CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated income statement

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In € million	Note	2023	2022
Revenue	(6), (36)	**3,139.3**	**2,863.3**
Own work capitalized		3.8	5.8
Purchased services		– 433.2	– 380.9
Operating performance		**2,709.9**	**2,488.2**
Personnel expenses	(7)	– 1,875.9	– 1,734.1
Amortization, depreciation and impairment losses	(8)	– 183.4	– 183.0
Other expenses	(9)	– 566.6	– 478.7
Other income	(10)	128.0	94.9
Impairment of goodwill	(14)	– 15.3	– 0.1
Operating result		**196.7**	**187.2**
Income from investments accounted for using the equity method	(11)	20.4	8.3
Other income/loss from participations	(11)	0.6	– 0.5
Interest income	(11)	21.1	8.1
Interest expenses	(11)	– 13.8	– 13.7
Other financial result	(11)	0.1	– 6.7
Financial result		**28.4**	**– 4.5**
Income before taxes		**225.1**	**182.7**
Income taxes	(12)	– 48.3	– 50.1
Consolidated net income		**176.8**	**132.6**
Attributable to:			
Owners of TÜV SÜD AG		156.4	113.9
Non-controlling interests	(13)	20.4	18.7

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Consolidated statement of comprehensive income

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In € million	Note	2023	2022
Consolidated net income		**176.8**	**132.6**
Remeasurement of defined benefit pension plans			
Changes from unrealized gains and losses	(24)	– 29.0	410.7
Tax effect	(12)	18.0	– 163.1
		– 11.0	**247.6**
Equity instruments at fair value			
Changes from unrealized gains and losses		0.2	– 0.4
Tax effect	(12)	– 0.1	0.1
		0.1	**– 0.3**
Total amount of items in other comprehensive income that will not be reclassified to the income statement		**– 10.9**	**247.3**
Debt instruments at fair value			
Changes from unrealized gains and losses		0.1	– 0.1
Changes from realized gains and losses		– 1.7	0.0
Tax effect	(12)	0.5	0.0
		– 1.1	**– 0.1**
Currency translation differences			
Changes from unrealized gains and losses		– 16.4	16.2
		– 16.4	**16.2**
Investments accounted for using the equity method			
Changes from unrealized gains and losses		0.9	6.7
Tax effect	(12)	– 0.2	0.1
		0.7	**6.8**
Total amount of items in other comprehensive income that will be reclassified to the income statement in future periods		**– 16.8**	**22.9**
Other comprehensive income	(12)	**– 27.7**	**270.2**
Total comprehensive income		**149.1**	**402.8**
Attributable to:			
Owners of TÜV SÜD AG		140.0	368.1
Non-controlling interests		9.1	34.7

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Consolidated statement of financial position

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In € million	Note	Dec. 31, 2023	Dec. 31, 2022
Assets			
Intangible assets	(14)	283.7	306.0
Right-of-use assets	(29)	442.2	421.9
Property, plant and equipment	(15)	677.9	607.7
Investment property	(16)	5.5	4.4
Investments accounted for using the equity method	(17)	36.7	27.8
Other financial assets	(18)	12.4	106.0
Other non-current assets	(21)	378.9	390.4
Deferred tax assets	(12)	124.4	105.8
Non-current assets		**1,961.7**	**1,970.0**
Inventories		6.0	5.8
Contract assets	(19)	164.9	155.3
Trade receivables	(20)	452.8	414.9
Income tax receivables		27.4	21.6
Other current assets	(21)	159.7	135.6
Cash and cash equivalents	(35)	528.6	370.7
Non-current assets and disposal groups held for sale	(22)	0.1	0.0
Current assets		**1,339.5**	**1,103.9**
Total assets		**3,301.2**	**3,073.9**
Equity and liabilities			
Capital subscribed	(23)	26.0	26.0
Capital reserve	(23)	128.2	128.2
Revenue reserves	(23)	1,581.4	1,429.5
Other reserves	(23)	–38.7	–24.7
Equity attributable to the owners of TÜV SÜD AG		**1,696.9**	**1,559.0**
Non-controlling interests	(13)	107.7	118.6
Equity		**1,804.6**	**1,677.6**
Provisions for pensions and similar obligations	(24)	152.4	137.7
Other non-current provisions	(25)	79.6	87.0
Non-current financial debt	(26)	9.0	2.2
Non-current lease liabilities	(29)	388.8	371.1
Other non-current liabilities	(28)	0.9	0.5
Deferred tax liabilities	(12)	19.6	21.4
Non-current liabilities		**650.3**	**619.9**
Current provisions	(25)	197.0	168.6
Income tax liabilities		48.8	45.8
Current financial debt	(26)	0.6	0.4
Current lease liabilities	(29)	69.8	63.0
Trade payables		101.9	98.1
Contract liabilities	(27)	190.7	175.5
Other current liabilities	(28)	237.5	225.0
Current liabilities		**846.3**	**776.4**
Total equity and liabilities		**3,301.2**	**3,073.9**

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Consolidated statement of cash flows

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In € million	Note	2023	2022
Consolidated net income		176.8	132.6
Amortization, depreciation, impairment losses and reversals of impairment losses	(8), (10)	183.3	182.9
Impairment of goodwill	(14)	15.3	0.1
Impairment losses and reversals of impairment losses on financial assets	(34)	– 0.4	5.1
Change in deferred tax assets and liabilities recognized in the income statement	(12)	– 3.3	11.2
Gain/loss on disposal of intangible assets, right-of-use assets, property, plant and equipment and financial assets		– 5.7	– 1.1
Gain/loss from the sale of shares in fully consolidated entities and business units	(2)	– 2.5	– 0.2
Other non-cash income/expenses		– 15.4	– 2.2
Change in inventories, contract assets, receivables and other assets		– 43.1	– 86.7
Change in liabilities, contract liabilities and provisions		64.6	51.0
Cash flow from operating activities		**369.6**	**292.7**
Cash paid for investments in			
intangible assets, property, plant and equipment and investment property		– 182.7	– 142.6
financial assets		– 2.7	– 5.2
securities		– 34.6	– 6.4
business combinations (net of cash acquired)	(3)	– 4.3	0.0
Cash received from disposals of			
intangible assets and property, plant and equipment		13.2	1.9
financial assets		0.5	0.3
securities		91.5	39.5
shares in fully consolidated entities and business units (net of cash transferred)		2.4	0.0
Contribution to pension plans	(35)	– 4.9	– 36.4
Cash flow from investing activities		**– 121.6**	**– 148.9**
Dividends paid to owners of TÜV SÜD AG		– 2.1	– 2.1
Dividends paid to non-controlling interests		– 20.0	– 7.9
Repayments of loans including currency translation differences		– 1.0	– 0.4
Proceeds from loans including currency translation differences		7.7	0.4
Repayments of lease liabilities		– 71.3	– 67.9
Cash flow from financing activities		**– 86.7**	**– 77.9**
Net change in cash and cash equivalents		**161.3**	**65.9**
Effect of currency translation differences and change in scope of consolidation on cash and cash equivalents		– 3.4	1.0
Cash and cash equivalents at the beginning of the period		370.7	303.8
Cash and cash equivalents at the end of the period	(35)	**528.6**	**370.7**
Additional information on cash flows included in cash flow from operating activities:			
Interest paid		– 11.4	– 10.7
Interest received		10.4	2.2
Income taxes paid (–)/received (+)		– 55.3	– 54.0
Dividend payments received		12.7	9.3

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Consolidated statement of changes in equity[1]

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			Revenue reserves		Other reserves						
In € million	Capital subscribed	Capital reserve	Remeasurement of defined benefit pension plans	Other revenue reserves	Currency translation	Equity instruments	Debt instruments	Investments accounted for using the equity method	**Equity attributable to the owners of TÜV SÜD AG**	Non-controlling interests	**Total equity**
Balance as of January 1, 2022	**26.0**	**128.2**	**–194.1**	**1,282.1**	**–7.9**	**0.4**	**1.1**	**–41.5**	**1,194.3**	**91.8**	**1,286.1**
Consolidated net income				113.9					**113.9**	18.7	**132.6**
Other comprehensive income			231.0		16.8	–0.3	–0.1	6.8	**254.2**	16.0	**270.2**
Dividends paid				–2.1					**–2.1**	–7.9	**–10.0**
Changes in scope of consolidation				–1.3					**–1.3**		**–1.3**
Balance as of December 31, 2022	**26.0**	**128.2**	**36.9**	**1,392.6**	**8.9**	**0.1**	**1.0**	**–34.7**	**1,559.0**	**118.6**	**1,677.6**
Balance as of January 1, 2023	**26.0**	**128.2**	**36.9**	**1,392.6**	**8.9**	**0.1**	**1.0**	**–34.7**	**1,559.0**	**118.6**	**1,677.6**
Consolidated net income				156.4					**156.4**	20.4	**176.8**
Other comprehensive income			–2.4		–13.7	0.1	–1.1	0.7	**–16.4**	–11.3	**–27.7**
Dividends paid				–2.1					**–2.1**	–20.0	**–22.1**
Balance as of December 31, 2023	**26.0**	**128.2**	**34.5**	**1,546.9**	**–4.8**	**0.2**	**–0.1**	**–34.0**	**1,696.9**	**107.7**	**1,804.6**

1 Further disclosures on equity items can be found in note 23.

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Notes to the consolidated financial statements

General Information

1 / BASIS OF PREPARATION

TÜV SÜD is a global technical services provider operating in the INDUSTRY, MOBILITY and CERTIFICATION Segments. The range of services covers testing, inspection, certification and training. TÜV SÜD has a presence in the regions EUROPE, AMERICAS and ASIA.

TÜV SÜD Aktiengesellschaft, with registered offices in Munich, Germany, is entered in the commercial register of Munich District Court under the number HRB 109326, as the parent company of the Group.

TÜV SÜD AG prepared its consolidated financial statements as of December 31, 2023 in accordance with the International Financial Reporting Standards (IFRSs) by exercising the option under Article 315e (3) HGB ["Handelsgesetzbuch": German Commercial Code]. All IFRSs that are binding for the financial year 2023 and the pronouncements issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) have been applied to the extent that these have been adopted by the European Union.

On March 18, 2024, TÜV SÜD AG's Board of Management approved the consolidated financial statements for the financial year 2023 for submission to the Supervisory Board.

2 / SCOPE AND PRINCIPLES OF CONSOLIDATION

All material entities and structured entities over which the Group has control as defined by IFRS 10 are included in the consolidated financial statements as of December 31, 2023. The separate financial statements of the subsidiaries included in consolidation and prepared in accordance with uniform accounting policies serve as a basis.

Associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method. The shares are capitalized at acquisition cost at the time a significant influence is acquired and in subsequent years are increased or reduced by the proportionate net income, distributed dividends and other changes in equity.

Joint operations are consolidated proportionately with their assets and liabilities as well as expenses and income.

With TÜV SÜD AG as the parent company, the scope of consolidation comprises the number of entities shown in the table below.

Scope of consolidation ≡17

Number of entities	Dec. 31, 2023	Dec. 31, 2022
Fully consolidated entities	97	100
Entities accounted for using the equity method	6	6
thereof joint ventures	5	5
thereof associated companies	1	1
Total number of consolidated entities	**103**	**106**

In the financial year 2023, three foreign companies from the portfolio were included in the scope of consolidation for the first time, one of which as a joint venture. Three German companies and three foreign companies were no longer included in the scope of consolidation. The disposals in Germany relate to the sale of a company, an intragroup merger by accrual and the dissolution of the special fund. Outside Germany, two subsidiaries were merged within the Group and a joint venture accounted for using the equity method was sold. The deconsolidation of the fully-consolidated entity led to a gain of € 2.5 million (prior year: € 0.2 million), which is presented in other income. The sale of the joint venture led to a loss of € 0.2 million (prior year: € 0.0 million), which is presented under income/loss from participations.

The affiliated companies, associated companies and joint ventures included in the consolidated financial statements are listed in note 41 "Consolidated entities" along with the consolidation method applied. The list of the Group's entire shareholdings is published in the Company Register (Unternehmensregister) as an integral part of the notes to the financial statements.

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Consolidation decisions based on contractual arrangements
The TÜV SÜD Group holds 50% of the shares in TÜV SÜD Car Registration & Services GmbH, Munich. The entity is fully consolidated in the Group, as the TÜV SÜD Group has economic control of the entity on the basis of the contractual arrangements and can thus make decisions regarding the relevant activities of the entity.

Risks from structured entities
In its capacity as a limited partner of the structured entities ARMAT GmbH & Co. KG, Pullach, and ARMAT Südwest GmbH & Co. KG, Pullach, TÜV SÜD AG has issued liquidity commitments for the aforementioned entities. These commitments serve to cover the current obligations of the entities. Claims may therefore be lodged against TÜV SÜD AG if the entities are unable to settle their obligations themselves. The risk of such a claim is considered low.

3 / BUSINESS COMBINATIONS

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. For highly complex business combinations, external appraisals are obtained to carry out the purchase price allocation and to determine the fair values.

Business combinations include one company in which TÜV SÜD acquired 100% of the shares at the end of 2022, which was consolidated for the first time in 2023 and merged into another Group company at the end of the year. In addition, TÜV SÜD assumed the assets and liabilities of five business operations in 2023 by way of asset deals. Considered individually, the acquisitions were not material and on aggregate, based on the figures as of the respective acquisition dates, had the following impact on the consolidated financial statements:

Net assets acquired, goodwill and purchase prices of business combinations in the financial year 2023 ≡ 18

In € million	Carrying amount before remeasurement	Fair value at the time of initial consolidation
Intangible assets, right-of-use assets and property, plant and equipment	1.7	4.3
Other assets (excluding cash and cash equivalents)	1.3	1.3
Cash and cash equivalents	0.3	0.3
Current liabilities	0.4	0.4
Non-current liabilities	0.2	0.5
Total net assets acquired (100%)	**2.7**	**5.0**
Pro rata net assets acquired		**5.0**
Goodwill		3.2
Purchase prices of the business combinations in the form of cash and cash equivalents		**8.2**
Less: fair value of contingent purchase price components		– 0.2
Less: cash and cash equivalents acquired		– 0.3
Less: purchase price payments made in prior years		– 3.4
Net cash paid for business combinations in 2023		**4.3**

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Hidden reserves in the amount of € 2.6 million were taken into account in intangible assets with a useful life of eleven and twelve years.

The goodwill resulting from the acquisitions contains value drivers that cannot be recognized independently, in particular the value of the acquired workforce, future growth potential, advantages due to locations and expected synergy effects.

No significant incidental acquisition costs were recognized in the income statement in 2023 for the business combinations presented above.

It is expected that the goodwill resulting from the acquisitions presented above in the amount of € 3.2 million will be tax deductible.

In the past financial year, the business combinations contributed € 6.6 million to the revenue and € 0.1 million to the operating result of TÜV SÜD. The operating result does not contain any synergies that have been incurred at the existing legal entities of the TÜV SÜD Group on account of the business combinations. Had the company and business operations been acquired as of January 1, 2023, the business combinations would have made a contribution of € 10.2 million to consolidated revenue and of € 0.1 million to the operating result for the twelve months ended December 31, 2023.

There were no significant business combinations in the prior year.

4 / CURRENCY TRANSLATION

All financial statements of consolidated entities that have been prepared in foreign currency are translated into euro using the functional currency concept. As the foreign subsidiaries are independently operating entities, the functional currency is considered to be the currency of the respective country in which they are situated. Items of the statement of financial position are therefore translated using the mean rate on the reporting date. This does not include equity, which is translated using historical rates. Expense and income items are stated using annual average exchange rates. Exchange rate differences are treated as other comprehensive income and recognized in other reserves within equity.

In the separate financial statements of the subsidiaries, monetary items denominated in foreign currency as of the reporting date are translated using the closing rate. Non-monetary items continue to be translated using the historical exchange rate as of the transaction date. Differences resulting from such translations are generally recognized in the income statement.

The exchange rates used to translate the most important currencies developed as follows:

Selected exchange rates

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	Closing rate		Annual average rate	
	Dec. 31, 2023	Dec. 31, 2022	2023	2022
Chinese renminbi (CNY)	7.8509	7.3582	7.6591	7.0801
Pound sterling (GBP)	0.8691	0.8869	0.8699	0.8526
Singapore dollar (SGD)	1.4591	1.4300	1.4524	1.4519
Turkish lira (TRY)	32.6531	19.9649	25.7487	17.3849
US dollar (USD)	1.1050	1.0666	1.0816	1.0539

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If the functional currency of a subsidiary is the currency of a **hyperinflationary economy** within the meaning of IAS 29 "Financial Reporting in Hyperinflationary Economies", the financial statements of the respective subsidiary are restated prior to currency translation to reflect the change in purchasing power resulting from inflation. Non-monetary items of the statement of financial position that are measured at cost or at amortized cost, equity as well as the amounts disclosed in the consolidated income statement are indexed from the time of initial recognition in the financial statements using a general price index and are presented at current purchasing power. Monetary items are not remeasured. Corresponding gains and losses from the initial application are reported under other comprehensive income. Effects from ongoing inflation are reported in the financial result. After restatement to current purchasing power, all items of the statement of financial position and all expenses and income in the income statement are translated using the closing rate. The effects resulting from the ongoing inflation on the subsidiaries' equity as part of consolidation are recorded in other comprehensive income and presented in the currency translation reserve.

Türkiye has been classified as a hyperinflationary economy since June 2022. Consequently, IAS 29 was applied retrospectively for the first time as of January 1, 2022, for the Turkish subsidiaries and the Turkish joint ventures accounted for using the equity method. The financial statements of the Turkish entities are based on the concept of historical cost. The adjustment to purchasing power in the reporting year led to a negative result of € 0.2 million (prior year: € 3.1 million). Income from investments accounted for using the equity method contains a negative effect of € 2.1 million (prior year: € 2.3 million) from ongoing inflation. The consumer price index published by the Turkish Statistical Institute was used as a suitable price index. As of January 1, 2023, this stood at 1,128 basis points and increased to 1,859 basis points as of December 31, 2023.

5 / MATERIAL ACCOUNTING POLICIES

The material accounting and measurement methods for TÜV SÜD are presented below; the mere repetition of standard requirements has been largely avoided.

Revenue is recognized pursuant to IFRS 15 "Revenue from Contracts with Customers" and mainly consists of income from service business with customers. The values agreed in contracts or defined in price lists form the basis for calculating the revenue to be recognized. Revenue from long-term contracts is recognized over time pursuant to IFRS 15.35c, which involves recognizing costs and revenue in line with the degree to which the contract has been completed. The percentage of completion per contract to be recognized is calculated as the ratio of the actual costs incurred to overall anticipated costs of the project (cost-to-completion method). This is the most suitable method for TÜV SÜD to measure progress. Contract costs are expensed in the period in which they are incurred. When it is foreseeable that total contract costs will exceed total contract revenue, the expected loss is immediately expensed. Contracts are generally processed within one year.

An appropriate method to determine the stage of completion is applied for license fees that grant a right to access to intellectual property. Revenue from Software-as-a-Service licenses is generally recognized on a straight line basis over the term of the agreement. By contrast, revenue from license fees as part of certification and accreditation services is collected at a point in time when the invoice is issued.

As a practical expedient, the company opts not to measure financing components pursuant to IFRS 15.63. The revenue recognition, settlement and cash inflows result in invoiced trade receivables, contract assets and contract liabilities. With respect to the type of the contract, a distinction is made between service contracts, usually training and advisory services, and contracts for work and labor, such as certification or testing services. The timing of revenue recognition and billing can be derived from the type of contract. The majority of service contracts are billed monthly, contracts for work and labor upon reaching individually agreed milestones or upon completion. The average group-wide payment terms range between 30 and 60 days, taking country-specific requirements such as statutory defined payment terms into account.

Contract assets are recognized for unbilled services as of the reporting date and accounted for using the cost-to-completion method pursuant to IFRS 15. These assets are normally current and are expected to result in external revenue in the following year. Anticipated losses from these contracts are taken into account on the liabilities side if they can be reliably estimated. Project-related advance payments received from customer contracts are deducted from contract assets.

Advance payments not covered by services already rendered are recognized, among other things, under **contract liabilities**. Contract liabilities are normally current and are expected to result in external revenue in the following year.

Goodwill is not subject to amortization but is tested for impairment at least once a year or whenever there is any indication of impairment, and written down if appropriate.

Other intangible assets acquired for a consideration are measured at acquisition cost, **internally generated intangible assets** at production cost. Production cost comprises the costs directly and indirectly allocable to the development process. Intangible assets with finite useful lives are amortized using the straight-line method over a period of two to 20 years. If necessary, impairment losses are taken into account. Intangible assets with indefinite useful lives are not amortized but rather tested for impairment annually and if there are any indications of an impairment.

Leases are accounted for pursuant to IFRS 16. As a lessee, TÜV SÜD recognizes a right-of-use asset and a corresponding lease liability from the time at which the lease asset is made available to the Group. **Right-of-use assets** are measured at acquisition cost, which is composed of the initial amount of the lease liability adjusted for the lease payments made at or before the date of commencement along with initial direct costs and estimated costs for possible restoration obligations. Subsequent to initial recognition, the right-of-use asset is depreciated on a straight-line basis over the term of the lease.

At the time of initial recognition, **lease liabilities** are measured at the present value of the lease payments not yet paid at the commencement date of the lease. These are discounted using the incremental borrowing rate of the respective lessee as the interest rate implicit in the lease cannot be readily determined. Currency-specific reference interest rates for various periods of up to 50 years from risk-free interest rates with matching terms are used to determine the incremental borrowing rate. The latter is increased by loan risk premiums and adjusted for the term of an agreement. The lease liability mostly accounts for fixed lease payments and variable lease payments linked to an index or interest rate.

When determining the term of leases TÜV SÜD takes account of all those facts and circumstances that offer an economic incentive to exercise options to extend the lease or not exercise options to terminate it. Changes to the term stemming from options to extend or terminate the lease being exercised are only included in the term of the agreement if it is reasonably certain that an option to extend a lease or not terminate it will be exercised. The lease liability is remeasured if future lease payments change on account of a change in an index or if the Group amends its estimation regarding whether the option to extend or terminate the lease will be exercised. The right-of-use asset is adjusted accordingly.

Practical expedients of IFRS 16 are applied for leases of low-value assets and short-term leases. In these cases, the lease payments are expensed on a straight-line basis in the income statement. Lease agreements with a term of up to twelve months qualify as short-term leases. Low-value assets include IT equipment and smaller technical devices, for example. Furthermore, the requirements of IFRS 16 on lease accounting are not applied to leases for intangible assets. Intragroup leases are likewise not recognized pursuant to IFRS 16. This means that in the segment reporting pursuant to IFRS 8, lease payments for these leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Lease payments are divided up into payments of principal and interest. The interest component is recognized under cash flow from operating activities in the statement of cash flows, whereas payments made to repay the lease liabilities are shown under cash flow from financing activities.

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Property, plant and equipment and **investment property** are recognized at cost less depreciation or impairment. Depreciation generally takes place using the straight-line method over the respective expected useful life. Buildings and parts of buildings are depreciated over a maximum period of 50 years, technical equipment over a period of five to 20 years, and furniture and fixtures over a period of three to 23 years.

At each reporting date, the Group assesses whether there is any indication that the carrying amounts of intangible assets, right-of-use assets, property, plant and equipment and investment property may be subject to **impairment**. If any such indication exists, an impairment test is performed. For goodwill, intangible assets with an indefinite useful life, and intangible assets not yet available for use, such a test is conducted annually in addition to this.

Asset impairment is tested by comparing the carrying amount of an asset with its recoverable amount. If an asset does not generate future cash inflows that are largely independent of those from other assets, the value has to be tested on the basis of the next higher aggregated cash-generating unit (CGU). The recoverable amount is the higher of fair value less costs to sell and value in use derived from the planning for 2024 prepared and approved by management, with the aid of the discounted cash flow method. The key assumptions made in determining fair value are the growth rates of the cash flows in the planning period, the CGU-specific cost of capital and the forecast sustainable growth rate after the end of the planning period. The planning period consists of the planning year 2024 and an extrapolation for the years 2025 and 2026. The planned cash flows are based mainly on estimates by the management of TÜV SÜD of the current and future market environment. Cost of capital is based on the weighted average cost of capital (WACC) of the TÜV SÜD Group adjusted for the specific risk profile inherent in the cash flows budgeted for the cash generating unit in question. The sustainable growth rate used is the forecast long-term rate of the cash generating unit's market growth. Goodwill is tested for impairment at the level of a group of cash-generating units, generally represented by a division.

Current income taxes are calculated based on the respective local taxable income and local tax rules in place for the year. Furthermore, current taxes recognized in the financial year include adjustments for uncertain tax payments or refunds for years that have not yet been finally assessed. However, these exclude interest payments or interest refunds and penalty payments on the payment of tax arrears. Corresponding provisions are recognized in the event that the amounts stated in the tax returns are not likely to be recognized (uncertain tax positions). The amount is determined from the best estimate of the expected tax payment (expected value or most likely amount of the tax uncertainty). Tax refund claims from uncertain tax positions are recognized if it is more likely than not and thus reasonably certain that they can be realized. Only in the case of tax loss carryforwards is no tax liability or tax claim recognized for these uncertain tax positions. Instead, the deferred tax assets for the unused tax loss carryforwards are to be adjusted.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts in the IFRS statement of financial position and the tax basis of the assets and liabilities, as well as for consolidation measures with an effect on income. In addition, taxes are deferred for tax loss carryforwards provided the realization of such carryforwards is sufficiently certain. The taxable income considered likely on the basis of the respective entity's planning for the subsequent three years is taken as the basis for the assessment. Deferred taxes are calculated on the basis of the anticipated tax rates at the time of realization. For convenience, the nominal tax rate of TÜV SÜD AG's tax group is used to calculate deferred taxes on consolidation entries with effect on income. Deferred tax assets and liabilities on temporary differences are netted out for each entity and/or tax group.

The amount recognized under **provisions for pensions and similar obligations** for defined benefit plans corresponds to the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. If there is a surplus of plan assets for a pension plan, the corresponding asset is recognized under other non-current assets, taking into account the asset ceiling. The defined benefit obligation (DBO) is determined annually by an independent actuary using the projected unit credit method taking into account biometric assumptions. Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding interest on the net pension obligation) as well as the change of the effects of

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the asset ceiling are recognized in full in the financial year in which they occur. They are charged directly against revenue reserves, taking deferred taxes into account, and reported outside of the income statement as a component of other comprehensive income. The net interest expense is obtained by multiplying the discount rate for the respective financial year by the net defined benefit obligation (defined benefit obligation less plan assets) as of the reporting date for the prior financial year. It is reported in the financial result.

Other provisions are recorded if the obligation to a third party results from a past event which is expected to lead to an outflow of economic benefits and their value can be determined reliably. They are measured using the best estimate of the settlement value, and cannot be offset against reimbursement claims. Provisions due in more than one year are discounted where the effect of the time value of money is material. The effect from unwinding the discount is reported in the financial result. Provisions for restructuring measures are recognized to the extent that a detailed formal restructuring plan has been prepared and communicated to the parties concerned.

A **financial instrument** is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The initial recognition of trade receivables takes place at the transaction price, for all other financial instruments at fair value as soon as the TÜV SÜD Group becomes a party to the contractual provisions of the financial instrument. In the case of regular way purchases and sales, the trade date is authoritative for the TÜV SÜD Group. The directly attributable transaction costs are taken into account in the carrying amount only if the financial instruments are not measured at fair value through profit or loss. Subsequent measurement of financial assets and liabilities depends on the categories they are allocated to. The TÜV SÜD Group does not make use of the fair value option. Financial assets and financial liabilities are reported without netting.

Financial assets are derecognized when the rights from the cash flows have expired or substantially all of the risks and rewards have been transferred to a third party. Financial liabilities are derecognized when the obligations specified in the contract are discharged, canceled or expire.

Under IFRS 9, financial assets are classified into measurement categories based on the business model for managing these financial instruments and on the type of their underlying contractual cash flows. A distinction is made between the following **measurement categories**:

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income: accumulated gains and losses will be reclassified to the income statement upon derecognition of the debt instruments.
- Debt instruments, derivatives and equity instruments at fair value through profit or loss.
- Equity instruments at fair value through other comprehensive income: gains and losses remain in other comprehensive income even after derecognition of these financial instruments.

The contractual cash flows were checked on the basis of the conditions when the respective assets were recognized for the first time. In the TÜV SÜD Group, the two business models “hold to collect” and “hold to collect and sell” were defined. No debt instruments were designated as at fair value through profit or loss. Debt instruments are thus measured at amortized cost or at fair value through other comprehensive income.

The **equity instruments** held by the TÜV SÜD Group primarily relate to participations. These are assigned to the “at fair value through other comprehensive income” measurement category. The TÜV SÜD Group's participations are not listed on the stock exchange.

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The general approach for recording **impairment losses** pursuant to IFRS 9 is used on all **debt instruments**, apart from trade receivables. Debt instruments where the credit risk has not increased significantly since first-time recognition are covered by a risk provision in the equivalent to the credit losses expected to be incurred within the next twelve months. Debt instruments where the credit risk has increased significantly since first-time recognition have to be accounted for with a risk provision equivalent to the credit losses expected to be incurred over the residual term. The TÜV SÜD Group uses external ratings to monitor changing credit risks. A significant change in the credit risk is deemed to have occurred when the external rating is no longer in the investment grade range, or also when the contractually agreed payments are more than 30 days past due. If the contractually agreed payments are more than 90 days overdue, this is classed as a default. For bank balances and miscellaneous financial assets, such as deposit payments, impairments are determined based on assumed default likelihoods.

The simplified approach pursuant to IFRS 9 is applied to **trade receivables**. Risk provisions are recognized at each reporting date in the amount of the credit losses expected to be incurred over the entire term. The TÜV SÜD Group uses a provision matrix to measure loss allowances. The expected loss rates are calculated using the roll-rate method, which is based on the probability of a receivable progressing to payment delay in successive stages. Roll rates are calculated separately for the defaults of each entity in the TÜV SÜD Group. The default rate which is calculated using the roll rate method is supplemented by forward-looking information. Mark ups and mark downs are determined based on an expected baseline scenario. These mark ups and mark downs are each derived from qualitative factors such as the relevant change in the age structure and the development of country- or industry-specific credit default swap (CDS) spreads.

The TÜV SÜD Group does not make use of the option to designate a hedging relationship between a hedging instrument and a hedged item in accordance with IFRS 9. Derivatives are held to account for economic hedging relationships and are therefore measured at fair value through profit or loss.

Financial liabilities are recognized at either amortized cost or fair value pursuant to IFRS 9. In the TÜV SÜD Group, derivatives, liabilities from put options as well as contingent considerations from business combinations as defined by IFRS 3 are carried at fair value through profit or loss. All other liabilities are measured at amortized cost.

Government grants are recognized in the statement of financial position if there is reasonable assurance that the grant will be received and the conditions attached to the grant have been or are deemed to be fulfillable. The gross method is applied in the TÜV SÜD Group for the recognition of government grants pursuant to IAS 20. They are recognized as deferred income in the statement of financial position and as other income in profit or loss. Grants related to assets are recognized over the economic useful life of the respective asset while grants related to income are recognized on the basis of the subsidized expenses incurred in the financial year.

Assumptions, estimation uncertainties and judgments

The preparation of the consolidated financial statements requires that assumptions and judgments or estimates are made for some items which have an effect on the values stated in the statement of financial position, the disclosure of contingent liabilities and the recognition of income and expenses. This particularly relates to revenue recognition using the cost-to-completion method, the amount of goodwill, right-of-use assets and lease liabilities, deferred tax assets recognized on tax loss carryforwards, the measurement parameters for pension obligations, the estimation of current tax liabilities and other provisions, and the calculation of fair values. Actual amounts may differ from these estimates.

The estimation of the percentage of completion is of particular importance for the **measurement of long-term contracts**. These significant estimates include calculated total costs, expected revenue, potential contract risks – including political and regulatory risks – and other relevant metrics. Consequently, changes in the estimate of the percentage of completion can increase or decrease revenue.

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Key estimate parameters as part of **testing goodwill for impairment** include the sustainable long-term growth rates as well as the cash flows allocable to cash generating units and the risk adjustment per cash generating unit of the TÜV SÜD Group's weighted average cost of capital.

The term of the lease is a key parameter in the **recognition of leases**. A series of the Group's real estate agreements include options to extend or terminate each lease. All facts and circumstances that offer an economic incentive to exercise an option to extend a lease or not to exercise an option to terminate a lease are considered when determining the term.

The **defined benefit obligations** and the pension expenses for the subsequent year are calculated using the actuarial parameters specified in note 24. However, a change in parameters would not have an impact on the consolidated net income for the reporting year, as remeasurements are recognized in equity with no effect on income.

The recognition and measurement of **provisions** and **contingent liabilities** in connection with **pending and imminent legal proceedings** are based to a significant extent on estimations made by TÜV SÜD. Assumptions must be made regarding their probability of occurrence, maturity and level of risk, which are subject to significant estimation uncertainty. This applies, in particular, to the estimation regarding the probability of utilization, the level of the potential liability risks and the amount of the legal and advisory costs associated with the dam collapse in Brazil depending on how long legal proceedings carry on. TÜV SÜD evaluates the matters using internal and external experts based on the circumstances prevailing as of the reporting date and knowledge gained prior to the preparation of the financial statements. Note 32 presents the Group's pending and imminent legal proceedings, the outcome of which could have a significant impact on the Group's financial performance and position for the financial year 2024 and future financial years.

In the case of other items of the statement of financial position, a change to the original basis for estimation results in a change to the respective item, with an effect on income, which is immaterial for the consolidated financial statements.

Accounting standards applied for the first time in the financial year 2023

TÜV SÜD has applied the amendments to IAS 12 "International Tax Reform – Pillar 2 Model Rules", which were applicable immediately after their publication in May 2023. The amendments include a temporary exception to the requirements on the recognition of deferred taxes arising from the introduction of global minimum taxation along with other specific disclosures in the notes, which can be found in note 12.

Further standards and amendments to standards, which are applicable for the first time in the financial year 2023, did not have any impact on TÜV SÜD AG's consolidated financial statements.

New standards and interpretations that are not yet mandatory

Various new amendments to standards have been published, however they are not yet mandatory for reporting periods ending December 31, 2023, and were not early adopted by the Group. These new regulations are not expected to have any significant effects on TÜV SÜD AG's consolidated financial statements.

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Notes to the consolidated income statement

6 / REVENUE

TÜV SÜD realizes revenue from service contracts with customers at a point in time and over time. Revenue was generated in the following segments:

Revenue ≡ 20

In € million	2023	2022
INDUSTRY	1,033.0	961.8
MOBILITY	1,073.0	945.0
CERTIFICATION	1,050.6	973.8
OTHER	37.6	34.0
Less intragroup revenue	– 54.9	– 51.3
Revenue	**3,139.3**	**2,863.3**

In the INDUSTRY and CERTIFICATION Segments, revenue from services is primarily collected over time. Services rendered are invoiced pursuant to standard terms and conditions or individual contractual conditions. Any associated certification and license fees are invoiced annually, regardless of the services rendered, and collected over the term on a straight-line basis.

In the MOBILITY Segment, revenue in the core business of roadworthiness tests and exhaust gas analyses as well as driver's license tests is mainly recognized at a point in time; in the private customer business advance payments are regularly requested for driver's license tests and driving suitability tests. All other services in this segment are invoiced pursuant to individual contractual conditions or standard terms and conditions. Revenue from these services is generally recognized over time.

For further information on the segments, please refer to the segment reporting in note 36.

As of December 31, 2023, future revenue from performance obligations not yet satisfied is expected to be recognized in the income statement as follows:

Revenue expected in the future from contract assets ≡ 21

In € million	2024	2025	From 2026
Range of revenue expected	from 69.6 to 91.6	from 89.3 to 114.3	up to 37.3

Making use of the practical expedient pursuant to IFRS 15.121, performance obligations to be satisfied within one year are not disclosed.

Revenue of € 104.6 million (prior year: € 97.2 million) was recognized in the financial year, which was included in contract liabilities as of December 31, 2022.

7 / PERSONNEL EXPENSES

Personnel expenses ≡ 22

In € million	2023	2022
Wages and salaries	1,513.6	1,390.6
Social security contributions and other benefit costs	210.6	192.9
Retirement benefit costs	115.3	116.5
Incidental personnel costs	36.4	34.1
Personnel expenses	**1,875.9**	**1,734.1**

The increase in wages and salaries including social security contributions and other benefit costs is a result of globally increased employee capacity. Collectively bargained wage increases in Germany also contributed to increased expenses.

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Retirement benefit costs also include employer contributions to state pensions. At € 16.2 million, current service cost in the financial year 2023 was below the prior-year level (€ 25.9 million), due primarily to the increase in the discount rate in Germany and the decrease in the active portfolio.

The TÜV SÜD Group had an average of 25,023 employees (full-time equivalents) in the reporting year (prior year: 23,957 employees). The majority of employees are salaried employees.

8 / AMORTIZATION, DEPRECIATION AND IMPAIRMENT LOSSES

Amortization, depreciation and impairment losses

≡ 23

In € million	2023	2022
Amortization and depreciation		
of intangible assets	24.7	24.1
of right-of-use assets	75.7	72.4
of property, plant and equipment	74.5	72.6
of investment property	0.1	0.1
	175.0	**169.2**
Impairment losses		
on intangible assets	4.5	2.2
on right-of-use assets	0.0	0.1
on property, plant and equipment	3.9	11.5
	8.4	**13.8**
Amortization, depreciation and impairment losses	**183.4**	**183.0**

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9 / OTHER EXPENSES

Other expenses

≡ 24

In € million	2023	2022
Travel expenses	96.0	77.8
Rental and maintenance expenses	73.1	66.1
IT expenses	72.2	64.1
Fees, contributions, consulting and audit costs	71.0	34.2
Expenses for purchased administrative services	62.8	55.4
Expenses for equipment maintenance	25.4	21.9
Marketing expenses	21.9	19.9
Currency translation losses	21.1	26.7
Insurance expenses	18.0	17.1
Telecommunication expenses	17.9	17.5
Impairment losses on trade receivables (including amounts derecognized)	12.2	10.7
Other taxes	7.0	6.1
Miscellaneous other expenses	68.0	61.2
Other expenses	**566.6**	**478.7**

10 / OTHER INCOME

Other income

≡ 25

In € million	2023	2022
Income from the reversal of provisions	45.0	16.4
Currency translation gains	20.6	25.9
Government grants	8.5	7.7
Income from other transactions not typical for the company	7.6	7.4
Income from the disposal of non-current assets	6.5	1.2
Income from the reversal of impairment losses on trade receivables	3.7	4.4
Income from the deconsolidation of subsidiaries	2.5	0.2
Income from the reversal of impairment losses on fixed assets	0.1	0.1
Miscellaneous other income	33.5	31.6
Other income	**128.0**	**94.9**

Government grants were mainly received for research projects in various countries.

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11 / FINANCIAL RESULT

Financial result

≡ 26

In € million	2023	2022
Income from investments accounted for using the equity method	**20.4**	**8.3**
Financial income from participations	0.8	2.1
Finance costs from participations	– 0.2	0.0
Income/loss from participations	0.6	2.1
Finance costs from loans	0.0	– 2.6
Income/loss from loans	0.0	– 2.6
Other income/loss from participations	**0.6**	**– 0.5**
Financing balance from pension provisions	9.5	0.0
Interest income from securities	1.9	0.0
Interest income from loans	0.3	0.2
Other interest and similar income	9.4	7.9
Interest income	**21.1**	**8.1**
Financing balance from pension provisions	0.0	– 1.2
Interest expenses from lease liabilities	– 11.6	– 9.5
Other interest and similar expenses	– 2.2	– 3.0
Interest expenses	**– 13.8**	**– 13.7**
Currency translation gains	5.0	15.9
Currency translation losses	– 5.8	– 17.5
Currency translation gains/losses from financing measures	– 0.8	– 1.6
Gains/losses from the net monetary position pursuant to IAS 29	– 0.2	– 3.1
Sundry financial income	4.7	1.4
Sundry finance costs	– 3.6	– 3.4
Sundry financial result	1.1	– 2.0
Other financial result	**0.1**	**– 6.7**
Financial result	**28.4**	**– 4.5**

The income from investments accounted for using the equity method of € 20.4 million (prior year: € 8.3 million) contains a figure of € 20.2 million (prior year: € 10.1 million) from the proportionate net income generated by the Turkish joint ventures TÜVTÜRK. In the prior year, the negative contribution to earnings of FleetCompany GmbH, Oberhaching, had an impact of € 2.4 million.

Excluding the financing balance from pension provisions, total interest income from assets not measured at fair value through profit or loss amounted to € 11.6 million in the financial year 2023 (prior year: € 8.1 million) and total interest expenses amounted to € 13.8 million (prior year: € 12.5 million).

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12 / INCOME TAXES

Income taxes

≡27

In € million	2023	2022
Current taxes for the reporting year	52.9	34.6
Current tax adjustments for prior years	– 1.3	4.3
Current taxes	**51.6**	**38.9**
Deferred taxes from temporary differences	0.8	11.1
Deferred taxes from tax loss carryforwards and tax credits	– 4.1	0.1
Deferred taxes	**– 3.3**	**11.2**
Income tax expense	**48.3**	**50.1**

The following reconciliation for the TÜV SÜD Group presents a summary of the individual entity-specific reconciliations prepared using the respective local tax rates taking consolidation entries into account. The expected income tax expense is based on the nominal tax rate of the tax group of TÜV SÜD AG.

Tax reconciliation

≡28

In € million	2023	2022
Income before taxes	225.1	182.7
Expected tax rate	30.6%	30.6%
Expected income tax expense	**68.9**	**55.9**
Tax rate differences	– 4.5	– 3.7
Tax reductions due to tax-free income	– 22.4	– 22.1
Tax increases due to non-deductible expenses	8.4	8.7
Tax increases due to income taxes and withholding taxes neither creditable nor deductible	5.6	6.5
Tax effect from investments accounted for using the equity method	– 5.6	– 2.3
Tax increases on account of non-deductible impairment of goodwill	4.7	0.0
Current and deferred taxes for prior years	– 2.4	4.0
Tax credits, valuation allowances and adjustments to carrying amounts of deferred tax assets	– 4.5	2.1
Effect of changes in tax rates	0.6	0.3
Other differences	– 0.5	0.7
Reported income tax expense	**48.3**	**50.1**
Effective tax rate	**21.5%**	**27.4%**

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Deferred tax assets and liabilities result from the following items of the statement of financial position, tax loss carryforwards and tax credits:

Deferred taxes by item of the statement of financial position

≡ 29

	Deferred tax assets		Deferred tax liabilities	
In € million	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Non-current assets	10.1	9.8	181.2	173.7
Current assets	0.8	0.7	17.5	13.5
Non-current liabilities				
Provisions for pensions and similar obligations	140.7	126.8	0.0	0.0
Other non-current liabilities	106.0	96.2	0.8	0.4
Current liabilities	43.3	38.8	4.4	4.0
Deferred taxes from temporary differences (gross)	**300.9**	**272.3**	**203.9**	**191.6**
Netting per company/tax group	– 184.3	– 170.2	– 184.3	– 170.2
Deferred taxes from temporary differences (net)	**116.6**	**102.1**	**19.6**	**21.4**
Deferred taxes from tax loss carryforwards and tax credits	**7.8**	**3.7**		
Deferred taxes reported in the statement of financial position	**124.4**	**105.8**	**19.6**	**21.4**

In Germany, no deferred tax assets were recognized on corporate income tax loss carryforwards of € 23.6 million (prior year: € 23.6 million) and trade tax loss carryforwards of € 22.3 million (prior year: € 22.3 million) because at present it is not likely that the tax benefits will be realized. These tax loss carryforwards can be carried forward indefinitely. Outside of Germany, no deferred tax assets were recognized on tax loss carryforwards of € 36.3 million (prior year: € 45.6 million). Of these tax loss carryforwards, € 24.2 million (prior year: € 39.1 million) can be used indefinitely and € 11.8 million (prior year: € 6.5 million) will expire within the next five years. Furthermore, no deferred tax assets were recognized for deductible temporary differences of € 8.1 million (prior year: € 3.4 million). The current income tax expense for the reporting year was reduced by € 1.6 million due to the use of capital losses in the USA, for which no deferred tax asset was recognized in the prior year. Valuation allowances on deferred tax assets from tax loss carryforwards of the prior year were reversed in the amount of € 3.4 million, resulting in a corresponding reduction in the deferred tax expense.

Differences on investments in subsidiaries totaling € 17.3 million (prior year: € 20.5 million) did not give rise to deferred tax liabilities because the differences are not expected to reverse in the foreseeable future by way of realization (distribution or sale of the entity).

The net balance of deferred tax assets and liabilities changed as follows in the reporting year:

Development of the net balance of deferred tax assets and liabilities

≡ 30

In € million	2023	2022
Net balance as of January 1	**84.4**	**260.3**
Currency translation differences	– 0.1	– 0.9
Changes in scope of consolidation	– 0.4	0.0
Income (+)/expense (–) in the income statement	3.3	– 11.2
Deferred taxes recognized in other comprehensive income	18.2	– 162.9
Deferred taxes recognized in the financial result (prior year: and equity) pursuant to IAS 29	– 0.6	– 0.9
Net balance as of December 31	**104.8**	**84.4**

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The deferred taxes recognized in other comprehensive income stem from the following:

Income taxes recognized directly in other comprehensive income

≡ 31

In € million	2023 Before tax	2023 Deferred tax effect	2023 After tax	2022 Before tax	2022 Deferred tax effect	2022 After tax
Remeasurement of defined benefit pension plans	– 29.0	18.0	– 11.0	410.7	– 163.1	247.6
Equity instruments at fair value	0.2	– 0.1	0.1	– 0.4	0.1	– 0.3
Debt instruments at fair value	– 1.6	0.5	– 1.1	– 0.1	0.0	– 0.1
Currency translation of foreign subsidiaries	– 16.4	0.0	– 16.4	16.2	0.0	16.2
Investments accounted for using the equity method	0.9	– 0.2	0.7	6.7	0.1	6.8
Other comprehensive income	**– 45.9**	**18.2**	**– 27.7**	**433.1**	**– 162.9**	**270.2**

In December 2021, the Organization for Economic Co-operation and Development (OECD) published Pillar 2 model rules (Global Anti-Base Erosion Rules or GloBE) for the introduction of global minimum taxation. The Pillar 2 legislation was adopted in December 2023 and becomes effective on January 1, 2024.

TÜV SÜD falls within the scope of application of the OECD Pillar 2 model rules. However, as these rules are not yet applicable for the reporting period the Group is currently not subject to any tax burden. In accordance with the amendments to IAS 12, deferred taxes were not recognized in connection with Pillar 2 income taxes.

Pursuant to the legislation, in each jurisdiction in which the Group operates TÜV SÜD must pay a top-up tax equal to the difference between the GloBE effective tax rate and the minimum tax rate of 15%. The Group is currently assessing the impact of Pillar 2 after the legislation becomes effective. Applying the safe harbor regime that is valid until 2026, TÜV SÜD assumes that the Group could be impacted in Qatar and the United Arab Emirates. Due to the complexity of applying the legislation and calculating the GloBE income, it is not yet possible to quantify the impact of the legislation reliably. On account of the specific adjustments provided for in the Pillar 2 legislation, it is also possible that no top-up tax will be payable in countries with an effective tax rate below 15%. Conversely, companies with an effective tax rate above 15% may be subject to Pillar 2 income tax. Overall, TÜV SÜD expects an insignificant increase in the current tax expense.

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13 / NON-CONTROLLING INTERESTS

Financial data of companies with significant non-controlling interests

≡ 32

	TÜV Technische Überwachung Hessen GmbH, Germany		TUV SUD Certification and Testing (China) Co, Ltd, China	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Non-controlling interest	**45.0%**	**45.0%**	**49.0%**	**49.0%**
In € million				
Non-current assets	116.4	141.4	69.0	66.4
Current assets	74.1	60.9	145.5	149.4
Non-current liabilities	29.0	35.2	16.4	18.0
Current liabilities	33.5	32.6	144.5	128.6
Net assets	**128.0**	**134.5**	**53.6**	**69.2**
Carrying amount of non-controlling interests	57.6	60.6	26.0	33.7
	2023	2022	2023	2022
Revenue	**186.3**	**172.1**	**274.3**	**259.8**
Net income for the year	16.6	12.2	21.0	21.2
Other comprehensive income	– 19.1	36.6	– 4.0	– 1.7
Total comprehensive income	**– 2.5**	**48.8**	**17.0**	**19.5**
Net income attributable to non-controlling interests	7.4	5.4	10.3	10.4
Other comprehensive income attributable to non-controlling interests	– 8.6	16.5	– 2.0	– 0.8
Dividends paid to non-controlling interests	1.2	1.1	16.0	5.8
Cash flow from operating activities	25.5	22.3	62.6	38.0
Cash flow from investing activities	– 6.2	– 5.7	– 28.1	– 15.2
Cash flow from financing activities	– 6.6	– 6.5	– 42.5	– 21.7
Net change in cash and cash equivalents	**12.7**	**10.1**	**– 8.0**	**1.1**

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Notes to the consolidated statement of financial position

14 / INTANGIBLE ASSETS

Development of intangible assets

≡ 33

In € million	Goodwill	Licenses and similar rights and customer relationships	Internally generated intangible assets	Other intangible assets	Advance payments and intangible assets under development	Total
Gross carrying amount as of January 1, 2023	**243.2**	**169.4**	**64.8**	**117.7**	**10.6**	**605.7**
Currency translation differences	–1.5	4.1	–0.4	–0.2	0.0	**2.0**
Changes in scope of consolidation	1.8	3.7	–0.4	–0.3	0.0	**4.8**
Additions from business combinations	3.2	2.6	0.0	0.0	0.0	**5.8**
Additions	0.0	0.2	2.2	7.1	5.5	**15.0**
Disposals	0.0	0.0	0.0	0.0	–3.0	**–3.0**
Reclassifications	0.0	0.0	1.7	0.5	–2.2	**0.0**
Gross carrying amount as of December 31, 2023	**246.7**	**180.0**	**67.9**	**124.8**	**10.9**	**630.3**
Accumulated amortization and impairment losses	–52.7	–135.6	–50.7	–104.0	–3.6	**–346.6**
Carrying amount as of December 31, 2023	**194.0**	**44.4**	**17.2**	**20.8**	**7.3**	**283.7**
Amortization and impairment losses in the financial year 2023	**–15.3**	**–8.3**	**–7.8**	**–10.3**	**–2.8**	**–44.5**
Gross carrying amount as of January 1, 2022	**237.0**	**155.5**	**58.9**	**100.4**	**9.0**	**560.8**
Currency translation differences	6.3	11.6	0.9	0.0	0.0	**18.8**
Changes in scope of consolidation	1.5	0.9	0.1	0.1	0.0	**2.6**
Additions	0.0	0.0	2.0	15.1	6.8	**23.9**
Disposals	–0.1	–0.1	0.0	–0.1	0.0	**–0.3**
Reclassifications	–1.5	1.5	2.9	2.2	–5.2	**–0.1**
Gross carrying amount as of December 31, 2022	**243.2**	**169.4**	**64.8**	**117.7**	**10.6**	**605.7**
Accumulated amortization and impairment losses	–37.4	–121.8	–42.5	–93.4	–4.6	**–299.7**
Carrying amount as of December 31, 2022	**205.8**	**47.6**	**22.3**	**24.3**	**6.0**	**306.0**
Amortization and impairment losses in the financial year 2022	**–0.1**	**–6.9**	**–9.2**	**–9.7**	**–0.5**	**–26.4**

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The carrying amounts of goodwill are principally allocated to the following groups of cash generating units:

Goodwill

≡ 34

In € million	Dec. 31, 2023	Dec. 31, 2022
Industry Service	92.5	90.2
Mobility	36.6	35.8
Product Service	34.7	35.5
Real Estate & Infrastructure	26.6	26.8
Business Assurance	3.6	17.5
Goodwill	**194.0**	**205.8**

Intangible assets acquired for a consideration primarily contain software and accreditations as well as values identified in the course of purchase price allocations, such as customer relationships, trademark rights, software and concessions.

Internally generated intangible assets essentially comprise software and development costs.

As of the reporting date, the carrying amount of concessions, accreditations and trademark rights with indefinite useful lives comes to € 7.4 million (prior year: € 15.2 million), of which € 2.3 million (prior year: € 10.1 million) relates to the group of CGUs Industry Service and € 5.1 million (prior year: € 5.1 million) to the group of CGUs Mobility.

In the course of the annual impairment test of intangible assets, impairment losses of € 2.8 million were recognized on advance payments on intangible assets and of € 1.7 million on concessions, customer relationships, brands and similar rights. In the prior year, impairment losses of € 1.7 million were recognized on internally generated intangible assets and of € 0.5 million on capitalized development costs. Of these impairment losses, € 2.8 million (prior year: € 1.2 million) is attributable to the CERTIFICATION Segment, € 1.0 million (prior year: € 0.0 million) to the INDUSTRY Segment and € 0.7 million (prior year: € 1.0 million) to the MOBILITY Segment.

Impairment losses of € 13.9 million were recognized for goodwill in the CERTIFICATION Segment and of € 1.4 million for goodwill in the MOBILITY Segment (prior year: € 0.1 million).

For the individual groups of CGUs to which goodwill is allocated, fair value less costs to sell was determined based on a discount rate of between 8.1% and 9.0% taking income taxes into account (prior year: between 7.4% and 8.3%). The sustainable growth rate stood at 1.5% for all CGUs (prior year: 1.0%).

For intangible assets with indefinite useful lives, fair value less costs to sell was determined based on a discount rate of 8.8% taking income taxes into account (prior year: 8.5%). The sustainable growth rate stood at 1.5% (prior year: 1.5%).

The fair value determination falls under level 3 of the fair value hierarchy for both goodwill and intangible assets with indefinite useful lives.

For the groups of CGUs to which significant goodwill is allocated and for intangible assets with indefinite useful lives, sensitivity analyses were carried out as part of the impairment test. This involved assessing the impact of a 10% decrease in cash flows underlying the calculation of the fair value less costs to sell or the value in use of the CGUs, an increase in the weighted average cost of capital by one percentage point and a decrease in the sustainable growth rate by one percentage point respectively. Based on these analyses, there is no significant impairment risk relating to goodwill and intangible assets with an indefinite useful life.

Research and development expenses of approximately € 26 million (prior year: approximately € 23 million) were recognized through profit or loss in the reporting year.

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15 / PROPERTY, PLANT AND EQUIPMENT

Development of property, plant and equipment

≡ 35

In € million	Land and buildings	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Gross carrying amount as of January 1, 2023	**592.1**	**352.9**	**359.1**	**56.8**	**1,360.9**
Currency translation differences	– 5.2	– 10.0	– 1.5	– 0.6	**– 17.3**
Changes in scope of consolidation	0.0	0.0	0.9	0.0	**0.9**
Additions from business combinations	0.5	0.0	1.2	0.0	**1.7**
Additions	29.7	33.3	40.8	61.7	**165.5**
Disposals	– 18.7	– 13.7	– 21.6	0.0	**– 54.0**
Reclassifications to "held for sale"	– 0.5	0.0	0.0	0.0	**– 0.5**
Reclassifications	29.5	10.8	7.3	– 48.8	**– 1.2**
Gross carrying amount as of December 31, 2023	**627.4**	**373.3**	**386.2**	**69.1**	**1,456.0**
Accumulated depreciation and impairment losses	– 298.9	– 219.1	– 260.1	0.0	**– 778.1**
Carrying amount as of December 31, 2023	**328.5**	**154.2**	**126.1**	**69.1**	**677.9**
Depreciation and impairment losses in the financial year 2023	**– 17.3**	**– 28.1**	**– 33.0**	**0.0**	**– 78.4**
Gross carrying amount as of January 1, 2022	**568.8**	**326.2**	**339.5**	**20.8**	**1,255.3**
Currency translation differences	2.7	– 0.5	0.4	– 0.1	**2.5**
Additions	10.1	29.9	32.3	55.9	**128.2**
Disposals	– 3.2	– 7.5	– 14.2	– 0.3	**– 25.2**
Reclassifications	13.7	4.8	1.1	– 19.5	**0.1**
Gross carrying amount as of December 31, 2022	**592.1**	**352.9**	**359.1**	**56.8**	**1,360.9**
Accumulated depreciation and impairment losses	– 295.8	– 208.5	– 248.9	0.0	**– 753.2**
Carrying amount as of December 31, 2022	**296.3**	**144.4**	**110.2**	**56.8**	**607.7**
Depreciation and impairment losses in the financial year 2022	**– 23.7**	**– 27.2**	**– 33.2**	**0.0**	**– 84.1**

Impairment losses to the lower fair value of € 3.9 million (prior year: € 11.5 million) were recognized. Of this amount, € 1.6 million (prior year: € 7.0 million) is attributable to land and buildings, € 2.0 million (prior year: € 2.5 million) to technical equipment and machinery and € 0.3 million (prior year: € 2.0 million) to other equipment, furniture and fixtures.

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16 / INVESTMENT PROPERTY

Development of investment property

≡ 36

In € million	2023	2022
Gross carrying amount as of January 1	**6.3**	**4.8**
Additions	0.0	1.7
Disposals	0.0	– 0.2
Reclassifications	1.2	0.0
Gross carrying amount as of December 31	**7.5**	**6.3**
Accumulated depreciation	– 2.0	– 1.9
Carrying amount as of December 31	**5.5**	**4.4**
Depreciation in the financial year	– 0.1	– 0.1

As of December 31, 2023, investment properties had a market value of € 12.1 million (prior year: € 10.7 million).

Measurement at fair value of the investment property is classified as level 3 in the fair value hierarchy. If current market data is not available, the fair value is calculated on the basis of a capitalized earnings method pursuant to the ImmoWertV ["Immobilienwertermittlungsverordnung": German Ordinance on the Valuation of Property] and derived from the standard land values as well as the expected rental income. Essential input factors in the valuation that are not directly observable on the market include property yield, which is significantly influenced by property location and type. The property yield used in the valuation stood at 3.20% (prior year: 2.75%).

17 / INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method

≡ 37

In € million	Dec. 31, 2023	Dec. 31, 2022
Investments in joint ventures	33.7	24.8
Investment in an associated company	3.0	3.0
Investments accounted for using the equity method	**36.7**	**27.8**

Joint ventures

TÜV SÜD holds 33.33% of the shares in each of the two Turkish companies TÜVTURK Güney Tasit Muayene Istasyonlari Yapim ve Isletim A.S. (TÜVTÜRK Güney), Istanbul, and TÜVTURK Kuzey Tasit Muayene Istasyonlari Yapim ve Isletim A.S. (TÜVTÜRK Kuzey), Istanbul. The other venturers of the companies are the Dogus Group, Istanbul, Türkiye, and Test A.S., Istanbul, Türkiye, a company from the Bridgepoint Group, London, UK, which each also hold one third of the shares. The joint arrangements are structured as separate vehicles. TÜV SÜD has a right to the net assets of the companies. As a result, the joint arrangements are classified as joint ventures and accounted for using the equity method. There are no quoted market prices for these companies.

In 2007, the TÜVTÜRK companies concluded a concession agreement with the Turkish government, governing the implementation of regular vehicle inspections throughout Türkiye. Using different contractual partners, the joint venture is the exclusive provider of vehicle inspections in Türkiye for the 20-year term of the contract. In 2023, 12.2 million (prior year: 11.2 million) vehicle inspections were performed, generating revenue of TRY 15,915.2 million or € 487.4 million (prior year: TRY 6,752.6 million or € 338.2 million).

Other joint ventures are ITV de Levante, S.A. (ITV Levante), Valencia, Spain, and TDB Kalibrasyon Hizmetleri A.S. (TDB Calibration), Istanbul, Türkiye, which are each accounted for using the equity method. In addition, until March 2023 TÜV SÜD DOGUS Ekspertiz ve Danismanlik Hizmetleri Ltd. Sti. (TÜV SÜD DOGUS), Istanbul, Türkiye, and until November 2023 Fleet-Company GmbH, Oberhaching, were accounted for as joint ventures using the equity method. There are no quoted market prices for any of the joint ventures.

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TÜV SÜD has held 50% of the shares in ITV Levante since 2016. The company was founded in 1998 and owned the concessions for three vehicle service stations in the Valencia region, which ran out on March 3, 2023. Since then the company has ceased operations.

As of March 17, 2023, TÜV SÜD AG sold its shareholding in TÜV SÜD DOGUS, which was reported under joint ventures in the prior year, to TDB Calibration, in which TÜV SÜD AG holds a 33.33% stake. Other shareholders are the Dogus Group and the Bridgepoint Group, each with 33.33%, similar to the structure at TÜVTÜRK. Consequently, since then TDB Calibration has been included in the consolidated financial statements using the equity method. The company offers all services related to vehicle testing equipment in Türkiye, such as calibration, evaluation, certification and maintenance.

On November 30, 2023, a sales agreement with several closing conditions was concluded for the remaining 26.35% of the shares in FleetCompany GmbH. Since then, the shares in FleetCompany GmbH have been reported as non-current assets held for sale in accordance with IFRS 5.

The following table summarizes the financial information for the joint ventures. The information presented for TÜVTÜRK's reporting year corresponds to the amounts in the preliminary consolidated financial statements, which were prepared in accordance with IFRSs and TÜV SÜD's accounting policies. For the other joint ventures, the amounts in the preliminary separate financial statements of ITV Levante and in the preliminary consolidated financial statements of TDB Calibration have been increased to the fair value.

Financial data of the joint ventures (100%)

≡ 38

	Consolidated financial statements TÜVTÜRK, Türkiye		Other joint ventures	
In € million	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Non-current assets	161.2	164.7	4.7	16.5
Current assets	58.2	33.7	5.7	46.2
thereof cash and cash equivalents	28.8	13.1	1.4	15.1
Non-current liabilities	64.2	87.7	5.6	5.2
thereof financial liabilities	6.7	6.0	0.7	4.8
Current liabilities	72.9	57.3	3.7	35.1
thereof financial liabilities	53.5	38.7	1.3	19.6
Net assets	**82.3**	**53.4**	**1.1**	**22.4**
	2023	2022	2023	2022
Revenue	487.4	338.2	9.0	43.6
Amortization and depreciation	–12.9	–10.4	–0.5	–2.2
Interest income	8.4	3.6	0.1	0.0
Interest expenses	–2.1	–0.2	–0.8	–0.1
Income taxes	–3.6	–9.5	0.5	–0.5
Net income/loss for the year	**60.7**	**30.2**	**–2.0**	**–8.9**
Other comprehensive income	–0.3	–2.1	0.0	0.0
Total comprehensive income	**60.4**	**28.1**	**–2.0**	**–8.9**
Dividends received	11.6	8.1	0.2	0.3

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The reconciliation of financial information to the respective carrying amount of the investment in the joint ventures is presented as follows:

Reconciliation to the carrying amount of TÜV SÜD's interest in the joint ventures ≡ 39

	Consolidated financial statements TÜVTÜRK, Türkiye		Other joint ventures	
In € million	2023	2022	2023	2022
Net assets (100%) as of January 1	**53.4**	**27.5**	**22.4**	**15.9**
Net assets from changes in participations/reclassifications	0.0	0.0	– 19.0	16.0
Total comprehensive income	60.4	28.1	– 2.0	– 8.9
Dividends paid	– 34.7	– 24.3	– 0.3	– 0.5
Currency translation differences and adjustments pursuant to IAS 29	3.2	22.1	0.0	– 0.1
Net assets (100%) as of December 31	**82.3**	**53.4**	**1.1**	**22.4**
Attributable to TÜV SÜD Group	27.5	17.8	1.5	7.8
Restructuring and consolidation effects	4.9	4.9	0.0	0.0
Group adjustments and impairment losses	0.0	0.0	– 0.2	– 5.7
Carrying amount as of December 31	**32.4**	**22.7**	**1.3**	**2.1**

There are unrecognized losses in connection with shares in other joint ventures of € 0.3 million.

18 / OTHER FINANCIAL ASSETS

Other financial assets ≡ 40

In € million	Dec. 31, 2023	Dec. 31, 2022
Investments in affiliated companies	4.8	7.8
Loans to affiliated companies	1.3	0.8
Loans to joint ventures	0.0	0.2
Other participations	3.1	2.8
Non-current securities	1.2	92.3
Share of policy reserve from employer's pension liability insurance	0.1	0.1
Other loans	1.9	2.0
Other financial assets	**12.4**	**106.0**

An amount of € 1.1 million (prior year: € 1.0 million) of the non-current securities is pledged under a trust agreement concluded to secure the value of the settlement claims for employees in the block model of the phased retirement scheme (Altersteilzeit).

19 / CONTRACT ASSETS

Contract assets ≡ 41

In € million	Dec. 31, 2023	Dec. 31, 2022
Contract assets (gross)	196.1	187.7
Project-related advance payments received	– 20.5	– 21.7
Valuation allowances on contract assets	– 10.7	– 10.7
Contract assets	**164.9**	**155.3**

€ 166.5 million (prior year: € 149.4 million) of the contract assets will be realized within one year. Of the contract assets with a term of longer than one year, € 4.5 million (prior year: € 4.1 million) is impaired and € 6.0 million (prior year: € 6.8 million) is secured by advance payments received.

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20 / TRADE RECEIVABLES

The maturity profile of trade receivables is as follows:

Maturity profile of trade receivables

≡ 42

In € million	Dec. 31, 2023	Dec. 31, 2022
Not due	266.1	251.1
Past due by up to 30 days	113.0	97.3
Past due by 31 to 60 days	32.0	27.4
Past due by 61 to 90 days	14.7	13.5
Past due by 91 to 180 days	20.6	18.3
Past due by 181 to 360 days	13.6	12.2
Past due by more than 360 days	19.8	19.3
Gross carrying amount	**479.8**	**439.1**
Valuation allowances	– 27.0	– 24.2
Net carrying amount	**452.8**	**414.9**

The development of valuation allowances on trade receivables is presented in note 34.

21 / OTHER ASSETS

Other assets

≡ 43

	Dec. 31, 2023		Dec. 31, 2022	
In € million	Non-current	Current	Non-current	Current
Securities	0.0	73.7	0.0	63.2
Time deposits	0.0	19.8	0.0	0.0
Security deposits	5.0	5.6	5.0	7.0
Receivables from participations	0.0	5.3	0.0	6.3
Receivables from other related parties	0.0	0.7	0.0	0.0
Receivables from affiliated companies	0.0	0.6	0.0	1.0
Fair values of derivative financial instruments	0.0	0.5	0.0	3.4
Miscellaneous financial assets	4.6	19.6	4.4	16.9
Other financial assets	**9.6**	**125.8**	**9.4**	**97.8**
Assets from overfunded pension plans	367.3	0.0	378.6	0.0
Prepaid expenses	0.0	16.3	0.0	12.9
Refund claims against insurance companies	0.0	6.3	0.0	7.8
Receivables from other taxes	0.0	1.6	0.0	1.8
Miscellaneous non-financial assets	2.0	9.7	2.4	15.3
Other non-financial assets	**369.3**	**33.9**	**381.0**	**37.8**
Other assets	**378.9**	**159.7**	**390.4**	**135.6**

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For more information on assets from overfunded pension plans, please refer to note 24 "Provisions for pensions and similar obligations".

Miscellaneous non-current financial assets include a receivable of € 1.4 million (prior year: € 1.4 million), which relates to the funds of the subsidiary TÜV SÜD BRASIL CONSULTORIA LTDA. (TÜV SÜD BRASIL), São Paulo, Brazil, which have been seized by the Brazilian authorities. A corresponding provision was recognized for this amount.

Further information on other financial assets can be found in note 33.

22 / NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

On November 30, 2023, TÜV SÜD signed an agreement to sell its shares in FleetCompany GmbH. The completion of the transaction is contingent on various closing conditions. The carrying amount of the equity investment previously accounted for using the equity method of € 0.0 million was reclassified accordingly pursuant to IFRS 5. The planned sale did not result in any additional impairment requirements over and above the existing provisions.

In addition, properties held for sale in the amount of € 0.1 million (prior year: € 0.0 million) were recognized as of the reporting date.

23 / EQUITY

The **capital subscribed** of TÜV SÜD AG is divided into 26,000,000 no-par value registered shares with restricted transferability with an imputed value of € 1.00 for each registered share.

The **capital reserve** mainly includes the premium for various capital increases carried out since 1996.

Revenue reserves contain the undistributed profits generated in the financial year and in the past by the entities included in the consolidated financial statements. Moreover, the revenue reserves record the offsetting of debit and credit differences resulting from capital consolidation for acquisitions prior to December 31, 2005, and the net amount of the adjustments recognized in other comprehensive income in connection with the first-time application of IFRSs. Furthermore, remeasurements of defined benefit pension plans recognized in other comprehensive income are allocated directly to revenue reserves, taking into account the related deferred taxes. This reflects the fact that these amounts will not be reclassified to the income statement in future periods.

Other reserves record the differences arising from the currency translation of foreign subsidiaries' separate financial statements, including the inflation adjustment pursuant to IAS 29 and the income and expenses recognized arising from investments accounted for using the equity method without effect on income. The effects from the fair value measurement without effect on income of financial instruments less the corresponding deferred taxes is also shown here.

The Group manages its capital with the aim of ensuring that all group companies are able to operate under the going concern assumption and achieving an adequate return in excess of the cost of capital in order to increase the value of the company in the long term. The Group's overall strategy has remained unchanged compared to 2022.

24 / PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The Group's post-employment benefits include both defined contribution and defined benefit plans. The legal basis for this is BetrAVG ["Betriebsrentengesetz": German Company Pension Act].

Defined contribution plans
In the case of defined contribution plans, the company pays contributions to state or private pension funds on a legal, contractual or voluntary basis. Ongoing premium payments (including contributions to state pension insurance) are stated as pension expenses for the respective year; in the financial year 2023, they totaled € 97.6 million (prior year: € 89.4 million). In Germany, all new pension commitments entered into are only defined contribution plans.

Defined benefit plans
Defined benefit plans comprise commitments for retirement, invalidity and surviving dependents' pensions. The Group's obligations vary according to legal, fiscal and economic framework conditions of the country concerned and are usually based on the length of employee service and level of remuneration.

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The pension commitments in Germany are integrated schemes similar to those for civil servants, against which the benefits from the state pension are offset. When the statutory pension rises, this relieves the burden on TÜV SÜD. When pension values fall, however, the obligation of TÜV SÜD increases. These integrated schemes were closed for new hires in 1981 and 1992.

Furthermore, pension obligations were granted temporarily in Germany in accordance with the "dual pension formula". The amount of the pension benefit is based on the qualifying length of service and the pensionable income; different percentage rates are applied to determine the benefit amount depending on whether the income is above or below the income threshold. These defined benefit plans were likewise closed in 1996.

In addition to this, there are defined benefit plans in Germany from company takeovers that are financed via pension funds in accordance with the demand coverage method.

There is a defined benefit pension plan in the UK based, among other things, on salary and on length of service. Eligible employees have to pay additional contributions which are agreed between the plan actuary, the trustee and the TÜV SÜD member employer. This pension plan has been closed for new hires.

In other countries, after termination of the employment relationship employees are entitled to annuity and severance payments, which are partly based on the statutory requirements.

Funding the pension plans

In Germany, new pension commitments are financed as defined contribution plans via the pension funds of Allianz and Alters- und Hinterbliebenen-Unterstützungskasse der Technischen Überwachungs-Vereine e. V.

In order to secure the pension entitlements from the defined benefit plans, there are legally separate funds in Germany and the UK that are structured as contractual trust agreements (CTAs). The transferred funds, which are managed in trust and used only for a specific purpose, are plan assets within the meaning of IAS 19 which are offset against pension obligations.

The German companies' plan assets are primarily managed by TÜV SÜD Pension Trust e. V., Munich, and TÜV Hessen Trust e. V., Darmstadt, and are irrevocably protected from recourse by the group companies. The plan assets are invested by professional investment managers in accordance with the policy specified by trustees. The objective is for the strategic allocation to be aligned with the pension obligation.

As of December 31, 2023, the plan assets comprise fixed-interest securities, real estate, alternative investments, derivatives, cash and cash equivalents and other assets.

Until the coverage shortfall was remedied, TÜV SÜD Pension Trust e. V. was funded such that the pension payments reimbursed by TÜV SÜD Pension Trust e. V. were recontributed to the CTA by the relevant domestic companies and additional funds were made available by the Board of Management of TÜV SÜD AG in the form of new allocations. As in the prior year, in the financial year 2023 the refunded pension payments were not recontributed due to the funding ratio.

In the case of domestic group companies that are not part of the contractual trust agreements, the pension obligations are funded from generated cash flows.

To fully fund the obligations, in the UK there is a company-based pension plan according to which the fund assets can only be used to settle the pension obligations. If, calculated in accordance with actuarial principles, there is a deficit in these pension plans, the member employer TÜV SÜD (UK) Ltd., Fareham, UK, and the trustee must agree on a financing plan that is renewed every three years and has to be presented to The Pension Regulator (TPR) for approval. To finance the deficit of around GBP 9.9 million determined at the end of 2019, the member employer agreed to make an annual contribution of GBP 2.2 million until January 2027 in addition to the regular employer's contribution. The results of the next actuarial review are currently being finalized and will then be submitted to the supervisory authority.

Because of the defined benefit plans, the TÜV SÜD Group is subject to duration risks, foreign currency risks, interest and credit spread risks, liquidity risks, investment risks for infrastructure projects and property market risks.

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The net obligation from defined benefit plans is determined from the balance of the present value of defined benefit obligations, the fair value of the plan assets and the adjustment due to the asset ceiling as of the reporting date. In line with the balance for the individual plans, this is recognized in the statement of financial position under the following items:

Recognition of the net defined benefit obligation in the statements of financial position

≡ 44

	Dec. 31, 2023			Dec. 31, 2022		
In € million	Germany	Other countries	Total	Germany	Other countries	Total
Defined benefit obligation	144.1	101.8	245.9	130.4	80.0	210.4
Fair value of plan assets	– 6.0	– 87.5	– 93.5	– 6.0	– 66.7	– 72.7
Provisions for pensions and similar obligations	**138.1**	**14.3**	**152.4**	**124.4**	**13.3**	**137.7**
Defined benefit obligation	1,378.0	3.0	1,381.0	1,334.0	20.2	1,354.2
Fair value of plan assets	– 1,744.9	– 3.4	– 1,748.3	– 1,711.7	– 21.8	– 1,733.5
Effects of the asset ceiling	0.0	0.0	0.0	0.0	0.7	0.7
Assets from overfunded pension plans (recognition under other non-current assets)	**– 366.9**	**– 0.4**	**– 367.3**	**– 377.7**	**– 0.9**	**– 378.6**
Defined benefit obligation	1,522.1	104.8	1,626.9	1,464.4	100.2	1,564.6
Fair value of plan assets	– 1,750.9	– 90.9	– 1,841.8	– 1,717.7	– 88.5	– 1,806.2
Effects of the asset ceiling	0.0	0.0	0.0	0.0	0.7	0.7
Net defined benefit obligation	**– 228.8**	**13.9**	**– 214.9**	**– 253.3**	**12.4**	**– 240.9**

The funded status and the development compared to prior years are presented below:

Development of funded status

≡ 45

In € million	2023	2022	2021	2020	2019
Defined benefit obligation	1,626.9	1,564.6	2,187.9	2,308.2	2,256.3
Fair value of plan assets	– 1,841.8	– 1,806.2	– 2,003.2	– 1,822.2	– 1,707.5
Effects of the asset ceiling	0.0	0.7	0.0	0.0	0.0
Funded status as of December 31	**– 214.9**	**– 240.9**	**184.7**	**486.0**	**548.8**

In the financial year 2024, the Group intends to make payments of € 5.3 million to plans that are not yet fully funded. An amount of € 4.9 million was contributed to plan assets in the financial year 2023.

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Change in net defined benefit obligation

Development of defined benefit obligation

≡ 46

In € million	2023			2022		
	Germany	Other countries	Total	Germany	Other countries	Total
Defined benefit obligation as of January 1	**1,464.4**	**100.2**	**1,564.6**	**2,042.7**	**145.2**	**2,187.9**
Current service cost	13.4	2.8	16.2	23.1	2.8	25.9
Interest cost	52.4	4.1	56.5	21.8	2.4	24.2
Benefits paid	–80.7	–8.0	–88.7	–79.7	–3.8	–83.5
Contributions by the beneficiaries	0.0	0.5	0.5	0.0	0.5	0.5
Gains (–)/losses (+) from remeasurements						
Actuarial gains and losses from demographic assumptions	0.0	–1.3	–1.3	0.0	–1.5	–1.5
Actuarial gains and losses from financial assumptions	80.5	4.4	84.9	–548.7	–49.1	–597.8
Actuarial gains and losses from experience adjustments	–7.7	0.4	–7.3	5.2	7.3	12.5
Changes in scope of consolidation	–0.2	0.0	–0.2	0.0	0.0	0.0
Currency translation differences and other	0.0	1.7	1.7	0.0	–3.6	–3.6
Defined benefit obligation as of December 31	**1,522.1**	**104.8**	**1,626.9**	**1,464.4**	**100.2**	**1,564.6**
thereof unfunded	111.3	10.4	121.7	100.2	9.8	110.0
thereof partially funded	1,410.8	94.4	1,505.2	1,364.2	90.4	1,454.6

Around 66% (prior year: 65%) of the defined benefit obligation is allocable to pensioners, and 34% (prior year: 35%) to active employees and vested beneficiaries. The weighted average duration of the obligations is 12.4 years (prior year: 12.3 years).

The main factor influencing the development of the defined benefit obligation is the underlying discount rate, which in Germany declined by 0.5 base points from 3.7% to 3.2% in a year-on-year comparison and resulted in actuarial losses from financial assumptions of € 83.2 million (prior year: gains of € 614.3 million) in the financial year. In the prior year in Germany actuarial losses of € 65.6 million on account of the rise in future salary and pension increases had an opposite effect. Due to the development of the capital markets, the discount rate in the UK also declined by 0.25 base points to 4.55% with resulting actuarial losses of € 2.4 million (prior year: gains of € 41.4 million).

Pension payments totaling € 88.2 million are expected for the financial year 2024. Of this amount, € 83.8 million, will be funded from plan assets.

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Development of plan assets

≡ 47

	2023			2022		
In € million	Germany	Other countries	Total	Germany	Other countries	Total
Fair value of plan assets as of January 1	**1,717.7**	**88.5**	**1,806.2**	**1,875.8**	**127.4**	**2,003.2**
Interest income	62.1	3.9	66.0	20.8	2.2	23.0
Gains (+)/losses (–) from remeasurements						
Return (+)/losses (–) on plan assets excluding interest income	47.6	– 1.0	46.6	– 135.4	– 40.0	– 175.4
Contributions by the employer	1.0	3.9	4.9	31.6	4.8	36.4
Contributions by the beneficiaries	0.0	0.5	0.5	0.0	0.5	0.5
Benefits paid	– 77.5	– 7.1	– 84.6	– 74.1	– 3.0	– 77.1
Currency translation differences and other	0.0	2.2	2.2	– 1.0	– 3.4	– 4.4
Fair value of plan assets as of December 31	**1,750.9**	**90.9**	**1,841.8**	**1,717.7**	**88.5**	**1,806.2**
Actual return (+)/losses (–) on plan assets	109.7	2.9	112.6	– 114.6	– 37.8	– 152.4

The net defined benefit obligation thus changed as follows:

Development of the net defined benefit obligation

≡ 48

	2023			2022		
In € million	Germany	Other countries	Total	Germany	Other countries	Total
Net defined benefit obligation as of January 1	**– 253.3**	**12.4**	**– 240.9**	**166.9**	**17.8**	**184.7**
Current service cost	13.4	2.8	16.2	23.1	2.8	25.9
Net interest cost	– 9.7	0.2	– 9.5	1.0	0.2	1.2
Contributions by the employer	– 1.0	– 3.9	– 4.9	– 31.6	– 4.8	– 36.4
Benefits paid	– 3.2	– 0.9	– 4.1	– 5.6	– 0.8	– 6.4
Gains (–)/losses (+) from remeasurements						
Actuarial gains and losses from demographic assumptions	0.0	– 1.3	– 1.3	0.0	– 1.5	– 1.5
Actuarial gains and losses from financial assumptions	80.5	4.4	84.9	– 548.7	– 49.1	– 597.8
Actuarial gains and losses from experience adjustments	– 7.7	0.4	– 7.3	5.2	7.3	12.5
Return (–)/losses (+) on plan assets excluding interest income	– 47.6	1.0	– 46.6	135.4	40.0	175.4
Change of the effects of the asset ceiling	0.0	– 0.7	– 0.7	0.0	0.7	0.7
Changes in scope of consolidation	– 0.2	0.0	– 0.2	0.0	0.0	0.0
Currency translation differences and other	0.0	– 0.5	– 0.5	1.0	– 0.2	0.8
Net defined benefit obligation as of December 31	**– 228.8**	**13.9**	**– 214.9**	**– 253.3**	**12.4**	**– 240.9**

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Plan assets

Composition of plan assets

≡ 49

In € million	Dec. 31, 2023	Dec. 31, 2022
Shares (prior to hedging)	0.0	331.1
Fixed-interest securities	968.7	562.8
Share in investment company for infrastructure projects and private debt funds	474.1	423.5
Real estate and similar assets – used by third parties or under construction	302.7	366.2
Other (including cash and cash equivalents)	96.3	122.6
Fair value of plan assets	**1,841.8**	**1,806.2**

All fixed-interest securities are traded at the prices quoted on active markets.

The investment strategy for plan assets aims to ensure that future obligations from pension commitments can be satisfied in a timely and complete manner. This is based on the increase in the obligations adjusted for current service cost and pension payments. The investment strategy also accounts for a controlled downside risk (lower probability of a significant decline in the funding ratio). The resulting target allocation includes an optimized risk return profile, taking into account the interdependency of plan assets and obligations.

The risks for plan assets mainly stem from the investments in PT Alternatives SICAV-FIS S.A. Among others, these include interest and credit spread risks which, however, run counter to changes in the pension obligations. Most of the foreign currency risks relating to investments in fixed-interest securities are hedged in full. Investments in infrastructure and private debt are subject to risks in the form of illiquidity, among other things. The investments in Alters- und Hinterbliebenen-Versicherung der Technischen Überwachungs-Vereine -VvaG- ["AHV", an old-age and surviving dependents pensions fund for technical inspection associations] also entail interest, credit spread and share price risks. Investments in real estate involve technical risks (maintenance) and economic risks (rental price changes for new lets, level of occupancy).

Risk management takes a holistic approach, taking into account the development of plan assets and pension obligations. The main risk relates to a deterioration in the funded status on account of negative developments of the defined benefit obligations and/or plan assets. Risk management is based on the securities in Oktagon Fund I, which are managed using a cash flow-driven investment (CDI) and a liability-driven investment (LDI) strategy. The securities investments of the LDI strategy essentially replicate the structure of the defined benefit obligations, also with the help of derivatives, and move in such a way that the changes in value on the investment side largely correspond to the changes in value on the liabilities side. This should keep the coverage ratio stable. The CDI strategy replicates the pension payments for the next 20 years by setting the maturities and thus the corresponding liquidity to the payment date of the pension reimbursements by TÜV SÜD Pension Trust e.V.

Defined benefit obligation

Actuarial assumptions for determining the defined benefit obligation

≡ 50

	Dec. 31, 2023		Dec. 31, 2022	
In %	Germany	Other countries	Germany	Other countries
Discount rate	3.20	3.77	3.70	4.15
Salary increase rate	2.75	2.47	2.75	2.32
Pension increase rate	2.20	2.35	2.20	2.38

The actuarial assumptions have been continuously derived in accordance with uniform principles compared to the prior year and set out for each country depending on the respective economic circumstances.

The discount rate in Germany is calculated in accordance with the RATE:Link model developed by Willis Towers Watson Deutschland GmbH, Wiesbaden, for the measurement of defined benefit obligations. The Bloomberg Barclays Classification System (BCLASS) is used to determine the portfolio of high-value corporate bonds that is decisive for fixing the interest rate.

Adjustment for forecast long-term inflation is taken into account in the development of salary and pension increase rates.

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As far as life expectancy is concerned, the mortality tables 2018 G from HEUBECK-RICHTTAFELN-GmbH have been applied in Germany since 2018. Outside Germany, the customary mortality tables for the respective country are used.

A change in the aforementioned assumptions used to determine the defined benefit obligation as of December 31, 2023 would lead to a corresponding change in this figure. The respective effects from such a change in measurement are presented on the assumption that all other parameters remain constant.

Sensitivity analyses

≡ 51

In € million	Defined benefit obligation as of December 31, 2023		Defined benefit obligation as of December 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% variation)	– 93.9	103.9	– 88.8	98.1
Salary increase rate (0.5% variation)	14.0	– 13.4	15.1	– 13.6
Pension increase rate (0.5% variation)	85.4	– 82.4	82.6	– 75.8
Life expectancy (5.3% increase for all persons[1])	91.4	–	82.8	–

1 This translates into a one-year increase in life expectancy for a currently 65-year-old man.

Net pension expense

The assumptions made to calculate the defined benefit obligation as of the respective measurement date (December 31) apply to both the calculation of the interest cost and the current service cost as well as to the interest income on plan assets in the following financial year. The assumptions used to calculate the pension expenses for the financial year 2023 were therefore already defined as of the reporting date December 31, 2022.

The key assumptions in calculating pension expenses are presented in the following overview:

Actuarial assumptions for determining pension expenses

≡ 52

In %	2023		2022	
	Germany	Other countries	Germany	Other countries
Discount rate	3.70	4.15	1.10	1.68
Salary increase rate	2.75	2.32	2.25	1.93
Pension increase rate	2.20	2.38	2.00	2.70

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The expenses for defined benefit plans recognized in total comprehensive income for the financial years 2023 and 2022 break down as follows:

Expenses (+)/income (–) recognized for defined benefit plans in total comprehensive income ≡ 53

In € million	2023			2022		
	Germany	Other countries	Total	Germany	Other countries	Total
Current service cost	13.4	2.8	16.2	23.1	2.8	25.9
Net interest cost	– 9.7	0.2	– 9.5	1.0	0.2	1.2
Expenses for defined benefit plans recognized in the consolidated income statement	**3.7**	**3.0**	**6.7**	**24.1**	**3.0**	**27.1**
Return (–)/losses (+) on plan assets excluding interest income	– 47.6	1.0	– 46.6	135.4	40.0	175.4
Gains (–)/losses (+) from remeasurements of the defined benefit obligation	72.8	3.5	76.3	– 543.5	– 43.3	– 586.8
Change of the effects of the asset ceiling	0.0	– 0.7	– 0.7	0.0	0.7	0.7
Remeasurements of defined benefit plans recognized in other comprehensive income	**25.2**	**3.8**	**29.0**	**– 408.1**	**– 2.6**	**– 410.7**
Expenses recognized for defined benefit plans in total comprehensive income	**28.9**	**6.8**	**35.7**	**– 384.0**	**0.4**	**– 383.6**

25 / OTHER PROVISIONS

Development of other provisions ≡ 54

In € million	Personnel provisions	Litigation, damages and similar obligations	Restructuring provisions	Miscellaneous provisions	Total
Balance as of January 1, 2023	**149.2**	**68.6**	**10.7**	**27.1**	**255.6**
thereof non-current	**26.1**	**52.6**	**0.0**	**8.3**	**87.0**
Currency translation differences	– 1.7	– 0.1	0.0	– 0.2	**– 2.0**
Changes in scope of consolidation	– 0.1	– 1.5	0.0	0.0	**– 1.6**
Additions	142.7	33.4	4.3	6.2	**186.6**
Utilization	– 110.0	– 7.0	– 0.1	– 1.7	**– 118.8**
Reversals	– 7.0	– 31.7	0.0	– 5.4	**– 44.1**
Interest effect	0.9	0.0	0.0	0.0	**0.9**
Balance as of December 31, 2023	**174.0**	**61.7**	**14.9**	**26.0**	**276.6**
thereof non-current	**27.4**	**43.2**	**0.0**	**9.0**	**79.6**

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Personnel provisions mainly pertain to variable remuneration for staff and management including associated social security contributions, obligations arising from the agreements under the German phased retirement scheme, medical benefits, long-service bonuses and severance payments.

Provisions for litigation costs, damages and similar obligations largely include legal defense costs and other provisions in connection with the dam collapse in Brazil, which are counterbalanced by contingent assets from insurance benefits in the single-digit million euro range. Please refer to the comments in note 32 “Pending and imminent legal proceedings”.

Overall, obligations are counterbalanced by reimbursement claims from insurance companies amounting to € 6.3 million (prior year: € 7.8 million), which were recognized as current assets.

The restructuring provisions primarily relate to adopted and announced restructuring measures in the INDUSTRY and the CERTIFICATION Segments.

26 / FINANCIAL DEBT

Financial debt

≡ 55

	Dec. 31, 2023		Dec. 31, 2022	
In € million	Non-current	Current	Non-current	Current
Liabilities to banks	7.6	0.3	0.0	0.1
Cash pool liabilities to other related parties	0.0	0.3	0.0	0.3
Loan liabilities to third parties	1.4	0.0	2.2	0.0
Financial debt	**9.0**	**0.6**	**2.2**	**0.4**

27 / CONTRACT LIABILITIES

As of December 31, 2023, contract liabilities amount to € 190.7 million (prior year: € 175.5 million) and contain advance payments received of € 78.4 million (prior year: € 76.7 million). Of these liabilities, € 76.2 million (prior year: € 74.0 million) will be settled within one year.

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28 / OTHER LIABILITIES

Other liabilities

≡ 56

	Dec. 31, 2023		Dec. 31, 2022	
In € million	Non-current	Current	Non-current	Current
Outstanding invoices	0.0	64.6	0.0	57.2
Liabilities to employees	0.0	6.5	0.0	6.3
Purchase price liabilities	0.1	4.7	0.1	5.1
Liabilities to participations	0.0	1.8	0.0	2.1
Fair values of derivative financial instruments	0.0	1.0	0.0	0.6
Liabilities to affiliated companies	0.0	0.1	0.0	0.1
Miscellaneous financial liabilities	0.8	20.2	0.4	18.8
Other financial liabilities	**0.9**	**98.9**	**0.5**	**90.2**
Vacation claims, flexitime and overtime credits	0.0	49.1	0.0	47.4
Other taxes	0.0	47.2	0.0	47.2
Deferred income	0.0	14.5	0.0	15.2
Social security liabilities	0.0	7.1	0.0	6.8
Miscellaneous non-financial liabilities	0.0	20.7	0.0	18.2
Other non-financial liabilities	**0.0**	**138.6**	**0.0**	**134.8**
Other liabilities	**0.9**	**237.5**	**0.5**	**225.0**

Further information on other financial liabilities can be found in note 33.

29 / LEASES

As a lessee, TÜV SÜD rents real estate, mainly test centers, testing facilities and office buildings. The lease conditions of these agreements are negotiated on an individual basis and contain a range of differing conditions. These primarily include options to extend and terminate leases. These contractual arrangements are designed to give TÜV SÜD maximum flexibility in its contract portfolio. Several lease agreements provide for additional rent payments based on changes to local price indices.

Lease agreements for other equipment largely relate to leases for vehicles, which have been concluded over a fixed term of three to five years.

The Group rents IT equipment with contractual terms of three and four years. These lease agreements are based on low-value assets. As the Group applies the exemption under IFRS 16, neither a right-of-use asset nor a lease liability is recognized for these agreements.

The following table illustrates the changes during the reporting period and the respective carrying amounts of the right-of-use assets:

Right-of-use assets

≡ 57

In € million	2023			2022		
	Additions	Depreciation and impairment losses	Carrying amount as of December 31	Additions	Depreciation and impairment losses	Carrying amount as of December 31
Land and buildings	73.1	58.6	404.7	65.7	57.2	397.4
Technical equipment and machinery	0.2	0.4	1.4	1.3	0.3	1.6
Other equipment, furniture and fixtures	31.0	16.7	36.1	16.5	15.0	22.9
Total	**104.3**	**75.7**	**442.2**	**83.5**	**72.5**	**421.9**

As of the reporting date, the right-of-use assets are counterbalanced by the following lease liabilities:

Lease liabilities

≡ 58

In € million	Dec. 31, 2023	Dec. 31, 2022
Non-current lease liabilities	388.8	371.1
Current lease liabilities	69.8	63.0
Carrying amount of the lease liabilities	**458.6**	**434.1**

The maturity analysis of undiscounted lease liabilities is presented in note 34 "Financial risks".

Possible future cash outflows of € 28.6 million (prior year: € 17.2 million) were not included in the lease liabilities as it is not reasonably certain that the agreements will be extended. Leases into which the Group has entered into as a lessee, but which have not yet commenced, result in possible future cash outflows of € 14.9 million (prior year: € 18.8 million).

In 2023, payments for leases recognized pursuant to IFRS 16 amounted to € 82.9 million (prior year: € 77.4 million). The non-cash increases of lease liabilities (additions, interest, disposals, currency translation effects) amounted to € 107.4 million (prior year: € 98.1 million).

The following amounts were recognized in the income statement in the reporting period in connection with leases:

Lease expenses with effect on income

≡ 59

In € million	2023	2022
Depreciation and impairment losses of right-of-use assets	75.7	72.5
Interest expenses from lease liabilities	11.6	9.5
Expenses for short-term leases	8.6	7.3
Expenses for leases of low-value assets	3.3	2.4

30 / CONTINGENT ASSETS AND LIABILITIES

There are contingent assets from insurance benefits for expenses in 2023 in the single-digit million euro range. The contingent assets for expenses in 2022 disclosed in a similar amount in the prior year were collected and recognized with effect on income in the reporting year.

The table below presents the contingent liabilities for which the main debtor is not a consolidated entity:

Contingent liabilities

≡ 60

In € million	Dec. 31, 2023	Dec. 31, 2022
Guarantee obligations	46.9	46.5
Contingent liabilities arising from litigation risks	0.5	0.5
Miscellaneous contingent liabilities	0.2	0.2
Contingent liabilities	**47.6**	**47.2**

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The guarantee obligations include a guarantee issued for T.P.S. Benefits Scheme Ltd., Fareham, UK. The guarantee reduces the insurance fees charged by the Pension Protection Fund, Surrey, UK, which the UK companies participating in T.P.S. Benefits Scheme Ltd. would otherwise have to pay annually.

The obligations were entered into for current business transactions where no utilization is to be expected based on the assessment of the current business situation.

As in the prior year, there are guarantee obligations of € 5.1 million for a joint venture.

Apart from the contingent liabilities reported, the entities of TÜV SÜD Group have assumed joint and several liability in relation to interests in civil law associations, other partnerships and joint ventures.

Please refer to note 32 for information on the contingent liabilities in association with pending and imminent legal proceedings.

31 / OTHER FINANCIAL OBLIGATIONS

There are other financial obligations in an amount of € 18.0 million (prior year: € 15.6 million) and these largely relate to service and maintenance agreements.

32 / PENDING AND IMMINENT LEGAL PROCEEDINGS

On January 25, 2019, the tailings dam of a retention basin for an iron ore mine belonging to mining company Vale S.A., Rio de Janeiro, Brazil, close to the village of Brumadinho, Brazil, collapsed. The dam's stability had been certified by TÜV SÜD BRASIL in September 2018. After the accident, Vale S.A., who as the operator of the dam is responsible for operational safety, referred to external appraisals, including that issued by TÜV SÜD BRASIL on the safety of the dam.

Lawsuits claiming damages against TÜV SÜD have been filed in connection with the certificate of stability issued in 2018. There are also potential penalties for administrative offenses. Scenarios have been rolled forward from the prior year on the basis of the information available at present in order to realistically estimate the exposure. However, as the factors of influence to be considered in a legal dispute are multi-faceted, the actual exposure and the expected duration of the proceedings may deviate from these estimates.

For further liability risks, the management of TÜV SÜD estimates the likelihood of a utilization as possible; a contingent liability is therefore in place for this.

Other disclosures on the estimates in respect of the financial implications and disclosures on uncertainty regarding the amount or maturity of amounts of the provisions and contingent liabilities have not been made in this regard pursuant to IAS 37.92 so as not to compromise the findings of potential proceedings and the Group's interests.

Should the outcome of the legal proceedings find to the detriment of TÜV SÜD, this may result in substantial damage payments and other payments that could have a significant negative impact upon the Group's financial performance and position and its reputation. The ability of the Brazilian subsidiary TÜV SÜD BRASIL and its direct shareholder TÜV SÜD SFDK Laboratório de Análise de Produtos Ltda., São Paulo, Brazil, to continue as a going concern is jeopardized should these companies be held liable for the dam collapse in Brazil and no further financial support were to be provided by the shareholders.

Apart from this, TÜV SÜD AG and its subsidiaries are not involved in any litigation which could have a material impact on the economic or financial situation of the individual entities or the Group as a whole.

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Other notes

33 / ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The Group holds the following financial instruments:

Carrying amounts by measurement category pursuant to IFRS 9

≡ 61

In € million	Dec. 31, 2023	Dec. 31, 2022
Debt instruments at amortized cost (AC assets)	677.6	829.2
Debt instruments at fair value through other comprehensive income (FVOCI (DI))	4.1	95.3
Financial assets at fair value through profit or loss (FVTPL)	437.3	61.3
Equity instruments at fair value through other comprehensive income (FVOCI (EI))	5.3	5.1
Financial assets	**1,124.3**	**990.9**
Financial liabilities measured at amortized cost (AC liabilities)	205.5	185.6
Financial liabilities at fair value through profit or loss (FVTPL)	5.8	5.8
Financial liabilities	**211.3**	**191.4**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by classes of financial instruments, including their levels in the fair value hierarchy. They do not contain any information on the fair value of financial assets and financial liabilities that are not measured at fair value if the carrying amount represents a reasonable approximation of the fair value. Non-financial assets and liabilities that do not fall under the scope of application of IFRS 9 are not reported here. A reconciliation with the statement of financial position item is therefore not possible. ≡ 62/63

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Carrying amounts and fair values of financial instruments as of December 31, 2023

≡ 62

In € million	Measurement category pursuant to IFRS 9	Carrying amount	Fair value	Fair value hierarchy: thereof level 1	thereof level 2	thereof level 3
Other financial assets		**7.5**	**7.5**	**1.2**	**3.2**	**3.1**
Loans	AC assets	3.2	3.2		3.2	
Participations	FVOCI (EI)	3.1	3.1			3.1
Non-current securities	FVOCI (DI)	0.1	0.1	0.1		
Non-current securities	FVOCI (EI)	1.1	1.1	1.1		
Other non-current assets		**9.6**	**9.6**	**0.0**	**9.6**	**0.0**
Other non-current assets	AC assets	9.6	9.6		9.6	
Non-current assets		**17.1**	**17.1**	**1.2**	**12.8**	**3.1**
Trade receivables[1]	AC assets	**452.8**				
Other current assets		**125.8**	**74.2**	**69.7**	**4.5**	**0.0**
Receivables from participations[1]	AC assets	5.9				
Security deposits[1]	AC assets	5.6				
Miscellaneous receivables[1]	AC assets	19.6				
Derivatives	FVTPL	0.5	0.5		0.5	
Securities	FVOCI (EI)	1.1	1.1	1.1		
Securities	FVOCI (DI)	4.0	4.0		4.0	
Securities	FVTPL	68.6	68.6	68.6		
Other loans[1]	AC assets	0.7				
Time deposits[1]	AC assets	19.8				
Cash and cash equivalents	AC assets	**528.6**	**368.2**	**368.2**	**0.0**	**0.0**
Money market funds	FVTPL	368.2	368.2	368.2		
Bank balances[1]	AC assets	160.4				
Current assets		**1,107.2**	**442.4**	**437.9**	**4.5**	**0.0**
Total financial assets		**1,124.3**	**459.5**	**439.1**	**17.3**	**3.1**
Non-current financial debt		**9.0**	**10.2**	**0.0**	**10.2**	**0.0**
Liabilities to banks	AC liabilities	7.6	8.8		8.8	
Other loan liabilities	AC liabilities	1.4	1.4		1.4	
Other non-current liabilities		**0.9**	**0.9**	**0.0**	**0.8**	**0.1**
Other non-current liabilities	AC liabilities	0.8	0.8		0.8	
Purchase price liabilities	FVTPL	0.1	0.1			0.1
Non-current liabilities		**9.9**	**11.1**	**0.0**	**11.0**	**0.1**
Current financial debt		**0.6**	**0.0**	**0.0**	**0.0**	**0.0**
Liabilities to banks[1]	AC liabilities	0.3				
Other interest-bearing liabilities[1]	AC liabilities	0.3				
Trade payables[1]	AC liabilities	**101.9**				
Other current liabilities		**98.9**	**5.7**	**0.0**	**1.0**	**4.7**
Outstanding invoices[1]	AC liabilities	64.6				
Liabilities to participations[1]	AC liabilities	1.9				
Derivatives	FVTPL	1.0	1.0		1.0	
Security deposits[1]	AC liabilities	0.1				
Other non-interest bearing liabilities[1]	AC liabilities	26.6				
Purchase price liabilities	FVTPL	4.7	4.7			4.7
Current liabilities		**201.4**	**5.7**	**0.0**	**1.0**	**4.7**
Total financial liabilities		**211.3**	**16.8**	**0.0**	**12.0**	**4.8**

1 Owing to the maturities of the financial instruments in these categories, the carrying amount approximates the fair value.

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Carrying amounts and fair values of financial instruments as of December 31, 2022

≡ 63

In € million	Measurement category pursuant to IFRS 9	Carrying amount	Fair value	Fair value hierarchy: thereof level 1	Fair value hierarchy: thereof level 2	Fair value hierarchy: thereof level 3
Other financial assets		**98.1**	**98.2**	**92.3**	**3.1**	**2.8**
Loans	AC assets	3.0	3.1		3.1	
Participations	FVOCI (EI)	2.8	2.8			2.8
Non-current securities	FVOCI (DI)	91.3	91.3	91.3		
Non-current securities	FVOCI (EI)	1.0	1.0	1.0		
Other non-current assets		**9.4**	**9.4**	**0.0**	**9.4**	**0.0**
Other non-current assets	AC assets	9.4	9.4		9.4	
Non-current assets		**107.5**	**107.6**	**92.3**	**12.5**	**2.8**
Trade receivables[1]	AC assets	**414.9**				
Other current assets		**97.8**	**66.6**	**59.2**	**7.4**	**0.0**
Receivables from participations[1]	AC assets	7.3				
Security deposits[1]	AC assets	7.0				
Miscellaneous receivables[1]	AC assets	16.9				
Derivatives	FVTPL	3.4	3.4		3.4	
Securities	FVOCI (EI)	1.3	1.3	1.3		
Securities	FVOCI (DI)	4.0	4.0		4.0	
Securities	FVTPL	57.9	57.9	57.9		
Cash and cash equivalents[1]	AC assets	**370.7**				
Current assets		**883.4**	**66.6**	**59.2**	**7.4**	**0.0**
Total financial assets		**990.9**	**174.2**	**151.5**	**19.9**	**2.8**
Non-current financial debt		**2.2**	**2.1**	**0.0**	**2.1**	**0.0**
Other loan liabilities	AC liabilities	2.2	2.1		2.1	
Other non-current liabilities		**0.5**	**0.5**	**0.0**	**0.4**	**0.1**
Other non-current liabilities	AC liabilities	0.4	0.4		0.4	
Purchase price liabilities	FVTPL	0.1	0.1			0.1
Non-current liabilities		**2.7**	**2.6**	**0.0**	**2.5**	**0.1**
Current financial debt		**0.4**	**0.0**	**0.0**	**0.0**	**0.0**
Liabilities to banks[1]	AC liabilities	0.1				
Other interest-bearing liabilities[1]	AC liabilities	0.3				
Trade payables[1]	AC liabilities	**98.1**				
Other current liabilities		**90.2**	**5.7**	**0.0**	**0.6**	**5.1**
Outstanding invoices[1]	AC liabilities	57.2				
Liabilities to participations[1]	AC liabilities	2.2				
Derivatives	FVTPL	0.6	0.6		0.6	
Security deposits[1]	AC liabilities	0.1				
Other non-interest bearing liabilities[1]	AC liabilities	25.0				
Purchase price liabilities	FVTPL	5.1	5.1			5.1
Current liabilities		**188.7**	**5.7**	**0.0**	**0.6**	**5.1**
Total financial liabilities		**191.4**	**8.3**	**0.0**	**3.1**	**5.2**

1 Owing to the maturities of the financial instruments in these categories, the carrying amount approximates the fair value.

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There were no reclassifications to or from another level of the fair value hierarchy in the current financial year.

Forward exchange transactions are measured on an individual basis using the respective forward rate on the reporting date. This is based on the spot rate, taking into consideration forward premiums and discounts. The fair values of interest derivatives are determined by discounting future cash inflows and outflows taking into account foreign currency translation as of the reporting date. Discounting takes place at market interest rates, which are applied over the residual term of the instruments.

The following table shows the development of financial instruments measured at fair value assigned to level 3:

Reconciliation of financial instruments in level 3

≡ 64

	Purchase price receivables		Purchase price liabilities	
In € million	2023	2022	2023	2022
Net balance as of January 1	**0.0**	**0.0**	**5.2**	**5.2**
Currency translation differences	0.0	0.0	– 0.6	0.0
Additions	0.0	0.0	0.2	0.0
Changes recognized with an effect on income	0.6	1.2	0.0	0.0
Changes recognized with an effect on cash and cash equivalents	– 0.6	– 1.2	0.0	0.0
Net balance as of December 31	**0.0**	**0.0**	**4.8**	**5.2**

There was no significant change in the fair value of participations in the financial year.

The net gains and losses with effect on income on the financial instruments by measurement category were:

Net gains and losses by measurement category pursuant to IFRS 9

≡ 65

In € million	2023	2022
Debt instruments at amortized cost	– 2.9	– 6.8
Debt instruments at fair value through other comprehensive income	3.6	– 0.2
Financial assets/liabilities at fair value through profit or loss	0.6	– 1.9
Equity instruments at fair value through other comprehensive income	0.8	0.9
Financial liabilities at amortized cost	0.4	– 0.1

The net gains and losses are mainly attributable to effects from impairment losses, currency hedging and currency translation as well as measurement results from other derivatives.

Dividend income from other participations totals € 0.3 million (prior year: € 0.4 million).

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34 / FINANCIAL RISKS

The TÜV SÜD Group faces financial risks in the form of credit risks, liquidity risks and market risks. The principles of risk management are defined by TÜV SÜD's internal finance policy as well as numerous binding strategies and guidelines and are discussed in more detail in the management report.

Credit risks (default risks) exist with regard to the operating business as well as to financial assets and derivative financial instruments. Depending on the nature and extent of the respective transaction, risk-mitigating measures must be taken for all transactions relating to the operating business. These include obtaining collateral, credit ratings or track records of prior business relations, particularly payment behavior. Recognizable risks are taken into account through appropriate valuation allowances on receivables that are based on objective indications in individual cases, or the maturity profile and actual default history.

Bank balances are held solely at banks with excellent credit ratings. In addition, maximum investment limits are set for investment funds at various banks based on their credit rating in order to avoid cluster risks.

The risk of default on securities is minimized by a high degree of diversity in the investment strategy. Moreover, only securities with an investment grade credit rating are purchased. The TÜV SÜD Group did not record any default on securities in the reporting year. Derivative financial instruments are only concluded with partners that have an investment grade rating and where a breach of contractual obligations is thus not expected.

According to internal trading policies, derivative financial transactions may only be concluded in close consultation with the corporate finance department and in connection with an underlying transaction. To limit risks, subsidiaries in Germany and other countries are prohibited from purchasing securities or other financial investments without approval from the corporate finance department.

The carrying amount of all financial assets represents TÜV SÜD's maximum default risk.

The following table shows the development of risk provisions for financial assets and the impairment losses recognized in the income statement:

Development of valuation allowances on financial assets

≡ 66

In € million	Other financial assets	Other non-current assets	Trade receivables	Other current assets	Total
Valuation allowances as of January 1, 2022	**19.5**	**2.5**	**20.2**	**2.7**	**44.9**
Currency translation differences	0.3	– 0.1	0.2	0.0	**0.4**
Changes in scope of consolidation	– 1.0	0.0	0.0	0.0	**– 1.0**
Additions	2.6	0.0	9.9	0.0	**12.5**
Utilization	– 4.3	– 0.5	– 3.0	0.0	**– 7.8**
Reversals	– 0.1	– 1.3	– 3.1	– 0.3	**– 4.8**
Reclassifications	0.0	– 0.6	0.0	0.6	**0.0**
Valuation allowances as of December 31, 2022/ January 1, 2023	**17.0**	**0.0**	**24.2**	**3.0**	**44.2**
Currency translation differences	– 0.2	0.0	– 0.4	0.0	**– 0.6**
Additions	0.0	0.0	9.2	0.0	**9.2**
Utilization	– 2.6	0.0	– 2.2	0.0	**– 4.8**
Reversals	– 0.4	0.0	– 3.8	– 0.6	**– 4.8**
Valuation allowances as of December 31, 2023	**13.8**	**0.0**	**27.0**	**2.4**	**43.2**
Impairment losses 2023	**0.0**	**0.0**	**12.1**	**0.0**	**12.1**
Impairment losses 2022	2.6	0.0	10.6	0.0	**13.2**

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In order to manage **liquidity risks**, the TÜV SÜD Group always has up-to-date liquidity planning and sufficient liquidity reserves. This consists of cash funds, securities and a syndicated credit facility of € 300.0 million, which was concluded in July 2021 with a term of five years. In addition, as of the reporting date there are further undrawn credit lines of € 5.5 million (prior year: € 21.7 million).

The following overview shows undiscounted contractually agreed cash outflows for financial liabilities:

Maturity analysis of financial liabilities

≡ 67

In € million	Dec. 31, 2023			Dec. 31, 2022		
	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Financial debt	0.6	6.7	2.3	0.4	2.2	0.0
Lease liabilities	78.8	188.5	326.8	71.2	174.2	312.4
Trade payables	101.9	0.0	0.0	98.1	0.0	0.0
Other financial liabilities	98.9	0.9	0.0	90.2	0.5	0.0
Financial liabilities	**280.2**	**196.1**	**329.1**	**259.9**	**176.9**	**312.4**

The main **market risks** resulting from financial instruments are currency and interest rate risks.

The scope for action with regard to currency management is defined by TÜV SÜD's internal policies. **Currency risks** in connection with the operating business are hedged using derivative financial instruments. Forward exchange transactions are used to hedge intra-group loans in foreign currencies.

With regard to trade receivables and payables, a 10% increase or decrease in the value of the euro against all other currencies as of December 31, 2023 would only have an immaterial effect on consolidated net income for the year. In the event of a 10% decrease in value of the euro, the market value of forward exchange transactions would fall by € 8.7 million (prior year: € 10.8 million) and in the event of a 10% increase in the value of the euro, the market value would increase by € 7.1 million (prior year: € 8.9 million). Only derivatives that are open as of the reporting date are taken into account in the sensitivity analysis. The currency effects realized on hedges due to prolongation chains are recognized through profit or loss.

Interest rate risks may arise for investments in fixed-interest securities on account of market price losses if there is an increase in the interest rate. A 1% increase or decrease in interest rates would result only in insignificant changes in the market value. Financial debt may also be exposed to an interest rate risk. Derivative financial instruments are used on a case-by-case basis to hedge against this interest rate risk.

35 / NOTES TO THE STATEMENT OF CASH FLOWS

The cash and cash equivalents presented in the statement of cash flows contain all highly liquid items shown in the statement of financial position, i.e., cash in hand, checks and bank balances as well as current securities that are available within three months. Cash of € 1.2 million (prior year: € 0.6 million) is pledged. In some countries, there are administrative obstacles to transferring funds abroad.

The contribution to pension plans is presented as a component of cash flows from investing activities. In the financial year 2023, this contained additions to plan assets of € 4.9 million (prior year: € 6.4 million). In the prior year, there were also one-off additions with an effect on cash of € 30.0 million to TÜV SÜD Pension Trust e. V.

36 / SEGMENT REPORTING

Based on the organizational structure and existing reporting structures, TÜV SÜD has the three reportable segments INDUSTRY, MOBILITY and CERTIFICATION, as defined by the Board of Management. These cover technical services in the TIC (Testing, Inspection, Certification) market. As the highest management level, the entire Board of Management regularly receives comprehensive information in order to assess the profitability of the segments described below and make decisions regarding the allocation of resources.

- **INDUSTRY** The Industry Service and Real Estate & Infrastructure Divisions support customers in operating industrial plants, infrastructure facilities, refineries, power plants and buildings safely and economically, as well as ensuring the functionality and safety of rail vehicles, signaling technology and rail infrastructures.

- **MOBILITY** This segment comprises all services for automobiles, which are offered by the Mobility Division. These include services for vehicle inspections (roadworthiness tests and exhaust gas analyses), homologation, claims assessments, used car valuations, valuation of leased vehicles and product and process enhancement services for the automotive industry. For retail customers, roadworthiness tests and exhaust gas analyses, driver’s license tests as well as driving suitability tests for road users and support with regaining and retaining their drivers’ licenses in particular are offered.

- **CERTIFICATION** The activities of the Product Service and Business Assurance Divisions are bundled in this segment. The Product Service Division offers services for the testing, inspection and certification of consumer goods as well as industrial and medical products. The Business Assurance Division comprises the three business units Management Systems Certification, Academy and Cyber Security Services. All three business units support customers in optimizing their business processes, systems and resources.

Holding activities are reported under **OTHER**. OTHER also includes individual assets of subsidiaries that cannot be allocated to actual business operations of the operational segments.

TÜV SÜD operates in the following **geographic** segments:

- **EUROPE** comprises the home market of Germany as well as Western Europe and Central & Eastern Europe.

- **AMERICAS** covers both American continents, from Canada to the southern tip of South America.

- **ASIA** combines all the countries of the Asia-Pacific and South Asian area as well as the Middle East & Africa Region.

The following tables show external revenue broken down by segment and region. Consolidations of business relationships between the segments are recorded in the reconciliation column. ≡ 68/69

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Segment information from January 1 to December 31, 2023 and as of December 31, 2023

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In € million	INDUSTRY	MOBILITY	CERTIFICATION	OTHER	Reconciliation	Group
External revenue	1,026.9	1,071.9	1,040.2	2.2	– 1.9	**3,139.3**
thereof EUROPE	817.5	1,053.6	533.2	0.2	– 1.9	**2,402.6**
thereof AMERICAS	84.4	1.0	112.3	0.0	0.0	**197.7**
thereof ASIA	125.0	17.3	394.7	2.0	0.0	**539.0**
Intersegment revenue	6.1	1.1	10.4	35.4	– 53.0	**0.0**
Total revenue	1,033.0	1,073.0	1,050.6	37.6	– 54.9	**3,139.3**
Amortization, depreciation and impairment losses	– 33.8	– 42.2	– 58.3	– 49.1	0.0	**– 183.4**
Income from investments accounted for using the equity method	0.0	20.4	0.0	0.0	0.0	**20.4**
EBIT	101.1	102.1	41.0	– 25.1	– 1.4	**217.7**
Capital expenditures	11.6	44.0	70.6	54.3	0.0	**180.5**
Segment assets as of December 31, 2023	516.2	499.7	640.5	544.9	– 18.3	**2,183.0**

Total revenue in the home market of Germany amounts to € 1,993.8 million (prior year: € 1,800.1 million) and relates with € 607.0 million (prior year: € 573.0 million) to the INDUSTRY Segment, with € 967.7 million (prior year: € 852.4 million) to the MOBILITY Segment and with € 420.9 million (prior year: € 376.4 million) to the CERTIFICATION Segment.

Segment information from January 1 to December 31, 2022 and as of December 31, 2022

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In € million	INDUSTRY	MOBILITY	CERTIFICATION	OTHER	Reconciliation	Group
External revenue	955.5	943.8	963.9	1.8	– 1.7	**2,863.3**
thereof EUROPE	765.0	929.4	476.1	0.0	– 1.7	**2,168.8**
thereof AMERICAS	71.5	0.5	105.2	0.0	0.0	**177.2**
thereof ASIA	119.0	13.9	382.6	1.8	0.0	**517.3**
Intersegment revenue	6.3	1.2	9.9	32.2	– 49.6	**0.0**
Total revenue	961.8	945.0	973.8	34.0	– 51.3	**2,863.3**
Amortization, depreciation and impairment losses	– 31.0	– 44.2	– 53.6	– 54.2	0.0	**– 183.0**
Income from investments accounted for using the equity method	0.0	8.3	0.0	0.0	0.0	**8.3**
EBIT	90.0	51.4	73.5	– 19.5	– 0.4	**195.0**
Capital expenditures	11.5	27.6	76.7	38.0	0.0	**153.8**
Segment assets as of December 31, 2022	503.6	448.8	610.4	517.6	– 20.4	**2,060.0**

In general, the same accounting policies are used as for the consolidated financial statements. An exception to this are intragroup leases, which are not recognized pursuant to IFRS 16 at the lessee, but are rather recognized as a periodic expense.

Transfer prices for revenue with other segments are determined on an arm's length basis.

Segment performance is evaluated based on EBIT.

Reconciliation of EBIT to income before taxes

≡ 70

In € million	2023	2022
EBIT according to segment reporting	**217.7**	**195.0**
Interest income	21.1	8.1
Interest expenses	– 13.8	– 13.7
Other financial result	0.1	– 6.7
Income before taxes according to consolidated income statement	**225.1**	**182.7**

Assets are allocated according to their geographic location.

Segment assets based on geographic segments

≡ 71

In € million	Dec. 31, 2023	Dec. 31, 2022
EUROPE	1,454.4	1,328.3
AMERICAS	238.9	233.6
ASIA	528.7	526.4
Reconciliation	– 39.0	– 28.3
Segment assets	**2,183.0**	**2,060.0**

Segment assets in Germany come to € 1,126.8 million (prior year: € 1,029.9 million).

Reconciliation of segment assets to group assets

≡ 72

In € million	Dec. 31, 2023	Dec. 31, 2022
Segment assets	**2,183.0**	**2,060.0**
Interest-bearing financial assets	4.5	95.4
Deferred tax assets	124.4	105.8
Cash and cash equivalents	528.6	370.7
Other interest-bearing assets	460.7	442.0
Group assets	**3,301.2**	**3,073.9**

37 / RELATED PARTIES

Related companies

The shareholders of the TÜV SÜD Group are TÜV SÜD e. V., Munich, and TÜV SÜD Stiftung, Munich (TÜV SÜD Foundation). Both TÜV SÜD e. V. and the TÜV SÜD Foundation have transferred their shares in TÜV SÜD AG to the independent shareholder committee, TÜV SÜD Gesellschafterausschuss GbR. Internally, TÜV SÜD e. V. and the TÜV SÜD Foundation hold 74.9% and 25.1% stakes in the assets of TÜV SÜD Gesellschafterausschuss GbR.

Within the framework of an agency contract, the activities under the accreditation to operate the road vehicle technical inspectorate in Baden-Württemberg are carried out by the group company TÜV SÜD Auto Service GmbH, Stuttgart, for TÜV SÜD e. V., as the principal and recognized contractor. Business from the activities under the accreditation to operate the road vehicle technical inspectorate in Baden-Württemberg is conducted on behalf of, at the instruction of and in the name of TÜV SÜD e. V. All transactions and business processes are carried out in the TÜV SÜD Group. TÜV SÜD Auto Service GmbH maintains personnel and material on the scale necessary for its activities and operations. From the cost center accounting, the revenue allocable to TÜV SÜD e. V. is calculated and transferred. 98.5% of revenue from the business officially mandated is invoiced by the operating entity as a lump-sum payment for agency services. In the financial year 2023, a total volume of € 125.6 million (prior year: € 116.5 million) was charged to TÜV SÜD e. V. From this source, TÜV SÜD e. V. recorded revenue of € 127.5 million (prior year: € 118.3 million).

As of the reporting date, there are cash pool liabilities of € 0.3 million to TÜV SÜD e.V. (prior year: € 0.3 million).

In the financial years 2023 and 2022, the TÜV SÜD Group had business relationships with non-consolidated subsidiaries, associated companies and joint ventures that qualify as related parties. In the course of ordinary operations, all service transactions with these entities were carried out at arm's length conditions. In 2023, transactions were carried out with material related parties that led to the following items in the consolidated financial statements:

≡ 73/74

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Items of the statement of financial position from transactions with non-consolidated subsidiaries, associated companies and joint ventures

≡ 73

	Non-consolidated subsidiaries		Associated companies		Joint ventures	
In € million	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Loans	1.3	0.8	0.0	0.0	0.0	0.2
Receivables	0.6	1.0	0.0	0.0	3.0	2.1
Liabilities	0.1	0.1	0.0	0.0	0.2	0.3

Receivables from non-consolidated subsidiaries include valuation allowances amounting to € 2.1 million (prior year: € 2.1 million). In the prior year, loans to joint ventures included valuation allowances of € 2.6 million.

Income and expenses from transactions with non-consolidated subsidiaries, associated companies and joint ventures

≡ 74

	Non-consolidated subsidiaries		Associated companies		Joint ventures	
In € million	2023	2022	2023	2022	2023	2022
Income	1.0	1.0	0.0	0.0	10.8	13.3
Expenses	0.8	0.7	0.0	0.0	3.0	2.2

An amount of € 10.0 million (prior year: € 12.9 million) of the income from joint ventures relates to FleetCompany GmbH and largely results from the operational provision of fleet services at foreign subsidiaries. The expenses largely relate to charges for lease vehicles that are managed by FleetCompany GmbH.

Income of € 0.8 million (prior year: € 0.4 million) resulted from expense allowances for mandate activities in the Turkish joint ventures.

The business relationships with the Turkish joint ventures are based primarily on a license agreement between TÜVTÜRK Kuzey and TÜVTÜRK Güney (both licensors) and TÜV SÜD Bursa Tasit Muayene Istasyonlari Isletim A.S., Kestel-Bursa, Türkiye (licensee). In 2023, there were commission fees of € 2.8 million (prior year: € 2.0 million). For 2023, the dividend distribution of the Turkish joint ventures totaled € 10.8 million (prior year: € 7.9 million), of which € 4.4 million (prior year: € 4.2 million) was collected as an advance distribution in the prior year. In addition, there was an advance dividend distribution for the following financial year of € 5.2 million (prior year: € 4.4 million). The Spanish joint venture ITV Levante made a dividend distribution of € 0.2 million (prior year: € 0.3 million).

Dividend distributions of € 0.6 million (prior year: € 0.5 million) were received from associated companies.

Since September 2023, Pension Real Estate Singapore Pte. Ltd., Singapore (a subsidiary of TÜV SÜD Pension Trust e.V.), has had a credit line with TUV SUD Asia Pacific Pte. Ltd, Singapore (a subsidiary of TÜV SÜD AG), in the amount of SGD 2.0 million, which can be drawn down on a monthly basis subject to the liquidity requirements. As of December 31, 2023, this resulted in a loan liability of € 0.7 million.

TÜV SÜD AG issued letters of comfort for one related company and one joint venture. It is assumed that the companies can pay their current obligations themselves. Claims are therefore not expected.

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Remuneration of active members of the Board of Management and Supervisory Board

The total remuneration of active members of the Board of Management (short-term employee benefits) amounted to € 4.1 million in the financial year 2023 (prior year: € 4.0 million). This includes variable salary components based on financial and non-financial indicators totaling € 1.9 million (prior year: € 1.7 million), which had not yet been paid out as of December 31. No additional service cost (post-employment benefits) was incurred for defined benefit obligations in the financial year.

The active members of the Supervisory Board received total remuneration of € 1.2 million in the financial year 2023 (prior year: € 1.1 million).

Remuneration of former members of the Board of Management and Supervisory Board

The total remuneration of former members of the Board of Management and their surviving dependents including pension payments and other payments amounted to € 2.0 million (prior year: € 1.3 million). Defined benefit obligations amounting to € 17.7 million (prior year: € 13.1 million) exist for former members of the Board of Management and their surviving dependents.

38 / PROPOSAL FOR THE APPROPRIATION OF PROFIT

The Board of Management and Supervisory Board will propose to the annual general meeting to distribute € 2.1 million from the retained earnings under German GAAP of TÜV SÜD AG totaling € 641.2 million, equivalent to € 0.08 per share (prior year: € 0.08). The remaining amount of € 639.1 million is to be carried forward to new account.

39 / AUDITOR'S FEES

The consolidated financial statements of TÜV SÜD AG are audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch office. The following fees were recognized in the financial year for the services provided by PricewaterhouseCoopers GmbH:

Auditor's fees ≡ 75

In € million	2023	2022
Audit services	1.1	1.0
Other assurance services	0.1	0.1
Tax advisory services	0.2	0.2
Other services	0.0	0.1
Auditor's fees	**1.4**	**1.4**

Audit services include the fee for the audit of the consolidated financial statements of the TÜV SÜD Group and the legally required annual financial statements of TÜV SÜD AG and its domestic subsidiaries that are included in the consolidated financial statements. Other assurance services mostly contain contractually agreed or voluntarily commissioned assurance services. Tax advisory services include, among others, support with transfer pricing documentation. In the prior year, other services included in particular project-related services in connection with the IT infrastructure.

40 / EVENTS AFTER THE REPORTING DATE

On January 8, 2024, TUV SUD PSB Pte. Ltd, Singapore, acquired 100% of the shares in A-Reliance Engineers Pte. Ltd (A-Reliance), Singapore. Founded in 2017, A-Reliance is a leading provider of vertical transportation services in Singapore, which include testing and commissioning, inspections and safety audits of lifts and escalators. The acquisition strengthens TÜV SÜD's presence in Singapore and its position as one of the leading providers of safety and sustainability services in the lift and escalator sector. Neither a provisional opening balance sheet nor a provisional purchase price allocation were available at the time the TÜV SÜD Group's financial statements were approved. For this reason, most of the disclosures required by IFRS 3.B64 cannot yet be made.

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41 / CONSOLIDATED ENTITIES

Consolidated entities

≡ 76

Name and registered office of the entity	Share in capital in %
Fully consolidated entities – Germany	
ARMAT GmbH & Co. KG, Pullach i. Isartal[1]	100.00
ARMAT Südwest GmbH & Co. KG, Pullach i. Isartal[1]	100.00
PIMA-MPU GmbH, Munich[1]	100.00
TÜV Hanse GmbH TÜV SÜD Gruppe, Hamburg	90.00
TÜV SÜD Advimo GmbH, Munich[1]	100.00
TÜV SÜD Akademie GmbH, Munich[1]	100.00
TÜV SÜD Auto Partner GmbH, Hamburg[1]	100.00
TÜV SÜD Auto Plus GmbH, Stuttgart[1]	100.00
TÜV SÜD Auto Service GmbH, Stuttgart[1]	100.00
TÜV SÜD Battery Testing GmbH, Garching	70.00
TÜV SÜD Business Services GmbH, Munich[1]	100.00
TÜV SÜD Car Registration & Services GmbH, Munich	50.00
TÜV SÜD Chemie Service GmbH, Leverkusen[1]	100.00
TÜV SÜD Digital Service GmbH, Munich[1]	100.00
TÜV SÜD Energietechnik GmbH Baden-Württemberg, Filderstadt[1]	100.00
TÜV SÜD Industrie Service GmbH, Munich[1]	100.00
TÜV SÜD Life Service GmbH, Munich[1]	100.00
TÜV SÜD Management Service GmbH, Munich[1]	100.00
TÜV SÜD Pensionsgesellschaft mbH, Munich[1]	100.00
TÜV SÜD Pluspunkt GmbH, Munich[1]	100.00
TÜV SÜD Product Service GmbH, Munich	100.00
TÜV SÜD Rail GmbH, Munich[1]	100.00
TÜV Technische Überwachung Hessen GmbH, Darmstadt	55.00
Uniscon universal identity control GmbH, Munich[1]	100.00

1 The domestic subsidiary meets the requirements of Article 264 (3) HGB or Article 264b HGB, and takes advantage of the corresponding exemption regulations.

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Name and registered office of the entity	Share in capital in %
Fully consolidated entities – Other countries	
ARISE Boiler Inspection and Insurance Company Risk Retention Group, Louisville, USA	100.00
ARISE Inc., Wilmington, USA	100.00
ATISAE de Castilla y León, S.A.U., Miranda de Ebro, Spain	100.00
Bytest S.r.l., Volpiano, Italy	100.00
Changzhou Jin Biao Rail Transportation Technical Service Co., Ltd., Changzhou, China	100.00
Dunbar & Boardman Partnership Ltd., Fareham, UK	100.00
ÉMI-TÜV SÜD Minőségügyi és Biztonságtechnikai Korlátolt Felelősségű Társaság, Szentendre, Hungary	62.13
Fleet Logistics Italia S.r.l., Milan, Italy	100.00
Fleet Logistics UK Ltd., Birmingham, UK	100.00
Global Risk Consultants (Australia) Pty Ltd, Melbourne, Australia	100.00
Global Risk Consultants (Guangzhou) Co. Ltd., Guangzhou, China	100.00
Global Risk Consultants Corp., Wilmington, USA	100.00
Global Risk Consultants Ltd., West Byfleet, UK	100.00
Global Risk Consultores (Brasil) Ltda., Barueri, Brazil	100.00
Magyar TÜV SÜD Műszaki Szakértői Korlátolt Felelősségű Társaság, Szentendre, Hungary	100.00
National Association of Boiler and Pressure Vessel Owners and Operators, Inc., Louisville, USA	100.00
Nuclear Technologies plc., Fareham, UK	100.00
P.H. S.r.l., Tavarnelle Val di Pesa, Italy	100.00
PT. TUV SUD Indonesia, Jakarta Pusat, Indonesia	94.96
TÜV Italia S.r.l., Milan, Italy	100.00
TUV SUD (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia	100.00
TUV SUD (Thailand) Ltd., Bangkok, Thailand	100.00
TÜV SÜD (UK) Ltd., Fareham, UK	100.00
TÜV SÜD America de México, S.A. de C.V., San Pedro Garza Garcia, Mexico	100.00
TÜV SÜD America Inc., Boston, USA	100.00
TÜV SÜD AMT, S.A.U., Madrid, Spain	100.00
TUV SUD Asia Ltd., Hong Kong, China	100.00
TUV SUD Asia Pacific Pte. Ltd., Singapore	100.00
TÜV SÜD ATISAE, S.A.U., Madrid, Spain	100.00
TUV SUD BABT Unltd., Fareham, UK	100.00
TUV SUD Bangladesh (Pvt.) Ltd., Dhaka, Bangladesh	100.00
TÜV SÜD Benelux B.V., Boortmeerbeek, Belgium	100.00
TÜV SÜD BRASIL CONSULTORIA LTDA., São Paulo, Brazil	100.00
TÜV SÜD Bursa Tasit Muayene Istasyonlari Isletim A.S., Kestel-Bursa, Türkiye	100.00
TÜV SÜD Canada Inc., Newmarket, Canada	100.00
TÜV SÜD Central Eastern Europe s.r.o., Prague, Czech Republic	100.00

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Name and registered office of the entity	Share in capital in %
TUV SUD Certification and Testing (China) Co., Ltd., Wuxi, China	51.00
TUV SUD China Holding Ltd., Hong Kong, China	100.00
TÜV SÜD Czech s.r.o., Prague, Czech Republic	100.00
TÜV SÜD Danmark ApS, Hellerup, Denmark	100.00
TUV SUD for Safety Engineering LLC, Khobar City, Saudi Arabia	100.00
TÜV SÜD France S.A.S., Écully, France	100.00
TUV SUD Hong Kong Ltd., Hong Kong, China	100.00
TÜV SÜD Iberia, S.A.U., Barcelona, Spain	100.00
TUV SUD Inspection Authority (Pty) Ltd., Middelburg, South Africa	66.20
TÜV SÜD Japan Ltd., Tokyo, Japan	100.00
TUV SUD Korea Ltd., Seoul, South Korea	100.00
TÜV SÜD Landesgesellschaft Österreich GmbH, Wiesing, Austria	100.00
TUV SUD Ltd., Glasgow, UK	100.00
TUV SUD Middle East Co. LLC, Muscat, Oman	70.00
TUV SUD Middle East LLC, Abu Dhabi, United Arab Emirates	51.00
TUV SUD Middle East LLC (Qatar), Doha, Qatar	100.00
TÜV SÜD Nederland B.V., Ede, Netherlands	100.00
TÜV SÜD New Energy Testing (Guangdong) Co., Ltd., Guangzhou, China	100.00
TÜV SÜD New Energy Vehicle Testing (Jiangsu) Co., Ltd., Changzhou, China	52.00
TÜV SÜD Polska Sp. z.o.o., Warsaw, Poland	100.00
TÜV SÜD Products Testing (Shanghai) Co., Ltd., Shanghai, China	100.00
TÜV SÜD PSB Philippines Inc., Pasig City, Philippines	99.99
TUV SUD PSB Pte. Ltd., Singapore	100.00
TÜV SÜD Romania S.R.L., Bucharest, Romania	100.00
TÜV SÜD Sava d.o.o., Ljubljana, Slovenia	100.00
TÜV SÜD Schweiz AG, Zurich, Switzerland	100.00
TUV SUD Services (UK) Ltd., Fareham, UK	100.00
TÜV SÜD SFDK Laboratório de Análise de Produtos Ltda., São Paulo, Brazil	100.00
TÜV SÜD Slovakia s.r.o., Bratislava, Slovakia	100.00
TUV SUD South Africa (Pty) Ltd., Middelburg, South Africa	74.00
TUV SUD South Asia Pvt. Ltd., Mumbai, India	100.00
TÜV SÜD Sverige AB, Malmö, Sweden	100.00
TÜV SÜD SW Rail Transportation Technology (Jiangsu) Co., Ltd., Changzhou, China	52.00
TÜV SÜD Teknik Güvenlik ve Kalite Denetim Ticaret Ltd. Sirketi (TGK), Istanbul, Türkiye	100.00
TUV SUD Vietnam Co. Ltd., Ho Chi Minh City, Vietnam	100.00
TÜVSÜD Portugal, unipessoal Lda., Lisbon, Portugal	100.00

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Name and registered office of the entity		Share in capital in %
Consolidated associated companies – Other countries		
SECTA Société Européenne de Contrôle Technique Automobile S.A., Courbevoie, France		38.22
Consolidated joint ventures – Germany		
FleetCompany GmbH, Oberhaching		26.35
Consolidated joint ventures – Other countries		
ITV de Levante, S.A., Valencia, Spain		50.00
TDB Kalibrasyon Hizmetleri A.S., Istanbul, Türkiye	F	33.33
TÜVTURK Güney Tasit Muayene Istasyonlari Yapim ve Isletim A.S., Istanbul, Türkiye		33.33
TÜVTURK Kuzey Tasit Muayene Istasyonlari Yapim ve Isletim A.S., Istanbul, Türkiye		33.33

F = First-time consolidation

Munich, March 18, 2024

TÜV SÜD AG

The Board of Management

DR. JOHANNES BUSSMANN **ISHAN PALIT** **PROF. DR. MATTHIAS J. RAPP**

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Boards of TÜV SÜD AG

Supervisory Board

WOLFGANG DEHEN
Chairman of the Supervisory Board
Former Chairman of the Board of Management of OSRAM Licht AG
Supervisory Board member

MARCEL RATH[1]
Deputy Chairman of the Supervisory Board
(since April 1, 2023)
First Deputy Chairman of the group works council
TÜV SÜD AG

HARALD GÖMPEL[1]
Deputy Chairman of the Supervisory Board
Member of the works council of TÜV Technische Überwachung Hessen GmbH
(until March 31, 2023)

MATTHIAS ANDREESEN VIEGAS[1]
Deputy Chairman of the Executive Staff Committee
TÜV SÜD AG

DR. CHRISTINE BORTENLÄNGER
Chief Executive and member of the Board of Management
Deutsches Aktieninstitut e. V

MANUELA DIETZ[1]
Trade union secretary
ver.di union representative

THOMAS EDER[1]
Third Deputy Chairman of the works council
Region of South-Eastern Bavaria
TÜV SÜD Auto Service GmbH

PROF. DR. HERMANN EUL
Former member of the Board of Management of Infineon AG
Supervisory Board member
(since July 7, 2023)

DR. JÖRG MATTHIAS GROSSMANN
Member of the Executive Board/CFO
Freudenberg Chemical Specialities GmbH

JENS KRAUSE[1]
Chairman of the works council
South-Eastern Region
TÜV SÜD Management Service GmbH

ANGELIQUE RENKHOFF-MÜCKE
Chairwoman of the Board of Management/CEO
WAREMA Renkhoff SE

DR. NATHALIE VON SIEMENS
Former member and spokesperson of the Board of Management of Siemens Stiftung
Supervisory Board member

PROF. DR. RUDOLF STAUDIGL
Former Chairman of the Board of Management of Wacker Chemie AG
Supervisory Board member

DR. EBERHARD VEIT
General Partner
Robert Bosch Industrietreuhand KG

KATRIN VOLKMANN[1]
Member of the group works council
TÜV SÜD Product Service GmbH
(since August 16, 2023)

DR. KATHARINA WAGNER[1]
Trade union secretary
ver.di union representative

RAINER WICH[1]
Member of the works council
Region of Lower Franconia
TÜV SÜD Auto Service GmbH
(until December 31, 2023)

Board of Management

DR. JOHANNES BUSSMANN
Chairman of the Board of Management/CEO

ISHAN PALIT
Member of the Board of Management/COO

PROF. DR. MATTHIAS J. RAPP
Member of the Board of Management/CFO

1 Employee representative.

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Independent auditor's report

To TÜV SÜD Aktiengesellschaft, Munich

Audit Opinions
We have audited the consolidated financial statements of TÜV SÜD Aktiengesellschaft, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statement of comprehensive income, the consolidated income statement and the consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, as well as notes to the consolidated financial statements, including material disclosures on accounting policies. In addition, we have audited the group management report of TÜV SÜD Aktiengesellschaft, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB ["Handelsgesetzbuch": German Commercial Code] (disclosures on the quota of women in management positions).

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 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 group management report.

Basis for the Audit Opinions
We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits 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 "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that 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 group management report.

Information on an Issue of Particular Concern – Dam Collapse in Brazil
Please refer to the comments by the executive directors in the sections "Assumptions, estimation uncertainties and judgments" and "Pending and imminent legal proceedings" in the notes to the consolidated financial statements and the sections "Economic report" and "Opportunity and risk report" in the group management report, which describe the effects of the dam collapse in Brazil in January 2019, the stability of which was certified by the Brazilian subsidiary TÜV SÜD BRASIL CONSULTORIA LTDA. in September 2018, and the provisions that have been recognized in this regard. In connection with the pending and imminent legal proceedings, the executive directors note considerable estimation uncertainty regarding assumptions on the probability of occurrence, the time of payment and the amount of the risk, with the result that the outcome of the pending and imminent legal proceedings could have a significant influence on the Group's assets, liabilities, financial position and financial performance for the financial year 2024 and future financial years. Our audit opinions on the consolidated financial statements and group management report are not modified in this regard.

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Material Uncertainty about Two Subsidiaries' Ability to Continue as a Going Concern

Please refer to the disclosures in the section "Pending and imminent legal proceedings" in the notes to the consolidated financial statements and the sections "Economic report" and "Opportunity and risk report" in the group management report, in which the executive directors describe that the ability of the Brazilian subsidiary TÜV SÜD BRASIL CONSULTORIA LTDA. and its direct shareholder TÜV SÜD SFDK Laboratório de Análise de Produtos Ltda. to continue as a going concern is jeopardized if the companies are held liable for the damage caused by the dam collapse in Brazil and no additional financial support is provided by the shareholder. As set out in the section "Pending and imminent legal proceedings" in the notes to the consolidated financial statements and the sections "Economic report" and "Opportunity and risk report" in the group management report, these events and circumstances indicate that a material uncertainty exists that could cast significant doubt on the subsidiaries' ability to continue their business activities and which represent a risk that could affect the company's ability to continue as a going concern within the meaning of § 322 Abs. 2 Satz 3 HGB. Our audit opinions on the consolidated financial statements and group management report are not modified in this regard.

Other Information

The executive directors are responsible for the other information. The other information includes the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota of women in management positions) as a component of the group management report, the content of which has not been audited.

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined 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 directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are 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.

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Furthermore, the executive directors are responsible for the preparation of the 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 directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a 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 group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, 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, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the 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 group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 opinions. 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.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective 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.

Munich, March 18, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven	Jürgen Schumann
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]