

Financial Report

The TÜV NORD GROUP in figures

Key financial ratios in 2022

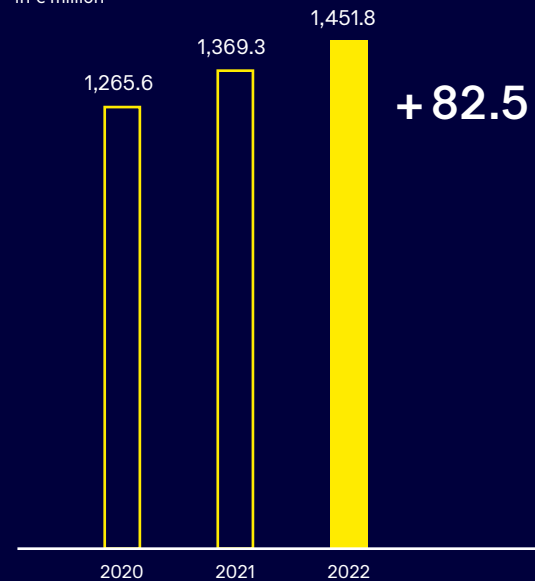
in € million

	2022	2021
EBIT*	76.6	73.1
EBT	78.9	73.3
Balance sheet total	1,105.2	1,102.4
Net financial position	91.8	121.1
Pension provision	278.8	500.4

* before special items

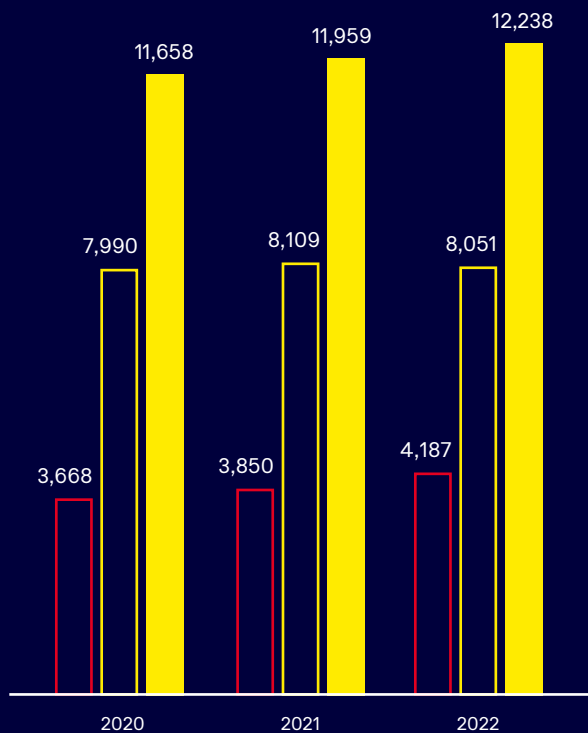
Trend in revenue

in € million



Trend in workforce numbers*

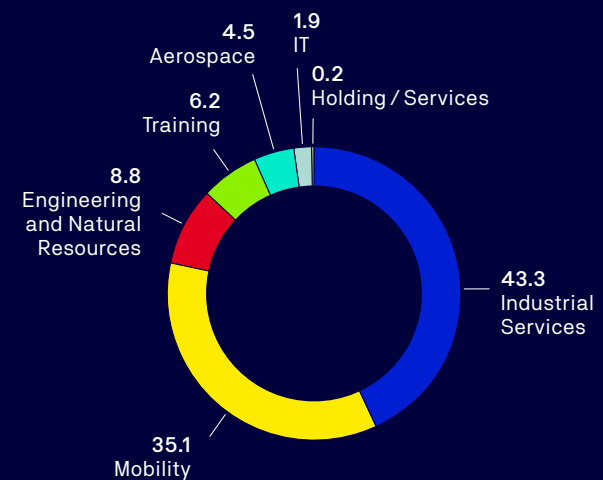
■ International ■ Domestic ■ Total



* Converted to full-time equivalent, average

Distribution of revenue by business unit

in %



The TÜV NORD GROUP enables and motivates its teams to pool their immense store of corporate knowledge to develop new ideas and translate them into real-world applications. This is how we ensure technological progress and offer indispensable added value for society and our collective future.

Dear customers, dear colleagues,

We are living in a world of rapid change. Constants that have become set in stone over many decades, such as a stable and affordable energy supply, crumbled away overnight in Germany and across Europe with the outbreak of the war in Ukraine. We have all witnessed – and still are witnessing – an array of mutually amplifying crises in the combination of war, collapsing supply chains, the coronavirus pandemic and surging inflation. In these particular times of uncertainty and risk, many people are striving for stability, orientation, normality and a safe, sustainable and liveable world. Last year, the TÜV NORD GROUP also did everything in its power throughout the world to achieve these goals.

Our contribution to safeguarding Germany's and Europe's power supply was one of the main priorities of our work. Alongside our efforts to retrofit and maintain existing power plants, we devoted ourselves especially to forcing the pace of the energy transition. Whatever the task – whether it was to approve the design or monitor the construction of new on- and offshore windfarms, to design or certify photovoltaic systems; whether it involved green gas or the initiation of the hydrogen market – experts from the TÜV NORD GROUP were in action all over the world. We were particularly heavily involved in the construction of LNG terminals in German ports and the necessary pipeline network which is, in many places, in the process of being laid in readiness for the switch from natural gas to hydrogen. Our subsidiary DMT carried out seismology and mining projects in support of the exploration of natural resources deposits, including lithium, copper and rare earths, as the essential basic materials for regenerative energy systems. A further priority was our strong and active commitment to the implementation of the

mobility turnaround through the electrification of car, bus and lorry fleets worldwide.

Ever larger numbers of people are opting for the TÜV NORD GROUP as an employer. Last year, we carried out an intensive analysis of what it is that makes our Group especially attractive for young and experienced people alike. The answer was the sheer range of topic areas and individual development opportunities. We at the TÜV NORD GROUP are using our vision and values deep underground, above ground and way up in space to generate trust in new technologies and processes, ranging from Mining 4.0 through to cyber-secure quantum encryption in satellite communication. Over 14,000 people are working around the world on this extensive and unique portfolio of knowledge and services. And it's at this point that I would like to extend a very warm welcome once again to all our new colleagues!

In the last twelve months we have pushed ahead strategically with our innovation and sustainability portfolio and added new operative units. Let's take three examples:

- Scottish start-up **GSI** uses machine learning and artificial intelligence to analyse image data of the Earth's surface recorded by unmanned aerial vehicles and satellites. These data are contributing to the sustainable and efficient management of forested areas and agricultural land. Through the financial involvement of GSI, strong synergies are emerging between our ancestral inspection and certification services and new, AI-based image analysis technologies.



- With the acquisition of **HTV**, the TÜV NORD GROUP has put together a leading domestic and international product portfolio for automated semiconductor testing, programming and conservation. This takeover is a contribution to the development and resilience of the semiconductor industry, especially for Germany and Europe.
- **TÜVLITA** is the market leader in periodic vehicle inspections and vehicle assessments in Lithuania. The acquisition of nearly 30 testing stations, complete with a motivated and expert team, across the country has lent extra impetus to our ambitious business activities in the TIC field in the Baltic states, for example in energy security and information and communication technology.

The TÜV NORD GROUP continued to chart a course of growth across all the business units in 2022. The Group performed better in respect of all relevant key ratios and managed once again to break its own revenue record, with sales of 1.45 billion euro (plus 6%). Operating profit before special items (EBIT) rose by 4.8 percent year on year, to 76.6 million euro. On behalf of the Board of Management and the Group Executive Committee, I would like to thank all our employees for the good result and their personal commitment. 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.

In 2022, we launched the biggest rebranding campaign in the 150-year history of our company. With new, standardised logos, digitally influenced colours and a fresh design, we set out our stall for our future progress. The sheer strength

of the Group is laid out in facts and stories in the magazine, in the Corporate Responsibility and HR Reports, and in the financial statement of this annual report.

What's more, in 2023 we will continue to offer highly motivated support to our global customers with our diverse teams, wide ranging expertise and international experience. Our passion for innovation, lofty aims in relation to quality and compliance and broad base of technological knowledge will continue to drive us in the future.

Based on all the above, I am optimistic and, indeed, convinced that we will rise together to surmount the existing and future global challenges.

Kind regards,

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

The Group Executive Committee



Dr. Dirk Stenkamp,
Chairman of the Board of Management



Dr. Astrid Petersen,
Chief Human Resources Officer



Jürgen Himmelsbach,
Chief Financial Officer



Dr. Ralf Jung,
Industrial Services business unit



Hartmut Abeln,
Mobility business unit

The Group Executive Committee



Dr. Maik Tiedemann,
Engineering and Natural Resources
business unit



Dirk Kretschmar,
IT business unit



Axel Dreckschmidt,
Training business unit



Luis Gómez,
Aerospace business unit

Report of the Supervisory Board

In 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 and carefully monitored its activities. The Supervisory Board is fully confident in the lawfulness, regularity and fitness for purpose of the company's management.

The Board of Management reported regularly to the Supervisory Board, in writing and orally, promptly and in full, concerning the Group's general situation, current business trends and corporate planning. In 2022, four regular scheduled meetings of the Supervisory Board took place on 29 March, 21 June, 27 September and 6 December, at which the Board of Management reported in detail on the current situation of the Group and the major Group companies. Two extraordinary meetings were also held in January 2022.

The Board of Management also provided the Supervisory Board with written and oral assessments of the earnings situation and the current financial and asset status of the Group, along with its assessment of the opportunities and risks that might arise in the course of the year. Both the impact of the coronavirus pandemic and the direct and indirect effects of the war in Ukraine were presented. The Board of Management put the business trends in the context of corporate planning, and individual deviations were explained. Business processes which required the approval of the Supervisory Board were approved by the latter after a process of thorough examination and consultation. The rebranding initiative was also presented and warmly supported by the Supervisory Board. 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.

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 to this project duly granted at the meeting of 18 January.

At the meeting of 21 June, the Supervisory Board turned its attention to issues including the increase in the shareholding

in UAB TÜVLITA and a construction project at the Essen site in the context of the CTA model. Both projects were approved by the Supervisory Board after exhaustive consultation.

The meeting of 27 September took place in Hamburg. On the same day, the Supervisory Board was presented with a report on compliance, governance and reputation protection in the TÜV NORD Group by the competent staff member at TÜV NORD AG. It also considered the strategy and the proposed resolutions for the Extraordinary General Meeting which was scheduled for the same day.

At the meeting of 6 December, the budget for 2023 was discussed and approved by the Supervisory Board. After exhaustive consultation, it also gave its consent to the acquisition of a company.

A further Extraordinary General Meeting of the Supervisory Board was held on 17 January 2023, at which, after exhaustive consultation, the Supervisory Board gave its consent to the sale of TÜV NORD Bildung gGmbH.

The Supervisory Board largely met in the presence of the Board of Management but deliberated in the absence of the latter on matters such as board member remuneration.

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 five meetings in the year under review, and additional telephone consultations were held as required. Some of the meetings were face to face; others were held as video conferences. 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 2022 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, the impact of the pandemic and the direct and indirect consequences of the war in



Ukraine. In its meeting of 29 November, the Finance Committee addressed the plans for the 2023 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 29 March 2022, BDO AG from Essen, audited the annual financial statements of 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 2022. 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 2022 fiscal year were discussed at length in the meeting of the Finance Committee on 21 March 2023 and the Supervisory Board meeting of 28 March 2023. 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.

Based on its own audit of the annual and consolidated financial statements and the management reports and on the report and 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.

Ms. Ursula Jedberg stepped down from the Supervisory Board on 30 June 2022. She was succeeded by Dr. Dagmar Hildebrandt as an elected substitute member. On 15 September 2022, Mr. Carsten Kohn gave up his mandate for health reasons. He was succeeded on 21 November 2022 by Mr. Sven Schröder by way of judicial appointment. The Chairman of the Supervisory Board acknowledged Ms. Jedberg's and Mr. Kohn's dedicated work on the Supervisory Board and thanked them on behalf of the committee for their constructive cooperation over many years.

The Supervisory Board elected Mr. Roland Rudolph to the Finance Committee as the successor to Mr. Cohn.

The Supervisory Board would like to thank all the Group company employees worldwide, the company's managers, the Board of Management, the Group Executive Committee and the employee representatives for their dedicated and successful work in what was a challenging year in 2022.

The Supervisory Board

Thomas Biedermann
Chairman

Hanover, March 2023

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Group management report

Fundamentals of the Group

Business activity

Integrating safety into all walks of life has always been the goal of the TÜV NORD GROUP. In accordance with this principle, the TÜV NORD GROUP has been active in the TICCET (testing, inspection, certification, consulting, engineering, training) market for over 150 years. Given the constant advances in technological progress, testing technology and safety in accordance with recognised national and international standards is now more important than ever, which is why it is at the very heart of our business activities. Our technical professionals and experts inspect, advise and train with the highest levels of skill. Over 14,000 employees play their part in making products, services and systems safer and more sustainable for people and the environment, actively implementing and supporting the technological transformation. With their specialist knowledge and expertise, they support customers worldwide and create innovative concepts that enable them to offer each customer a tailor-made solution.

Innovative services related to all aspects of safety and security are offered in six operative business units. With its services in the Engineering and Natural Resources and Aerospace business units, the Group has a unique selling proposition that sets it apart from its competitors in the sector. The Group's internal services in particular are 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 courtesy of its **Industrial Services** business unit.
- The **Mobility** business unit offers numerous services. These include vehicle inspections, driving tests in parts of Germany, car services, vehicle assessments, testing the reliability of vehicle components and vehicles (homologation) and development-related testing and consulting for the automotive sector.

- The 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 services 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. A second priority is consulting and programme management in information security, data protection and cyber security alongside systems and networks used in critical communication.

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 2022, the Group with its management company TÜV NORD AG embraced a total of 86 fully consolidated companies, 42 of them domiciled in Germany and 44 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

Although the global economy grew strongly in 2021 (+ 5.9%), economic growth in 2022 fell significantly short of that level, at 3.4%. Serious risks remained, and the global economy continued to be beset by major uncertainties: The battle of the central banks against inflation, the possibility of further coronavirus lockdowns, especially in China, and the war in Ukraine.

Russia's war of aggression against Ukraine continues to have grave economic consequences for Europe and Germany in particular, which are reflected in higher energy prices, weakened consumer confidence and a marked slowdown in the manufacturing industry, which has its origin in ongoing interruptions to supply chains and rising costs. This state of affairs is backed up by the figures: The eurozone saw average growth of 3.5% in 2022. This represents a significant reduction compared to the previous year. In Germany too, economic growth in 2022, at 1.9%, was substantially lower than in 2021. And yet, this is an improvement on the trend set out in the International Monetary Fund's autumn forecast, according to which Germany would bring up the rear in terms of economic growth, behind all the other developed economies. This can be ascribed to the fact that the German economy weathered the energy crisis and supply chain problems of 2022 better than was originally feared. A further boost to the economy was provided by private consumption, with consumers spending almost as much as they did in the pre-pandemic period. Other major economies in the eurozone also saw significant year-on-year reductions in growth in 2022. The French economy grew by only 2.6% (2021: 6.8%), and Italy by 3.9% (2021: 6.7%). The UK saw an increase in economic output of 4.1% in 2022 compared to 7.6% in the previous year.

But other major economic regions were also not immune to this downward trend in economic growth. Economic growth in the US in 2022 was a mere 2.0%, a substantial slowdown in comparison to the previous year (+ 5.6%). Even in China, growth slowed to 3.0%. This meant that growth in the world's second largest economy lagged behind the rest of Asia's emerging economies for the first time in 30 years. At 6.8%, economic growth in India in 2022 was twice as strong as that recorded by China.

Nor was the TIC sector (testing, inspection, certification) immune from the global slowdown in economic performance. After an increase of 5.7% in the previous year, the global TIC industry saw a growth rate of 4.9% in 2022. However, this was still significantly higher than the growth rate of the global economy in general. The sector recorded sales of some USD 220 billion in 2022. The performance of the economic regions in the TIC sector mirrored that of general global economic growth. At 4.7%, growth in Europe was substantially lower than the global average.

As an internationally recognised technological service provider, the TÜV NORD GROUP is one of the largest providers in the TIC sector and, as a diversified conglomerate, is represented in all the major regions of the world.

Business trends

As was the case in the previous year, the TÜV NORD GROUP faced a number of major challenges in 2022 due to the war in Ukraine and the ongoing coronavirus pandemic. The focus remained on keeping business operations on a secure footing and taking measures to ensure liquidity.

All business units were still 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 (restrictions to business as laid down in the German Social Code, books II / III business), all business units recorded better developments than planned.

Revenue trends were significantly better than had been set out in the 2021 group management report and in the forecast for 2022.

Thanks to the measures adopted to secure earnings and liquidity, the Group achieved a positive result, which, notwithstanding the higher rate of absenteeism due to coronavirus and an increase in costs (especially energy costs) as a result of inflation, was significantly above the operational level of the 2021 reporting period and the plan for 2022.

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 the planned volume.

The **Mobility** business unit exceeded its planned positive revenue and earnings trend in 2022. This growth can essentially be attributed to the positive trends in the partner, dealerships and workshops segments.

In the **Engineering and Natural Resources** business unit, revenue and earnings exceeded those of the previous year. However, due to the postponement of two major projects in plant construction and in large-scale seismology, the planned values were not quite achieved.

Although revenue and earnings in the **Training** business unit also exceeded the previous year's level in the 2022 reporting period, they nonetheless fell short of the planned volume. The ongoing coronavirus pandemic continues to have a negative impact on the business unit's revenue and earnings, especially in the area of publicly funded projects. In the light of the trends in this part of the business unit, the Board of Management resolved at the end of 2022 to initiate the sale of one of the companies. The development of TÜV NORD Akademie GmbH & Co. KG's business in the private sector underwent a significant improvement in 2022, and expectations were exceeded for both revenue and earnings. In addition to the classic seminar business, digital training courses have now been established as a second pillar and are making a significant contribution to the company's success.

In the **Aerospace** business unit, revenue was significantly higher than planned and exceeded that of the previous year due to increased billing in the components business. Despite the increase in personnel numbers and significantly higher material costs, earnings were at the planned level and matched those of the previous year.

The **IT** business unit reported revenue at the planned level, albeit with revenue falling below the previous year's level due to the decline in IT consulting, and earnings growth failing to meet the planned targets. Compared to the plan, increases in productivity and savings in material costs in particular had a positive effect on earnings.

The number of full-time employees of the Group in 2022, albeit higher than the previous year, did not reach the planned figure.

The Group's innovation projects were continued as planned in 2022 with the aim of developing new services.

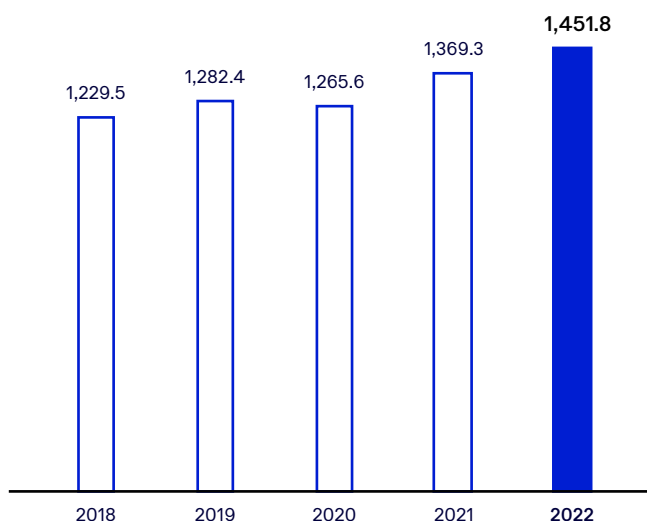
The year-on-year financial performance indicators within the Group in the 2022 reporting period were as follows:

- Revenue increased by 6.0%, from €1,369.3 million to €1,451.8 million. The increase in revenue was due to the improved development of almost all the business units.
- Operating profit before special items (EBIT) increased by 4.8%, from €73.1 million to €76.6 million. The special items of €2.2 million in 2022 mainly relate to the revaluation of old shares in the context of a share increase to 100%, book gains from the sale of real estate and deconsolidation losses at a Spanish subsidiary. The increase of €3.5 million was mainly attributable to the Industrial Services and Mobility business units.
- The return on revenue, measured by EBIT, was the same as in the previous year, at 5.3%.
- Earnings before tax (EBT) increased by €5.6 million to €78.9 million.
- The average number of employees, converted to full-time equivalents, increased from 11,959 to 12,238 in 2022.

Earnings

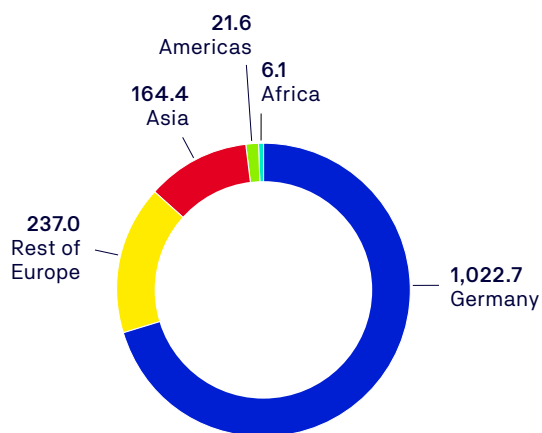
The 2022 reporting period came to an end with a revenue of €1,451.8 million (2021: €1,369.3 million). The following figure shows the trend in revenue in the Group (€ million) in the last five years:

Trend in revenue



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

Revenue by region

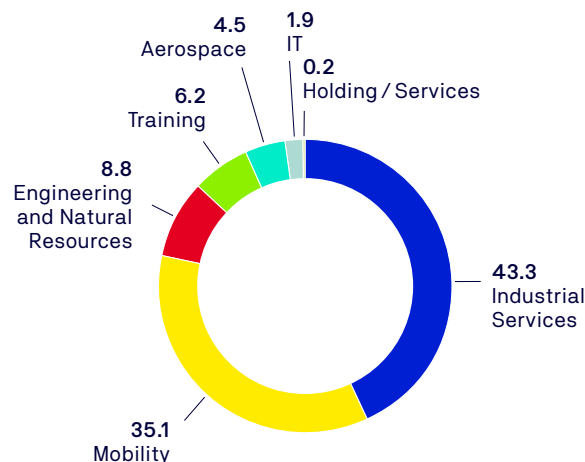


The Group's domestic revenue in 2022 amounted to €1,022.7 million (2021: €1,008.9 million). Revenue from the international business amounted to €429.2 million (2021: €360.4 million) and achieved a share of 29.6%.

Broken down by business units and Holding / Services, the following overall picture emerged for the year 2022:

Revenue by business unit

in %



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 differently.

The **Industrial Services** business unit generated revenues of €628.4 million (2021: €612.4 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 €266.2 million, after €241.3 million in the previous year. In Germany, revenue, at €362.3 million, was slightly below the previous year's level (2021: €371.1 million). This was due to the increase in coronavirus-related absenteeism and, in particular, lower revenues than the previous year from tests of protective equipment for the medical sector and the deconsolidation of a company as of 31 December 2021.

The revenue of the **Mobility** business unit, at €509.1 million, was 71% higher than in the previous year, at €475.2 million. The revenue increases mainly resulted from an increase in sales figures for periodic vehicle inspections and exhaust gas tests, the expansion of the partner organisation and the first-time consolidation of two subsidiaries as of 1 July and 1 August 2022.

In the **Engineering and Natural Resources** business unit, revenue of €127.1 million (2021: €115.8 million) was generated. The main reasons for the increase were reductions in pandemic-related restrictions on the business activities.

The increase in revenue in the **Training** business unit to €90.4 million (2021: €79.6 million), was accounted for to a significant extent by activities in the private sector. Despite the relaxation of coronavirus measures, the state-subsidised business suffered in the year under review, in particular due to the small group issue and the significantly reduced tender volume for job speed dating offers.

The revenue of the **Aerospace** business unit, at €65.0 million, was higher than in the previous year (2021: €52.6 million) due to increased billing in the components business.

The planned reduction of subcontractor services in the IT consulting business segment was the main factor behind the decrease in revenue in the **IT** business unit to €28.3 million (2021: €31.0 million).

Group expenses increased by 7.4% to €1,435.6 million during the reporting period.

The cost of materials reached €307.6 million in comparison to €267.1 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 3.1% to €815.5 million, primarily due to the recruitment of new staff and changes to collective agreements in Germany.

Write-downs decreased to €67.7 million (2021: €68.0 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 €78.9 million and were thus €5.6 million below the previous year's result of €73.3 million. All business units contributed to the positive result of the Group.

Net profit, at €48.6 million, exceeded the previous year's figure of €45.5 million.

Assets

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

Total assets in the year under review, at €1,105.2 million, were on the same level as in the previous year (2021: €1,102.4 million).

Non-current assets decreased from €655.2 million to €603.6 million. The rate of coverage of non-current assets (equity plus pension provisions divided by non-current assets) amounts to 100.6% (2021: 100.6%).

Current assets, which make up 45.4% of total assets, are recognised at €501.6 million (2021: €447.2 million). The Group has additional hidden reserves, which primarily take the form of property ownership and investments.

Equity capital, at €328.4 million, is above the level of the previous year (2021: €158.7 million). The equity ratio amounts to 29.7% (2021: 14.4%). In 2022, actuarial profits in the other equity positions amounting to €129.1 million in 2022 (2021: €6.3 million) were offset, thereby affecting the statement of comprehensive income. One major contributing factor was the decrease in pension provisions in 2022 due to the significant increase in interest rates. Opposing effects resulted from the increase in the pension trend and actuarial losses on plan assets. In the 2022 reporting period, €656.5 million (2021: €784.1 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 €278.8 million (2021: €500.4 million).

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 net financial position of the TÜV NORD Group was very positive despite the ongoing coronavirus pandemic, the effects of the war in Ukraine and the investment volume, which remained high. As of 31 December 2022, the TÜV NORD Group remained free of debt and was on a solid financial footing. This enabled targeted investment in innovation, training and the 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 Group's conservative financial policy, i.e. maintaining the good rating and safeguarding adequate liquidity for the demand-driven centralised financing of all Group companies, were consistently pursued as in the previous years.

In addition, it is fundamental to the Group's financial strategy to ensure a broad measure of financial flexibility, along with 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 sixteenth 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 preferred position in terms of access to financial resources.

The cash flow (see consolidated cash flow statement) amounted to €104.0 million and was essentially applied to investments in intangible assets and in property, plant and equipment. Capital expenditure excluding corporate acquisitions amounted to €58.2 million in the reporting period as against €58.7 million in 2021. Of this, €47.7 million was invested by the German companies, and €10.5 million abroad. The focus was on the construction of real estate in Dortmund, Germany, and investments in the vehicle fleet, testing equipment and computer hardware and software. No material capital expenditure obligations existed as of the reporting date. The Group spent a total of €14.2 million on acquisitions and increasing a shareholding.

The Group's positive net financial position amounted to €91.8 million at the end of the reporting period (2021: €121.1 million).

The syndicated loan in the amount of €125.0 million was extended early for one year until 11 December 2025. It had not been used as of 31 December 2022.

In 2022, the Group was in the position to meet its payment obligations at all times.

Overall situation

As a result of the macroeconomic situation, the effects of the war in Ukraine and the ongoing coronavirus pandemic, the TÜV NORD GROUP was once again confronted with major challenges in the reporting period. As in the previous year, the Group has thus far weathered 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. TÜV NORD GROUP assumes that the earnings, asset and financial position will remain stable in the future too.

Non-financial performance indicators

Innovation report

Technological safety can only be guaranteed if innovative new solutions are sought. For this reason, the TÜV NORD GROUP invests in innovative projects, while also seeing them as key growth drivers that will serve to secure the long-term future viability and expand 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.

The multi-year “#GoNORD – Innovation by Everyone” initiative has been very well received and offers different formats for the active participation of all employees. As part of the #GoNORD Roadshow, employees at seven different sites were able to gain a very good impression of some of the current innovation activities. In the coming years, the roadshow will continue to be offered as a format at other sites.

The TÜV NORD GROUP's innovation projects include, for example, new seismic exploration techniques in connection with the energy transition and the construction of a production facility for green hydrogen in India. The development of AI-based predictive maintenance for electronic satellite components is also emblematic of the Group's commitment to a more sustainable future.

According to an external evaluation, Group-wide innovation management has achieved an above-average level of maturity. The TÜV NORD GROUP uses the methodical approach of strategic foresight to develop probable future scenarios and derive innovation priorities from them.

After ten internal training rounds and initial external customer projects, the Digital Academy strategic initiative, which aims to empower employees to navigate the digital transformation successfully, will be integrated into the portfolio of the TÜV NORD Akademie for further scaling up.

Employees

The workforce of the companies of the TÜV NORD GROUP is growing worldwide. The average number of employees in the group was 14,477 (2021:14,253) during 2022. The average proportion of women working in the Group was about 30% (2021: 30%).

In 2022, the domestic and foreign companies of the TÜV NORD GROUP employed an average of 12,238 staff (converted to full-time equivalent) in comparison to 11,959 in the previous year. 8,051 employees were employed in Germany. The number of employees abroad increased in 2022 to 4,187. The largest business unit is Industrial Services, with 6,471 employees in Germany and abroad, followed by the Mobility business unit, with 2,998 employees.

With many different faces and a broad base of expertise, the employees of the TÜV NORD GROUP commit themselves afresh to the success of their customers every single day. At the same time, it is crucial for them always to be at the innovative cutting edge, to constantly build on their knowledge and to learn from each other. In the 2022 reporting period, the Group invested €10.5 million (2021: €8.1 million) in internal and external training measures for its workforce.

The work-life balance is a top priority in the Group. This includes offering individual working time arrangements – for instance, to meet childcare needs or to look after relatives – changes of workplace and an extensive programme of health care.

The TÜV NORD GROUP strives for an inclusive culture in which everyone has equal opportunities and possibilities to contribute their strengths to the Group's success and to realise their potential. The first job tandems, with management positions shared on a part-time basis, and newly developed training courses on unconscious bias show that diversity is a lived experience within the Group.

The effects of the coronavirus pandemic and the war in Ukraine have 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 updated forecast, the IMF has upgraded its global economic growth prediction for 2023 by 0.2 percentage points to 2.9% compared to its autumn forecast, although this figure is still 0.5 percentage points below the growth recorded in 2022. According to the IMF, the forecast for 2023 has improved somewhat because the global economy seems set to cope with the consequences of the war in Ukraine and the ongoing high level

of inflation a little better than was initially feared. Many economies are showing unexpectedly high levels of resilience to the crises. China's relinquishment of its zero-Covid strategy has also driven the improvement in the forecast. However, the global economy continues to face major challenges that could depress the economic outlook. These include an escalation of Russia's war of aggression against Ukraine, an intensification of the coronavirus situation in China with renewed lockdowns, continued high inflation and the possibility of a debt crisis – especially in some emerging markets – due to the strict monetary policy of the central banks. The projected growth for 2023 is therefore the base scenario, and it is quite possible that the situation will take a turn for the worse.

The lower growth of the global economy compared to the previous year is evident in all regions, but there are significant differences in growth forecasts. For the industrialised countries, the IMF forecasts growth of only 1.2% for 2023, which would represent a further decline compared to 2022. For the eurozone, the IMF forecasts a growth rate of 0.7% in 2023. Germany's predicted rate of growth, at only 0.1%, is significantly lower again. At the same time, however, this means an increase in the estimate for German economic growth by 0.4 percentage points compared to the outlook of the autumn forecast for 2023. In its latest annual economic report, the German government now also expects slight economic growth of 0.2% for 2023 and thus no longer expects a decline in economic output. One reason for this is the easing of price pressures on gas and electricity, among other commodities. The IMF has also improved its forecast for 2023 for the US and now expects a growth rate of 1.4%. One reason for the more positive outlook is that the US inflation rate has recently fallen six times in a row.

According to the IMF, the developing and emerging markets will grow by 4.0% in 2023, slightly faster than in 2022. According to the forecast, India will once again be the growth driver in 2023, with a projected growth rate of over 6%. This makes it the fastest-growing country in the world, according to the IMF's outlook. China is expected to grow by 5.2% in 2023, a significant recovery compared to 2022. The sudden reopening of China has created a favourable tailwind for economic recovery in many countries. At the same time, this shows how vulnerable the forecasts are: If, for example, the economy in China should be slowed down by further waves of coronavirus.

The global TIC market cannot escape the slowdown in the global economy and will grow more slowly in 2023 than in the previous two years. Nevertheless, at a forecast rate of 4.5%, growth will still be well above that of the global economy. In 2023, the TIC industry is expected to generate sales of USD 230 billion. The Asia-Pacific region is the largest and fastest growing region.

The TÜV NORD GROUP expects the financial performance indicators to develop positively only in part for the 2023 reporting period. As an internationally active technology service provider, it is exposed to the negative trends in the global economy. A slight decline in revenue is expected due to the sale of a company by the Training business unit at the beginning of the 2023 reporting period. For the 2023 reporting period, the positive earnings (EBIT) are expected to be somewhat below those of 2022. The effects of the war in Ukraine and the expected resultant cost increases, as well as the poor economic outlook, are weighing on the Group's key figures. In addition, the planned increase in the workforce and the future investments in SAP and digitalisation projects will have a negative impact on earnings. Notwithstanding the above, all the business units are once again planning to contribute positively to overall earnings.

For the 2023 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 2023 reporting period, earnings will be restrained primarily by a significant rise in energy prices, and growth in staff numbers and expenses in connection with SAP and digitalisation projects and will decrease slightly compared to 2022. Medium-term planning assumes that earnings will rise again.

The **Mobility** business unit anticipates a moderate increase in revenue in 2023. Earnings are expected to decline slightly 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 2023, 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; moreover, demand in the chemical industry is expected to recover. Revenue is forecast to rise significantly. Due to the continuing high level of raw material prices, increased demand is expected in international business, and internationalisation projects (Australia, Pakistan, South America) are being pushed forward. The majority of the business segments will contribute to the significant increase in earnings in 2023. The focus continues to be on profitable growth projects, accompanied by the optimisation of customer access through location concepts, focused sales support, and targeted innovations and efficiency improvements (e. g., digitalisation of processes).

From 2023, the **Training** business unit will be strategically repositioned and geared towards private-sector educational opportunities. Adjusted for the sale of a company that generated revenue of €48.1 million in 2022, a significant increase in sales is expected for 2023 due to the expansion of the product portfolio, as well as the further digitalisation of the training products range and a marginally positive earnings figure. Aside from inflation-related cost increases, earnings in the planning year will be dampened by the increase in personnel numbers in connection with the organisational realignment with digitalisation/innovation, corporate responsibility and sustainability.

The **Aerospace** business unit plans a moderate increase in revenue and earnings for 2023. The increase in personnel numbers and the expected inflation-related increases in material costs will have a negative impact. The business unit is continuing its strategy of focusing on engineering services. The sales focus is on customers in Europe (around 63%) and Asia (around 15%).

The **IT** business unit anticipates a slight increase in revenue in 2023 and earnings at the same level as in 2022. The increase in revenue is mainly due to the planned increase in personnel numbers in the operative area. The business unit is focusing on cross-industry growth in the areas of digitalisation, IT security, and information and telecommunications technology.

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 securing the future viability and organic growth of the Group in the long term. These projects will continue in 2023 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 an elementary 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 TÜV NORD 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 reported according to the amount of damage and probability of occurrence at the end of each quarter before and after measures (gross and net). Recommendations for action on risk reduction or elimination can be developed and implemented. Where necessary, financial provision is made for individual risks. 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. Relevant markets are continuously observed to identify overall economic and sector-specific opportunities in good time. Macroeconomic opportunities are being created by the Group's presence in established market regions and growth markets. The significant effort the Group has put into its innovative capacity is allowing it to take prompt advantage of macroeconomic opportunities.

The Group Executive Committee, the Board of Management and the Supervisory Board are kept informed, in the form of quarterly reporting, of the current risk situation of the Group and the individual business units. This report includes the status display of risks (net) and the measures taken in response to them.

Additionally, the risk management is verified by the corporate audit department and external auditors. The results of these audits are 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 reporting period. Not only that, but risks resulting from the war in Ukraine are also having an impact on the TÜV NORD GROUP. Nevertheless, 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 2022 reporting period, however, no risks, including those associated with the war in Ukraine and the ongoing coronavirus crisis, were identified which might either individually or as a whole endanger the survival of the Group or substantially impair its assets, 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 TÜV NORD PENSION TRUST e. V., which was founded in 2008. Changes to the actuarial interest rates in the valuation of pension obligations and the other actuarial parameters (in particular pension trends) 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.

The Group is not exposed to any material price change risks, 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 presents the TÜV NORD GROUP with major challenges. In the individual business units, 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.

Due to the current increase in uncertainty regarding the economic framework conditions (war in Ukraine, coronavirus pandemic), the TÜV NORD GROUP anticipates a weaker, but still positive development. In addition, rising energy costs are seen as a risk, and, consequently, an increasing number of insolvencies are expected, which, albeit to a lesser extent, might have a negative impact on business activities.

The individual business units report the following risks and opportunities:

In the **Industrial Services** business unit, the risks from possible changes to regulations persist. However, they will only come into play if previously mandatory inspections are abolished and/or changes are made to allow inspections to 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 international market presence in the fields of renewable energies (including photovoltaics), hydrogen, 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. At the same time, services for permits for decommissioning and dismantling are underway, and long-term contracts for implementation are in place. Multi-year contracts in the fields of the interim storage and final disposal of radioactive waste continue to run or have been concluded. Opportunities in national and international markets for "New Energy" and new technologies are being further targeted and the relevant products developed and established.

The following risks exist in the certification business:

- Disreputable certification activities, in particular by non-accredited certification bodies
- Changes to the point of scepticism on the part of policymakers, economy and society in the perception of the value created by certifications
- Elimination of applied legal and/or regulatory fundamentals without replacement

Participation across a wide spectrum of political and social, opinion-forming committees is a long-term measure to counter these risks. In addition, the appropriate and effective countermeasures include strong regional and sectoral diversification as a certification service provider as well as strategic positioning as a certification partner for globally active companies. The possibility of individual rule violations by actors in the certification process cannot be systematically excluded by an accredited certification service provider. This results in a fundamental risk of loss of accreditation as a basis for business. TÜV NORD is countering this risk with strong accreditation, quality and compliance management as well as other effective measures (e.g., training, constant KPI monitoring, internal auditing).

Opportunities exist in the form of investments in the important developments of the future. Digitalisation, sustainability, careful scrutiny of supply chains and the certification of medical devices are to be seen as opportunities, as is the opportunity to support the intensified search for alternative energy sources. These include, in particular, questions such as the certification of green hydrogen or green ammonia.

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. Ongoing competitive pressure exists in the competitive high-volume business of periodic vehicle inspections and in damage assessments and vehicle valuations. The requirements for a nationwide market presence resulting from the ongoing consolidation process of car dealerships and workshops are being met with the

expansion of the franchise organisation. The franchise network is facilitating Germany-wide service provision and the acquisition of nationwide major orders.

The increasing share of electric vehicles is set to have an impact on the market for homologations because the variety of models offered by vehicle manufacturers will decline and there will be a countervailing increase 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) are being exploited.

In the long term, opportunities and risks may arise from the possible end of the monopoly on driving tests, which is included as a declaration of intent in the agreement between the parties in the governing German coalition. 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 project business is associated with a latent risk due to possible project delays and specific technical challenges. Business development continues to be subject to economic risks and dependence on the development of natural resources prices. There are opportunities to expand the business through new partnerships and M&A activities. Previously acquired major projects and those which are in the process of being acquired point to a stable development trend in the coming years.

The effects of the coronavirus pandemic have become less severe or are now under better control in the **Training** business unit. The provision of training in an alternative digital or hybrid form is mitigating this risk. Opportunities are arising in further training due to the shortage of skilled workers and the associated need to train employees in companies.

The effects triggered by the pandemic in the **Aerospace** business unit, e. g. through project postponements, are lessening. Overall, however, the opportunities outweigh the risks, because the aerospace industry is a key driver of innovation in Europe, thanks to its contributions to digitalisation and the fight against climate change. Moreover, the business unit has also established a photonics design centre in Scotland to accelerate the development and commercialisation of optoelectronic products. Unmanned aerial vehicles (UAVs) will be another important growth area in the aeronautical industry in the short and medium term. In particular, the new European regulation on the testing and certification of UAVs presents an excellent 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 conformity assessments for this type of vehicle.

The **IT** business unit expects to see a positive business trend at home and abroad in the coming years. There are risks due to the tense situation on the energy market, rising inflation and declining economic output, which could have a negative impact on business development in terms of the postponement of projects and tender deadlines. On the other hand, an accelerated energy transition and the increased risk potential for companies and critical infrastructures caused by the war in Ukraine are also resulting in growth potential for the IT security sector. Various national and international digital policy initiatives also offer further extensive opportunities for testing and consulting services.

Corporate responsibility

Corporate responsibility and sustainability are essential pillars of the TÜV NORD GROUP's corporate activities. 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. Both terms are combined in the Corporate Responsibility (CR) Strategy, which defines the key goals for the responsible and sustainable development of the TÜV NORD GROUP. The TÜV NORD GROUP sees the implementation of corporate responsibility as a long-term project which will enable the Group to

evolve and adapt to new circumstances. CR continues to be based on the Group's six keys:

- 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 in the context of a sustainable portfolio of services and new ideas to help them chart a successful future path.

- 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 private life 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 account of the impact of its actions on the environment and society.

- 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.

- 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.

Focused as they are on companies, people and the environment, the three major fields of action of the CR Strategy will continue to form the basis for the TÜV NORD GROUP's CR activities in 2022. The CR Roadmap serves to operationalise the CR Strategy and sets out specific goals, measures and responsibilities for other assigned topics. The 2022 CR Report provides information on news in the management approaches of the three fields of action and on specific practical CR activities.

Corporate responsibility, as before, falls within the remit of the Group Executive Committee. This body is supported by the CR management. A CR steering committee, consisting of the CR coordinators from the business units, consults internally on all crosscutting 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.

In line with a regular publication schedule, full Corporate Responsibility Reports are published every three years (previously 2018 and 2021) and provide information on the CR Strategy as well as on the measures being worked on and milestones achieved. In the intervening years, progress reports are prepared which summarise the new developments in the management approaches to the fields of action and the CR Strategy. Accordingly, a progress report on the corporate responsibility activities of the TÜV NORD GROUP is being published for the 2022 reporting period.

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. Their implementation is based on the requirements that the German Corporate Governance Code places on capital-market-oriented companies.

The governance structure is based on the globally recognised Governance Three Lines Model (TLM) (formerly the Three-Lines-of-Defense (TL0D) 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 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 TLM 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. The Code of Conduct 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 controls and monitors the implementation and development of the TÜV NORD GROUP's compliance programme.

The TÜV NORD GROUP's corporate culture is 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 be verified annually by 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 that they 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 external third parties (stakeholders: Customers, suppliers, cooperation partners, etc.) 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, which can also be anonymous, 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 implementation of new legal requirements (e.g., the Whistleblower Protection Act, Supply Chain Due Diligence Act) and the structured 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 the 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 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%.

As of 1 January 2021, the share of women on the Board of Management is now one third: 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 ("F1" and "F2") 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. On the first management tier below the Board of Management, the target was exceeded; on the second management tier it was exceeded for a time but not achieved by the expiry of the deadline. At this level, the number of management positions is very low, with a current total of three positions. When it comes to performing tasks, professional specifications are the dominant criteria.

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. The TÜV NORD GROUP pursues a strategy of diversity and is striving to increase the percentage of women in managerial positions.

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 2027. This translates into a total of four female managers at management level "F1" and one female manager at management level "F2".

The Board of Management has determined that, when it comes to filling management positions, it must be ensured that both women and men are in the final selection round. The recruiting procedure must be explained to the Board of Management when filling "F1" and "F2" positions.

For the other affected companies in the Group, the new 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. The 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 2022 and in respect of relevant special transactions during the 2022 reporting period, 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 2023

TÜV NORD AG
The Board of Management

Consolidated income statement

€k	Note	2022	2021
Revenue	3.1.	1,451,842	1,369,252
Other internally generated additions to assets		38	0
Other income	3.2.	62,557	41,496
Cost of materials	3.3.	-307,561	-267,149
Personnel expense	3.4.		
a) Wages and salaries		-671,251	-646,732
b) Social security contributions, post-employment and welfare benefits		-144,260	-143,912
Depreciation, amortisation and impairment losses	3.5.	-67,724	-67,967
Other expenses	3.6.	-244,793	-210,483
Operating profit		78,849	74,505
Income from investments consolidated at equity		1,130	549
Income from other equity investments		461	69
Interest income		991	783
Interest expense		-1,882	-2,407
Other financial items		-641	-228
Financial result	3.7.	59	-1,233
Earnings before tax (EBT)		78,907	73,272
Taxes on income	3.8.	-30,306	-27,730
Consolidated earnings after tax		48,601	45,541
The consolidated earnings after tax are attributable to			
TÜV NORD AG's owners		43,489	41,052
non-controlling interests		5,112	4,489

Statement of comprehensive income

€k	2022	2021
Consolidated earnings after tax	48,601	45,541
Items that will not be reclassified subsequently to the income statement		
Actuarial gains and losses		
Changes from unrealized gains and losses ¹	179,258	9,066
Tax effect	-50,167	-2,750
	129,091	6,316
Interest from subordinated registered debenture	-1,537	-2,161
Changes in the fair value of financial investments in equity instruments recognised at fair value that do not affect net income	0	0
Share in other comprehensive income of at equity consolidated investments	-13	19
Total items that will not be reclassified subsequently to the income statement	127,541	4,174
Items that will be reclassified subsequently to the income statement		
Currency translation		
Changes from unrealized gains and losses	-1,687	2,324
Changes from realized gains and losses	0	0
	-1,687	2,324
Share in other comprehensive income of at equity consolidated investments		
Changes from unrealized gains and losses	13	23
Total items that will be reclassified subsequently to the income statement	-1,674	2,347
Other comprehensive income	125,867	6,521
Total comprehensive income	174,468	52,062
The total comprehensive income is attributable to		
TÜV NORD AG's owners	167,503	47,304
non-controlling interests	6,965	4,758

¹ Including non-controlling interests amounting to €3,562k (2020: €-571k). Further information can be found in Notes 4.

Consolidated balance sheet

Assets €k	Note	31.12.2022	31.12.2021
A. Non-current assets			
Intangible assets	5.1.	115,005	102,695
Property, plant and equipment	5.2.	271,674	259,444
Rights of use from leases	5.3.	58,508	67,482
At equity consolidated investments	5.4.	3,288	4,969
Other financial assets	5.5.	8,588	23,430
Trade and other receivables	5.7.	353	433
Other assets	5.8.	7,835	6,469
Deferred tax assets	3.8.	138,349	190,282
Total non-current assets		603,600	655,204
B. Current assets			
Inventories	5.6.	6,676	4,675
Trade and other receivables	5.7.	273,276	258,140
Other assets	5.8.	29,217	20,338
Current tax assets		5,529	9,283
Cash and cash equivalents	5.9.	125,036	154,650
Total current assets		439,734	447,086
C. Assets held for sale	5.10.	61,843	124
Total assets		1,105,177	1,102,414

Equity and liabilities			
€k	Note	31.12.2022	31.12.2021
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	30,000
Retained earnings	5.11.	352,897	311,086
Other equity items	5.11.	-204,619	-328,633
Total equity of TÜV NORD AG's owners		302,691	136,866
Non-controlling interests	5.11.	25,673	21,869
Total equity		328,364	158,735
B. Non-current liabilities and provisions			
Provisions for pensions and other post-employment benefits	5.12.	278,814	500,388
Other provisions	5.13.	21,342	34,018
Amounts payable to banks	5.14.	948	73
Liabilities from leases	5.14.	40,366	47,340
Trade and other payables	5.14.	10,335	9,621
Deferred tax liabilities	3.8.	13,763	13,252
Total non-current liabilities and provisions		365,568	604,692
C. Current liabilities and provisions			
Provisions	5.13.	72,750	79,399
Amounts payable to banks	5.14.	400	56
Liabilities from leases	5.14.	19,665	21,458
Trade and other payables	5.14.	246,969	230,082
Current tax liabilities		13,103	7,992
Total current liabilities and provisions		352,887	338,987
D. Liabilities and provisions in connection with assets held for sale	5.10.	58,358	0
Total equity and liabilities		1,105,177	1,102,414

Consolidated cash flow statement

€k	Note	2022	2021
Consolidated earnings after tax		48,601	45,541
Depreciation, amortisation and impairment losses		68,365	68,195
Interest expense on liabilities from leases		1,136	1,095
Cash flow before provision for pensions		118,102	114,831
Change in provision for pensions		-14,083	-28,015
Cash flow		104,019	86,816
Share of profits of at equity consolidated investments		-379	-546
Interest income / expense		-245	529
Income taxes		30,306	27,730
Gain on disposal of intangible assets and property, plant and equipment		-1,901	-1,952
Change in inventories, receivables and other assets		-37,056	-20,649
Change in payables, provisions and other liabilities		21,755	60,878
Income taxes paid		-19,870	-31,099
Cash flow from operating activities	6.	96,629	121,707
Proceeds from the disposal of property, plant and equipment		5,792	6,384
other financial assets		2,761	1,020
Payments for investments in intangible assets		-2,766	-2,330
property, plant and equipment		-55,480	-56,328
other financial assets		-2,552	-2,532
Acquisitions of consolidated companies, net of cash acquired		-7,077	0
Cash flow from investing activities	6.	-59,322	-53,786
Proceeds from loans and borrowings / Repayment of loans and borrowings		-307	-1,232
Interest expense on liabilities from leases and repayment of liabilities from leases		-23,940	-24,026
Dividends to owners and non-controlling shareholders		-4,188	-3,061
Repayment from subordinated registered debenture		0	-20,000
Interest received		991	783
Interest paid		-2,284	-3,473
Cash flow from financing activities	6.	-29,728	-51,009
Net change in cash and cash equivalents through payments made and received		7,579	16,912
Net change in cash and cash equivalents through changes in exchange rates and in the basis of consolidation		43	2,830
Cash and cash equivalents at the beginning of the period		154,650	134,908
Cash and cash equivalents at the end of the period		162,272	154,650
thereof in Cash and cash equivalents		125,036	154,650
thereof in Assets held for sale		37,236	0
Supplementary information:			
Dividends received classified as cash flow from operating activities		751	228

Statement of changes in consolidated equity

€k	Subscribed capital	Capital reserves	Subordinated registered debenture	Retained earnings
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
Carrying amounts as of 1 January 2022	10,000	114,413	30,000	311,086
Comprehensive income	0	0	0	43,489
Dividend payment	0	0	0	-1,000
Changes in basis of consolidation	0	0	0	0
Other changes	0	0	0	-678
Carrying amounts as of 31 December 2022	10,000	114,413	30,000	352,897

Further information on equity can be found in 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
-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
-3,042	17	-313,227	-12,381	136,866	21,869	158,735
-1,035	0	126,586	-1,537	167,503	6,965	174,468
0	0	0	0	-1,000	-3,188	-4,188
0	0	0	0	0	27	27
0	0	0	0	-678	0	-678
-4,077	17	-186,641	-13,918	302,691	25,673	328,364

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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.

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 TÜV NORD AG completed the preparation of the consolidated financial statements as of 31 December 2022 and the Group management report for the 2022 reporting period on 28 February 2023 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), TÜV NORD AG prepared its consolidated financial statements up to 31 December 2022 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 2022 and all the pronouncements of the International Financial Reporting Standards Interpretations Committee (IFRS IC) have been applied in relation to the 2022 reporting period, 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 (consolidated state-

ment of comprehensive income) in addition to the consolidated profit and loss account, the consolidated balance sheet and the consolidated 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 percentages 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 calendar year.

The consolidated financial statements were prepared based on the company's continuation, i.e., the Group is able to meet its payment obligations.

1.3. Accounting standards applied for the first time in the reporting period

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 2022 reporting period:

Effective application

Standard/ Interpretation	Mandatory application
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

1.4. Newly issued accounting standards not yet applied

The following standards and amendments to existing standards issued by the IASB have already been adopted into European law, but their application is not yet mandatory for the reporting period. The company has not elected to apply these provisions 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 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	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 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 "Definition of Accounting Estimates"	Reporting periods beginning on or after 1.1.2023

TÜV NORD AG has not yet completed its investigations into the possible implications for its 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 amendments to existing standards issued by the IASB have not yet received European Commission endorsement, with the effect that their application is not yet permissible:

Application in advance impermissible

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 and Non-current Liabilities with Covenants"	Reporting periods beginning on or after 1.1.2024
Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback"	Reporting periods beginning on or after 1.1.2024

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

2. Summary of significant accounting policies

2.1. Basis of consolidation

Including TÜV NORD AG, the consolidated financial statements cover 42 (2021: 41) domestic and 44 (2021: 42) foreign companies in which TÜV NORD AG directly or indirectly holds a majority of the voting power, or over whose financial and operating policies it otherwise exerts control, thus putting it into 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 2022 reporting period, the removal of one subsidiary from the list of fully consolidated subsidiaries resulted from a de-consolidation. The four additions are companies which have previously been valued according to the equity method and companies which have previously not been consolidated for materiality reasons.

In addition, seven (2021: 6) (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 assets, financial status and earnings of the Group. This waiver of consolidation has the effect of reducing group revenue by 1.0% (2021: 0.9%) and of a change of consolidated earnings before tax (EBT) of 1.4% (2021: 0.8%).

A list of consolidated companies and shareholdings has been prepared in which 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 the financial statements of TÜV NORD AG.

2.2. Consolidation policy

The annual financial statements of the subsidiaries included in consolidation are prepared in accordance with 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 differences in amount 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 the consolidated income statement 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 reporting period 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 in proportion 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 inter-company 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 under 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 in force 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. Any such translation difference recognised in comprehensive income is posted to profit and loss only if the company concerned is deconsolidated.

Since the 2022 reporting period, Turkey has satisfied the criteria of a high inflation country within the meaning of IAS 29. For materiality reasons, the decision was taken not to adjust the financial statement of TÜV NORD Turkey Teknik Kontrol ve Belgelendirme A.S., Istanbul, Turkey based on the price index in force as of 31 December 2022, as this company is only of subordinate importance for the Group's assets, financial status and earnings and no material effects would be expected from such an adjustment.

Translation into the functional currency

Foreign currency transactions are translated into the functional currency at the exchange rate in force at the time of the transaction. Gains and losses resulting from the fulfilment of such transactions and from the translation as at 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	
		31.12.2022	31.12.2021	2022	2021
Brazilian real	BRL	5.6386	6.3101	5.4432	6.3813
British pound sterling	GBP	0.8869	0.8403	0.8526	0.8600
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Canadian dollar	CAD	1.4440	1.4393	1.3703	1.4835
Chinese renminbi yuan	CNY	7.3582	7.1947	7.0801	7.6340
Croatian kuna	HRK	7.5365	7.5156	7.5350	7.5291
Czech koruna	CZK	24.1160	24.8580	24.5602	25.6468
Egyptian pound	EGP	26.2674	17.7746	20.3087	18.5391
Hong Kong dollar	HKD	8.3163	8.8333	8.2512	9.1988
Indian rupee	INR	88.1710	84.2290	82.7144	87.4860
Indonesian rupiah	IDR	16,528.9256	16,103.0596	15,625.0000	16,920.4738
Korean won	KRW	1,344.0860	1,346.3843	1,358.0683	1,353.9495
Malaysian ringgit	MYR	4.6984	4.7184	4.6292	4.9026
Polish zloty	PLN	4.6808	4.5969	4.6845	4.5640
Swedish krona	SEK	11.1222	10.2501	10.6270	10.1451
Taiwan dollar	TWD	32.7201	31.3200	31.3594	32.9300
Thai baht	THB	36.8350	37.6530	36.8619	37.8218
Turkish lira	TRY	19.9641	15.2346	17.3853	10.4668
US dollar	USD	1.0666	1.1326	1.0539	1.1835

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 reporting period. 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 forwards. 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. The impairment tests to be carried out 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. The reinsurance policies are valued individually by policy by means of an estimation using a factor-based approach in accordance with the so-called actuarial reserve method, provided that the reinsurance policies are congruent with the pension liabilities. 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 those 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 defined 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 of the company acquired is obtained (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 on the acquisition date. Goodwill is not subject to amortisation; instead, it is subjected to an impairment test at least once a year, and more frequently should any triggering events occur. This may result in the recognition of impairment only. 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 Industrial Services, Mobility, Engineering and Natural Resources, Training, Aerospace and IT business units 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 falling into 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 TÜV NORD Group's real estate include hidden reserves.

Property, plant and equipment are normally depreciated using 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 month) 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 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 possibility 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 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 Income statement 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 reinsurance fund shares.

Inventories

Inventories encompass 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. They are measured at nominal value or procurement costs net of impairment. 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 relation to specific periods 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. They 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 are, as far as is permissible, 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 the legislative process is practically complete.

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 and liabilities and provisions in connection with held for sale

Non-current assets and liabilities and provisions 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., Hanover, Germany, 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:

Revenues	2022	2021
€k		
Industrial Services	628,446	612,428
Mobility	509,142	475,240
Engineering and Natural Resources	127,134	115,771
Training	90,407	79,564
Aerospace	64,953	52,577
IT	28,302	31,044
Holding/Services	3,458	2,628
Total	1,451,842	1,369,252

The revenue consists almost entirely of earnings from services which are realised in the same period pursuant to IFRS 15. Revenue amounting to €1,022,658k (2021: €1,008,884k) was generated in Germany, €236,993k (2021: €205,926k) in the rest of Europe and €192,191k (2021: €154,442k) in the rest of the world.

3.2. Other income

Other income amounting to €62,557k (2021: €41,496k) is made up e.g. of income from the reversal of provisions €20,796k (2021: €5,780k), income from the outflow of financial and fixed assets €2,123k (2021: €2,438k), income from the reversal of impairment losses on trade receivables €1,841k (2021: €2,513k), canteen takings €1,523k (2021: €930k) and income from ancillary services €789k (2021: €3,021k).

3.3. Cost of materials

Cost of materials

€k	2022	2021
Cost of raw materials and supplies	47,519	42,335
Cost of services bought in	260,042	224,814
Total	307,561	267,149

3.4. Personnel expense

Personnel expense

€k	2022	2021
Wages and salaries	671,251	646,732
Social security contributions	120,743	116,457
Post-employment benefit expense	21,070	24,695
Other employee benefits	2,447	2,760
Total	815,511	790,644

The number of employees in the domestic and foreign consolidated companies of the TÜV NORD Group during the 2022 reporting period is 14,477 (2021: 14,253), of whom 10,071 (2021: 10,192) were employed in Germany and 4,406 (2021: 4,061) abroad. Expressed on a fulltime basis, TÜV NORD Group had 12,238 employees (2021: 11,959), 8,051 (2021: 8,109) in Germany and 4,187 (2021: 3,850) 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	2022	2021
Depreciation and amortisation of assets	43,842	44,329
Depreciation and amortisation of rights of use of leases	23,249	23,388
Impairment losses	633	250
Total	67,724	67,967

3.6. Other expenses

Other expenses of €244,793k (2021: €210,483k) principally relate to occupancy expenses of €59,338k (2021: €49,141k): These include expenses for short-term leases and expenses for leases for low-value assets €13,292k (2021: €7,660k), travelling expenses of €37,161k (2021: €31,182k), other services of €29,724k (2021: €22,532k), operating and administrative expenses of €25,657k (2021: €24,639k), advertising and communication expenses of €19,266k (2021: €17,255k), legal and consultancy fees of €8,374k (2021: €8,707k), value adjustments on doubtful trade receivables of €4,688k (2021: €5,769k) and donations and contributions of €2,598k (2021: €2,376k). Other taxes in the amount of €2,849k (2021: €2,552k) are also included.

3.7. Financial items

Financial items		
€k	2022	2021
Income from at equity consolidated investments	1,130	549
Income from other equity investments	461	69
Amortisation of other financial investments and securities	-641	-228
Financial items (excluding interest result)	950	390
Other interest and similar income	991	783
Interest and similar expense	-1,882	-2,407
a) Interest included in lease payments	-1,136	-1,095
b) Other interest expense	-746	-1,312
Interest result	-892	-1,624
Financial items (including interest result)	59	-1,233

3.8. Taxes on income

The Group's tax expense is as follows:

Taxes on income		
€k	2022	2021
Current tax expense	-28,690	-21,739
Deferred tax expense	-1,616	-5,991
Total	-30,306	-27,730

The deferred taxes result from the formation or reversal of tax accruals in profit or loss during the reporting period. In both reporting periods, the deferred taxes are predominantly the result of the recognition or reversal of temporary differences.

The following reconciliation statement summarises the individual deferred tax items determined in relation to the individual companies and with the application of 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	2022	2021
Earnings before tax	78,907	73,272
Expected income tax expense (tax rate: 32.0%; 2021: 32.0%)	25,250	23,447
Effect of different foreign tax rates / other differences	-73	298
Changes in tax rates or tax legislation	6	20
Permanent differences resulting from non-deductible expenses, tax-free income etc.	1,942	768
Current taxes for previous periods	-12	369
Deferred taxes for previous periods	-62	660
Effects of value adjustments	3,255	2,168
Recognised income tax expense	30,306	27,730

The expected tax rate for both reporting periods 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		2022		2021	
€k	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	
Intangible assets	3,578	9,245	3,591	9,379	
Property, plant and equipment	1,234	10,782	1,203	8,638	
Other assets	2,298	3,892	2,086	5,452	
Pension provisions	129,832	0	181,329	0	
Other provisions	10,565	0	11,289	0	
Other liabilities	500	98	436	55	
Tax loss carryforwards	596	0	620	0	
Gross amount	148,603	24,017	200,554	23,524	
Offsets	-10,254	-10,254	-10,272	-10,272	
Balance sheet recognition	138,349	13,763	190,282	13,252	

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 €-50,167k (2021: €-2,750k) 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 €3,079k (2021: €3,260k) existing in the Group. In respect of further tax loss carryforwards in the amount of €137,644k (2021: €116,356k), 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 to the consolidated statement of comprehensive income

The deferred taxes in the amount of €-50,167k (2021: €-2,750k) reported in Other comprehensive income relate to the actuarial losses of €179,258k (2021: €9,066k) in the reporting period. The actuarial losses after deferred tax amount to €129,091k (2021: €6,316k). The other comprehensive income before deferred tax amounts to €176,034k (2021: €9,271k).

5. Consolidated balance sheet disclosures

In accordance with IAS 1, the consolidated balance sheet (statement of financial position) is structured to show a 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 in 2022

€k	Concessions, proprietary rights and similar rights and assets, including licences to such rights and assets	Goodwill	Payments made on account	Total
Cost (of purchase or production)				
Amounts as of 1 January	64,353	108,605	331	173,288
Changes in basis of consolidation	5	12,676	0	12,681
Additions / current investments	2,764	0	3	2,766
Disposals	-1,948	0	-10	-1,959
Reclassifications	-951	0	-331	-1,282
Currency translation differences	-133	19	10	-104
Amounts as of 31 December	64,089	121,300	3	185,392
Accumulated amortisation and impairment losses				
Amounts as of 1 January	59,059	11,535	0	70,593
Changes in basis of consolidation	0	0	0	0
Additions	3,059	0	0	3,059
Disposals	-1,894	0	0	-1,894
Reclassifications	-1,250	0	0	-1,250
Currency translation differences	-122	0	0	-122
Amounts as of 31 December	58,852	11,535	0	70,387
Net carrying amounts	5,237	109,765	3	115,005

Intangible assets – changes in 2021

€k	Concessions, proprietary rights and similar rights and assets, including licences to 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

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, 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 7.00% (2021: 6.00%), taking into account corporate taxes, with the use of a sustainable growth rate of 1.8% for all business units after the end of the three-year planning period (2021: 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 lead to carrying amounts of the remaining goodwill materially exceeding the recoverable amounts.

The goodwill is essentially shared between the Mobility (2022: €35,753k; 2021: €23,077k), Industrial Services (2022: €33,641k; 2021: €34,431k), Engineering and Natural Resources (2022: €25,996k; 2021: €25,187k) and Aerospace (2022: €14,189k; 2021: €14,189k) business units.

5.2. Property, plant and equipment

The following changes occurred in property, plant and equipment:

Property, plant and equipment – changes in 2022

€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	296,762	194,835	234,542	8,711	734,849
Changes in basis of consolidation	6,173	843	802	1,055	8,873
Additions / current investments	3,517	15,837	31,928	4,199	55,481
Disposals	-5,096	-6,997	-30,958	-182	-43,233
Reclassifications	1,101	-2,314	-8,242	-7,352	-16,807
Currency translation differences	-164	-555	-206	-54	-979
Amounts as of 31 December	302,292	201,649	227,866	6,378	738,185
Accumulated depreciation and impairment losses					
Amounts as of 1 January	146,420	144,932	183,863	190	475,405
Changes in basis of consolidation	0	0	0	0	0
Depreciation	6,794	10,646	23,343	0	40,783
Impairment	163	470	0	0	633
Disposals	-4,313	-6,772	-28,056	0	-39,142
Reclassifications	-1,268	-1,755	-7,494	0	-10,517
Currency translation differences	-47	-323	-281	0	-651
Amounts as of 31 December	147,749	147,198	171,374	190	466,511
Net carrying amounts	154,543	54,451	56,492	6,188	271,674

Property, plant and equipment – changes in 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

The following assets are subject to limitations on their availability:

Limitations on availability

€k	31.12.2022	31.12.2021
Machinery	677	1,103
Furniture and fittings, other factory and office equipment	594	758

Items of property, plant and equipment worth €4,699k (2021: €2,959k) are pledged as collateral for debt. The liabilities secured as of 31 December 2022 amount to €1,559k (2021: €212k).

Compensation payments by third parties in the amount of €1,420k (2021: €746k) 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 2022	61,512	5,072	898	67,482
Additions	18,903	2,433	486	21,822
Disposals	-2,231	-387	-94	-2,712
Transfers	-4,832	0	-3	-4,835
Amortisations	-20,064	-2,486	-699	-23,249
as of 31 December 2022	53,288	4,632	588	58,508
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

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 2022, 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 i.L., Düsseldorf, Germany	50.00
Global Surface Intelligence Ltd. (GSI), Edinburgh, United Kingdom	25.10
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 Skirlita, Alytaus, Lithuania	50.00
UAB Telsiai TAC, Telsiai, Lithuania	50.00

In the 2022 reporting period, further shares were acquired in GFÜ Gutachtenservice und Fahrzeug-Überprüfung GmbH, Klein-Winternheim, Germany, and UAB TÜVLITA, Vilnius, Lithuania. With these acquisitions, control was obtained over these companies for the first time, so that, at the respective acquisition dates, they were for the last time accounted for using the equity method and subsequently transitioned to fully consolidated subsidiaries.

The summarised financial information of the companies that are individually and collectively not material to 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	2022	2021
Revenues	47,115	56,473
Earnings after tax	-4,434	-2,660
Other comprehensive income	1,181	-1,502

Balance sheet information

€k	31.12.2022	31.12.2021
Current assets	21,893	18,345
Non-current assets	5,688	11,607
Current liabilities	20,648	17,843
Non-current liabilities	8,239	6,124
Equity	-1,306	5,985

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

Changes in book value

€k	2022	2021
as of 1 January	4,969	4,924
Changes in basis of consolidation	-3,898	0
Additions	2,059	0
Earnings after taxes	1,130	840
Other comprehensive income	0	42
Dividend payments received	-972	-546
Impairment losses	0	-291
as of 31 December	3,288	4,969

The changes in the basis of consolidation are attributable to the disposal of GFÜ Gutachtenservice und Fahrzeugüberprüfung GmbH (€1,769k) and UAB TÜVLITA (€3,181k), which were fully consolidated for the first time in the 2022 reporting period, and the addition of the shares held by UAB TÜVLITA in UAB Skirlita, Alytaus, Lithuania, and UAB Telsiai TAC, Telsiai, Lithuania. The additions relate to the shares in Global Surface Intelligence Ltd., Edinburgh, UK, acquired in the 2022 reporting period.

The unrecognised 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 €6,210k as of 31 December 2022 (2021: €1,118k).

5.5. Other financial assets

For 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 reporting period:

Other financial assets – changes in 2022

€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	14,168	2,074	141	0	2,293	12,828	31,504
Changes in basis of consolidation	-1,358	0	0	0	0	0	-1,358
Additions / current investments	3,032	18	0	0	302	0	3,352
Disposals	-3,607	-162	0	0	-13	-2,662	-6,445
Reclassifications	-128	-576	0	0	-173	-9,639	-10,516
Currency translation differences	25	-49	0	0	0	0	-24
Amounts as of 31 December	12,131	1,305	141	0	2,409	527	16,513
Accumulated amortisation and impairment losses							
Amounts as of 1 January	5,985	185	0	0	1,903	0	8,074
Changes in basis of consolidation	-50	0	0	0	0	0	-50
Additions	334	0	0	0	305	0	639
Disposals	0	0	0	0	-69	0	-69
Reclassifications	-664	0	0	0	-18	0	-682
Currency translation differences	14	0	0	0	0	0	14
Amounts as of 31 December	5,619	185	0	0	2,121	0	7,926
Net carrying amounts	6,512	1,120	141	0	288	527	8,588

The additions / current investments under the shares in affiliated companies refer to companies acquired in the 2022 reporting period which are currently of merely minor significance to the communication of a picture of the assets, financial status and earnings of the Group that reflects the actual circumstances.

Of the reinsurance claims on Allianz Lebensversicherung SE, Munich, Germany, claims of €442k (2021: €1,233k) have been pledged as collateral to secure obligations arising out of pre-retirement part-time working arrangements.

Other financial assets – changes in 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 shares in affiliates refer to companies acquired in the 2021 reporting period that are currently of merely limited significance to the communication of a picture of the assets, financial status and earnings of the Group that reflects the actual circumstances.

5.6. Inventories

Inventories		
€k	2022	2021
Raw materials and supplies	2,781	2,118
Payments made on account	3,896	2,557
Total	6,676	4,675

No write-downs are recognised under Inventories (2021: €11k). In the 2022 reporting period, €19k 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			2021			
€k	2022		2021			
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables						
from third parties	188,569	299	188,868	177,836	361	178,196
from contract assets	82,648	0	82,648	78,235	0	78,235
Receivables from affiliates	1,610	22	1,632	1,217	11	1,228
Receivables from joint ventures, associates and other entities in which equity investments are held	448	32	480	853	61	914
Total	273,276	353	273,629	258,140	433	258,573

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 2022

€k	Expected loss in %	Trade receivables	Value adjustment
actual	1.7	186,836	3,179
1 to 30 days due	7.2	52,201	3,760
31 to 60 days due	12.8	15,856	2,030
61 to 90 days due	20.0	8,272	1,615
more than 90 days due	29.0	26,680	7,745
Total		289,845	18,329

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

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

Value adjustments

€k	2022	2021
Carrying amount as of 1 January	15,660	14,120
Changes in basis of consolidation	34	121
Additions	4,688	5,769
Use	212	1,837
Reversals	1,841	2,513
Carrying amount as of 31 December	18,329	15,660

During the reporting period, value adjustments on expected credit losses for trade receivables from third parties were made in the amount of €4,688k (2021: €5,769k).

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 recognised assets essentially consist of accrued items and tax reimbursement claims.

Other assets

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
€k						
Other assets	29,217	7,835	37,052	20,338	6,469	26,807

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. Assets and liabilities held for sale

In October 2022, the Board of Management decided to start the process of selling the shares in a company from the Training business unit. Accordingly, the assets and liabilities of this company are presented as a disposal group held for sale. Efforts to sell the disposal group began at the end of 2022, and the sale was completed on 19 January 2023.

In addition to property, plant and equipment, the item mainly includes cash and cash equivalents as claims for reinsurance policies. The liabilities of the disposal group held for sale mainly consist of pension obligations.

The measurement of the disposal group at the lower of its carrying amount and fair value less costs to sell did not result in any impairment requirement.

This item also includes developed land for which disposal measures have been initiated.

5.11. Equity

For further details of changes in equity between 1 January 2021 and 31 December 2022, see the statement of changes in consolidated equity.

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 exceeding 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 2022 reporting period, TÜV NORD AG had neither contingent nor authorised capital. 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 TÜV NORD AG.

Subordinated registered debenture

As of 31 December 2022, the subordinated registered debentures taken out by the TÜV NORD AG amounted to €30,000k.

On 8 December 2015, TÜV NORD AG took out a subordinated registered debenture without a fixed term amounting to €10,000k with RWTÜV e. V., Essen, Germany. 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 TÜV NORD AG for the first time as of 7 June 2021, thereafter annually.

On 1 October 2015, TÜV NORD AG took out a subordinated registered debenture without a fixed term amounting to €11,000k with TÜV Nord e. V., Hamburg, Germany, €9,000k with TÜV Hannover / Sachsen-Anhalt e. V., Hanover, Germany. 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 TÜV NORD AG for the first time as of 31 March 2021, thereafter annually.

Interest payments are at the discretion of 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	31.12.2022	31.12.2021
Controllo e Certificazione Prodotti Biologici S.r.L. (CCPB), Bologna, Italy	2,863	2,823
OICOS S.r.L., Bologna, Italy	4,622	4,469
TÜV India Private Ltd., Mumbai, India	10,476	9,565
TÜV NORD CERT GmbH, Essen, Germany	1,426	1,265
TÜV NORD Hangzhou Co. Ltd., Hangzhou, China	1,254	1,231
TÜV NORD InfraChem GmbH & Co. KG, Marl, Germany	1,269	796
TÜV NORD Mobilität Immobilien GmbH, Essen, Germany	797	1,168
Various other companies	2,966	552
Total	25,673	21,869

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 of 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 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 based on 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 business year, the following assumptions were made by the actuaries with regard to the variable parameters to be included in their calculations:

Assumptions		
%	2022	2021
Discount rate as of 31 December	3.50	0.75
Future pension increases	1.60	1.20
Future wage and salary increases	2.00	1.50
Employee turnover	2.00	2.00

For the years 2023 and 2024, a divergent pension trend in the amount of 3.80% is assumed. 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 until 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 of the plan assets 2022

€k	Benefit obligation	Plan assets	Total
Carrying amounts as of 1 January 2022	1,284,486	-784,098	500,388
Current service cost	10,588	0	10,588
Net interest cost (interest cost/interest income)	9,453	-5,853	3,600
Net pension cost	20,041	-5,853	14,188
Actual interest on plan assets less actuarial interest income	0	-15,247	-15,247
Actuarial gains/losses from changes in financial assumptions	-287,020	123,009	-164,011
Remeasurement of defined benefit pension plans	-287,020	107,762	-179,258
Pension payments	-57,480	0	-57,480
Payments from the pension plan	0	44,249	44,249
Employer's contributions to the pension plan	0	-15,040	-15,040
Total payments	-57,480	29,209	-28,271
Transfer of obligations	-83	0	-83
Changes in scope of consolidation/changes in currency translation and other effects	-24,671	-3,479	-28,150
Carrying amounts as of 31 December 2022	935,273	-656,459	278,814

Changes in the present value of future benefit obligations and of the 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

The ratio of benefit obligation 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 essentially 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. Since 2022, investments in real estate have also been included in the plan assets. The employer contributions to plan assets are expected to amount to €15.0 million in 2023 and essentially relate to real estate. The weighted average term of the remainder of benefit obligations is 10.9 years (2021: 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 in %	Decrease in parameter in %
		9.9 DBO decrease	11.8 DBO increase
Interest rate in %	1.0		
Rate of pension progression in %	0.5	4.9 DBO increase	4.6 DBO decrease
Future wage and salary increases in %	0.5	0.3 DBO increase	0.4 DBO decrease
Life expectancy in years	1.0	5.4 DBO increase	5.8 DBO decrease

Employer contributions to mandatory pension schemes as well as contributions to other defined contribution plans were made in the amount of €52.5 million in 2022 (2021: €50.2 million).

5.13. Other non-current and current provisions

Other non-current and current provisions

	Provisions for the areas of personnel and welfare	Sundry other provisions	Total
Carrying amounts as of 1 January 2022	62,260	51,157	113,417
Additions	47,746	17,739	65,485
Use	39,964	10,847	50,811
Reversals	12,042	8,754	20,796
Reclassifications / transfers	-569	-12,618	-13,186
Currency translation differences	-55	38	-17
Carrying amounts as of 31 December 2022	57,376	36,716	94,092

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 the provisions in the areas of personnel and welfare as of 31 December 2022, €17,634k (2021: €21,934k) are non-current and €39,743k (2021: €40,326k) 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 2022, €3,708k (2021: €12,084k) are non-current and €33,007k (2021: €39,073k) 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	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Amounts payable to banks	400	948	1,348	56	73	129
Amounts payable under leases	19,665	40,366	60,031	21,458	47,340	68,798
Trade payables						
to third parties	44,405	0	44,405	31,755	0	31,755
from contract liabilities	72,925	0	72,925	69,283	0	69,283
Payables to affiliates	2,442	6	2,448	2,894	3	2,897
Payables to joint ventures, associates and other entities in which equity investments are held	290	0	290	825	3	828
Outstanding invoices	33,805	0	33,805	32,956	0	32,956
Amounts payable to employees	31,130	684	31,815	31,448	625	32,073
Other taxes	9,992	11	10,003	7,660	10	7,670
Other payables	51,980	9,633	61,613	53,262	8,978	62,240
Total payables	267,035	51,648	318,683	251,597	57,032	308,629

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
Minimum lease payments for rented real estate	17,162	30,309	7,354	54,825
Minimum lease payments for other leases	2,503	2,703	0	5,206

In the 2022 reporting period, a repayment of liabilities from leases amounting to €22,804k (2021: €22,931k) was made, as was an interest payment on leases of €1,136k (2021: €1,095k). For expenses for short-term leases and expenses for leases for low-value assets see 3.6.

Liabilities from contracts 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 €21,486k (2021: €20,938k) for obligations in lieu of free time and €7,704k (2021: €7,746k) for obligations relating to leave not yet taken.

As of 31 December 2022, other financial obligations arising from purchase commitments for property, plant and equipment exist in the amount of €11,249k (2021: €3,269k).

5.15. Contingent liabilities

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

In the reporting period, contingent liabilities in the amount of €16,857k (2021: €9,893k) are recognised which relate to sureties given for the most part to banks. TÜV NORD AG issues 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, 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 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 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 €1,905k (2021: €1,830k).

6. Consolidated cash flow statement disclosures

The figures for cash and cash equivalents presented in the cash flow statement cover 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

On 19 January 2023, the Supervisory Board of TÜV NORD AG consented to the sale of TÜV NORD Bildung gGmbH. All conditions precedent are thus fulfilled.

The TÜV NORD Group acquired 100% of the shares in HTV Halbleiter-Test & Vertriebs-GmbH, Bensheim, Germany and 95% of the shares in HTV Conservation GmbH, Bensheim, Germany, for a total of approx. €35 million. These companies are established providers in Germany in the field of the testing, programming, long-term conservation and material analysis of electronic components. Through this acquisition, the TÜV NORD Group anticipates the expansion of its activities in the Aerospace business unit. The first-time balancing of accounts for these two companies had not been completed at the point of consent to the publication of the consolidated financial statement of TÜV NORD AG, as key information had not yet been forthcoming.

No further events of particular significance occurred after the end of the reporting period, 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 reporting period, have been recognised as expense pursuant to Article 314 (1) No. 9 of the German Commercial Code (HGB):

Fees paid to the auditors

€k	2022	2021
Auditing services	742	698
Tax consultancy services	8	1
Other services	38	9
Total	788	708

7.3. Financial instruments

The evaluation of categories of financial instruments relevant in accordance with IFRS 9 for the reporting and comparative periods is shown in the following overview.

Financial instruments as of 31 December 2022

€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	6,512			6,512
Investments in joint ventures and associates (not equity accounted)	1,120			1,120
Other equity investments	141			141
Securities	0		0	
Loans	288	288		
Receivables and other assets	5,993	5,993		
Current assets				
Trade receivables from third parties	271,218	271,218		
Receivables and other assets	11,050	11,050		
Cash and cash equivalents	125,005	125,005		
Liabilities				
Non-current liabilities				
Amounts payable to banks	948	948		
Other liabilities	10,080	10,080		
Current liabilities				
Amounts payable to banks	400	400		
Trade payables to third parties	44,405	44,405		
Other liabilities	190,221	190,221		

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
Securities	0		0	
Loans	390	390		
Receivables and other assets	5,344	5,344		
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		

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 reporting period.

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 recognised financial instruments are allocated as follows:

Net results

€k	2022			2021		
	From interest	From sub-sequent measurement	From disposal	From interest	From sub-sequent measurement	From disposal
Financial assets	991	-2,910	-4	783	-3,598	75
Financial liabilities	-743	379	0	-1,296	348	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

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. The impairment of business operations in the companies brought about by the coronavirus pandemic and the war in Ukraine is being mitigated by stringent liquidity- and opportunity-oriented corporate management.

Through 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 Group management report.

Credit default risks

Default risks arise in particular out of day-to-day operations, and higher levels of debt default due to the coronavirus pandemic and the war in Ukraine cannot be excluded. The receiv-

ables of 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 credit-worthiness assessments in accordance with internal guidelines before contracts 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 2022. 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 2022.

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 legal and tax situation in each case. 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, both existing liquidity in the form of cash and cash equivalents and available credit lines can be drawn upon.

A credit line up to a limit of €125,000k (2021: €125,000k) is available and can be drawn upon as required; the amount drawn down as of 31 December 2022 amounted to €0k. Interest at the relevant EURIBOR rate plus a current margin of 95 basis points, a minimum of 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 the local currency of 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, on the one hand, related business entities that are not fully consolidated, and, on the other, with persons with whom a close relationship exists.

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, Hamburg, Germany, and TÜV HSA Holding GmbH & Co. KG, Hanover, Germany, and indirectly dependent upon TÜV Nord e. V. and TÜV Hannover / Sachsen-Anhalt e. V.

Related party entities of TÜV NORD Group are essentially 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 such normal market conditions 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 whose disclosure is required pursuant to IAS 24 embraces the compensation of the serving members of Board of Management and the Supervisory Board.

During the 2022 reporting period, the serving members of the Board of Management received total compensation amounting to €2,486k (2021: €2,260k).

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 €678k (2021: €795k). A DBO in the amount of €11,731k (2021: €15,669k) exists in favour of former members of the Board of Management and their surviving dependents.

Members of the Supervisory Board were paid compensation of €484k (2021: €481k) 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 2022 reporting period. 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 TÜV NORD AG as determined in accordance with the provisions of the German Commercial Code, €2,000k 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	100.00
DMT Consulting Limited, Nottingham, United Kingdom	100.00
DMT Consulting Private Limited, Kolkata, India	51.00
DMT Engineering Surveying GmbH & Co. KG, Herne, Germany	¹ 100.00
DMT GEOSCIENCES LTD., Calgary, Canada	100.00
DMT GmbH & Co. KG, Essen, Germany	^{1, 2} 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
GFÜ Gutachtenservice und Fahrzeug-Überprüfung GmbH, Klein-Winternheim, Germany	74.00
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

Name, location of registered office	Share of equity %
Consolidated affiliates	
TÜV Informationstechnik GmbH Unternehmensgruppe TÜV NORD, Essen, Germany	100.00
TÜV Nederland QA B.V., Son en Breugel, the Netherlands	100.00
TÜV NORD Adriatic d.o.o., Zagreb, Croatia	100.00
TÜV NORD Akademie GmbH & Co. KG, Hamburg, Germany	1 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 Prüf- und Umweltgutachtergesellschaft mbH (former 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 Avaliações 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 ¹ 100.00
TÜV NORD HONG KONG LTD., Kwun Tong, Kowloon, Hong Kong	100.00
TÜV NORD Immobilien GmbH & Co. KG, Essen, Germany	1 ¹ 100.00
TÜV NORD InfraChem GmbH & Co. KG, Marl, Germany	1 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., Cerro Maggiore, Italy	100.00
TÜV NORD IT Secure Communications GmbH & Co. KG, Berlin, Germany	1 ¹ 100.00
TÜV NORD Korea Ltd., Seoul, Korea	100.00
TÜV NORD live-expert GmbH & Co. KG, Hanover, Germany	1 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 ¹ 100.00
TÜV NORD NC GmbH & Co. KG, Hanover, Germany	1 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 ¹ 100.00
TÜV NORD Scandinavia AB, Gothenburg, Sweden	100.00
TÜV NORD Service GmbH & Co. KG, Hanover, Germany	1 ¹ 100.00
TÜV NORD SLOVAKIA, s.r.o., Bratislava, Slovakia	100.00
TÜV NORD SofortGutachten GmbH & Co. KG, Hanover, Germany	1 ¹ 51.00
TÜV NORD Systems GmbH & Co. KG, Hamburg, Germany	1, 2 100.00

Name, location of registered office	Share of equity %
Consolidated affiliates	
TÜV NORD TAIWAN CO., LTD., Taipei, Taiwan	100.00
TÜV NORD Technisches Schulungszentrum GmbH & Co. KG, Hamburg, Germany	¹ 100.00
TÜV NORD (Thailand) Ltd., Bangkok, Thailand	99.97
TÜV NORD Transfer GmbH & Co. KG, Essen, Germany	¹ 100.00
TÜV NORD Turkey Teknik Kontrol ve Belgelendirme A.Ş. (former TÜV Teknik Kontrol ve Belgelendirme A.S.), Istanbul, Turkey	100.00
TÜV NORD Umweltschutz GmbH & Co. KG, Hamburg, Germany	¹ 100.00
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
UAB Taurages TAC, Taurage, Lithuania	100.00
UAB TÜVLITA, Vilnius, Lithuania	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, 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, Morocco	51.00
CCPB MIDDLE EAST SAL, Beirut, Lebanon	59.90
Cualicontrol-ACI S.A.U., Madrid, Spain	100.00
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 Engineering Surveying Verwaltungsgesellschaft mbH, Herne, Germany	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 Petrologic Verwaltungsgesellschaft mbH, Hanover, Germany	100.00
DMT Verwaltungsgesellschaft mbH, Essen, Germany	100.00
ENCOS Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00

Name, location of registered office	Share of equity %
Unconsolidated affiliates	
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
PfB GmbH & Co. KG Prüfzentrum für Bauelemente KG, Stephanskirchen, Germany	51.00
PfB Verwaltungs-GmbH, Stephanskirchen, Germany	51.00
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 i.L., Hanover, Germany	100.00
TÜ Service Verwaltungsgesellschaft mbH i.L., Hanover, 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 2 GmbH & Co. KG, Hanover, Germany	100.00
TÜV NORD FG 2 Verwaltungs-GmbH, Hanover, Germany	100.00
TÜV NORD FG 3 GmbH & Co. KG, Hanover, Germany	100.00
TÜV NORD FG 3 Verwaltungs-GmbH, Hanover, Germany	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

Name, location of registered office	Share of equity %
Unconsolidated affiliates	
TÜV NORD Luxembourg s.a.r.l., Luxembourg, Luxembourg	100.00
TÜV NORD MEXICO S.A. DE C.V., Querétaro, Mexico	100.00
TUV NORD Mobility Inc., Vancouver, Canada	100.00
TÜV NORD Mobility (Shanghai) Co. Ltd., Shanghai, China	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 PV Science and Technology Co., Ltd., Shanghai, China	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
TÜV NORD SysTec Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00
TÜV NORD Systems Verwaltungsgesellschaft mbH, Hamburg, Germany	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 Fahrzeug Verwaltungsgesellschaft mbH, Erfurt, Germany	99.50
Wendt GmbH, Merseburg, Germany	100.00
At equity accounted associates	
EnergieAgentur.NRW GmbH i.L., Düsseldorf, Germany	50.00
Global Surface Intelligence Ltd. (GSI), Edinburgh, United Kingdom	25.10
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 Skirlita, Alytaus, Lithuania	50.00
UAB Telsiai TAC, Telsiai, 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
DMTS d.o.o. Belgrad (former DMTS Jadar d.o.o. Belgrad), Belgrade, Serbia (JV)	40.00
Energy Agency GmbH i.L., Düsseldorf, Germany (JV)	50.00
Sino-German Automobile Research and Testing Technology (Shanghai) Co., Ltd., Shanghai, China (JV)	34.00
SOCIETE C.C.P.B., Menzah, Tunisia (A)	50.00

Name, location of registered office	Share of equity %
Not at equity accounted associates (A) and joint ventures (JV)	
TÜV NORD Autoservice GmbH, Bremerhaven, Germany (A)	25.10
TÜV NORD ENGINEERING SERVICES (M) SDN. BHD., Selangor, Malaysia (A)	30.00
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
UAB Transporto Studijjos, Vilnius, Lithuania	12.00
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

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
Chairman of the Board of Directors of RWTÜV e. V.

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.

Vice Chairman of the Board of Directors of RWTÜV e. V.

Prof. Dr.-Ing. Heinz Jörg Fuhrmann

Andreas Henniger

Head of Department of IG BCE, head office Hanover

Dr. Dagmar Hildebrandt (from 1 July 2022)

Project Manager / Regional Manager
TÜV NORD Umweltschutz GmbH & Co. KG

Prof. Dr. Karl Friedrich Jakob

Ursula Jedberg (until 30 June 2022)

Chairwomen of the Staff Council / General Staff Council
of TÜV NORD Bildung gGmbH (until 30 June 2022)

Carsten Kohn (until 15 September 2022)

Vice Chairman of the Group Staff Council of TÜV NORD
(until 4 July 2022)

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.

Roland Rudolph

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

Dipl.-Ing. Stephan Schaller

SCHALLER-BOARD-CONSULTANTS

Barbara Schipp

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

Sven Schröder (from 21 November 2022)

Vice Chairman of the Group Staff Council of TÜV NORD
(from 4 July 2022)

Svenja Schroerschwartz

Executive Vice President MPI of
TÜV NORD Mobilität GmbH & Co. KG

Dipl.-Kfm. Holger Sievers

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

Ute Thiel

Head of Competence Center Administration of
TÜV NORD Systems GmbH & Co. KG

Dipl.-Kfm. Lars Velde

CEO LAMARA Holding GmbH

Hanover, 28 February 2023

Dr. Dirk Stenkamp Jürgen Himmelsbach Dr. Astrid Petersen

Legal note

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