2023.

Overall, the net income was impacted by the restrictions on air travel due to global conflicts and (at the beginning of the year) COVID-19.

### 8.2.6 Capital expenditure (CAPEX)

Capital expenditure amounted to €50.2 million (previous year: €53.5 million) in the business year 2023.

## 8.2.7 Balance sheet structure

In 2023, the balance sheet total increased by 6.4 percent over the previous year to €3,483.5 million (previous year: €3,273.5 million).

### Assets

Fixed assets decreased slightly overall by 6.5 percent. The decisive factor here was mainly the level of depreciation and amortisation, which exceeded the level of capital expenditure.

Financial assets declined by 4.5 percent primarily due to a principal repayment (€2.8 million) under an existing loan contract with the subsidiary DFS Energy. Current assets declined by 13.8 percent. Cash and cash equivalents rose by around €6.9 million (9.5%). Investments in fund assets that have not been assigned decreased by around €123.8 million (-29.4%).

Inventories and receivables from affiliated companies remained essentially constant. In addition, DFS reported a difference on the asset side from the billing of charges of €1,301 million for 2023. This item primarily includes amounts to be reimbursed by airspace users in the future from the high COVID-19-related traffic deviation in 2020 and 2021, as well as the carry-over for 2023 of €226.9 million.

Furthermore, DFS showed a deficit of €1,023.2 million for 2023, which was not covered by equity, due to the renewed net loss for the year of €313.4 million.

### Equity and liabilities

Equity remained uncovered for the time being, provisions increased by 14.2 percent and liabilities remained largely constant in their structure.

Pension provisions (netted against related plan assets) rose by 15.6 percent, or €345.4 million. Another significant influencing factor was the inflation adjustment of 7.9 percent in the collective agreement relating to pensions at DFS (VersTV). Tax provisions declined from €36.3 million to €22.6 million due to the income tax-related earnings for air navigation charges, while other provisions remained largely constant.

The structure of liabilities remained constant. Trade payables were largely due to domestic suppliers.

The difference on the liabilities side from the billing of charges decreased by 19 percent due to the change in the carry-over amounts to be reimbursed in the course of the n+2 mechanism.

	2023	2022
Net financial indebtedness (€m)* (Financial liabilities – liquid funds)	121.6	118.3
Leverage ratio (%) (Net financial indebtedness / balance sheet total)	3.5	3.6
Asset intensity (%) (Fixed assets / balance sheet total)	15.3	17.4

\* A minus sign means that there is overcompensation from liquid funds.

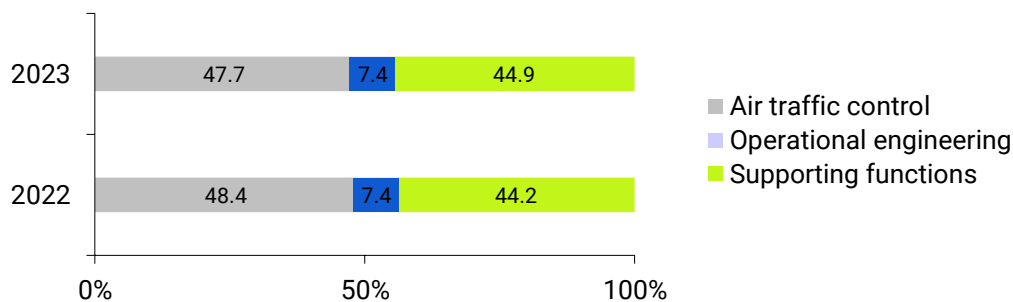
The financial result, driven primarily by pension obligations, was €161.2 million.

### 8.3 Personnel

As at 31 December 2023, DFS had a total of 5,687 employees.

	2023	2022
<b>Permanent employees (total)</b>	<b>5,687</b>	<b>5,612</b>
Salaried staff	5,268	5,142
Managers (proportion of female managers)	473 (69)	
Wage-earners	12	14
Technical/commercial students & apprentices	90	101
Trainee air traffic controllers	146	155
Soldiers released from regular service and personnel of the Federal Aviation Office (LBA)	171	200
Compared with previous year (%)	1.3	+0.5
Share of female employees (%)	27.5	27.3
Share of foreign employees (%)	4.2	4.1

Employees by area of duties (%)



Of the 5,687 employees at DFS, 609 women and 475 men were employed part-time, an increase of 9.9 percent to 19.1 percent. The age structure of staff is well balanced, with the average age being 43.1 years. The turnover rate was 1.2 percent in 2023.

At present, 27.5 percent of employees are women. Currently, 69 of the 473 management positions in the company are held by women, representing a share of 14.6 percent.

DFS applies the German law on the equal participation of women and men in management positions in the private sector and in public service (*FührposGleichberG*) and has laid down a target for the share of female division directors of 9 percent (previously: 5%) and the share of female department heads of 19 percent (previously: 13%) in the company for the period from 1 January 2022 until 31 December 2026. As at 31 December 2023, DFS reached 12.5 percent at division-director level and 18.2 percent at department-head level. The company is increasingly fostering in a targeted manner both family-friendly policies and equal opportunities.

As at the reporting date, the majority of foreign employees come from Spain and Austria, followed by Italy and the United Kingdom. Overall, 48 nations are represented.

### 8.3.1 Training

Training starts		
	2023	2022
<b>Total</b>	<b>162</b>	<b>158</b>
Air traffic controllers	120	126
Dual courses of studies / apprenticeships	42	32
Compared with previous year (%)	<b>+2.5</b>	<b>+33.9</b>

On 31 December 2023, 385 people (including controllers in on-the-job training – OJT) were undergoing multi-year air traffic controller training. A total of 137 people were undergoing theoretical basic training.

### 8.4 Compliance

The compliance regulations of DFS correspond to those of the DFS Group (see section 5).

### 8.5 Risk report

The risk situation of DFS essentially corresponds to that of the DFS Group (see section 6).

### 8.6 Outlook

The future business development of DFS is essentially subject to the same influences and general conditions as those of the DFS Group (see section 7).

#### 8.6.1 Capital expenditure (CAPEX)

Capital expenditure in 2024 is expected to be slightly above the 2023 level.

#### 8.6.2 General statement and earnings forecast

Despite a slight increase in the discount rate, the upcoming salary increases from collective bargaining will continue to lead to rising costs in the company pension scheme. DFS expects to make a net loss in the three-digit million range. The expected net loss will not lead to a liquidity shortfall of the same magnitude as the additional costs of the company pension scheme will only affect cash flow in later years. In the medium term, DFS expects a significant improvement in the earnings situation due to rising interest rates.

Langen, 1 March 2024

#### The Executive Board

**Arndt Schoenemann**  
Chairman and CEO

**Andrea Wächter**  
Chief Human  
Resources Officer  
& Labour Director

**Dirk Mahns**  
Chief Operating  
Officer

**Friedrich-Wilhelm  
Menge**  
Chief Technology  
Officer

## 9 Annex 1: Declaration on corporate governance pursuant to Section 289(f)(4) of the German Commercial Code (HGB)

The recognition, appreciation and inclusion of diversity in the corporate culture as well as gender equality are of particular importance at DFS. The German law on the equal participation of women and men in management positions in the private sector and in public service (FührposGleichberG), amended and supplemented by the law to supplement and amend the regulations for the equal participation of women in management positions in the private sector and the public sector, which came into force on 12 August 2021 (so-called *Zweites Führungspositionengesetz*) provides for companies such as DFS, which are subject to co-determination under the German Co-Determination Act (MitbestG), to set themselves targets for the gender split on the Supervisory Board, Executive Board and subordinate management levels. There is a prohibition on the situation deteriorating which must be observed and a maximum implementation period of five years which must be defined.

At the beginning of 2017, the DFS Supervisory Board set targets for the proportion of women of 30 percent for the Supervisory Board and 0 percent for the Executive Board for the period from 1 January 2017 to 31 December 2021. In 2016, the DFS Executive Board had already set targets for the proportion of women at the first management level of 5 percent and of 13 percent at the second management level for the period from 1 January 2017 to 31 December 2021. As at 31 December 2021, all targets had been achieved.

Pursuant to Section 7(1)(1) of the German Co-determination Act (MitbestG), the DFS Supervisory Board is composed of 12 members with equal representation of the Shareholder (6 members) and employees (6 members).

At its 118th meeting on 16 December 2021, the DFS Supervisory Board set the following targets for the proportion of women on the Supervisory Board and the Executive Board for the period from 1 January 2022 to 31 December 2026 in accordance with Section 52(2) of the German Act Concerning Limited Liability Companies (GmbHG):

- Target for the proportion of women on the Supervisory Board: 50.0%
- Target for the proportion of women on the Executive Board: 25.0%

As at 31 December 2023, the proportion of women on the Supervisory Board was 33.3 percent (4 out of 12) and on the Executive Board it was 25.0 percent (1 out of 4). The Shareholder representatives on the Supervisory Board are delegated by the Federal Republic of Germany as the sole shareholder, while the employee representatives are elected in accordance with the provisions of the MitbestG. The next election of the Supervisory Board takes place in March 2028.

In September 2021, the DFS Executive Board set the targets for the proportion of women in the two management levels below the Executive Board for the period from 1 January 2022 to 31 December 2026 in accordance with Section 36 of the German Act Concerning Limited Liability Companies (GmbHG):

- Target for the proportion of women on the first management level: 8.3%
- Target for the proportion of women on the second management level: 19.3%

As at 31 December 2023, the proportion of women on the first management level was 12.5 percent (3 out of 24) and 18.2 percent (18 out of 99) on the second management level.



## DFS Deutsche Flugsicherung GmbH

### Consolidated statement of comprehensive income for the period 1 January 2023 to 31 December 2023

	Note	2023 €m	2022 €m
<b>Continuing operations</b>			
Revenues	5	1,349	1,328
Changes in inventory and other own work capitalised		25	33
Other operating income	6	25	27
<b>Total operating revenues and income</b>		<b>1,399</b>	<b>1,388</b>
Material expenses		-33	-19
Employee expenses	7	-975	-1,044
Other operating expenses	8	-169	-144
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>222</b>	<b>181</b>
Depreciation and amortisation		-105	-110
Impairment losses on financial assets and contract assets		-2	-1
<b>Earnings before interest and taxes (EBIT)</b>		<b>115</b>	<b>70</b>
Financial income	9	186	151
Financial expenses	9	-187	-247
<b>Financial result</b>	9	<b>-1</b>	<b>-96</b>
<b>Earnings before taxes (EBT)</b>		<b>114</b>	<b>-26</b>
Income taxes	10	21	-6
<b>Earnings for the period (continuing operations)</b>		<b>135</b>	<b>-32</b>
<b>Allocation of the earnings of the period</b>			
Shareholder of the parent company		136	-30
Earnings attributable to minority interests		-1	-2

	Note	2023 €m	2022 €m
<b>Earnings for the period (continuing operations)</b>		<b>135</b>	<b>-32</b>
<b>Other comprehensive income</b>			
Items not reclassified in profit or loss			
Remeasurement of the net defined benefit liability from the defined benefit obligation = actuarial gains (+) and losses (-) of the ongoing business year		-678	1,976
Tax effects		0	0
Items that can be reclassified in profit or loss			
Currency differences from the conversion of foreign operations or investments		0 <sup>1)</sup>	0 <sup>1)</sup>
Tax effects		0	0
<b>Other comprehensive income for the period</b>		<b>-678</b>	<b>1,976</b>
<b>Total results for the period</b>		<b>-543</b>	<b>1,944</b>
<b>Allocation of the total result</b>			
Shareholder of the parent company		-542	1,946
Income and expenses attributable to minority interests		-1	-2
<sup>1)</sup> Under €1 million			

## DFS Deutsche Flugsicherung GmbH

### Consolidated balance sheet as at 31 December 2023

	Note	2023 €m	2022 €m
<b>Assets</b>			
Goodwill	11	0 <sup>2)</sup>	0 <sup>2)</sup>
Intangible assets	12	221	231
Property, plant and equipment	13	426	442
Investment property	15	0 <sup>2)</sup>	0 <sup>2)</sup>
Financial assets accounted for using the equity method	16	1	1
Financial assets	16	7	8
Other receivables and assets	19	1,044	1,156
Deferred tax assets	10	40	14
<b>Non-current assets</b>		<b>1,739</b>	<b>1,852</b>
Trade receivables	17	166	135
Contract assets	18	6	5
Other receivables and assets	19	358	227
Inventories		9	7
Financial assets	20	257	368
Liquid funds		145	144
Tax assets		5	0 <sup>2)</sup>
<b>Current assets</b>		<b>946</b>	<b>886</b>
<b>Total</b>		<b>2,685</b>	<b>2,738</b>
<sup>2)</sup> Under €1 million			

	Note	2023 €m	2022 €m
<b>Equity and liabilities</b>			
Subscribed capital	21	1,055	1,055
Capital reserves	21	74	74
Remeasurement reserves	21	-734	-56
Retained earnings	21	243	107
Share of equity attributable to Shareholder of parent company	21	638	1,180
Minority interest	21	0 <sup>3)</sup>	0 <sup>3)</sup>
<b>Equity</b>	21	<b>638</b>	<b>1,180</b>
Provisions for pensions and similar obligations	22	1,083	467
Other provisions	23	171	135
Financial liabilities	24	522	523
Trade payables		0 <sup>3)</sup>	0 <sup>3)</sup>
Other liabilities	25	5	11
Income tax obligations	3	19	19
<b>Non-current liabilities</b>		<b>1,800</b>	<b>1,155</b>
Other provisions	23	71	111
Financial liabilities	24	8	121
Trade payables		28	29
Contract liabilities	18	5	5
Other liabilities	25	132	120
Income tax obligations		3	17
<b>Current liabilities</b>		<b>247</b>	<b>403</b>
<b>Total</b>		<b>2,685</b>	<b>2,738</b>
<sup>3)</sup> Under €1 million			

## DFS Deutsche Flugsicherung GmbH

### Consolidated statement of changes in equity

#### for the period 1 January 2023 to 31 December 2023

Note 21	Subscribed capital	Capital reserves	Revaluation reserves	Retained earnings	Share of equity attributable to Shareholder of parent group company	Minority interest	Total
	€m	€m	€m	€m	€m	€m	€m
<b>As at 31 Dec 2021</b>	<b>1,055</b>	<b>74</b>	<b>-2,032</b>	<b>137</b>	<b>-766</b>	<b>2</b>	<b>-764</b>
<b>Operating result</b>							
Net loss (-)	0	0	0	-30	-30	-2	-32
<b>Other comprehensive income</b>							
Remeasurement of the net defined benefit liability	0	0	1,976	0	1,976	0	1,976
Currency differences from the conversion of foreign operations or investments	0	0	0 <sup>4)</sup>	0	0 <sup>4)</sup>	0	0 <sup>4)</sup>
Tax effects	0	0	0	0	0	0	0
<b>As at 31 Dec 2022</b>	<b>1,055</b>	<b>74</b>	<b>-56</b>	<b>107</b>	<b>1,180</b>	<b>0<sup>4)</sup></b>	<b>1,180</b>
<b>Operating result</b>							
Capital increase	0	0	0	0	0	1	1
Net income (+) / loss (-)	0	0	0	136	136	-1	135
<b>Other comprehensive income</b>							
Remeasurement of the net defined benefit liability	0	0	-678	0	-678	0	-678
Currency differences from the conversion of foreign operations or investments	0	0	0 <sup>4)</sup>	0	0 <sup>4)</sup>	0	0 <sup>4)</sup>
Tax effects	0	0	0	0	0	0	0
<b>As at 31 Dec 2023</b>	<b>1,055</b>	<b>74</b>	<b>-734</b>	<b>243</b>	<b>638</b>	<b>0<sup>4)</sup></b>	<b>638</b>

<sup>4)</sup> Under €1 million

# DFS Deutsche Flugsicherung GmbH

## Consolidated cash flow statement

### for the period 1 January 2023 to 31 December 2023

	2023	2022
	€m	€m
Net income (+) / loss (-)	136	-30
of which dividend received	[1]	[1]
of which income taxes paid (-)	[-22]	[-6]
Interest	2	-1
Depreciation and amortisation on intangible assets and property, plant and equipment	105	110
Losses (+) from asset disposals	5	0 <sup>5)</sup>
Other non-cash losses (-) / gains (+) from changes in fair value	-678	1,976
Increase (-) in trade receivables	-31	-17
Increase (-) in contract assets	-1	-1
Increase (-) in other receivables and assets	-19	-161
Increase (-) in inventories	-2	0 <sup>5)</sup>
Increase (-) / decrease (+) in current and deferred tax assets	-31	3
Increase (+) / decrease (-) in provisions for pensions and similar obligations	616	-1,949
Decrease (-) in other provisions	-4	-127
Decrease (-) in trade payables	-1	-3
Increase (+) in contract liabilities	0 <sup>5)</sup>	3
Increase (+) / decrease (-) in other liabilities	6	-8
Decrease (-) in tax liabilities	-14	-3
<b>Cash inflow (+) / outflow (-) from operating activities</b>	<b>89</b>	<b>-208</b>
Payments (-) for investments in intangible assets and property, plant and equipment	-86	-89
Proceeds (+) from disposals of intangible assets and property, plant and equipment	2	1
Proceeds (+) from disposals of financial assets	1	1
<b>Cash outflow (-) from investing activities</b>	<b>-83</b>	<b>-87</b>
Equity transactions by Shareholder	0	0
Equity transaction by minority interests	0 <sup>5)</sup>	-2
Taking on (+) financial debt	0	6
Principal payment (-) of financial debt	-115	-20
Taking on (+) lease liabilities	6	7
Principal repayment (-) of lease liabilities	-5	-4
Interest received (+)	4	7
Interest paid (-)	-6	-6
<b>Cash outflow (-) for financing activities</b>	<b>-116</b>	<b>-12</b>
<b>Net change in cash and cash equivalents</b>	<b>-110</b>	<b>-307</b>
Cash and cash equivalents as at 1 Jan	512	819
<b>Cash and cash equivalents as at 31 Dec</b>	<b>402</b>	<b>512</b>
<sup>5)</sup> Under €1 million		

## Notes to the consolidated financial statements 2023

### 1 General basis

The DFS Group is an air navigation service provider (ANSP) that operates internationally. The ultimate parent company is DFS Deutsche Flugsicherung GmbH (DFS), which has its Headquarters in 63225 Langen, Am DFS-Campus 10, Germany. The company is registered on the Commercial Register (HRB 34977) at the Local Court in Offenbach am Main, Germany, as a limited liability company (GmbH). DFS is wholly owned by the Federal Republic of Germany, represented by the Federal Ministry for Digital and Transport (BMDV).

The main business of the DFS Group is defined by the tasks set out in Section 27c of the German Aviation Act (LuftVG). Under this act, it is entrusted with providing air traffic services (a sovereign task). The Group management report contains information on the business activities and the object of the Group (see sections 1.2 and 1.3 in the Group management report).

### 2 Application of accounting standards

The regulations...

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Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards

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Regulation (EC) No 550/2004 of the European Parliament and of the Council of 10 March 2004 on the provision of air navigation services in the Single European Sky (the service provision Regulation)

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Commission Regulation (EU) No 1191/2010 of 16 December 2010 amending Regulation (EC) No 1794/2006 of the Commission on the development of a common charging scheme for air navigation services

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Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the Single European Sky and repealing Commission Implementing Regulations (EU) No 390/2013 and (EU) No 391/2013

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Commission Implementing Regulation (EU) 2020/1627 of 3 November 2020 on exceptional measures for the third reference period (2020-2024) of the Single European Sky performance and charging scheme due to the COVID-19 pandemic

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...oblige the DFS Group to draw up its consolidated financial statements as at 31 December 2023 in line with International Financial Reporting Standards (IFRS). It applies the standards of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as recognised and endorsed by the European Union (EU).

These financial statements consider Regulation (EC) No 1606/2002, which is enacted in Section 315e of the German Commercial Code (HGB) by means of the Accounting Law Reform Act (BilReG) dated 4 December 2004.

These consolidated financial statements were prepared in accordance with the standards endorsed for use in the EU.

The business year of the Group corresponds to the calendar year (1 January to 31 December).

The Executive Board of DFS drew up the consolidated financial statements and approved them for submission to the Audit Committee of the Supervisory Board and the Supervisory Board on 01 March 2024. The Supervisory Board discussed the consolidated financial statements and the opinion of the Audit Committee and issued a recommendation to the Shareholder to approve the consolidated financial statements. The Shareholder may amend the consolidated financial statements released by the Executive Board. The approved consolidated financial statements will be available via the electronic

German Federal Gazette in accordance with Section 325(2a)(1) of the German Commercial Code (HGB) and on our website at [www.dfs.de](http://www.dfs.de).

### **3 Consolidation**

#### **3.1 Consolidation principles**

The DFS Group eliminates the revenues, income and expenses as well as the receivables and liabilities stemming from transactions between the consolidated entities against each other. In addition, it eliminates the interim results from intercompany deliveries of non-current assets and inventories. Profit transfers within the Group are also eliminated. Shares in equity attributable to minority interests are recognised separately under "Minority interests".

#### **3.2 Scope of consolidation**

DFS, as the ultimate parent company, presents the consolidated financial statements including all those investments where it holds a controlling interest, associated companies and those investments where it holds a non-controlling interest.

The Group counts investments as majority shareholdings if it exercises control over these companies. Control exists when the Group has the power to direct relevant activities. In addition, the DFS Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the absence of any other restrictive contractual arrangements, control is generally based on the direct or indirect majority of voting rights of the Group.

Non-controlling interests in earnings and equity of investments with a controlling interest are disclosed separately in the consolidated statement of comprehensive income, the consolidated balance sheet and the consolidated statement of changes in equity.

The DFS Group measures associated companies over which it exercises significant influence, but has no control or joint control, using the equity method. Significant influence is indicated when the DFS Group directly or indirectly holds between 20.00 percent and 50.00 percent of the voting rights in an investee. The annual measurement is carried out by raising or lowering the carrying amount of the investment to reflect the investor's share of the net assets. Although the DFS Group holds more than half of the shares (55.00%), individual provisions of the articles of association as well as the rules of internal procedure for the board prevent the Group from exercising control. It therefore assigns FCS Flight Calibration Services to associated companies and measures the companies using the equity method. The Group holds 30.00 percent of the shares in FREQUENTIS DFS AEROSENSE and 15.70 percent of the shares in UNIFLY. In both cases, the Group assumes material influence and accounts for the shares under the equity method. Despite the reduced equity interest in UNIFLY, the Group continues to assume a material influence and has therefore not conducted a remeasurement.

Taken together, the investments where there is a non-controlling interest exert only an immaterial influence on total assets, revenues and net income from a Group perspective and are not material for the representation of the results and financial position of the DFS Group. A materiality threshold of 5.00 percent was set out for this. The Group does not include them in the consolidated financial statements. These entities are recognised at their fair value or, if this cannot be reliably determined for equity instruments that are not listed, at amortised cost. They are disclosed as investments under non-current financial assets.

<b>Companies included in the consolidated financial statements of the DFS Group</b>					
<b>List of shareholdings under Section 313(2)(4) German Commercial Code (HGB)</b>					
<b>Acronym</b>	<b>Company</b>	<b>Registered office</b>	<b>Percentage of shareholding</b>	<b>Equity</b>	<b>Net income</b>
			<b>in %</b>	<b>€'000</b>	<b>€'000</b>
DFS	DFS Deutsche Flugsicherung GmbH	Langen, Germany	Ultimate parent company		
<b>Consolidated companies (controlling interest)</b>					
DFS IBS	DFS International Business Services GmbH	Langen, Germany	100.00	31,652	-6,702
DFS Energy	DFS Energy GmbH <sup>6)</sup>	Langen, Germany	100.00	5,132	0
DFS Aviation Services	DFS Aviation Services GmbH <sup>7)</sup>	Langen, Germany	100.00	11,794	0
Eisenschmidt	R. Eisenschmidt GmbH <sup>7)</sup>	Egelsbach, Germany	100.00	168	0
KAT	Kaufbeuren ATM Training GmbH <sup>7)</sup>	Kaufbeuren, Germany	100.00	100	0
ANSL	Air Navigation Solutions Ltd.	London, United Kingdom	100.00	-£5,285 thousand	-£6,723 thousand
DAS Bahrain	DFS AVIATION SERVICES BAHRAIN Co. W. L. L.	Manama, Bahrain	100.00	764 thousand (Bahraini dinars)	370 thousand (Bahraini dinars)
Droniq	Droniq GmbH	Frankfurt, Germany	51.00	-609	-2,632
<b>Associated companies – measurement using equity method</b>					
FCS	FCS Flight Calibration Services GmbH <sup>8)</sup>	Braunschweig, Germany	55.00	5,408	68
AERSENSE	FREQUENTIS DFS AERSENSE GmbH <sup>8)</sup>	Vienna, Austria	30.00	444	149
UNIFLY	UNIFLY NV <sup>8)</sup>	Antwerp, Belgium	15.70	8,616	-7,143
<b>Investments (non-controlling) – measurement using cost method</b>					
Investment through DFS Deutsche Flugsicherung GmbH:					
GroupEAD	GroupEAD Europe S. L. <sup>8)</sup>	Madrid, Spain	36.00	2,311	758
BILSODA	BILSODA GmbH & Co. KG <sup>8)</sup>	Pullach, Germany	24.90	2,394	44
Investment through DFS International Business Services GmbH:					
ESSP SAS	European Satellite Services Provider Société par Actions Simplifiée <sup>8)</sup>	Toulouse, France	16.67	19,969	6,078
Investment through DFS Aviation Services GmbH:					
TATS	Tower Air Traffic Services S. L. <sup>9)</sup>	Madrid, Spain	50.00	1,000	-3

<sup>6)</sup> There is a profit-and-loss transfer agreement with DFS.

<sup>7)</sup> There is a profit-and-loss transfer agreement with DFS International Business Services.

<sup>8)</sup> Values as at 31 December 2022

<sup>9)</sup> Values as at 31 December 2021

Changes in scope of consolidation					
	As at 31 Dec 2022	Consolidation/ reconciliation	Additions	Disposals	As at 31 Dec 2023
<b>Consolidated companies (controlling interest)</b>	9	0	0	0	9
of which domestic	7	0	0	0	7
of which foreign	2	0	0	0	2
<b>Associated companies – measurement using equity method</b>	3	0	0	0	3
of which domestic	1	0	0	0	1
of which foreign	2	0	0	0	2
<b>Investments (non-controlling) – measurement using cost method</b>	4	0	0	0	4
of which domestic	1	0	0	0	1
of which foreign	3	0	0	0	3

### 3.3 Other investments

Disclosures on minority shareholders			
Droniq GmbH	Total	DFS Group	Telekom Innovation Pool GmbH
	€'000	€'000	€'000
Share capital	2,000	1,020	980
Shareholding	100.00%	51.00%	49.00%
Business year	1 Jan - 31 Dec		
Accounting standards	HGB		
Income from investments (previous year)	0 (-)	0 (-)	0 (-)
Current assets	2,665	1,359	1,306
Non-current assets	618	315	303
Current liabilities	881	449	432
Non-current liabilities	3,011	1,536	1,475
Equity	-609	-311	-298
Net income	-2,632	-1,342	-1,290
Revenues	1,656	845	811

<b>Disclosures on associated companies</b>			
	<b>FCS<sup>10)</sup></b>	<b>AERONSENSE<sup>10)</sup></b>	<b>UNIFLY<sup>10)</sup></b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Total registered capital	205	35	21,689
Shareholding	55.00%	30.00%	15.70%
Additional shareholders	SKYNAV S.A., Belgium, 25.00% AUSTRO CONTROL, Austria, 20.00%	FREQUENTIS AG, Austria, 70.00%	QBIC, PMV, FPIM, VITO, Terra Drone, JOIN
Business year	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec
Accounting standards	HGB	Austrian Commercial Code	Belgian Commercial Code
Income from investments (previous year)	112 (0)	0 (0)	0 (0)
Current assets	2,734	2,958	9,026
Non-current assets	11,318	3	626
Current liabilities	4,314	2,517	954
Non-current liabilities	4,330	0	82
Equity	5,408	444	8,616
Net income	68	149	-7,143
Revenues	9,849	5,730	1,178

<b>Disclosures on investments (non-controlling)</b>				
	<b>GroupEAD<sup>10)</sup></b>	<b>BILSODA<sup>10)</sup></b>	<b>ESSP SAS<sup>10)</sup></b>	<b>TATS<sup>11)</sup></b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Total registered capital	1,000	10	1,000	1,000
Shareholding	36.00%	24.90%	16.67%	50.00%
Additional shareholders	Entidad Pública Empresarial Aeropuertos Españoles y Navegación Aérea, Spain, 36.00%; FREQUENTIS AG, Austria, 28.00%	AD Grundstücksge- sellschaft mbH & Co. KG, Germany, 75.10%; BILSODA Beteiligungs GmbH, general partner, Germany, 0.00%	ANSPs from Spain, Italy, United Kingdom and France each hold 16.67%; Portugal and Switzerland, 8.33% each	INDRA Sistemas S.A., Spain, 50.00%
Business year	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec
Accounting standards	Spanish Commercial Code	HGB	French Commercial Code	Spanish Commercial Code
Income from investments (previous year)	273 (147)	0 (0)	583 (667)	0 (0)
Current assets	3,277	352	37,977	1,000
Non-current assets	366	5,630	2,127	--
Current liabilities	1,332	563	20,034	--
Non-current liabilities	0	3,025	101	--
Equity	2,311	2,394	19,969	1,000
Net income	758	44	6,078	-3
Revenues	7,862	519	72,678	--

<sup>10)</sup> Values as at 31 December 2022

<sup>11)</sup> Values as at 31 December 2021

## 4 Accounting policies

The DFS Group carries out accounting and measurement using uniform standards. The consolidated financial statements were drawn up using historical costs unless IFRS prescribed an alternative measurement method. The associated disclosure is made with the respective accounting policy.

With the amendments to IAS 1 and to IFRS Practice Statement 2 on materiality, the DFS Group adjusted the disclosures on accounting policies. The published IFRS standards are no longer presented in full. The disclosures are focused on the material accounting policies or those specific to the Group.

### 4.1 Going concern basis of accounting

On the basis of the current corporate plan and due to the financing measures initiated, the Executive Board maintains its realistic expectation that the DFS Group will have sufficient resources to continue its business activities for at least another twelve months. Accordingly, the consolidated financial statements were prepared on a going concern basis.

The air navigation services provided by the DFS Group count as so-called critical infrastructure. The Group is therefore obliged to maintain certain fundamental functions which ensure the safe handling of air traffic (in particular during airborne emergency missions and air cargo deliveries). This rules out the option of a complete closure or suspension of business operations.

The DFS Group reported net income of €135 million for the business year ending 31 December 2023. Liquid assets rose by €1 million, amounting to €145 million at the end of the year.

Air transport in Germany recovered in the business year 2023, reaching about 80.00 percent of the 2019 level. The DFS Group expects a steady continuation of this recovery in air transport for the period 2023 to 2025. The Group expects a return to pre-COVID-19 pandemic levels for both the en-route area and terminal services in 2025.

DFS has non-assigned fund assets (ATCP-UI fund) with highly liquid assets. These current liquid reserves have a fair value of €312 million as at 31 December 2023. These assets can be used to bridge liquidity bottlenecks.

With the approval of the national performance plan for 2022 to 2024 by the European Commission, DFS expects a liquidity inflow from the carry-over of approximately €196 million over six years.

The rating agency Standard & Poor's confirmed its highest rating in the 2023 business year. As a result, DFS has an excellent credit rating and is able to refinance itself on the capital market at the best conditions.

With STEP (STrategic Efficiency improvement Programme) introduced by the Executive Board, DFS is pursuing the goal of ensuring the financial sustainability of the Group and generating an appropriate return through a high degree of cost discipline.

Based on these factors, the Executive Board maintains the realistic expectation that the DFS Group has adequate resources and sufficient room for manoeuvre in terms of the required liquidity.

## 4.2 New and amended International Financial Reporting Standards and Interpretations

Revisions to accounting policies resulting from new and revised standards and interpretations are applied retrospectively, unless otherwise regulated. The prior-year statement of comprehensive income and the opening balance sheet for the prior-year period are adjusted as if the new accounting policies had always been applied.

### 4.2.1 Mandatory standards and interpretations

The DFS Group used the following revised standards that were mandatory for the first time for the business year 2023. The endorsement by the European Union was made with the publication of the standard in the Official Journal of the European Union.

Standard	Title	EU endorsement	Mandatory application for financial years beginning on or after
<b>New standard</b>			
IFRS 17	Insurance contracts, including changes	19 Nov 2021	1 Jan 2023
<b>Amendments to existing standards</b>			
IAS 1	Presentation of financial statements (disclosure of accounting policies)	2 Mar 2022	1 Jan 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (definition of accounting estimates)	2 Mar 2022	1 Jan 2023
IAS 12	Income taxes (deferred taxes in connection with the initial recognition of an asset or liability)	11 Aug 2022	1 Jan 2023
IFRS 17	Insurance contracts (first-time application of IFRS 17 and IFRS 19 – comparative information)	8 Sep 2022	1 Jan 2023
IAS 12	Income taxes (international tax reform – global minimum tax – implementation of the OECD's Pillar Two model regulations)	8 Nov 2023	1 Jan 2023

The standards that were mandatory for the first time from 1 January 2023 had no impact on the results and financial position of the Group. Thus, there was no need for retroactive adjustments.

The new standard IFRS 17 Insurance Contracts replaces the previous regulations of IFRS 4. The measurement model of IFRS 17 is based on the determination of current fulfilment values of insurance contracts. This means that the carrying amounts must be adjusted in each reporting period due to changes in estimates. The insurance contracts are generally measured at the fulfilment value and a contractual service margin. For certain insurance contracts with short terms, a simplified method may optionally be used to determine the provision for future policy benefits. Furthermore, a separate measurement model is also used for certain life insurance policies where policyholders participate in the returns on the underlying assets. The first amendments to the new standard aim to simplify the implementation of IFRS 17 and to simplify the disclosures of the effects of the transition. At the same time, the mandatory date of application of IFRS 17 was postponed to 1 January 2023. Further amendments to the standard have created a transition option that allows companies to apply an optional classification overlay in the comparative periods presented when applying the standard for the first time.

The amendments to IAS 1 clarify that in future, disclosures only have to be made on material accounting policy information and no longer on significant accounting policies. The definition of "material" is based on the usefulness of the information for the users of the financial statements. Company-specific accounting policies or accounting policies applied to the individual circumstances of a company are always to be regarded as useful for decision-making. Accounting policies that relate to immaterial transactions or events are themselves immaterial and therefore do not have to be disclosed. In addition to the amendments to IAS 1, IFRS Practice Statement 2 was also amended to provide companies with guidelines for the practical application of the materiality concept. The DFS Group adjusted its disclosures on accounting policies and no longer publishes the IFRS standards in full, but concentrates on the material or Group-specific accounting policies.

The amendments to IAS 8 contain clarifications to facilitate the delineation of accounting policies and accounting-related estimates. This delineation is decisive for further application. Changes in accounting policies are to be applied retrospectively to past transactions and the current period. In contrast, the adjustments to accounting estimates are to be applied prospectively to future transactions. The amended standard now defines more accounting estimates as monetary amounts in the financial statements that are subject to measurement uncertainty.

IAS 12 was amended to the effect that companies are required to recognise deferred taxes for certain transactions that give rise to taxable and deductible temporary differences of the same amount on initial recognition. Such transactions typically relate to leases with the lessor and asset retirement obligations. They lead to the recognition of additional deferred tax assets and liabilities. The cumulative effects of first-time application are recognised directly in retained earnings.

A further amendment to IAS 12 concerns a temporary, mandatory exemption from recognising deferred taxes resulting from the implementation of global minimum taxation of large multinational enterprises (OECD Pillar Two model regulations). The amendments also introduced new disclosure requirements to enable users of financial statements to make estimates about the effects of minimum taxation. The DFS Group intends to apply these regulations uniformly across the Group from the 2024 business year and expects current taxes to increase by a low, single-digit million euro amount for the foreign Group companies.

#### **4.2.2 Voluntary standards and interpretations**

The IASB published the following revised standards. The standards have already been incorporated into European law as part of the endorsement procedure. They become effective from the point in time given and early application is permitted.

The Group is currently examining the impact of the amended standards on the Group's results and financial position. However, it assumes that there will be no significant impact. The DFS Group applies the standards when they become effective and early voluntary application will not be availed of.

Standard	Title	EU endorsement	Mandatory application for financial years beginning on or after
<b>Amendments to existing standards</b>			
IFRS 16	Leasing (lease liabilities in a sale and leaseback)	20 Nov 2023	1 Jan 2024
IAS 1	Presentation of the financial statements (Classification of liabilities as current or non-current dated 23 January 2020) (Postponement of the implementation date for the classification of liabilities as current or non-current dated 15 July 2020) (Classification of liabilities that are subject to covenants dated 31 October 2022)	19 Dec 2023	1 Jan 2024

#### 4.2.3 Published, though not yet mandatory, standards and interpretations

The IASB has issued the following standards which are not yet mandatory. Before these can be applied, they have to be recognised and endorsed by the EU. They become effective from the point of time given.

The Group is currently examining the possible impact on the consolidated financial statements. The DFS Group does not avail itself of the right of early application of new or amended standards.

Standard	Title	Anticipated impact	Mandatory application for financial years beginning on or after
<b>Amendments to existing standards and interpretations</b>			
IAS 7 / IFRS 7	Cash flow statement / financial instruments: Disclosures (reverse factoring agreements)	No material impact	1 Jan 2024
IAS 21	Effects of changes in foreign exchange rates	No material impact	1 Jan 2025

#### 4.3 Use of estimates and discretionary decisions

At the balance sheet date, the DFS Group makes annual forecasts of future developments for accounting and measurement purposes. The comprehensive set of assumptions, estimates as well as judgements and discretionary decisions made may have a considerable influence on the representation of the results and financial position of the DFS Group. They are based on experience and expectations about the occurrence of future events which appear commercially reasonable in the given circumstances. The Group continuously verifies its estimates and forecasts. If external conditions develop differently than expected, the actual amounts may vary from the estimates. Any variances from the actual circumstances are recognised in profit or loss when they occur. The discretionary decisions on assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next business year are described in the respective accounting policies.

In addition to the impairment tests for individual assets, an impairment test was carried out at the level of the cash-generating unit due to the existence of a triggering event for one business unit. The updated business plan formed the basis for this. This assumes discernible liquidity bottlenecks and a business environment that is only slowly growing in the coming years.

## 4.4 Items in the statement of comprehensive income

### 4.4.1 Revenues

The DFS Group recognises revenues if it satisfies its performance obligations through the transfer of the contracted goods and contracted services to the customer. Assets are deemed to have been transferred when the customers have obtained control over the goods or services either at a point in time or over time. Revenue is recognised over time if the customer obtains control or receives the benefits as the asset is created or provided, or the asset created does not have an alternative use and there is an enforceable right to payment for performance.

The amount to be recognised is based on the transaction price which can be allocated to the performance obligation. The transaction price can have fixed and/or variable elements and is the consideration to which the DFS Group expects to be entitled in exchange for the transfer of the contracted goods and services to the customer. In the case of multiple performance obligations, the Group allocates the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. The standalone selling prices are estimated at contract inception on the basis of observable prices of promised products and services supplied under similar circumstances and to similar customers. If the period between the transfer of the goods or services and the payment date exceeds twelve months and the customer or the DFS Group have a significant benefit from the financing, the consideration is adjusted by the time value of money.

The DFS Group determines the level of revenue for revenues recognised over time and fixed-price contracts based on the degree of progress. The Group determines the degree of progress using input methods and uses the cost-to-cost method, by which the costs incurred are compared to the total estimated costs required to satisfy the performance obligation. To determine performance progress, estimates are required of the material influencing factors, such as the overall costs incurred, contract income or contract risks. The expert departments responsible constantly review all the estimates and make any necessary adjustments. The resulting increase or decrease in the estimated revenues and costs are recognised by the Group in the period in which the correction becomes known.

### 4.4.2 Impairments

As a matter of principle, the DFS Group uses the general approach to recognise a risk provision for expected credit losses either on the basis of a 12-month expected credit loss or a lifetime expected credit loss at each balance sheet date. This general approach has to be applied to financial assets which are either measured at amortised cost or at fair value through other comprehensive income. Furthermore, the DFS Group generally measures these assets with a low default risk, as it considers the risk of non-performance to be low and assumes that the debtor is able to meet its contractual payment obligations at short notice at all times.

The DFS Group measures the expected credit losses for trade receivables, contract assets and lease receivables using a simplified method at the amount of the expected credit loss over the entire term. The determination is based on the analyses of the age structure and due dates or the use of a provision matrix based on historically observed default rates. Furthermore, available information on insolvencies, significant financial difficulties and impending payment defaults or delays are taken into account. As further security, the Group demands security deposits from customers with relevant sales volumes when defined warning thresholds are exceeded. If the gross carrying amount is sufficiently collateralised, no impairments are recognised. The Group recognises the allowances for doubtful accounts in a separate allowance account. Such allowances are reversed through the income statement should the reasons for the impairment no longer apply in subsequent periods. The Group views a receivable as being in default if, in its reasonable opinion, it will no longer be paid and the debtor is unlikely to be able to settle its credit obligations in full.

All other assets (goodwill; intangible assets; property, plant and equipment; investment property; financial assets) are reviewed on each balance sheet date to see if there are indications for an impairment under IAS 36. This involves comparing the carrying amount with the recoverable amount of the asset.

If, at a later date, the reasons for impairments made in previous years no longer apply, either in full or in part, the impairment loss is reversed accordingly. The reversal is limited to the carrying amount which would have applied if the impairments from the past were excluded and it is recognised in the income statement. A reversal of impaired goodwill is not permitted.

#### **4.4.3 Operating expenses**

Operating expenses are recognised in the income statement when the service is used or at the time the expenses are incurred.

#### **4.4.4 Interest income and expenses**

Interest income and expenses are recognised on an accrual basis using the effective interest rate method.

### **4.5 Items in the balance sheet**

#### **4.5.1 Goodwill**

The DFS Group recognises goodwill from business combinations in accordance with IFRS 3 as an asset at cost at the acquisition date. Acquisition-related costs are expensed.

There is no scheduled amortisation for goodwill. Goodwill is reviewed at every balance sheet date to determine if there are indications of impairment. Impairment testing involves comparing the carrying amount with the recoverable amount of the asset. The tests are conducted at the level of the cash-generating unit. The recoverable amount is determined using recognised discounted cash flow methods. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised down to the recoverable amount in accordance with IAS 36. Once goodwill has been impaired, it is not permitted to reverse the impairment in subsequent periods.

## 4.5.2 Intangible assets

Intangible assets acquired for valuable consideration are capitalised at cost.

Intangible assets that arose from own development activities are capitalised at cost. The DFS Group recognises all directly attributable costs, necessary portions of development-related overheads and borrowing costs directly attributable up to the date of completion in accordance with IAS 23 as production costs. Impairment tests are carried out on internally generated intangible assets to determine the present value of expected future cash flows if there are objective indications of impairment. The Group evaluates current requirements due to changing market conditions as well as the progress of new intangible assets that are already in the development process.

Prepayments are measured at cost. The prepayments are allocated to the respective intangible assets at the time of commissioning and written off over their useful life.

Intangible assets have a finite useful life and are amortised on a straight-line basis as follows when they are first used:

Intangible assets	Useful life
Concessions, industrial and similar property rights and assets as well as licences in such rights and assets	3 to 8 years
Internally generated intangible assets	8 years
Prepayments	Only after commissioning

Research expenses and associated government grants are recognised in profit or loss. Grants from airports, other air navigation service providers or the Paul Ehrlich Institute are deducted from cost. EU grant funding from the Connecting Europe Facility (CEF) programme is recognised as accruals and recorded in profit or loss over the useful lives of the underlying intangible assets.

## 4.5.3 Property, plant and equipment

Tangible assets are capitalised at acquisition or production cost.

The DFS Group recognises the purchase price and all directly attributable costs as acquisition cost.

The DFS Group divides property, plant and equipment (in particular buildings) into the material economic components and reports them separately. Costs for the replacement of components and general overhaul are capitalised separately.

Production costs for internally generated property, plant and equipment comprise all direct production costs (prime costs), an appropriate share of manufacturing overhead as well as the borrowing costs that are directly attributable up to the time of completion in accordance with IAS 23.

Government grants are deducted from the carrying amount of the grant-funded asset. Grants from airports, other air navigation service providers or the Paul Ehrlich Institute are deducted from cost. EU grants from the CEF programme are recognised as accruals and recorded in profit or loss over the useful lives of the underlying property, plant and equipment.

All assets (except for land) have a limited useful life and are written off on a straight-line basis from the beginning of use. As an orientation, the DFS Group uses the official tax depreciation table (*AfA-Tabelle*) for general purpose assets (see letter from the German Federal Ministry of Finance (BMF) dated 15 December 2000 in the Federal Tax Gazette (*Bundessteuerblatt*) I 2000, p. 1,532). Adjustments are made, as necessary, based on historical experience.

Property, plant and equipment	Useful life
Building – Structure	40 years
Building – Façade	25 to 30 years
Building – Interior finishing	25 years
Building – Heating, ventilation, water	15 years
Building – Electronics	15 years
Outside facilities	5 to 19 years
Technical equipment	3 to 20 years
Operating and office equipment	3 to 15 years

Costs for repairs and ongoing maintenance of property, plant and equipment that have not led to an extension or material improvement are recognised under other operating expenses in the income statement.

When property, plant and equipment are sold, decommissioned or scrapped, any gains or losses from the difference between the net disposal proceeds and the amortised cost are recognised in other operating income or expenses.

#### 4.5.4 Financial assets accounted for using the equity method

The DFS Group recognises associated companies at cost at the acquisition date using the equity method. In subsequent periods, the carrying amount is adjusted to account for the associated changes in equity in profit or loss, or in other comprehensive income. The dividends received from associated companies are accounted for by lowering the carrying amount of the investment. If there are indications for an impairment of investments, the lower recoverable amount is used for the carrying amount as required by the regulations of IAS 36.

#### 4.5.5 Leases

As a lessee, the DFS Group measures the rights of use granted to it for leased assets at cost on initial recognition on the commencement date. These are calculated as the present value of future lease payments. Subsequently, the rights of use are measured using the cost method and amortised on a straight-line basis over the shorter of the useful life and the expected term of the lease agreement. If there is a remeasurement of the lease liabilities, the rights of use are adjusted accordingly. Rights of use are reviewed at every balance sheet date to determine if there are indications of impairment under IAS 36.

As a lessee, the Group determines the lease liabilities on initial recognition on the commencement date from the present value of the lease payments not yet made at that date. The lease payments are discounted at an incremental borrowing rate. This discount rate is based on the yields on debt securities outstanding issued by residents, public debt securities and listed Federal securities corresponding to their remaining term as published by the German Bundesbank. An internal company credit risk premium

of 0.25 percent is added. On subsequent measurement, the lease liabilities are increased by the interest expense passed through the income statement and reduced by the principal repayment portion, which does not pass through the income statement. Each lease payment is divided into principal repayment and financing expenses. If there are changes in the lease payments (due to index-linked charges, changes in the term of the lease or reassessments of contractual options, for example), the DFS Group remeasures the lease liabilities. Adjustments to the new carrying amounts are generally made without going through profit and loss by making corresponding corrections to the capitalised rights of use.

As a lessee, the Group shows the rights of use under "Property, plant and equipment" and the lease liabilities under "Financial liabilities". The rights of use and associated depreciation, as well as lease liabilities and corresponding interest expenses, are presented in a separate item in the Notes.

All other lease agreements where the Group is a lessor are treated as operating leases. The lease instalments received and the depreciation of the leased asset are recognised in the income statement on a straight-line basis over the term of the lease.

The DFS Group makes use of simplifications and waives the application of IFRS 16 for short-term leases and for leases where the underlying asset is of minor value. The Group follows the prevailing expert opinion and has adopted a threshold of five thousand euro. The lease payments for these transactions continue to be recognised in the income statement on a straight-line basis over the term of the lease. In addition, the Group generally separates leasing and non-leasing components and recognises the latter in the income statement.

The DFS Group applied IFRS 16 retrospectively, but decided not to adjust the prior-year figures. Until 1 January 2019, the Group valued the rental and lease agreements in accordance with IAS 17 and assessed them as regards their accounting treatment (finance leases through the balance sheet and operating leases through the income statement).

#### **4.5.6 Investment property**

Property and buildings that the DFS Group does not use operationally and are exclusively held either for rental income or capital gains are classified as investment property. The amortised cost is used for measurement. Buildings are depreciated using the straight-line method.

#### **4.5.7 Financial instruments – Financial assets**

The DFS Group determines the classification and measurement of financial assets based on the business model by which the portfolio of financial assets is managed and on the characteristics of the contractual terms of the cash flows.

- Category: Amortised cost

The Group classifies financial assets under this category when the objective is to hold the assets to maturity and collect the contractual cash flows. The cash flows occur at fixed points in time and represent exclusively repayments of principal and interest on the outstanding principal amount. Initial recognition occurs at fair value at the time of settlement (plus direct transaction costs). Receivables denominated in a foreign currency are translated using the rate at the reporting date and recognised in the income statement. Subsequently, the assets are carried at amortised cost using the effective interest rate method. Due to the predominantly short-term nature of trade receivables, other receivables and assets as well as liquid funds, the carrying amounts at the balance sheet date do not differ significantly from their fair values. The Group therefore assumes that these assets can be sold for at least their carrying amounts in the short term and sets their fair values at the same level. Interest income and exchange rate gains and losses are presented in the financial result. Gains and losses from impairments, derecognitions and modifications are recognised in the operating result.

- Category: Debt instruments at fair value through other comprehensive income

For debt instruments in this category, the Group's objective is either to hold the asset to maturity and collect the contractual cash flows, or to sell. The cash flows occur at fixed points in time and represent exclusively repayments of principal and interest on the outstanding principal amount. At the time of settlement, initial recognition occurs at fair value (plus direct transaction costs). Subsequently, the DFS Group measures the financial assets at fair value through other comprehensive income, with changes to the carrying amount being booked in other comprehensive income. On disposal, accumulated other comprehensive income is reclassified to profit or loss. Interest income and exchange rate gains and losses calculated using the effective interest rate method are recognised directly in the financial result, while impairment losses are recognised in a separate item in the operating result.

- Category: Equity instruments at fair value through other comprehensive income

For investments in equity instruments, the Group's objective is also either to hold these to maturity and collect the contractual cash flows, or to sell. The cash flows occur at fixed points in time and represent exclusively repayments of principal and interest on the outstanding capital amount. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to measure it at fair value through other comprehensive income. This choice is made on a case-by-case basis for each investment. Initial recognition occurs at fair value (plus direct transaction costs). Subsequently, the investment is measured at fair value. The Group recognises all changes to the fair value directly in other comprehensive income. On derecognition of the investment, there is no reclassification of the cumulative other comprehensive income in the operating result. Dividends are considered in the financial result.

- Category: Assets at fair value through profit or loss

The DFS Group recognises all financial assets at fair value through profit or loss (excluding transaction costs) on initial recognition as long as they are not measured at amortised cost or at fair value through other comprehensive income. Subsequently, these assets are measured at fair value through profit or loss. All net gains and losses are recognised directly in other comprehensive income. Interest and dividend income are considered in the financial result.

Derivatives also belong to this category unless they qualify as hedging instruments. The DFS Group exclusively employs effective derivatives to hedge existing and future interest rate and currency risks under a hedging policy defined by the Executive Board and monitored by the Treasury department. While interest rate swaps are used to manage interest risk, cross-currency interest rate swaps hedge both interest rate risk and currency risk from financing in foreign currencies.

A reclassification is only carried out if the business model objective for the financial assets is changed.

The Group recognises expected credit losses under IFRS 9. The impairment method depends on whether there is a significant rise in the credit risk. The simplified approach is used for trade receivables, contract assets and lease receivables.

The Group derecognises financial assets as soon as the contractual right to the cash flows expires or the asset is transferred as part of a qualified transfer.

#### 4.5.8 Fair value

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value is measured based on the assumptions that knowledgeable market participants who are independent of each other and who are willing and able to enter into a transaction would make while acting in their economic best interest.

The fair value measurement assumes that the transaction is made in the principal market for the asset or liability. Alternatively, the most advantageous market can be used. Fair value measurements are not adjusted for transaction costs.

The DFS Group uses valuation techniques to determine fair value that are appropriate under the given circumstances and for which sufficient data are available. The techniques maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Further information on the determination of the fair value can be found in Notes 15 and 28.

#### 4.5.9 Trade receivables

Initial recognition occurs at fair value at the time of settlement (transaction price), plus direct transaction costs. Subsequently, trade receivables are measured at amortised cost using the effective interest rate method taking impairments into consideration. Due to their predominantly short-term nature, the carrying amounts at the balance sheet date do not differ significantly from their fair values. The DFS Group therefore assumes that trade receivables can be sold for at least their carrying amounts in the short term and sets the fair value at the same level.

Trade receivables denominated in a foreign currency are translated using the rate at the reporting date and recognised in the income statement.

The DFS Group does not pledge any of the receivables as loan collateral or as security for other liabilities.

#### 4.5.10 Contractual net values

Contract assets relate to a right that the Group has to consideration in exchange for goods or services that, at the balance sheet date, have been transferred but not invoiced for contracts over time.

The Group capitalises the additional costs for obtaining contracts with a customer as an asset when it can assume that the costs will be recovered. The costs of fulfilling contracts are also capitalised under certain conditions.

Contract liabilities relate to customer payments already made (security deposits of airspace users) where the DFS Group still has to provide the contracted good or service. The DFS Group presents amounts received or that will be received that are expected to be refunded to the customer (expected volume discounts or product returns) as refund liabilities. This is based on empirical values relating to return percentages and periods.

#### 4.5.11 Other receivables and assets

Initial recognition occurs at fair value at the time of settlement (transaction price), plus direct transaction costs. Subsequently, other receivables and assets are measured at amortised cost using the effective interest rate method taking impairments into consideration. Due to their predominantly short-term nature, the carrying amounts at the balance sheet date do not differ significantly from their fair values. The DFS Group therefore assumes that the receivables can be sold for at least their carrying amounts in the short term and sets the fair value at the same level.

Other receivables and assets in foreign currencies are measured at the reporting date and recognised in the income statement.

The DFS Group does not pledge any of the receivables as loan collateral or as security for other liabilities.

#### 4.5.12 Deferred taxes

IAS 12 regulates the treatment of deferred taxes using the liability method. Deferred tax assets and liabilities are recognised by the DFS Group for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the Group balance sheet according to IFRS as well as for consolidation adjustments recognised in profit or loss. The differences are limited to those items whose changes influence taxable earnings.

Issues related to the calculation of charges are excluded (see Section 31b(3)(3) of the German Aviation Act (LuftVG)).

Deferred tax assets are also recognised for future claims to tax reductions resulting from tax loss carryforwards. Deferred tax assets for all deductible temporary differences and for tax loss carryforwards are only recognised to the extent that there are future taxable profits which either the temporary differences or unused taxable losses can offset.

The computation of deferred taxes is based on the existing or applicable income tax rates in each country at the date of valuation. The income tax rate of 29.83 percent (previous year: 29.83%) is made up of a corporate income tax of 15.00 percent, a solidarity surcharge of 5.50 percent and a weighted average German municipal trade tax multiplier rate of 400.00 percent on a tax rate (*Steuermessbetrag*) of 3.50 percent. The effect of changes in tax rates on deferred tax assets and liabilities is reflected in the income tax expense for the period in which the law was changed.

Deferred tax assets and liabilities are netted if permitted under law and the receivables and payables are against the same tax authority.

Deferred tax assets and liabilities are not discounted.

#### 4.5.13 Liquid funds

Liquid funds include cash, cash accounts as well as short-term money market investments and certificates of deposit at credit institutions. Initial recognition occurs at fair value at the time of settlement (plus direct transaction costs). Subsequently, liquid funds are measured at amortised cost. Due to the predominantly short-term nature of cash and cash equivalents, they are only subject to immaterial changes in value. The Group therefore sets the fair values at the same level as the carrying amounts.

Liquid funds in foreign currencies are converted at the closing rate.

#### 4.5.14 Inventories

Inventories are carried at cost based on the weighted average method or at production cost.

Production costs comprise direct production costs for direct materials and direct labour as well as an appropriate share of the necessary material and manufacturing overhead. Administrative expenses and costs of employee assistance programmes are included to the extent they can be allocated to production. Financing costs are not recognised as part of production costs.

Subsequent measurement occurs at the lower of deemed cost and net realisable value. The determination of the net realisable value is subject to estimates with regard to volume, price and technical risks. If the reasons for a write-down no longer apply, the write-down is reversed.

#### 4.5.15 Other comprehensive income

This item relates to changes recognised directly in equity, provided they are not based on capital transactions with the Shareholder. This includes remeasurement components of the net defined benefit liability, unrealised gains and losses from the fair valuation of available-for-sale financial assets, measurement differences from currency translation and the associated tax effects. In equity, these items are disclosed under revaluation reserves.

#### 4.5.16 Provisions for pensions and similar obligations

Defined benefit plans are measured in accordance with IAS 19 using the projected unit credit method on the basis of actuarial reports at the balance sheet date. This requires, in particular, assumptions to be made about long-term salary trends and average life expectancy, which are made at the beginning of the business year. The premises on salary trends are based on applicable collective agreements and historical trends and take into account country-specific interest and inflation levels. Biometric data serve as the basis for the estimates of average life expectancy (mortality tables taken from Heubeck-Richttafeln 2018 G).

The discount rate is an actuarial assumption and is set at the beginning of each business year. The rate used to discount pension obligations is determined by reference to market yields at the end of the reporting period on high-quality fixed-rate corporate and treasury bonds with good creditworthiness and an average rating of AA using the standardised approach. The DFS Group used bonds that are measured in euro. The term of the corporate bonds corresponds to the term of the obligation. With the help of the interest rate, the Group calculates the net interest result, for which the net pension obligation or net defined benefit liability is multiplied by the interest rate. The net pension obligation results from the deduction of plan assets with their fair value from the gross pension obligation and is therefore a net amount. In the event of an asset surplus (i.e. a net defined benefit asset), a corresponding procedure is applied. The interest rate for the expected return on plan assets therefore corresponds to the discount rate. Before offsetting, the DFS Group reports the net interest result in the financial result under financial income and financial expenses.

Remeasurements of the net defined benefit liability are recognised directly in equity in other comprehensive income. This includes in particular the actuarial gains and losses resulting from changes in expectations as regards the estimates made at the beginning of the year compared with the actual development during the business year. In addition, a portion of the actual return on plan assets at the end of the year in excess of the expected return on plan assets at the beginning of the year is recognised directly in equity. The remeasurements recognised in equity cannot be recognised in profit or loss in the following periods.

Plan assets invested to cover fund-financed defined benefit obligations are measured at fair value using published market prices. If such market prices are not available, the fair value is determined using standard market valuation approaches and generally accessible data (such as yield curves). Asset surpluses to be recognised are reported as other receivables.

No provisions are recognised for defined contribution plans. The level of contributions at the DFS Group is dependent on the income relevant to pension calculations. The payments for defined contribution plans are expensed when due and reported as part of employee expenses.

Further information on the pension plans and plan assets can be found in Note 22.

#### **4.5.17 Other provisions**

The DFS Group recognises other provisions for past events that result in present obligations to third parties. These provisions must be capable of being estimated reliably and must lead to an outflow of resources with economic benefits in the future with a probability of at least 50.00 percent. The provisions are recognised with the settlement amount, which represents the highest probability of occurrence based on best estimates and under consideration of all discernible risks. In addition, the measurement of other provisions requires judgements on estimated costs, expected cash flows and their maturities. The provisions relate primarily to contracts, collective agreements, legal provisions or other obligations. They are recognised based on financial and actuarial calculations or experience using prudent commercial judgement. The premises underlying other provisions are reviewed annually and adjusted to current circumstances as necessary.

The DFS Group expects the majority of the other provisions to fall due in the next one to five years. Individual provisions may involve a longer time period. Therefore, uncertainties remain as to the timing and concrete amount of the expenses. Nevertheless, the Group expects to utilise the full amount of the provisions (100.00%) and expects that the outflow of economic benefits will equal the amount set aside in the provisions.

Provisions for obligations which in all probability will not lead to a reduction in assets in the subsequent year are discounted at prevailing market rates and carried at the present value of the expected outflow of resources, provided the interest effect is material. The discount rates are based on the yields on debt securities outstanding issued by residents, public debt securities and listed Federal securities corresponding to their remaining term as published by the German Bundesbank. In addition to these yields, a company-internal risk premium of 0.25 percent is added. The discount rates for non-current provisions are adjusted to the development of interest rates in the business year.

If a change in an estimate results in a reduction of the obligation, then the provision is reversed proportionally and the income reported under other operating income.

#### 4.5.18 Financial instruments – Financial liabilities

Financial liabilities generally give rise to a claim for repayment in cash or in the form of another financial asset.

- Category: Liabilities at fair value through profit or loss

The DFS Group recognises derivative financial instruments with negative market values and financial liabilities at fair value on initial recognition if they are held for trading with the intention of sale in the short term. Subsequently, financial debt is measured at fair value. All gains and losses are directly included in the operating result and interest expenses in the financial result.

- Category: Amortised cost

The category contains all financial liabilities which cannot be allocated to another category. Initial recognition occurs at fair value (plus direct transaction costs). Subsequently, the DFS Group measures financial liabilities at amortised cost using the effective interest rate method. Interest income and exchange rate gains and losses are presented in the financial result. Gains and losses from derecognitions are recognised in the operating result.

For financial liabilities with maturities up to one year, the carrying amounts at the balance sheet date do not differ significantly from their fair values. If the maturity is longer than one year, the fair value is calculated by discounting the settlement value at a risk-free rate using the effective interest rate method.

The Group derecognises financial liabilities when they are discharged or when the contractual obligations are met, cancelled or expire.

Liabilities denominated in a foreign currency are converted using the rate at the reporting date.

The DFS Group did not receive collateral for the financial assets nor did it provide collateral for the financial liabilities. Trade payables are regularly secured by means of reservation of title clauses until payment is made in full.

#### 4.6 Currency translation

The DFS Group presents its consolidated financial statements in the reporting currency euro. Unless otherwise stated, all amounts are given in millions of euro (€'000m) and rounded using the common method.

The Group translates foreign currency transactions into the functional currency of the individual unit using the rate prevailing at the date of the transaction. After initial recognition, foreign currency fluctuations for monetary items (liquid funds, receivables, liabilities) are recorded in profit or loss and non-monetary items (intangible assets; property, plant and equipment; inventories) are carried at historical cost using the exchange rate at the date of the transaction.

At the balance sheet date, there were no trade receivables in foreign currencies (previous year: none). Trade payables in foreign currencies amount to €10 thousand (previous year: €147 thousand) on the balance sheet date. Due to the low impact on the results (less than €1 thousand), there was no currency valuation.

The DFS Group translates the financial statements of foreign subsidiaries (as well as the hidden reserves and obligations identified in purchase price allocations) using the concept of a functional currency under IAS 21. The current rate method (mean exchange rate at the balance sheet date) is used to translate assets, liabilities, contingent liabilities and other financial obligations. The translation of items for the income statement, however, uses a rate that approximates the exchange rate at the date of the transaction (average exchange rate). The exchange difference from the translation of equity and the differences from the translation into the presentation currency are recognised directly in other comprehensive income by the DFS Group.

Currencies	ISO code  1 euro =	Mean exchange rate <sup>12)</sup> at month end 31 Dec 2023	Mean exchange rate <sup>12)</sup> at month end 31 Dec 2022
US dollar	USD (\$)	1.1036	1.0702
Pound sterling	GBP (£)	0.8666	0.8868
Bahraini dinar	BHD	0.4166	0.3998
Peruvian sol	PEN	4.1750	4.1145
Swiss franc	CHF	0.9281	0.9839
Singapore dollar (S\$)	SGD	1.4590	1.4331

<sup>12)</sup> Source: <https://www.bundesbank.de/dynamic/action/de/statistiken/zeitreihen-datenbanken/zeitreihen-datenbank/723444/723444?openNodeId=1759016&treeAnchor=WECHSELKURSE>

## Notes to the statement of comprehensive income

### 5 Revenues

	2023	2022
	€m	€m
Revenues from air navigation services	1,259	1,240
Other revenues	90	88
	<b>1,349</b>	<b>1,328</b>

#### Breakdown of revenues from contracts with customers

	Regulated business	Commercial business	Total
	€m	€m	€m
<b>31 Dec 2023</b>			
<b>Revenues from contracts with customers</b>	<b>1,252</b>	<b>97</b>	<b>1,349</b>
<b>Time point of revenue recognition</b>			
Recognised at a specific point in time	1,251	88	1,339
Recognised over a period of time	1	9	10
<b>31 Dec 2022</b>			
<b>Revenues from contracts with customers</b>	<b>1,234</b>	<b>94</b>	<b>1,328</b>
<b>Time point of revenue recognition</b>			
Recognised at a specific point in time	1,232	90	1,322
Recognised over a period of time	2	4	6

#### Transaction price assigned to performance obligations not (or only partially) satisfied at the year end

	2023	2022
	€m	€m
Outstanding transaction price	18	17
of which expected to be recognised as revenue in 2024 (2023)	14	15
of which expected to be recognised as revenue in 2025 (2024)	4	2
of which expected to be recognised as revenue in 2026 (2025)	0	0 <sup>13)</sup>
of which expected to be recognised as revenue in 2027 (2026)	0	0 <sup>13)</sup>
of which expected to be recognised as revenue in 2028 (2027)	0	0 <sup>13)</sup>

<sup>13)</sup> Under €1 million

Type of service	Type and time of satisfying the performance obligation and material payment conditions	Revenue recognition under IFRS 15
Air navigation services	<p>The air navigation services and the directly associated support activities are derived from the sovereign task under Section 27c of the German Aviation Act (LuftVG). Airspace users obtain control in the accounting sense of the air navigation services as soon as they enter the airspace controlled by DFS and make use of the associated services.</p> <p>For terminal services, the Group issues statutory notifications of charges (<i>Gebührenbescheide</i>) to airspace users three times per month, for short cycles. The notifications are immediately due in full within five days of the due date. However, the Group grants airspace users a period of one month to appeal against notifications.</p> <p>For en-route services, the invoices are issued by EUROCONTROL in arrears in the middle of the subsequent month. The notifications are due within 30 days. Airspace users are granted a period of one month to appeal.</p> <p>In addition, the DFS Group provides air navigation services on the free market at regional airports in Germany.</p>	<p>Revenue is recognised when the airspace users make use of the air navigation services.</p>
Production and service contracts	<p>In the commercial business, the Group markets air navigation services and air traffic control systems that are often offered in combination with hardware and software, consultancy, training as well as analysis, simulation and project management activities worldwide. Therefore, these contracts contain several performance components. The DFS Group views the contracts as one performance obligation each as it is responsible for the complete project management and has contractually promised to provide the goods or services to the customer. The development, installation and maintenance of the customer-specific air traffic control software can only be carried out by the Group.</p> <p>Some of the projects extend over a longer period of time. Some customers make advance payments. The final invoice is issued on acceptance and the associated transfer of control to the customer. The production and service contracts do not contain a significant financing component as the customary 30-day payment period for invoices and advance payments has been agreed.</p>	<p>Revenues from consultancy services are recognised in the period in which the services are rendered.</p> <p>For fixed-price contracts and the recognition of revenue over time, the amount is calculated using the cost-to-cost method. The degree of progress is determined by comparing the costs incurred to the total estimated costs required to satisfy the performance obligation. Estimates of revenues, costs and contract progress are corrected when conditions change. The resulting increase or decrease in the estimated revenues and costs are recognised by the Group in the period in which the correction becomes known. Fixed-price contracts have a payment plan with fixed deadlines and amounts. If the services rendered exceed the payment amount, the Group recognises a contract asset, or a contract liability in the opposite case. Advance payments received are presented as contract liabilities.</p> <p>The costs are expensed as they occur.</p>

## 6 Other operating income

	2023	2022
	€m	€m
R&D project funding by the European Commission and German Federal and <i>Länder</i> ministries recognised in the income statement	17	17
Income from QTE transaction	0	1
Remaining	8	9
	<b>25</b>	<b>27</b>

## 7 Employee expenses<sup>14)</sup>

	2023	2022
	€m	€m
Wages and salaries <sup>15)</sup>	738	708
Expenses for IFRS pensions	152	252
Social security costs and expenses for assistance	80	77
Cost of personnel belonging to the Federal Aviation Office (LBA)	5	7
	<b>975</b>	<b>1,044</b>

<sup>14)</sup> In addition to the usual outlays for wages, salaries and social security expenses for DFS personnel, this item also includes the costs charged by the Federal Aviation Office (LBA) for personnel belonging to the LBA.

<sup>15)</sup> See Note 37.1 for the remuneration of the Executive Board

### Average annual number of employees

	2023	2022
Salaried staff	5,624	5,563
Soldiers released from regular service	109	120
Wage-earners	14	13
Technical and commercial students and apprentices	270	293
<b>DFS Group staff</b>	<b>6,017</b>	<b>5,989</b>
Employees covered by the collective agreement for the public service (TVöD)	14	16
Established civil servants	61	79
<b>Personnel belonging to the Federal Aviation Office (LBA), Directorate Air Navigation Services</b>	<b>75</b>	<b>95</b>
	<b>6,092</b>	<b>6,084</b>

## 8 Other operating expenses

	2023	2022
	€m	€m
Spare parts and maintenance <sup>16)</sup>	72	57
Costs of external personnel	17	16
Other employee expenses	12	8
Occupancy costs	11	19
Telecommunication	9	8
Consultancy costs	7	6
Travel costs	6	5
Remaining	35	25
	<b>169</b>	<b>144</b>
<sup>16)</sup> Thereof impairments of inventories in TEUR	2	55

## 9 Financial result

	2023	2022
	€m	€m
Gains from the financial assets of the investment entity	51	105
Income from fund assets to finance retirement obligations	133	45
Income from investments	1	1
Other interest income	1	0 <sup>17)</sup>
Interest income of the investments accounted for using the equity method	0 <sup>17)</sup>	0 <sup>17)</sup>
<b>Financial income</b>	<b>186</b>	<b>151</b>
Expenses from discounting provisions	-151	-71
Expenses from the financial assets of the investment entity	-33	-170
Other interest expense	-3	-6
Interest expense from operating taxes	0 <sup>17)</sup>	0 <sup>17)</sup>
<b>Financial expenses</b>	<b>-187</b>	<b>-247</b>
<b>Financial result</b>	<b>-1</b>	<b>-96</b>
<sup>17)</sup> Under €1 million		

### Additional disclosures on the financial result

	2023	2022
	€m	€m
Interest result from financial instruments determined using the effective interest rate method not classified in the category "At fair value through profit or loss"	-2	-5
Interest income from impaired financial assets	0 <sup>17)</sup>	0 <sup>17)</sup>
Losses recognised directly in equity (-) / gains (+) from the measurement of financial assets	0	0

## 10 Income taxes

Effective income taxes relate to corporation taxes, including the solidarity surcharge, and German municipal trade taxes. The computation of income taxes at DFS is based on applicable tax regulations in connection with Section 31b(3)(3) of the German Aviation Act (LuftVG). For the other Group subsidiaries, the trade and corporation tax laws and regulations are of relevance.

In addition to the tax liabilities from the current business year, possible estimated additional tax demands are also included to the extent that they might result from the current tax audit.

DFS owes taxes as the dominant enterprise for the dependent enterprise DFS Energy. Therefore, the deferred taxes of the dependent enterprise are reflected in the dominant enterprise. The spin-off of the energy plant, which is assigned to the areas relevant to air navigation charges, into DFS Energy led to a continuation of the tax measurement for this legal entity. Therefore, in determining taxes, the special situation as regards air navigation charges at DFS is also taken into consideration at DFS Energy. This does not lead to taxable temporary differences in value between the IFRS and the tax accounts.

In the Group, the tax groups are DFS, DFS International Business Services (DFS IBS) and Air Navigation Solutions (ANSL). DFS IBS is the dominant enterprise for the dependent enterprises DFS Aviation Services, R. Eisenschmidt and Kaufbeuren ATM Training, and therefore owes the taxes. Hence, the deferred taxes of the subordinated companies are reflected in the dominant enterprise (DFS IBS). The sum of the results of the two groups and ANSL differ from the consolidated Group result as the expenses and income among the individual Group companies are eliminated in a different manner than that used for the groups for tax purposes.

<b>Reconciliation from expected to effective income tax income/expense</b>		
	<b>2023</b>	<b>2022</b>
	<b>€m</b>	<b>€m</b>
Net income before income taxes	114	-26
Expected tax rate (in %)	29.83	29.83
Expected income tax expense	34	0
Tax expense not relating to the period under review	0 <sup>18)</sup>	0
Reduction in the tax base under Section 31b German Aviation Act (LuftVG)	-24	4
Correction due to loss carryforward / minimum taxation	-6	0 <sup>18)</sup>
Deferred tax income (-) / expenses (+)	-25	2
<b>Effective income tax income (-) / expense (+)</b>	<b>-21</b>	<b>6</b>
<b>Effective tax rate (in %)</b>	<b>-18.21</b>	<b>-23.68</b>

<sup>18)</sup> Under €1 million

Tax effects that may result from the future application of the rules on global minimum tax (implementation of the OECD Pillar 2 model rules – Pillar Two) are not taken into account when determining the recognition of deferred tax assets and liabilities. It is not unlikely that the minimum tax rate will lead to tax effects at the parent company as the tax-relieving effect of Section 31b(3) of the German Aviation Act (LuftVG) will be diminished, at least in individual years.

The regulations on the global minimum tax have already been adopted into local law in some jurisdictions in which the DFS Group currently operates. The Group expects uniform application across the Group from the 2024 business year and expects current taxes to increase by a low, single-digit million euro amount for the foreign Group companies. The exact effects will depend in particular on the impact of the change in the interest rate level on the "IFRS interest rate benchmark or *Handelsbilanz II* (commercial balance sheet II)" on the one hand and the "charges interest rate or taxable income" on the other. The future approval practice of the German Federal Supervisory Authority for Air Navigation

Services (BAF) can also have a significant influence on tax effects. The exact impact of these two effects cannot be quantified.

<b>Deferred taxes by balance sheet item</b>				
	<b>Deferred tax assets</b>		<b>Deferred tax liabilities</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Intangible assets	0	0	42	39
Property, plant and equipment	0	1	4	4
Financial assets	8	6	5	3
Receivables and other assets	22	1	388	379
Provisions for pensions and similar obligations	607	437	0	0
Other provisions	13	19	0 <sup>19)</sup>	0 <sup>19)</sup>
Liabilities	8	9	2	1
	<b>658</b>	<b>473</b>	<b>441</b>	<b>426</b>
Impact of Section 31b LuftVG				
Intangible assets	0	0	-42	-39
Property, plant and equipment	0	-1	-3	-4
Financial assets	0	0	-5	-2
Receivables and other assets	0	0 <sup>19)</sup>	-388	-379
Provisions for pensions and similar obligations	-592	-426	0	0
Other provisions	-12	-18	0 <sup>19)</sup>	0 <sup>19)</sup>
Liabilities	-5	-6	-2	-1
	<b>-609</b>	<b>-451</b>	<b>-440</b>	<b>-425</b>
Other allowances	-10	-7	0	0
Netting	-1	-1	1	1
Air Navigation Solutions	0	0	0	0
KAT	0 <sup>19)</sup>	0 <sup>19)</sup>	0	0
DFS Aviation Services	2	0 <sup>19)</sup>	0	0
	<b>40</b>	<b>14</b>	<b>0</b>	<b>0</b>
<sup>19)</sup> Under €1 million				

The DFS Group recognised deferred tax assets of €20 million for tax loss carryforwards, which are included in deferred tax assets on receivables and other assets. In addition, there are no issues which result in deferred tax assets being recognised.

## Notes to the balance sheet

### 11 Goodwill

	Cost				As at 31 Dec
	As at 1 Jan	Additions	Disposals	Transfers	
<b>2023</b>	€'000	€'000	€'000	€'000	€'000
R. Eisenschmidt GmbH	80	0	0	0	80
	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>
<b>2022</b>	€'000	€'000	€'000	€'000	€'000
R. Eisenschmidt GmbH	80	0	0	0	80
	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>

	Amortisation					Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec	As at 31 Dec
<b>2023</b>	€'000	€'000	€'000	€'000	€'000	€'000
R. Eisenschmidt GmbH	0	0	0	0	0	80
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>
<b>2022</b>	€'000	€'000	€'000	€'000	€'000	€'000
R. Eisenschmidt GmbH	0	0	0	0	0	80
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>

The goodwill from the acquisition of R. Eisenschmidt GmbH results from the difference between the purchase price and the fair value of the net assets at the acquisition date.

The regular impairment tests of goodwill showed no indications that an impairment loss under IAS 36 had to be recognised.

## 12 Intangible assets

	Cost				As at 31 Dec €'000
	As at 1 Jan €'000	Additions €'000	Disposals €'000	Transfers €'000	
<b>2023</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Concessions, rights and licences	752,255	7,940	-661	495	760,029
Internally generated intangible assets	203,448	27,258	-4,364	0	226,342
Assets under construction (AUC)	11,082	999	0	-495	11,586
	<b>966,785</b>	<b>36,197</b>	<b>-5,025</b>	<b>0</b>	<b>997,957</b>
<b>2022</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Concessions, rights and licences	736,229	5,561	-554	11,019	752,255
Internally generated intangible assets	172,031	31,417	0	0	203,448
Assets under construction (AUC)	19,562	2,053	0	-10,533	11,082
	<b>927,822</b>	<b>39,031</b>	<b>-554</b>	<b>486</b>	<b>966,785</b>

	Amortisation						Carrying amount
	As at 1 Jan €'000	Additions €'000	Disposals €'000	Transfers €'000	Currency differences €'000	As at 31 Dec €'000	As at 31 Dec €'000
<b>2023</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Concessions, rights and licences	658,811	28,245	-650	0	2	686,408	73,621
Internally generated intangible assets	77,174	13,185	-70	0	0	90,289	136,053
Assets under construction (AUC)	0	0	0	0	0	0	11,586
	<b>735,985</b>	<b>41,430</b>	<b>-720</b>	<b>0</b>	<b>2</b>	<b>776,697</b>	<b>221,260</b>
<b>2022</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Concessions, rights and licences	631,874	27,225	-285	0	-3	658,811	93,444
Internally generated intangible assets	66,417	10,757	0	0	0	77,174	126,274
Assets under construction (AUC)	0	0	0	0	0	0	11,082
	<b>698,291</b>	<b>37,982</b>	<b>-285</b>	<b>0</b>	<b>-3</b>	<b>735,985</b>	<b>230,800</b>

The regular impairment tests of internally generated intangible assets showed no indications that an impairment loss under IAS 36 had to be recognised.

Intangible assets for which there is a contractual obligation to accept but which have not yet come under the economic power of disposition of the DFS Group are shown in Note 31.2.

The DFS Group has not assigned any intangible assets nor pledged them as collateral. It freely controls these assets.

<b>Individual material intangible assets</b>			
	<b>Carrying amount</b>	<b>Remaining useful life</b>	<b>Share of total carrying amount</b>
<b>31 Dec 2023</b>	<b>€'000</b>	<b>in years</b>	<b>in percent</b>
iCAS software	97,480	2-8	44.06
P1/ATCAS software including release	3,928	2-3	1.78
Software S-ATM Robusto Step 1	2,172	8	0.98
<b>Total carrying amount of intangible assets</b>	<b>221,260</b>		<b>100.00</b>

<b>Research and development costs</b>		
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€'000</b>	<b>€'000</b>
Expenses for research and development	58,624	63,249
- of which research costs recognised in the income statement	31,367	32,465
- of which capitalised additions in assets under construction	27,257	30,784
Total capitalised borrowing costs on development costs as at 31 Dec	722	634
Development costs in assets under construction as at 31 December	76,766	53,802
Scheduled depreciation of development costs based on the degree of completion notified	13,185	10,219
Impairment of development costs under IAS 36	0	539

<b>Capitalisation of borrowing costs for intangible assets</b>		
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Borrowing costs in €'000	839	770
Capitalisation rate in %	1.01	1.01

### 13 Property, plant and equipment

	Cost					Currency differences	As at 31 Dec
	As at 1 Jan	Additions	Disposals	Transfers			
<b>2023</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Land and buildings	722,186	4,982	-629	166	0		726,705
Technical equipment (plant) and machinery	1,107,370	31,325	-26,224	8,647	0		1,121,118
Operating and office equipment	94,359	6,654	-3,413	48	0		97,648
Assets under construction (AUC)	14,543	6,598	0	-8,861	0		12,280
	<b>1,938,458</b>	<b>49,559</b>	<b>-30,266</b>	<b>0</b>	<b>0</b>		<b>1,957,751</b>
<b>2022</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Land and buildings	714,153	7,533	-870	1,370	0		722,186
Technical equipment (plant) and machinery	1,089,479	30,546	-28,267	15,612	0		1,107,370
Operating and office equipment	93,420	3,635	-2,735	39	0		94,359
Assets under construction (AUC)	23,723	8,327	0	-17,507	0		14,543
	<b>1,920,775</b>	<b>50,041</b>	<b>-31,872</b>	<b>-486</b>	<b>0</b>		<b>1,938,458</b>

	Amortisation						As at 31 Dec	Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	Currency differences	As at 31 Dec		
<b>2023</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Land and buildings	485,980	17,669	-595	0	0	503,054	223,651	
Technical equipment (plant) and machinery	931,183	39,822	-24,053	0	0	946,952	174,166	
Operating and office equipment	79,760	5,780	-3,222	0	8	82,326	15,322	
Assets under construction (AUC)	0	0	0	0	0	0	12,280	
	<b>1,496,923</b>	<b>63,271</b>	<b>-27,870</b>	<b>0</b>	<b>8</b>	<b>1,532,332</b>	<b>425,419</b>	
<b>2022</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Land and buildings	469,601	17,169	-787	0	-3	485,980	236,206	
Technical equipment (plant) and machinery	915,541	42,249	-26,606	-1	0	931,183	176,187	
Operating and office equipment	76,353	6,021	-2,582	1	-33	79,760	14,599	
Assets under construction (AUC)	0	0	0	0	0	0	14,543	
	<b>1,461,495</b>	<b>65,439</b>	<b>-29,975</b>	<b>0</b>	<b>-36</b>	<b>1,496,923</b>	<b>441,535</b>	

#### Capitalisation of borrowing costs for property, plant and equipment

	31 Dec 2023	31 Dec 2022
Borrowing costs in €'000	70	74
Capitalisation rate in %	1.01	1.01

Property, plant and equipment for which there is a contractual obligation to accept but which do not yet come under the economic power of disposition of the Group are shown in Note 31.2.

The DFS Group has not assigned any property, plant and equipment nor pledged them as collateral. It freely controls these assets.

The regular impairment tests of property, plant and equipment showed no indications that an impairment loss under IAS 36 had to be recognised.

Compensation of €6 thousand (previous year: €17 thousand) for third parties for property, plant and equipment that was impaired, irrecoverably lost or decommissioned was recognised in the income statement.

#### 14 Leases

The leases entered into by the DFS Group as lessee only have a supporting function for business operations. They mainly relate to the rental of land, office space and vehicles for selected employees.

#### Disclosures on rights of use

	As at 1 Jan	Additions	Cost		As at 31 Dec
			Disposals	Transfers	
2023	€'000	€'000	€'000	€'000	€'000
Buildings	20,023	2,354	-87	0	22,290
Vehicles	3,908	2,818	-1,197	0	5,529
Operating and office equipment	0	295	0	0	295
	<b>23,931</b>	<b>5,467</b>	<b>-1,284</b>	<b>0</b>	<b>28,114</b>
2022	€'000	€'000	€'000	€'000	€'000
Buildings	14,288	6,038	-303	0	20,023
Vehicles	3,429	600	-121	0	3,908
	<b>17,717</b>	<b>6,638</b>	<b>-424</b>	<b>0</b>	<b>23,931</b>

	Depreciation					Carrying amount	
	As at 1 Jan	Additions	Disposals	Transfers	Currency differences	As at 31 Dec	As at 31 Dec
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>2023</b>							
Buildings	6,808	2,261	-59	0	0	9,010	13,280
Vehicles	3,292	1,571	-1,168	0	0	3,695	1,834
Operating and office equipment	0	43	0	0	0	43	252
	<b>10,100</b>	<b>3,875</b>	<b>-1,227</b>	<b>0</b>	<b>0</b>	<b>12,748</b>	<b>15,366</b>
<b>2022</b>							
Buildings	5,333	1,699	-222	0	-2	6,808	13,215
Vehicles	1,741	1,656	-105	0	0	3,292	616
	<b>7,074</b>	<b>3,355</b>	<b>-327</b>	<b>0</b>	<b>-2</b>	<b>10,100</b>	<b>13,831</b>

**Disclosures on lease liabilities**

	31 Dec 2023	31 Dec 2022
	€'000	€'000
As at 1 Jan	24,123	21,318
Increase due to index adjustments	1,864	161
Additions	3,818	6,468
Disposals	-308	-272
Principal repayments	-4,520	-3,715
Interest expense	220	160
Currency translation	2	3
<b>As at 31 Dec</b>	<b>25,199</b>	<b>24,123</b>

**Aged list of lease liabilities**

	Up to 1 year	2 to 5 years	More than 5 years	Total
	€'000	€'000	€'000	€'000
<b>31 Dec 2023</b>				
Undiscounted lease liabilities	4,536	8,688	13,504	26,728
Discounted lease liabilities	4,329	8,095	12,775	25,199
Interest component	207	593	729	1,529
<b>31 Dec 2022</b>				
Undiscounted lease liabilities	3,120	8,039	14,671	25,830
Discounted lease liabilities	2,959	7,555	13,609	24,123
Interest component	161	484	1,062	1,707

<b>Aged list of expected payments for short-term leases and leases on low-value assets</b>				
	<b>Up to 1 year</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>31 Dec 2023</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Non-discounted lease payments	1,692	649	745	3,086
<b>31 Dec 2022</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Non-discounted lease payments	2,879	631	863	4,373

<b>Amounts for leases recognised in the statement of comprehensive income</b>		
	<b>2023</b>	<b>2022</b>
	<b>€'000</b>	<b>€'000</b>
Depreciation	3,838	3,355
Interest expense	220	160
Expenses for short-term leases	342	241
Expenses for leases on low-value assets	3,440	3,299

<b>Total cash outflows for leases recognised in the cash flow statement</b>		
	<b>2023</b>	<b>2022</b>
	<b>€'000</b>	<b>€'000</b>
Payments for short-term leases and leases on low-value assets	3,782	3,540
Taking on lease liabilities	5,682	6,629
Disposals and currency translation from lease liabilities	306	269
Principal repayment of lease liabilities	4,520	3,715
Interest expense	220	160

The DFS Group also acts as lessor. In this context, it leases air traffic control systems, areas and land and provides connections and air navigation services data. The Group classified the property with a heritable building right (*Erbbaurechtsgrundstück*) in Braunschweig as "Investment property". Additional information can be found in Note 15.

In the case of all other lettings, provisions or transfers of use, essentially all risks and rewards associated with the economic ownership remain with the DFS Group. Options were not transferred to the respective lessees. The Group classified these leases as operating leases and recognised the corresponding income in the income statement.

Amounts for operating leases recognised in the statement of comprehensive income		
	2023	2022
	€'000	€'000
Leasing income from operating leases	4,439	3,972

Breakdown between owned and leased property, plant and equipment for operating leases		
	2023	2022
Buildings	€'000	€'000
Owned property, plant and equipment	223,651	236,201
Leased property, plant and equipment (property with a heritable building right, <i>Erbbaurechtsgrundstück</i> , in Berlin)	0 <sup>20)</sup>	0 <sup>20)</sup>
	<b>223,651</b>	<b>236,201</b>

<sup>20)</sup> Under €1 thousand

## 15 Investment property

	Cost				As at 31 Dec
	As at 1 Jan	Additions	Disposals	Transfers	
2023	€'000	€'000	€'000	€'000	€'000
Property in Braunschweig	1,210	0	0	0	1,210
	<b>1,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,210</b>
2022	€'000	€'000	€'000	€'000	€'000
Property in Braunschweig	1,210	0	0	0	1,210
	<b>1,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,210</b>

	Depreciation					Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec	
2023	€'000	€'000	€'000	€'000	€'000	€'000
Property in Braunschweig	639	30	0	0	669	541
	<b>639</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>669</b>	<b>541</b>
2022	€'000	€'000	€'000	€'000	€'000	€'000
Property in Braunschweig	608	31	0	0	639	571
	<b>608</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>639</b>	<b>571</b>

The DFS Group rents a building, including the land, in Braunschweig, Germany, to FCS Flight Calibration Services, which uses this land for its own operational purposes.

The DFS Group is not contractually obliged to conduct repairs, maintenance or improvements. However, it is authorised to make material changes to the premises and the rental object as well as conduct necessary repairs and maintenance without the approval of FCS Flight Calibration Services. There are no other contractual obligations or restraints on disposition.

<b>Expenses and income recognised in the statement of comprehensive income</b>		
	<b>2023</b>	<b>2022</b>
	<b>€'000</b>	<b>€'000</b>
Rental income	130	122
Depreciation	30	31
Repairs	0	0

The property is depreciated over the useful life of 40 years using the straight-line method. The land reference value for the district in question is currently €130.00 per square metre, whereas the 2017 appraisal was still based on a value of €110.00 per square metre. There were no indications of a need to impair as required by IAS 36. In the opinion of the DFS Group, the results of the appraisal dated 10 October 2017 are still usable and demonstrate the recoverability of the carrying amounts.

<b>Appraisal on the value of the property</b>		
Date of appraisal	10 October 2017	3 December 2012
Date to which appraisal applies	1 October 2017	1 December 2012
Procedure	DCF method	DCF method
Market value / fair value	€815 thousand	€980 thousand
Property yield ( <i>Liegenschaftszinssatz</i> ) of the city of Braunschweig	5.60%	7.60%
Initial discount rate	7.50%	8.25%

The fair value of investment property is determined by an external independent property valuer who possesses the relevant professional qualification and up-to-date experience with the location and type of property to be valued.

#### **Valuation technique**

Discounted cash flow (DCF) method: The calculation of the fair value is based on current rental rates considering various factors such as the land reference value, property yield, other operating expenses, risk of default on rents, remaining useful life of the building, maintenance risk as well as current property developments.

#### **Unobservable inputs**

Discount rate, risk of default on rents, other operating expenses

#### **Level**

3

#### **Relationship between inputs and fair value**

The estimated fair value would increase if

- the risk-adjusted discount rate was lower
- the risk of default on rents was lower
- other operating costs were lower

## 16 Financial assets

	Cost					As at 31 Dec
	As at 1 Jan	Additions	Disposals	Transfers	Remea- surement	
	€'000	€'000	€'000	€'000	€'000	€'000
<b>2023</b>						
Financial assets accounted for using the equity method	14,779	0	0	0	0	14,779
Investments	2,491	0	-56	0	0	2,435
Loans to associated companies	4,970	0	-651	0	0	4,319
	<b>22,240</b>	<b>0</b>	<b>-707</b>	<b>0</b>	<b>0</b>	<b>21,533</b>
<b>2022</b>						
Financial assets accounted for using the equity method	14,462	17	0	300	0	14,779
Investments	2,547	0	-56	0	0	2,491
Loans to associated companies	5,898	0	-628	-300	0	4,970
	<b>22,907</b>	<b>17</b>	<b>-684</b>	<b>0</b>	<b>0</b>	<b>22,240</b>

	Impairments					Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec	
	€'000	€'000	€'000	€'000	€'000	€'000
<b>2023</b>						
Financial assets accounted for using the equity method	13,317	0	0	0	13,317	1,462
Investments	0	0	0	0	0	2,435
Loans to associated companies	0	0	0	0	0	4,319
	<b>13,317</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,317</b>	<b>8,216</b>
<b>2022</b>						
Financial assets accounted for using the equity method	6,545	6,772	0	0	13,317	1,462
Investments	0	0	0	0	0	2,491
Loans to associated companies	0	0	0	0	0	4,970
	<b>6,545</b>	<b>6,772</b>	<b>0</b>	<b>0</b>	<b>13,317</b>	<b>8,923</b>

There were no indications of a need to impair as required by IAS 36 in the business year.

**Associated companies accounted for using the equity method**

	31 Dec 2023	31 Dec 2022
	€'000	€'000
As at 1 Jan	1,462	7,917
Additions	0	17
Transfers	0	300
Impairments	0	-6,772
Proportionate net income	0	0
Dividends received	0	0
<b>As at 31 Dec</b>	<b>1,462</b>	<b>1,462</b>

**Investments**

	GroupEAD	BILSODA	ESSP SAS	TATS	Total
	€'000	€'000	€'000	€'000	€'000
Shareholding in %	36.00	24.90	16.67	50.00	
Share capital	360	0	167	500	1,027
Liable capital ( <i>Hafteinlagen</i> )	0	2	0	0	2
Other contributions	0	1,406	0	0	1,406
<b>As at 31 Dec 2023</b>	<b>360</b>	<b>1,408</b>	<b>167</b>	<b>500</b>	<b>2,435</b>

**Loans to associated companies**

	Terms	Nominal value €'000	Nominal interest rate in %	31 Dec 2023 €'000	31 Dec 2022 €'000
<b>FCS</b>					
Loan: Hawker Beechcraft Super King Air FL-626 D-CFME	2009-2025	4,300	5.25	720	1,059
Loan: Hawker Beechcraft Super King Air FL-1156	2018-2033	5,560	2.10	3,599	3,911
		<b>9,860</b>		<b>4,319</b>	<b>4,970</b>

## 17 Trade receivables

<b>Due dates of trade receivables</b>				
	<b>Up to 1 year</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
<b>2023</b>	166	0	0	166
<b>2022</b>	135	0	0	135

<b>Aged list</b>		
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€m</b>	<b>€m</b>
Carrying amount	166	135
of which not impaired and		
- not yet overdue	156	122
- up to 30 days overdue	4	6
- 31 to 60 days overdue	3	4
- 61 to 180 days overdue	1	2
- more than 180 days overdue	2	1
of which impaired	0	0

Trade receivables were written down to the amount that could be recovered as soon as information on the insolvency of customers was available. There are no indications that the debtors whose receivables were overdue will not be able to fulfil their obligations.

<b>Development of allowances</b>		
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€m</b>	<b>€m</b>
As at 1 Jan	15	15
Additions	3	1
Utilisation	0	0
Reversal	-3	-1
<b>As at 31 Dec</b>	<b>15</b>	<b>15</b>

<b>Expenses (-) and income (+) recognised in the statement of comprehensive income</b>		
	<b>2023</b>	<b>2022</b>
	<b>€m</b>	<b>€m</b>
Derecognition and write-off of receivables	-1	-1
Additions to specific allowances	-3	-1
Income from reversal of specific allowances	3	1
Income from receipt of derecognised receivables and from other derecognitions	0 <sup>21)</sup>	0 <sup>21)</sup>
<sup>21)</sup> Under €1 million		

## 18 Contractual net values

Contract assets	31 Dec 2023		31 Dec 2022	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	€m	€m	€m	€m
Consulting services and service contracts	6	0	4	0
Costs to fulfil a contract	0	0	1	0
Miscellaneous	0	0	0 <sup>22)</sup>	0
	<b>6</b>	<b>0</b>	<b>5</b>	<b>0</b>
<sup>22)</sup> Under €1 million				

The costs to fulfil contracts in the previous year related to capitalised costs in connection with multi-year service contracts abroad.

Revenues and costs from contracts with customers	2023	2022
	€m	€m
Contract revenue recognised	13	12
Depreciation, amortisation and impairments	0 <sup>22)</sup>	0 <sup>22)</sup>
Costs incurred	-11	-8
Capitalised costs	0	0
Profit earned for ongoing projects	2	4

Development of contract liabilities	2023	2022
	€m	€m
As at 1 Jan	5	2
Additions	22	23
Revenues recognised in the business year that were included under contract liabilities at the beginning of the period	-2	-1
Revenues recognised in the business year that were not included under contract liabilities at the beginning of the period	-20	-19
<b>As at 31 Dec</b>	<b>5</b>	<b>5</b>

Contract liabilities result from security deposits of airspace users for air navigation services and customer advance payments for air traffic control systems and further services.

19 Other receivables and assets

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	€m	€m	€m	€m
Under-recovery/carry-over	1,302	974	1,271	1,075
Receivables from EU grant funding	41	41	50	50
Receivables from employees <sup>23)</sup>	6	4	10	6
Receivables from Shareholder	0	0	5	0
Trusteeship ( <i>Treuhandverein</i> )	8	0 <sup>24)</sup>	8	0 <sup>24)</sup>
Capitalised value	25	25	25	25
Interest receivables	0 <sup>24)</sup>	0	0 <sup>24)</sup>	0
Remaining	20	0 <sup>24)</sup>	14	0 <sup>24)</sup>
	<b>1,402</b>	<b>1,044</b>	<b>1,383</b>	<b>1,156</b>

<sup>23)</sup> Receivables from employees result from the corona collective agreement and include the shortfall in working hours built up in the corona time account during the business year.

<sup>24)</sup> Under €1 million

**Aged list**

	31 Dec 2023	31 Dec 2022
	€m	€m
Carrying amount	1,402	1,383
of which not impaired and		
- not yet overdue	1,402	1,383
- up to 30 days overdue	0	0
- 31 to 60 days overdue	0	0
- 61 to 180 days overdue	0	0
- more than 180 days overdue	0	0
of which impaired	0	0

## 20 Financial assets

	31 Dec 2023	31 Dec 2022
	€m	€m
Securities (at fair value through profit or loss)	256	360
Derivatives (at fair value through profit or loss)	1	8
	<b>257</b>	<b>368</b>

The DFS Group invested in a fund (legal name: ATCP-UI-Fonds) through an investment entity whose sole shareholder is DFS. Management decided to hold the financial assets for trading to actively realise cash flows from the purchase and sale of assets. The capital investments relate primarily to securities, which the Group measured at fair value through profit or loss. There are active markets with published market prices. The capital investments made were distributed in the consolidated financial statements over the corresponding financial assets and liabilities.

The Group's overall investment goal is to reduce the risk of loss on a yearly basis compared with the strategic asset allocation while earning a return consistent with the allocation over the market cycle. The DFS Group expects an annual return on the whole portfolio of 4.30 percent on average over the investment horizon of three to five years.

The DFS Group defined asset allocation bands for the minimum and maximum acceptable exposure for each asset class: cash, government bonds, corporate bonds and equities.

The Group also classified various risk categories:

- Market risk (beta risk) is defined as the loss in value from the change in value of the asset class.
- Hedge error is defined as the loss resulting if the benchmark assigned to the asset class cannot be replicated exactly.
- Tracking error is the risk that there might be a divergence between the behaviour of the underlying portfolio and the behaviour of the benchmark.

The risk manager reviews these risks constantly. The exposures are adjusted at least once a month as needed and managed using derivatives, futures or options.

## 21 Equity

	31 Dec 2023	31 Dec 2022
	€m	€m
Subscribed capital	1,055	1,055
Capital reserve	74	74
Remeasurement reserves	-734	-56
Retained earnings	243	107
<b>Equity attributable to Shareholder of parent company</b>	<b>638</b>	<b>1,180</b>
Minority interest	0 <sup>25)</sup>	0 <sup>25)</sup>
	<b>638</b>	<b>1,180</b>
<sup>25)</sup> Under €1 million		

The registered capital of the DFS Group amounts to €1,055,287,500.00. There are 10,552,875 shares with a nominal value of €100.00 each held by the sole Shareholder, the Federal Republic of Germany, represented by the Federal Ministry for Digital and Transport (BMDV). The shares may not be sold or encumbered. Additional shareholders may not be admitted.

The capital reserves consist of other payments of the Shareholder (Section 272(2)(4) German Commercial Code, HGB) and serve to strengthen the share capital.

Other reserves are used for changes recognised directly in equity that are not based on capital transactions with the Shareholder.

By resolution no. 187 dated 28 April 2023, the Shareholder Meeting adopted the consolidated financial statements and the annual financial statements as at 31 December 2022 and resolved not to distribute a dividend to the Shareholder.

## 22 Provisions for pensions and similar obligations

Provisions for pensions are recognised exclusively for defined benefit plans for active and former employees.

The level of detail presented in the numbers reported in the following is based on the collective agreements and individual contracts relevant to the DFS Group:

Acronym	Contents
VersTV (Pensions) <sup>26)</sup>	This collective agreement relates to the pensions for the staff employed at the DFS Group.
ÜVersTV (Transitional payments)	This collective agreement relates to the transitional payments for air traffic controllers and flight data assistants employed at the DFS Group.
KTV (Insurance)	This collective agreement covers the health and long-term care insurance for the staff employed at the DFS Group.
Other	The accessory obligations for death grants, the deferred compensation scheme for pensions (old) and benefits for soldiers are grouped under "Miscellaneous".

<sup>26)</sup> In Note 22.6, the defined benefit obligations under the VersTV are further split between final salary benefits and benefits linked to average career earnings.

## 22.1 Pension plans

There are various forms of pension provision available to the employees of the DFS Group, which are largely governed by collective agreements.

Under the collective agreement covering pensions (VersTV), employees who began employment at the company by 31 December 2004 receive old-age, disability and surviving dependant's benefits (defined benefit plans) linked to the respective final salary of the employee (Plan A). However, employees who entered service after 1 January 2005 receive benefits under the collective agreement covering pensions which are linked to average career earnings (Plan B). Thereafter, a pension component is calculated annually depending on the respective income. Thus, the retirement benefit is calculated from the sum of the annual components.

Air traffic controllers and flight data assistants receive a transitional retirement benefit linked to their final salary (ÜVersTV). This is to cover the period from the end of their active duty at DFS until they can draw the retirement pension from the statutory pension scheme.

With the amendment of the collective agreement for soldiers (SVersTV) in the prior year, a minimum guarantee was introduced, whereby the pension benefits are now to be classified as defined benefit. The benefits promised by DFS to soldiers differ from the reimbursements from the reinsurance policy. The measurement is carried out as a securities-linked pension commitment with the maximum of the fair value of the asset value of the reinsurance and the settlement amount of the guaranteed minimum benefit. The congruently reinsured portion of this settlement amount is recognised in the amount of the asset value of the reinsurance policy. The excess portion of the benefits is determined in accordance with the general accepted accounting principles for pension obligations.

DFS pays an increased employer contribution for health insurance for the employees who were previously employed as established civil servants with the former Federal Administration of Air Navigation Services (BFS) and the Federal Aviation Office (LBA). This is regulated in the collective agreement relating to health and long-term care insurance (KTV).

The DFS Group pays death grants to qualifying next of kin of active employees. The grants are equal to the previous remuneration and are paid for two and half months from the month following the month in which the employee passed away.

In addition, there are individual contractual benefits approved in 2005 which are based on the salary conversion model for exempt employees. The amount of the pension capital underlying the benefit is based on the converted salary with a return of 6.00 percent.

In addition to defined-benefit benefits, the DFS Group also grants defined contribution benefits.

There were no changes, curtailments or settlements to the pension plans in the business year.

## 22.2 Actuarial assumptions

In %	31 Dec 2023	31 Dec 2022
Discount rate	3.10	3.70
Projected return on plan assets	3.10	3.70
Salary trend (including career trend)	2.50	2.50
Projected increase in benefits <sup>27)</sup>	1.25 to 2.00	1.25 to 2.00

<sup>27)</sup> 1.25 percent for the guaranteed adjustment for staff with benefits under VersTV 2009.  
2.00 percent for staff with benefits under VersTV 1993 (static reference)

## 22.3 Sensitivity analysis

The sensitivity analysis takes into account the respective change of one individual assumption compared to the reference value, which is made up of the sum of the individual present values of the pension obligations from the VersTV (Pensions), ÜVersTV (Transitional payments) and KTV (Insurance). The remaining parameters of the original calculations remain unchanged. This ensures that potential correlation effects are excluded.

		Impact on the defined benefit obligations	
		€m	In %
<b>Changes to the actuarial assumptions</b>			
<b>Present value of defined benefit obligations at 31 Dec 2023</b>		<b>4,922</b>	
Discount rate	Increase by 0.50 percentage points	-399	-8.11
	Decrease by 0.50 percentage points	461	9.36
Salary trend	Increase by 0.50 percentage points	141	2.86
	Decrease by 0.50 percentage points	-132	-2.68
<b>Present value of defined benefit obligations at 31 Dec 2022</b>		<b>4,006</b>	
Discount rate	Increase by 0.50 percentage points	-304	-7.58
	Decrease by 0.50 percentage points	348	8.68
Salary trend	Increase by 0.50 percentage points	131	3.28
	Decrease by 0.50 percentage points	-122	-3.06

The VersTV dated 21 August 2009 sets out a fixed annual adjustment of 1.25 percent. This means there is no sensitivity calculation for the pension progression.

For a specific group of people, the adjustment logic is in line with VersTV 2005. This collective agreement has an adjustment of 2.00 percent per year as well as, if necessary, a lagging correction for inflation that follows a three-year rhythm. As this represents an immaterial portion of the overall obligation, the DFS Group does not conduct a sensitivity calculation for the pension progression.

## 22.4 Risks

The pension obligations and the plan assets are subject to fluctuations over time. The reasons for these fluctuations and the associated risks arise from the usual actuarial risks and the financial risks in connection with the plan assets.

### 22.4.1 Demographic risks

As a large part of the defined benefit obligations are paid for the whole life and also include survivors' pensions, earlier entitlement and longer periods of benefit payment can lead to higher pension obligations, expenses and higher retirement benefits than expected.

### 22.4.2 Market price risks

The amount of the net obligation from occupational pensions is exposed to interest rate risk and is particularly influenced by the discount rate. The rate is determined by reference to market yields at the reporting date on high-quality fixed-rate corporate and treasury bonds. The global increase in key interest rates led to a rebound of the interest rate level. The lower interest rates led to a significant increase in the volume of obligations. The market values of the plan assets also benefited fundamentally from the global rise in key base rates.

The investment form chosen by DFS Aviation Services (DAS) for the transitional retirement obligations offers a balanced mix of risk and return. The insurance contracts have a guaranteed rate of 2.25 percent for old contracts and 0.90 percent for new contracts, including the grant of a terminal bonus.

### 22.4.3 Liquidity risks

The daily liquidity of the DFS Group is monitored by the Treasury department and is managed with the help of short-term (< year) and medium-term liquidity plans.

### 22.4.4 Inflation risks

The Group distinguishes in its pension plans between benefits that are based on the respective final salary of the employee and benefits based on the career average plan. The pension component is directly tied to the respective income. A rise in salaries tied to inflation lead to a direct rise in the pension obligations.

## 22.5 Duration and expected pension and contribution payments

Expected due date of undiscounted payments	Up to	2 to 5	6 to 15
	1 year	years	years
	€m	€m	€m
Estimated pension payments <sup>28)</sup>	180	834	2,365
- of which reinsured with the insurance consortium	[170]	[795]	[2,286]
Expected employer contributions to plan assets	207	978	2,206

<sup>28)</sup> From the H<sup>2</sup>B detailed forecast 2023 to 2038 dated 6 April 2023.

The weighted duration of the pension obligations amounts to 18.0 years (previous year: 16.8 years) as at 31 December 2023.

## 22.6 Defined benefit obligations

	VersTV (Pensions)	ÜVersTV (Transitional payments)	KTV (Insurance)	Other	Total
31 Dec 2023	€m	€m	€m	€m	€m
As at 1 Jan 2023	2,746	1,132	129	21	4,028
Current service cost	68	43	0	1	112
Interest expense	100	40	5	1	146
Retirement benefits paid	-72	-70	-9	-2	-153
Acquisitions of businesses	0	0 <sup>29)</sup>	0	0	0
Actuarial gains (-)	590	210	10	0 <sup>29)</sup>	810
- of which changed parameters	[380]	[85]	[8]	[0 <sup>29)</sup> ]	[473]
- of which experience-based adjustments	[210]	[125]	[2]	[0 <sup>29)</sup> ]	[337]
<b>Present value of defined benefit obligations</b>	<b>3,432</b>	<b>1,355</b>	<b>135</b>	<b>21</b>	<b>4,943</b>
- of which benefits based on final salary					
Retirement payments	2,748				
One-time payments	108				
- of which benefits based on career average plan					
Retirement payments	576				
One-time payments	0 <sup>29)</sup>				
31 Dec 2022	€m	€m	€m	€m	€m
As at 31 Jan 2022	4,500	1,444	178	4	6,126
Additions	0	0	0	18	18
Current service cost	157	66	1	1	225
Interest expense	53	17	2	1	73
Retirement benefits paid	-65	-63	-9	-2	-139
Acquisitions of businesses	0	0	0	0	0
Actuarial gains (-)	-1,899	-332	-43	-1	-2,275
- of which changed parameters	[-1,968]	[-378]	[-42]	[-1]	[-2,389]
- of which experience-based adjustments	[69]	[46]	[-1]	[0 <sup>29)</sup> ]	[114]
<b>Present value of defined benefit obligations</b>	<b>2,746</b>	<b>1,132</b>	<b>129</b>	<b>21</b>	<b>4,028</b>
- of which benefits based on final salary					
Retirement payments	2,270				
One-time payments	90				
- of which benefits based on career average plan					
Retirement payments	386				
One-time payments	0 <sup>29)</sup>				

<sup>29)</sup> Under €1 million

## 22.7 Plan assets

	31 Dec 2023	31 Dec 2022
	€m	€m
As at 1 Jan	3,561	3,710
Projected return on plan assets	130	44
Employer contributions and payments	130	206
Retirement benefits paid	-92	-95
Actuarial losses (-) and gains (+)	131	-304
<b>Market values of plan assets</b>	<b>3,860</b>	<b>3,561</b>
Actual expenses (-) and income (+) from plan assets	261	-260

<b>Composition of plan assets</b>		
	31 Dec 2023	31 Dec 2022
	€m	€m
Capital investment in the general cover fund of the insurer	1,194	1,264
Capital investment in PEGASUS-UI-Fonds	2,666	2,297
<b>Market value of plan assets</b>	<b>3,860</b>	<b>3,561</b>

The plan assets comprise a matched reinsurance contract and a special fund with DFS. The development of the plan assets is made up of the disbursements and income of both assets as well as the payments of DFS into the special fund (PEGASUS-UI-Fonds). The previous financing of pension obligations in the form of an insurance-like reinsurance solution is gradually being phased out and will in future only be refinanced using a fund solution. For this purpose, the DFS Group transferred the fund (PEGASUS-UI-Fonds) from the insurance consortium to the *Treuhandverein* (trusteeship). In the future, the DFS Group will cover claims from the still existing reinsurance policies and plan assets. The plan assets can be allocated to the obligations from the collective agreement relating to pensions and the transitional retirement. After its assignment, the PEGASUS-UI-Fonds serves to finance the pension obligations, while the ATCP-UI-FONDS was separated out for the long-term financing of the Group.

## 22.8 Net defined benefit liability

	Fund assets	VersTV (Pensions)	ÜVersTV (Transitional payments)	KTV (Insurance)	Other	Total
2023	€m	€m	€m	€m	€m	€m
As at 1 Jan	-3,545	2,746	1,132	113	21	467
Expenses in income statement	-129	168	83	4	2	128
Retirement benefits paid	91	-72	-70	-8	-2	-61
Employer contributions	-130	0	0	0	0	-130
Remeasurement of the net liability in equity = actuarial gains (-) and losses (+) of the ongoing business year	-132	590	210	11	0	679
Transfers	0	0	0	0	0	0
<b>As at 31 Dec</b>	<b>-3,845</b>	<b>3,432</b>	<b>1,355</b>	<b>120</b>	<b>21</b>	<b>1,083</b>
2022	€m	€m	€m	€m	€m	€m
As at 1 Jan	-3,694	4,500	1,444	162	4	2,416
Additions	0	0	0	0	18	18
Expenses in income statement	-44	210	83	3	2	254
Retirement benefits paid	95	-65	-63	-9	-2	-44
Employer contributions	-206	0	0	0	0	-206
Remeasurement of the net liability in equity = actuarial gains (-) and losses (+) of the ongoing business year	304	-1,899	-332	-43	-1	-1,971
Transfers	0	0	0	0	0	0
<b>As at 31 Dec</b>	<b>-3,545</b>	<b>2,746</b>	<b>1,132</b>	<b>113</b>	<b>21</b>	<b>467</b>

## 22.9 Balance sheet amounts

	Fund assets	VersTV (Pensions)	ÜVersTV (Transitional payments)	KTV (Insurance)	Other	Total
	€m	€m	€m	€m	€m	€m
<b>31 Dec 2023</b>						
Present value of defined benefit obligations	0	3,432	1,355	135	21	4,943
Fair value of plan assets	-3,845	0	0	-15	0	-3,860
Funding status obligation (+) and asset (-)	-3,845	3,432	1,355	120	21	1,083
Amount not recognised as assets	0	0	0	0	0	0
<b>Net amount of debt items (+) and asset items (-) in the balance sheet</b>	<b>-3,845</b>	<b>3,432</b>	<b>1,355</b>	<b>120</b>	<b>21</b>	<b>1,083</b>
<b>31 Dec 2022</b>						
Present value of defined benefit obligations	0	2,746	1,132	129	21	4,028
Fair value of plan assets	-3,545	0	0	-16	0	-3,561
Funding status obligation (+) and asset (-)	-3,545	2,746	1,132	113	21	467
Amount not recognised as assets	0	0	0	0	0	0
<b>Net amount of debt items (+) and asset items (-) in the balance sheet</b>	<b>-3,545</b>	<b>2,746</b>	<b>1,132</b>	<b>113</b>	<b>21</b>	<b>467</b>

**22.10 Expenses (+) and income (-) recognised in the statement of comprehensive income**

	Fund assets	VersTV (Pensions)	ÜVersTV (Transitional payments)	KTV (Insurance)	Other	Total
<b>31 Dec 2023</b>	€m	€m	€m	€m	€m	€m
Interest expense	0	100	40	5	1	146
Projected return on plan assets	-129	0	0	-1	0	-130
Net interest expense	-129	100	40	4	1	16
Current service cost	0	68	43	0	1	112
Income statement expenses (+) or income (-)	-129	168	83	4	2	128
Past service cost						0
Interest income from capitalised value						0 <sup>30)</sup>
Contributions to the German mutual insurance association						3
Payments to defined contribution plans						42
- of which contributions to pension insurance						[40]
						173
<b>31 Dec 2022</b>	€m	€m	€m	€m	€m	€m
Interest expense	0	53	17	2	1	73
Projected return on plan assets	-44	0	0	0	0	-44
Net interest expense	-44	53	17	2	1	29
Current service cost	0	157	66	1	1	225
Income statement expenses (+) or income (-)	-44	210	83	3	2	254
Past service cost						0 <sup>30)</sup>
Interest income from capitalised value						0 <sup>30)</sup>
Contributions to the German mutual insurance association						3
Payments to defined contribution plans						40
- of which contributions to pension insurance						[38]
						297
<sup>30)</sup> Under €1 million						

## 23 Other provisions

	As at 1 Jan 2023	Utilisation	Reversal	Discounting	Additions	As at 31 Dec 2023	Remaining term more than 1 year
	€m	€m	€m	€m	€m	€m	€m
Over-recovery of charges <sup>31)</sup>	151	-78			49	122	74
Personnel <sup>32)</sup>	70	-17		0 <sup>34)</sup>	30	83	72
Re-conversion of buildings	11	0 <sup>34)</sup>	-1	1	3	14	14
Preserving records	7	-1		1	1	8	7
Other <sup>33)</sup>	7	-5	0 <sup>34)</sup>		13	15	4
	<b>246</b>	<b>-101</b>	<b>-1</b>	<b>2</b>	<b>96</b>	<b>242</b>	<b>171</b>

<sup>31)</sup> For the calculation method in the regulated procedure for determining charges, see section 3.1 in the Group management report.

<sup>32)</sup> The obligations comprise provisions for early retirement, partial retirement, anniversary payments and recuperation cures (treatments) for air traffic controllers.  
Actuarial reports are the basis for the early retirement, partial retirement and anniversary obligations.

<sup>33)</sup> The line item "Other" includes expected losses from market price changes in gas procurement.

<sup>34)</sup> Under €1 million

### Due dates of future non-discounted settlement values

	2024	2025	2026	2027	2028	From 2029
	€m	€m	€m	€m	€m	€m
Over-recovery of charges	48	50	24		0 <sup>34)</sup>	0 <sup>34)</sup>
Personnel	11	8	5	3	1	55
Re-conversion of buildings	0 <sup>34)</sup>			0 <sup>34)</sup>		18
Preserving records	1	1	1	1	1	4
Miscellaneous	11	4				
	<b>71</b>	<b>63</b>	<b>30</b>	<b>4</b>	<b>2</b>	<b>77</b>

### Discount rates (in %) distributed over the respective remaining terms in years

	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7
<b>2023</b>	3.10	2.69	2.48	2.40	2.39	2.39
<b>2022</b>	2.79	2.93	2.88	2.84	2.82	2.85
	7 to 8	8 to 9	9 to 10	10 to 15	15 to 30	
<b>2023</b>	2.58	2.37	2.43	2.48	2.41	
<b>2022</b>	2.84	2.81	2.86	2.78	2.75	

<b>Effects of the changes to the discount rate</b>					
	<b>Computation with the interest rate as at 31 Dec 2023</b>		<b>Computation with the interest rate as at 31 Dec 2022</b>		<b>Effects</b>
	<b>€m</b>		<b>€m</b>		<b>€m</b>
Discounted provisions	48		46		2
Interest income (+) / expenses (-)	2		1		1

## 24 Financial liabilities

	<b>31 Dec 2023</b>		<b>31 Dec 2022</b>	
	<b>Total</b>	<b>Remaining term more than 1 year</b>	<b>Total</b>	<b>Remaining term more than 1 year</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
<i>Schuldscheindarlehen</i> (debenture loan)	500	500	610	500
Lease liabilities	25	20	25	21
Derivative financial instruments	2	0	0 <sup>33)</sup>	0
Loan	2	2	2	2
Financial debt from the capital investments of the investment entity	1	0	7	0
	<b>530</b>	<b>522</b>	<b>644</b>	<b>523</b>

<b><i>Schuldscheindarlehen</i> (debenture loan)</b>				
<b>Terms</b>	<b>Nominal value</b>	<b>Nominal interest rate</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€m</b>		<b>€m</b>	<b>€m</b>
2013 to 2023	110	2.31%	0	110
2020 to 2025	86	0.50%	86	86
2020 to 2027	78	0.65%	78	78
2020 to 2030	249	0.85%	249	249
2020 to 2025	14	0.50%	14	14
2020 to 2027	53	0.65%	53	53
2020 to 2030	20	0.85%	20	20
	<b>610</b>		<b>500</b>	<b>610</b>

## 25 Other liabilities

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	€m	€m	€m	€m
Staff costs	61	0	57	0
Amounts owed to tax authorities	20	0	18	0
Outstanding invoices	17	0	14	0
Interest payable	1	0	3	0
Remaining	38	5	39	11
	<b>137</b>	<b>5</b>	<b>131</b>	<b>11</b>

### Offsetting of financial assets and liabilities

	Financial assets (+)	Financial liabilities (-)	Assets (+) and liabilities (-) as reported on the balance sheet
31 Dec 2023	€m	€m	€m
<b>Shareholder</b>	3	-3	-0 <sup>35)</sup>
<b>Associated companies</b>			
FCS	1	-1	-0 <sup>35)</sup>
AERONSENSE	0 <sup>35)</sup>	0	0 <sup>35)</sup>
UNIFLY	0	-0 <sup>35)</sup>	-0 <sup>35)</sup>
<b>Investments</b>			
GroupEAD	0 <sup>35)</sup>	0	0 <sup>35)</sup>
<b>31 Dec 2022</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
<b>Shareholder</b>	7	-2	5
<b>Associated companies</b>			
FCS	0 <sup>35)</sup>	-1	-1
AERONSENSE	0	-1	-1
UNIFLY	0 <sup>35)</sup>	-0 <sup>35)</sup>	-0 <sup>35)</sup>
<b>Investments</b>			
GroupEAD	0	-0 <sup>35)</sup>	-0 <sup>35)</sup>

<sup>35)</sup> Under €1 million

The fair values of the offset financial assets and liabilities correspond to their carrying amounts.

## Additional disclosures

### 26 Segment reporting

Segment reporting is based on the internal management and reporting systems. Commercial management and reporting have been based on cost unit accounting since the start of economic regulation. This enhances the transparency as well as the planning and control of the individual divisions.

Within the scope of segment reporting, the Executive Board as the chief operating decision-maker allocates company funds and assesses the performance of the operating segments. The operating result (operating EBIT) is an important performance indicator for the DFS Group.

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#### Regulated business

The main business of the DFS Group is the provision of air navigation services and the directly associated support activities. The DFS Group defines these activities as the 'regulated business'. This is divided into the Control Centre and Tower divisions.

#### Commercial business

The commercial business comprises all Group activities that are not allocated to the regulated business. The focus is on products and services offered internationally on the free market, namely air navigation services, consultancy services, the sale of air traffic control systems, as well as analysis, simulation and project management activities, and the sale of publications and energy. DFS International Business Services bundles the commercial business and ensures its successive expansion through its investments where it holds a controlling interest directly or indirectly, namely DFS Aviation Services, Air Navigation Solutions, R. Eisenschmidt, Kaufbeuren ATM Training and Droniq.

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The determination of segment data is based on the following premises:

- The assets and liabilities of DFS Energy are included as part of the operating assets in the cost-base for determining charges. Consequently, in the reconciliation to the Group results, the expenses and income of DFS Energy are disclosed separately.
- Financial indicators (IFRS and HGB) are used for the planning and control of the commercial business.

In the regulated business, the share of the five most important external customers in total DFS revenues corresponds to €411 million or 34.64 percent (previous year: €335 million or 35.79%).

<b>Information on business segments by cost type</b>			
	<b>Regulated business</b>	<b>Commercial business</b>	<b>Group earnings</b>
<b>2023</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Revenues	1,252	97	1,349
Changes in inventory and other own work capitalised	27	-2	25
Other operating income	22	3	25
<b>Total operating revenues and income</b>	<b>1,301</b>	<b>98</b>	<b>1,399</b>
Material expenses	-18	-15	-33
Employee expenses	-908	-67	-975
Other operating expenses	-150	-19	-169
Depreciation, amortisation and impairments	-100	-7	-107
<b>Total costs</b>	<b>-1,176</b>	<b>-108</b>	<b>-1,284</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>125</b>	<b>-10</b>	<b>115</b>
Financial income	185	1	186
Of which interest income of the investments accounted for using the equity method	[0 <sup>36</sup> ]	[0 <sup>36</sup> ]	[0 <sup>36</sup> ]
Financial expenses	-187	0 <sup>36</sup>	-187
<b>Financial result</b>	<b>-2</b>	<b>1</b>	<b>-1</b>
<b>Profit (loss) before income taxes</b>	<b>123</b>	<b>-9</b>	<b>114</b>
Income taxes	17	4	21
<b>Earnings for the period (continuing operations)</b>	<b>140</b>	<b>-5</b>	<b>135</b>
Shareholder of the parent company	140	-4	136
Earnings attributable to minority interests	0	-1	-1
<sup>36</sup> ) Under €1 million			

<b>Information on business segments by cost type</b>			
	<b>Regulated business</b>	<b>Commercial business</b>	<b>Group earnings</b>
<b>2022</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Revenues	1,234	94	1,328
Changes in inventory and other own work capitalised	31	2	33
Other operating income	25	2	27
<b>Total operating revenues and income</b>	<b>1,290</b>	<b>98</b>	<b>1,388</b>
Material expenses	-6	-13	-19
Employee expenses	-976	-68	-1,044
Other operating expenses	-130	-14	-144
Depreciation, amortisation and impairments	-99	-12	-111
<b>Total costs</b>	<b>-1,211</b>	<b>-107</b>	<b>-1,318</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>79</b>	<b>-9</b>	<b>70</b>
Financial income	150	1	151
Of which interest income of the investments accounted for using the equity method	[0]	[0 <sup>37)</sup>	[0 <sup>37)</sup>
Financial expenses	-245	-2	-247
<b>Financial result</b>	<b>-95</b>	<b>-1</b>	<b>-96</b>
<b>Profit (loss) before income taxes</b>	<b>-16</b>	<b>-10</b>	<b>-26</b>
Income taxes	-8	2	-6
<b>Earnings for the period (continuing operations)</b>	<b>-24</b>	<b>-8</b>	<b>-32</b>
Shareholder of the parent company	-24	-6	-30
Earnings attributable to minority interests	0	-2	-2
<sup>37)</sup> Under €1 million			

<b>Reconciliation from charges-related result before interest and taxes to IFRS Group earnings before interest and taxes</b>		
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€m</b>	<b>€m</b>
Products financed by charges	35	103
Commercial business	-1	-1
Other products financed by charges and other products	0 <sup>37)</sup>	2
<b>Charges-related earnings before interest and taxes (EBIT)</b>	<b>34</b>	<b>104</b>
Occupational pensions from a charges-related perspective	556	238
Occupational pensions under IFRS	-131	-232
Change in equity relevant to charges (closing deficit)	-338	-31
Minority interest	-6	-5
Consolidation/reconciliation	0 <sup>37)</sup>	-4
<b>Group earnings before interest and taxes under IFRS</b>	<b>115</b>	<b>70</b>

## 27 Cash flow statement

The cash flow statement shows the change in liquid funds between two balance sheet dates to show the movements in cash and cash equivalents for the DFS Group. Cash inflows and outflows are divided into operating, investing and financing activities and only show cash flows from continuing operations. There are no discontinued operations.

Cash inflow from operating activities was calculated using the indirect method by adjusting net income for changes in inventory, receivables, other assets and borrowings as well as depreciation and amortisation and other non-cash income and expenses. The cash flows from income taxes relate to all three of the above areas of activity. However, owing to the disproportionate time that would be involved in assigning the cash flows from income taxes to the individual activities, for the purpose of the cash flow statement they are allocated to operating activities.

The DFS Group does not present the cash flows from operating activities according to the direct method (IAS 7.19).

Cash outflows from investing and financing activities are presented using the direct method.

Cash and cash equivalents consist of cash and cash equivalents and securities that can be liquidated at any time.

## 28 Financial instruments

Financial assets by measurement category						
	Carrying amount	Amortised cost	Assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Fair value	Level
31 Dec 2023	€m	€m	€m	€m	€m	
<b>Financial assets at fair value</b>						
Financial assets	257		257		257	2
Investments	4			4	4	3
<b>Financial assets not at fair value</b>						
Loans	4	4			4	3
Trade receivables	166	166			166	3
Under-recovery	1,302	1,302			1,302	3
Receivables from EU grant funding	41	41			41	3
Capitalised value	25	25			25	2
Trusteeship (Treuhandverein)	8	8			8	2
Interest receivables	0 <sup>38)</sup>	0 <sup>38)</sup>			0 <sup>38)</sup>	2
Liquid funds	145	145			145	2
Other financial assets – Level 3	0 <sup>38)</sup>	0 <sup>38)</sup>			0 <sup>38)</sup>	3
	<b>1,952</b>	<b>1,691</b>	<b>257</b>	<b>4</b>	<b>1,952</b>	

<sup>38)</sup> Under €1 million

Financial assets by measurement category						
	Carrying amount	Amortised cost	Assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Fair value	Level
31 Dec 2022	€m	€m	€m	€m	€m	
<b>Financial assets at fair value</b>						
Financial assets	368		368		368	2
Investments	4			4	4	3
<b>Financial assets not at fair value</b>						
Loans	5	5			5	3
Trade receivables	135	135			135	3
Under-recovery	1,271	1,271			1,271	3
Receivables from EU grant funding	50	50			50	3
Capitalised value	25	25			25	2
Trusteeship (Treuhandverein)	8	8			8	2
Receivables from Shareholder	5	5			5	3
Interest receivables	0 <sup>39)</sup>	0 <sup>39)</sup>			0 <sup>39)</sup>	2
Liquid funds	144	144			144	2
Other financial assets – Level 3	0 <sup>39)</sup>	0 <sup>39)</sup>			0 <sup>39)</sup>	3
	<b>2,015</b>	<b>1,643</b>	<b>368</b>	<b>4</b>	<b>2,015</b>	

<sup>39)</sup> Under €1 million

### Valuation technique

Cost approach: For loans to investments, the DFS Group assumes they can be sold for at least their carrying amounts in the short term and sets their fair values at the same level. The fair values of the investments can be calculated reliably and backed up with financial calculations. The Group values the stake in FCS Flight Calibration Services using the equity method, with the total carrying amount reflecting the proportionate changes in equity.

Due to the predominantly short-term nature of trade receivables, other receivables and assets as well as of liquid funds, the carrying amounts at the balance sheet date do not differ significantly from their fair values. The Group therefore assumes that these assets can be sold for at least their carrying amounts in the short term and sets their fair values at the same level.

Market approach: The fair values of securities and financial assets are determined completely or partially using recognised valuation models or the valuations of third parties based on the market conditions prevailing at the balance sheet date (interest and exchange rates) using external sources or market prices. In determining the fair value of derivatives, compensating effects from the primary transaction (pending business or anticipated transactions) are excluded.

### Unobservable inputs

Discount rate, nominal value of investments as well as other receivables and assets

### Observable inputs

Security prices, market interest rates

### Relationship between inputs and fair value

The estimated fair value would increase if

- the risk-adjusted discount rate was lower
- the nominal values were higher
- the security prices were higher
- the market interest rates were higher

### Reconciliation of the fair values of level 2 and 3

	Level 2	Level 3	Level 2	Level 3
	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	€m	€m	€m	€m
As at 1 Jan	545	1,470	851	1,291
Ongoing gains (+) and losses (-)	16	-3	-65	-2
Gains (+) and losses (-) recognised in other comprehensive income	0	0	0	0
Additions (+) and disposals (-)	-126	50	-241	181
Transfers in and out of levels	0	0	0	0
<b>As at 31 Dec</b>	<b>435</b>	<b>1,517</b>	<b>545</b>	<b>1,470<sup>40)</sup></b>

<sup>40)</sup> The fair values of level 3 financial assets essentially comprise the under-recovery. The DFS Group does not perform a sensitivity analysis. Regulatory requirements oblige the Group to include the under-recovery in subsequent years at its nominal values in the charges calculation. No interest is paid on the under-recovery.

<b>Financial liabilities by measurement category</b>					
	<b>Carrying amount</b>	<b>Amortised cost</b>	<b>Liabilities at fair value through profit or loss</b>	<b>Fair value</b>	<b>Level</b>
<b>31 Dec 2023</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	
<b>Financial liabilities at fair value</b>					
Derivative financial instruments	2		2	2	2
<b>Financial liabilities not at fair value</b>					
<i>Schuldscheindarlehen</i> (debenture loan)	500	500		462	2
Finance lease liabilities	25	25		25	3
Financial debt from the capital investments of the investment entity	1	1		1	2
Loan	2	2		2	2
Trade payables	28	28		28	3
Outstanding invoices	17	17		17	3
Interest payable	1	1		1	2
Other financial liabilities – Level 3	6	6		6	3
	<b>582</b>	<b>580</b>	<b>2</b>	<b>544</b>	
<b>31 Dec 2022</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	
<b>Financial liabilities at fair value</b>					
Derivative financial instruments	0 <sup>41)</sup>		0 <sup>41)</sup>	0 <sup>41)</sup>	2
<b>Financial liabilities not at fair value</b>					
<i>Schuldscheindarlehen</i> (debenture loan)	610	610		547	2
Finance lease liabilities	25	25		25	3
Financial debt from the capital investments of the investment entity	7	7		7	2
Loan	2	2		2	2
Trade payables	29	29		29	3
Outstanding invoices	14	14		14	3
Interest payable	3	3		3	2
Other financial liabilities – Level 3	6	6		6	3
	<b>696</b>	<b>696</b>	<b>0<sup>39)</sup></b>	<b>633</b>	

<sup>41)</sup> Under €1 million

### Valuation technique

Cost approach: Due to the predominantly short-term nature of trade payables and other liabilities, the carrying amounts at the balance sheet date do not differ significantly from their fair values. The DFS Group assumes that the fair values of these liabilities are at least equal to the settlement value from a current obligation.

Market approach: The fair values of debenture loans and financial debt are determined completely or partially using recognised valuation models or the valuations of third parties based on the market conditions prevailing at the balance sheet date (interest and exchange rates) using external sources or market prices. In determining the fair value of derivatives, compensating effects from the primary transaction (pending business or anticipated transactions) are excluded. The fair value of the bonds is determined using market listings on public markets.

Present value method: The fair value of finance leases is determined by discounting future expected cash flows using prevailing market interest rates.

### Unobservable inputs

Discount rate, settlement value of other liabilities and liabilities

### Observable inputs

Exchange prices, exchange rates, market interest rates

### Relationship between inputs and fair value

The estimated fair value would increase if

- the risk-adjusted discount rate was lower
- the settlement values were higher
- the exchange prices were higher
- the exchange rates were higher
- the market interest rates were higher

### Reconciliation of the fair values of level 2 and 3

	Level 2	Level 3	Level 2	Level 3
	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	€m	€m	€m	€m
As at 1 Jan	559	74	664	75
Ongoing gains (+) and losses (-)	0	0 <sup>42)</sup>	0	0 <sup>42)</sup>
Gains (+) and losses (-) recognised in other comprehensive income	0	0	0	0
Additions (+) and disposals (-)	-91	2	-105	-1
Transfers in and out of levels	0	0	0	0
<b>As at 31 Dec</b>	<b>468</b>	<b>76</b>	<b>559</b>	<b>74</b>
<sup>42)</sup> Under €1 million				

Net results of financial instruments by measurement category				
	Amortised cost	Financial assets At fair value through profit or loss	At fair value through other comprehensive income	Financial liabilities Amortised cost
	€m	€m	€m	€m
<b>31 Dec 2023</b>				
Income (+) from investments			1	
Losses (-) from foreign currency translation	-1	-4		
Gains (+) from remeasurement	3	13		
Expenses (-) from impairments	-4			
Interest income (+)	2	5		
Interest expense (-)	0 <sup>43)</sup>	0 <sup>43)</sup>		-4
Other financial expenses (-)	0 <sup>43)</sup>	-1		0 <sup>43)</sup>
<b>Gains (+) and losses (-)</b>	<b>0<sup>43)</sup></b>	<b>13</b>	<b>1</b>	<b>-4</b>
Recognised directly in other comprehensive income	0	0	0	0
<b>31 Dec 2022</b>				
Income (+) from investments			1	
Gains (+) from foreign currency translation	1	9		
Gains (+) from remeasurement	-11	-71		
Expenses (-) from impairments	-2			
Interest income (+)	2	6		
Interest expense (-)	0 <sup>43)</sup>	0 <sup>43)</sup>		-6
Other financial expenses (-)	-1	-1		0 <sup>43)</sup>
<b>Gains (+) and losses (-)</b>	<b>-11</b>	<b>-57</b>	<b>1</b>	<b>-6</b>
Recognised directly in other comprehensive income	0	0	0	0
<sup>43)</sup> Under €1 million				

## 29 Financial risks

Financial risks arise in the form of liquidity risks, default risks and market price risks. The DFS Group provides disclosures in the Group management report in section 6 on the required qualitative disclosures under IFRS 7 about the type and means by which risks from financial instruments arise as well as the procedures for the management of these risks. The objective is to avoid new, and minimise existing, risks. The Group continuously monitors and analyses the events on the financial markets in a critical dialogue with its core banks and the rating agency to reassess existing strategies and develop new strategies.

### 29.1 Liquidity risks

Liquidity risk describes the risk that the DFS Group may not be in the position to settle its financial liabilities as contractually required through the delivery of cash or other financial assets. The Group's objective in managing liquidity is to ensure that, under both normal and adverse conditions, sufficient cash and cash equivalents are available to meet payment obligations as they fall due without incurring unacceptable losses or damaging the reputation of the Group.

The DFS Group aims to maintain a level of cash and cash equivalents that exceeds the expected cash outflows from financial liabilities over the next 90 days. At the end of the business year, the Group had cash and cash equivalents of €145 million and investments in the ATCP-UI-Fonds of €312 million which are readily turned into liquid funds, which it can use to service short-term financial liabilities. The DFS Group also regularly monitors the expected cash inflows from trade receivables together with the expected cash outflows from trade payables over the next 90 days.

The Standard & Poor's rating remains unchanged with a rating of AAA (long term) and A-1+ (short term). Accordingly, the DFS Group assumes that, if necessary, it will be able to obtain additional financing from existing lenders at market interest rates comparable to those of loans already taken out.

**Maturities of undiscounted principal and interest payments from financial liabilities**

	Up to 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
31 Dec 2023	€m	€m	€m	€m	€m
<b>Non-derivative financial liabilities</b>					
<i>Schuldscheindarlehen</i> (debenture loan)	0	0	231	269	500
Interest	0	4	13	7	24
Finance lease liabilities	4	0	21	0	25
Financial debt from the capital investments of the investment entity	1	0	0	0	1
Loan	0	0	2	0	2
Trade payables	28	0 <sup>44)</sup>	0 <sup>44)</sup>	0	28
Other liabilities	24	0	0	0	24
<b>Derivative financial liabilities</b>					
Derivatives	2	0	0	0	2
	<b>59</b>	<b>4</b>	<b>267</b>	<b>276</b>	<b>606</b>
31 Dec 2022	€m	€m	€m	€m	€m
<b>Non-derivative financial liabilities</b>					
<i>Schuldscheindarlehen</i> (debenture loan)	110	0	231	269	610
Interest	3	4	14	11	32
Finance lease liabilities	4	0	21	0	25
Financial debt from the capital investments of the investment entity	7	0	0	0	7
Loan	0	0	2	0	2
Trade payables	28	0 <sup>44)</sup>	1	0	29
Other liabilities	23	0	0	0	23
<b>Derivative financial liabilities</b>					
Derivatives	0 <sup>44)</sup>	0	0	0	0 <sup>44)</sup>
	<b>175</b>	<b>4</b>	<b>269</b>	<b>280</b>	<b>728</b>

<sup>44)</sup> Under €1 million

## 29.2 Default risks

The DFS Group is exposed to default risks from financial receivables that result from the possible default on the obligations of a party to a contract. The maximum value equals the positive fair value or market value of the financial instrument.

<b>Default risk by category</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€m</b>	<b>€m</b>
Amortised cost	1,691	1,643
At fair value through profit or loss	257	368
At fair value through other comprehensive income	4	4
	<b>1,952</b>	<b>2,015</b>

With the exception of trade receivables, there are no financial assets that were overdue or impaired. Trade receivables are continuously monitored and are written down as necessary to the amount that could be recovered as soon as information on the insolvency of customers became available. The Group demands security deposits from customers with relevant sales volumes when defined warning thresholds are exceeded. In addition, there are no indications that the debtors whose receivables are overdue will not be able to fulfil their obligations.

As regards financial investing, the Group only enters into transactions with counterparties who either have a long-term rating of at least A+ (Standard & Poor's) or A1 (Moody's), short-term A-2 (Standard & Poor's) or P-2 (Moody's), or a correspondingly high creditworthiness or other form of collateral.

Business dealings with a select group of core banks are conducted using uniform standards, and existing reciprocal cash flows are continuously improved.

## 29.3 Market risks

Market risk is defined as the risk that the fair values or future cash flows of a primary or derivative financial instrument change due to fluctuations in market prices (interest rate risk and currency risk). Interest rate risk arises primarily when refinancing with variable rates. Currency risks result from exchange rate fluctuations for transactions in foreign currencies.

Interest rate risk results mainly from the sensitivity of financial instruments. Liquidity is ensured by means of the money market and capital market programme with short maturities and fixed and variable interest rates as well as from non-assigned fund assets. The use of derivative financial instruments, such as interest rate swaps and cross-currency interest rate swaps, secures fixed interest rates and thus limits interest rate risk. The changes in interest rates therefore have no material impact on the result or equity. Speculative transactions with derivative instruments where there is no underlying transaction are forbidden.

The obligation and plan assets for DFS Group occupational pensions are exposed to interest rate risk. The discount rate for pensions and similar obligations is based on the market yields for high-quality fixed-rate corporate bonds.

**Interest rate risk for financial liabilities**

	31 Dec 2023	31 Dec 2022
	€m	€m
Fixed-rate <i>Schuldscheindarlehen</i> (debenture loan)	500	610
Fixed-rate loan	2	2
	<b>502</b>	<b>612</b>

Foreign exchange risks that impact the balance sheet arise due to monetary items that are not in the functional currency. As the primary monetary financial instruments are held mainly in the functional currency or primarily converted into the functional currency by means of derivatives, changes in exchange rates therefore have no material impact on the result or equity.

For the following liabilities in foreign currencies, neither derivative financial instruments were concluded nor planned hedging transactions carried out due to the insignificant amount.

<b>Net risk by currency</b>	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Nominal value	Value at reporting date	Nominal value	Value at reporting date
	\$'000	€'000	\$'000	€'000
Primary transactions	6	5	149	140
	PEN'000	€'000	PEN'000	€'000
Primary transactions	20	5	18	4
	CHF'000	€'000	CHF'000	€'000
Primary transactions	0	0	3	3
	DKK'000	€'000	DKK'000	€'000
Primary transactions	0	0	1	0 <sup>45)</sup>
	S\$'000	€'000	S\$'000	€'000
Primary transactions	0	0	0 <sup>45)</sup>	0 <sup>45)</sup>
	£'000	€'000	£'000	€'000
Primary transactions	0	0	0 <sup>45)</sup>	0 <sup>45)</sup>
<sup>45)</sup> Under S\$1 thousand / €1 thousand / £1 thousand				

The value-at-risk analysis conducted determines the currency and interest risk, which is based on a sensitivity model used for internal planning and control. Through historical simulations of statistical time series on relevant past financial market data, scenarios are extrapolated into the future and used to compute simulated changes in market values for financial instruments. The analysis shows the absolute decline which will not be exceeded with a probability of 99.00 percent when the holding period is one, ten and twenty days.

The DFS Group bases the presentation of the following value-at-risk figures on the potential risk impact resulting from its much more significant investments in the ATCP-UI-Fond.

<b>Value-at-risk metrics</b>				
<b>31 Dec 2023</b>		<b>1 day</b>	<b>10 days</b>	<b>20 days</b>
VaR 99 (%)		0.34%	1.08%	1.52%
VaR 99 (€m)		1,062	3,373	4,747
<b>31 Dec 2022</b>		<b>1 day</b>	<b>10 days</b>	<b>20 days</b>
VaR 99 (%)		0.43%	1.36%	1.92%
VaR 99 (€m)		1,812	5,732	8,092

### 30 Capital management

As regards commercial considerations, the capital of the Group is managed first of all from a charges-related/regulatory perspective. This perspective takes additional elements into account when contrasted with the accounting principles under IFRS:

- Consideration of the catch-up effects from the conversion to IFRS not included in the financial statements
- Inclusion of the model to finance occupational pensions approved by the regulatory authority
- Law on the Implementation of the Mutual Assistance Directive as well as on the Change to Tax Regulations (*Amtshilferichtlinie-Umsetzungsgesetz*)
- Integration of DFS Energy
- Integration of the commercial business
- Consideration of uncontrollable costs

The integration of the commercial business improves the quality of the information about intra-Group relationships and allows a transparent separation between the regulated and commercial business. The commercial business should make an above-average contribution to net income as its profits are not subject to regulation.

The DFS Group bases its planning and control on the regulatory requirements of the European Commission. The 'regulated' perspective includes the future flow of charges approved by the supervisory authorities and delivers a clear picture of the capital structure, debts and cash flows. Assets and liabilities that are subject in full or in part to economic regulation are transferred to a regulatory asset base, i.e. an accounting of the results and financial position from the perspective of economic regulation.

This view of the DFS Group is supported by the supplement to Section 31b(3) of the German Aviation Act (LuftVG). This regulation obliges the Group to determine its taxes based on the charges-related result.

<b>Reconciliation from balance sheet equity to regulated equity capital</b>		
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€m</b>	<b>€m</b>
Group equity recognised on the balance sheet	638	1,180
Deferred taxes on this amount	1	1
Occupational pensions from a charges-related perspective	-223	-623
Change in equity relevant to charges (closing deficit)	1,314	1,118
Consolidation/ reconciliation	-6	-6
<b>Regulated equity</b>	<b>1,724</b>	<b>1,670</b>
<b>Metrics based on regulated equity</b>		
Equity ratio	45.72%	51.74%
Return on equity	7.84%	-1.89%
Net income/loss	135	-32
EBIT	115	70
Borrowings	2,047	1,558
Debt ratio	54.28%	48.26%
Return on total assets	3.59%	-0.98%
Leverage ratio <sup>46)</sup>	3.39%	4.08%
Liquid funds	145	144
Financial assets	257	368
Non-current financial liabilities	522	523
Current financial liabilities	8	121
Net financial liabilities (-) / assets (+)	-128	-132

<sup>46)</sup> If the sign is negative, there is overcompensation by liquid funds.

The DFS Group pursues a conservative investment and debt policy geared towards flexibility with a balanced investment and financing portfolio. The aims of capital management are to maintain operational effectiveness, maintain financial liquidity and, in connection with this, to build up or stabilise equity. Measures to achieve these aims are the optimisation of the capital structure, equity measures and the long-term reduction of debt. The DFS Group coordinates its capital requirements and the raising of capital in such a way that the requirements for income, liquidity, security and independence are taken into account.

The DFS Group currently covers its short-term financing requirements through fixed-interest *Schuldscheindarlehen* (SSD, debenture loan). In the process, its creditworthiness is regularly reviewed by the Standard & Poor's rating agency.

<b>Ratings</b>			
	<b>Long-term</b>	<b>Short-term</b>	<b>Outlook</b>
Standard & Poor's	AAA	A-1+	Stable

### 31 Contingent liabilities and other financial obligations

#### 31.1 Contingent liabilities

<b>Maturities of sureties</b>					
	<b>Up to 1 year</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>	<b>Indefinite term</b>	<b>Total</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
<b>2023</b>	2	1	0	2	5
<b>2022</b>	1	1	0	1	3

No provisions were recognised for the obligations shown because the risk of use was deemed to have a low probability. There are no uncertainties as regards the amount or maturity of the contingent liabilities.

Sureties relate to guarantees for prepayments, warranties, contract fulfilment and tender guarantees for simulation, radar data and air navigation facilities. At the end of the business year, there were no obligations for the issuance or endorsement of guarantees covering bills of exchange and cheques.

#### 31.2 Other financial obligations

<b>Due dates of other financial obligations</b>					
	<b>Up to 1 year</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>	
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	
<b>31 Dec 2023</b>					
Intercompany credit lines to associated companies <sup>47)</sup>	2	0	0	2	
of which taken up	[1]	[0]	[0]	[1]	
Capital expenditure commitments for					
- intangible assets	13	48	0	61	
- property, plant and equipment	16	20	43	79	
- material costs	79	44	11	134	
- rental, leasing, tenancy	1	1	1	3	
Bank guarantee	0	10	0	10	
	<b>111</b>	<b>123</b>	<b>55</b>	<b>289</b>	

<sup>47)</sup> The intercompany credit line was increased to €1.80 million as at 1 January 2024.

<b>Due dates of other financial obligations</b>				
	<b>Up to 1 year</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>31 Dec 2022</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Intercompany credit lines to associated companies	1	0	0	1
of which taken up	0	0	0	0
Capital expenditure commitments for				
- intangible assets	14	18	0	32
- property, plant and equipment	22	26	57	105
- material costs	108	51	6	165
- rental, leasing, tenancy	3	1	1	5
Bank guarantee	0	10	0	10
	<b>148</b>	<b>106</b>	<b>64</b>	<b>318</b>

No provisions were recognised for the obligations shown because the risk of use was deemed to have a low probability. No uncertainties exist as regards the amount or maturity of the other financial obligations.

To cover liquidity needs, the associated company was granted an intercompany credit line which can be taken up daily as part of the cash pool. By doing so, the Group optimises its conditions for cash investments and loans and exploits the advantages of a central, systematic financial planning.

Capital expenditure obligations relate to the contractual obligations for the purchase of intangible assets as well as property, plant and equipment.

### 32 Contingent assets

<b>There are two separate abstract acknowledgements of debt (<i>abstracte Schuldanerkenntnisse</i> – a standard German law acknowledgement of a borrower's indebtedness) between DFS and FCS:</b>		
Effective from	29 September 2008 / 6 October 2008, respectively	21 August 2018 / 24 September 2018, respectively
Collateral	Registration of a charge	Registration of a charge
Legal basis	Section 1 LuftFzgG (Law on Rights regarding Aircraft – Gesetz über Rechte an Luftfahrzeugen)	Section 1 LuftFzgG (Law on Rights regarding Aircraft – Gesetz über Rechte an Luftfahrzeugen)
Beneficiary	DFS	DFS
Object	Hawker Beechcraft Super King Air	Hawker Beechcraft Super King Air
Serial number	FL-626 D-CFME	FL-1156 D-CFMF
Local Court	Braunschweig	Braunschweig
Registration	16 September 2009	29 October 2019
Basis	Loan agreement dated September 2008 / October 2008	Loan agreement dated August 2018 / September 2018
Parties to the contract	DFS IBS and FCS	DFS IBS and FCS
Loan	The loan of €4.30 million for the aeroplane FL-626 D-CFME with a term until 31 December 2025 was fully taken up.	The loan of €5.56 million for the aeroplane FL-1156 with a term until 31 December 2033 was fully taken up.
Miscellaneous	The loan is collateralised over its entire maturity by an abstract acknowledgement of debt in favour of DFS by means of a liability of €6.00 million.	The loan is collateralised over its entire maturity by an abstract acknowledgement of debt in favour of DFS by means of a liability of €5.56 million.

### 33 Post-balance-sheet-date events

The DFS Group saw no post-balance-sheet-date events of material importance, whether individually or as a group, which impact the results and financial position of the Group.

### 34 Independent auditor's fees

<b>Total fees of the auditor under Section 314(1)(9) of the German Commercial Code (HGB)</b>		
	<b>31 Dec 2023 €'000</b>	<b>31 Dec 2022 €'000</b>
Audit of the annual financial statements	181	161
Other assurance services	63	49
Tax advice	0	0
Other services	9	19
	<b>253</b>	<b>229</b>

## 35 Service concession arrangements

Under Section 27c of the German Aviation Act (LuftVG), the DFS Group is obliged to perform its sovereign tasks. The details of these tasks are regulated by an indefinite framework agreement with the Federal Republic of Germany.

The law and the framework agreement authorise the Group as the current entrusted air navigation service provider to require the airport operators under Section 27d of the German Aviation Act (LuftVG) to:

- establish and maintain the necessary facilities and take the necessary structural measures in these facilities; make the necessary facilities available and allow cables to be laid, connected and maintained on the premises.
- enable the air navigation services personnel to use the infrastructure at aerodromes.
- ensure that the buildings and rooms made available by the aerodrome operator are provided with power, thermal energy, heating and air conditioning as well as perform other utility services and ensure that waste disposal services are rendered.

In return, the Group reimburses the airport operators for these costs.

Under Section 31b(1) of the German Aviation Act (LuftVG), the DFS Group alone is entrusted with the performance of the services outlined in Section 27c(2)(1)(1) LuftVG (supplemented by the German Ordinance on Terminal Charges of the Air Navigation Services (FSAAKV)). If another air navigation service provider is entrusted with the services outlined in Section 27c(2)(1)(2)-(5) LuftVG, the legal and contractual rights and obligations would transfer to this air navigation service provider.

Charges levied are the main source of revenues at the DFS Group and they should cover the planned costs.

### 35.1 Control Centre division

Since 1 January 2012, the European Commission has regulated en-route services by means of a performance scheme for air navigation services and network functions. It has laid down performance targets and alert thresholds for the whole European Union for the areas of safety, environment, capacity and cost-efficiency for one reference period. Each reference period comprises five years. To gather experience in the introductory phase, the first reference period was limited to three years (2012-2014).

The national supervisory authority, the Federal Supervisory Authority for Air Navigation Services (BAF), then draws up a performance plan at the national or functional airspace block level that is aligned with the performance targets of the European Union. Upon proposal of the national supervisory authorities, Member States adopt their performance plans and communicate them to the Commission. The Commission evaluates the performance plans and suggests, or takes, corrective measures.

With the start of economic regulation, the business risk for the DFS Group has risen. The cost risks that arise within a reference period impact the profits of the Group directly. However, the traffic risk is spread between the Group and the airspace users. Section 2.2 in the Group management report contains information on the split of risks stemming from variances in traffic volume.

The variances are determined by the Federal Supervisory Authority for Air Navigation Services (BAF) and reported to the European Commission and EUROCONTROL. EUROCONTROL checks the differences and submits the adjustments to the representatives of the Member States in the Enlarged Committee for Route Charges. This Committee prepares the adjusted unit rates for en-route services after consultation with the airspace users. These are submitted to the enlarged Commission for final approval.

The Federal Ministry for Digital and Transport (BMDV) publishes the unit rate for en-route services in the Federal Law Gazette on the basis of the German Ordinance on Route Charges of the Air Navigation Services (FSStrKV) and taking into consideration the EU Regulations on a common charging scheme for air navigation services.

## **35.2 Tower division**

Since 2015, terminal services have also been subject to a regime of economic regulation. The Federal Ministry for Digital and Transport (BMDV) lays down a unit rate each year on the basis of the German Ordinance on Terminal Charges of the Air Navigation Services (FSAAKV) and taking into consideration the EU Regulations on a common charging scheme for air navigation services.

To this end, the DFS Group sends the national supervisory authority, the Federal Supervisory Authority for Air Navigation Services (BAF), a preliminary cost estimate for the coming year. The cost estimate is based on the costs of the last business year and the estimates of the cost development in the current and following business year. The unit rate is calculated from the quotient between the planned costs and the planned traffic volume.

With effect from 1 September 2021, the German Aviation Act (LuftVG) was amended and DFS Aviation Services (DAS) has been charging airspace users since that date (Section 31b(3) LuftVG). Air navigation services costs not covered by revenues from air navigation charges are covered by an injection of funds by the Federal Government. The profit margin is set at 6.30 percent of the costs incurred by regulation.

## **36 Related party disclosures**

### **36.1 Related parties – entities**

In the normal course of business, services are also rendered to related entities. Group companies also render services to the DFS Group. Within the Group, there are some billing agreements with reciprocal service provision charged as cost allocations. These extensive delivery and service relationships are conducted at market prices or using the cost-plus method and are no different from the business relationships with other companies.

During consolidation, the DFS Group eliminates the balances and transactions between the ultimate parent company and the consolidated subsidiaries (related parties). These are not disclosed in the Notes.

The DFS Group maintains business relations with the sole controlling Shareholder, the Federal Republic of Germany, and with other companies controlled by it as part of the entrusted sovereign functions for air navigation services. These transactions are conducted at arm's length and are no different from the delivery and service relationships with other companies. DFS avails itself of the exemption in IAS 24.25 and does not disclose information on outstanding balances and transactions with government-related entities.

The DFS Group supports the Single European Sky (SES) initiative of the European Commission and strives to play an active role in shaping and achieving its objectives. This initiative covers the entire process from research and development to deployment. European standards, concepts, procedures, architectures, data and systems for European air traffic are being developed together with industrial partners in a large number of projects. Since June 2009, DFS has been an active member of the SESAR Joint Undertaking, along with other leading organisations. Within this framework, DFS has so far participated in three research and development programmes. Since 2014, the SESAR development process has moved to the long-term phase of technical implementation and deployment. As part of a cross-industry partnership, DFS is also a member of the SESAR Deployment & Infrastructure Partnership. This partnership fulfils the EU mandate to plan, coordinate and implement a comprehensive modernisation of European airspace within the scope of the deployment management. Through its involvement, the DFS Group influences the development and introduction of new technologies and

procedures. It also benefits from considerable funding as well as from the avoidance of incorrect cost allocation and flawed capital expenditures.

<b>Income (+) and expenses (-)</b>			
	<b>Shareholder</b>	<b>Associated companies</b>	<b>Investments</b>
<b>2023</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Revenues	78	0 <sup>48)</sup>	0 <sup>48)</sup>
Purchased services		-3	
Employee expenses	-5		
Other operating expenses		-5	0 <sup>48)</sup>
Interest income		0 <sup>48)</sup>	
Income from investments			1
<b>2022</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Revenues	78	0 <sup>48)</sup>	0 <sup>48)</sup>
Purchased services		-4	
Employee expenses	-7		
Other operating expenses		-4	0 <sup>48)</sup>
Interest income		0 <sup>48)</sup>	
Income from investments			1
<b>Outstanding balances</b>			
	<b>Shareholder</b>	<b>Associated companies</b>	<b>Investments</b>
<b>2023</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Financial assets		6	2
Other assets	3	1	0 <sup>48)</sup>
Other liabilities	-3	-1	
<b>2022</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Financial assets		6	2
Other assets	7	0 <sup>48)</sup>	
Other liabilities	-2	-2	0 <sup>48)</sup>
<sup>48)</sup> Under €1 million			

## 36.2 Related parties – persons

Related parties (persons) cover primarily the Executive Board, Level 1 managers, the Supervisory Board and their family members. There were no material or, in their form or character, atypical reportable transactions between the DFS Group and people in key positions of management and their close families that go beyond existing employment, service or purchasing relationships and their contractual compensation. The following contains disclosures on the emoluments of the Executive Board and the Supervisory Board.

## 37 Organs of the parent company

### 37.1 Executive Board

Arndt Schoenemann,  
Chairman and Chief Executive Officer

Andrea Wächter,  
Chief Human Resources Officer & Labour Director

Dirk Mahns,  
Chief Operating Officer

Friedrich-Wilhelm Menge,  
Chief Technology Officer

Payments due in the short term for members of the Executive Board			
	Fixed components (including benefits in kind)	Performance-related components	Total emoluments
2023	€'000	€'000	€'000
Arndt Schoenemann (Chairman)	351	108	459
Andrea Wächter	257	40	297
Dirk Mahns	275	125	400
Friedrich-Wilhelm Menge	265	113	378
Former Managing Directors	262	117	379
	<b>1,410</b>	<b>503</b>	<b>1,913</b>
2022	€'000	€'000	€'000
Arndt Schoenemann (Chairman)	351	78	429
Andrea Wächter	43	0	43
Dirk Mahns	269	131	400
Friedrich-Wilhelm Menge	248	120	368
Former Managing Directors	278	120	398
	<b>1,189</b>	<b>449</b>	<b>1,638</b>

<b>Post-employment benefits</b>			
	<b>Pension benefits</b>	<b>Pension payments</b>	<b>Expenses for pension benefits earned in the current year<sup>49)</sup></b>
<b>2023</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Arndt Schoenemann (Chairman)	344	0	105
Andrea Wächter	1,604	0	96
Dirk Mahns	1,658	0	177
Friedrich-Wilhelm Menge	580	0	144
Former Managing Directors	17,898	1,176	592
	<b>22,084</b>	<b>1,176</b>	<b>1,114</b>
<b>2022</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Arndt Schoenemann (Chairman)	162	0	166
Andrea Wächter	1,325	0	0
Dirk Mahns	1,298	0	250
Friedrich-Wilhelm Menge	364	0	238
Former Managing Directors	16,512	1,116	414
	<b>19,661</b>	<b>1,116</b>	<b>1,068</b>

<sup>49)</sup> Service cost and interest cost

The DFS Group granted no advance payments or loans to members of the Executive Board or to former Managing Directors. Benefits to former members of the Executive Board on the occasion of termination of employment amount to €48 thousand. In addition, it paid no remuneration from consultancy or service contracts. There were no other long-term benefits due or share-based compensation.

## 37.2 Supervisory Board

### Shareholder representatives

#### Antje Geese

Chairperson of the Supervisory Board  
*Ministerialdirektorin*  
 Federal Ministry for Digital and Transport

#### Gero von Fritschen

(until 31 December 2023)  
 Colonel (G.S.)  
 Federal Ministry of Defence

#### Dr Carl-Stefan Neumann

Managing Director  
 Carl-Stefan Neumann Advisory & Investments GmbH

#### Iris Reimold

*Ministerialdirigentin*  
 Federal Ministry for Digital and Transport

#### Thorsten Ruge

*Ministerialrat*  
 Federal Ministry of Finance

#### Dr Katharina Ziolkowski

*Ministerialrätin*  
 Federal Ministry of Defence

**Staff representatives**

**Markus Siebers**

Deputy Chairperson of the Supervisory Board  
Supervisor tower (in transitional retirement)

**Günter Achatz**

(left in 2023)  
Director Planning & Innovation

**Yvonne Dalitz**

(joined in 2023)  
Head of Surveillance Data & Service

**André Hückelkempken**

(joined in 2023)  
Head of Tower and Approach Frankfurt

**Oktay Kaya**

Chairperson of the Central Staff Council  
Air traffic controller (tower)

**Sabrina Leitzbach**

(left in 2023)  
Air traffic controller (control centre)

**André Vöcking**

(left in 2023)  
Air navigation services engineer

**Jörg Waldhorst**

(left in 2023)  
Senior expert flight procedure design

**Thorsten Wesp**

(joined in 2023)  
Financial analyst

**Mathias Wiegand**

(joined in 2023)  
Air traffic controller (tower)

In the business year, there were five scheduled ordinary meetings and two extraordinary meetings.

The remuneration of the members of the Supervisory Board is regulated by shareholder resolutions. The members of the Supervisory Board receive an annual remuneration of €4,000.00 and a daily allowance of €26.00 per meeting. This annual remuneration amounts to €5,000.00 for the chairpersons of the committees and the deputy chairperson of the Supervisory Board and €6,000.00 for the chairperson of the Supervisory Board.

The members of the Supervisory Board received no advances, loans or remuneration from consultancy or service contracts.

**Remuneration of the Supervisory Board**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>€'000</b>	<b>€'000</b>
Yvonne Dalitz	2.70	0.00
Gero von Fritschen	5.20	1.70
Antje Geese	6.30	6.20
André Hückelkempken	2.70	0.00
Oktay Kaya	4.00	4.00
Dr Carl-Stefan Neumann	5.40	5.30
Iris Reimold	4.70	4.00
Thorsten Ruge	4.30	4.20
Markus Siebers	5.00	4.00
Thorsten Wesp	2.70	0.00
Mathias Wiegand	2.80	0.00
Dr Katharina Ziolkowski	4.10	3.80
Former members of the Supervisory Board	5.80	21.10
	<b>55.70</b>	<b>54.30</b>

**38 Disclosures on the Public Corporate Governance Code (PCGK)**

The DFS Group is subject to the Public Corporate Governance Code of the Federation (PCGK). The Executive Board and the Supervisory Board jointly issue a compliance statement each year and publish the corporate governance report on the website of the company.

Langen, 1 March 2024

Arndt Schoenemann  
Chairman and Chief  
Executive Officer

Andrea Wächter  
Managing Director  
Chief Human Resources  
Officer & Labour Director

Dirk Mahns  
Managing Director  
Chief Operating  
Officer

Friedrich-Wilhelm Menge  
Managing Director  
Chief Technology Officer

## Independent Auditor's Report\*

To DFS Deutsche Flugsicherung GmbH, Langen

### **Auditor's Report on the audit of the consolidated financial statements and of the combined group management report**

#### **Opinions**

We have audited the consolidated financial statements of DFS Deutsche Flugsicherung GmbH, Langen, and its subsidiaries (the Group), comprising the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the business year from 1 January to 31 December 2023 and the Notes to the consolidated financial statements including a summary of significant accounting policies. In addition, we have audited the combined group management report of DFS Deutsche Flugsicherung GmbH, Langen, for the business year from 1 January to 31 December 2023. In accordance with German legal requirements, we have not audited the content of the components of the management report mentioned in the section "Other information" of our Auditor's Report.

In our opinion, on the basis of the findings obtained in the audit,

- the attached consolidated financial statements comply, in all material respects, with IFRS as endorsed by the EU, the additional legal requirements of the German Commercial Code (HGB) under Section 315(e)(1) and, in compliance with these requirements, give a true and fair view of the results and financial position of the Group as at 31 December 2023 and the earnings for the business year from 1 January to 31 December 2023 and
- the attached combined group management report as a whole provides an appropriate view of the Group's position. This combined group management report is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the combined group management report does not cover the content of those components of the combined group management report not audited as described above.

Pursuant to Section 322(3)(1) HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined group management report.

## Basis for the audit opinions

We have conducted our audit of the consolidated financial statements and the combined group management report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the section entitled "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined group management report" of our Auditor's Report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law and have satisfied our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined group management report.

## Other information

The Executive Board and/or the Supervisory Board are responsible for the other information. The other information comprises the following components of the combined management report that have not been audited as regards content:

- the governance declaration pursuant to Section 289f(4) HGB (information on proportion of women, *Frauenquote*) as well as
- the report on equality and equal pay pursuant to Section 22(4) of the German Act to Promote Transparency of Pay Structures (EntgTranspG) (annex to the management report).

The other information also includes the Corporate Governance Report in accordance with No. 7.1 of the German Public Corporate Governance Code of the Federation (PCGK).

The legal representatives and the Supervisory Board are jointly responsible for the Corporate Governance Report. In addition, the legal representatives are responsible for the other information.

Our audit opinions on the financial statements and the combined management report do not extend to the other information and, accordingly, we do not express either an audit opinion or any other form of audit conclusion on them.

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information:

- displays material discrepancies with the consolidated financial statements, with the audited content of the combined management report or the findings obtained during the audit or
- otherwise appears to be materially misrepresented.

Should we conclude that there is a material misrepresentation in this other information on the basis of our work, we are required to report on these facts. We have nothing to report in this regard.

*Responsibility of the Executive Board and the Supervisory Board for the consolidated financial statements and the combined group management report*

The Executive Board is responsible for preparing consolidated financial statements that comply in all material respects with IFRS as adopted by the EU, and with the additional requirements of German law under Section 315(e)(1) HGB, as well as for ensuring that the consolidated financial statements give a true and fair view of the results and financial position of the Group while observing these provisions. In addition, the Executive Board is responsible for the internal controls it has deemed necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. Furthermore, it is responsible for disclosing matters relating to the going concern status, if relevant. In addition, it is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for the preparation of the combined group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for the arrangements and measures (systems) it has deemed necessary to enable the preparation of a combined group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient, appropriate evidence for the assertions in the combined group management report.

The Supervisory Board of the parent company is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined group management report.

## **Auditor's responsibilities for the audit of the consolidated financial statements and of the combined group management report**

Our objective is to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements and the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined group management report.

Reasonable assurance is a high degree of assurance, but it is not a guarantee that an audit in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of addressees taken on the basis of these consolidated financial statements and this combined group management report.

We exercise professional judgement and maintain an attitude of professional scepticism during the audit. In addition:

- We identify and assess the risks of material misstatements in the consolidated financial statements and in the group management report, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- We obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the arrangements and measures relevant to the audit of the combined group management report in order to design audit procedures that are appropriate in the given circumstances, but not for the objective of expressing an audit opinion on the effectiveness of the system.
- We evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates and related disclosures made by the Executive Board.
- We draw conclusions on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the Auditor's Report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- We evaluate the presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the results and financial position of the Group in compliance with IFRS as adopted by the EU, and the additional requirements of German law pursuant to Section 315e(1) HGB.
- We obtain sufficient appropriate audit evidence regarding the financial information of the companies or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- We evaluate the consistency of the group management report with the consolidated financial statements, its compliance with the law, and the view of the Group's position it provides.
- We perform audit procedures on the forward-looking information presented by the Executive Board in the group management report. On the basis of sufficient, appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the forward-looking information, and evaluate the proper derivation of the forward-looking information from these assumptions. We do not express a separate audit opinion on the forward-looking information and on the assumptions used as a basis for such. There is a substantial, unavoidable risk that future events will differ materially from the forward-looking information.

We communicate with those responsible for monitoring regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

Stuttgart, 25 March 2024

RSM Ebner Stolz GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Gerhard Schröder  
Auditor

Dr Volker Hecht  
Auditor

\* Courtesy translation; see page 3

# DFS Deutsche Flugsicherung GmbH

## Acronyms and abbreviations

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AEROSENSE	FREQUENTIS DFS AEROSENSE GmbH, Vienna, Austria
AfA	Official German Schedule for Deductions for Depreciation – <i>Absetzung für Abnutzung</i>
AFIS	Aerodrome Flight Information Service
AG	Public Limited Company – <i>Aktiengesellschaft</i>
AktG	German Stock Corporation Act – <i>Aktien-gesetz</i>
AIM	Aeronautical Information Management
AIP	Aeronautical Information Publication
AIS	Aeronautical Information Service
AmtshilfeRLUmsG	German Law on the Implementation of the Mutual Assistance Directive as well as on the Change to Tax Regulations – <i>Amtshilfe-richtlinie-Umsetzungsgesetz</i>
ANSL	Air Navigation Solutions Limited, West Sussex, United Kingdom
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
ATC	Air Traffic Control
ATCAS	Air Traffic Control Automation System
ATM	Air Traffic Management
ATS	Air Traffic Services
AUC	Assets under Construction
AUSTRO CONTROL	Austrian air navigation service provider Vienna, Austria – <i>Austro Control Österreichische Gesellschaft für Zivilluftfahrt mbH</i>
BAF	Federal Supervisory Authority for Air Navigation Services, Langen, Germany – <i>Bundesaufsichtsamt für Flugsicherung</i>
BARIG	Board of Airline Representatives in Germany, Frankfurt, Germany
BDF	German Airline Association, Berlin, Germany – <i>Bundesverband der Deutschen Fluggesellschaften</i>
BDL	German Aviation Association, Berlin, Germany – <i>Bundesverband der Deutschen Luftverkehrswirtschaft</i>
BFS	Federal Administration of Air Navigation Services – <i>Bundesanstalt für Flugsicherung</i> (predecessor organisation to DFS)
BGBI	German Federal Law Gazette – <i>Bundesgesetzblatt</i>
BHD	Bahraini Dinar
BilReG	German Accounting Law Reform Act – <i>Bilanzrechtsreformgesetz</i>
BILSODA	BILSODA GmbH & Co. KG, Pullach, Germany
BMDV	Federal Ministry for Digital and Transport, Berlin, Germany – <i>Bundesministerium für Digitales und Verkehr</i>
BMF	Federal Ministry of Finance, Berlin, Germany – <i>Bundesministerium der Finanzen</i>
BSI	Federal Office for Information Security, Bonn, Germany – <i>Bundesamt für Sicherheit in der Informationstechnik</i>
BSI KritisV	German Ordinance defining Critical Infrastructures pursuant to the Act on the Federal Office for Information Security – <i>Verordnung zur Bestimmung Kritischer Infrastrukturen nach dem BSI-Gesetz</i>
CEF	Connecting Europe Facility
CEO	Chief Executive Officer
CHF	Swiss Franc
CHRO	Chief Human Resources Officer
CMS	Compliance Management System
CNS	Communications, Navigation and Surveillance
Co.	Compagnie
COO	Chief Operating Officer

Corona collective agreement	Collective agreement on the demand-oriented deployment of staff during the COVID-19 pandemic for the staff employed by DFS Deutsche Flugsicherung GmbH
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
Co. W. L. L.	Company with Limited Liability
CTO	Chief Technology Officer
DAIO	Departures, Arrivals, Internals and Overflights
DANS	Dubai Air Navigation Services, Dubai, UAE
DAS	DFS Aviation Services GmbH, Langen, Germany
DAS Bahrain	DFS Aviation Services Bahrain Co. W.L.L., Manama, Bahrain
DCF	Discounted Cash Flow
DFS	DFS Deutsche Flugsicherung GmbH, Langen, Germany
DFS Energy	DFS Energy GmbH, Langen, Germany
DFS IBS	DFS International Business Services GmbH, Langen, Germany
dipul	digital platform for unmanned aircraft systems – <i>Digitale Plattform Unbemannte Luftfahrt</i>
DIW	German Institute for Economic Research, Berlin, Germany – <i>Deutsches Institut für Wirtschaftsforschung</i>
DLR	German Aerospace Centre, Cologne, Germany – <i>Deutsches Zentrum für Luft- und Raumfahrt e.V.</i>
DRS	Dresden International Airport
DSNA	French air navigation service provider, Paris, France – <i>Direction des Services de la Navigation Aérienne</i>
Droniq	Droniq GmbH, Frankfurt, Germany
DWD	German Meteorological Service, Offenbach, Germany – <i>Deutscher Wetterdienst</i>
EAD	European AIS Database
EBIT	Earnings before Interest and Taxes
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation
EBT	Earnings before Taxes
EC	European Community
EEG	Energy Sources Act – <i>Erneuerbare-Energien-Gesetz</i>
Eisenschmidt	R. Eisenschmidt GmbH, Egelsbach, Germany
EMAS	Eco Management and Audit Scheme
EntgTranspG	German Act to Promote Transparency of Pay Structures – <i>Gesetz zur Förderung der Entgelttransparenz zwischen Frauen und Männern</i>
ESSP SAS	<i>European Satellite Services Provider Société par Actions Simplifiée</i> , Toulouse, France
EU	European Union
EUR	Euro
EUROCONTROL e.V.	European Organisation for the Safety of Air Navigation, Brussels, Belgium Registered Association – <i>eingetragener Verein</i>
FAB(EC)	Functional Airspace Block (Europe Central)
FCS	FCS Flight Calibration Services GmbH, Braunschweig, Germany
FIR	Flight Information Region
FO IOP	Flight Object Interoperability
FSAAKV	German Ordinance on Terminal Charges of the Air Navigation Services – <i>Flugsicherungs-An- und Abflug-Kostenverordnung</i>
FSStrKV	German Regulation on Route Charges – <i>Flugsicherungs-Streckenkostenverordnung</i>
FührposGleichberG	German Law on the Equal Participation of Women and Men in Management Positions in the Private Sector and in Public Service – <i>Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst</i>
GBP	Pound Sterling (£)
GdF	Air Navigation Services Union – <i>Gewerkschaft der Flugsicherung</i>
GDP	Gross Domestic Product

GmbH	Limited Liability Company – <i>Gesellschaft mit beschränkter Haftung</i>
GmbHG	Act concerning Limited Liability Companies – <i>Gesetz betreffend die Gesellschaften mit beschränkter Haftung</i>
GoB	German Principles of Proper Accounting – <i>Grundsätze ordnungsmäßiger Buchführung</i>
GroupEAD	GroupEAD Europe S.L., Madrid, Spain
GS2 VCS	Intercom System 2 Voice Communication System
HGB	German Commercial Code – <i>Handelsgesetzbuch</i>
HinSchG	German Whistleblower Protection Act – <i>Gesetz für einen besseren Schutz hinweisgebender Personen (Hinweisgeberschutzgesetz)</i>
HRB	Commercial Register B – <i>Handelsregister Abteilung B</i>
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAO	International Civil Aviation Organisation
iCAS	iTEC (interoperability Through European Collaboration) Centre Automation System
IDW	Institute of Public Auditors in Germany, Düsseldorf – <i>Institut der Wirtschaftsprüfer in Deutschland e.V.</i>
ifo	Leibniz Institute for Economic Research at the University of Munich e.V., Munich, Germany – <i>Leibniz-Institut für Wirtschaftsforschung an der Universität München e.V.</i>
IFR	Instrument Flight Rules
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IfW Kiel	Kiel Institute for the World Economy; Kiel, Germany – <i>Institut für Weltwirtschaft Kiel</i>
ISO	International Organisation for Standardisation
IWH	Halle Institute for Economic Research, Halle, Germany – <i>Leibniz-Institut für Wirtschaftsforschung Halle</i>
KAT	Kaufbeuren ATM Training GmbH, Kaufbeuren, Germany
KG	Partnership – <i>Kommanditgesellschaft</i>
KPA	Key Performance Area
KTV	Collective Agreement on Health and Long-term Care Insurance at DFS – <i>Kranken- und Pflegeversicherungstarifvertrag</i>
LBA	Federal Aviation Office, Braunschweig, Germany – <i>Luftfahrt-Bundesamt</i>
Ltd.	Limited
LTE	Long Term Evolution – a standard for wireless broadband communication
LuftfzG	German Law on Rights regarding Aircraft – <i>Gesetz über Rechte an Luftfahrzeugen</i>
LuftVG	German Aviation Act – <i>Luftverkehrsgesetz</i>
LuftVStFestV	German Law Laying down German Air Transport Tax – <i>Luftverkehrsteuer-Festlegungsverordnung</i>
LuftVStG	German Air Transport Tax – <i>Luftverkehrsteuergesetz</i>
LZK-TV	Collective Agreement governing Long-term Time Accounts at DFS – <i>Langzeitkontentarifvertrag</i>
mFUND	Research Initiative of the German Ministry of Transport and Digital Infrastructure – <i>Modernitätsfonds</i>
n	Represents the Current Business Year
NM	Network Manager
No.	Number
NATS	National Air Traffic Services, Whiteley, Fareham, United Kingdom (UK air navigation service provider)
NV	<i>Naamloze Vennootschap</i> (Belgian public limited company)
OAT	Operational Air Traffic
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development, Paris, France
OJT	On-the-Job Training

P.	Page
P1	Project 1
PCGK	German Public Corporate Governance Code – <i>Public Corporate Governance Kodex</i>
PMV	<i>Participatiemaatschappij Vlaanderen NV</i> , Brussels, Belgium
QBIC Arkiv	QBIC Arkiv FUND NV, Ghent, Belgium
QBIC Feeder	QBIC FEEDER FUND NV, Ghent, Belgium
QTE	Qualified Technological Equipment (cross-border)
RASUM	Radio Site Upgrade and Modernisation at DFS
RMS	Risk Management System
RTC	Remote Tower Control
S.A.	<i>Société Anonyme</i> (type of public company)
S-ATM	Sectorless Air Traffic Management
SES	Single European Sky
SESAR	Single European Sky Air Traffic Management Research
SGD	Singapore Dollar (S\$)
SKYNAV S.A.	SKYNAV Société Anonyme, Awans, Belgium
S. L.	<i>Sociedad de Responsabilidad Limitada</i>
STATFOR	Statistics and Forecast Service (at EUROCONTROL)
STEP	STrategic Efficiency improvement Programme
StrukturTV	Collective Agreement on Structural Measures and Early Retirement at DFS – <i>Tarifvertrag über Strukturmaßnahmen und Vorruhestand</i>
TATS	Tower Air Traffic Services S.L., Madrid, Spain
Terra Drone	Terra Drone Corporation, Tokyo, Japan
TransPRLG	Transparency Directive Implementation Act – <i>Transparenzrichtlinie-Umsetzungsgesetz</i>
TVöD	Collective Agreement for the Public Service – <i>Tarifvertrag für den öffentlichen Dienst</i>
UIR	Upper Flight Information Region
Unifly	Unifly NV, Antwerp, Belgium
USD	United States Dollar (\$)
UTM	UAS Traffic Management
ÜVersTV	Collective Agreement on Pensions and Transitional Payments at DFS – <i>Übergangsversorgungstarifvertrag</i>
VaR	Value at Risk
VersTV	Collective Agreement on Pensions at DFS – <i>Versorgungstarifvertrag</i>
VHF	Very High Frequency
VITO	Flemish Institute for Technological Research – <i>Vlaamse Instelling Voor Technologisch Onderzoek</i> , Mol, Belgium
VMC	Visual Meteorological Conditions

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