

2021

Financial Report

The TÜV NORD GROUP in figures

KEY FINANCIAL RATIOS IN 2021

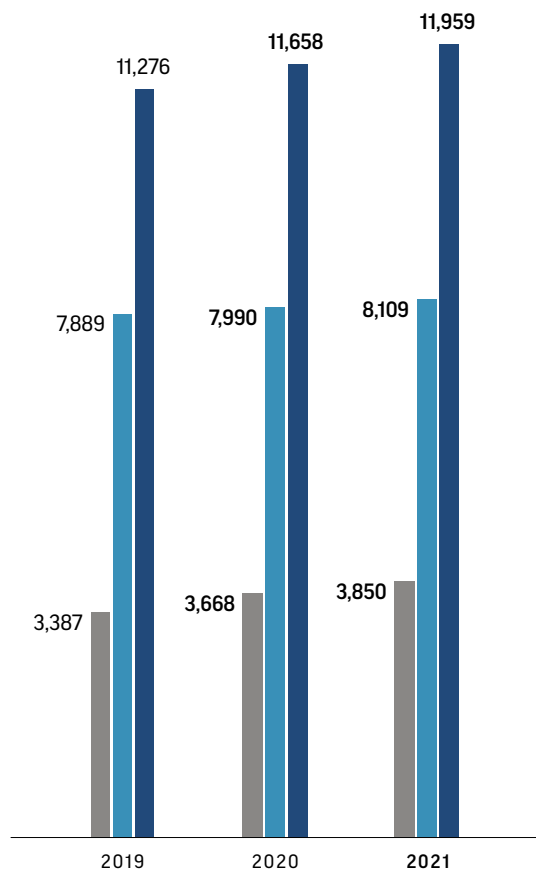
In € million

	2021	2020
EBIT*	73.1	47.8
EBT	73.3	31.9
Balance sheet total	1,102.4	1,045.6
Net financial position	121.1	82.6
Pension provision	500.4	531.4

* before special items

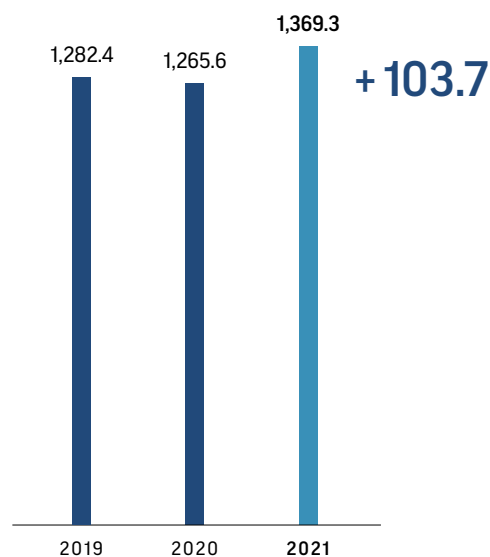
TREND IN WORKFORCE NUMBERS

■ International ■ Domestic ■ Total



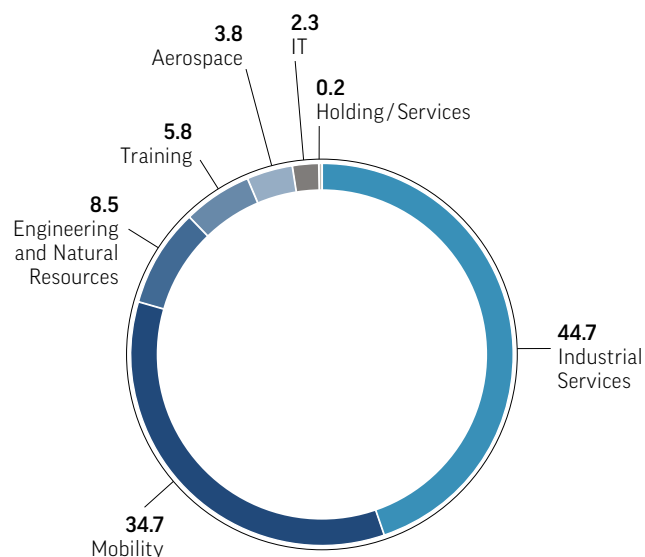
REVENUE TRENDS

In € million



DISTRIBUTION OF REVENUE BY BUSINESS UNIT

in %



The motivated employees of the TÜV NORD GROUP contribute new ideas every day, work closely together to create new concepts and transform the enormous pool of knowledge to be found within the Group safely and responsibly into specific, real-world applications. This is one of the great strengths of the TÜV NORD GROUP: the power to turn visions into real benefits that will stand the test of time.

Dear clients and partners, dear colleagues,

We are currently all deeply affected by the military onslaught on a sovereign European state. An onslaught that is causing great suffering and whose effects will be felt across the world for a long time to come. The employees of the TÜV NORD GROUP have committed themselves unhesitatingly to providing humanitarian aid in the crisis zone and securing Germany's energy supply. In our day-to-day work in more than 100 countries, we are actively committed to the cause of peaceful, democratic and respectful coexistence between people and states and exemplify the values of our diverse and multifaceted corporate culture.

The rapid changes in economic and social conditions worldwide are underscoring the common human need for a safe and sustainable world. A particular focus must be on managing the finite resources of our earth, cybersecurity in the digital world, the exploitation of outer space and the effects of environmental risks on future generations. We in the TÜV NORD GROUP and our customers have recognised that the state of our planet calls for urgent action.

The urgently needed changes can only be implemented through technological innovations, digitalisation and digital connectivity, coupled with resolute and decisive action. New mobility, the energy transition, and the protection of the environment and health are all key pillars of sustainable action. Our initial focus is on our own business as we increasingly turn to digitally supported remote technologies to provide more and more services, which in turn no longer always require the physical presence of members of staff. Following on from our great success with certification audits using remote technology in the first year of the pandemic, 2020, in 2021 we significantly increased the number of remote inspections carried out with digital video support in the Industrial Ser-

vices business unit. Other business segments are also turning to remote digital technologies: since the beginning of the coronavirus pandemic, TÜV NORD Bildung has been organising online job fairs at which up to 500 jobseekers at a time can present themselves to potential employers in virtual rooms.

When it comes to energy-efficient conversions and new buildings at our sites, building materials that cannot be preserved are consistently recycled in line with the principles of the circular economy. This applies to the TÜV NORD CAMPUS ESSEN for 1,500 employees, which was ceremonially opened in autumn 2021, and to our food laboratory in Pune, India. There, new solar modules on the roofs are saving about 130 tons of CO₂ per year. We have set ourselves some ambitious goals: by the end of this decade, we aim to make our company carbon-neutral. The results achieved so far are encouraging.

Our daily commitment to the safety of people and technology and to effective environmental protection once again motivated many people to join the TÜV NORD GROUP in 2021. The overall number of employees grew to a total of 14,253. At which point we would like to offer a warm welcome to all new members of the TÜV NORD family worldwide!

The demands on vehicle and IT inspection engineers posed by the requirements of the mobility of the future and, in particular, automated driving increased once again in 2021. In the future, vehicle manufacturers will have to provide evidence of a cybersecurity and a software update management system if they wish to be granted type approval. TÜV NORD Mobilität has been accredited for these tasks and is involved in the practical Berlin-based project for autonomous driving which goes by the name of BeIntelli and whose aim is to illustrate the implementation of complex technologies in "smart" vehicles and

infrastructures. For the international umbrella organisation for the automotive sector, the FIA, TÜVIT has investigated ways in which a highly secure cybersecurity architecture can be put in place in the vehicles of the future to ensure protection against cyberattacks when in self-driving mode.

Hydrogen will play a decisive role in the mobility and industry of the future. Three business units have been paying highly specialised attention to this technology for years. To allow them to offer integrated customer solutions from a single source as quickly as possible, the strengths of the individual specialist areas have been pooled in a cross-divisional HydroHub. The objectives of this new HydroHub are to offer expert advice for tested hydrogen production alongside confidence-building, compatible hydrogen infrastructures and support for ambitious lighthouse projects involving hydrogen, all from a single source. We are also participating in the implementation of a pan-European hydrogen certification system, which the new German government intends to put in place domestically. You can read more about the hydrogen-related activities of the TÜV NORD GROUP in this annual report.

One priority of the Group's activities is the international expansion of our market presence in the area of testing, inspection and certification (TIC). ALTER TECHNOLOGY is the first and, so far, only Notified Body in Europe to be allowed to certify unmanned aerial vehicles. Two sites in Croatia developed into customer-oriented hubs for the entire Balkan region in 2021. Under the TÜV NORD ADRIATIC label, branches have already opened in Bosnia-Herzegovina and Serbia, with more to follow shortly in Slovenia and the Croatian metropolis of Split. In Qatar, TÜV NORD Gulf has commenced operations for TIC services throughout the region.



Overall, the international units made a more significant contribution to the business success of the TÜV NORD GROUP in 2021 than ever before. In a year that was once again marked by severe travel and contact restrictions due to the coronavirus pandemic, the TÜV NORD GROUP was able to improve its relevant key financial ratios and achieve the highest revenue in its history, at 1.37 billion euro. Operating profit before special items (EBIT) rose by 52.9 percent year on year. On behalf of the Board of Management and the Group Executive Committee, I would like to thank all our employees for their outstanding performance. My heartfelt thanks also go out to our customers and suppliers for the trust they have shown in us and to our shareholders and the supervisory bodies and staff councils.

I wish every one of you the best of health and success in 2022; may we all live and work together in peace.

Kind regards,

Dr. Dirk Stenkamp
Chairman of the Board of Management
TÜV NORD AG

The Group Executive Committee



“Wherever artificial intelligence features prominently in matters of security or areas of our personal life, it must be tested for transparency and controllability. To this end, we’re developing test procedures and calling for risk-based controls.”

DR. DIRK STENKAMP,
Chairman of the Board of Management



“With our diversity, the courage to change and a culture of trust, we will continue to meet the requirements of our customers in the future. Our employees are contributing to the company’s success with their commitment and skills.”

DR. ASTRID PETERSEN,
Chief Human Resources Officer



“We’re investing in new laboratories, measurement and testing technology and digital educational offers, as well as modern workplaces. This is how we’re shaping our future and motivating employees to get involved in our knowledge company.”

JÜRGEN HIMMELSBACH,
Chief Financial Officer



“Hydrogen is playing an increasingly important role in the creation of a CO₂-free and sustainable energy system. We’re already deploying our experience and expertise to support the use of green electricity in industry, mobility and the building sector and will continue to do so in the future.”

DR. RALF JUNG,
Industrial Services business unit



“Automated driving has a lot of dimensions. We’re dealing with complex sensors and components that talk to each other. With the periodic vehicle inspections adapter, we can detect errors in all safety-relevant driver assistance systems.”

HARTMUT ABELN,
Mobility business unit



“Just a few years ago, we wouldn’t have been able to detect the smallest displacements in the ground. In the wake of the flood disaster, we’re now using our Safeguard geomonitoring system on site in vulnerable areas so that we can provide early warning of new dangers.”

DR. MAIK TIEDEMANN,
Engineering and Natural Resources business unit



“Hackers and advances in quantum technology are a threat to security on the Internet. Post-quantum cryptography is already providing protection against cyberattacks and will keep us safe from future attacks by quantum computers. We want the digital infrastructure to be secure at all times.”

DIRK KRETZSCHMAR,
IT business unit



“The shortage of skilled workers has spread to a lot of industries. With our vocational training offers, we’re helping companies to maintain their skills and acquire knowledge. This applies in particular to nursing specialists.”

AXEL DRECKSCHMIDT,
Training business unit



“Unmanned aerial vehicles are being used more and more frequently to improve safety, sustainability and other applications. We’ve become the first company in Europe to be granted accreditation for the conformity assessment of UAVs and are making them even safer.”

LUIS GÓMEZ,
Aerospace business unit

Report of the Supervisory Board

In 2021 reporting period, the Supervisory Board carried out the tasks incumbent upon it according to the law and the articles of association. It closely followed and supported the Board of Management in its leadership of the company, carefully monitoring its activities and offering advice. The Supervisory Board is fully confident in the lawfulness, regularity and fitness for purpose of the company's management.

Due to social distancing requirements and travel restrictions, videoconferencing systems were used in part for the execution of all the meetings of the Supervisory Board and its committees. Face-to-face sessions were held under strict hygiene and social distancing conditions.

The Supervisory Board ensured that it was regularly kept informed, both verbally and in writing, of the position of the Group and the business trends within it. In 2021, four regular scheduled meetings of the Supervisory Board took place on 23 March, 15 June, 21 September and 7 December, at which the Board of Management reported in detail on the current situation of the Group and the major Group companies.

The Board of Management also delivered assessments of the opportunities and risks that might present themselves as the year goes on and of the current financial and asset status of the Group. As in the previous year, very close attention was paid to the effects of the pandemic on the Group. In this way, the Supervisory Board was kept abreast of corporate policy intentions, corporate planning and ongoing business transactions. Particular attention was paid to economic development under the influence of the coronavirus pandemic. Outside the meetings, the Chairman of the Supervisory Board was also kept regularly informed of current issues by the Chairman of the Board of Management.

At its meeting on 23 March, the Supervisory Board approved a real estate acquisition in the immediate vicinity of the company premises in Hamburg.

An update on the implementation of the strategy was presented at the September meeting. This meeting was held in the new central building on the Essen campus "Am Technologiepark", which had been occupied a few days earlier. At this meeting, the Supervisory Board also gave its consent to the construction of a new building at the Dortmund site, combined with the merger of the former Hagen and Dortmund sites.

At the meeting of 7 December, the budget for 2022 was discussed and approved by the Supervisory Board. The beginning of 2022 also saw two extraordinary meetings of the Supervisory Board (on 5 and 18 January), at which a major project of the subsidiary DMT GmbH & Co. KG was discussed with consent being duly granted at the meeting of 18 January.

The Board of Management was present at the meetings of the Supervisory Board, recusing itself only for deliberations on the subject of Board remuneration and other Board-related matters.

In order to carry out its tasks and prepare its deliberations and decisions, the Supervisory Board set up two committees which effectively support the work of the plenum.

The presidium / HR committee held three meetings in the financial year, and additional telephone consultations were held as required. The discussions focused primarily on the preparation of the plenary sessions and of the HR and remuneration decisions to be made by the Supervisory Board. Where necessary, the Supervisory Board was furnished with recommendations for decision-making

In 2021, the Finance Committee met four times in advance of the Supervisory Board meetings and paid particular attention to the annual financial statement, earnings trends, risk and opportunities management and interest rate trends, particularly in respect of pension obligations. Due to the ongoing pandemic, the impact of coronavirus on business and liquidity trends was also closely monitored. In its meeting of 30 November, the Finance Committee addressed the plans for the 2022 fiscal year. At each Supervisory Board meeting, the Chairman of the Finance Committee reported on the important findings from the deliberations of the Finance Committee leading up to the meetings.

The auditors appointed by the General Meeting of 23 March 2021, BDO AG from Essen, audited the annual financial statements of the TÜV NORD AG and the consolidated financial statements, including the associated reports on the situation of the company and the Group, published by the Board of Management on 31 December 2021. The auditors issued an audit opinion that was free of any reservations. The auditors noted that the Board of Management had established an appropriate information and monitoring system whose design and operation rendered it suitable for anticipating developments that might pose a risk to the continued existence of the company.



The financial statement documents and the audit reports for the 2021 fiscal year were discussed at length in the meeting of the Finance Committee on 22 March 2022 and the Supervisory Board meeting of 29 March 2022. The Board of Management and the auditors were present at the deliberations on the annual and consolidated financial statements. The auditors reported on the main results of their audit and their findings concerning the internal control system and risk management. They also made themselves available to the Supervisory Board should the latter require additional information.

On the basis of its own audit of the annual and consolidated financial statements and the management reports and based on the report and the recommendation of the Finance Committee, the Supervisory Board felt able to concur with the auditors' conclusions. No objections were raised. The Supervisory Board approved both the annual and the consolidated financial statements.

Mr. Reinhold Rütter stepped down from the Supervisory Board on 30 June 2021. The General Meeting appointed Mr. Fabian Fechner as Mr. Rütter's successor on the Supervisory Board for the remainder of the latter's term. Ms. Elisabeth Terodde stepped down from the Supervisory Board on 31 August 2021. She was succeeded by Ms. Svenja Schroerscharz as an elected

substitute member. The Chairman of the Supervisory Board acknowledged Ms. Terodde's and Mr. Rütter's dedicated work on the Supervisory Board and thanked them on behalf of the committee for their constructive cooperation.

At the end of 30 June 2021, Prof. Karl Friedrich Jakob resigned as Chairman of the Supervisory Board. He will continue to be a full member of the Board. The Supervisory Board appointed Mr. Thomas Biedermann as the new chair.

In connection with the abovementioned changes in the Supervisory Board, there were also two changes in the Finance Committee: Ms. Tuesday Porter and Mr. Fabian Fechner were elected as new members of the Finance Committee at the September meeting of the Supervisory Board, succeeding Ms. Terodde and Mr. Biedermann.

At the beginning of 2021, Labour Director Dr. Astrid Petersen assumed responsibility for Human Resources in the Board of Management. The Supervisory Board resolved on the reappointment of Dr. Dirk Stenkamp as Chairman of the Board of Management until 31 December 2027.

The Supervisory Board would like to thank all the Group's employees worldwide, the company management boards, the Board of Management, the Group Executive Committee and the employee representations for their contribution and their successful and energetic commitment in 2021, a year in which the pandemic once again posed some major challenges.

The Supervisory Board

Thomas Biedermann
Chairman

Hanover, March 2022

Group Management Report

10 Group Management Report

- 10 Fundamentals of the Group
- 10 Economic Report
- 15 Non-Financial Performance Indicators
- 16 Outlook, Opportunity and Risk Report
- 20 Corporate Responsibility
- 21 Corporate Governance
- 23 Statement on Corporate Governance
- 23 Further Information

24 Consolidated Income Statement

- 25 Statement of Comprehensive Income**
- 26 Consolidated Balance Sheet**
- 28 Consolidated Cash Flow Statement**
- 30 Statement of Changes in Consolidated Equity**

Group Management Report

FUNDAMENTALS OF THE GROUP

Business activity

The TÜV NORD GROUP is a globally active technology group and the byword for safety, independence and quality. The TÜV NORD GROUP has been active in the TICCET (Testing, Inspection, Certification, Consulting, Engineering, Training) market for over 150 years. The focus of its business activities has always been – and is now more than ever – on testing technology and safety in accordance with recognised standards and national and international legal requirements. More than 14,000 employees deploy their expertise in support of customers worldwide, thereby contributing to making products, services and systems safer.

More than 1,500 different safety-related services are offered in six operative business units. Traditional TÜV activities in areas such as energy, mobility and training have been supplemented in recent decades by the Engineering and Natural Resources and the Aerospace business units. In addition to its operating business units, the Group's internal services are also grouped together in the Holding/Services division. The operative business of the TÜV NORD GROUP is managed via the Group Executive Committee (GEC). This consists of the Board of Management and a representative from each of the six business units.

- The Group offers a wide range of testing and certification services for systems, products and complex plants of its **Industrial Services** business unit.
- The **Mobility** business unit offers numerous services. These include vehicle inspections and driving tests in Germany, vehicle assessments, testing the reliability of vehicle components and vehicles (homologation) and development-related testing and consulting for the automotive sector.
- Experts in the **Engineering and Natural Resources** business unit are active in plant construction and process engineering, construction and infrastructure, mining and energy markets.
- The **Training** business unit offers qualifications and training for specialists and executives, along with publicly funded training measures.

- The **Aerospace** business unit provides its services to the aerospace industry and other highly specialised industries. These consist primarily of the procurement, modification, integration, testing and certification of electronic components.
- Inspection, testing and certification services relating to IT security fall within the remit of the **IT** business unit. In addition, the business unit advises on the operation and planning of telecommunications and IT networks.

The Group's key financial performance indicators are revenue and operating profit before special items (EBIT). Operating profit before special items is defined as earnings before taxes (EBT) plus financial result, adjusted for special effects.

The TÜV NORD GROUP acts independently and impartially in the provision of all its services. The management company TÜV NORD AG, which is based in Hanover, manages the subsidiaries worldwide as a management holding company. As of 31 December 2021, the Group, with TÜV NORD AG, embraced a total of 83 fully consolidated companies, 41 of which are domiciled in Germany and 42 abroad. The TÜV NORD AG consolidated financial statement includes all major companies in Germany and abroad in which TÜV NORD AG either directly or indirectly holds the majority of voting rights.

ECONOMIC REPORT

Macroeconomic and sector-specific conditions

The year 2021 was characterised by strong economic growth (5.9%) after the sharp slump in the global economy caused by the pandemic in the previous year (-3.1%). However, the recovery is still highly vulnerable to risks, which differ significantly from region to region. Emerging and developing countries are especially struggling with the coronavirus pandemic due to the relatively low proportion of vaccinated individuals. Although the industrialised nations have fully vaccinated a high proportion of their populations, they are now also having to contend with supply bottlenecks and rising inflation rates, which are having a negative impact on growth. Nor can the risk of Covid-19 be discounted in these countries either.

Whereas China was the only major economic nation to record economic growth in 2020, the recovery spread through all the regions of the world in 2021. Among the industrialised nations, the USA was a strong driver of growth in 2021. However, a growth rate of 5.6% was already over one percentage point lower than expected in the summer of 2021. This was due in particular to pandemic-related supply bottlenecks. The eurozone also grew strongly in 2021, with a growth rate of 5%. France and Italy, in particular, stand out with growth rates in excess of 6%.

According to the latest announcement of the International Monetary Fund (IMF) in January 2022, the German economy still grew by 2.7% in 2021. This corresponds to a reduction of 0.4 percentage points compared to the outlook from the autumn forecast. In its autumn projection, the Federal Ministry for Economic Affairs and Climate Action cut the anticipated growth rate from 3.5% to 2.6% for 2021. The main reasons for the lower rate of growth of the German economy are supply bottlenecks, high energy prices and expensive raw materials, all of which are having negative impact on industrial production – one of the strengths of the export-heavy German economy.

The TIC (Testing, Inspection, Certification) market also recovered in 2021 after a dramatic slump in the previous year and has almost returned to its pre-crisis level. Global growth in 2021 was just under 5%, with the Asia-Pacific region in particular driving global growth with a rate of over 6%. Europe was also above the global average and is therefore a growth driver. The TIC market is growing, among other reasons, because of the introduction of advanced technologies, for instance in industry, healthcare and consumer electronics, and of new services and solutions such as virtual inspections and remote audits.

The TÜV NORD GROUP, which is developing into a data-driven international knowledge company, has increased its use of remote audits since 2020 and has thus been able to support its customers even during the pandemic.

Business trends

As was the case in the previous year, the TÜV NORD GROUP faced a number of major challenges in 2021 due to the coronavirus pandemic. The focus remained on keeping business operations on a secure footing and taking measures to ensure liquidity.

All business units were affected to varying degrees by the consequences of the pandemic. With the exception of the Engineering and Natural Resources (constraints on international travel, postponements in the project business) and Training business units (extended lockdown with the associated significant restrictions), all business units recorded better developments than planned.

Revenue trends were as set out in the 2020 Group Management Report and in the outlook for 2021.

Thanks to the measures adopted to secure earnings and liquidity, the Group achieved a positive operative result which, notwithstanding the impairment of its operating business as a result of the pandemic, was significantly above the operative level of the 2020 reporting period and the plan for 2021.

The revenue and EBIT (earnings) financial performance indicators for the individual business units are as follows:

The planned revenue increases in the **Industrial Services** business unit were achieved. In this business unit, the decisive factor behind the positive trend was foreign revenue, mainly in Europe, India and China. Earnings exceeded both the planned volume and the previous year.

The **Mobility** business unit exceeded its planned positive revenue and earnings trend in 2021. The driving licence business was confronted with particular challenges due to the coronavirus pandemic.

In the **Engineering and Natural Resources** business unit, revenue and earnings exceeded those of the previous year. However, due to the end of mask inspection mandate and further project postponements, the planned values were not achieved. Because of its strongly international focus, the business unit is still particularly affected by global travel restrictions.

Although revenue and earnings in the **Training** business unit also exceeded the previous year's level in the 2021 reporting period, they nonetheless fell short of the planned volume. The temporary bans on classroom training and the contact restrictions and hygiene regulations led to a significant reduction in business operations and a decline in orders.

Despite the pandemic, revenue and earnings in the **Aerospace** business unit were slightly above the planned level and significantly above that of the previous year, which was dominated by the coronavirus pandemic. There were further declines in orders from small and medium-sized customers and postponements of larger projects.

The **IT** business unit also reported revenue and earnings growth in excess of the planned level and the previous year. Further expansion of the consulting business was delayed due to the pandemic.

The number of full-time employees of the Group in 2021, albeit higher than the previous year, did not reach the planned figure.

The Group's innovation projects continued as planned with the aim of developing new services.

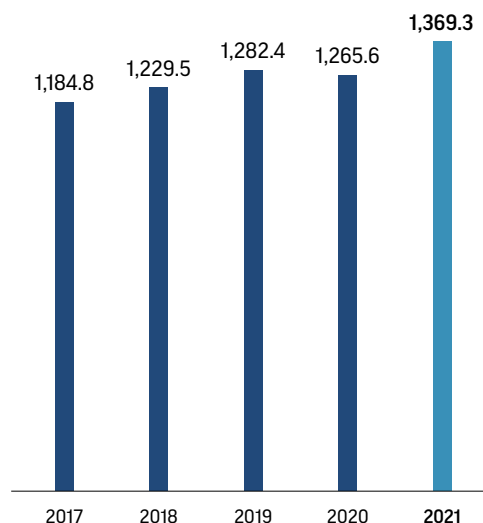
The year-on-year financial performance indicators within the Group in the 2021 reporting period were as follows:

- Revenue increased by 8.3% from €1,265.6 million to €1,369.3 million. The increase in revenue was mainly attributable to the Industrial Services and Mobility business units.
- Operating profit before special items (EBIT) increased by 52.9% from €47.8 million to €73.1 million. The special items of €1.4 million in 2021 mainly relate to book gains from the sale of real estate. The increase in earnings of €25.3 million was mainly attributable to the Industrial Services and Mobility business units.
- The return on revenue, measured by EBIT, was 5.3%, following on from 3.8% in the previous year.
- Earnings before tax (EBT) increased by €41.4 million to €73.3 million.
- The average number of employees, converted to full-time basis, increased from 11,658 to 11,959 in 2021.

Earnings

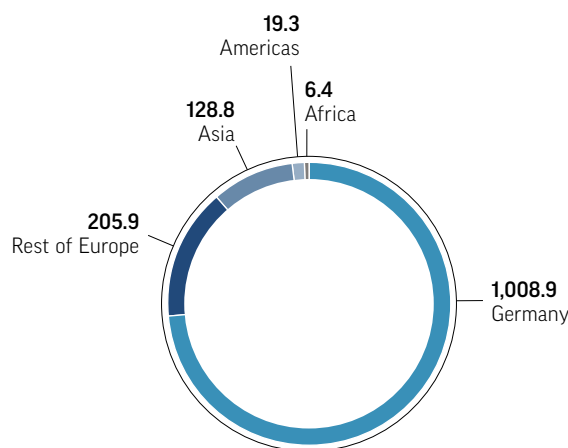
The 2021 reporting period came to an end with revenue of €1,369.3 million (2020: €1,265.6 million). The following figure shows the trend of revenue in the Group (€ million) in the last five years:

TREND OF REVENUE



The breakdown of revenue by region (€ million) shows the following figure:

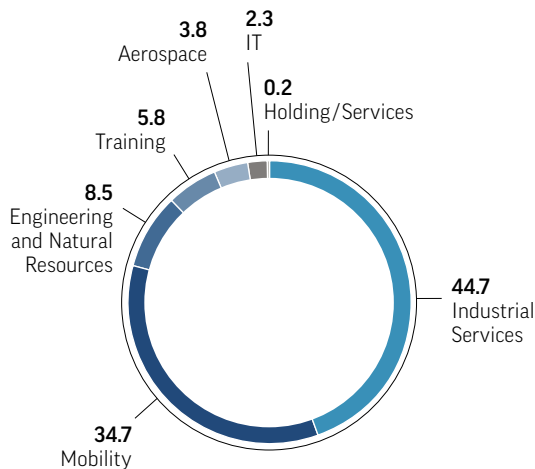
REVENUE BY REGION



The Group's domestic revenue in 2021 amounted to €1,008.9 million (2020: €945.3 million). Revenue from the international business amounted to €360.4 million (2020: €320.4 million) and achieved a share of 26.3%.

Broken down by business units and Holding/Services (in %), the following overall picture emerged for the year 2021:

REVENUE BY BUSINESS UNIT



Due to the coronavirus pandemic, the heterogeneous nature of their market presence, their various product spectra and their regional alignments, the individual business units developed very differently.

The **Industrial Services** business unit generated revenue of €612.4 million (2020: €582.1 million). The year-on-year revenue growth is mainly attributable to business activities abroad, in particular in the Europe, India and China regions. Revenue abroad was €241.3 million (2020: €210.4 million), bolstered by the positive impact of the first-time consolidation of a Croatian company as of 1 January 2021. In Germany, revenue, at €371.1 million, was slightly below the previous year's level (2020: €371.7 million), which was largely accounted for by tests of personal protective equipment.

The revenue of the **Mobility** business unit, at €475.2 million, was 8.0% higher than in the previous year, €440.1 million. The increase in revenue was primarily accounted for by the introduction of the "Optimisation of practical driving licence testing" and the further expansion of business with the cooperation partners as well as the first-time consolidation of two subsidiaries as of 1 January 2021. Pandemic-related effects, such as the partial discontinuation of the driving licence tests in the 1st quarter of 2021 and the decline in orders for property and value appraisals due to falling accident figures, were successfully mitigated elsewhere.

In the **Engineering and Natural Resources** business unit, revenue of €115.8 million (2020: €96.1 million) was generated. The main reasons for the increase were a reduction in pandemic-related restrictions on domestic business activities and the start of a major project.

The increase in the **Training** business unit's revenue to €79.6 million (2020: €75.9 million), resulted from the expansion of the training portfolio in hybrid or digital form. Nevertheless, the coronavirus pandemic continued to have a negative impact on the business unit due to issues such as bans on classroom training and major events, including job speed-dating.

The revenue of the **Aerospace** business unit, at €52.6 million, is higher than in the previous year (2020: €40.1 million) due to the extension of contracts for major projects and the effects of the recovery which took hold in France after a pandemic-related decline in the previous year.

The development in the IT consulting business segment (TÜV NORD IT Secure Communications GmbH & Co. KG) was the main factor behind the increase in revenue in the **IT** business unit to €31.0 million (2020: €27.6 million).

Group expense increased by 5.3% to €1,336.2 million during the financial year.

The cost of materials reached €267.1 million in comparison to €236.4 million in the previous year, as a result of an increase in the use of services in connection with the growth in revenue.

Personnel expense increased by 4.8% to €790.6 million, primarily due to the recruitment of new staff and the conclusion of a collective agreement.

Write-downs decreased to €68.0 million (2020: €77.3 million); the previous year's figure also included a write-down of the goodwill of the Engineering and Natural Resources business unit in the amount of €10.5 million.

Further information on expenses can be found in the Notes to the Consolidated Financial Statements, under No. 3, "Consolidated Income Statement disclosures".

Earnings before tax (EBT) amounted to €73.3 million and were thus €41.4 million above the previous year's result of €31.9 million. The Industrial Services, Mobility, Aerospace and IT business units contributed to the positive result of the Group.

Net profit, at €45.5 million, exceeded that of the previous year (2020: €13.5 million).

Assets

The TÜV NORD GROUP balance sheet reveals a sound structure, notwithstanding the economic effects of the coronavirus pandemic.

Total assets increased to €1,102.4 million during the financial year, as against €1,045.6 million in 2020.

Non-current assets rose from €645.4 million to €655.2 million. The rate of coverage of non-current assets (equity plus pension provisions divided by non-current assets) amounted to 100.6% (2020: 102.3%).

Current assets, which make up 40.6% of total assets, are recognised at €447.2 million (2020: €400.3 million). The increase is mainly due to a growth in cash and cash equivalents during the financial year to €154.7 million (2020: €134.9 million).

The Group has additional hidden reserves, which primarily take the form of property ownership and investments.

Equity capital, at €158.7 million, is above the level of the previous year (2020: €126.3 million). The equity ratio amounted to 14.4% (2020: 12.1%). In 2021, actuarial profits in the Other equity positions amounting to €6.3 million in 2021 (2020: €-8.4 million) were offset, thereby affecting the Statement of Comprehensive Income. In the 2021 financial year, a subordinated registered debenture in the amount of €20.0 million was repaid to the Alters- und Hinter-

bliebenen-Versicherung der Technischen Überwachungsvereine -VvaG- (AHV).

In the 2021 reporting period, €784.1 million (2020: €777.4 million) of plan assets were netted against pension provisions. The proportion of the provisions for current and future pension obligations that is not covered by plan assets amounted to €500.4 million (2020: €531.4 million). As a result of additional payments into the reinsurance scheme in 2021, the coverage gap from pensions was further reduced compared to the previous year.

Further information on the asset situation can be found in the Notes to the Consolidated Financial Statements, under No. 5, "Consolidated Balance Sheet disclosures".

Financial status

The positive net financial position of the TÜV NORD GROUP improved significantly year on year due to the measures taken to ensure liquidity- and opportunity-oriented management during the pandemic, despite the ongoing high level of investment. As of 31 December 2021, the TÜV NORD GROUP remained free of debt and was on a solid financial footing. This has enabled targeted investments to be made in innovation, training and sustainability of services, even during the pandemic. The implementation of appropriate measures maintained the Group's ability to act, and no recourse to credit was necessary.

The most important objectives of the conservative financial policy the remain of the further maintenance of the Group's good rating and the safeguarding of an adequate level of liquidity for the centralised financing of the subsidiary companies by the Group, and these objectives were consistently pursued as in previous years.

In addition, it is fundamental to the Group's financial strategy to ensure a broad measure of financial flexibility along with transparent risk and opportunity management.

The Deutsche Bundesbank, having investigated important financial metrics such as profitability, internal financing strength, liquidity and capital structure on the basis of audited financial statements, has for the fifteenth year in succession awarded the TÜV NORD GROUP the accolade of eligibility for rediscount with the central bank. The Group has thus belonged to the group of

companies whose credit liabilities can be used by commercial banks as collateral with regard to the Deutsche Bundesbank since the very first assessment in 2007. This continues to guarantee the TÜV NORD GROUP a preferential position in terms of access to financial resources.

The cash flow (see “Consolidated Cash Flow Statement”) amounted to €86.8 million and was essentially applied to investments in intangible assets, property, plant and equipment, and to the reinsurance of pension liabilities. Capital expenditure excluding corporate acquisitions amounted to €58.7 million in the financial year as against €56.9 million in 2020. Of this, €49.6 million was invested by the German companies, and €9.1 million abroad. The focus was on the construction of real estate in Essen, physical investment in testing equipment, vehicle fleets and computer hardware and software. No material capital expenditure obligations existed as of the reporting date. The Group spent a total of €4.2 million on increasing a shareholding.

The Group's net financial position amounted to €121.1 million at the end of the financial year, a figure which, despite the pandemic and a high level of investment, exceeded that of the previous year (2020: €82.6 million).

The syndicated loan in the amount of €125.0 million, which expires in December 2023, was extended early for one year. It had not been used as of 31 December 2021.

In 2021, the Group was in the position to meet its payment obligations at all times.

Overall situation

As a result of the macroeconomic situation and the ongoing coronavirus pandemic, the TÜV NORD GROUP was once again confronted with major challenges in the financial year. As in the previous year, the Group has thus far managed the effects of the crisis well, and the business trend has been a pleasing one. The earnings, asset and financial position has developed positively.

In the future, as before, every effort will be made to optimise the company's position in terms of its earnings, assets and finances. The TÜV NORD GROUP assumes a stable earnings, asset and financial position for the future, too.

NON-FINANCIAL PERFORMANCE INDICATORS

Innovation report

Innovations are key growth drivers and will serve to secure long-term sustainability and extend the international competitiveness of the TÜV NORD GROUP.

Opportunities continue to be associated primarily with innovative services in the individual business units, for example, automation and digitalisation. The TÜV NORD GROUP is driving the innovation process by investing in new technologies. Active innovation management is an element of the company's development.

Despite the ongoing coronavirus pandemic, the TÜV NORD GROUP continued on its successful path of innovation development. Moreover, the demand for new services has increased due to the pandemic. These include, for example, new consulting services for the implementation of occupational health and safety standards and consulting services for the expansion of digital networks. With the launch of the multi-year initiative entitled “#GoNORD – Innovation by Everyone”, formats are now available for the active participation of all employees in the innovation context.

One of the priorities of #GoNORD was the piloting of a global innovation platform with almost 2,000 employees. As a result, all the business units successfully used targeted campaigns to motivate employees throughout the Group to contribute their ideas to strategic innovation topics, including sustainability. Furthermore, employees can now develop their own ideas with targeted support from internal and external mentors and develop them to the point at which they can be implemented. #GoNORD also includes a comprehensive range of learning and training opportunities for all employees.

#GoNORD is also intended to increase the breadth of innovation within the Group by reinforcing and combining the expertise and innovative strength of the individual business units through the establishment of knowledge networks.

Employees

Long-term security for our customers is the goal of the TÜV NORD GROUP. Knowledge is the key to achieving it. This is why the Group is building on the knowledge of its employees and consciously investing in training. Expenditure amounting

to €8.1 million was incurred in 2021 for the use of internal and external training services (2020: €6.5 million).

Individual working time arrangements – for instance, to meet childcare needs or to allow employees to look after relatives – changes of workplace and an extensive programme of health care are an everyday reality in the TÜV NORD GROUP. A good work-life balance is in reach for all employees. Loyalty and security are fundamental to the relationship between employer and employees.

Despite all the difficulties, the coronavirus pandemic has made the Group more innovative, more focused, stronger and more sustainable. This is also confirmed by the Group-wide employee survey conducted in 2021.

The TÜV NORD GROUP is committed to a corporate culture in which all individuals are treated with appreciation and fairness and everyone has equal opportunities and possibilities to contribute to the company's success. The fact that diversity is practised rather than just preached is shown by the outstanding ranking gained by our participation in the Diversity Challenge in 2021.

The brands of the TÜV NORD GROUP are attracting additional staff around the world. As of 31 December 2021, the domestic and foreign companies of the TÜV NORD GROUP employed an average of 11,959 staff (converted to full-time equivalent) in comparison to 11,658 in the previous year. 8,109 employees work in Germany. The number of employees abroad increased in 2021 to 3,850. The largest business unit is Industrial Services, with 6,461 employees in Germany and abroad, followed by the Mobility business unit with 2,801 employees.

On the sampling date of 31 December 2021 the absolute number of employees was 14,253. The proportion of women working in the Group is 30% (2020: 29%).

The pandemic has once again placed major demands on both employees and managers over the past year. The cohesion, mutual understanding and, above all, willingness of the Group's employees to work hard contributed significantly to the fact that the Group came through the year largely unscathed, both at home and abroad. The Board of Management and the Group Executive Committee would like to thank all the staff, the company managers, and the employee representatives.

OUTLOOK, OPPORTUNITY AND RISK REPORT

Outlook

In its January 2022 forecast, the International Monetary Fund (IMF) expects global economic output to grow by 4.4% in 2022. This is a reduction of half a percentage point compared to the autumn forecast. The reasons for this are restrictions on mobility, border closures and health consequences of the spread of the omicron variant of coronavirus. However, the reasons cited vary greatly from country to country. This means that the global upturn has continued since 2021, albeit with weakening momentum.

The loss of momentum compared to 2021 is also evident in the eurozone, where growth is still forecast to be 3.9%. Growth in the USA is also expected to decline to 4.0%, 1.2 percentage points lower than forecast in the autumn. The two major Asian economies are split down the middle: while India is still expected to show a strong growth rate of 9.0% in 2022, growth in China will weaken significantly. For 2022, the IMF expects growth of only 4.8%, which is well below the 8.1% recorded in the previous year and represents a further reduction of 0.8 percentage points compared to the autumn forecast. Reasons for this include disruptions in house building, which marked the prelude to this broader economic slowdown. In the light of a strict zero-COVID strategy which resulted in recurring constraints on mobility and worsening prospects for employment in the construction sector, private consumption is also likely to be lower than expected. This means that China is no longer the stand-out growth driver of the global economy that it has been for the past three decades. The reversal of the growth trend expected for Germany in 2022 has once again been set back. While the IMF's autumn forecast for 2022 still assumed a robust growth rate of 4.6%, the outlook for 2022 has been scaled down by 0.8 percent to 3.8%. This is in line with the growth forecasts for 2022 of German economic research institutes. The reasons for the slowdown in the economic sectors vary. For instance, the fourth wave of coronavirus has halted the recovery of the service sector, and the trade and hospitality sectors are also suffering under the restrictions. In the manufacturing sector, it is the ongoing distortions in international supply chains in particular which are hampering the upswing.

The growth driver in the global TIC market in 2022 will once again be the Asia-Pacific region, whose 5.5% growth rate will drive the overall global figure of 4.3%. Europe anticipates growth of over 4.0% and is in line with the global trend. In absolute terms, the

value of the TIC market is estimated at \$215 billion in 2022. 25% of the market, or \$54 billion, is accounted for by Europe.

For the 2022 reporting period, the TÜV NORD GROUP thus expects a positive development in terms of the performance indicators. However, the key ratios will continue to be impacted in 2022 by the effects of the coronavirus pandemic, the planned expansion of the workforce, age-related employee turnover and future investments in SAP and digitalisation projects.

Revenue is expected to rise to slightly above 2021 levels.

For the 2022 reporting period, stable earnings (EBIT) at the level of 2021 are expected. Moreover, all business units are once again planning to contribute positively to overall earnings.

For the 2022 reporting period, the **Industrial Services** business unit forecasts a slight growth in revenue in its traditional business segments, both in Germany and in other European countries. In the 2022 reporting period, earnings will be restrained primarily by a growth in staff numbers and expenses in connection with SAP and digitalisation projects and will decrease significantly compared to 2021. Medium-term planning assumes that earnings will rise again.

The **Mobility** business unit anticipates a moderate increase in revenue in 2022. Earnings are expected to decline slightly in 2022 due to increased staff numbers and expenses in connection with SAP and digitalisation projects. In the following years, however, earnings are expected to rise again. An increase in revenue figures for periodic vehicle inspections and exhaust gas tests, general price increases, the expansion of the partner organisation, growth in the homologation field and the digitalisation and further development of services are expected to make a significant contribution to the planned positive development.

In 2022, it is assumed that the **Engineering and Natural Resources** business unit will see increased demand in the areas of infrastructure, plant engineering, and plant and product testing at home and the further lifting of travel restrictions abroad. Revenue is forecast to rise significantly. The majority of the business segments will contribute to the significant increase in earnings in 2022. In growth projects, the focus is on revenue support alongside targeted innovations and efficiency improvements. At the same time, customer access is to be improved with the aid of location concepts.

The **Training** business unit expects a significant increase in revenue in 2022 to roughly the level before the coronavirus pandemic. However, the business unit continues to be impacted by the fallout from the pandemic. Despite the relaxation of restrictions, the increase in earnings in the planned year will be dampened in particular by the ongoing hygiene rules and issues surrounding small groups. There is still a risk that planned events will be postponed or cancelled.

The **Aerospace** business unit plans a moderate increase of revenue and earnings for 2022. The business unit is continuing its strategy of focusing on engineering services.

The **IT** business unit anticipates a slight decline in revenue in 2022. In the following years, the plan assumes that revenue will rise. Slight increases in earnings are expected, especially in the IT Security business segment, which will be further expanded in 2022.

The planned increases in revenue in the Group go hand in hand with a scheduled moderate increase in the number of employees. A recruitment drive in the course of business expansion will play a significant part in this.

The innovation projects identified in the context of the strategy should contribute to the organic growth of the Group in the long term. These projects will continue in 2022 with the aim of developing new services.

Risk and opportunity management system

The business activities of the TÜV NORD GROUP are influenced by many risks and opportunities. The risk and opportunity management system is thus a fundamental element of corporate governance. The early identification of risks and opportunities and their forward-looking management are key success factors for business development in the TÜV NORD GROUP.

For all companies in which the TÜV NORD GROUP holds the majority, market and competition data are analysed in the context of the risk and opportunity management system. Moreover, efficient measures to reduce or eliminate risk are introduced. Risks in the individual companies are identified using a standardised, IT-supported periodic process and classified according to the amount of damage and probability of occurrence at the end of each quarter, before and after measures (gross and net). In this way, after classification, recommendations for action on risk reduction or elimination can be developed and implemented. Individual risks will where necessary be mitigated through provisions. The possible financial impacts of emerging risks can be limited with the aid of the Group's centralised insurance management system. Significant and existential risks are generally reported on at scheduled intervals, with additional ad-hoc reports as and when particular events occur.

The Group Executive Committee, the Board of Management and the Supervisory Board are kept informed at regular intervals of the current risk situation of the Group and the individual business units. This report includes the causes of the risk situation (net) and the measures taken in response to it.

Additionally, the risk management is verified by the corporate audit division and external auditors. The results of these audits are also reported to the Board of Management and the Supervisory Board.

Risks and opportunities for the TÜV NORD GROUP

The coronavirus pandemic once again affected the business of the TÜV NORD GROUP in the financial year. Nevertheless, the general business situation improved significantly year on year. In contrast, the risks and opportunities relevant to the TÜV NORD GROUP did not change significantly in the same period compared to the previous year. In the 2021 reporting period, however, no risks, including any associated with the ongoing pandemic, were identified which might, either individually or as a whole, endanger the survival of the Group or substantially impair its asset, financial and earnings position. As far, as can be seen at present, there are no risks in the foreseeable future which might jeopardise the survival of the Group.

Interest rate risks can arise in connection with pension obligations. The plan assets intended to finance the pension obligations are managed in a fiduciary capacity by the TÜV NORD PENSION TRUST e. V.,

which was founded in 2008. Changes to the actuarial interest rates in the valuation of pension obligations can have an impact on the cash value of the discounted pension obligations and thus influence the equity capital and overall earnings.

Furthermore, the Group is not exposed to any material price, credit loss or liquidity risks, or to risks arising from fluctuations in cash flow. The Group's financial assets are invested in such a way that, as far as can be seen at present, no material risks exist.

The intensifying competition for qualified personnel is having a decisive influence on the achievement of targets. The looming shortage of skilled workers due to demographic developments and the poaching of employees is being counteracted in the individual business units with the deployment of a variety of measures. For instance, targeted measures are being implemented to fill vacancies with suitable applicants and to secure the loyalty of top performers in the long term. In addition, processes are being standardised and digitalised.

The individual business units report the following risks and opportunities:

Notwithstanding the ongoing coronavirus pandemic, the **Industrial Services** business unit anticipates a fundamentally positive development at home and abroad. The trend in infections is currently mainly seen as a risk to the international business, especially in the south-east Asian region. In Germany, the risks mainly lie in possible changes to regulations which might result in the abolition of previously mandatory inspections and/or a situation in which tests can be carried out by less qualified personnel. The offer of new services and the internationalisation of existing ones are seen as an opportunity. For example, the business unit's international market presence in the fields of wind energy, railway technology, food and medical devices will be further expanded.

After the shutdown of the nuclear power plants in Germany, the services previously required for the operation of these power plants will cease to exist, but there are already long-term orders for services related to decommissioning and dismantling and to the disposal of radioactive waste. Opportunities presented by national and international markets and new technologies are being further developed in a targeted manner.

The risks in the certification business will be contingent on the elimination of the regulatory or legal basis of individual services. Changes in the perception of the value of certifications by policymakers and society at large may also pose a risk. Appropriate countermeasures include sweeping regional and sectoral diversification measures. Strategic positioning as a certification partner to globally active companies will be an effective countermeasure against this risk. The accreditation on which the certification business depends is still exposed to risk due to the possibility of individual rule violations, which could lead to the withdrawal of accreditations for certain areas. The risk of loss of accreditation is countered by a strong accreditation or quality management system with effective measures (e.g. internal auditing). On the other hand, opportunities are presented by investments in areas of high future relevance, e.g. digitalisation, sustainability, the careful scrutiny of supply chains or the certification of medical devices.

In the coming years, stable development is expected for the **Mobility** business unit, despite the pandemic. The customer-group-oriented strategy of the Mobility business unit will lead to the early identification through market and competition analyses of sector-specific risks and changes in market conditions in the segments and regions. The consolidation of the market for car dealerships and workshops is continuing to exert competitive pressure. With the implementation of a Germany-wide market presence with franchise partners, services can be provided anywhere in Germany, effectively counteracting the consequences of the trend of progressive concentration in the car dealership and workshop sector and making it possible to exploit the resulting opportunities for major orders across the country.

Electromobility is set to have an impact on the market for homologations because the variety of models offered by vehicle manufacturers will decline. This may be counterbalanced by increases in demand for the approval of alternative drives and connected driving. Technological developments in the automotive sector are resulting in changes in the requirements that apply to the safety of mobility concepts and data security. The increasing complexity of vehicles requires the inspections to be supplemented by the testing of software for security management purposes. Furthermore, the vehicle valuations portfolio presents opportunities in the globally growing used car markets. Opportunities in other European countries arising from easier market access (similar legal framework conditions, proximity) have been identified and are being exploited. No discernible risks for the Mobility business unit have arisen out of the exhaust emissions scandal that was uncovered in 2015.

In the long term, opportunities and risks may arise from the deregulation of driving tests, which is included as a declaration of intent in the coalition agreement. The business unit aims to actively help mould the changes while clarifying the advantages of the current system with regard to neutrality, organisation and quality.

In the **Engineering and Natural Resources** business unit, the pandemic continues to affect existing projects and orders in almost all business activities and to delay planned developments. International business is suffering under existing travel restrictions and project postponements or suspensions. There are opportunities to expand the business through new partnerships and M&A activities. Stable development is forecast in the infrastructure and plant construction markets, in the natural resources industry and in energy consulting. Previously acquired major projects and those which are in the process of being acquired point to a stable development trend in the coming years.

As a result of the coronavirus pandemic, risks may arise in the **Training** business unit from ongoing hygiene and social distancing rules as well as travel restrictions that prevent the implementation of face-to-face events such as job speed-dating. The provision of training in an alternative digital or hybrid form will mitigate this risk. There may also be fewer contracts in the field of publicly funded education. Opportunities may arise from the increase in short-time work and unemployment and in the nursing and healthcare sector, as the need for caregivers is increasing due to demographic trends.

The pandemic continues to have an impact on the **Aerospace** business unit, e.g. through project postponements. Overall, however, the opportunities outweigh the risks, as the aeronautical industry is seen as a key driver of innovation in Europe, in particular thanks to its contributions to the fight against climate change and to digitalisation. In this context, the business unit has built a photonic design centre in Scotland to accelerate the development and commercialisation of opto-electronic products. Unmanned aerial vehicles will be another important growth area in the aeronautical industry in the short and medium term. The new European regulation on the testing and certification of unmanned aerial vehicles also presents a great opportunity for the business unit, as ALTER TECHNOLOGY TÜV NORD S.A.U. has become the first company in Europe to be accredited as a "Notified Body" for the conformity assessment of unmanned aerial vehicles.

Despite ongoing restrictions due to the coronavirus pandemic, the IT business unit expects to see a fundamentally positive business trend at home and abroad in the coming years. There are risks due to the pandemic-related postponement of the tender deadlines for large-scale master contracts. On the other hand, the pandemic is even proving to be driver of digitalisation, automation and connectedness, which has further reinforced the ongoing major growth potential of the information security and cybersecurity sector. Various national and international digital policy initiatives also offer further extensive opportunities for testing and consulting services.

CORPORATE RESPONSIBILITY

Corporate responsibility and sustainability – brought together under the term Corporate Responsibility (CR) – are essential pillars of the TÜV NORD GROUP's corporate activities. They shape its actions and support the Group's business. The corporate success of the TÜV NORD GROUP is thus intimately linked with the contribution the Group companies make to the sustainable development of the economy, society and the environment. The TÜV NORD GROUP sees the implementation of Corporate Responsibility as a long-term project that will lead it into the future. CR continues to be based on the Group's six key values:

- The focus is on customers.
The TÜV NORD GROUP considers it a responsibility to contribute to the success of its customers. The Group offers them services of the highest quality and efficiency in the context of a sustainable portfolio of services and new ideas to help them on their way into the future.
- Employees are the key to success.
As employers, the TÜV NORD GROUP companies are responsible for creating an attractive work environment which communicates their appreciation of their staff. They offer their employees the space they need to design a working life which is characterised by individual responsibility; they set great store by teamwork, support the reconciliation of work and family and offer individual training opportunities. The employees in turn have a responsibility to contribute to the success of the company.

- Integrity is fundamental.
The TÜV NORD GROUP operates sustainably – in respect of the economy, the environment and society. A culture of openness is cultivated which is firmly rooted in mutual respect and trust. Based on a mandatory code of conduct, the TÜV NORD GROUP always acts lawfully and transparently in respect of its business partners and society. The TÜV NORD GROUP is also responsible for taking the impact of its actions on the environment and society into account.
- Sustainability opens up new paths to a shared future.
The TÜV NORD GROUP pays close attention to the economic, environmental and social impacts of its entrepreneurial decisions and actions. Sustainability is an elemental part of its core brand – both in the service portfolio and in every other issue relating to innovation. At the same time, it is incumbent on the TÜV NORD GROUP to continuously reduce its own carbon footprint.
- Our diversity opens up new opportunities.
Diversity and internationality are an enrichment for the business units and companies of the Group. The TÜV NORD GROUP promotes equal opportunities and respects the individuality of each and every person within it. The TÜV NORD GROUP uses mixed teams and interdisciplinary work to offer its customers tailor-made solutions.
- The Group has a forward-looking culture of innovation.
The business units and companies of the TÜV NORD GROUP are continuously improving their products and processes, developing new ideas for their customers and driving innovation. They see it as their responsibility to the future to measure their own services against sustainability criteria and requirements and to align themselves in the process with the United Nations Sustainable Development Goals.

Sustainability, as a guiding value of the TÜV NORD GROUP, has been part of the mission statement since the beginning of 2020. The TÜV NORD GROUP has thus recognised the importance of this issue to the public and its stakeholders.

The four fields of action of the previous CR Strategy (responsible value creation, staff orientation, environmental orientation and societal orientation) and the associated topics were further developed in 2020 and 2021 and combined to form a new CR Strategy 2025. The new consolidated and systemically

positioned fields of action under the headings of Company, Environment and Society comprise a total of 15 consolidated and further developed CR topics. In the financial year, the current topics were subjected to a materiality analysis, which took into account the relevance of these topics from the company's own point of view, while also referring to the stakeholder perspective, and the assessment of the economic, ecological and/or social impacts of the activities. The 15 CR topics were furnished with specific objectives, measures and requirements for the Group's business units and summarised in a CR Roadmap, and their implementation was prioritised and initiated in line with the level of materiality determined in each case. The 2021 CR coverage provides information on the degree of compliance with the CR targets as of the end of 2021.

Responsibility for Corporate Responsibility lies with the Group Executive Committee. This body is supported, as before, by a CR manager whose job it is to coordinate the CR activities. A CR steering committee, consisting of the CR coordinators from the business units, consults internally on all cross-cutting issues and activities. The CR coordinators also support the business unit management boards in the execution of their CR responsibilities at business unit level.

In the case of the Group companies, responsibility for CR lies with the management of the companies concerned. The management officer of the company supports the management in the planning, implementation and reporting of CR activities.

Based on the 2018 Corporate Responsibility Report, progress reports were published for 2019 and 2020 which provided information on the current status of the TÜV NORD GROUP's CR commitment and the progress made. A more comprehensive report is being published for 2021, providing information on the new CR Strategy 2025, the associated CR Roadmap 2023 and the first measures processed and milestones achieved. One of the key successes in 2021 in the sustainability field was the Gold Medal award presented to the TÜV NORD GROUP by EcoVadis in its sustainability rating.

CORPORATE GOVERNANCE

The Board of Management and the Supervisory Board aspire to align the management and monitoring of the company with nationally and internationally recognised standards of good and responsible corporate governance and are guided in their implementation by the requirements that the German Corporate Governance Code places on capital-market-oriented companies.

The governance structure is based on the globally recognised Three-Lines-of-Defense (TLoD) governance model, with the intention of guaranteeing leadership and control aimed at long-term value creation. With its three connected lines of defence, the first of which is operative management, the second risk management, controlling, law, compliance etc., and the third internal auditing, the TÜV NORD GROUP guarantees the lawfulness of all its business processes and organisational structures along with the efficiency and effectiveness of its established internal control system (ICS).

Appropriately conceived and clearly formulated policies and regulations, accessible to all staff at all times via the Intranet, are fundamental factors when it comes to ensuring good corporate governance. The adoption of corporate policies and a Code of Conduct have given employees a concrete framework of guidelines for their actions, thus reinforcing good business practices in compliance with the law. Information events and trainings which make use of e-learning modules raise awareness among the staff of the significance of compliance-relevant issues.

In accordance with TLoD requirements, the TÜV NORD GROUP established its Compliance Management System (CMS) as an essential component of corporate governance more than ten years ago.

The aim of the TÜV NORD GROUP's CMS is to promote compliance with laws and company policies on the basis of a culture of integrity, to prevent misconduct and to systematically minimise compliance risks.

In conjunction with the TÜV NORD GROUP's mission statement and values, possible risks are efficiently prevented to avert damage to the TÜV NORD GROUP. The CMS also dovetails closely with the TÜV NORD GROUP's Corporate Responsibility (CR) strategy.

Compliance and integrity are important components of this strategy. Compliance measures such as corruption prevention using e-learning modules are therefore an integral part of the CR goals.

The Code of Conduct of the TÜV NORD GROUP is an essential part of the CMS. All Group policies and the company's internal regulations and instructions are based on the mission statement and the Code of Conduct which sets out the central corporate principles for conduct in day-to-day business and interpersonal relations in the company, with business partners and customers. In addition to respect for law and order, the company's principles also include fairness, transparency, the active practice of diversity, and individuality. The Code of Conduct also contains regulations on respect for human rights and dealing with conflicts of interest. It also prohibits corruption in any form.

The Board of Management has commissioned the central point of contact for Compliance to set up and develop an appropriate CMS in the TÜV NORD GROUP that is geared to the company's risk profile. This person is the coordinator and contact point for compliance matters, whistleblower management and the ombudsperson. The central point of contact for Compliance regularly updates the Board of Management and the Group Executive Committee on relevant compliance matters and the status of the CMS in the company. A Compliance Committee (CC) controls and monitors the implementation and development of the TÜV NORD GROUP's compliance programme.

The TÜV NORD GROUP's corporate culture is being strengthened by a preventive compliance approach which is intended to avert potential violations of the rules before they occur by raising awareness and educating the workforce. Another significant element is risk-oriented evaluation in the development of new business models or the acquisition of companies within the scope of M&A projects.

TÜV NORD AG's CMS has been validated by external auditors on the basis of the IDW auditing standard PS 980. An appropriate way of implementing and directing the CMS was identified in the audit report. A second audit in line with IDW PS 980 is planned for 2023.

Membership of the industry association of the TIC Council stipulates the mandatory implementation of the TIC Council Compliance Code of Conduct, which must take place annually in the form of an "agreed-upon procedure" audit by an independent auditing firm. The results are reported to the TIC Council and taken into account in the further development of the CMS.

Integrity and rule-compliant behaviour are prerequisites for any kind of trust-based cooperation and business relationship. The Compliance Code for Suppliers and Business Partners imposes the same expectations on third parties. Care is taken in the selection of business partners to ensure that these comply with the law and follow ethical principles and also impose the same requirements on their own supply chains. By signing the agreement on the Compliance Code, the business partners undertake to act in the spirit of TÜV NORD AG's compliance standards. These include the basic requirements of human rights, equal opportunities and non-discrimination, environmental protection, product and occupational safety, observance of the law and the elimination of corruption.

Employees or business partners can use the services of an external ombudsperson, who is obliged to observe secrecy and anonymity, to file reports of violations of laws and internal company guidelines or suspected cases of violation. In addition to direct contact, the e-mail, telephone and fax reporting channels can be used for this purpose, as can a form which is available in several languages on the Internet.

All corporate governance structures and processes are regularly reviewed to ensure that they are up to date and, if necessary, adapted to meet new requirements. Compliance with the corporate governance rules and regulations is continually monitored by the Internal Audit Department on the basis of risk-orientated audit planning. The quality management system implemented by the Group's internal audit department serves to guarantee the efficiency and effectiveness of its auditing work. The effectiveness of the established processes is regularly confirmed by an external and voluntary audit in accordance with the DIIR (German institute of internal auditing) standard.

Awareness and sensitivity in respect of compliance, both at corporate management level and among the employees, are very well developed across the Group. Regular compliance queries submitted by the employees in advance of active business transactions and the recommendations for conduct issued in reply represent effective and efficient measures for the prevention of harm.

Possible compliance risks are systematically mitigated by risk-oriented internal process controls, such as a compliance check for business partners. The tracking, sanctioning, evaluation and documentation of breaches of compliance represent an integral part of the continuous improvement process. These measures are further strengthening the existing compliance structures and permanently reinforcing awareness of the mandatory nature of TÜV NORD compliance in the Group's day-to-day business.

STATEMENT ON CORPORATE GOVERNANCE

Findings on the promotion of the participation of women in leadership positions according to Article 76 (4) and Article 111 (5) German Stock Corporation Act¹

For TÜV NORD GROUP, diversity and equal opportunities are important cornerstones of corporate culture and management.

In December 2020/January 2021, the Supervisory Board resolved on new targets for the share of women in the Board of Management and the Supervisory Board for the period ending on 30 June 2025. The target for the share of women on the Supervisory Board is set at 30%; for the Board of Management, it is 33%.

Since 1 January 2021, the share of women on the Board of Management has been one third, so the target has thus already been met. The share of women on the Supervisory Board is currently 25%.

For each of the first and second tiers of management below the Board of Management a target of 30% was set, with a deadline for implementation at the end of 30 June 2022. These targets are currently being surpassed.

For the other affected companies in the Group, the targets for the proportion of women in the Supervisory Board, the Board of Management and the next two tiers of management and implementation deadlines were set on time. Our goal is to continuously increase the proportion of women in management positions in the Group companies.

FURTHER INFORMATION

TÜV NORD AG is deemed to be directly dependent within the meaning of Sec. 17 of the Stock Corporations Act (Aktiengesetz – AktG) upon TÜV Nord Holding GmbH & Co. KG of Hamburg and TÜV HSA Holding GmbH & Co. KG of Hanover, and indirectly dependent upon TÜV Nord e. V. and TÜV Hannover/Sachsen-Anhalt e. V. For the period from 1 January to 31 December 2021 and in respect of relevant special transactions during the 2021 financial year, the Board of Management of TÜV NORD AG has drawn up a report pursuant to Sec. 312 AktG regarding relations between the company, on the one hand, and TÜV Nord Holding GmbH & Co. KG, TÜV HSA Holding GmbH & Co. KG, TÜV Nord e. V., TÜV Hannover/Sachsen-Anhalt e. V. and the affiliated companies, on the other.

This report ends with the following declaration:

“We declare that, in the case of the legal transactions listed in the report on relations with affiliated companies, TÜV NORD AG received appropriate consideration for each transaction in accordance with the circumstances known to us at the time in which the legal transactions were executed.

No measures were taken or omitted on the initiative or in the interests of the dominant enterprise or any enterprise affiliated with it.”

Hanover, 28 February 2022

TÜV NORD AG
The Board of Management

¹ Pursuant to the act on the equal participation of women and men in managerial positions in the private and public sectors, certain companies in Germany are committed to setting targets for the proportion of women on their supervisory boards, executive boards and in the following two management tiers and to set a date for the achievement of these targets.

Consolidated Income Statement

€k	Note	2021	2020
Revenue	3.1.	1,369,252	1,265,649
Other income	3.2.	41,496	39,160
Cost of materials	3.3.	-267,149	-236,383
Personnel expense	3.4.		
a) Wages and salaries		-646,732	-618,349
b) Social security contributions, post-employment and welfare benefits		-143,912	-136,255
Depreciation, amortisation and impairment losses	3.5.	-67,967	-77,257
Other expenses	3.6.	-210,483	-201,196
Operating profit		74,505	35,369
Income from investments consolidated at equity		549	-1,961
Income from other equity investments		69	765
Interest income		783	874
Interest expense		-2,407	-2,648
Other financial items		-228	-471
Financial result	3.7.	-1,233	-3,441
Earnings before tax (EBT)		73,272	31,928
Taxes on income	3.8.	-27,730	-18,405
Consolidated earnings after tax		45,541	13,523
The consolidated earnings after tax are attributable to			
owners of TÜV NORD AG		41,052	9,880
non-controlling interests		4,489	3,643

Statement of Comprehensive Income

€k	2021	2020
Consolidated earnings after tax	45,541	13,523
Items that will not be reclassified subsequently to the Income Statement		
Actuarial gains and losses		
Changes from unrealized gains and losses ¹	9,066	-13,234
Tax effect	-2,750	4,785
	6,316	-8,449
Interest from subordinated registered debenture	-2,161	-2,163
Changes in the fair value of financial investments in equity instruments recognised at fair value that do not affect net income	0	19
Share in other comprehensive income of at equity consolidated investments	19	-76
Total items that will not be reclassified subsequently to the Income Statement	4,174	-10,669
Items that will be reclassified subsequently to the Income Statement		
Currency translation		
Changes from unrealized gains and losses	2,324	-3,776
Changes from realized gains and losses	0	102
	2,324	-3,674
Share in other comprehensive income of at equity consolidated investments		
Changes from unrealized gains and losses	23	-84
Total items that will be reclassified subsequently to the Income Statement	2,347	-3,758
Other comprehensive income	6,521	-14,427
Total comprehensive income	52,062	-904
The total comprehensive income is attributable to:		
owners of TÜV NORD AG	47,304	-3,957
non-controlling interests	4,758	3,053

¹ Including non-controlling interests amounting to €-571k (2020: €461k).
Further information can be found in the Notes 4.

Consolidated Balance Sheet

ASSETS €k	Note	31.12.2021	31.12.2020
A. Non-Current Assets			
Intangible assets	5.1.	102,695	91,537
Property, plant and equipment	5.2.	259,444	249,408
Rights of use from leases	5.3.	67,482	69,213
At equity consolidated investments	5.4.	4,969	4,924
Other financial assets	5.5.	23,430	26,880
Trade and other receivables	5.7.	433	1,131
Other assets	5.8.	6,469	5,926
Deferred tax assets	3.8.	190,282	196,336
Total Non-Current Assets		655,204	645,355
B. Current Assets			
Inventories	5.6.	4,675	5,320
Trade and other receivables	5.7.	258,140	237,502
Other assets	5.8.	20,338	17,296
Current tax assets		9,283	4,839
Cash and cash equivalents	5.9.	154,650	134,908
Total Current Assets		447,086	399,865
C. Non-Current Assets Held For Sale	5.10.	124	406
Total ASSETS		1,102,414	1,045,626

EQUITY AND LIABILITIES			
€k	Note	31.12.2021	31.12.2020
A. Equity			
Subscribed capital	5.11.	10,000	10,000
Capital reserves	5.11.	114,413	114,413
Subordinated registered debenture	5.11.	30,000	50,000
Retained earnings	5.11.	311,086	267,449
Other equity items	5.11.	-328,633	-335,117
Total Equity of TÜV NORD AG's owners		136,866	106,745
Non-controlling interests	5.11.	21,869	19,516
Total Equity		158,735	126,261
B. Non-Current Liabilities and Provisions			
Provisions for pensions and other post-employment benefits	5.12.	500,388	531,409
Other provisions	5.13.	34,018	30,429
Amounts payable to banks	5.14.	73	102
Liabilities from leases	5.14.	47,340	49,082
Trade and other payables	5.14.	9,621	7,381
Deferred tax liabilities	3.8.	13,252	11,895
Total Non-Current Liabilities and Provisions		604,692	630,298
C. Current Liabilities and Provisions			
Provisions	5.13.	79,399	66,128
Amounts payable to banks	5.14.	56	69
Liabilities from leases	5.14.	21,458	21,008
Trade and other payables	5.14.	230,082	188,954
Current tax liabilities		7,992	12,908
Total Current Liabilities and Provisions		338,987	289,067
Total EQUITY AND LIABILITIES		1,102,414	1,045,626

Consolidated Cash Flow Statement

€k	Note	2021	2020
Consolidated earnings after tax		45,541	13,523
Depreciation, amortisation and impairment losses		68,195	77,728
Interest expense on liabilities from leases		1,095	1,147
Cash flow before provision for pensions		114,831	92,398
Change in provision for pensions		-28,015	-28,085
Cash flow		86,816	64,313
Share of profits of at equity consolidated investments		546	3,176
Interest income / expense		529	626
Income taxes		27,730	18,405
Gain/loss on disposal of intangible assets and property, plant and equipment and financial assets		1,952	-356
Change in inventories, receivables and other assets		-25,645	36,231
Change in payables, provisions and other liabilities		60,878	19,463
Income taxes paid		-31,099	-12,092
Cash flow from operating activities	6.	121,707	129,766
Proceeds from the disposal of property, plant and equipment		6,384	4,162
Proceeds from the disposal of other financial assets		1,020	1,090
Payments for investments in intangible assets		-2,330	-3,906
Payments for investments in property, plant and equipment		-56,328	-53,041
Payments for other financial assets		-2,532	-6,222
Cash flow from investing activities	6.	-53,786	-57,917
Proceeds from loans and borrowings / repayment of loans and borrowings		-1,232	17
Interest expense on liabilities from leases and repayment of liabilities from leases		-24,026	-23,338
Dividends to owners and non-controlling shareholders		-3,061	-2,801
Repayment from subordinated registered debenture		-20,000	0
Interest received		783	967
Interest paid		-3,473	-3,349
Cash flow from financing activities	6.	-51,009	-28,504
Net change in cash and cash equivalents through payments made and received		16,912	43,345
Net change in cash and cash equivalents through changes in exchange rates and in the basis of consolidation		2,830	2,242
Cash and cash equivalents at the beginning of the period		134,908	89,321
Cash and cash equivalents at the end of the period		154,650	134,908
Supplementary information:			
Dividends received classified as cash flow from operating activities		228	1,545

Statement of Changes in Consolidated Equity

€k	Subscribed capital	Capital reserves	Subordinated registered debenture	Retained earnings
Carrying amounts as of 1 January 2020	10,000	114,413	50,000	258,990
Comprehensive income	0	0	0	9,880
Dividend payment	0	0	0	-1,000
Changes in basis of consolidation	0	0	0	0
Other changes	0	0	0	-421
Carrying amounts as of 31 December 2020	10,000	114,413	50,000	267,449
Carrying amounts as of 1 January 2021	10,000	114,413	50,000	267,449
Comprehensive income	0	0	0	41,052
Transfer from/to	0	0	0	-233
Repayment from subordinated registered debenture	0	0	-20,000	0
Dividend payment	0	0	0	-1,000
Changes in basis of consolidation	0	0	0	0
Other changes	0	0	0	3,817
Carrying amounts as of 31 December 2021	10,000	114,413	30,000	311,086

Further information on equity can be found in the Notes 5.11.

Accumulated Other Comprehensive Income

	Currency translation differences	Financial Instruments at fair value through OCI	Actuarial gains and losses	Interests from subordinated registered debenture	Share of TÜV NORD AG's owners	Non-controlling interests	Consolidated equity
	-1,890	-2	-311,332	-8,057	112,122	11,865	123,987
	-2,850	19	-8,843	-2,163	-3,957	3,053	-904
	0	0	0	0	-1,000	-1,801	-2,801
	0	0	0	0	0	6,399	6,399
	0	0	0	0	-421	0	-421
	-4,740	17	-320,175	-10,220	106,744	19,516	126,261
	-4,740	17	-320,175	-10,220	106,744	19,516	126,261
	1,698	0	6,715	-2,161	47,304	4,758	52,062
	0	0	233	0	0	0	0
	0	0	0	0	-20,000	0	-20,000
	0	0	0	0	-1,000	-2,061	-3,061
	0	0	0	0	0	-344	-344
	0	0	0	0	3,817	0	3,817
	-3,042	17	-313,227	-12,381	136,866	21,869	158,735

Notes to the Consolidated Financial Statements

33	General Principles
35	Summary of Significant Accounting Policies
42	Consolidated Income Statement Disclosures
44	Notes on the Consolidated Statement of Comprehensive Income
44	Consolidated Balance Sheet Disclosures
61	Consolidated Cash Flow Statement Disclosures
61	Other Disclosures
71	Governing Bodies

Notes to the Consolidated Financial Statements

1. GENERAL PRINCIPLES

1.1. Corporate information

The TÜV NORD Group is one of the biggest technical service providers in Germany and the byword for safety, independence and quality. It offers a broad range of testing, certification, engineering, consulting and training services for its customers in its Industrial Services, Mobility, Engineering and Natural Resources, Training, Aerospace and IT business units in all the world's major countries.

The TÜV NORD AG, with its registered office in Hanover, Germany, is the parent company of the Group, registered with the Commercial Registry of Hanover Local Court under no. HRB 200158.

The Board of Management of the TÜV NORD AG completed the preparation of the Consolidated Financial Statements as of 31 December 2021 and the Group Management Report for the 2021 financial year on 28 February 2022 and approved them for submission to the Supervisory Board.

1.2. Basis of presentation

Taking advantage of the right of election pursuant to Art. 315e (3) of the German Commercial Code (HGB), the TÜV NORD AG prepared its Consolidated Financial Statements up to 31 December 2021 in accordance with International Financial Reporting Standards (IFRS), as applicable in the EU, while at the same time complying with the German supplementary provisions pursuant to Art. 315e (1) HGB. All the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) up to 31 December 2021 and all the pronouncements of the International Financial Reporting Standards Interpretations Committee (IFRS IC) have been applied in relation to the 2021 financial year to the extent that such standards had received the endorsement of the Commission of the European Union up to the time of publication of the Consolidated Financial Statements and that their application is mandatory. The use of the two-statement approach shows a breakdown of the expense recognised in equity and income (Statement of Comprehensive Income) in addition to the Profit and Loss Account, the Balance Sheet and the Cash Flow Statement.

In order to achieve equivalence with consolidated financial statements prepared in accordance with the HGB, all statutory requirements of disclosure and explanation going beyond the IASB requirements have been complied with, in particular the preparation of a Group Management Report.

The Consolidated Financial Statements are presented in euro and on the basis of original cost (costs of purchase or production), with the exception of certain financial instruments which are recognised at fair value.

Unless otherwise indicated, the amounts are stated in thousands of euro (€k). The use of rounded-off values and percentage may result in differences due to financial rounding. For the sake of clarity and to make the financial statements more readily understandable, certain individual items are aggregated in the Consolidated Balance Sheet and the Consolidated Income Statement but disclosed and explained separately in the Consolidated Notes.

The annual financial statements of the Group companies in Germany and abroad are prepared in accordance with uniform accounting policies. Separate financial statements of subsidiary companies prepared in their local currencies are translated into euro.

The reporting periods of the TÜV NORD Group and of all consolidated subsidiaries end on 31 December of each successive calendar year.

The Consolidated Financial Statements were prepared on a going concern basis, i.e., the Group is able to meet its payment obligations.

1.3. Accounting standards applied for the first time in the financial year

The IASB has issued amendments to the following existing standards, which have received endorsement from the European Commission, i.e. have been adopted into European law, and whose application is mandatory in respect of the 2021 financial year:

EFFECTIVE APPLICATION

Standard/ Interpretation	Mandatory application
Amendments to IFRS 4 "Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9"	Reporting periods beginning on or after 1.1.2021
Amendments to "IFRS 9, IAS 39, IFRS 7, IFRS 4 und IFRS 16: Interest Rate Benchmark Reform – Phase 2"	Reporting periods beginning on or after 1.1.2021
Amendment to IFRS 16 "Covid-19-Related Rent Concessions"	Reporting periods beginning on or after 1.6.2020

1.4. Newly issued accounting standards not yet applied

The following amendments to existing standards issued by the IASB have already been adopted into European law, but their application is not yet mandatory for the financial year. The company has not elected to apply these amendments in advance of their becoming mandatory.

NO ELECTIVE APPLICATION IN ADVANCE

Standard/ Interpretation	Mandatory application
IFRS 17 "Insurance Contracts" including Amendments to IFRS 17	Reporting periods beginning on or after 1.1.2023
Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30.06.2021"	Reporting periods beginning on or after 1.4.2021
Amendments to IFRS 3 "Business Combinations: References to the Conceptual Framework", IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract"	Reporting periods beginning on or after 1.1.2022
Annual Improvements to IFRS Standards (Cycle 2018 – 2020)	Reporting periods beginning on or after 1.1.2022

The TÜV NORD AG has not yet completed its investigations into the possible implications for assets, financial status and earnings but is of the opinion that the application of the further standards, which were issued before the reporting date but whose application is not yet mandatory, will have no material impact on assets, financial status and earnings.

The following standards and amendments to existing standards issued by the IASB have not yet received European Commission endorsement, with the effect that their application is not yet admissible:

APPLICATION IN ADVANCE INADMISSIBLE

Standard/ Interpretation	Mandatory application
Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current including Deferral of Effective Date" 0148	Reporting periods beginning on or after 1.1.2023
Amendments to IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies"	Reporting periods beginning on or after 1.1.2023
Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates"	Reporting periods beginning on or after 1.1.2023
Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	Reporting periods beginning on or after 1.1.2023
Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	Reporting periods beginning on or after 1.1.2023

The TÜV NORD AG has not yet completed its investigations into the possible implications for assets, financial status and earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of consolidation

Including the TÜV NORD AG, the Consolidated Financial Statements cover 41 (2020: 40) domestic and 42 (2020: 42) foreign companies in which the TÜV NORD AG directly or indirectly holds a majority of the voting power, or over whose financial and operating policies it otherwise exerts control and is thus in a position to obtain benefits from their activities. In determining the situation with regard to control, potential voting rights which are currently exercisable or convertible are also taken into consideration.

In the 2021 financial year, the removals from the list of fully consolidated subsidiaries resulted from two deconsolidations on the grounds of diminished importance. As a result of their increased importance, three non-consolidated companies have been consolidated for the first time.

In addition, unchanged from the previous year, six companies (see under 5.4.) are accounted for by the equity method.

Not included in the consolidation are companies which are of only minor significance for a true and fair view of the financial position, financial performance and earnings of the Group. This waiver of consolidation has the effect of reducing group revenue by 0.9% (2020: 1.0%) and of a change of consolidated earnings before tax (EBT) of 0.8% (2020: 1.9%).

A list of consolidated companies and shareholdings has been prepared in which the TÜV NORD Group's affiliates and other equity investments are listed, showing the proportion of the capital held. A list of all the Group's shareholdings is published in the Federal Gazette as part of the Notes to Financial Statements of the TÜV NORD AG.

2.2. Consolidation policy

The annual financial statements of the subsidiaries included in consolidation are prepared in accordance with the TÜV NORD AG's accounting and valuation methods, which are applied uniformly throughout the Group.

Capital consolidation is effected using the purchase method, pursuant to IFRS 3, Business Combinations. Using the purchase method to account for business combinations assumes that, at the time of initial consolidation, all the assets, liabilities and contingent liabilities of the

company acquired and also any intangible assets to be recognised in addition are measured at fair value. Any difference amounts between the cost of acquiring the interest in the company and the acquirer's pro-rata share in the reassessed equity at the time of acquisition are allocated to the appropriate balance sheet items of the subsidiary up to the amount of their fair value. Any remaining positive difference is recognised as goodwill. If a negative difference arises, it is recognised as an expense in profit and loss for the reporting period during which the business combination takes place. Goodwill is tested for impairment at least once a year.

The earnings of subsidiary companies acquired or disposed of in the course of the financial year are included in the Consolidated Income Statement from the point in time when control was acquired or up to the effective time of disposal.

Significant associates and joint ventures are accounted for using the equity method. An associate is a business entity upon which the Group can exert significant influence through participation in financial and operating policy decisions, but over which it cannot exercise control. In general, such significant influence may be presumed if the Group holds 20% or more of the voting power. The pro rata earnings from such equity holdings are recognised under the item Income from investments in associates. Should any such equity investments be subject to long-term impairment, impairment losses are recognised. Where a Group company undertakes transactions with an associate, any resulting unrealised gains or losses are eliminated pro rata to the Group's interest in the associate or joint venture.

Receivables and payables between companies included in consolidation are netted. Profits and losses arising out of intercompany transfers of assets that are to be recognised in the Consolidated Financial Statements are eliminated unless they are immaterial. Revenue and other income between consolidated companies are offset against the corresponding expenses.

During the process of consolidation, income tax effects are taken into account and deferred taxes recognised where appropriate.

Shares in the equity of subsidiaries that are held by parties outside the Group are recognised separately within Consolidated Equity. The proportions of the earnings of subsidiary companies attributable to outside shareholders (non-controlling interests) are stated separately in the Consolidated Income Statement.

2.3. Currency translation

Translation into the presentation currency

The annual financial statements of any foreign Group company whose functional currency is not the euro are translated into the Group presentation currency, i.e. the euro, in accordance with the functional currency concept. The functional currencies of the foreign subsidiaries are their respective local currencies.

Assets and liabilities of foreign subsidiaries are translated at the exchange rate prevailing as of the balance sheet date. Equity is translated at historical rates of exchange. Expense and income are translated into euro at average rates for the year. Differences arising out of currency translation are recognised in Other comprehensive income. Such a translation difference recognised in comprehensive income is posted to profit and loss only if the company concerned is deconsolidated.

Translation into the functional currency

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the time of the transaction. Gains and losses resulting from the fulfilment of such transactions and from the translation as of the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

The following exchange rates are among those used for the translation of the currencies of countries that are not members of the European Monetary Union:

CURRENCY TRANSLATION

Currency	ISO Code	Exchange rate as of the reporting date		Annual average rate	
		31.12.2021	31.12.2020	2021	2020
Brazilian real	BRL	6.3101	6.3735	6.3813	5.8900
British pound sterling	GBP	0.8403	0.8990	0.8600	0.8892
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Canadian dollar	CAD	1.4393	1.5633	1.4835	1.5294
Chinese renminbi yuan	CNY	7.1947	8.0225	7.6340	7.8708
Croatian kuna	HRK	7.5156	7.5519	7.5291	7.5384
Czech koruna	CZK	24.8580	26.2420	25.6468	26.4555
Egyptian pound	EGP	17.7746	19.2864	18.5391	18.0668
Hong Kong dollar	HKD	8.8333	9.5142	9.1988	8.8517
Indian rupee	INR	84.2290	89.6604	87.4860	84.5795
Indonesian rupiah	IDR	16,103.0596	17,241.3793	16,920.4738	16,611.2957
Korean won	KRW	1,346.3843	1,336.0053	1,353.9495	1,345.0985
Malaysian ringgit	MYR	4.7184	4.9340	4.9026	4.7935
Polish zloty	PLN	4.5969	4.5597	4.5640	4.4432
South African rand	ZAR	18.0625	18.0219	17.4795	18.7685
Swedish krona	SEK	10.2501	10.0341	10.1451	10.4877
Thai baht	THB	37.6530	36.7270	37.8218	35.6934
Turkish lira	TRY	15.2346	9.1133	10.4668	8.0438
US dollar	USD	1.1326	1.2271	1.1835	1.1413

2.4. Use of estimates

The preparation of IFRS financial statements requires management to make certain estimates and assumptions which have an impact on the carrying amounts of assets and liabilities, the disclosure of contingent assets and liabilities existing as of the reporting date, and the income and expense recognised for the financial year. The actual amounts may differ from these estimates.

In compiling the Consolidated Financial Statements, estimates had to be made in particular with regard to the impairment testing of goodwill, the useful life of fixed assets, the discount interest rate for leasing liabilities, the valuation of employee benefits under IAS 19, provisions from the human resources and social sector, provisions for threatened losses from pending transactions and the deferred tax assets relating to loss carryforwards. These estimates are continuously reviewed.

Goodwill is subjected to an annual impairment test based on the smallest cash-generating unit to which goodwill has been allocated and the management's approved three-year operating plan. Impairment tests are largely based on estimates.

In accordance with the IFRS 16 leasing standard, the TÜV NORD Group must determine with sufficient certainty the term of the leases, taking into account all the circumstances and facts that could lead to the use of an extension option or the non-exercise of a termination option. This requires an assessment of the likelihood that such an option will be used. When discounting leasing liabilities, the determination of the interest rate to be used is also based on estimates.

Employee benefits relate essentially to obligations arising out of defined benefit pension commitments, which are determined based on actuarial parameters. These require assumptions to be made about future wage and salary increases, trends in pension levels and the discount rate. Changes in these parameters can have a significant impact on the level of the pension obligation. However, changes in the parameters for determining the obligation arising from defined benefit pension commitments and plan assets do not affect the consolidated net income for the current year, as actuarial gains and losses are immediately recognised in equity.

Recognition and measurement of the provisions from the human resources and social sector and the provisions for threatened losses are based on estimates of the probability of a future outflow of resources and on experience values and the circumstances known at the reporting date. To this extent, the actual outflow of resources may vary from the amount of the provision.

Deferred tax assets relating to loss carryforwards are accounted for on the basis of estimates of the extent to which the tax advantages can be realised in future, i.e. if sufficient taxable income is to be expected in the future. The actual tax situation in future periods, and thus the actual extent to which loss carryforwards can be utilised, may vary from the estimate made at the time when the deferred taxes were recognised.

2.5. Accounting policies

Accounting is undertaken in accordance with the following principles:

Revenue realisation

Revenue essentially consists of earnings from services and, pursuant to IFRS 15, is recognised in the period in which it was generated.

The degree of completion or progress per contract to be applied is thereby calculated by the ratio of accrued costs to the calculated total costs (cost-to-cost method).

Intangible assets

Intangible assets encompass intangible assets acquired for consideration and internally generated intangible assets and goodwill.

Intangible assets acquired for consideration, e.g. software and accreditations, are valued at historical cost. This position also includes items identified during purchase price allocations, e.g. customer relations.

Internally generated intangible assets are recognised at production cost if this meets the recognition criteria of IAS 38.

Intangible assets with a certain useful life are subject to amortisation by the straight-line method over a period of generally between 3 and 15 years, depending on the expected future economic benefits. The useful life is subject to annual review and, if necessary, adjusted in accordance with future expectations. If there is any indication of impairment, or if the recoverable amount is less than the amortised cost, an impairment loss must be recognised.

If the reasons for recognising such an impairment loss cease to apply, the impairment loss is reversed, where the resulting enhanced carrying amount may not exceed the amortised cost arrived at by normal amortisation.

Goodwill arising out of a business combination is to be recognised from the time when control is obtained over the company acquired (the acquisition date). It arises whenever the cost of acquiring the business exceeds the netted fair value of the identifiable assets, debts and contingent debts at the acquisition date. Goodwill is not subject to amortisation; instead, it is subjected to an impairment test at least once a year or, should any triggering events occur, more frequently. This may result in impairment-only recognition. The impairment test is carried out on the basis of cash-generating units, the recoverable amount of a cash-generating unit being compared with its carrying amount. Under IAS 36, an impairment loss is recognised if the carrying amount of a cash-generating unit to which goodwill has been allocated exceeds its recoverable amount. Impairment losses on goodwill, once recognised, may not be subsequently reversed.

The cash-generating units correspond with the internationally managed business units Industrial Services, Mobility, Engineering and Natural Resources, Training, Aerospace and IT and the Holding/Services Group unit.

The recoverable amount is the higher of the cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount of a cash-generating unit is initially calculated by determining its fair value less costs of disposal, using the discounted cash flow method on the basis of the three-year plan approved by management. If the fair value less costs of disposal is lower than the carrying amount, the value in use is also determined. In determining value in use, certain assumptions have to be made, relating essentially to the rate at which operating profit will grow over the planning period, the cost of capital as well as the expected

sustained growth rate after the end of the three-year plan. The cost of capital is determined on the basis of the weighted average cost of capital (WACC).

Property, plant and equipment

Assets coming under the category of property, plant and equipment are recognised at depreciated costs (purchase or construction costs). Construction costs include not only direct costs but also attributable overheads.

The revaluation model as per IAS 16.31 is not applied. As a result, under current market conditions the carrying amounts of the TÜV NORD Group's real estate include hidden reserves.

Property, plant and equipment are normally depreciated by the straight-line method, unless, in exceptional cases, some other depreciation method appears more appropriate. Depreciation is based on the following useful lives:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

	years
Office buildings	30 – 50
Test facilities	20 – 30
Machinery	5 – 12
Furniture, fixtures and office equipment	3 – 20

Under IAS 36, property, plant and equipment are subject to impairment if the recoverable amount (see also under "Intangible assets" above) of the asset concerned has fallen below its carrying amount. If the reasons for recognising such an impairment loss cease to apply, the impairment loss is reversed, but only to the extent that the enhanced carrying amount does not exceed the asset's depreciated cost. Such a reversal of an impairment loss is recognised as income.

Leases

In the case of a lease, there is a contract which transfers the right to use an asset (the leased asset) for an agreed period in return for a consideration.

IFRS 16 envisages a unified accounting model for the lessee: lease contracts are to be recognised as rights of use and, correspondingly, as a liability. IFRS 16 contains the option not to apply the

requirement of IFRS 16 to short-term leases (term of less than 12 months) and leases for low-value assets. IFRS 16 does not essentially differ from IAS 17 requirements when it comes to lessor accounting. For lessors, the distinction between finance and operating leases must continue to be made as before.

Both assets for the rights to use the leased assets and liabilities for the received payment obligations for all leases of the Group as a lessee are recognised at present value. The lease liability takes into account the following lease payments:

- Fixed payments less lease incentives received by the lessor,
- Variable payments linked to an index or interest rate,
- Expected payments from residual value guarantees,
- Strike price of a purchase option if the exercise thereof has been deemed sufficiently safe and
- Contractual penalties for the termination of the lease, if the term of the lease takes into account the use of a termination option.

If the interest rate implicitly underlying the lease is determinable, lease payments are discounted at this rate. If this is not the case, interest is discounted by means of a marginal borrowing interest rate.

The rights of use are valued on the basis of the acquisition costs, which are as follows:

- Lease liabilities,
- Lease payments made in the event of, or before, provision, less lease incentives received,
- Initial direct costs and
- Expected costs from decommissioning obligations.

The amortised acquisition costs are used for the subsequent valuation. Amortisation of rights of use takes place on a straight-line basis over the period of the contractual relationship.

The facilitation of application for low-value leases and short-term leases (less than 12 months) is used, so that payments are recognised in a linear way as an expense (rental expense) in the consolidated profit-and-loss account. In addition, intangible asset leases are not affected by the application. If contracts exist that contain both lease and non-lease components, the option of waiving the separation of these components is exercised. This does not extend to real estate leases.

The renewal and termination options (especially for real estate) contained in a number of lease contracts offer the Group the greatest possible operational flexibility. In determining the terms of the contract, all facts and circumstances that provide an economic incentive to exercise renewal options or not to exercise termination options are taken into account. If changes in the duration of the term that arise from the exercise or non-exercise of the options are sufficiently certain, they are taken into account in the term of the contract (see under 2.4.).

At equity consolidated investments

Associates and joint ventures are initially recognised at cost at the time of their acquisition, and, in subsequent accounting periods, using the equity method. The carrying amounts are increased or decreased annually by the amount of the earnings attributable pro rata, the dividends distributed or other changes in equity. Under IAS 28.33, accounting using the equity method is effected on the basis of the last available financial statements. Any goodwill is reviewed in connection with the impairment testing of the investment in the associate or joint venture. Goodwill is not subject to amortisation.

Other financial assets

The item Other financial assets covers above all investments in non-consolidated affiliates, other equity investments, loans, securities and claims arising out of the reinsurance of pension obligations.

The financial instruments are categorised on the basis of the analysis of business model and payment flow conditions provided for in IFRS 9. The following categories are relevant for the TÜV NORD Group:

- Financial assets/liabilities accounted for at amortised cost
- Financial assets/liabilities accounted for at fair value which affect net income
- Equity instruments accounted for at fair value which do not affect net income

In principle, the TÜV NORD Group accounts for all the equity instruments it holds at fair value. Dividends from such instruments are recognised in profit or loss under other income where the right to receive payments is established.

Loans granted fall into the category "Accounted for at amortised cost".

Claims arising out of reinsurance fund shares that do not form part of the plan assets are accounted for at fair value in accordance with IAS 19 on the basis of the information provided by the reinsurance provider. There is no price reporting on an active market for employer's pension liability insurance policies.

Inventories

Inventories encompass exclusively raw materials, auxiliary materials, operating materials and advance payments, which are accounted for at either amortised cost or net realisable value, whichever is lower.

Trade and other receivables, other assets

Receivables include the company's trade receivables, other receivables and other assets. Impairments are determined based on expected loan defaults pursuant to IFRS 9. For trade receivables, loan defaults that are expected over the total period are recognised according to the simplified procedure. Non-current receivables bearing no or only low interest are discounted at a rate appropriate to the risk, to the extent that the interest effect is material. The amount discounted is recognised pro rata under interest income until the receivable becomes due.

The receivables and other assets also include contract assets which are recognised in accordance with IFRS 15. The contract assets primarily relate to claims of the Group for consideration for services which have been completely provided but not yet invoiced as of the record date. The contract assets are reclassified as trade receivables if the rights to them are held without reservation. This typically happens when the Group issues an invoice to the customer.

Cash and cash equivalents

Cash and cash equivalents include freely disposable cash in hand, cheques and bank credit balances with a term of up to three months. These are recognised at nominal value.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and their tax bases and also for consolidation measures recognised through profit or loss and, as far as is permissible, are set off against one another in the consolidated balance sheet. Deferred tax assets are recognised to the extent that it is probable that there will be taxable income against which the deductible temporary difference can be offset. Deferred tax assets

also include claims for reductions in amounts of tax payable arising out of the expected utilisation of existing loss carryforwards in subsequent years, to the extent that their realisation within a period of 5 years is sufficiently certain. Deferred tax assets and liabilities are also recognised where temporary differences arise in connection with business combinations (corporate acquisitions), with the exception of temporary differences relating to goodwill.

Deferred taxes are determined on the basis of the rates of taxation that apply or are expected to apply under current law in the individual countries at the time of realisation. Tax rates that will be applicable in future years are used for calculation purposes to the extent that they have already been fixed in law or that the legislative process is practically completed.

Changes in deferred tax assets and liabilities in the consolidated balance sheet generally lead to tax expense or income in the consolidated income statement, unless they relate to items recognised in comprehensive income; in this case, the deferred taxes are also recognised in comprehensive income.

Deferred taxes are not recognised at the reporting date in respect of temporary differences in connection with investments in subsidiaries, associates or joint ventures (outside basis differences). It is not possible to make any reliable estimate of the amounts of these unrecognised deferred tax liabilities.

For the calculation of domestic deferred taxes, a tax rate of 32.0%, unchanged from the previous year, has been applied.

Non-current assets held for sale

Non-current assets held for sale are shown separately in the Group balance sheet if they can be sold in their existing condition and it is probable that they will be. When assets are first classified as "held for sale", they are revalued at the lower of carrying amount and fair value less costs to sell. Impairment losses resulting from the first-time classification of the assets as being "held for sale", and also any later impairments (or reversals of impairments), are recognised as expense (or income) in the Income Statement. Assets held for sale are not subjected to amortisation.

Provisions for pensions and other post-employment benefits

Post-employment benefit plans are classified as either defined benefit or defined contribution plans, depending on the economic substance of the plan as derived from its principal terms and conditions. Plans are classified as defined benefit plans if the actuarial

or investment risk falls on the employer. Post-employment benefit commitments that cannot be unambiguously classified as defined benefit plans are regarded as defined contribution plans.

The requisite level of pension provisions in respect of defined benefit obligations is determined by actuarial valuation using the projected unit credit method. This valuation is carried out by actuaries as of every balance sheet date. Actuarial gains and losses arising are accounted for directly in equity without passing through the Consolidated Income Statement and are recognised in the Statement of Comprehensive Income.

Through the transfer of claims to reinsurance to TÜV NORD PENSION TRUST e.V. of Hanover, plan assets have been formed which serve to secure the pension obligations.

The service cost included in pension expense and the included net interest expense are recognised under "Personnel expense".

Payment obligations under defined contribution pension plans (the statutory pension funds) are recognised in the Consolidated Income Statement for the period concerned.

Other provisions

Other provisions are formed if a legal or constructive obligation currently exists towards third parties as a result of a past event, in respect of which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the provision required. The measurement of the provisions is effected using the best estimate of the amount required to settle the obligation, which is not set off against any possible claims for recourse. Non-current provisions are discounted if the interest effect is material.

Trade and other payables

Interest-bearing payables to banks are accounted for at the amount disbursed less directly attributable transaction costs. Financing costs are distributed as expense over the term, increasing the carrying amount of the liability in subsequent periods. Trade and other payables are recognised at fair value. Non-current liabilities that are not subject to interest are discounted using the effective interest method if the interest effect is material.

Contingent liabilities

Contingent liabilities are possible obligations that might arise from past events and whose existence will be confirmed by future events not within the control of the TÜV NORD Group. They may also be existing obligations that cannot be recognised because an outflow of resources is improbable or the amount of the obligation cannot be estimated with sufficient reliability. Such contingent liabilities are recognised at the level of liability existing at the reporting date.

3. CONSOLIDATED INCOME STATEMENT DISCLOSURES

3.1. Revenue

Revenue breaks down between the six business units and Holding/Services as follows:

REVENUE

€k	2021	2020
Industrial Services	612,428	582,083
Mobility	475,240	440,080
Engineering and Natural Resources	115,771	96,099
Training	79,564	75,923
Aerospace	52,577	40,114
IT	31,044	27,550
Holding/Services	2,628	3,800
Total	1,369,252	1,265,649

Revenue amounting to €1,008,884k (2020: €945,258k) was generated in Germany, €205,926k (2020: €187,550k) in the rest of Europe and €154,442k (2020: €132,817k) in the rest of the world.

The revenue consists almost entirely of earnings from services which are realised in the same period pursuant to IFRS 15. Revenue includes €4,984k (2020: €7,032k) relating to partly fulfilled contracts to render services, which were recognised as contract assets as of the reporting date.

3.2. Other income

Other income amounting to €41,496k (2020: €39,160k) is made up e.g. of income from the reversal of provisions €5,780k (2020: €9,467k), income from ancillary services €3,021k (2020: €2,780k), income from the reversal of impairment losses on trade receivables €2,513k (2020: €1,846k), income from the outflow of financial and fixed assets €2,438k (2020: €1,578k), and canteen takings €930k (2020: €1,175k).

3.3. Cost of materials

COST OF MATERIALS

T€	2021	2020
Cost of raw materials and supplies	42,335	32,495
Cost of services bought in	224,814	203,888
Total	267,149	236,383

3.4. Personnel expense

PERSONNEL EXPENSE

€k	2021	2020
Wages and salaries	646,732	618,349
Social security contributions	116,457	109,207
Post-employment benefit expense	24,695	23,979
Other employee benefits	2,760	3,069
Total	790,644	754,604

The number of employees in the domestic and foreign consolidated companies of the TÜV NORD Group during the 2021 financial year was 14,253 (2020: 14,182), 10,192 of whom were employed in Germany (2020: 10,277) and 4,061 abroad (2020: 3,905). Expressed on a full-time basis, the TÜV NORD Group had 11,959 employees (2020: 11,658), 8,109 (2020: 7,990) of whom were employed in Germany and 3,850 (2020: 3,668) abroad. The Group's employees are for the most part salaried staff.

3.5. Depreciation, amortisation and impairment losses

DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

€k	2021	2020
Depreciation and amortisation of assets	44,329	43,507
Depreciation and amortisation of rights of use of leases	23,388	22,191
Impairment losses	250	11,559
Total	67,967	77,257

The impairment expenses 2020 mainly include a write-down of the goodwill of the Engineering and Natural Resources business unit in the amount of €10,500k.

3.6. Other expenses

Other expenses of €210,483k (2020: €201,196k) principally relate to occupancy expenses of €49,141k (2020: €43,257k) (these include expenses for short-term leases and expenses for leases for low-value assets €8,948k (2020: €7,660k)), travelling expenses of €31,182k (2020: €31,744k), operating and administrative expenses of €24,639k (2020: €22,523k), other services amounting to €22,532k (2020: €17,139k), advertising and communication expenses of €17,255k (2020: €16,092k), legal and consultancy fees of €8,707k (2020: €7,681k) and donations and contributions amounting to €2,376k (2020: €2,356k). Value adjustments on doubtful trade receivables amounting to €5,769k (2020: €4,771k) are also included, as are other taxes in the amount of €2,552k (2020: €2,385k).

3.7. Financial items

FINANCIAL ITEMS

€k	2021	2020
Income from at equity consolidated investments	549	-1,961
Income from other equity investments	69	765
Amortisation of other financial investments and securities	-228	-471
Financial items (excluding interest result)	390	-1,667
Interest income	783	874
Interest expense	-2,407	-2,648
a) Interest included in lease payments	-1,095	-1,147
b) Other interest expense	-1,312	-1,501
Interest result	-1,624	-1,774
Financial items (including interest result)	-1,233	-3,441

3.8. Taxes on income

The Group's tax expense is as follows:

TAXES ON INCOME

€k	2021	2020
Current tax expense	-21,739	-21,510
Deferred tax expense	-5,991	3,105
Total	-27,730	-18,405

The deferred taxes result from the formation or reversal of tax accruals in profit or loss during the financial year. In both financial years, the deferred taxes are predominantly the result of temporary differences being recognised or reversed.

The following reconciliation statement summarises the individual deferred tax items determined in relation to the individual companies and applying the tax rates in force in the various countries, taking due account of consolidation measures. The table reconciles expected tax expense with the tax expense actually recognised.

INCOME TAX EXPENSE

€k	2021	2020
Earnings before tax	73,272	31,928
Expected income tax expense (tax rate: 32.0%; 2020: 32.0%)	23,447	10,219
Effect of different foreign tax rates/ Other differences	298	152
Changes in tax rates or tax legislation	20	-36
Permanent differences resulting from non-deductible expenses, tax-free income etc.	768	5,360
Current taxes for previous periods	369	813
Deferred taxes for previous periods	660	-93
Effects of value adjustments	2,168	1,990
Recognised income tax expense	27,730	18,405

The expected tax rate for both financial years was determined on the basis of a corporation tax rate of 15.0% plus a solidarity levy of 5.5% of the tax due and a local business tax rating of 462%. The applicable tax rates for companies outside Germany range from 10.0% to 34.0%.

Deferred taxes resulting from recognition and measurement differences arose in the following balance sheet items:

DEFERRED TAXES

€k	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	3,591	9,379	3,356	8,262
Property, plant and equipment	1,203	8,638	1,231	8,266
Other assets	2,086	5,452	2,569	5,278
Pension provisions	181,329	0	188,291	0
Other provisions	11,289	0	9,825	50
Other liabilities	436	55	480	128
Tax loss carryforwards	620	0	673	0
Gross amount	200,554	23,524	206,425	21,984
Offsettings	-10,272	-10,272	-10,089	-10,089
Balance sheet recognition	190,282	13,252	196,336	11,895

Deferred tax assets are recognised only if there is sufficient probability that these tax advantages will be realised. Any value adjustments are determined taking into account all positive and negative factors known at the present time that may influence future taxable earnings. The estimates made for this purpose may be subject to future adjustments.

Deferred taxes amounting to €-2,750k (2020: €4,785k) were recognised in comprehensive income. This is essentially a result of the recognition of actuarial gains/losses relating to pension provisions.

As of the reporting date, deferred tax assets were recognised for loss carryforwards in the amount of €3,260k (2020: €3,257k) existing in the Group. In respect of further tax loss carryforwards in the amount of €116,356k (2020: €99,887k), no additional deferred tax assets have been recognised as of the reporting date, since it is not sufficiently certain that these can be realised. Under current legislation, there is no limitation, either of time or amount, on such loss carryforwards for tax purposes.

4. NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The deferred taxes in the amount of €-2,750k (2020: €4,785k) reported in Other comprehensive income relate to the actuarial losses of €9,066k (2020: €-13,234k) in the financial year. The actuarial losses after deferred tax amount to €6,316k (2020: €-8,449k). The other comprehensive income before deferred tax amounts to €9,271k (2020: €-19,212k).

5. CONSOLIDATED BALANCE SHEET DISCLOSURES

In accordance with IAS 1, the Consolidated Balance Sheet (Statement of Financial Position) is structured to present the breakdown between current and non-current assets and liabilities. Assets and liabilities are regarded as current if it is expected that they will be recovered or settled within a year. Inventories and trade receivables are also classified as current, irrespective of their expected use or due dates, if they are to be sold, used or recovered not within one year, but within the company's normal operating cycle. In accordance with IAS 12, deferred taxes are recognised as non-current assets or liabilities.

5.1. Intangible assets

The following changes in intangible assets occurred:

INTANGIBLE ASSETS - CHANGES 2021

€k	Concessions, proprietary rights and similar rights and assets, including licences on such rights and assets	Goodwill	Payments made on account	Total
Cost (of purchase or production)				
Amounts as of 1 January	64,465	97,256	270	161,991
Changes in basis of consolidation	4	11,564	0	11,568
Additions/current investments	2,253	0	77	2,330
Disposals	-2,501	-308	-1	-2,810
Reclassifications	117	0	-30	87
Currency translation differences	15	93	14	122
Amounts as of 31 December	64,353	108,605	331	173,288
Accumulated amortisation and impairment losses				
Amounts as of 1 January	58,829	11,626	0	70,454
Changes in basis of consolidation	0	0	0	0
Additions	2,726	0	0	2,726
Disposals	-2,484	-91	0	-2,575
Reclassifications	-12	0	0	-12
Currency translation differences	0	0	0	0
Amounts as of 31 December	59,059	11,535	0	70,593
Net carrying amounts	5,294	97,070	331	102,695

INTANGIBLE ASSETS - CHANGES 2020

€k	Concessions, proprietary rights and similar rights and assets, including licences on such rights and assets	Goodwill	Payments made on account	Total
Cost (of purchase or production)				
Amounts as of 1 January	61,465	96,006	253	157,724
Changes in basis of consolidation	488	1,012	0	1,500
Additions/current investments	3,494	333	58	3,885
Disposals	-990	0	0	-990
Reclassifications	52	0	-33	19
Currency translation differences	-44	-94	-8	-147
Amounts as of 31 December	64,465	97,256	270	161,991
Accumulated amortisation and impairment losses				
Amounts as of 1 January	57,040	1,125	0	58,165
Changes in basis of consolidation	367	0	0	367
Additions	2,423	10,500	0	12,923
Disposals	-983	0	0	-983
Reclassifications	0	0	0	0
Currency translation differences	-18	0	0	-18
Amounts as of 31 December	58,829	11,626	0	70,454
Net carrying amounts	5,636	85,631	270	91,537

The review of all goodwill reported openly in the consolidated balance sheet did not result in any need for unscheduled depreciation, as the realisable amount is above the carrying amounts of the cash-generating units in question.

The discounted cash flows are based on forecasts derived from management-approved financial plans. The forecasts take into account past experience and are based on the best management assessment of future developments. The main assumptions on which the determination of the utility value is based include the assessment of future earnings trends and the amount of discount rates used. Within the three-year planning period, sales revenues are expected to increase in all business areas with a slight rise in margins.

The weighted average cost of capital (WACC) used to discount each business unit is 6.00% (2020: 6.00%) taking into account corporate taxes, with the use of a sustainable growth rate of 1.0% for

all business units after the end of the three-year planning period (2020: 1.0%).

No change that might reasonably be anticipated in any of the basic assumptions made for the purpose of determining the value in use of the cash-generating units could result in a situation where the carrying amounts of the remaining goodwill materially exceeding the recoverable amounts.

The goodwill is essentially shared between the Industrial Services (2021: €34,431k; 2020: €30,595k), Engineering and Natural Resources (2021: €25,187k; 2020: €25,187k), Mobility (2021: €23,077k; 2020: €15,470k) and Aerospace (2021: €14,189k; 2020: €14,189k) business units.

5.2. Property, plant and equipment

The following changes occurred in property, plant and equipment:

PROPERTY, PLANT AND EQUIPMENT - CHANGES 2021

€k	Land, leasehold rights and buildings, including buildings on third-party land	Machinery	Furniture and fittings, other factory and office equipment	Payments made on account and assets under construction	Total
Cost (of purchase or production)					
Amounts as of 1 January	257,488	185,658	233,729	28,921	705,795
Changes in basis of consolidation	73	0	761	0	834
Additions / current investments	15,429	9,329	25,906	5,665	56,328
Disposals	-886	-2,265	-25,136	-1,324	-29,611
Reclassifications	24,322	1,562	-1,333	-24,630	-78
Currency translation differences	336	551	616	78	1,581
Amounts as of 31 December	296,762	194,835	234,542	8,711	734,849
Accumulated depreciation and impairment losses					
Amounts as of 1 January	140,794	134,511	181,080	4	456,388
Changes in basis of consolidation	0	0	506	0	506
Depreciation	5,765	11,329	24,509	0	41,603
Impairment	206	14	30	0	250
Disposals	-718	-1,997	-21,646	0	-24,361
Reclassifications	242	728	-1,156	186	0
Currency translation differences	131	348	541	0	1,019
Amounts as of 31 December	146,420	144,932	183,863	190	475,405
Net carrying amounts	150,342	49,903	50,678	8,521	259,444

PROPERTY, PLANT AND EQUIPMENT - CHANGES 2020

€k	Land, leasehold rights and buildings, including buildings on third-party land	Machinery	Furniture and fittings, other factory and office equipment	Payments made on account and assets under construction	Total
Cost (of purchase or production)					
Amounts as of 1 January	262,151	177,529	238,609	11,603	689,893
Changes in basis of consolidation	0	-1,318	-5,220	-186	-6,723
Additions / current investments	649	8,411	18,557	25,424	53,040
Disposals	-5,242	-992	-22,821	-1,049	-30,105
Reclassifications	365	2,546	5,537	-6,756	1,693
Currency translation differences	-436	-519	-934	-115	-2,002
Amounts as of 31 December	257,488	185,658	233,729	28,921	705,795
Accumulated depreciation and impairment losses					
Amounts as of 1 January	139,061	122,652	182,163	190	444,065
Changes in basis of consolidation	0	-265	-5,218	-186	-5,668
Depreciation	5,508	12,060	23,517	0	41,085
Impairment	0	0	1,059	0	1,059
Disposals	-3,900	-932	-19,967	0	-24,800
Reclassifications	242	1,255	186	0	1,683
Currency translation differences	-117	-259	-661	0	-1,037
Amounts as of 31 December	140,794	134,511	181,080	4	456,388
Net carrying amounts	116,694	51,147	52,650	28,917	249,408

The following assets are subject to limitations on their availability:

LIMITATIONS ON AVAILABILITY

€k	31.12.2021	31.12.2020
Machinery	1,103	552
Furniture and fittings, other factory and office equipment	758	826

Items of property, plant and equipment worth €2,959k (2020: €2,822k) are pledged as collateral for debt. The liabilities secured as of 31 December 2021 amount to €212k (2020: €165k).

Compensation payments by third parties in the amount of €746k (2020: €848k) are recognised as Other income.

5.3. Rights of use from leases

The following table shows the rights of use that are recognised under a lease:

RIGHTS OF USE FROM LEASES

€k	Land and buildings	Machinery	IT, operating and business equipment	Total
as of 1 January 2021	63,125	4,376	1,712	69,213
Additions	21,353	3,629	439	25,421
Disposals	-3,158	-229	-377	-3,764
Amortisations	-19,808	-2,704	-876	-23,388
as of 31 December 2021	61,512	5,072	898	67,482
as of 1 January 2020	72,339	5,064	1,729	79,132
Additions	14,189	2,079	1,580	17,848
Disposals	-4,875	-197	-504	-5,576
Amortisations	-18,528	-2,570	-1,093	-22,191
as of 31 December 2020	63,125	4,376	1,712	69,213

In the real estate sector, the Group mainly rents office buildings, test stations and laboratories. Longer-term lease contracts exist, especially in the case of real estate. As of 31 December 2021, around eight real estate contracts with residual maturities of more than ten years had been concluded. Leases may come with renewal and termination options.

Information on the corresponding lease liabilities can be found in section 5.14.

5.4. At equity consolidated investments

The following table shows the companies accounted for using the equity method:

AT EQUITY CONSOLIDATED INVESTMENTS

Name, location of registered office	Share of equity in %
EnergieAgentur.NRW GmbH, Düsseldorf	50.00
GFÜ Gutachtenservice und Fahrzeug-Überprüfung GmbH, Klein-Winternheim	26.00
National Inspection and Technical Testing Company Ltd. (FAHSS), Damman/Saudi Arabia	25.11
TÜV Middle East W.L.L., Manama/ Bahrain	25.10
TUV NORD NTA Mobility (Shanghai) Co., Ltd., Shanghai/ China	49.00
UAB TÜVLITA, Vilnius/ Lithuania	50.00

The summarized financial information of the companies that are individually and collectively not material to the TÜV NORD AG is shown in the table below. These figures were determined on the basis of the last available financial statements (see 2.5).

RESULTS INFORMATION

€k	2021	2020
Revenues	56,473	60,587
Earnings after tax	-2,660	-2,038
Other comprehensive income	-1,502	-303

BALANCE SHEET INFORMATION

€k	31.12.2021	31.12.2020
Current assets	18,345	21,901
Non-current assets	11,607	12,521
Current liabilities	17,843	16,952
Non-current liabilities	6,124	6,549
Equity	5,985	10,921

The book value of the companies accounted for using the equity method has changed as follows:

CHANGES IN BOOK VALUE

€k	2021	2020
as of 1 January	4,924	8,233
Earnings after tax	840	-1,299
Other comprehensive income	42	-160
Dividend payments received	-546	-577
Impairment losses	-291	-1,273
as of 31 December	4,969	4,924

The unrecognized share of losses from companies accounted for using the equity method, which would lead to a negative book value if included in the subsequent measurement, totalled €1,118k as of 31 December 2021 (2020: €0k).

5.5. Other financial assets

For the TÜV NORD AG's other equity investments please refer to the list of consolidated companies and shareholdings (see under 7.8).

The following changes in other financial assets occurred during the financial year:

OTHER FINANCIAL ASSETS - CHANGES 2021

€k	Investments in affiliates	Investments in joint ventures and associates (not equity accounted)	Other equity investments	Long-term securities	Loans granted	Shares in guarantee funds arising from reinsurance	Total
Cost (of purchase or production)							
Amounts as of 1 January	14,576	1,404	126	1,020	2,215	15,625	34,966
Changes in basis of consolidation	-2,059	0	0	0	0	0	-2,059
Additions/ current investments	1,659	729	15	0	129	1,045	3,577
Disposals	-25	-132	0	-1,020	-51	-836	-2,064
Reclassifications	0	0	0	0	0	-3,006	-3,006
Currency translation differences	17	73	0	0	0	0	90
Amounts as of 31 December	14,168	2,074	141	0	2,293	12,828	31,504
Accumulated amortisation and impairment losses							
Amounts as of 1 January	5,809	185	0	238	1,853	0	8,086
Changes in basis of consolidation	0	0	0	0	0	0	0
Additions	172	0	0	0	50	0	222
Disposals	0	0	0	-238	0	0	-238
Reclassifications	0	0	0	0	0	0	0
Currency translation differences	4	0	0	0	0	0	4
Amounts as of 31 December	5,985	185	0	0	1,903	0	8,074
Net carrying amounts	8,183	1,889	141	0	390	12,828	23,430

The additions/current investments under the shares in affiliated companies refer to companies acquired in the 2021 financial year which are currently of merely minor significance to the communication of a picture of the asset, financial and earnings position of the Group that reflects the actual circumstances.

Of the reinsurance claims on Allianz Lebensversicherung SE, Munich, claims of €1,233k (2020: €1,636k) have been pledged as collateral to secure loan liabilities and obligations arising out of pre-retirement part-time working arrangements.

OTHER FINANCIAL ASSETS - CHANGES 2020

€k	Investments in affiliates	Investments in joint ventures and associates (not equity accounted)	Other equity investments	Long-term securities	Loans granted	Shares in guarantee funds arising from reinsurance	Total
Cost (of purchase or production)							
Amounts as of 1 January	18,302	1,394	127	1,020	2,075	13,430	36,348
Changes in basis of consolidation	-9,608	10	0	0	0	0	-9,598
Additions/current investments	6,116	37	0	0	149	4,291	10,593
Disposals	-152	-18	0	0	-9	-737	-917
Reclassifications	0	0	0	0	0	-1,360	-1,360
Currency translation differences	-82	-19	-1	0	0	0	-101
Amounts as of 31 December	14,576	1,404	126	1,020	2,215	15,625	34,966
Accumulated amortisation and impairment losses							
Amounts as of 1 January	5,753	185	0	235	1,535	0	7,709
Changes in basis of consolidation	21	0	0	0	0	0	21
Additions	150	0	0	2	319	0	471
Disposals	-78	0	0	0	0	0	-78
Reclassifications	0	0	0	0	0	0	0
Currency translation differences	-37	0	0	0	0	0	-37
Amounts as of 31 December	5,809	185	0	238	1,853	0	8,086
Net carrying amounts	8,767	1,219	126	783	361	15,625	26,880

The additions/current investments under the shares in affiliated companies refer to companies acquired in the 2020 financial year which are currently of merely minor significance to the communication of a picture of the asset, financial and earnings position of the Group that reflects the actual circumstances.

5.6. Inventories

INVENTORIES

€k	2021	2020
Raw materials and supplies	2,118	1,527
Payments made on account	2,557	3,793
Total	4,675	5,320

Write-downs amounting to €11k (2020: €877k) are recognised under Inventories. In the 2021 financial year, €482k of the write-down was recovered after a change in estimates.

5.7. Trade and other receivables

Trade and other receivables can be disaggregated in accordance with their residual terms as follows:

TRADE AND OTHER RECEIVABLES

€k	2021			2020		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables						
from third parties	177,836	361	178,196	159,094	160	159,254
from contract assets	78,235	0	78,235	76,009	0	76,009
Receivables from affiliates	1,217	11	1,228	1,325	960	2,285
Receivables from joint ventures, associates and other entities in which equity investments are held	853	61	914	1,074	12	1,085
Total	258,140	433	258,573	237,502	1,131	238,633

Historical default rates and future-oriented conditions are considered for the determination of the value adjustments for receivables from goods and services. The expected loan defaults that arise according to the simplified procedure pursuant to IFRS 9 are as follows:

IMPAIRMENT MATRIX 31 DECEMBER 2021

€k	expected loss in %	Trade receivables	Value adjustment
actual	1.6	177,820	2,845
1 to 30 days due	6.2	46,499	2,884
31 to 60 days due	12.7	17,175	2,184
61 to 90 days due	19.0	5,319	1,011
more than 90 days due	26.6	25,278	6,736
Total		272,091	15,660

IMPAIRMENT MATRIX 31 DECEMBER 2020

€k	expected loss in %	Trade receivables	Value adjustment
actual	1.4	152,789	2,139
1 to 30 days due	5.7	50,234	2,868
31 to 60 days due	11.9	14,373	1,707
61 to 90 days due	17.4	6,691	1,162
more than 90 days due	24.6	25,296	6,244
Total		249,383	14,120

The value adjustments for trade receivables and contract assets developed as follows:

VALUE ADJUSTMENTS

€k	2021	2020
Carrying amount as of 1 January	14,120	11,967
Changes in basis of consolidation	121	688
Additions	5,769	4,771
Use	1,837	1,460
Reversals	2,513	1,846
Carrying amounts as of 31 December	15,660	14,120

During the period under review, value adjustments on doubtful receivables were effected in the amount of €5,769k (2020: €4,771k).

No significant value adjustments were required for receivables from affiliated companies and joint ventures, associated companies and other participations.

5.8. Other assets

Other assets with a residual term of more than one year are classified as non-current, and those with a residual term of less than one year as current. The other assets recognised essentially consist of accrued items and tax reimbursement claims.

OTHER ASSETS

€k	2021			2020		
	Current	Non-current	Total	Current	Non-current	Total
Other assets	20,338	6,469	26,807	17,296	5,926	23,222

5.9. Cash and cash equivalents

The cash and cash equivalents consist of cheques, cash in hand and balances on account with a number of different banks in various currencies. The bank balances earn interest at customary market rates.

5.10. Non-current assets held for sale

The "Non-current assets held for sale" position according to IFRS 5 discloses developed properties in respect of which a sales process has been initiated.

5.11. Equity

For further details of changes in equity between 1 January 2020 and 31 December 2021, see the Statement of Changes in Consolidated Equity.

The TÜV NORD Group's capital management policy aims not only to secure the continued existence of the business by maintaining a strong equity ratio but also to achieve an adequate return in excess of the costs of capital, thereby enhancing the value of the company in the long term. The equity is monitored regularly on the basis of various indicators.

Subscribed capital

The subscribed capital remains unchanged at €10,000k, divided into 100,000 registered no-par-value shares. All the shares are fully paid.

At the time of preparation of the Consolidated Financial Statements for the 2021 financial year, the TÜV NORD AG had neither contingent nor authorised capital. The TÜV NORD AG does not grant any share-based remuneration (share option programmes) to its employees.

Capital reserves

The capital reserves of the TÜV NORD Group in the amount of €114,413k correspond to the capital reserves of the TÜV NORD AG.

Subordinated registered debenture

As of 31 December 2021, the subordinated registered debentures taken out by the TÜV NORD AG amounted to €30,000k.

On 8 December 2015, the TÜV NORD AG took out a subordinated registered debenture without a fixed term amounting to €10,000k with RWTÜV e.V., Essen. The interest rate is fixed at 4.125% until 7 June 2021 and will then increase by 100 basis points for each additional 5-year period. A termination option is exclusively available to the TÜV NORD AG for the first time as of 7 June 2021, thereafter annually.

On 1 October 2015, the TÜV NORD AG took out a subordinated registered debenture without a fixed term amounting to €11,000k with TÜV Nord e.V., Hamburg and €9,000k with TÜV Hannover/Sachsen-Anhalt e.V., Hanover. The interest rate is fixed at 4.125% until 31 March 2021 and will then increase by 100 basis points for each additional 5-year period. A termination option is exclusively available to the TÜV NORD AG for the first time as of 31 March 2021, thereafter annually.

On 22 December 2014, the TÜV NORD AG took out a subordinated registered debenture without a fixed term amounting to €20,000k with the Alters- und Hinterbliebenen-Versorgungsstelle der Technischen Überwachungs-Vereine – VvaG –, Essen, (AHV). The interest rate is fixed at 4.125% until 30 June 2020 and will then increase by 100 basis points for each additional 5-year period. A termination option was exclusively available to the TÜV NORD AG for the first time as of 30 June 2020, thereafter annually. This subordinated registered debenture was fully repaid in 2021.

Interest payments are at the discretion of the TÜV NORD AG. They are also to be paid retroactively in full, for instance, in the event of the redemption of the registered debenture, distributions to the shareholders or the repayment of other liabilities of equal rank or in the case of economically similar procedures.

Retained earnings

The retained earnings include the earnings of the consolidated companies, to the extent that these have not been distributed as dividends. In addition, the offsetting of asset-side and liability-side differences arising out of the capital consolidation of acquisitions up to 31 December 2006 and also the net amount of non-cash adjustments in connection with the first-time adoption of IFRS are recognised under this item.

Other equity items

The other equity items include the non-cash impacts on equity of the currency translation of foreign subsidiaries' separate financial statements, of the valuation of financial instruments at fair value, and of actuarial gains and losses arising out of post-employment benefit plans, and also the deferred taxes recognised in connection with these items.

Non-controlling interests

Non-controlling interests cover holdings by investors outside the TÜV NORD Group in the consolidated equity of Group companies.

The significant non-controlling interests are held in the following Group companies:

NON-CONTROLLING INTERESTS

€k	31.12.2021	31.12.2020
Controllo e Certificazione Prodotti Biologici S.r.L. (CCPB), Bologna, Italy	2,823	2,674
OICOS S.r.L., Bologna, Italy	4,469	4,471
TÜV India Private Ltd., Mumbai, India	9,565	8,185
TÜV NORD CERT GmbH, Essen, Germany	1,265	1,218
TÜV NORD Hangzhou Co. Ltd., Hangzhou, China	1,231	1,068
TÜV NORD Mobilität Immobilien GmbH, Essen, Germany	1,168	1,137
Various other companies	1,348	763
Total	21,869	19,516

The voting rights of other shareholders are in proportion to their share of the equity. No further information is given due to lack of materiality on the subsidiaries in which non-controlling minority shareholders have a stake. More information can be found in the list of consolidated companies and shareholdings in chapter 7.8.

5.12. Provisions for pensions and other post-employment benefits

Provisions are formed for obligations arising out of entitlements and current benefits of serving and former employees and their surviving dependents, to the extent that these arise under a defined benefit plan. These provisions are determined in accordance with actuarial valuations of existing benefit obligations, which are recalculated every year. The costs resulting from these commitments are allocated over the employee's period of service in accordance with the actuaries' findings and comprise current or past service cost and interest cost.

The full amount of actuarial gains and losses is recognised immediately in Other comprehensive income, while making due allowance for deferred taxes. These actuarial gains and losses are therefore presented in the Group Statement of Comprehensive Income.

The net pension cost is shown as personnel expense.

A contractual trust agreement (CTA) was initially funded with effect from 30 December 2008. Shares in reinsurance guarantee funds which serve exclusively and irrevocably to cover and fund post-employment benefit obligations were vested in the TÜV NORD PENSION TRUST e. V. Under IFRS rules, the assets of the CTA are to be regarded as "plan assets". The plan assets consist exclusively of these reinsurance guarantee fund shares. The plans encumber the Group with general actuarial risks, such as, for example, longevity risk, currency risk, interest rate risk and market risk.

The level of post-employment benefit obligations (the present value of the accrued benefit claims, determined by actuarial valuation or the defined benefit obligation (DBO)) were calculated by actuarial methods, a procedure in which the use of estimated values is unavoidable.

Pursuant to IAS 19, employee benefits, the level of post-employment benefit obligations is determined by the projected unit credit method, under which actuarial methods on the basis of best estimates of the relevant parameters are used to assess the vested future obligations existing as of the valuation date.

The post-employment benefits that are expected to become payable, including dynamic components, are distributed over the employee's entire period of service. For the financial year, the following assumptions were made by the actuaries with regard to the variable parameters to be included in their calculations:

ASSUMPTIONS

%	2021	2020
Discount rate as of 31 December	0.75	0.75
Future pension increases	1.20	1.20
Future wage and salary increases	1.50	1.50
Employee turnover	2.00	2.00

The actuaries review and revise their findings every year. The actuarial assumptions with regard to mortality are based (with regard to Germany) on the Heubeck mortality tables, version 2018G as amended in October 2018). The actuarial assumptions do not materially differ between Germany and other countries with the exception of the discount rate.

The Group has both defined benefit and defined contribution plans for commitments for retirement, invalidity and surviving dependants' pensions based on works agreements and collective and individual contractual agreements. Defined benefit pension plans were offered only to staff who joined the company up to and including 31 December 1991 or, as the case may be, 31 December 1993. The level of these commitments is calculated according to the eligible income and/or social insurance pension as well as length of service.

The following table shows changes in the present value of future post-employment benefit obligations and of the plan assets.

CHANGES IN THE PRESENT VALUE OF FUTURE BENEFIT OBLIGATIONS AND IN PLAN ASSETS 2021

€k	Benefit obligation	Plan assets	Total
Carrying amounts as of 1 January 2021	1,308,776	-777,367	531,409
Current service cost	11,959	0	11,959
Net interest cost (interest cost/ interest income)	12,500	-7,737	4,763
Net pension cost	24,459	-7,737	16,722
Actual interest on plan assets less actuarial interest income	0	-14,205	-14,205
Actuarial gains/ losses from changes in financial assumptions	5,139	0	5,139
Remeasurement of defined benefit pension plans	5,139	-14,205	-9,066
Pension payments	-56,239	0	-56,239
Payments from the pension plan	0	44,824	44,824
Employer's contributions to the pension plan	0	-26,900	-26,900
Total payments	-56,239	17,924	-38,315
Transfer of obligations	2,710	-2,707	3
Changes in scope of consolidation/ changes in currency translation and other effects	-359	-6	-365
Carrying amounts as of 31 December 2021	1,284,486	-784,098	500,388

CHANGES IN THE PRESENT VALUE OF FUTURE BENEFIT OBLIGATIONS AND IN PLAN ASSETS 2020

€k	Benefit obligation	Plan assets	Total
Carrying amounts as of 1 January 2020	1,293,994	-765,524	528,470
Current service cost	12,979	0	12,979
Net interest cost (interest cost/ interest income)	12,822	-7,566	5,256
Net pension cost	25,801	-7,566	18,235
Actual interest on plan assets less actuarial interest income	0	-15,597	-15,597
Actuarial gains/ losses from changes in financial assumptions	28,830	0	28,830
Remeasurement of defined benefit pension plans	28,830	-15,597	13,233
Pension payments	-55,314	0	-55,314
Payments from the pension plan	0	42,461	42,461
Employer's contributions to the pension plan	0	-23,327	-23,327
Total payments	-55,314	19,134	-36,180
Transfer of obligations	13,163	-7,280	5,883
Changes in scope of consolidation/ changes in currency translation and other effects	2,302	-534	1,768
Carrying amounts as of 31 December 2020	1,308,776	-777,367	531,409

The benefit obligation in proportion to plan assets reflects the funded status of the benefit plan in question, with any excess of the benefit obligation over plan assets constituting a plan deficit. Both the benefit obligation and plan assets can vary over time, leading to an increase/decrease in the plan deficit. Reasons for such fluctuation can include changes in market interest rates and thus in the discount rate, or adjustments to actuarial assumptions.

The TÜV NORD Group's plan assets exclusively comprise employer's pension liability insurance policies and are subject to only limited fluctuation on account of the existing minimum returns. There is no price reporting on an active market for employer's pension liability insurance policies. The recognised plan deficit is covered by cash flows from operating activities. It is the long-term goal of the TÜV NORD Group to gradually reduce the coverage gap in pensions. The employer contributions to plan assets are expected to amount to €15.0 million in 2022. The weighted average term of the remainder of benefit obligations is 13.2 years.

The table below shows the effects on the defined benefit obligation (DBO) of any change in the parameters. The analysis relates to parameters where a change was considered possible as of the reporting date. The values here are mean values which were weighted with the present value of the respective pension obligations. Any correlation between the parameters was not taken into account in the calculation.

SENSITIVITY ANALYSIS

	Change in parameter	Increase in parameter	Decrease in parameter
Interest rate	1.0%	12.3% DBO decrease	14.9% DBO increase
Rate of pension progression	0.5%	5.8% DBO increase	5.7% DBO decrease
Future wage and salary increases	0.5%	0.3% DBO increase	0.7% DBO decrease
Life expectancy in years	1.0	6.5 DBO increase	6.9 DBO decrease

Employer contributions to mandatory pension schemes as well as contributions to other defined contribution plans were made in the amount of €50.2 million in 2021 (2020: €48.1 million).

5.13. Other non-current and current provisions

OTHER NON-CURRENT AND CURRENT PROVISIONS

€k	Provisions for the areas of personnel and welfare	Sundry other provisions	Total
Carrying amounts as of 1 January 2021	51,565	44,992	96,557
Additions	46,428	17,062	63,490
Use	33,339	7,923	41,262
Reversals	2,738	3,042	5,780
Reclassifications/transfers	-76	69	-7
Currency translation differences	420	-1	419
Carrying amounts as of 31 December 2021	62,260	51,157	113,417

The provisions for obligations in the areas of personnel and welfare relate essentially to pre-retirement part-time working, long-service bonuses, social plan measures and other personnel and non-wage personnel costs.

Of the total amount of provisions in the areas of personnel and welfare as of 31 December 2021, €21,934k (2020: €22,857k) are non-current and €40,326k (2020: €28,708k) are current.

The sundry other provisions relate mainly to provisions for warranty obligations, provisions for threatened losses from pending transactions and other risks.

Of the total amount of sundry other provisions as of 31 December 2021, €12,084k (2020: €7,571k) are non-current and €39,073k (2020: €37,421k) are current. No material interest accruals have been recognised on non-current provisions.

5.14. Non-current and current trade and other payables

Cash payables can be disaggregated in accordance with their residual terms as follows:

CURRENT AND NON-CURRENT TRADE AND OTHER PAYABLES

€k	2021			2020		
	Current	Non-current	Total	Current	Non-current	Total
Amounts payable to banks	56	73	129	69	102	171
Amounts payable under leases	21,458	47,340	68,798	21,008	49,082	70,090
Trade payables						
to third parties	31,755	0	31,755	24,071	0	24,071
from contract liabilities	69,283	0	69,283	56,304	0	56,304
Payables to affiliates	2,894	3	2,898	1,784	2	1,786
Payables to joint ventures, associates and other entities in which equity investments are held	825	3	829	161	14	175
Outstanding invoices	32,956	0	32,956	26,522	0	26,522
Amounts payable to employees	31,448	625	32,073	27,688	499	28,186
Other taxes	7,660	10	7,670	10,908	0	10,908
Other payables	53,262	8,978	62,240	41,516	6,867	48,383
Total payables	251,597	57,032	308,629	210,031	56,565	266,596

Amounts payable under finance leases relate to leases of capital goods and are recognised as liabilities in the amount of the future obligation. They are due to mature as follows:

LIABILITIES FROM LEASES

€k	Up to 1 year	1-5 years	More than 5 years	Total
Liabilities from rented property	18,424	35,758	8,708	62,890
Liabilities from other leases	3,033	2,875	0	5,908

In the 2021 financial year, a repayment of liabilities from leases amounting to €22,931k (2020: €22,191k) was made, as was an interest payment on leases of €1,095k (2020: €1,147k). For expenses for short-term leases and expenses for leases for low-value assets see 3.6.

Liabilities from contract liabilities relate to contracts with regard to which the payments received from customers on account exceed the accumulated receivables from the fulfilment of the contracts concerned.

Amounts payable to employees include €20,938k (2020: €17,553k) for obligations in lieu of free time and €7,746k (2020: €7,877k) for obligations relating to leave not yet taken.

As of 31 December 2021, other financial obligations arising from purchase commitments for property, plant and equipment exist for €267k (2020: €10,014k).

5.15. Contingent liabilities

The TÜV NORD AG bears liability in cases where it and its subsidiaries have given guarantees in favour of various contractual partners.

In the financial year, contingent liabilities in the amount of €9,893k (2020: €11,654k) are recognised which relate to sureties given for the most part to banks. The TÜV NORD AG offers performance bonds in respect of liabilities of Group companies arising out of joint projects or consortia. If the consortium partner does not honour its contractual obligations, the TÜV NORD AG may be liable to meet claims for payment up to the amount of the agreed surety. Generally, the agreed terms correspond to those of the underlying transaction.

5.16. Litigation

Neither the TÜV NORD AG nor its Group companies are involved in litigation that could have a material impact on the economic or financial status of the companies or of the Group. In respect of other litigation, adequate provisions have been formed by the company concerned in any given case for any awards that may be made against it. As of the reporting date, these provisions amount to €1,830k (2020: €1,721k).

6. CONSOLIDATED CASH FLOW STATEMENT DISCLOSURES

The figures for cash and cash equivalents presented in the cash flow statement embrace all cash and cash equivalents recognised in the balance sheet, i. e. cash in hand, cheques and balances on account with banks. The recognised cash and cash equivalents are freely disposable and not subject to any restrictions in favour of third parties.

7. OTHER DISCLOSURES

7.1. Events after the reporting period

No events of particular significance occurred after the end of the financial year which are having a significant impact on the assets, financial status and earnings of the Group.

7.2. Fees paid to the auditors of the Consolidated Financial Statements

The following fees, paid to the auditors of the Consolidated Financial Statements, BDO AG Wirtschaftsprüfungsgesellschaft, during the financial year, have been recognised as expense pursuant to Article 314 (1) No. 9 of the German Commercial Code (HGB):

FEES PAID TO THE AUDITORS

€k	2021	2020
Auditing services	698	684
Tax consultancy services	1	12
Other services	9	19
Total	708	715

7.3. Financial instruments

The evaluation of categories of financial instruments relevant pursuant to IFRS 9 for the reporting and the comparative period is shown in the following overview.

FINANCIAL INSTRUMENTS AS OF 31 DECEMBER 2021

€k	Carrying amounts	At amortised cost	Fair Value through other comprehensive income (FVOCI)	Fair Value through profit or loss (FVTPL)
ASSETS				
Non-current assets				
Investments in affiliates	8,183			8,183
Investments in joint ventures and associates (not equity accounted)	1,889			1,889
Other equity investments	141			141
Loans	390	390		
Receivables and other assets	5,406	5,406		
Current assets				
Trade receivables from third parties	256,071	256,071		
Receivables and other assets	9,119	9,119		
Cash and cash equivalents	154,650	154,650		
LIABILITIES				
Non-current liabilities				
Amounts payable to banks	73	73		
Other liabilities	9,329	9,329		
Current liabilities				
Amounts payable to banks	56	56		
Trade payables to third parties	31,755	31,755		
Other liabilities	185,836	185,836		

FINANCIAL INSTRUMENTS AS OF 31 DECEMBER 2020

€k	Carrying amounts	At amortised costs	Fair Value through other comprehensive income (FVOCI)	Fair Value through profit or loss (FVTPL)
ASSETS				
Non-current assets				
Investments in affiliates	8,767			8,767
Investments in joint ventures and associates (not equity accounted)	1,219			1,219
Other equity investments	126			126
Securities	783		783	
Loans	361	361		
Receivables and other assets	5,434	5,434		
Current assets				
Trade receivables from third parties	235,103	235,103		
Receivables and other assets	9,672	9,672		
Cash and cash equivalents	134,908	134,908		
LIABILITIES				
Non-current liabilities				
Amounts payable to banks	102	102		
Other liabilities	6,819	6,819		
Current liabilities				
Amounts payable to banks	69	69		
Trade payables to third parties	24,071	24,071		
Other liabilities	151,927	151,927		

As laid down in the three stages of the valuation hierarchy in IFRS 13.72 et seq., the valuation of financial assets and liabilities is subject to the availability of the relevant information. For the first stage, quoted market prices are directly observable for identical asset values and liabilities in active markets. In the second stage, the assessment is made on the basis of valuation models which are influenced by values that are observable on the market. The third stage envisages the application of valuation models that do not rely on observable market inputs. This was applied to the above-mentioned assets. There were no gains or losses in the period under review.

In view of the predominantly short maturities of the assets and liabilities measured at amortised cost, it is assumed that their carrying amounts approximately correspond to their fair values.

The securities classified as assessed at fair value with no impact on net earnings are based on market prices quoted on an active market (level 1 of the fair value hierarchy).

Net results

Net results from financial instruments that is recognised is allocated as follows:

NET RESULTS

€k	2021			2020		
	From interest	From subsequent measurement	From disposal	From interest	From subsequent measurement	From disposal
Financial assets	783	-3,598	75	874	-5,755	0
Financial liabilities	-1,296	348	0	-1,488	420	0

Interest on financial liabilities and impairment losses on loans granted are recognised in Financial items. Impairment losses on receivables (essentially trade receivables) and gains or losses from disposals of securities are recognised under Other losses or gains.

7.4. Management of financial risks

The TÜV NORD Group companies are exposed to financial risks in the course of their operations. These risks consist of credit, liquidity and market risks in the form of currency and interest rate risks. Due to the coronavirus pandemic, the risk situation has changed in comparison to the previous reporting period. The impairment of business operations in the companies brought about by coronavirus pandemic is being mitigated by stringent liquidity- and opportunity-oriented corporate management.

Through the TÜV NORD AG's centralised risk management system these risks are managed and controlled on a Group-wide basis. The principles of the risk management system are explained in greater detail in the Management Report.

Credit default risks

Default risks arise in particular out of day-to-day operations, and higher levels of debt default due to Covid-19 cannot be excluded. The receivables of the TÜV NORD Group companies are generally subject to a default risk which it may seek to counter by demanding security, depending on the type and amount of the performance rendered. Where required, credit insurance with an excess component is concluded in respect of individual counterparties. In addition, payment in advance may be required. In order to minimise the risk of default, counterparties are subjected to creditworthiness assessments in accordance with internal guidelines before con-

tracts are concluded. Furthermore, customers' financial standing is regularly reviewed during the term of the contract. If there is any concrete risk of default, precautionary write-downs are effected, on the basis of either objective evidence in specific cases or the structure of maturities and the actual occurrence of defaults on payment.

Defaults on trade receivables, receivables based on contract assets and loans cannot exceed their carrying amount as of 31 December 2021. The structure of due dates of trade receivables is shown under 5.7.

The maximum credit risk relating to assets held for sale and financial instruments is equivalent to their market prices as of 31 December 2021.

Liquidity risks

Possible liquidity risks – the danger that the Group might not be able to meet its payment obligations at all times – are managed through the implementation of comprehensive short-term and long-term liquidity planning, taking into account existing credit lines. Funding requirements are for the most part covered by equity, participation in cash pooling agreements or loans from banks or Group companies, to the extent that this is feasible and reasonable in the context of the respective legal and tax situations. Bank balances are held exclusively with banks of impeccable standing.

A variety of financing instruments available on the market are used to cover the Group's central funding requirements. If events should occur that lead to an unexpectedly high requirement for liquidity, existing liquidity in the form of cash and cash equivalents can be drawn upon, as can available credit lines.

A credit line up to a limit of €125,000k (2020: €125,000k) is available and can be drawn upon as required; the amount drawn down as of 31 December 2021 was €0k. Interest at the relevant EURIBOR rate plus a current margin of 95 basis points, minimum 0.95% per year, was payable on the amount drawn down from the time of disbursement.

An overview of the maturities of financial liabilities and the resulting outflows of funds can be derived from the table of residual terms of liabilities (see under 5.14.).

Currency risks

Currency risks result from the assets and liabilities recognised in the balance sheet that are denominated in foreign currencies, the fair values of which may be negatively influenced by fluctuations in exchange rates, and from pending foreign currency transactions whose future cash flows may develop disadvantageously as a result of exchange rate movements.

Exchange rate risk is of only minor importance, since the receivables and payables are due in local currency in the country in which the company concerned is domiciled. There are scarcely any country risks at the present time.

7.5. Related party disclosures

Under IAS 24, companies are subject to an obligation to disclose relationships with related business entities that are not fully consolidated, on the one hand, and with persons with whom a close relationship exists, on the other.

The TÜV NORD AG is deemed to be directly dependent within the meaning of Sec. 17 of the Stock Corporations Act (Aktien-gesetz – AktG) upon TÜV Nord Holding GmbH & Co. KG of Hamburg and TÜV HSA Holding GmbH & Co. KG of Hanover, and indirectly dependent upon TÜV Nord e. V. and TÜV Hannover/Sachsen-Anhalt e. V.

Related party entities of the TÜV NORD Group are basically TÜV Nord e. V., TÜV Hannover/Sachsen-Anhalt e. V. and RWTÜV e. V. associations, "Aktaios" Verwaltungs-GmbH and RWTÜV GmbH with

its subsidiaries. For further information in relation to the registered debentures taken out with the associations, see under section 5.11.

In addition, the Group maintains direct or indirect relationships in the normal course of its business activities not only with its consolidated subsidiaries, but also with non-consolidated affiliates and associates. All trading relationships entered into in the normal course of business with non-consolidated related entities are conducted on the basis of normal market conditions such as are also customary in arm's-length transactions.

Members of the Board of Management and the Supervisory Board are also considered to be related parties.

7.6. Total compensation of the Board of Management and the Supervisory Board

The compensation of key management personnel for which disclosure is required pursuant to IAS 24 embraces the compensation of the serving members of Board of Management and the Supervisory Board.

During the 2021 financial year, the serving members of the Board of Management received total, solely current, compensation amounting to €2,260k (2020: €1,601k).

Total payments to former members of the Board of Management and their surviving dependents, consisting of pension payments and other compensation (e.g. one-off payments), amounted to €795k (2020: €667k). A DBO in the amount of €15,669k (2020: €16,662k) exists towards former members of the Board of Management and their surviving dependents.

Members of the Supervisory Board were paid compensation of €481k (2020: €484k) for their services.

As in the previous year, no loans or advances were granted to members of the Board of Management or the Supervisory Board in the 2021 financial year. As was also the case in the previous year, no severance payments were made.

7.7. Proposal for the appropriation of profits

The Board of Management proposes to the Annual General Meeting that, of the net profits of the TÜV NORD AG as determined in accordance with the provisions of the German Commercial code, €1,000k should be distributed to the shareholders as dividends.

7.8. List of consolidated companies and shareholdings

Name, location of registered office	Share of equity %
Consolidated affiliates	
ALTER TECHNOLOGY TÜV NORD France S.A., Toulouse, France	100.00
ALTER TECHNOLOGY TÜV NORD Holdings Ltd., Livingston, United Kingdom	100.00
ALTER TECHNOLOGY TÜV NORD S.A.U., Seville, Spain	100.00
ALTER TECHNOLOGY TÜV NORD UK Ltd., Livingston, United Kingdom	100.00
Asesoría y Control en Protección Radiológica, S.L. (ACPRO), Barcelona, Spain	100.00
Blum-Lesemann GmbH KFZ-Überwachung, Lemgo, Germany	51.00
Controllo e Certificazione Prodotti Biologici S.r.L. (CCPB), Bologna, Italy	60.00
Cualicontrol-ACI S.A.U., Madrid, Spain	100.00
DMT Consulting Limited, Nottingham, United Kingdom	100.00
DMT Consulting Private Limited, Kolkata, India	51.00
DMT GEOSCIENCES LTD., Calgary, Canada	100.00
DMT GmbH & Co. KG, Essen, Germany	1 ² 100.00
DMT Engineering Surveying GmbH & Co. KG, Herne, Germany	1 100.00
DMT Petrologic GmbH & Co. KG, Hanover, Germany	1 100.00
EE Energy Engineers GmbH, Gelsenkirchen, Germany	100.00
ENCOS GmbH & Co. KG, Hamburg, Germany	1 100.00
FS FAHRZEUG-SERVICE GmbH & Co. KG, Hanover, Germany	1 100.00
Guangzhou TÜV Industrial Technical Services Co., Ltd., Guangzhou, China	100.00
GWQ GmbH & Co. KG, Moers, Germany	1 100.00
Höntzsch GmbH & Co. KG, Waiblingen, Germany	1 100.00
ING ATEST d.o.o., Split, Croatia	51.00
Ing.-Büro Blum & Lesemann GmbH & Co. KG, Lemgo, Germany	1 51.00
Ingenieurbüro Hofmann GmbH & Co. KG, Bamberg, Germany	1 100.00
MEDITÜV GmbH & Co. KG – Unternehmensgruppe TÜV NORD, Hanover, Germany	1 100.00
Nord-Kurs GmbH & Co. KG, Hamburg, Germany	1 100.00
OICOS S.r.L., Bologna, Italy	55.00
PT. TÜV NORD Indonesia, Jakarta, Indonesia	100.00
THE INSPECTION COMPANY OF KOREA (INCOK), Seoul, Korea	100.00
TÜ-Service Anlagentechnik GmbH & Co. KG, Potsdam, Germany	1 100.00
TÜV ASIA PACIFIC LTD., Kwun Tong, Kowloon, Hong Kong	100.00
TÜV CYPRUS LTD., Nicosia, Cyprus	60.16
TÜV Eesti OÜ, Tallinn, Estonia	100.00
TÜV HELLAS (TÜV NORD) S.A., Athens, Greece	100.00
TÜV India Private Ltd., Mumbai, India	50.00
TÜV Informationstechnik GmbH Unternehmensgruppe TÜV NORD, Essen, Germany	100.00
TÜV Nederland QA B.V., Best, The Netherlands	100.00
TÜV NORD Adriatic d.o.o. (former TÜV Croatia d.o.o.), Slavonski Brod, Croatia	100.00

Name, location of registered office	Share of equity %
Consolidated affiliates	
TÜV NORD Akademie GmbH & Co. KG, Hamburg, Germany	1 100.00
TÜV NORD Austria GmbH, Vienna, Austria	100.00
TÜV Nord Baltik SIA, Riga, Latvia	100.00
TÜV NORD Bildung gGmbH, Essen, Germany	100.00
TÜV NORD Bulgaria EOOD, Plovdiv, Bulgaria	100.00
TÜV NORD CERT GmbH, Essen, Germany	94.00
TÜV NORD CERT UMWELTGUTACHTER Gesellschaft mbH, Hanover, Germany	100.00
TÜV NORD Czech, s.r.o., Prague, Czech Republic	100.00
TÜV NORD do Brasil Avaliaco es da Qualidade EIRELLI, São Paulo, Brazil	100.00
TÜV NORD EGYPT FOR INSPECTION AND CERTIFICATION SERVICES (S.A.E.), Cairo, Egypt	60.00
TÜV NORD EnSys GmbH & Co. KG, Hamburg, Germany	1.2 100.00
TÜV NORD Hangzhou Co., Ltd., Hangzhou, China	70.00
TÜV NORD Hochfrequenztechnik GmbH & Co. KG, Cologne, Germany	1 100.00
TÜV NORD HONG KONG LTD., Kwun Tong, Kowloon, Hong Kong	100.00
TÜV NORD Immobilien GmbH & Co. KG, Essen, Germany	1 100.00
TÜV NORD InfraChem GmbH & Co. KG, Marl, Germany	1 51.00
TÜV NORD INTEGRA BVBA, Berchem, Belgium	70.00
TÜV NORD International GmbH & Co. KG, Essen, Germany	1.2 100.00
TÜV NORD ITALIA S.r.l., Legnano, Italy	100.00
TÜV NORD IT Secure Communications GmbH & Co. KG, Berlin, Germany	1 100.00
TÜV NORD Korea Ltd., Seoul, Korea	100.00
TÜV NORD live-expert GmbH & Co. KG, Hanover, Germany	1 51.00
TÜV NORD (Malaysia) SDN. BHD., Petaling Jaya, Malaysia	100.00
TÜV NORD Mobilität GmbH & Co. KG, Hanover, Germany	1.2 100.00
TÜV NORD Mobilität Immobilien GmbH, Essen, Germany	94.00
TÜV NORD MPA Gesellschaft für Materialprüfung und Anlagensicherheit mbH & Co. KG, Leuna, Germany	1 100.00
TÜV NORD NC GmbH & Co. KG, Hanover, Germany	1 100.00
TÜV NORD Nederland Holding B.V., Rijswijk, The Netherlands	100.00
TÜV NORD Polska Sp. z o.o., Katowice, Poland	100.00
TÜV NORD SafetyConsult GmbH & Co. KG, Hanover, Germany	1 100.00
TÜV NORD Scandinavia AB, Gothenburg, Sweden	100.00
TÜV NORD Service GmbH & Co. KG, Hanover, Germany	1 100.00
TÜV NORD SLOVAKIA, s.r.o., Bratislava, Slovakia	100.00
TÜV NORD SofortGutachten GmbH & Co. KG, Hanover, Germany	1 51.00
TÜV NORD Systems GmbH & Co. KG, Hamburg, Germany	1.2 100.00
TÜV NORD Technisches Schulungszentrum GmbH & Co. KG, Hamburg, Germany	1 100.00
TÜV NORD (Thailand) Ltd., Bangkok, Thailand	99.97

Name, location of registered office	Share of equity %
Consolidated affiliates	
TÜV NORD Transfer GmbH & Co. KG, Essen, Germany	1 100.00
TÜV NORD Umweltschutz GmbH & Co. KG, Hamburg, Germany	1 100.00
TÜV Teknik Kontrol ve Belgelendirme A.S., Istanbul, Turkey	100.00
TÜV Thüringen Fahrzeug GmbH & Co. KG, Erfurt, Germany	1 99.50
TÜV UK Ltd., London, United Kingdom	100.00
TÜV USA, Inc., Salem, USA	100.00
Unterstützungseinrichtung des Technischen Überwachungs-Vereins, Hannover /Sachsen-Anhalt GmbH, Hanover, Germany	100.00
Versicherungsvermittlung TÜV NORD GmbH, Essen, Germany	100.00
Unconsolidated affiliates	
AGE (former RWTÜV Akademie GmbH, Essen), Hanover, Germany	100.00
ALTER TECHNOLOGY VENTURES, S.L., Tres Cantos, Spain	100.00
BILDUNG EmployAbility GmbH, Essen, Germany	100.00
Blum & Lesemann Verwaltungs-GmbH, Lemgo, Germany	51.00
British Mining Consultants Ltd., Sutton, United Kingdom	100.00
CCPB AGRICULTURE INSPECTION & CERTIFICATION IMC EGYPT, Cairo, Egypt	70.00
CCPB IMC KONTROL VE SERTİFİKASYON LTD.ŞTİ., Kayseri, Turkey	65.00
CCPB MAROC, Agadir, Marocco	51.00
CCPB MIDDLE EAST SAL, Beirut, Lebanon	59.90
DMT Consulting Engineers Pty Ltd., Brisbane, Australia	100.00
DMT Dormant Company 1 Ltd., Nottingham, United Kingdom	100.00
DMT Dormant Company 2 Ltd., Nottingham, United Kingdom	100.00
DMT Dormant Company 3 Ltd., Nottingham, United Kingdom	100.00
DMT Dormant Company 4 Ltd., Nottingham, United Kingdom	100.00
DMT Dormant Company 5 Ltd., Nottingham, United Kingdom	100.00
DMT Geosurvey spol. s.r.o., Prague, Czech Republic	100.00
DMT-KAI BATLA (Mozambique) Limitada, Maputo Cidade, Mozambique	51.00
DMT-Kai Batla Pty. Ltd., Bordeaux, South Africa	63.70
DMT Mining Consulting Ltd., Nottingham, United Kingdom	100.00
DMT Engineering Surveying Verwaltungsgesellschaft mbH, Herne, Germany	100.00
DMT Petrologic Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
DMT Verwaltungsgesellschaft mbH, Essen, Germany	100.00
ENCOS Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
FAHRZEUG-SERVICE Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
FORMATION SaarLor FSL EURL, Forbach, France	100.00
GWQ Verwaltungsgesellschaft mbH, Moers, Germany	100.00
Höntzsch Verwaltungsgesellschaft mbH, Waiblingen, Germany	100.00
Hundt & Partner Ingenieurgesellschaft mbH & Co. KG, Hanover, Germany	100.00
Ingenieurbüro Hofmann Verwaltungsgesellschaft mbH, Bamberg, Germany	100.00
MacKay & Schnellmann Ltd., Nottingham, United Kingdom	100.00
MEDITÜV Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
Nord-Kurs Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00

Name, location of registered office	Share of equity %
Unconsolidated affiliates	
PT. DMT Exploration Engineering Consulting Indonesia, Jakarta, Indonesia	74.00
RP GmbH, Essen, Germany	100.00
TN Portugal, Unipessoal Lda, Sines, Portugal	100.00
TÜ-Service Anlagentechnik Verwaltungsgesellschaft mbH, Berlin, Germany	100.00
TÜ Service Ingenieurgesellschaft mbH & Co. KG, Potsdam, Germany	100.00
TÜ Service Verwaltungsgesellschaft mbH, Potsdam, Germany	100.00
TÜV GmbH Hannover Hamburg Essen Berlin, Hanover, Germany	100.00
TÜV NORD Akademie Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
TÜV NORD ARGENTINA S.A., Buenos Aires, Argentina	100.00
TÜV NORD AUTO GmbH & Co. KG, Essen, Germany	100.00
TÜV NORD AUTO Verwaltungsgesellschaft mbH, Essen, Germany	100.00
TÜV NORD Bauqualität Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
TÜV NORD Certification (Tianjin) Co., Ltd., Tianjin, China	76.90
TÜV Nord Danmark ApS, Kolding, Denmark	100.00
TÜV NORD EnSys Hannover Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
TÜV NORD FG GmbH & Co. KG, Hanover, Germany	100.00
TÜV NORD FG Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
TÜV NORD Finland Oy i.L., Vantaa, Finland	100.00
TÜV NORD FRANCE S.A.S., La Madeleine, France	100.00
TÜV NORD GULF W.L.L., Doha, Qatar	95.00
TÜV NORD Hochfrequenztechnik Verwaltungsgesellschaft mbH, Cologne, Germany	100.00
TÜV NORD Holding SAL, Beirut, Lebanon	100.00
TÜV NORD Immobilien Verwaltungsgesellschaft, Essen, Germany	100.00
TÜV NORD InfraChem Verwaltungsgesellschaft mbH, Marl, Germany	51.00
TÜV NORD International Verwaltungsgesellschaft mbH, Essen, Germany	100.00
TÜV NORD IT Secure Communications Verwaltungsgesellschaft mbH, Berlin, Germany	100.00
TÜV NORD Lebanon SAL, Beirut, Lebanon	51.00
TÜV NORD live-expert Geschäftsführungs GmbH, Hanover, Germany	51.00
TÜV NORD Luxembourg s.a.r.l., Luxembourg, Luxembourg	100.00
TUV NORD Mobility Inc., Vancouver, Canada	100.00
TÜV NORD Mobility (Shanghai) Co. Ltd., Shanghai, China	100.00
TÜV NORD MEXICO S.A. DE C.V., Querétaro, Mexico	100.00
TÜV NORD Mobilität Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
TÜV NORD MPA Verwaltungsgesellschaft mbH, Leuna, Germany	100.00
TÜV NORD Personal GmbH & Co. KG, Essen, Germany	75.00
TÜV NORD Personal Verwaltungsgesellschaft mbH, Essen, Germany	75.00
TÜV NORD Philippines, Inc., Manila, The Philippines	100.00
TÜV NORD ROMANIA S.R.L., Bucharest, Romania	100.00
TÜV NORD SafetyConsult Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
TÜV NORD Service Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
TÜV NORD SOUTHERN AFRICA (PTY) LTD. i.L., Cape Town, South Africa	49.00

Name, location of registered office	Share of equity %
Unconsolidated affiliates	
TÜV NORD SysTec Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
TÜV NORD Systems Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
TÜV NORD TAIWAN CO., LTD., Taipei, Taiwan	100.00
TÜV NORD Transfer Verwaltungsgesellschaft mbH, Essen, Germany	100.00
TÜV NORD TS Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
TÜV NORD Ukraina GmbH i.L., Donetsk, Ukraine	100.00
TÜV NORD Umweltschutz Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
TÜV NORD VIETNAM LTD., Hanoi, Vietnam	100.00
TÜV Thüringen Anlagentechnik GmbH & Co. KG, Erfurt, Germany	99.94
TÜV Thüringen Anlagentechnik Verwaltungsgesellschaft mbH, Erfurt, Germany	99.60
TÜV Thüringen Fahrzeug Verwaltungsgesellschaft mbH, Erfurt, Germany	99.50
Verebus Engineering B.V., Rijswijk, The Netherlands	100.00
At equity accounted associates	
EnergieAgentur.NRW GmbH, Düsseldorf, Germany	50.00
GFÜ Gutachtenservice und Fahrzeug-Überprüfung GmbH, Klein-Winternheim, Germany	26.00
National Inspection and Technical Testing Company Ltd. (FAHSS), Damman, Saudi Arabia	25.11
TÜV Middle East W.L.L., Manama, Bahrain	25.10
TUV NORD NTA Mobility (Shanghai) Co., Ltd., Shanghai, China	49.00
UAB TÜVLITA, Vilnius, Lithuania	50.00
Not at equity accounted associates (A) and joint ventures (JV)	
ARGE „Technische Prüfstelle für den Kraftfahrzeugverkehr 21“ GbR, Dresden, Germany (JV)	25.00
DMT Middle East W.L.L., Manama, Bahrain (A)	33.40
Energy Agency GmbH, Düsseldorf, Germany (JV)	50.00
Sino-German Automobile Research and Testing Technology (Shanghai) Co.,Ltd., Shanghai, China	34.00
SOCIETE C.C.P.B., Menzah/Tunisia (A)	50.00
TÜV NORD Autoservice GmbH, Bremerhaven, Germany (A)	25.10
TÜV NORD ENGINEERING SERVICES (M) SDN. BHD., Selangor, Malaysia (A)	30.00
TÜV NORD PV Science and Technology Co., Ltd., Shanghai, China (A)	40.00
Other investments	
D&T Microelectronica IAE, Barcelona, Spain	5.00
Engineering Financial Cooperative, Seoul, Korea	0.02
FSD Fahrzeugsystemdaten GmbH, Dresden, Germany	13.43
Gesellschaft für Anlagen- und Reaktorsicherheit (GRS) gGmbH, Cologne, Germany	15.40
Korea Electric Engineers Association, Seoul, Korea	0.12
WINDTEST Grevenbroich GmbH, Grevenbroich, Germany	12.50

¹ These trading partnerships take advantage of the exemption rule pursuant to Art. 264b HGB

² These trading partnerships take advantage of the exemption rule pursuant to Art. 291 HGB

7.9. Governing Bodies

Members of the Board of Management:

Dr. rer. nat. Dirk Stenkamp	Chairman and CEO
Dipl.-Kfm. Jürgen Himmelsbach	CFO
Dr. Astrid Petersen	Human Resources

Members of the Supervisory Board:

Dipl.-Kfm. Thomas Biedermann
Chairman (from 1 July 2021)
Chairman of the Board of Directors of RWTÜV e.V.

Prof. Dr. Karl Friedrich Jakob
Chairman (until 30 June 2021)

Dipl.-Ing. Rüdiger Sparfeld
1st Vice Chairman
Chairman of the Group Staff Council of TÜV NORD

Dr.-Ing. Guido Rettig
Vice Chairman
Chairman of the Board of Directors of TÜV Nord e. V. and TÜV Hannover/Sachsen-Anhalt e.V.

Peter Bremme
Vice Chairman
Regional Representative Special Services of ver.di, Hamburg

Dr.-Ing. Klaus-Dieter Beck

Fabian Fechner M.Sc. (from 1 July 2021)
Vice Chairman of the Board of Directors of RWTÜV e.V.
(from 1 July 2021)

Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Chairman of the Board of Management of Salzgitter AG

Andreas Henniger
Head of Department of IG BCE head office Hanover

Ursula Jedberg
Chairwomen of the Staff Council/General Staff Council of TÜV NORD Bildung gGmbH

Carsten Kohn
Vice Chairman of the Group Staff Council of TÜV NORD

Dipl.-Wirtschaftsjur. (FH), MBA Tuesday Porter
Head of the Group Representative Office TÜV NORD AG

Dipl.-Ing. Thomas Rappuhn
Member of the Board of Directors of TÜV Nord e.V. and TÜV Hannover/Sachsen-Anhalt e.V. (from 1 January 2022)

Roland Rudolph
Vice Chairman of the General Staff Council of TÜV NORD Mobilität GmbH & Co. KG

RA Reinhold Rüter (until 30 June 2021)
Vice Chairman of the Board of Directors of RWTÜV e.V. (until 30 June 2021)

Dipl.-Ing. Stephan Schaller
SCHALLER-BOARD-CONSULTANTS

Barbara Schipp
Attorney-at-law, Regional Legal Department of ver.di NRW

Svenja Schroerswarz (from 1 September 2021)
Head of MPI TÜV NORD Mobilität GmbH & Co. KG
(from 1 September 2021)

Dipl.-Kfm. Holger Sievers
Vice Chairman of the Board of Directors of TÜV Nord. e.V. and TÜV Hannover/Sachsen-Anhalt e.V.

Elisabeth Terodde (until 31 August 2021)
Head of the Group Corporate Strategy and Organisational Development at TÜV NORD AG (until 31 August 2021)

Ute Thiel
Head of Competence Centre Administration of TÜV NORD Systems GmbH & Co. KG (from 1 January 2022)
Chairwoman of the General Staff Council of TÜV NORD Systems GmbH & Co. KG (from 1 March 2021 until 31 December 2021)
Vice Chairwoman of the General Staff Council of TÜV NORD Systems GmbH & Co. KG (until 28 February 2021)

Dipl.-Kfm. Lars Velde
CEO LAMARA Holding GmbH

Hanover, 28 February 2022

Dr. Dirk Stenkamp Jürgen Himmelsbach Dr. Astrid Petersen

LEGAL NOTE

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Frauke Schumann [P. 03-07]



 charta der vielfalt
For diversity in the world of work

SIGNED



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