Annual Report 2024

DFS Deutsche Flugsicherung

The business year 2024

This is a courtesy translation of the German original of the DFS Annual Report 2024. 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 2024, 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 2024, Dr Katharina Ziolkowski stepped down from her position, necessitating a new appointment, Ms Kristin Weller. The Supervisory Board would like to thank the departing member for her dedicated work and the responsibility she 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 2024, the Supervisory Board held three ordinary meetings to discuss the situation and development of the company. In addition, an extraordinary meeting was held to discuss the group business plan.

The Supervisory Board's deliberations in 2024 focused, among other things, on:

- the 2023 annual financial statements and consolidated financial statements, including the management report and the group management report as well as the audit report on the 2023 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 submission of an offer for the provision of personnel by DFS Aviation Services (DAS) for Bahrain Civil Aviation Affairs (BCAA),
- the submission of an offer for an extension of the contract for apron services at Lima Airport,
- the submission of an offer for air traffic controller training for the Maastricht Upper Area Control Centre (MUAC),
- the situation at ANSL,
- the group strategy and
- the dissolution of Tower Air Traffic Services S.L. (TATS), based in Spain.

Result of the review

The Supervisory Board notes that the company was able to cope well with the diversion of traffic flows due to the war in Ukraine and the changed requirements of military airspace users, and that DFS continued to ensure a high safety level in German airspace while reducing delays caused by air traffic control.

On the basis of the audit report prepared by the auditors RSM Ebner Stolz GmbH & Co. KG, the Supervisory Board discussed the 2024 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 audit 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.

The Supervisory Board would like to thank the Executive Board and all members of staff for their commitment, in particular for the safe and efficient handling of aircraft in German airspace.

April 2025 The Supervisory Board

Antje Geese

Antje Geese
Chairperson

Members of the Supervisory Board

Chairperson **Antje Geese** *Ministerialdirigentin* Federal Ministry for Digital and Transport	***Deputy Chairperson*** **Markus Siebers** Supervisor tower (in transitional retirement)
Yvonne Dalitz Team leader in operational requirements management	**André Hückelkempken** Head of Tower and Approach Frankfurt
Oktay Kaya Chairperson of the Central Staff Council	**Dr Carl-Stefan Neumann** Managing Director Carl-Stefan Neumann Advisory & Investments GmbH
Kai Ohlemacher Colonel (G.S.) Federal Ministry of Defence	**Iris Reimold** *Ministerialrätin* Federal Ministry for Digital and Transport
Thorsten Ruge *Ministerialrat* Federal Ministry of Finance	**Thorsten Wesp** Financial analyst
Kristin Weller *Ministerialrätin* Federal Ministry of Defence (Member of Supervisory Board from September 2024)	**Mathias Wiegand** Air traffic controller (tower)
Dr Katharina Ziolkowski *Ministerialrätin* Federal Ministry of Defence (Member of Supervisory Board until August 2024)	

As at 31 December 2024

Members of the Advisory Council

Chairperson **Oliver Luksic** Member of the German Bundestag Parliamentary State Secretary	
Prof Dr Karsten Benz Chairperson of the Supervisory Board Droniq GmbH	**Peter Gerber** Chief Executive Officer Condor Flugdienst GmbH
Ingo Gerhartz Chief of Staff, Air Force German Air Force Command	**Michael Hoppe** Chairman BARIG – Board of Airline Representatives in Germany e.V.
Prof Dr Anke Kaysser-Pyzalla Chair of the Executive Board German Aerospace Centre (DLR)	**Jürgen Lenders** Member of the German Bundestag
Susanne Menge Member of the German Bundestag	**Dr Michael Niggemann** Member of the Executive Board Deutsche Lufthansa AG
Dr Michael Schöllhorn President of the German Aerospace Industries Association (BDLI) Chief Executive Officer Airbus Defence and Space GmbH	**Dr Stefan Schulte** President German Airports Association (ADV) Chairperson of the Executive Board Fraport AG
Björn Simon Member of the German Bundestag	**Anja Troff-Schaffarzyk** Member of the German Bundestag

As at 31 December 2024

DFS Deutsche Flugsicherung GmbH
Combined management report
for the business year 2024

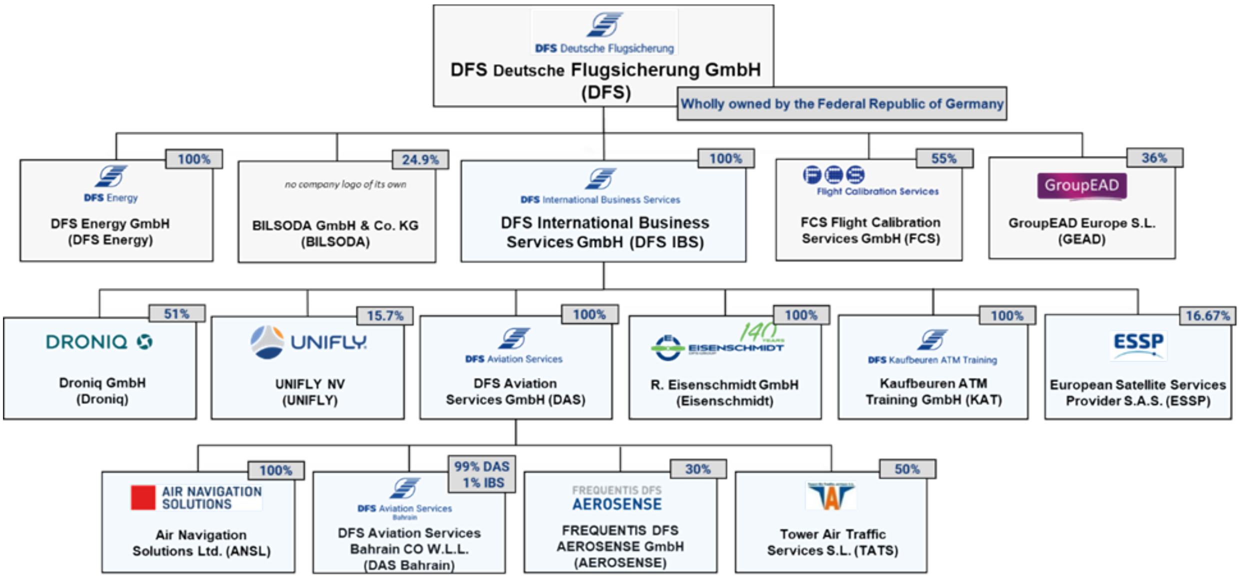
The Group management report 2024 has been combined with the management report of DFS Deutsche Flugsicherung GmbH (henceforth DFS) in accordance with Section 315(5) of the German Commercial Code (HGB) in conjunction with Section 289(2) of the HGB. The financial statements of DFS, which are prepared in accordance with the provisions of the HGB, and the combined management report are published simultaneously in the electronic German Federal Gazette (*Bundesanzeiger*). 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

Consolidated financial statements

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 Note 3.2.

1.2 Business activities

1.2.1 Overview

With a total of 6,275 operational and administrative staff (of which 5,772 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 the regulated business and the commercial business. The regulated business financed by air navigation charges is the main business. The commercial business comprises three "participation categories".

Regulated business
Financed by air navigation charges

Air navigation services under Section 27c of the German Aviation Act (LuftVG)
For en-route services, terminal services

- Air traffic services
- Communication services
- Navigation services
- Aeronautical information services

Commercial business
Subject to competition

Three participation categories

- Stable aviation business
- Competitive ATM business
- Dynamic UTM business

1.2.2 Regulated business

The regulated business is defined by the tasks set out in Section 27c of the German Aviation Act (LuftVG) – providing air navigation services. As a company entrusted to perform sovereign 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, en-route services and approach control (APP) for lower and upper airspace as well as the air traffic control services for 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 for each 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) of the German Ordinance on Terminal Charges of the Air Navigation Services (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 subject to the usual regulatory requirements for business transactions. In addition, since September 2021, regulatory requirements for setting charges have been applied to the aerodrome control services provided by DFS Aviation Services GmbH (DAS) at regional airports.

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/Hesse, Am DFS-Campus 10. 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, In addition to the CEO, these members are responsible for operations, technology and human resources.

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

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. These deal with the optimisation of airspace, flight routes for overflights, and approaches to and departures from busy airports, such as Frankfurt and Munich. For this purpose, DFS conducts real-time and fast-time simulations, tests new key technologies and develops applications and procedures based on these, as well as related simulators. A particular focus is on the development of a service-orientated ATM system. 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, among other things, to work jointly with German partners from research and industry to facilitate the subsequent implementation at the international level.

DFS allocated a total of approximately €54.4 million to research and internally generated developments. The capitalisation ratio equals roughly 52 percent.

DFS received grant funding payments of around €12 million in 2024 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 significant influence on the business activities of the regulated business as well as on the key elements of the commercial business.

2.1 Overall economic situation

Global growth fell slightly from 3.3 percent in 2023 to 3.2 percent in 2024 according to International Monetary Fund (IMF) research. The Organisation for Economic Co-operation and Development (OECD) reported growth of global gross domestic product (GDP) of around 3.2 percent over the previous year. An increase of 3.2 percent was also recorded in 2023.

The global economy therefore proved to be resilient in 2024, although the economic situation in the individual countries and sectors varied. Inflation weakened further and has reached the central banks' targets again in some economies. However, risks cast a shadow over the otherwise relatively favourable core trend. The main risks are an intensification of geopolitical tensions, inflation that proves to be more persistent than expected and a significant reassessment of risks on the financial markets.

The Autumn Economic Forecast predicts real GDP growth of 0.9 percent in the EU and 0.8 percent in the eurozone for 2024. The disinflation process, which began towards the end of 2022, continued in 2024. Despite a slight increase in October, which is mainly due to energy prices, overall inflation in the eurozone is likely to more than halve from 5.4 percent in 2023 to 2.4 percent in 2024. A revival in global trade in goods and a continued expansion in trade in services caused exports of goods and services to increase by 0.5 percent in the first half of 2024. Growth in imports lagged well behind this, meaning that net foreign demand made a positive contribution to growth. However, Russia's protracted war of aggression against Ukraine and the intensification of the conflict in the Middle East are increasing the geopolitical risks and the ongoing vulnerability of European energy security. A further increase in protectionist measures by trading partners could negatively impact global trade, which would have a negative impact on the EU's very open economy.

According to initial calculations by the Federal Statistical Office (Destatis), Germany's price-adjusted gross domestic product (GDP) in 2024 was 0.2 percent lower than in the previous year. The reasons for the current weak period are structural factors and economic effects. These include increasing competition for the German export industry in important sales markets, high energy costs, a persistently high interest rate level, but also an uncertain economic outlook. Positive aspects, such as falling inflation and significantly higher real incomes, had hardly any effect in 2024.

2.2 Development of business

In 2024, air traffic continued to recover after the pandemic years. Nevertheless, the development was not as hoped for. Firstly, the weak growth is due to the slight overall economic downturn in Germany and the associated loss of purchasing power. Secondly, the airlines that are particularly important in domestic traffic were also unable to stimulate growth. They were unable to expand their range of services because the major delivery problems caused by aircraft and engine manufacturers meant that they were unable to obtain aircraft in good time or provide sufficient on-board personnel. Cost increases due to high pay agreements, aviation security fees and air transport tax further exacerbated the situation and thus slowed down growth in domestic traffic.

The ongoing war in Ukraine was also a key limiting factor for flight planning, particularly in intercontinental traffic, and the operational handling of air traffic to destinations in Asia.

DFS has been introducing business process management since the beginning of the year to further increase efficiency and improve cross-divisional value creation processes. In addition, the DFS project and programme landscape was brought together in a central control system that enables better, dynamic prioritisation to avoid undesirable developments that would have a negative impact on human resources and costs.

The successful collective bargaining process in summer 2024, with its long term until the end of 2026, provides business planning security and is also an expression of responsible, balanced pay development.

2.2.1 Development of air traffic

In 2024, traffic volumes developed very heterogeneously for both business and private travel. Tourism continues to be the main driver of traffic growth, while the recovery in business travel remains muted. Due to its central location in Europe, German airspace benefits above all from overflight traffic.

In contrast, the development of flights to, from and within Germany was well below the European average. Traffic at the designated international airports in particular was unable to keep pace with the growth in en-route traffic. The only growth impetus was seen in private travel. The attractiveness of Germany as a business location is suffering as a result of higher costs, particularly due to the air transport tax. The pressure to use sustainable technologies and increasing environmental regulations also require airlines to make price-increasing investments. Besides, delays in deliveries at Boeing and Airbus is leading to capacity restrictions.

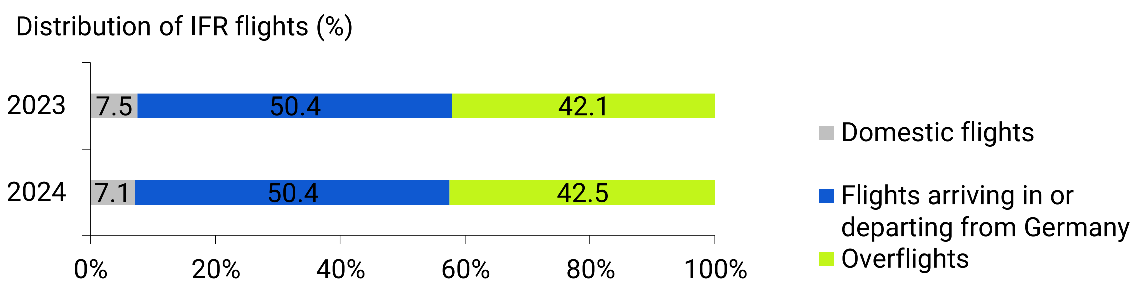
In addition to the economic effects, the war in Ukraine continues to have a direct impact on aviation. Russian airspace remains closed to European airlines for routes to East, North and Southeast Asia, which increased the existing competitive disadvantage compared to Asian airlines. The escalation of the Middle East conflict is also exacerbating the geopolitical situation, with a corresponding impact on some flight connections. Increased military activities with restrictions on the civil side have become the new normal. Supply bottlenecks at aircraft manufacturers and in the aviation industry's supply chains are also slowing fleet renewal, particularly among German airlines.

IFR flights in Germany

	2024	**2023**	**Change**
Civil flights	2,922,366	2,790,984	4.71%
Military flights	46,459	47,767	-2.74%
Total	2,968,825	2,838,751	4.58%

The busiest day of 2024 was 15 July – the day after the European Football Championship – with 9,979 flight movements in German airspace and 754 take-offs and landings at the capital's Berlin Brandenburg Airport (BER). The increase in traffic over 2023 was due to a rise in overflights (+5.40%) as well as entries and exits (+4.60%) and was rooted in the resumption of long-haul connections. Domestic traffic, on the other hand, fell slightly by only 0.30 percent compared to the previous year.

This is reflected in the shares of total traffic volume. While the proportion of domestic flights continued to fall, the proportion of entries and exits remained almost the same compared to the previous year, while the percentage of overflights increased.



Traffic at the airports where DFS operates
At the designated international airports in Germany, arrivals/departures increased from 1,591,373 last year to 1,653,638 in 2024. This represents an increase of approximately 3.9 percent and is 77.6 percent of the 2019 level of 2,132,289 arrivals and departures.

Anti-drone technology at airports
The work of DFS to fulfil the directive on the systematic detection of unmanned aircraft systems in the vicinity of airports has been halted, as it has now been recognised that the detection of drones goes hand in hand with defence against drones and is primarily a police task. 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 or share the costs for a drone defence system that includes detection and intervention. Another aim of the working group is to develop an overall concept for defence against drones at airports. DFS is involved in the implementation of a 'real laboratory', in which new and proven solutions are tested and validated under realistic conditions, and participates in the description of the interfaces to all process participants at the airport.

Digital platform for unmanned aviation (dipul)
DFS developed dipul in 2021 on behalf of the Federal Ministry for Digital and Transport (BMDV) and operates the platform. The contract with the BMDV runs until the end of 2028. Commercial and private UAS operators use the platform to find out about restrictions (no-fly zones). Dipul also provides concise information on the conduct of flight operations and useful applications for flight planning. These functions form the basis for the implementation of U-Space systems. By the end of 2024, dipul had more than one million user visits. The long-term intention is to generate commercial business revenue with dipul services.

UTM/U-Space
DFS is committed to advancing the integration of unmanned aviation as efficiently as possible to ensure the safe and efficient integration of all airspace users. The aim is the safe shared use of airspace by manned and unmanned aviation. To this end, the Systems House has developed a UAS traffic management system (UTM) on behalf of DFS IBS, which is to be marketed by its subsidiary Droniq. DFS has also offered to assume the role of single common information service provider (SCISP) in U-Space defined and financed by the BMDV. A decision on this is still pending.

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 ensured that carry-overs from 2020 and 2021 will be taken into account from 2023.

Reference period 4
The fourth reference period (2025 to 2029) was prepared on the basis of the current Regulation on a common charging scheme (Regulation (EU) 2019/317). In May 2024, binding EU targets were adopted by EU Member States. Based on these, the FABEC supervisory authorities prepared national contributions for the FABEC performance plan. On 1 October 2024, the draft FABEC performance plan was submitted on schedule to the European Commission, which is now reviewing it. Approval of the performance plan did not take place in 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).

Risk/reward transfer from deviations in traffic volume	DFS share	User share
v ≤ 2.00%	100.00%	
2.20% < v ≤ 10.00%	30.00%	70.00%
v > 10.00%		100.00%

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(3)(a) of Commission Implementing Regulation (EU) 2019/317 and should be used to reduce air navigation charges.

New Framework Regulation on the Single European Sky
The revised version of Framework Regulation (EU) 2024/2803 on the implementation of the Single European Sky entered into force on 1 December 2024. Based on the new framework, a revision of the regulation on a common charging scheme is also expected, which will have a concrete impact on air navigation service providers from the next reference period at the latest (probably in 2030).

2.2.3 Forecast/actual comparison

	Actual as at 31 Dec 2023	Forecast for 2024	Actual as at 31 Dec 2024
Service units	En-route services: 14 million Terminal services: 1 million	Slight increase	En-route services: 14 million Terminal services: 1 million
Revenues (total)	€1,372m	Not cost-covering	€1,393m
Revenues: commercial business (total operating revenues and income)	€97m (€98m)		€102m (€104m)
Depreciation and amortisation	€106m	Slightly above previous year's level	€106m
Earnings (total) (incl. minority interest)	€135m	Low earnings in the low-two-digit million euro range	€64m
Earnings (commercial business)	€5m	Losses in the mid-single-digit million euro range	-€11m
ATC training starts (of which DFS share)	136 (120)	Continued pipeline of student ATCOs	138 (121)

2.3 Results of operations

2.3.1 Revenues

In the business year 2024, the DFS Group generated revenues from terminal charges, en-route charges and the carry-over of €1,393 million (previous year: €1,349 million). Revenues were thus 3.20 percent over the previous year. At the beginning of the year, the Federal Ministry for Digital and Transport (BMDV) reduced the cost base for terminal services by €20 million in accordance with Article 29(6) of Commission Implementing Regulation (EU) 2019/317. The cost base also includes 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 Edinburgh Airport, as well as 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 76.70 percent of total expenses, staff costs were the main expense item (previous year: 75.80%). At 57.50 percent and €789 million, wages and salaries were the largest cost component of total expenses (previous year: €743 million, equivalent to 57.70%). This is followed by pension expenses of €264 million, or 19.30 percent (previous year: €232 million, equivalent to 18.00%). Other operating expenses accounted for 13.70 percent (previous year: 13.20%) and depreciation and amortisation for 7.70 percent (previous year: 8.20%). The cost of materials and write-downs of receivables are 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: €241 thousand; previous year: €5 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 €11 million (prior year: minus €26 million). The total amount of taxes decreased by €11 million year-on-year. The tax ratio (tax expense / EBT) was minus 18 percent.

2.3.4 Group earnings

In 2024, the DFS Group generated net income of €64 million (previous year: €135 million). Of this amount, €65 million is attributable to the ultimate parent company and minus €1 million to minority interests. The net loss from the commercial business amounted to €11 million. This line item includes the result component of the minority shareholder in Droniq.

Earnings include capitalised development costs of €28 million (previous year: €27 million) and grant funding of €8 million (previous year: €17 million euro). The effects from the carry-over totalling minus €56 million (previous year: €59 million) recognised in the business year had a negative impact on earnings, as did the reduced income from charges from 2020 and 2021 to be offset in the charges for users in 2024.

A net loss of €1 million was attributable to the minority shareholder of the Droniq subsidiary (previous year: net loss of €1 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 €94.9 million (previous year: €82 million) in the business year 2024.

In the business year 2024, assets under construction worth €26.4 million were completed (previous year: €13 million).

2.4.2 Balance sheet structure

In 2024, the balance sheet rose by 2.40 percent over the previous year to €2,750 million (previous year: €2,685 million).

Assets
Non-current assets declined by 8.20 percent from €1,739 million to €1,598 million, while current assets rose by 21.90 percent from €946 million to €1,152 million. The structure of non-current assets remained almost constant overall compared with the previous year.

Within current assets, trade receivables increased by €20 million (12.20%). Liquid funds also increased by around €69 million (47.4%). Investments in fund assets that have not been assigned increased by around €30 million (9.50%) due to withdrawals and purchases of around €15 million. The carry-over receivable due in 2025 increased other assets by €414 million.

Equity and liabilities
Equity rose by 30.50 percent from €638 million to €833 million. This is mainly due to the remeasurement of the net defined benefit liability (€128 million, OCI).

Non-current liabilities sank by 14.7 percent from €1,802 million to €1,537 million. The main impact here was the change in the net liability from pension obligations. Current liabilities rose by 54.20 percent from €247 million to €380 million due to the repayment of the *Schuldscheindarlehen* (debenture loans) in 2025. The structure remained basically constant.

Balance sheet ratios

	2024	**2023**
	€m	**€m**
Equity ratio in %	30.28	23.76
Net financial indebtedness* (Financial liabilities – sum of liquid funds and financial assets)	22.1	127.7
Leverage ratio (%) (Net financial indebtedness / balance sheet total)	0.8	4.8
Asset intensity in %) (Non-current assets / balance sheet total)	57.7	64.8

* If the sign is negative, there is overcompensation by liquid funds.

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). 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 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. 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 business year 2024. Due to the increased total operating revenues and the positive development on the capital market, the DFS Group recorded an overall net income of €64 million (for DFS share, see also section 2.3.4). This was primarily influenced by the financial result and regulatory effects (carry-overs as well as the imputed model for closing the deficit in occupational pensions).

3 Business development

3.1 Regulated business

3.1.1 En-route services

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

Service units – en-route services

	2024	2023	Change
	14,324,103	13,619,197	5.18%

The number of service units increased by around 5.20 percent in 2024 compared with the previous year, equivalent to 94.7 percent of the 2019 level. This number was 9.70 percent lower than in the performance plan, which forecast 15,857,500 service units for 2024.

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) or 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.

Development of unit rate for en-route services

	2025	2024	2023
	€	€	€
Total	**99.91**	**80.14**	**72.95**
DFS share	82.50	65.36	59.7
Year-on-year change in the total amount	24.67%	9.86%	17.00%

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 2024, the unit rate rose by around 9.90 percent due to a series of stabilisation measures. In 2025, there will be a significant year-on-year increase in the unit rate due to the forecast subdued traffic development and cost increases, in particular as a result of salary increases from collective bargaining, planned projects to increase capacity and the consideration of a rate of return on equity. The unit rate includes the high carry-over items for the 2020/2021 traffic/cost deviation and the inflation and traffic deviations for 2023 and 2024. In 2025, the unit rate will increase again by around 24.70 percent.

3.1.2 Terminal services

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

Service units – terminal services	2024	2023	Change
	1,218,545	1,166,920	4.42%

The performance plan, which envisaged a total of 1,497,994 service units for 2024, was undershot by 18.70 percent. Compared with 2019, this corresponds to a level of 81.70 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	2025	2024	2023
	€	€	€
Total	**380.71**	**271.24**	**255.94**
DFS share	373.70	265.25	250.89
Year-on-year change in the total amount	40.36%	5.98%	17.38%

In 2025, the unit rate will increase by around 40.0 percent mainly as a result of subdued traffic growth and the recognition 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

	2024	2023
	€m	€m
Total operating revenues and income	1,337	1,301
Total expenses	-1,258	-1,176
EBIT	**79**	**125**
Financial result	-15	-2
EBT	**64**	**123**
Taxes on income	11	17
Net income (+) / loss (-)	**75**	**140**
of which DFS	75	140
of which minority interest	0	0

Further information can be found in Group Note 26.

3.2 Commercial business

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 lower revenues, Eisenschmidt was able to achieve a positive result at the previous year's level in the business year 2024.

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 ten regional airports and one special-purpose airport in Germany. Furthermore, 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 were extended and 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 AEROSENSE.

The business activities of DAS also include the distribution of radar/position data and 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 2024.

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 training in Germany.

In 2024, 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 business year 2024, DAS posted an increase in sales compared to the previous year. The net income for the year was negative due to one-off effects (mainly the impairment of a loan to ANSL).

Air Navigation Solutions Ltd. (ANSL), as a subsidiary of DAS, provides aerodrome control services at Edinburgh Airport in the United Kingdom. The seamless handover of aerodrome control services at Gatwick Airport to NATS took place in October 2022. With the discontinuation of service provision at Gatwick Airport and the lack of offsetting sales, the net income was once again clearly negative. DAS has taken appropriate measures to ensure ANSL's liquidity by obtaining an annual loan on the basis of a liquidity plan.

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. In 2024, the contract with Bahrain Civil Aviation Affairs for the provision of personnel was extended until 2026. In addition, the provision of personnel at Dubai Airport was taken over for Dubai Air Navigation Services (DANS). The underlying contract has a term of four years. As in previous years, DAS Bahrain ended the business year with a positive result.

Dynamic UTM business
Droniq was able to exceed 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. In addition to grant projects, an increasing number of drone-as-a-service orders contributed to a further expansion of the range of services in the previous year.

In 2024, 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.

3.2.1 Results of operations

	2024 €m	2023 €m
Total operating revenues and income	104	98
Total expenses	-114	-108
EBIT	**-10**	**-10**
Financial result	0	1
EBT	**-10**	**-9**
Taxes on income	-1	4
Net loss (-)	**-11**	**-5**
of which DFS	-10	-4
of which minority interest	-1	-1

Further information 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

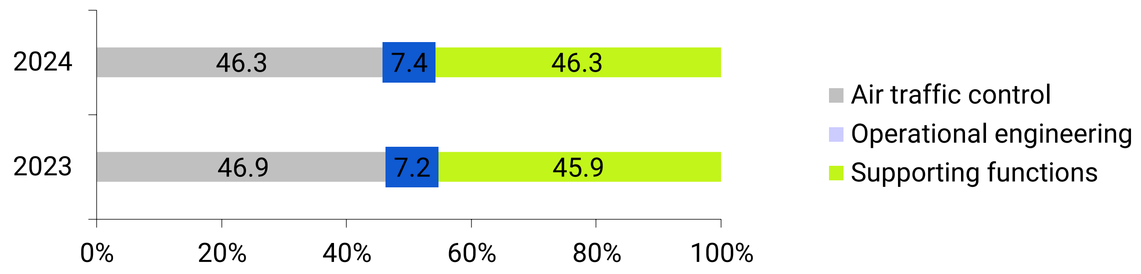
As at 31 December 2024, the DFS Group had a total of 6,275 employees. This number is made up of non-exempt staff (covered by collective agreements), exempt employees (not covered by collective agreements) and executive staff as well as assigned personnel of the Federal Aviation Office (LBA) working for 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.

Number of employees as at 31 Dec	2024	2023
Permanent employees (total)	**6,275**	**6,155**
(of which at subsidiaries)	**(503)**	**(468)**
Salaried staff	5,812	5,713
(of which at subsidiaries)	(481)	(445)
Managers	523	520
(of which at subsidiaries)	(42)	(47)
(proportion of female managers)	(92)	(84)
Wage-earners	7	12
Technical/commercial students & apprentices	117	90
(of which at subsidiaries)	(0)	(0)
Trainee air traffic controllers	182	169
(of which at subsidiaries)	(22)	(23)
Soldiers released from regular service and personnel of the Federal Aviation Office (LBA)	157	171
Compared with previous year (%)	1.9	1.4
Share of female employees (%)	27.2	27.3
Share of foreign employees (%)	5.5	5.4

Employees by area of duties (%)



Of the 6,275 employees of the Group, 1,224 were part-time – 647 women and 577 men. The share of part-time employees rose by 4.7 percent over the previous year, reaching 19.5 percent. The age structure of staff is well balanced, with the average age being 42.7 years. The turnover rate was 1.2 percent in 2024.

At present, 27.2 percent of employees are women. Currently, 92 of the 523 management positions in the company are held by women, representing a share of 17.6 percent.

Foreign employees mainly come from the United Kingdom, followed by Spain, Austria and Italy. 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	**2024**	**2023**
Total	**209**	**178**
Air traffic controllers (of which at subsidiaries)	138 (17)	136 (16)
Dual course of studies / apprenticeship (of which at subsidiaries)	71 (0)	42 (0)
Compared with previous year (%)	**17.4**	**0.6**

On 31 December 2024, a total of 386 people (including controllers in on-the-job training) were undergoing multi-year air traffic controller training in the Group, 364 of whom (including OJT controllers) were at DFS. A total of 169 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 addition to specific collective bargaining issues, the collaboration between the collective bargaining parties, DFS and the German air navigation services union (GdF), was characterised in 2024, in particular, by the negotiations on the "Future DFS" collective bargaining package. In the middle of the year, an agreement was reached, which resulted in the amendment of 18 collective agreements. The second half of the year was characterised by the implementation of the agreement, which was completed on time by 31 December 2024. The implementation phase was closely monitored by the parties to the collective agreement, with ongoing clarifications being made in the collective agreement and supplementary regulations being agreed in some cases.

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 central element of the compliance management system is raising awareness and providing guidance. All DFS employees are obliged to take part in web-based compliance training every two years. The aim of the training is to sensitise employees to potential compliance risks, to identify alternative courses of action that comply with the rules and to provide contact persons for any personal advice that may be required. In addition, face-to-face training sessions are organised on specific compliance topics for employees exposed to risk.

All employees can contact the Compliance Office at any time. In addition, DFS has set up an internal reporting office on the basis of the German Whistleblower Protection Act (HinSchG), where information on possible compliance violations can be submitted. The internal contact persons are specially trained and obliged to maintain confidentiality to ensure the protection of the persons involved in a report, in particular the person making the report. DFS also has an external ombudsperson who is publicly accessible to both internal and external whistleblowers. Observations regarding possible compliance violations can be reported here by telephone, in writing or in person. This channel also allows information to be submitted anonymously, without revealing the identity of the person providing the information to DFS, if this is desired by the person providing the information. A lawyer acts as the ombudsperson. This person is independent and not employed by DFS. The contact details of the ombudsperson can be found on the DFS website. Incoming compliance reports are checked for plausibility using a defined procedure and investigated on a case-by-case basis in cooperation with the Compliance Board and in strict compliance with confidentiality requirements and under the supervision of the Compliance Officer. If a violation is confirmed, the appropriate measures will be taken depending on the specific circumstances of the incident.

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.

Value-at-risk metrics			
31 Dec 2024	**1 day**	**10 days**	**20 days**
VaR 99 (%)	0.58%	1.85%	2.61%
VaR 99 (€m)	1,993	6,356	8,968
31 Dec 2023	**1 day**	**10 days**	**20 days**
VaR 99 (%)	0.34%	1.08%	1.52%
VaR 99 (€m)	1,062	3,373	4,747

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.

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 an operator of 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 the prevailing security policy framework, criminal activities and the information collected and analysed by DFS on commercial enterprises, it can still be assumed that there is currently a high threat from cyber-attacks and espionage by foreign intelligence services. Despite the numerous risk prevention measures implemented, cyber risk is currently classified as a "potential going-concern risk" in the DFS risk matrix.

DFS takes a variety of measures at the level of planning, implementing and operating of the infrastructure and system landscape to minimise the probability the probability of downtime of the operational infrastructure which would endanger air safety and impact the business performance (performance-related risk).

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. Also with regard to internal demographics, HR management is required to support both employees as well as 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 (in conjunction with Articles 31b and 31d of the German Aviation Act). As a consequence, the Federal Republic of Germany is liable for claims brought by third parties arising from sovereign acts of DFS in keeping with the principles of state liability. The liability risks of DFS are covered by insurance, particularly in the area of aviation risks.

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

According to an analysis by the German Information Security Agency (BSI), the threat level in the cyber space is higher than ever. Alongside ransomware attacks, actions by state actors remain one of the main threats to operators of critical infrastructure.

Regulatory changes and political decisions can have a noticeable impact on the DFS business model. European and national legislation continuously influences the organisational and charging structure, and thus the financing of DFS. These developments are therefore closely monitored.

7 Outlook

7.1 Development of the economic environment and effects on air transport

Global growth is estimated at 3.3 percent according to the IMF's World Economic Outlook for 2025 and 2026, which is below the historical average (2000-2019) of 3.7 percent. Overall global inflation is expected to fall to 4.2 percent in 2025 and to 3.5 per cent in 2026. In the medium term, the already robust growth in the United States of America may boost the global economy in the short term, while the risks in other countries tend to be on the downside in view of the increased political uncertainty.

In its OECD Economic Outlook from December 2024, the OECD assumes growth of only 3.20 percent for 2024. Global GDP growth is projected to increase slightly to 3.3 percent in 2025 and remain stable at this level until 2026, with the Asian emerging markets continuing to make the largest contribution to global growth.

According to European Commission forecasts, the economy of the European Union will grow by 1.50 percent in 2025. This represents a significant slowdown compared with previous years. 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.

For 2025, the leading economic research institutes forecast modest economic growth between 0.10 percent and 0.80 percent for the German economy. On average, a slight increase of 0.40 percent is forecast. The German Federal Government has significantly lowered its economic forecast in its Annual Economic Report 2025. According to the report, the Federal Ministry of Economic Affairs is only expecting growth of 0.30 percent, after the government had forecast GDP growth of 1.10 percent in autumn 2024.

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.

EUROCONTROL's Statistics and Forecast Service (STATFOR) outlines in its EUROCONTROL Forecast 2025-2031, published in Spring 2025, traffic growth of 3.10 percent year-on-year in 2025. In the following years, STATFOR expects average growth of around 1.70 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 2031 at the earliest.

7.2 Future development

7.2.1 Regulated business

The fourth reference period (2025 to 2029) based on the Implementing Regulation on a common charging scheme (Regulation (EU) 2019/317) began on 1 January 2025. The FABEC states submitted their national contributions to the FABEC performance plan in the central performance area of cost-efficiency individually to the European Commission by 15 November 2024. Approval of the German national performance plan by the European Commission is still pending and is expected at the end of the first quarter of 2025.

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 2025, the DFS Group 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. A newly concluded contract with Dubai Airport will enable the further expansion of the business in the provision of air traffic control personnel in the Middle East.

As regards air traffic control operations at the German regional airports, the operational introduction phase of the remote tower control (RTC) centre in Braunschweig is a focal point, which is intended to enable the remote provision of air traffic control services at Braunschweig and Emden airports (AFIS). 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. 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 2025.

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.

In the regulated business, a slight increase in air traffic volumes is also expected for reference period 4 starting in 2025. The forecast of EUROCONTROL's Statistics and Forecast Service (STATFOR) from October 2024, on which the performance plan is based, assumes that the revenue-relevant service units will reach their pre-pandemic level in 2027. Even this forecast, which is low compared to the European average, is currently not fully shared by DFS. Although it also assumes continued positive growth in traffic volumes, it currently expects air traffic to be between two and four percent below the STATFOR forecast. The resulting deviations from the targets in the reference period are subject to traffic risk sharing, as in previous reference periods. Normal business operations would therefore only result in a slight increase in revenues from air navigation charges. However, they will increase significantly due to the effects described in the previous paragraph.

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.

7.3.3 Liquidity

The approval of the national performance plan described above is leading to higher cash inflows from 2024. DFS will therefore be able to ensure solvency at all times as per plan without borrowing in the coming year.

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 2024, DFS continued to work consistently on implementing the strategic measures adopted in 2022 and will continue to do so in 2025. 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.

Even though the national performance plan for reference period 4 has not yet been approved by the European Commission (a decision is expected in the first quarter of 2025), it is assumed that the revenue from the carry-overs from 2020 and 2021 will remain in place in reference period 4. These will continue to enable DFS to meet its financial obligations from its own resources. In December, the Federal Ministry for Digital and Transport (BMDV) decided to reduce the cost base for terminal services by €19.7 million in accordance with Article 29(6) of Commission Implementing Regulation (EU) 2019/317.

It is uncertain to what extent the capital markets will be able to continue the rise seen in 2024. The challenges in 2025 will be, in particular, the realignment of economic policy in the United States, economic developments and monetary and geopolitical developments. DFS expects low growth in its capital investments.

The still uncertain geopolitical consequences of the wars in Ukraine and the Middle East, the development of inflation and interest rates, and ultimately the weak economic development in Europe, and especially in Germany, are clouding the economic outlook.

Overall, the Executive Board expects balanced earnings (earnings before taxes, EBT) for 2025 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 2024 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 5,772 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

	Actual as at 31 Dec 2023	Forecast for 2024	Actual as at 31 Dec 2024
Service units	En-route services: 14 million Terminal services: 1 million	Slight increase	En-route services: 14 million Terminal services: 1 million
Revenues (total)	€1,269m	Not cost-covering	€1,319m
Depreciation and amortisation	€82m	Slightly above previous year's level	€81m
Earnings (total)	-€313m	Losses in the low-three-digit euro range	-€151m
ATC training starts	120	Continued pipeline of student ATCOs	121

8.2.2 Revenues

In the business year 2024, DFS generated revenues of €1,319 million (previous year: €1,269 million), around 3.90 percent higher than the previous year's level.

Revenues from air navigation services increased from €1,230 million to €1,271 million. Overall, they take into account the effects from the carry-over of minus €56 million (previous year: €59 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 €936 million (previous year: €813 million), terminal charges of €324 million (previous year: €293 million) and carry-over of minus €56 million (previous year: €59 million). Other revenues accounted for a share of €48 million (previous year: €39 million).

Within other air navigation services and other revenues, the commercial business accounted for a share of €20 million (previous year: €20 million).

8.2.3 Other operating income

Other operating income changed from €25 million to €19 million (-24.00%). Significant components are shown in HGB Note 4.2.

8.2.4 Principal expense categories

At 82.90 percent of total expenses, staff costs were the main expense item (previous year: 82.30%). Staff costs include wages and salaries at 46.20 percent (previous year: 39.70%) and expenses for pensions at 36.60 percent (previous year: 42.60%). Other operating expenses accounted for 11.40 percent (previous year: 12.50%) and depreciation and amortisation for 5.00 percent (previous year: 4.60%). The expenses for materials were of minor importance.

8.2.5 Earnings

In the business year 2024, DFS generated a net loss of €151 million (previous year: net loss of €313 million). This corresponds to a year-on-year change of 51.80 percent (previous year: 49.20%).

The result contained grant funding totalling €8 million (previous year: €17 million). The effects from the carry-over totalling minus €56 million (previous year: €59 million) recognised in the business year had a negative 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 2024.

The financial result, driven primarily by pension obligations, was €125 million.

8.2.6 Capital expenditure (CAPEX)

DFS made capital investments totalling €62.6 million (previous year: €50 million) in the business year 2024.

8.2.7 Balance sheet structure

In 2024, the balance sheet total increased by 5.00 percent over the previous year to €3,655 million (previous year: €3,484 million).

Assets
Fixed assets decreased slightly overall by 4.70 percent. The decisive factor here was mainly the level of depreciation and amortisation, which exceeded the level of capital expenditure. Financial assets declined by 4.70 percent primarily due to a principal repayment (€3 million) under an existing loan contract with the subsidiary DFS Energy. Current assets rose by 15.30 percent. Cash and cash equivalents increased by around €69 million (85.10%). Investments in fund assets that have not been assigned also increased by around €16 million (5.30%). 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 €1,253 million for 2024. 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 2024 of €279 million. Furthermore, DFS showed a deficit of €1,174 million for 2024, which was not covered by equity, due to the renewed net loss for the year of €151 million.

Equity and liabilities

Equity currently remained uncovered. Provisions increased by 6.10 percent. The structure of liabilities remained basically constant. Pension provisions (netted against related plan assets) rose by 6.40 percent, or €165 million. Tax provisions fell from €19 million to €14 million due to the income tax relevant to the earnings from air navigation charges. Other provisions and 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 6.00 percent due to the change in the carry-over amounts to be reimbursed as part of n+2 mechanism.

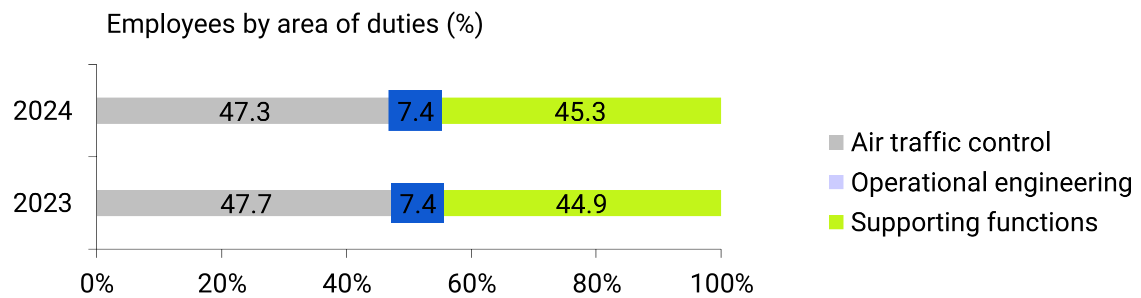
Balance sheet ratios

	2024 **€m**	**2023** **€m**
Net financial indebtedness* (Financial liabilities – sum of liquid funds and financial assets)	37.2	121.6
Leverage ratio (%) (Net financial indebtedness / balance sheet total)	1.0	3.5
Asset intensity (%) (Non-current assets / balance sheet total)	13.9	15.3

* If the sign is negative, there is overcompensation by liquid funds.

8.3 Personnel

Number of employees as at 31 Dec	2024	2023
Permanent employees (total)	**5,772**	**5,687**
Salaried staff	5,331	5,268
Managers (proportion of female managers)	481 (78)	473 (69)
Wage-earners	7	12
Technical/commercial students & apprentices	117	90
Trainee air traffic controllers	160	146
Soldiers released from regular service and personnel of the Federal Aviation Office (LBA)	157	171
Compared with previous year (%)	1.5	1.3
Share of female employees (%)	27.4	27.5
Share of foreign employees (%)	4.3	4.2



Of the 5,772 employees at DFS, 609 women and 517 men were employed part-time, an increase of 3.9 percent to 19.5 percent. The age structure of staff is well balanced, with the average age being 42.9 years. The turnover rate was 0.8 percent in 2024.

At present, 27.4 percent of employees are women. Currently, 78 of the 481 management positions in the company are held by women, representing a share of 16.2 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 8.30 percent (previously: 5.00%) and the share of female department heads of 19.30 percent (previously: 13.00%) in the company for the period from 1 January 2022 until 31 December 2026. As at 31 December 2024, DFS reached 12.0 percent at division-director level and 18.4 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, the United Kingdom and Australia. Overall, 47 nations are represented.

8.3.1 Training

Training starts	2024	2023
Total	**192**	**162**
Air traffic controllers	121	120
Dual course of studies / apprenticeship	71	42
Compared with previous year (%)	**18.5**	**2.5**

On 31 December 2024, 364 people (including controllers in on-the-job training) were undergoing multi-year air traffic controller training. A total of 147 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).

8.7 Capital expenditure (CAPEX)

Capital expenditure in 2025 is expected to be at a similar level to 2024.

8.8 General statement and earnings forecast

The result under commercial accounting rules will improve significantly in the coming years. One reason for this is the slight increase in the discount rate. This leads to a significant reduction in provisions in the interest-sensitive company pension scheme. In addition, the introduction of the defined contribution company pension scheme in the coming year, particularly in connection with the transfer offer for existing employees, will also lead to a reversal of provisions recognised in profit or loss. DFS therefore expects positive earnings in the three-digit million range. However, the expected profit will not lead to an increase in liquidity of the same amount, as the reversal of pension provisions is liquidity neutral. If the interest rate trend continues, DFS also expects a significant improvement in earnings in the medium term.

Langen, 28 February 2025

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 289f(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 30.00 percent for the Supervisory Board and 0.00 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 5.00 percent and of 13.00 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 on Limited Liability Companies (GmbHG):

- Target for the proportion of women on the Supervisory Board: 50.00%
- Target for the proportion of women on the Executive Board: 25.00%

As at 31 December 2024, the proportion of women on the Supervisory Board was 33.33 percent (4 out of 12) and 25.00 percent (1 out of 4) on the Executive Board. 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 on Limited Liability Companies (GmbHG):

- Target for the proportion of women on the first management level: 8.30%
- Target for the proportion of women on the second management level: 19.30%

As at 31 December 2024, the proportion of women on the first management level was 12.0 percent (3 out of 25) and 18.4 percent (18 out of 98) on the second management level.

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DFS Deutsche Flugsicherung GmbH
Consolidated statement of comprehensive income for the period 1 January 2024 to 31 December 2024

	Note	2024 €m	2023 €m
Continuing operations			
Revenues	5	1,393	1,349
Changes in inventory and other own work capitalised		29	25
Other operating income	6	19	25
Total operating revenues and income		**1,441**	**1,399**
Material expenses		-25	-33
Employee expenses	7	-1,053	-975
Other operating expenses	8	-188	-169
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**175**	**222**
Depreciation and amortisation		-106	-105
Impairment losses on financial assets and contract assets		0[1)]	-2
Earnings before interest and taxes (EBIT)		**69**	**115**
Financial income	9	166	186
Financial expenses	9	-181	-187
Financial result	9	**-15**	**-1**
Earnings before taxes (EBT)		**54**	**114**
Income taxes	10	10	21
Earnings for the period (continuing operations)		**64**	**135**
Allocation of the earnings of the period			
Shareholder of the parent company		65	136
Earnings attributable to minority interests		-1	-1

1) Under €1 million

	Note	2024	2023
		€m	€m
Earnings for the period (continuing operations)		**64**	**135**
Other comprehensive income			
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		128	-678
Tax effects		0	0
Items that can be reclassified in profit or loss			
Currency differences from the conversion of foreign operations or investments		0[2)]	0[2)]
Tax effects		0	0
Other comprehensive income for the period		**128**	**-678**
Total results for the period		**192**	**-543**
Allocation of the total result			
Shareholder of the parent company		193	-542
Income and expenses attributable to minority interests		-1	-1

[2)] Under €1 million

DFS Deutsche Flugsicherung GmbH
Consolidated balance sheet as at 31 December 2024

	Note	2024	2023
		€m	**€m**
Assets			
Goodwill	11	0[3)]	0[3)]
Intangible assets	12	224	221
Property, plant and equipment	13	406	426
Investment property	15	1	0[2)]
Financial assets accounted for using the equity method	16	3	1
Financial assets	16	6	7
Other receivables and assets	19	908	1,044
Deferred tax assets	10	50	40
Non-current assets		**1,598**	**1,739**
Trade receivables	17	186	166
Contract assets	18	7	6
Other receivables and assets	19	441	358
Inventories		8	9
Financial assets	20	289	257
Liquid funds		214	145
Tax assets		7	5
Current assets		**1,152**	**946**
Total		**2,750**	**2,685**

3) Under €1 million

	Note	2024 €m	2023 €m
Equity and liabilities			
Subscribed capital	21	1,055	1,055
Capital reserves	21	74	74
Remeasurement reserves	21	-606	-734
Retained earnings	21	310	243
Share of equity attributable to Shareholder of parent company	21	833	638
Minority interest	21	0[4)]	0[4)]
Equity	21	**833**	**638**
Provisions for pensions and similar obligations	22	940	1,083
Other provisions	23	154	171
Financial liabilities	24	420	522
Trade payables		1	0[4)]
Other liabilities	25	3	5
Income tax obligations	3	19	19
Non-current liabilities		**1,537**	**1,800**
Other provisions	23	101	71
Financial liabilities	24	105	8
Trade payables		33	28
Contract liabilities	18	2	5
Other liabilities	25	137	132
Income tax obligations		2	3
Current liabilities		**380**	**247**
Total		**2,750**	**2,685**

[4)] Under €1 million

DFS Deutsche Flugsicherung GmbH
Consolidated statement of changes in equity
for the period 1 January 2024 to 31 December 2024

Note 21	Subscribed capital	Capital reserves	Revaluation reserves	Retained earnings	Share of equity attributable to Shareholder of parent company	Minority interest	Total
	€m	€m	€m	€m	€m	€m	€m
As at 31 Dec 2022	**1,055**	**74**	**-56**	**107**	**1,180**	**0[5)]**	**1,180**
Operating result							
Net income (+) / loss (-)	0	0	0	136	136	-1	135
Capital increase	0	0	0	0	0	1	1
Other comprehensive income							
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[5)]	0	0[5)]	0	0[5)]
Tax effects	0	0	0	0	0	0	0
As at 31 Dec 2023	**1,055**	**74**	**-734**	**243**	**638**	**0[5)]**	**638**
Operating result							
Net income (+) / loss (-)	0	0	0	65	65	-1	64
Financial assets accounted for using the equity method without affecting profit or loss	0	0	0	2	2	0	2
Capital increase	0	0	0	0	0	1	1
Other comprehensive income							
Remeasurement of the net defined benefit liability	0	0	128	0	128	0	128
Currency differences from the conversion of foreign operations or investments	0	0	0[5)]	0	0[5)]	0	0[5)]
Tax effects	0	0	0	0	0	0	0
As at 31 Dec 2024	**1,055**	**74**	**-606**	**310**	**833**	**0[5)]**	**833**

[5)] Under €1 million

DFS Deutsche Flugsicherung GmbH
Consolidated cash flow statement
for the period 1 January 2024 to 31 December 2024

	2024	2023
	€m	€m
Net income (+)	65	136
of which dividend received	[1]	[1]
of which income taxes paid (-)	-5	[-22]
Interest	-3	2
Depreciation and amortisation on intangible assets and property, plant and equipment	106	105
Losses (+) from asset disposals	2	5
Other non-cash gains (+) / losses (-) from fair value changes	128	-678
Increase (-) in trade receivables	-20	-31
Increase (-) in contract assets	-1	-1
Decrease (+) / increase (-) in other receivables and assets	53	-19
Decrease (+) / increase (-) in inventories	1	-2
Increase (-) in current and deferred tax assets	-13	-31
Decrease (-) / increase (+) in provisions for pensions and similar obligations	-143	616
Increase (+) / decrease (-) in other provisions	13	-4
Increase (+) / decrease (-) in trade payables	6	-1
Decrease (-) / increase (+) in contract liabilities	-3	0[6)]
Increase (+) in other liabilities	3	6
Decrease (-) in tax liabilities	-2	-14
Cash inflow (+) from operating activities	**192**	**89**
Payments (-) for investments in intangible assets and property, plant and equipment	-93	-86
Proceeds (+) from disposals of intangible assets and property, plant and equipment	3	2
Proceeds (+) from disposals of financial assets	1	1
Cash outflow (-) from investing activities	**-89**	**-83**
Equity transactions by Shareholder	0	0
Equity transaction by minority interests	0[6)]	0[6)]
Principal payment (-) of financial debt	-1	-115
Taking on (+) lease liabilities	1	6
Principal repayment (-) of lease liabilities	-5	-5
Interest received (+)	7	4
Interest paid (-)	-4	-6
Cash outflow (-) for financing activities	**-2**	**-116**
Net change in cash and cash equivalents	**101**	**-110**
Cash and cash equivalents as at 1 Jan	402	512
Cash and cash equivalents as at 31 Dec	**503**	**402**

[6)] Under €1 million

Notes to the consolidated financial statements 2024

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 at Am DFS-Campus 10, 63225 Langen, 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...

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

...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 28 February 2025. 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.

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 and unless it can be clearly demonstrated that this is not the case. 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%) in FCS Flight Calibration Services (FCS), 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 to associated companies and measures the companies using the equity method. The Group holds a stake of 30.00 percent in DFS AEROSENSE. In this case, the Group assumes material influence and accounts for the shares under the equity method.

Due to the sale of shares in UNIFLY, the capital share fell to 15.70 percent. Material influence no longer exists, meaning that the shares have been reclassified and measured at amortised cost from the business year 2024 onwards.

Companies included in the consolidated financial statements of the DFS Group

List of shareholdings under Section 313(2)(4) German Commercial Code (HGB)

Acronym	**Company**	**Registered office**	**Percentage of shareholding**	**Equity**	**Net income**
			in %	**€'000**	**€'000**
DFS	DFS Deutsche Flugsicherung GmbH	Langen, Germany	Ultimate parent company		
Consolidated companies (controlling interest)					
DFS IBS	DFS International Business Services GmbH	Langen, Germany	100.00	29,811	-1,841
DFS Energy	DFS Energy GmbH[7)]	Langen, Germany	100.00	5,132	0
DFS Aviation Services	DFS Aviation Services GmbH[8)]	Langen, Germany	100.00	11,794	0
Eisenschmidt	R. Eisenschmidt GmbH[8)]	Egelsbach, Germany	100.00	168	0
KAT	Kaufbeuren ATM Training GmbH[8)]	Kaufbeuren, Germany	100.00	100	0
ANSL	Air Navigation Solutions Ltd.	London, United Kingdom	100.00	-£9,539 thousand	-£4,254 thousand
DAS Bahrain	DFS AVIATION SERVICES BAHRAIN Co. W. L. L.	Manama, Bahrain	100.00	751 thousand (Bahraini dinars)	271 thousand (Bahraini dinars)
Droniq	Droniq GmbH	Frankfurt, Germany	51.00	-468	-2,859
Associated companies – measurement using equity method					
FCS	FCS Flight Calibration Services GmbH[9)]	Braunschweig, Germany	55.00	6,010	602
AEROSENSE	FREQUENTIS DFS AEROSENSE GmbH[9)]	Vienna, Austria	30.00	540	96
Investments (non-controlling) – measurement using cost method					
Investment through DFS Deutsche Flugsicherung GmbH:					
GroupEAD	GroupEAD Europe S. L.[9)]	Madrid, Spain	36.00	2,672	1,120
BILSODA	BILSODA GmbH & Co. KG[9)]	Pullach, Germany	24.90	2,389	51
Investment through DFS International Business Services GmbH:					
ESSP SAS	European Satellite Services Provider Société par Actions Simplifiée[9)]	Toulouse, France	16.67	24,634	8,165
UNIFLY	UNIFLY NV[9)]	Antwerp, Belgium	15.70	7,650	-966
Investment through DFS Aviation Services GmbH:					
TATS	Tower Air Traffic Services S. L.[9)]	Madrid, Spain	50.00	996	0

[7)] There is a profit-and-loss transfer agreement with DFS.

[8)] There is a profit-and-loss transfer agreement with DFS International Business Services.

[9)] Values as at 31 December 2023

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.

Changes in scope of consolidation

	As at 31 Dec 2023	Reclassification	Additions	Disposals	As at 31 Dec 2024
Consolidated companies (controlling interest)	9	0	0	0	9
of which domestic	7	0	0	0	7
of which foreign	2	0	0	0	2
Associated companies – measurement using equity method	3	-1	0	0	2
of which domestic	1	0	0	0	1
of which foreign	2	-1	0	0	1
Investments (non-controlling) – measurement using cost method	4	+1	0	0	5
of which domestic	1	0	0	0	1
of which foreign	3	+1	0	0	4

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	2,726	1,390	1,336
Non-current assets	684	349	335
Current liabilities	878	448	430
Non-current liabilities	3,000	1,530	1,470
Equity	-468	-239	-229
Net income	-2,859	-1,458	-1,401
Revenues	2,892	1,475	1,417

Disclosures on associated companies

	FCS[10)] €'000	AEROSENSE[10)] €'000
Total registered capital	205	35
Shareholding	55.00%	30.00%
Additional shareholders	Skyguide AG, Switzerland, 25.00%; AUSTRO CONTROL, Austria, 20.00%	FREQUENTIS AG, Austria, 70.00%
Business year	1 Jan - 31 Dec	1 Jan - 31 Dec
Accounting standards	HGB	Austrian Commercial Code
Income from investments (previous year)	0 (112)	0 (0)
Current assets	3,640	3,858
Non-current assets	11,419	3
Current liabilities	3,234	3,321
Non-current liabilities	5,815	0
Equity	6,010	540
Net income	602	96
Revenues	12,615	4,138

[10)] Values as at 31 December 2023

Disclosures on investments (non-controlling)

	GroupEAD[11]	BILSODA[11]	ESSP SAS[11]
	€'000	€'000	€'000
Total registered capital	1,000	10	1,000
Shareholding	36.00%	24.90%	16.67%
Additional shareholders	Entidad Pública Empresarial Aeropuertos Españoles y Navegación Aérea, Spain, 36.00%; FREQUENTIS AG, Austria, 28.00%	AD Grundstücks-gesellschaft 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
Business year	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec
Accounting standards	Spanish Commercial Code	HGB	French Commercial Code
Income from investments (previous year)	0 (273)	0 (0)	667 (583)
Current assets	3,855	475	55,776
Non-current assets	330	5,404	2,758
Current liabilities	1,513	681	33,805
Non-current liabilities	0	2,809	95
Equity	2,672	2,389	24,634
Net income	1,120	51	8,165
Revenues	8,976	575	60,303

	UNIFLY[11]	TATS[11]
	€'000	€'000
Total registered capital	21,689	1,000
Shareholding	15.70%	50.00%
Additional shareholders	QBIC, PMV, FPIM, VITO, Terra Drone, JOIN	INDRA Sistemas S.A., Spain, 50.00%
Business year	1 Jan - 31 Dec	1 Jan - 31 Dec
Accounting standards	Belgian Commercial Code	Spanish Commercial Code
Income from investments (previous year)	0 (0)	0 (0)
Current assets	8,194	996
Non-current assets	1,208	--
Current liabilities	1,708	--
Non-current liabilities	44	--
Equity	7,650	996
Net income	-966	0
Revenues	2,067	--
[11] Values as at 31 December 2023	2,067	--

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 €64 million for the business year ending 31 December 2024. Liquid assets rose by €69 million, amounting to €214 million at the end of the year.

Air transport in Germany continued to recover in the business year 2024. The DFS Group expects a steady continuation of this recovery in air transport for the period 2025 to 2027. The Group expects a return to pre-COVID-19 pandemic levels for both en-route services and terminal services in 2027.

DFS has non-assigned fund assets (ATCP-UI fund) with highly liquid assets. These current liquid reserves have a fair value of €344 million as at 31 December 2024. These assets can be used to bridge liquidity bottlenecks.

The rating agency Standard & Poor's confirmed its highest rating in the business year 2024. As a result, DFS has an excellent credit rating and is able to refinance itself on the capital market at the best conditions.

The STEP programme (Strategic Efficiency Programme) introduced by the Executive Board ensures the financial sustainability of the company and aims to reduce the burden on the aviation system through planned cost reductions. The measures were fully implemented and the programme was therefore terminated as planned in 2024.

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 2024. 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
Amendments to existing standards			
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
IAS 7 / IFRS 7	Cash flow statement Financial instruments: Disclosures (notes on supplier financing arrangements)	1 Jan 2026	1 Jan 2024

The standards that were mandatory for the first time from 1 January 2024 had no impact on the results and financial position of the Group. Thus, there was no need for retroactive adjustments.

The amendments to IFRS 16 Leases affect the subsequent measurement of lease liabilities in sale-and-leaseback transactions. Accordingly, following a sale, a seller/lessee must measure the lease liability in such a way that it does not recognise any gain or loss arising from the retained right of use. The measurement of variable lease payments is explained using illustrative examples.

The amendments to IAS 1 clarified the classification of liabilities as current or non-current at the balance sheet date. Liabilities are classified as non-current if the reporting entity has a substantial right to defer settlement for at least twelve months. If specific credit conditions are imposed for the exercise of such a right, these must be fulfilled on or before the balance sheet date. For liabilities with covenants, additional disclosures are required to enable investors to assess the risks.

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures require additional mandatory disclosures in the notes regarding supplier finance agreements. In such transactions, a financial institution acts as an intermediary in the business relationship between a company and its supplier in order to achieve improved payment terms. The disclosure requirements include, in particular, the terms of the agreement, the carrying amounts of the liabilities and payments received, the payment terms and the impact on cash flows and liquidity risk.

4.2.2 Voluntary standards and interpretations

The IASB published the following revised standard. The standard has already been incorporated into European law as part of the endorsement procedure. It becomes effective from the point in time given and early application is permitted.

The amended standard has no impact on the Group's results and financial position. In addition, the DFS Group has decided not to implement the standard early on a voluntary basis and will only apply it when it becomes mandatory.

Standard	Title	EU endorsement	Mandatory application for financial years beginning on or after
Amendments to existing standard			
IAS 21	Effects of changes in foreign exchange rates	12 Nov 2024	1 Jan 2025

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 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
New standards			
IFRS 18	Presentation and Disclosure in Financial Statements	Adjustments to the presentation and notes to the income statement	1 Jan 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	None	1 Jan 2027

Standard	Title	Anticipated impact	Mandatory application for financial years beginning on or after
Amendments to existing standards			
IFRS 7 / IFRS 9	Financial Instruments (classification and measurement)	No material impact	1 Jan 2026
IFRS 7 / IFRS 9	Financial Instruments (nature-dependent electricity contracts)	No material impact	1 Jan 2026
Annual improvements	IFRS 1 / IFRS 7 / IFRS 9 / IFRS 10 / IAS 7	No material impact	1 Jan 2026

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, 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 Accounting policies, changes in accounting estimates and errors

During the business year, the DFS Group made the outstanding entries for the equity measurement of FCS and AEROSENSE. This resulted in the following reconciliation of the carrying amounts:

	FCS	AEROSENSE	Total
	€'000	€'000	€'000
As at 31 Dec 2023	1,348	114	1,462
Proportionate net income from previous years	1,424	51	1,475
Proportionate net losses from previous years	0	-32	-32
Dividends received	-112	0	-112
As at 1 Jan 2024	2,660	133	2,793

During the business year, DFS adjusted its provision for retention obligations for financial statements and reduced the retention period from 10 to 8 years in line with the fourth German Bureaucracy Reduction Act (BEG IV). This led to a decline in the single-digit million euro range.

Droniq adjusted the useful life for the CORE-HOD platform. This led to a significant decline in depreciation.

4.5 Items in the statement of comprehensive income

4.5.1 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 by means of 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.

4.5.2 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.

4.5.3 Operating expenses

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

4.5.4 Interest income and expenses

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

4.6 Items in the balance sheet

4.6.1 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.

4.6.2 Intangible assets

Intangible assets acquired for valuable consideration are capitalised at cost.

Intangible assets that arise 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. The DFS Group recognises EU grant funding from the Connecting Europe Facility (CEF) programme as accruals and recorded in profit or loss over the useful lives of the underlying intangible assets.

4.6.3 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.

4.6.4 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.

4.6.5 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).

4.6.6 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.

4.6.7 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.

4.6.8 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.

4.6.9 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.

4.6.10 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.

4.6.11 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.

4.6.12 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 passed 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.

4.6.13 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.

4.6.14 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.

4.6.15 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 the remeasurement component 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.

4.6.16 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.

4.6.17 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.

4.6.18 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.

4.7 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 €15 thousand (previous year: €10 thousand) on the balance sheet date. Due to the minimal 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[12] at month end 31 Dec 2024**	**Mean exchange rate[12] at month end 31 Dec 2023**
United Arab Emirates dirham	AED	3.8154	4.0581
Bahraini dinar	BHD	0.3913	0.4166
Swiss franc	CHF	0.9419	0.9281
Pound sterling	GBP (£)	0.8265	0.8666
Peruvian sol	PEN	3.9185	4.1750
Singapore dollar (S$)	SGD	1.4160	1.4590
US dollar	USD ($)	1.0353	1.1036

[12] 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

	2024 €m	2023 €m
Revenues from air navigation services	1,302	1,259
Other revenues	91	90
	1,393	**1,349**

Breakdown of revenues from contracts with customers

	Regulated business	Commercial business	Total
31 Dec 2024	**€m**	**€m**	**€m**
Revenues from contracts with customers	**1,291**	**102**	**1,393**
Time point of revenue recognition			
Recognised at a specific point in time	1,289	89	1,378
Recognised over a period of time	2	13	15
31 Dec 2023	**€m**	**€m**	**€m**
Revenues from contracts with customers	**1,252**	**97**	**1,349**
Time point of revenue recognition			
Recognised at a specific point in time	1,251	88	1,339
Recognised over a period of time	1	9	10

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

	2024 €m	2023 €m
Outstanding transaction price	15	18
of which expected to be recognised as revenue in 2025 (2024)	12	14
of which expected to be recognised as revenue in 2026 (2025)	2	4
of which expected to be recognised as revenue in 2027 (2026)	1	0
of which expected to be recognised as revenue in 2028 (2027)	0[13)]	0
of which expected to be recognised as revenue in 2029 (2028)	0[13)]	0

[13)] 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		
	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. For terminal services, the Group issues statutory notifications of charges (*Gebührenbescheide*) 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. 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. In addition, the DFS Group provides air navigation services on the free market at regional airports in Germany.	Revenue is recognised when the airspace users make use of the air navigation services.
Production and service contracts		
	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. 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.	Revenues from consultancy services are recognised in the period in which the services are rendered. 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. The costs are expensed as they occur.

6 Other operating income

	2024 €m	2023 €m
R&D project funding by the European Commission and German Federal and *Länder* ministries recognised in the income statement	8	17
Income from reversal of provisions	4	3
Remaining	7	5
	19	**25**

7 Employee expenses[14)]

	2024 €m	2023 €m
Wages and salaries[15)]	785	738
Expenses for IFRS pensions	179	152
Social security costs and expenses for assistance	85	80
Cost of personnel belonging to the Federal Aviation Office (LBA)	4	5
	1,053	**975**

[14)] 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.

[15)] See Note 37.1 for the remuneration of the Executive Board

Average annual number of employees	2024	2023
Salaried staff	5,749	5,624
Soldiers released from regular service	100	109
Wage-earners	9	14
Technical and commercial students and apprentices	279	270
DFS Group staff	**6,137**	**6,017**
Employees covered by the collective agreement for the public service (TVöD)	13	14
Established civil servants	50	61
Personnel belonging to the Federal Aviation Office (LBA), Directorate Air Navigation Services	**63**	**75**
	6,200	**6,092**

8 Other operating expenses

	2024 €m	2023 €m
Spare parts and maintenance[16)]	83	72
Costs of external personnel	21	17
Occupancy costs	17	11
Telecommunication	10	9
Consultancy costs	10	7
Other employee expenses	9	12
Travel costs	7	6
Usage fees, licences and office supplies	5	3
Insurance policies	5	5
Advertising costs and public relations	5	1
Remaining	16	26
	188	**169**
[16)] Thereof impairments of inventories in TEUR	9	2

9 Financial result

	2024 €m	2023 €m
Gains from the financial assets of the investment entity	41	51
Income from fund assets to finance retirement obligations	121	133
Income from investments	1	1
Other interest income	3	1
Interest income of the investments accounted for using the equity method	0[17)]	0[17)]
Financial income	**166**	**186**
Expenses from discounting provisions	-155	-151
Expenses from the financial assets of the investment entity	-23	-33
Other interest expense	-3	-3
Interest expense from operating taxes	0	0[17)]
Financial expenses	**-181**	**-187**
Financial result	**-15**	**-1**

[17)] Under €1 million

Additional disclosures on the financial result

	2024 €m	2023 €m
Interest result (losses -) from financial instruments determined using the effective interest rate method not classified in the category "At fair value through profit or loss"	-1	-2
Interest income from impaired financial assets	0[18)]	0[18)]
Losses recognised directly in equity (-) / gains (+) from the measurement of financial assets	0	0

[18)] Under €1 million

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 (ANS). 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 ANS 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.

The regulations on global minimum taxation were implemented in Germany with the promulgation of the German Minimum Tax Act (MinStG) on 1 January 2024. Based on the current state of knowledge and current calculations, no top-up tax will be payable throughout the Group for 2024 due to the simplification rules available under the law (minor international significance, de minimis exemptions and substantial tax-free amount). As the regulations on global minimum taxation have not yet been implemented in all jurisdictions in which DFS operates worldwide, this may change in subsequent years.

In order to counteract the 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), DFS has been recognising deferred taxes on tax loss carryforwards since 2023. It is currently not unlikely that the minimum taxation will lead to a tax burden for DFS Deutsche Flugsicherung GmbH as the parent company of the Group in the future.

Reconciliation from expected to effective income tax income/expense

	2024 €m	2023 €m
Net income before income taxes	54	114
Expected tax rate (in %)	29.83	29.83
Expected income tax expense	16	34
Tax expense not relating to the period under review	0	0[19)]
Reduction in the tax base under Section 31b German Aviation Act (LuftVG)	-17	-24
Correction due to loss carryforward / minimum taxation	0	-6
Deferred tax income (-) / expenses (+)	-10	-25
Effective income tax income (-) / expense (+)	**-10**	**-21**
Effective tax rate (in %)	**-19.23**	**-18.21**

[19)] Under €1 million

Deferred taxes by balance sheet item				
	Deferred tax assets		Deferred tax liabilities	
	2024	2023	2024	2023
	€m	€m	€m	€m
Intangible assets	0	0	45	42
Property, plant and equipment	0	0	3	4
Financial assets	8	8	10	5
Receivables and other assets	33	22	374	388
Provisions for pensions and similar obligations	583	607	0	0
Other provisions	11	13	1	0[20]
Liabilities	7	8	1	2
	642	658	434	441
Impact of Section 31b LuftVG				
Intangible assets	0	0	-45	-42
Property, plant and equipment	0	0	-2	-3
Financial assets	0	0	-10	-5
Receivables and other assets	0	0	-374	-388
Provisions for pensions and similar obligations	-567	-592	0	0
Other provisions	-11	-12	-1	0[20]
Liabilities	-4	-5	-1	-2
	-582	-609	-433	-440
Other allowances	-11	-10	0	0
Netting	-1	-1	1	1
Air Navigation Solutions	0	0	0	0
KAT	0[20]	0[20]	0	0
DFS Aviation Services	2	2	0	0
	50	**40**	**0**	**0**

[20] Under €1 million

The DFS Group recognised deferred tax assets of €32 million for tax loss carryforwards (previous year: €20 million), 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 1 Jan	Additions	Disposals	Transfers	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
R. Eisenschmidt GmbH	80	0	0	0	80
	80	**0**	**0**	**0**	**80**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
R. Eisenschmidt GmbH	80	0	0	0	80
	80	**0**	**0**	**0**	**80**

	Amortisation					Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
R. Eisenschmidt GmbH	0	0	0	0	0	80
	0	**0**	**0**	**0**	**0**	**80**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
R. Eisenschmidt GmbH	0	0	0	0	0	80
	0	**0**	**0**	**0**	**0**	**80**

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 1 Jan	Additions	Disposals	Transfers	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Concessions, rights and licences	760,029	7,909	-2,190	706	766,454
Internally generated intangible assets	226,342	28,761	0	0	255,103
Assets under construction (AUC)	11,586	8,621	0	-706	19,501
	997,957	**45,291**	**-2,190**	**0**	**1,041,058**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
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
	966,785	**36,197**	**-5,025**	**0**	**997,957**

	Amortisation						Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	Currency differences	As at 31 Dec	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Concessions, rights and licences	686,408	27,789	-1,770	0	5	712,432	54,022
Internally generated intangible assets	90,289	14,871	0	0	0	105,160	149,943
Assets under construction (AUC)	0	0	0	0	0	0	19,501
	776,697	**42,660**	**-1,770**	**0**	**5**	**817,592**	**223,466**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
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
	735,985	**41,430**	**-720**	**0**	**2**	**776,697**	**221,260**

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.

Individual material intangible assets

31 Dec 2024	**Carrying amount** €'000	**Remaining useful life** in years	**Share of total carrying amount** in percent
iCAS software	97,560	2-8	43.66
Software S-ATM Robusto Step 1	1,819	6	0.81
Remote tower control (RTC)	1,659	3-6	0.74
BaBola	1,297	4-6	0.58
GS-2 Langen	1,294	7	0.58
Total carrying amount of intangible assets		**223,466**	**100.00**

Research and development costs

	31 Dec 2024 €'000	**31 Dec 2023** €'000
Expenses for research and development	54,396	58,624
- of which research costs recognised in the income statement	26,273	31,367
- of which capitalised additions in assets under construction	28,123	27,257
Total capitalised borrowing costs on development costs as at 31 Dec	638	722
Development costs in assets under construction as at 31 December	81,817	76,766
Scheduled depreciation of development costs based on the degree of completion notified	14,871	13,185
Impairment of development costs under IAS 36	0	0

Capitalisation of borrowing costs for intangible assets

	31 Dec 2024	**31 Dec 2023**
Borrowing costs in €'000	737	839
Capitalisation rate in %	0.79	1.01

13 Property, plant and equipment

	Cost					
	As at 1 Jan	Additions	Disposals	Transfers	Currency differences	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Land and buildings	726,705	1,996	-2,178	1,970	0	728,493
Technical equipment (plant) and machinery	1,121,118	28,517	-44,932	5,055	0	1,109,758
Operating and office equipment	97,648	4,106	-3,484	243	0	98,513
Assets under construction (AUC)	12,280	13,293	0	-7,268	0	18,305
	1,957,751	**47,912**	**-50,594**	**0**	**0**	**1,955,069**
2023	**€'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
	1,938,458	**49,559**	**-30,266**	**0**	**0**	**1,957,751**

	Depreciation						Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	Currency differences	As at 31 Dec	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Land and buildings	503,054	17,433	-1,741	0	6	518,752	209,741
Technical equipment (plant) and machinery	946,952	39,952	-41,623	2	0	945,283	164,475
Operating and office equipment	82,326	5,795	-3,393	-2	26	84,752	13,761
Assets under construction (AUC)	0	0	0	0	0	0	18,305
	1,532,332	**63,180**	**-46,757**	**0**	**32**	**1,548,787**	**406,282**
2023	**€'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
	1,496,923	**63,271**	**-27,870**	**0**	**8**	**1,532,332**	**425,419**

Capitalisation of borrowing costs for property, plant and equipment		
	31 Dec 2024	31 Dec 2023
Borrowing costs in €'000	54	70
Capitalisation rate in %	0.79	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 €10 thousand (previous year: €6 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.

	Cost				
	As at 1 Jan	Additions	Disposals	Currency differences	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Buildings	22,290	803	-853	31	22,271
Vehicles	5,529	216	-132	0	5,613
Operating and office equipment	295	328	0	0	623
	28,114	**1,347**	**-985**	**31**	**28,507**
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
	23,931	**5,467**	**-1,284**	**0**	**28,114**

	Depreciation					Carrying amount
	As at 1 Jan	Additions	Disposals	Currency differences	As at 31 Dec	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Buildings	9,010	2,356	-636	26	10,756	11,515
Vehicles	3,695	1,550	-87	0	5,158	455
Operating and office equipment	43	151	0	0	194	429
	12,748	**4,057**	**-723**	**26**	**16,108**	**12,399**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Buildings	6,808	2,261	-59	0	9,010	13,280
Vehicles	3,292	1,571	-1,168	0	3,695	1,834
Operating and office equipment	0	43	0	0	43	252
	10,100	**3,875**	**-1,227**	**0**	**12,748**	**15,366**

Disclosures on lease liabilities		
	31 Dec 2024	**31 Dec 2023**
	€'000	**€'000**
As at 1 Jan	25,199	24,123
Increase due to index adjustments	176	1,864
Additions	1,170	3,818
Disposals	-252	-308
Principal repayments	-4,743	-4,520
Interest expense	231	220
Currency translation	5	2
As at 31 Dec	**21,786**	**25,199**

Aged list of lease liabilities

	Up to 1 year	2 to 5 years	More than 5 years	Total
31 Dec 2024	**€'000**	**€'000**	**€'000**	**€'000**
Undiscounted lease liabilities	3,622	7,361	12,166	23,149
Discounted lease liabilities	3,401	6,800	11,585	21,786
Interest component	221	561	581	1,363
31 Dec 2023	**€'000**	**€'000**	**€'000**	**€'000**
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

Aged list of expected payments for short-term leases and leases on low-value assets

	Up to 1 year	2 to 5 years	More than 5 years	Total
31 Dec 2024	**€'000**	**€'000**	**€'000**	**€'000**
Non-discounted lease payments	1,233	805	617	2,655
31 Dec 2023	**€'000**	**€'000**	**€'000**	**€'000**
Non-discounted lease payments	1,692	649	745	3,086

Amounts for leases recognised in the statement of comprehensive income

	2024	2023
	€'000	**€'000**
Depreciation	4,067	3,838
Interest expense	231	220
Expenses for short-term leases	364	342
Expenses for leases on low-value assets	3,403	3,440

Total cash outflows for leases recognised in the cash flow statement		
	2024	**2023**
	€'000	**€'000**
Payments for short-term leases and leases on low-value assets	3,767	3,782
Taking on lease liabilities	1,345	5,682
Disposals and currency translation from lease liabilities	247	306
Principal repayment of lease liabilities	4,743	4,520
Interest expense	231	220

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		
	2024	**2023**
	€'000	**€'000**
Leasing income from operating leases	4,753	4,439

Breakdown between owned and leased property, plant and equipment for operating leases		
	2024	**2023**
Buildings	**€'000**	**€'000**
Owned property, plant and equipment	209,740	223,651
Leased property, plant and equipment (property with a heritable building right, *Erbbaurechtsgrundstück*, in Berlin)	0[21)]	0[21)]
	209,740	**223,651**

[21)] Under €1 thousand

15 Investment property

	Cost				
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Property in Braunschweig	1,210	0	0	0	1,210
	1,210	**0**	**0**	**0**	**1,210**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Property in Braunschweig	1,210	0	0	0	1,210
	1,210	**0**	**0**	**0**	**1,210**

	Depreciation					Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Property in Braunschweig	669	30	0	0	699	511
	669	**30**	**0**	**0**	**699**	**511**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Property in Braunschweig	639	30	0	0	669	541
	639	**30**	**0**	**0**	**669**	**541**

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.

Expenses and income recognised in the statement of comprehensive income

	2024	2023
	€'000	€'000
Rental income	146	130
Depreciation	30	30
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 remained unchanged at 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.

Appraisal on the value of the property		
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 (*Liegenschaftszinssatz*) 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 1 Jan	Additions	Disposals	Transfers	Remea-surement	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Financial assets accounted for using the equity method	14,779	0	0	-13,317[22)]	1,691	3,153
Investments	2,435	0	-57	13,317[22)]	0	15,695
Loans to associated companies	4,319	0	-676	0	0	3,643
	21,533	**0**	**-733**	**0**	**1,691**	**22,491**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
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
	22,240	**0**	**-707**	**0**	**0**	**21,533**

[22)] UNIFLY was reclassified due to the loss of material influence.

	Impairments					Carrying amount
	As at 1 Jan	Additions	Disposals	Transfers	As at 31 Dec	As at 31 Dec
2024	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Financial assets accounted for using the equity method	13,317	0	0	-13,317[22)]	0	3,153
Investments	0	0	0	13,317[22)]	13,317	2,378
Loans to associated companies	0	0	0	0	0	3,643
	13,317	**0**	**0**	**0**	**13,317**	**9,174**
2023	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
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
	13,317	**0**	**0**	**0**	**13,317**	**8,216**

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 2024	**31 Dec 2023**
	€'000	**€'000**
As at 31 Dec	1,462	1,462
Proportionate net income from previous years	1,475	0
Proportionate net losses from previous years	-32	0
Profit distributions received from previous years	-112	0
As at 1 Jan	2,793	0
Additions	0	0
Impairments	0	0
Proportionate net income	360	0
Dividends received	0	0
As at 31 Dec	**3,153**	**1,462**

Investments						
	GroupEAD	**BILSODA**	**ESSP SAS**	**UNIFLY**	**TATS**	**Total**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Shareholding in %	36.00	24.90	16.67	15.70	50.00	
Share capital	360	0	167	0[23)]	500	1,027
Liable capital (*Hafteinlagen*)	0	2	0	0[23)]	0	2
Other contributions	0	1,349	0	0[23)]	0	1,349
As at 31 Dec 2024	**360**	**1,351**	**167**	**0[23)]**	**500**	**2,378**

[23)] Under €1 thousand

Loans to associated companies					
	Terms	**Nominal value**	**Nominal interest rate**	**31 Dec 2024**	**31 Dec 2023**
		€'000	**in %**	**€'000**	**€'000**
FCS					
Loans for aircraft financing	2009-2025	4,300	5.25	363	720
Loans for aircraft financing	2018-2033	5,560	2.10	3,280	3,599
		9,860		**3,643**	**4,319**

17 Trade receivables

Due dates of trade receivables	Up to 1 year	2 to 5 years	More than 5 years	Total
	€m	€m	€m	€m
2024	186	0	0	186
2023	166	0	0	166

Aged list	31 Dec 2024	31 Dec 2023
	€m	€m
Carrying amount	186	166
of which not impaired and		
- not yet overdue	176	156
- up to 30 days overdue	4	4
- 31 to 60 days overdue	2	3
- 61 to 180 days overdue	3	1
- more than 180 days overdue	1	2
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 due will not be able to fulfil their obligations.

Development of allowances	31 Dec 2024	31 Dec 2023
	€m	€m
As at 1 Jan	15	15
Additions	1	3
Utilisation	0	0
Reversal	-6	-3
As at 31 Dec	**10**	**15**

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

	2024	2023
	€m	€m
Derecognition and write-off of receivables	-5	-1
Additions to specific allowances	-1	-3
Income from reversal of specific allowances	6	3
Income from receipt of derecognised receivables and from other derecognitions	0[24)]	0[24)]

[24)] Under €1 million

18 Contractual net values

Contract assets

	31 Dec 2024	31 Dec 2024	31 Dec 2023	31 Dec 2023
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	€m	€m	€m	€m
Consulting services and service contracts	7	0	6	0
Costs to fulfil a contract	0[24)]	0	0	0
	7	**0**	**6**	**0**

Revenues and costs from contracts with customers

	2024	2023
	€m	€m
Contract revenue recognised	14	13
Depreciation, amortisation and impairments	0[24)]	0[24)]
Costs incurred	-8	-11
Capitalised costs	0	0
Profit earned for ongoing projects	6	2

Development of contract liabilities	2024	2023
	€m	€m
As at 1 Jan	5	5
Additions	2	22
Revenues recognised in the business year that were included under contract liabilities at the beginning of the period	-3	-2
Revenues recognised in the business year that were not included under contract liabilities at the beginning of the period	-2	-20
As at 31 Dec	**2**	**5**

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 2024 Total	31 Dec 2024 Remaining term more than 1 year	31 Dec 2023 Total	31 Dec 2023 Remaining term more than 1 year
	€m	€m	€m	€m
Under-recovery/carry-over	1,253	839	1,302	974
Receivables from EU grant funding	36	36	41	41
Receivables from employees	4	2	6	4
Trusteeship (*Treuhandverein*)	8	0[25]	8	0[25]
Capitalised value	25	25	25	25
Interest receivables	0[25]	0[25]	0[25]	0[25]
Remaining	23	6	20	0[25]
	1,349	**908**	**1,402**	**1,044**

[25] Under €1 million

Aged list	31 Dec 2024	31 Dec 2023
	€m	€m
Carrying amount	1,349	1,402
of which not impaired and		
- not yet overdue	1,349	1,402
- up to 30 days overdue	0	0
- 31 to 180 days overdue	0	0
- more than 180 days overdue	0	0
of which impaired	0	0

20 Financial assets

	31 Dec 2024	31 Dec 2023
	€m	**€m**
Securities (at fair value through profit or loss)	289	256
Derivatives (at fair value through profit or loss)	0[26)]	1
	289	**257**

[26)] Under €1 million

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 a market cycle. The DFS Group expects an annual return on the whole portfolio of 3.60 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, as required.

21 Equity

	31 Dec 2024 €m	31 Dec 2023 €m
Subscribed capital	1,055	1,055
Capital reserve	74	74
Remeasurement reserves	-606	-734
Retained earnings	310	243
Equity attributable to Shareholder of parent company	**833**	**638**
Minority interest	0[27]	0[27]
	833	**638**

[27] 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. 191 dated 29 April 2024, the Shareholder Meeting adopted the consolidated financial statements and the annual financial statements as at 31 December 2023 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)[28]	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".

[28] 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), 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 generally 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 2024	31 Dec 2023
Discount rate	3.40	3.10
Projected return on plan assets	3.40	3.10
Salary trend (including career trend)	2.50	2.50
Projected increase in benefits[29]	1.25 to 2.00	1.25 to 2.00

[29] 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.

	Changes to the actuarial assumptions	Impact on the defined benefit obligations	
		€m	in %
Present value of defined benefit obligations at 31 Dec 2024		**5,049**	
Discount rate	Increase by 0.50 percentage points	-405	-8.02
	Decrease by 0.50 percentage points	466	9.24
Salary trend	Increase by 0.50 percentage points	151	2.98
	Decrease by 0.50 percentage points	-140	-2.76
Present value of defined benefit obligations at 31 Dec 2023		**4,922**	
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

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 pension payments 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 leads 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 1 year**	**2 to 5 years**	**6 to 15 years**
	€m	**€m**	**€m**
Estimated pension payments[30)]	189	829	2,398
- of which reinsured with the insurance consortium	[179]	[792]	[2,323]
Expected employer contributions to plan assets	222	898	1,894

[30)] From the H²B detailed forecast 2023 to 2038 dated 6 April 2023.

The weighted duration of the pension obligations amounts to 17.8 years (previous year: 18.0 years) as at 31 December 2024.

22.6 Defined benefit obligations

31 Dec 2024	VersTV (Pensions) €m	ÜVersTV (Transitional payments) €m	KTV (Insurance) €m	Other €m	Total €m
As at 1 Jan 2024	3,432	1,355	135	21	4,943
Current service cost	93	56	0[31]	1	150
Interest expense	105	41	4	0[31]	150
Retirement benefits paid	-78	-78	-9	-3	-168
Acquisitions of businesses	0	0[31]	0	0	0[31]
Actuarial gains (-) and losses (+)	-71	65	-1	0[31]	-7
- of which changed parameters	[-217]	[-50]	[-4]	[0[31]]	[-271]
- of which biometric basis	[21]	[30]	[0[31]]	[0[31]]	[51]
- of which experience-based adjustments	[125]	[85]	[3]	[0[31]]	[213]
Present value of defined benefit obligations	**3,481**	**1,439**	**129**	**19**	**5,068**
- of which benefits based on final salary					
Retirement payments	2,719				
One-time payments	124				
- of which benefits based on career average plan					
Retirement payments	638				
One-time payments	0				

31 Dec 2023	VersTV (Pensions) €m	ÜVersTV (Transitional payments) €m	KTV (Insurance) €m	Other €m	Total €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[31]	0	0	0[31]
Actuarial gains (-) and losses (+)	590	210	10	0[31]	810
- of which changed parameters	[380]	[85]	[8]	[0[31]]	[473]
- of which experience-based adjustments	[210]	[125]	[2]	[0[31]]	[337]
Present value of defined benefit obligations	**3,432**	**1,355**	**135**	**21**	**4,943**
- 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				

[31] Under €1 million

22.7 Plan assets

	31 Dec 2024	31 Dec 2023
	€m	€m
As at 1 Jan	3,860	3,561
Projected return on plan assets	118	130
Employer contributions and payments	122	130
Retirement benefits paid	-92	-92
Actuarial gains (+) and losses (-)	120	131
Market values of plan assets	**4,128**	**3,860**
Actual Income (+) and expenses (-) from plan assets	238	261

Composition of plan assets		
	31 Dec 2024	31 Dec 2023
	€m	€m
Capital investment in the general cover fund of the insurer	1,129	1,194
Capital investment in PEGASUS-UI-FONDS	2,999	2,666
Market value of plan assets	**4,128**	**3,860**

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

2024	Fund assets €m	VersTV (Pensions) €m	ÜVersTV (Transitional payments) €m	KTV (Insurance) €m	Other €m	Total €m
As at 1 Jan	-3,845	3,432	1,355	120	21	1,083
Income statement expenses (+) or income (-)	-118	198	97	4	1	182
Retirement benefits paid	91	-78	-78	-8	-3	-76
Employer contributions	-122	0	0	0	0	-122
Remeasurement of the net liability in equity = actuarial gains (-) and losses (+) of the ongoing business year	-120	-71	65	-1	0[32)]	-127
Transfers	0	0	0[32)]	0	0	0[32)]
As at 31 Dec	**-4,114**	**3,481**	**1,439**	**115**	**19**	**940**
2023	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
As at 1 Jan	-3,545	2,746	1,132	113	21	467
Income statement expenses (+) or income (-)	-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[32)]	679
Transfers	0	0	0[32)]	0	0	0[32)]
As at 31 Dec	**-3,845**	**3,432**	**1,355**	**120**	**21**	**1,083**

[32)] Under €1 million

22.9 Balance sheet amounts

31 Dec 2024	Fund assets €m	VersTV (Pensions) €m	ÜVersTV (Transitional payments) €m	KTV (Insurance) €m	Other €m	Total €m
Present value of defined benefit obligations	0	3,481	1,439	129	19	5,068
Fair value of plan assets	-4,114	0	0	-14	0	-4,128
Funding status obligation (+) and asset (-)	-4,114	3,481	1,439	115	19	940
Amount not recognised as assets	0	0	0	0	0	0
Net amount of debt items (+) and asset items (-) in the balance sheet	**-4,114**	**3,481**	**1,439**	**115**	**19**	**940**
31 Dec 2023	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
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
Net amount of debt items (+) and asset items (-) in the balance sheet	**-3,845**	**3,432**	**1,355**	**120**	**21**	**1,083**

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

31 Dec 2024	Fund assets €m	VersTV (Pensions) €m	ÜVersTV (Transitional payments) €m	KTV (Insurance) €m	Other €m	Total €m
Interest expense	0	105	41	4	1	150
Projected return on plan assets	-118	0	0	0[33]	0	-118
Net interest expense	-118	105	41	4	1	32
Current service cost	0	93	56	0[33]	0[33]	150
Income statement expenses (+) or income (-)	-118	198	97	4	1	182
Interest income from capitalised value						0[33]
Contributions to the German mutual insurance association						1
Payments to defined contribution plans						45
- of which contributions to pension insurance						[43]
						228
31 Dec 2023	**€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[33]	1	112
Income statement expenses (+) or income (-)	-129	168	83	4	2	128
Interest income from capitalised value						0[33]
Contributions to the German mutual insurance association						3
Payments to defined contribution plans						42
- of which contributions to pension insurance						[40]
						173

[33] Under €1 million

23 Other provisions

	As at 1 Jan 2024	Utilisation	Reversal	Discounting	Additions	As at 31 Dec 2024	Remaining term more than 1 year
	€m	€m	€m	€m	€m	€m	€m
Over-recovery of charges[34]	122	-37			44	129	60
Personnel[35]	83	-21		0[36]	27	89	73
Re-conversion of buildings	14	0[36]	0[36]	0[36]		14	14
Preserving records	8	-1	-1	0[36]		6	5
Miscellaneous	15	-6	0[36]		8	17	2
	242	**-65**	**-1**	**0[36]**	**79**	**255**	**154**

[34] For the calculation method in the regulated procedure for determining charges, see section 3.1 in the Group management report.

[35] 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.

[36] Under €1 million

Due dates of future non-discounted settlement values

	2025	2026	2027	2028	2029	From 2030
	€m	€m	€m	€m	€m	€m
Over-recovery of charges	70	56	3	0[36]	0[36]	0[36]
Personnel	16	7	4	2	1	60
Re-conversion of buildings	0[36]					19
Preserving records	1	1	1	1	0[36]	2
Miscellaneous	15	1	1	0[36]		
	102	**65**	**9**	**3**	**1**	**81**

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
2024	2.33	2.23	2.24	2.30	2.32	2.36
2023	3.10	2.69	2.48	2.40	2.39	2.39
	7 to 8	**8 to 9**	**9 to 10**	**10 to 15**	**15 to 30**	
2024	2.41	2.46	2.49	2.48	2.66	
2023	2.58	2.37	2.43	2.48	2.41	

Effects of the changes to the discount rate	Computation with the interest rate as at 31 Dec 2024	Computation with the interest rate as at 31 Dec 2023	Effects
	€m	€m	€m
Discounted provisions	49	49	0[37]
Interest expense (-)	-1	-1	0[37]

[37] Under €1 million

24 Financial liabilities

	31 Dec 2024 Total	31 Dec 2024 Remaining term more than 1 year	31 Dec 2023 Total	31 Dec 2023 Remaining term more than 1 year
	€m	€m	€m	€m
Schuldscheindarlehen (debenture loans)	500	401	500	500
Lease liabilities	21	18	25	20
Derivative financial instruments	2	0	2	0
Loan	2	1	2	2
Financial debt from the capital investments of the investment entity	0[37]	0	1	0
	525	**420**	**530**	**522**

***Schuldscheindarlehen* (debenture loans)**

Terms	Nominal value	Nominal interest rate	31 Dec 2024	31 Dec 2023
	€m		€m	€m
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
	500		**500**	**500**

25 Other liabilities

	31 Dec 2024 Total €m	31 Dec 2024 Remaining term more than 1 year €m	31 Dec 2023 Total €m	31 Dec 2023 Remaining term more than 1 year €m
Staff costs	66	0	61	0
Amounts owed to tax authorities	21	0	20	0
Outstanding invoices	13	0	17	0
Amounts owed to the Shareholder	0[38)]	0	0[38)]	0
Interest payable	1	0	1	0
Remaining	39	3	38	5
	140	**3**	**137**	**5**

[38)] Under €1 million

Risk offsetting of financial assets and liabilities

31 Dec 2024	Financial assets (+) €m	Financial liabilities (-) €m	Assets (+) and liabilities (-) as reported on the balance sheet €m
Shareholder	2	-2	-0[38)]
Associated companies			
FCS	0[38)]	-0[38)]	-0[38)]
AEROSENSE	0[38)]	-2	-2
Investments			
GroupEAD	0[38)]	0	0[38)]
31 Dec 2023	**€m**	**€m**	**€m**
Shareholder	3	-3	-0[38)]
Associated companies			
FCS	1	-1	-0[38)]
AEROSENSE	0[38)]	0	0[38)]
UNIFLY	0	-0[38)]	-0[38)]
Investments			
GroupEAD	0[38)]	0	0[38)]

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.

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.

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 €459 million, or 34.11 percent (previous year: €411 million, or 34.64%).

Information on business segments by cost type

2024	Regulated business €m	Commercial business €m	Group earnings €m
Revenues	1,291	102	1,393
Changes in inventory and other own work capitalised	29	0[39)]	29
Other operating income	17	2	19
Total operating revenues and income	**1,337**	**104**	**1,441**
Material expenses	-13	-12	-25
Employee expenses	-975	-78	-1,053
Other operating expenses	-170	-18	-188
Depreciation, amortisation and impairments	-100	-6	-106
Total costs	**-1,258**	**-114**	**-1,372**
Earnings before interest and taxes (EBIT)	**79**	**-10**	**69**
Financial income	165	1	166
Of which interest income of the investments accounted for using the equity method			
Financial expenses	-180	-1	-181
Financial result	**-15**	**0[39)]**	**-15**
Profit (loss) before income taxes	**64**	**-10**	**54**
Income taxes	11	-1	10
Earnings for the period (continuing operations)	**75**	**-11**	**64**
Shareholder of the parent company	75	-10	65
Earnings attributable to minority interests	0	-1	-1

[39)] Under €1 million

Information on business segments by cost type

2023	Regulated business €m	Commercial business €m	Group earnings €m
Revenues	1,252	97	1,349
Changes in inventory and other own work capitalised	27	-2	25
Other operating income	22	3	25
Total operating revenues and income	**1,301**	**98**	**1,399**
Material expenses	-18	-15	-33
Employee expenses	-908	-67	-975
Other operating expenses	-150	-19	-169
Depreciation, amortisation and impairments	-100	-7	-107
Total costs	**-1,176**	**-108**	**-1,284**
Earnings before interest and taxes (EBIT)	**125**	**-10**	**115**
Financial income	185	1	186
Of which interest income of the investments accounted for using the equity method	[0[40]]	[0[40]]	[0[40]]
Financial expenses	-187	0[40]	-187
Financial result	**-2**	**1**	**-1**
Profit (loss) before income taxes	**123**	**-9**	**114**
Income taxes	17	4	21
Earnings for the period (continuing operations)	**140**	**-5**	**135**
Shareholder of the parent company	140	-4	136
Earnings attributable to minority interests	0	-1	-1

[40] Under €1 million

Reconciliation from charges-related result before interest and taxes to IFRS Group earnings before interest and taxes

	31 Dec 2024	31 Dec 2023
	€m	€m
Products financed by charges	-41	35
Commercial business	-5	-1
Other products financed by charges and other products	0[41)]	0[41)]
Charges-related earnings before interest and taxes (EBIT)	**-46**	**34**
Occupational pensions from a charges-related perspective	399	556
Occupational pensions under IFRS	-158	-131
Change in equity relevant to charges (closing deficit)	-119	-338
Minority interest	-7	-6
Group earnings before interest and taxes under IFRS	**69**	**115**

[41)] Under €1 million

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 2024	**€m**	**€m**	**€m**	**€m**	**€m**	
Financial assets at fair value						
Financial assets	289		289		289	2
Investments	6			6	6	3
Financial assets not at fair value						
Loans	3	3			3	3
Trade receivables	186	186			186	3
Under-recovery	1,253	1,253			1,253	3
Receivables from EU grant funding	36	36			36	3
Capitalised value	25	25			25	2
Trusteeship (*Treuhandverein*)	8	8			8	2
Interest receivables	0[42)]	0[42)]			0[42)]	2
Liquid funds	214	214			214	2
Other financial assets – Level 3	0[42)]	0[42)]			0[42)]	3
	2,020	**1,725**	**289**	**6**	**2,020**	

[42)] 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 2023	**€m**	**€m**	**€m**	**€m**	**€m**	
Financial assets at fair value						
Financial assets	257		257		257	2
Investments	4			4	4	3
Financial assets not at fair value						
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[43)]	0[43)]			0[43)]	2
Liquid funds	145	145			145	2
Other financial assets – Level 3	0[43)]	0[43)]			0[43)]	3
	1,952	**1,691**	**257**	**4**	**1,952**	

[43)] 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 31 Dec 2024 €m	Level 3 31 Dec 2024 €m	Level 2 31 Dec 2023 €m	Level 3 31 Dec 2023 €m
As at 1 Jan	435	1,517	545	1,470
Ongoing gains (+) and losses (-)	17	-5	16	-3
Gains (+) and losses (-) recognised in other comprehensive income	0	0	0	0
Additions (+) and disposals (-)	84	-28	-126	50
Transfers in and out of levels	0	0	0	0
As at 31 Dec	**536**	**1,484**[44)]	**435**	**1,517**[44)]

44) 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.

Financial liabilities by measurement category

31 Dec 2024	Carrying amount €m	Amortised cost €m	Liabilities at fair value through profit or loss €m	Fair value €m	Level
Financial liabilities at fair value					
Derivative financial instruments	2		2	2	2
Financial liabilities not at fair value					
Schuldscheindarlehen (debenture loans)	500	500		474	2
Finance lease liabilities	21	21		21	3
Financial debt from the capital investments of the investment entity	0[45]	0[45]		0[45]	2
Loan	2	2		2	2
Trade payables	34	34		34	3
Outstanding invoices	13	13		13	3
Amounts owed to the Shareholder	0[45]	0[45]		0[45]	3
Interest payable	1	1		1	2
Other financial liabilities – Level 3	6	6		6	3
	579	**577**	**2**	**553**	
31 Dec 2023	**€m**	**€m**	**€m**	**€m**	
Financial liabilities at fair value					
Derivative financial instruments	2		2	2	2
Financial liabilities not at fair value					
Schuldscheindarlehen (debenture loans)	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
Amounts owed to the Shareholder	0[45]	0[45]		0[45]	3
Interest payable	1	1		1	2
Other financial liabilities – Level 3	6	6		6	3
	582	**580**	**2**	**544**	

[45] 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 values 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 31 Dec 2024 €m	Level 3 31 Dec 2024 €m	Level 2 31 Dec 2023 €m	Level 3 31 Dec 2023 €m
As at 1 Jan	468	76	559	74
Ongoing gains (+) and losses (-)	0	0[46)]	0	0[46)]
Gains (+) and losses (-) recognised in other comprehensive income	0	0	0	0
Additions (+) and disposals (-)	11	-2	-91	2
Transfers in and out of levels	0	0	0	0
As at 31 Dec	**479**	**74**	**468**	**76**

[46)] Under €1 million

Net results of financial instruments by measurement category

	Financial assets			Financial liabilities
	Amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Amortised cost
31 Dec 2024	**€m**	**€m**	**€m**	**€m**
Income (+) from investments			1	
Gains (+) from foreign currency translation	1	5		
Gains (+) from remeasurement	1	4		
Expenses (-) from impairments	-6			
Interest income (+)	4	5		
Interest expense (-)	0[47)]	0[47)]		-4
Other financial expenses (-)	0[47)]	-1		0[47)]
Gains (+) and losses (-)	**0[47)]**	**13**	**1**	**-4**
Recognised directly in other comprehensive income	0	0	0	0
31 Dec 2023	**€m**	**€m**	**€m**	**€m**
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[47)]	0[47)]		-4
Other financial expenses (-)	0[47)]	-1		0[47)]
Gains (+) and losses (-)	**0[47)]**	**13**	**1**	**-4**
Recognised directly in other comprehensive income	0	0	0	0

[47)] 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 €214 million and investments in the ATCP-UI-FONDS of €344 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

31 Dec 2024	Up to 3 months €m	4 to 12 months €m	2 to 5 years €m	More than 5 years €m	Total €m
Non-derivative financial liabilities					
Schuldscheindarlehen (debenture loans)	0	99	132	269	500
Interest	0	4	6	7	17
Finance lease liabilities	3	0	18	0	21
Financial debt from the capital investments of the investment entity	0[48)]	0	0	0	0[48)]
Loan	1	0	1	0	2
Trade payables	33	0[48)]	1	0	34
Other liabilities	20	0	0	0	20
Derivative financial liabilities					
Derivatives	2	0	0	0	2
	59	**103**	**158**	**276**	**596**
31 Dec 2023	**€m**	**€m**	**€m**	**€m**	**€m**
Non-derivative financial liabilities					
Schuldscheindarlehen (debenture loans)	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[48)]	0[48)]	0	28
Other liabilities	24	0	0	0	24
Derivative financial liabilities					
Derivatives	2	0	0	0	2
	59	**4**	**267**	**276**	**606**

[48)] 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.

Default risk by category

	31 Dec 2024	31 Dec 2023
	€m	€m
Amortised cost	1,725	1,691
At fair value through profit or loss	289	257
At fair value through other comprehensive income	6	4
	2,020	**1,952**

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 were due would 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 the DFS Group’s 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 2024	31 Dec 2023
	€m	€m
Fixed-rate *Schuldscheindarlehen* (debenture loans)	500	500
Fixed-rate loan	2	2
	502	**502**

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.

Net risk by currency				
	31 Dec 2024	31 Dec 2024	31 Dec 2023	31 Dec 2023
	Nominal value	Value at reporting date	Nominal value	Value at reporting date
	PEN'000	€'000	PEN'000	€'000
Primary transactions	20	8	20	5
	AED'000	€'000	AED'000	€'000
Primary transactions	15	4	0	0
	CHF'000	€'000	CHF'000	€'000
Primary transactions	2	2	0	0
	S$'000	€'000	S$'000	€'000
Primary transactions	1	1	0	0
	$'000	€'000	$'000	€'000
Primary transactions	0	0	6	5

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-FUND.

Value-at-risk metrics

31 Dec 2024	**1 day**	**10 days**	**20 days**
VaR 99 (%)	0.58%	1.85%	2.61%
VaR 99 (€m)	1,993	6,356	8,968
31 Dec 2023	**1 day**	**10 days**	**20 days**
VaR 99 (%)	0.34%	1.08%	1.52%
VaR 99 (€m)	1,062	3,373	4,747

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.

Reconciliation from balance sheet equity to regulated equity capital		
	31 Dec 2024	**31 Dec 2023**
	€m	**€m**
Group equity recognised on the balance sheet	833	638
Deferred taxes on this amount	1	1
Occupational pensions from a charges-related perspective	-462	-223
Change in equity relevant to charges (closing deficit)	1,330	1,314
Consolidation/reconciliation	-6	-6
Regulated equity	1,696	**1,724**
Metrics based on regulated equity		
Equity ratio	46.94%	45.72%
Return on equity	3.77%	7.84%
Net income	64	135
EBIT	69	115
Borrowings	1,917	2,047
Debt ratio	53.06%	54.28%
Return on total assets	1.77%	3.59%
Leverage ratio[49)]	0.61%	3.39%
Liquid funds	214	145
Financial assets	289	257
Non-current financial liabilities	-420	-522
Current financial liabilities	-105	-8
Net financial liabilities (-) / assets (+)	-22	-128

[49)] 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 loans). In the process, its creditworthiness is regularly reviewed by the Standard & Poor's rating agency.

Ratings			
	Long-term	**Short-term**	**Outlook**
Standard & Poor's	AAA	A-1+	Stable

31 Contingent liabilities and other financial obligations

31.1 Contingent liabilities

Maturities of sureties	Up to 1 year	2 to 5 years	More than 5 years	Indefinite term	Total
	€m	€m	€m	€m	€m
2024	1	2	4	3	10
2023	2	1	0	2	5

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

Due dates of other financial obligations

31 Dec 2024	Up to 1 year €m	2 to 5 years €m	More than 5 years €m	Total €m
Intercompany credit lines to associated companies[50)]	2	0	0	2
of which taken up	[1]	[0]	[0]	[1]
Capital expenditure commitments for				
- intangible assets	2	1	0	3
- property, plant and equipment	33	72	26	131
- material costs	100	78	12	190
- rental, leasing, tenancy	1	1	1	3
Bank guarantee	0	10	0	10
	138	**162**	**39**	**339**

50) The intercompany credit line was increased to €1.80 million as at 1 January 2024.

Due dates of other financial obligations

31 Dec 2023	Up to 1 year €m	2 to 5 years €m	More than 5 years €m	Total €m
Intercompany credit lines to associated companies	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
	111	**123**	**55**	**289**

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

There are two separate abstract acknowledgements of debt (*abstrakte Schuldanerkenntnisse* – a standard German law acknowledgement of a borrower's indebtedness) between DFS and FCS:		
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 has identified the following post-balance-sheet-date events that are of material importance for the results and financial position of the Group:

- DFS will implement the new collective agreements as part of the "Future DFS" collective bargaining package from 2025 onwards.
- DFS will gradually convert its company pension scheme for its staff to a defined contribution, securities-based model from 1 January 2025.
- The board of DFS Aviation Services (DAS) has decided to wind up its stake in TATS and has initiated the necessary measures.

The DFS Group saw no additional 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

Total fees of the auditor under Section 314(1)(9) of the German Commercial Code (HGB)	31 Dec 2024	31 Dec 2023
	€'000	€'000
Audit of the annual financial statements	184	181
Other assurance services	27	63
Tax advice	0	0
Other services	10	9
	221	**253**

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 plots 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 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. In contrast, the traffic risk is spread between the Group and the airspace users. Section 2.2.2 in the Group management report contains information on the split of risks stemming from variances in traffic volumes.

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. By regulation, the profit margin is set at 6.30 percent of the costs incurred.

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.

Income (+) and expenses (-)

	Shareholder	Associated companies	Investments
2024	**€m**	**€m**	**€m**
Revenues	82	0[51]	0[51]
Purchased services		-5	0[51]
Employee expenses	-4		
Other operating expenses		-5	0[51]
Interest income		0[51]	
Income from investments			1
Interest expense		0[51]	
2023	**€m**	**€m**	**€m**
Revenues	78	0[51]	0[51]
Purchased services		-3	
Employee expenses	-5		
Other operating expenses		-5	0[51]
Interest income		0[51]	
Income from investments			1
Interest expense		0[51]	

[51] Under €1 million

Outstanding balances (assets + / liabilities -)			
	Shareholder	Associated companies	Investments
2024	**€m**	**€m**	**€m**
Financial assets		7	2
Other assets	2	0[52)]	0[52)]
Other liabilities	-2	-2	
2023	**€m**	**€m**	**€m**
Financial assets		6	2
Other assets	3	1	0[52)]
Other liabilities	-3	-1	

[52)] 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
2024	**€'000**	**€'000**	**€'000**
Arndt Schoenemann (Chairman)	376	101	**477**
Andrea Wächter	266	103	**369**
Dirk Mahns	296	120	**416**
Friedrich-Wilhelm Menge	297	109	**406**
Former Managing Directors	87	0	**87**
	1,322	**433**	**1,755**
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**
	1,410	**503**	**1,913**

Post-employment benefits

2024	Pension benefits €'000	Pension payments €'000	Expenses for pension benefits earned in the current year[53)] €'000
Arndt Schoenemann (Chairman)	456	0	140
Andrea Wächter	1,621	0	104
Dirk Mahns	1,737	0	201
Friedrich-Wilhelm Menge	696	0	171
Former Managing Directors	16,554	1,136	538
	21,064	**1,136**	**1,154**
2023	**€'000**	**€'000**	**€'000**
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
	22,084	**1,176**	**1,114**

[53)] 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 amounted to €87,750.00. 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 (BMDV)

Dr Carl-Stefan Neumann
Managing Director
Carl-Stefan Neumann Advisory & Investments GmbH

Kai Ohlemacher (from 1 Jan 2024)
Colonel (G.S.)
Federal Ministry of Defence

Iris Reimold
Ministerialdirigentin
Federal Ministry for Digital and Transport (BMDV)

Thorsten Ruge
Ministerialrat
Federal Ministry of Finance

Kristin Weller (from 15 Sep 2024)
Ministerialrätin
Federal Ministry of Defence

Dr Katharina Ziolkowski (from 30 Aug 2024)
Ministerialrätin
Federal Ministry of Defence

Staff representatives

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

Yvonne Dalitz
Head of Surveillance Data & Service

André Hückelkempken
Head of Tower and Approach Frankfurt

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

Thorsten Wesp
Financial analyst

Mathias Wiegand
Air traffic controller (tower)

In the business year, there were three scheduled ordinary meetings and one extraordinary meeting.

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	31 Dec 2024 €'000	31 Dec 2023 €'000
Yvonne Dalitz	4.00	2.70
Antje Geese	6.10	6.30
André Hückelkempken	4.00	2.70
Oktay Kaya	4.00	4.00
Dr Carl-Stefan Neumann	5.20	5.40
Kai Ohlemacher	5.10	0.00
Iris Reimold	5.10	4.70
Thorsten Ruge	4.20	4.30
Markus Siebers	5.20	5.00
Kristin Weller	1.40	0.00
Thorsten Wesp	4.00	2.70
Mathias Wiegand	4.20	2.80
Dr Katharina Ziolkowski	2.70	4.10
Former members of the Supervisory Board	0.00	11.00
	55.20	**55.70**

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, 28 February 2025

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

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 2024, 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 2024 and the Notes to the consolidated financial statements, including material accounting policy information. 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 2024. 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 the IFRS accounting standards (hereinafter referred to as 'IFRS accounting standards’) issued by the International Accounting Standards Board (IASB), as endorsed by the EU, and 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 2024 and the earnings for the business year from 1 January to 31 December 2024 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.

* Courtesy translation; see page 3

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 Corporate Governance Report is expected to be made available to us after the date of this audit report.

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 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, as soon as it is available, 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 accounting standards 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 a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- We obtain an understanding of internal control 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control or on the effectiveness of these arrangements and measures.
- 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 accounting standards as adopted by the EU, and the additional requirements of German law pursuant to Section 315e(1) HGB.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined group management report. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the audit of the consolidated financial statements. 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 charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, 4 April 2025

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

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