



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 948 236 907
Organisasjonsform: Aksjeselskap
Foretaksnavn: TK ELEVATOR NORWAY HOLDING AS
Forretningsadresse: Brobekkveien 38
0598 OSLO

Regnskapsår

Årsregnskapets periode: 01.10.2021 - 30.09.2022

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Inga Engel
Dato for fastsettelse av årsregnskapet: 13.12.2022

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.10.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue	4, 5	20 494 787	20 203 731
Sum inntekter		20 494 787	20 203 731
Kostnader			
Payroll expenses	6, 7	8 385 652	8 110 815
Depreciations	8	95 558	85 380
Other operating expenses	5	11 517 276	12 998 350
Sum kostnader		19 998 485	21 194 546
Driftsresultat		496 302	-990 815
Finansinntekter og finanskostnader			
Income from subsidiaries		26 050 000	42 595 262
Annen renteinntekt	5	858 276	625 545
Other financial income		53 468	28 989
Sum finansinntekter		26 961 744	43 249 796
Annen rentekostnad		451	76
Other financial expenses		30 402	40 965
Sum finanskostnader		30 853	41 041
Netto finans		26 930 890	43 208 755
Ordinært resultat før skattekostnad		27 427 193	42 217 940
Income tax expense	9	303 522	-83 011
Ordinært resultat etter skattekostnad		27 123 671	42 300 951
Årsresultat	10	27 123 671	42 300 951
Årsresultat etter minoritetsinteresser		27 123 671	42 300 951
Totalresultat		27 123 671	42 300 951
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Ordinært utbytte		27 150 000	57 945 262
Transferred to/from other equity		-26 329	-15 644 311
Sum overføringer og disponeringer		27 123 671	42 300 951



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	868 992	1 080 730
Sum immaterielle eiendeler		868 992	1 080 730
Varige driftsmidler			
Machinery	8	117 956	193 228
Sum varige driftsmidler	8	117 956	193 228
Finansielle anleggsmidler			
Investering i datterselskap	11	90 161 375	90 161 375
Sum finansielle anleggsmidler		90 161 375	90 161 375
Sum anleggsmidler		91 148 323	91 435 333
Omløpsmidler			
Varer			
Fordringer			
Loans to group companies	12	66 005 415	64 010 370
Other short-term receivables		913 755	1 433 689
Sum fordringer		66 919 170	65 444 059
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	13	3 372 673	2 378 397
Sum bankinnskudd, kontanter og lignende		3 372 673	2 378 397
Sum omløpsmidler		70 291 843	67 822 456
SUM EIENDELER		161 440 166	159 257 789

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2022	2021
Innskutt egenkapital			
Share capital	14	5 200 000	5 200 000
Sum innskutt egenkapital		5 200 000	5 200 000
Opptjent egenkapital			
Other equity		121 789 886	121 175 497
Sum opptjent egenkapital		121 789 886	121 175 497
Sum egenkapital	10	126 989 886	126 375 497
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	7	3 596 415	4 227 300
Utsatt skatt	9		
Sum avsetninger for forpliktelser		3 596 415	4 227 300
Annen langsiktig gjeld			
Sum langsiktig gjeld		3 596 415	4 227 300
Kortsiktig gjeld			
Leverandørgjeld	12	1 561 445	841 051
Tax payable	9	272 499	
Public duties payable		432 662	921 831
Utbytte		27 150 000	26 000 000
Other current liabilities		1 437 259	892 111
Sum kortsiktig gjeld		30 853 864	28 654 992
Sum gjeld		34 450 279	32 882 292
SUM EGENKAPITAL OG GJELD		161 440 166	159 257 789



TK Elevator Norway Holding AS Styrets årsberetning for regnskapsåret 01.10.21 - 30.09.22

Selskapet driver sin virksomhet fra leide lokal i Oslo. TK Elevator Norway Holding AS er et rent administrasjonsselskap som får sine kostnader dekket fra sine datterselskaper i konsernet. Datterselskap i Norge er: TK Elevator Norway AS og TK Rulletrapper AS. TK Elevator Sweden AB i Sverige er også underlagt TK Elevator Norway Holding AS.

Det fremlagte resultatregnskap og balanse med tilhørende noter gir etter styrets oppfatning tilfredsstillende uttrykk for resultatet i perioden og den økonomiske stilling ved regnskapsperiodens slutt. Det utarbeides ikke eget konsernselskap for de norske selskapene da tallene inngår i konsernselskapet for morselskapet i Tyskland.

Utover det som fremgår av årsrapporten kjenner ikke styret til andre forhold som har betydning for å bedømme selskapet. Regnskapet 2021/2022 er påvirket av krigen i Ukraina i form av økte priser og lengre leveringstider. Med dagens situasjon kan ikke ledelsen utelukke at situasjonen kan forverres, men per nå mener styre at hendelsene etter balansedagen ikke tilsier annet enn at regnskapet skal avlegges med forutsetning om fortsatt drift.

Egenkapitalandelen på ca. 78,66% anses som meget tilfredsstillende.

Det oppnådde resultat for selskapet samt den finansielle situasjon er i samsvar med de planer og forventninger styret var forespeilet. Det har etter regnskapsperiodens slutt ikke inntruffet forhold som har betydning for å vurdere selskapets eller konsernets stilling og resultat.

Selskapet er lite utsatt for kredittrisiko, renterisiko og valutarisiko i dens ordinære forretnings virksomhet.

Antall sykedager i perioden har vært 22 dager. Dersom også sykedager med syke barn tas med, så blir det 29 dager. Ingen skader eller ulykker har forkommet, verken på materiell eller personell. Det har i perioden ikke vært iverksatt tiltak av betydning med hensyn til arbeidsmiljø. Arbeidsmiljøet i selskapet ansees av styret å være tilfredsstillende.

Selskapet forurenser ikke det ytre miljø.

Av selskapets 8 ansatte pr. 30.09.2022 er 2 kvinner. Av konsernets total 351 ansatte er 36 kvinner.

Selskapet har som mål å være en arbeidsplass hvor det ikke forekommer diskriminering. Selskapet arbeider aktivt og målrettet for å utforme og tilrettelegge de fysiske forholdene slik at virksomhetens ulike funksjoner kan benyttes av flest mulig. Ved ansettelser legges det vekt på kvalifikasjoner til arbeidet som skal utføres uavhengig av etnisk eller nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn etc.

Det er på konsernnivå tegnet ansvarsforsikring for styrets medlemmer som dekker saker opptil 150 mill. EUR.



Årets overskudd på NOK 27.123.671,- er disponert som følger.

- Avsatt til utbytte:	NOK	27.150.000,-
- Overført fra annen egenkapital:	NOK	26.329,-

Åpenhetsloven

Styret er klar over selskapets plikter i forbindelse med åpenhetsloven, herunder plikt til å utføre aktsomhetsvurdering, rapporteringsplikt og informasjonsplikt.

I TKE-konsernet er det satt ned en egen arbeidsgruppe som skal jobbe dedikert med ESG. Det vises til våre hjemmesider Bærekraft – TK Elevator for en status i arbeidet.

Selskapet har utarbeidet en egen «code of conduct» som alle leverandører forplikter seg til å følge. Per i dag gjelder dette bare nye leverandører, og selskapet vil innføre en rutine der også de eksisterende leverandørene følges opp.

Ved avleggelsen av årsregnskapet per 30.09.2022 har vi ikke utferdiget rapport i samsvar med lovens bestemmelser. Dette vil vi ha ferdigstilt senest 30.06.2023 som er lovens krav. Rapporten vil bli tilgjengelig på samme hjemmeside.

Oslo, 13.12.2022

Styret i TK Elevator Norway Holding AS

Martin Thormann
Styrets leder

Geir Hansen
Daglig leder/Styremedlem

Inga Engel
Styremedlem



TK Elevator Norway Holding AS

Resultatregnskap

	Note	2021/2022	2020/2021
Driftsinntekter og driftskostnader			
Salgsinntekt	4, 5	20 494 787	20 203 731
Sum driftsinntekter		20 494 787	20 203 731
Lønnskostnad	6, 7	8 385 652	8 110 815
Avskrivning på varige driftsmidler	8	95 558	85 380
Andre driftskostnader	5	11 517 276	12 998 350
Sum driftskostnader		19 998 485	21 194 546
Driftsresultat		496 302	-990 815
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		26 050 000	42 595 262
Renteinntekter	5	858 276	625 545
Andre finansinntekter		53 468	28 989
Rentekostnader		451	76
Andre finanskostnader		30 402	40 965
Resultat av finansposter		26 930 890	43 208 755
Ordinært resultat før skattekostnad		27 427 193	42 217 940
Skattekostnad på ordinært resultat	9	303 522	-83 011
Årsresultat	10	27 123 671	42 300 951
Overføringer			
Avsatt til utbytte		27 150 000	26 000 000
Utbytte utdelt gjennom året		0	31 945 262
Avsatt til/fra (-) annen egenkapital		-26 329	-15 644 311
Sum overført		27 123 671	42 300 951



TK Elevator Norway Holding AS

Balanse

	Note	30.09.2022	30.09.2021
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	868 992	1 080 730
Sum immaterielle eiendeler		868 992	1 080 730
Varige driftsmidler			
Maskiner, inventar o. l.	8	117 956	193 228
Sum varige driftsmidler	8	117 956	193 228
Finansielle anleggsmidler			
Investeringer i datterselskap	11	90 161 375	90 161 375
Sum finansielle anleggsmidler		90 161 375	90 161 375
Sum anleggsmidler		91 148 323	91 435 333
Omløpsmidler			
Fordringer			
Fordringer på selskap i samme konsern	12	66 005 415	64 010 370
Andre kortsiktige fordringer		913 755	1 433 689
Sum fordringer		66 919 170	65 444 059
Bankinnskudd, kontanter o.l	13	3 372 673	2 378 397
Sum omløpsmidler		70 291 843	67 822 456
Sum eiendeler		161 440 166	159 257 789



TK Elevator Norway Holding AS

Balanse


	Note	30.09.2022	30.09.2021
Egenkapital og gjeld			
Innskutt egenkapital			
Aksjekapital 5 200 aksjer à kr. 1 000	14	5 200 000	5 200 000
Sum innskutt egenkapital		5 200 000	5 200 000
Opptjent egenkapital			
Annen egenkapital		121 789 886	121 175 497
Sum opptjent egenkapital		121 789 886	121 175 497
Sum egenkapital	10	126 989 886	126 375 497
Gjeld			
Pensjonsforpliktelser	7	3 596 415	4 227 300
Sum avsetning for forpliktelser		3 596 415	4 227 300
Kortsiktig gjeld			
Leverandørgjeld	12	1 561 445	841 051
Betalbar skatt	9	272 499	0
Off.avgifter, skattetrekk m.m.		432 662	921 831
Utbytte		27 150 000	26 000 000
Annen kortsiktig gjeld		1 437 259	892 111
Sum kortsiktig gjeld		30 853 864	28 654 992
Sum Gjeld		34 450 279	32 882 292
Sum gjeld og egenkapital		161 440 166	159 257 789

Oslo, 13.12.2022

Styret i TK Elevator Norway Holding AS


Geir Johannes Hansen
Styremedlem/daglig leder


Inga Engel
Styremedlem


Martin Thormann
Styreleder



TK Elevator Norway Holding AS

Indirekte kontantstrøm

	Note	2021/2022	2020/2021
Kontantstrømmer fra operasjonelle aktiviteter			
		27 427 193	42 217 940
-	Resultat før skattekostnad		
-	Periodens betalte skatt	0	-139 388
+	Ordinære avskrivninger	95 558	85 380
+/-	Endring i leverandørgjeld	720 393	581 997
+/-	Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsordn.	190 548	125 261
+/-	Endring i andre tidsavgrensningsposter	-1 419 131	-9 030 194
=	Netto kontantstrøm fra operasjonelle aktiviteter	27 014 560	33 840 996
Kontantstrømmer fra investeringsaktiviteter			
-	Utbetalinger ved kjøp av varige driftsmidler	20 285	260 114
=	Netto kontantstrøm fra investeringsaktiviteter	-20 285	-260 114
Kontantstrømmer fra finansieringsaktiviteter			
-	Utbetalinger av utbytte	26 000 000	31 945 263
=	Netto kontantstrøm fra finansieringsaktiviteter	-26 000 000	-31 945 263
=	Netto endring i kontanter og kontantekvivalenter	994 275	1 635 619
+	Beh. av kont. og kontantekvivalenter ved per. begynnelse	2 378 397	742 778
=	Beh. av kont. og kontantekvivalenter ved per. slutt	3 372 672	2 378 398



TK Elevator Norway Holding AS



Noter 2021/2022

NOTE 1 Regnskapsprinsipper

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med aksjelov, regnskapsloven og god regnskapsskikk i Norge gjeldende per 30. september 2022. Årsregnskapet, som er utarbeidet av selskapets styre og ledelse, må leses i sammenheng med årsberetningen og revisjonsberetningen. Den nødvendige spesifisering er gjort i notene. Notene er følgelig en integrert del av årsregnskapet.

Salgsinntekter

Inntekter ved salg av varer og tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift, rabatter og andre avslag.

Tjenester inntektsføres i takt med utførelsen.

Klassifisering av balanseposter

Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Eiendeler som er knyttet til varekretsløpet klassifiseres som omløpsmidler. Fordringer for øvrig klassifiseres som omløpsmidler hvis de skal tilbakebetales innen et år. For gjeld legges analoge kriterier til grunn.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi når verdifallet forventes ikke å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til pålydende. Anskaffelseskost omfatter også direkte utgifter for å klargjøre eiendelen for bruk.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt mottatt beløp på opptakstidspunktet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives lineært til restverdi over driftsmidlets forventede utnyttbare levetid. Ved endring av avskrivningsplan fordeles virkningen over gjenværende avskrivningstid ("knekkpunktmetoden"). Vedlikehold av driftsmidler kostnadsføres løpende som driftskostnader. Påkostninger og forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Skille mellom vedlikehold og påkostning regnes i forhold til driftsmidlets stand på anskaffelsestidspunktet.

Aksjer i datterselskaper

Datterselskap vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

Fordringer

TK Elevator Norway Holding AS

Side 5



TK Elevator Norway Holding AS



Noter 2021/2022

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Utenlandsk valuta

Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Pengeposter inkluderer fordringer og gjeld som skal gjøres opp i kontanter. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

Gjeld

Gjeld, med unntak av enkelte avsetninger for forpliktelser, balanseføres til nominelt gjeldsbeløp.

Pensjoner

Selskapet har tidligere hatt ulike pensjonsordninger. Pensjonsordningene er finansiert gjennom innbetalinger til forsikringsselskap, med unntak av AFP-ordningen. Selskapet har hatt både innskuddsplaner og ytelsesplaner, men fra 2012/2013 har selskapet kun nye innskuddsplaner.

Innskuddsplaner

Ved innskuddsplaner betaler selskapet innskudd til et forsikringsselskap. Selskapet har ingen ytterligere betalingsforpliktelse etter at innskuddene er betalt. Innskuddene regnskapsføres som lønnskostnad. Eventuelle forskuddsbetalte innskudd balanseføres som eiendeler (pensjonsmidler) i den grad innskuddet kan refunderes eller redusere fremtidige innbetalinger.

Ytelsesplaner

En ytelsesplan er en pensjonsordning som ikke er en innskuddsplan. Typisk er en ytelsesplan en pensjonsordning som definerer en pensjonsutbetaling som en ansatt vil motta ved pensjonering. Pensjonsutbetalingen er normalt avhengig av flere faktorer, som alder, antall år i selskapet og lønn. Den balanseførte forpliktelsen knyttet til ytelsesplaner er nåverdien av de definerte ytelsene på balansedagen minus virkelig verdi av pensjonsmidlene (innbetalte beløp til forsikringsselskap), justert for ikke resultatførte estimatavvik og ikke resultatførte kostnader knyttet til tidligere perioders pensjonsopptjening. Pensjonsforpliktelsen beregnes årlig av en uavhengig aktuar ved bruk av lineær opptjeningsmetode. Planendringer amortiseres over forventet gjenværende opptjeningstid.

Skatt

Skattekostnaden er knyttet til det regnskapsmessige resultat og består av betalbar skatt og endring i netto utsatt skatt. Utsatt skatt i resultatregnskapet er skatt beregnet på endringer i midlertidige forskjeller mellom skattemessige og regnskapsmessige verdier. Utsatt skatt er beregnet med 22 %% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Utsatt skatt avsettes som langsiktig gjeld i balansen. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.



TK Elevator Norway Holding AS



Noter 2021/2022

Kontantstrømoppstilling

Kontantstrømoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med gjenværende løpetid mindre enn tre måneder fra anskaffelsesdato.

Bruk av estimater

Utarbeidelse av regnskap i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlig for årsregnskapet, er beskrevet i note.

Note 2 Finansiell risiko

Selskapet er utsatt for kurssvingninger i utenlandsk valuta, hovedsakelig knyttet til selskapets varekjøp i euro. Kundefordringer og opptjent verdi på prosjekter er utsatt for kredittrisiko.

Note 3 Krigen i Ukraina

Krigen i Ukraina påvirker oss i form av økte priser og inflasjonen i Norge som er sterk. Dette igjen fører til økt lønnspress og andre kostnader. Også renteendringene har en innvirkning, samt høye strømpriser. Det er en stor usikkerhet i markedet og man ser tydelige tegn på lavere vekst i norsk økonomi.

Note 4 Driftsinntekter

Fordeling på virksomhetsområder	2021/2022	2020/2021
Administrasjonsinntekter	20 494 787	20 203 731
Annet	0	0
Sum	20 494 787	20 203 731

Geografisk fordeling	2021/2022	2020/2021
Norge	16 376 461	19 876 463
Andre land	4 118 326	327 268
Sum	20 494 787	20 203 731

Inntektsøkningen fra 2018/2019 til 2019/2020 skyldes i all hovedsak at viderefakturerte lønninger til datterselskap tidligere ble presentert netto som en reduksjon av lønnskostnadene.



TK Elevator Norway Holding AS



Noter 2021/2022

Note 5 Transaksjoner med nærstående parter

Selskapets transaksjoner med nærstående parter	2021/2022	2020/2021
Salg av administrative tjenester til datterselskap	20 494 787	20 203 731
Kjøp av administrative tjenester fra konsernselskap	787 132	875 714
Renteinntekter konsernkonto	842 569	625 445

Note 6 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte m.m.

Lønnskostnader	2021/2022	2020/2021
Lønninger	6 626 598	6 181 970
Arbeidsgiveravgift	1 057 442	1 091 629
Pensjonskostnader	618 688	690 728
Andre ytelser	82 924	146 488
Sum	8 385 652	8 110 815

Gjennomsnittlig antall årsverk: 8 8

Ytelser til ledende personer

Daglig leder er lønnet av TK Elevator Norway AS for regnskapsåret 2021/2022.

Daglig leder har en tilleggspensjonavtale (ytelsesavtale) i selskapet som dekker pensjon også for lønn over 12 G, samt en førtidspensjon.

Det er ikke regnskapsført kostnader til denne avtalen i 2021/2022.

Det er ikke utbetalt godtgjørelse til styret.

Det er ikke gitt lån/ sikkerhetsstillelse til daglig leder, styrets leder eller andre nærstående parter.

Pensjonsforpliktelser

Selskapet har innskuddsplan for sine ansatte. Selskapet er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

Revisor

Kostnadsført revisjonshonorar for 2021/2022 utgjør kr 96 500.

I tillegg kommer honorar for andre tjenester med kr 21 000.

Beløpene er eks. merværdivgift.



TK Elevator Norway Holding AS



Noter 2021/2022

Note 7 Pensjonskostnader, -midler og -forpliktelser

Selskapet er pliktig til å ha obligatorisk tjenstepensjon for sine ansatte, og eksisterende ordning tilfredsstiller kravene i henhold til lov om obligatorisk tjenstepensjon.

Pensjonsordningene behandles regnskapsmessig i henhold til NRS6A "Anvendelse av ISA 19 under norsk regnskapslovgivning". Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden.

Forpliktelsene er dekket gjennom forsikringsselskap.

Pensjonskostnad	2021/2022	2020/2021
Nåverdi av årets pensjonsopptjening	127 139	125 260
Rentekostnad av pensjonsforpliktelsen	63 410	0
Oppgjør av ordning	0	0
Avkastning på pensjonsmidler	0	0
Netto pensjonskostnad	190 549	125 260

Avstemming av pensjonsordningenes finansierte status mot beløp i balansen	2021/2022	2020/2021
Opptjente pensjonsforpliktelser	3 596 415	4 227 300
Aktuarielle gevinster og tap mot egenkapitalen	0	0
Beregnete pensjonsforpliktelser	3 596 415	4 227 300
Pensjonsmidler (til markedsverdi)	0	0
Forskuddsbetalt pensjon (netto pensjonsforpliktelse)	3 596 415	4 227 300

Endringer i innregnet pensjonsforpliktelse i balansen	2021/2022	2020/2021
Netto pensjonsforpliktelse pr. 01.10	4 227 300	0
Pensjonskostnad	190 549	125 260
Aktuarielle gevinster/tap mot egenkapitalen	-821 434	4 102 040
Netto pensjonsforpliktelse 30.09	3 596 415	4 227 300

Aktuarielle gevinster og tap belastet direkte mot annen egenkapital	2021/2022	2020/2021
Akkumulerte aktuarielle gevinster og tap pr. 01.10	4 102 040	0
Årets endring	-821 434	4 102 040
Akkumulerte aktuarielle gevinster og tap pr. 30.09	3 280 606	4 102 040

Økonomiske forutsetninger	2021/2022	2020/2021
Diskonteringsrente	3,75%	1,50%
Forventet lønnsregulering	2,75%	2,25%
Forventet pensjonsøkning	2,75%	2,25%
Forventet G-regulering	2,75%	2,25%

Som aktuariemessige forutsetninger for demografiske faktorer og avgang er lagt til grunn vanlig benyttede forutsetninger innen forsikring.



TK Elevator Norway Holding AS



Noter 2021/2022

Note 8 Anleggsmidler

	Driftsløstø, inventar ol	Sum
Anskaffelseskost pr. 01.10.21	3 472 867	3 472 867
+ Tilgang kjøpte driftsmidler	20 285	20 285
= Anskaffelseskost 30.09.22	3 493 152	3 493 152
Av- og nedskrivninger pr. 01.10.21	3 279 639	3 279 639
+ Årets ordinære avskrivninger	95 558	95 558
= Av- og nedskrivninger pr. 30.09.22	3 375 197	3 375 197
Bokført verdi 01.10.21	193 228	193 228
+ Tilgang i året	20 285	20 285
- Årets avskrivning og nedskrivning	95 558	95 558
= Bokført verdi 30.09.22	117 955	117 955
Økonomisk levetid	3-5 år	
Avskrivningsplan	Lineær	



TK Elevator Norway Holding AS



Noter 2021/2022

Note 9 Skatt

Årets skattekostnad	2021/2022	2020/2021	
Resultatført skatt på ordinært resultat:			
Betalbar skatt	272 499	0	
Endring i utsatt skattefordel	31 023	-83 011	
Skattekostnad ordinært resultat	303 522	-83 011	
Skattepliktig inntekt:			
Ordinært resultat før skatt	27 427 193	42 217 940	
Permanente forskjeller	-25 226 111	-46 697 302	
Endring i midlertidige forskjeller	-687 881	4 204 793	
Anvendelse av fremførbart underskudd	-274 569	0	
Skattepliktig inntekt	1 238 631	-274 569	
Betalbar skatt i balansen:			
Betalbar skatt på årets resultat	272 499	0	
Sum betalbar skatt i balansen	272 499	0	
Beregning av effektiv skattesats			
Resultat før skatt	27 427 193	42 217 940	
Beregnet skatt av resultat før skatt	6 033 982	9 287 947	
Skatteeffekt av permanente forskjeller	-5 549 744	-10 273 406	
Skatt av estimatavvik ført direkte mot egenkapital	-180 714	902 448	
Sum	303 524	-83 012	
Effektiv skattesats	1,1 %	-0,2 %	
Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:			
	2022	2021	Endring
Varige driftsmidler	-152 367	-128 808	23 559
Avsetninger mv	-201 183	-281 738	-80 555
Pensjonspremie/- forpliktelse	-3 596 415	-4 227 300	-630 885
Sum	-3 949 965	-4 637 846	-687 881
Akkumulert fremførbart underskudd	0	-274 569	-274 569
Grunnlag for beregning av utsatt skatt	-3 949 965	-4 912 415	-962 450
Utsatt skattefordel (22 %)	-868 992	-1 080 731	-211 739



TK Elevator Norway Holding AS



Noter 2021/2022

Note 10 Egenkapital

	Aksjekapital	Annen egenkapital	Sum egenkapital
Pr. 01.10.2021	5 200 000	121 175 497	126 375 497
Estimatavvik ført mot egenkapital (netto etter skatt)		640 719	640 719
Årets resultat	0	27 123 671	27 123 671
Avsatt til utbytte	0	-27 150 000	-27 150 000
Pr. 30.09.2022	5 200 000	121 789 886	126 989 886

Note 11 Datterselskap, tilknyttet selskap m.v.

Investering i datterselskap regnskapsføres etter kostmetoden.

Datterselskap	Forretnings-kontor	Eier- og Stemme-andel	Bokført verdi	Egenkapital 30.09.2022	Resultat 2021/2022
TK Elevator Norway AS	Oslo	100%	39 256 934	129 850 912	14 732 779
TK Rulletrapper AS	Oslo	100%	100 000	98 100 890	13 250 450
TK Elevator Sweden AB	Stockholm	100%	50 804 441	128 653 740	12 305 454
Sum investering i datterselskap			90 161 375	356 605 542	40 288 683

Tallene for thyssenKrupp Elevator Sverige AB er regnet om til NOK ved å bruke snittkurs for året på 95,98 for resultatet og sluttkurs 30.09.2022 på 97,11 for egenkapitalen.

Selskapet har benyttet seg av unntaket i regnskapsloven §3-7 med hensyn til å utarbeide konsernregnskapet.

Selskapet inngår i konsernet Vertical Topco III GmbH, ThyssenKrupp Allee 1, c/o TK Elevator GmbH, 45143 Essen, Tyskland. Konsernregnskapet kan fås utlevert av det tyske morselskapet.



TK Elevator Norway Holding AS



Noter 2021/2022

Note 12 Mellomværende med selskap i samme konsern m.v.

	Kundefordringer		Andre fordringer	
	2021/2022	2020/2021	2021/2022	2020/2021
Norske konsernselskaper	0	0	28 012 883	14 058 686
Øvrige konsernselskaper	0	0	37 992 532	49 951 684
Sum	0	0	66 005 415	64 010 370

	Leverandørgjeld		Kortsiktig gjeld	
	2021/2022	2020/2021	2021/2022	2020/2021
Norske konsernselskaper	0	0	0	0
Øvrige konsernselskaper	0	813 156	0	0
Sum	0	813 156	0	0

Note 13 Bundne bankinnskudd, trekkrettigheter

Bundne bankinnskudd	2021/2022	2020/2021
Skattetrekksmidler	200 670	193 890

Note 14 Aksjonærer

Aksjekapitalen i TK Elevator Norway Holding AS pr. 30.09.2022 består av:

	Antall	Pålydende	Bokført
Ordinære aksjer	1 000	5 200	5 200 000
Sum	1 000		5 200 000

Eierstruktur

De største aksjonærene i % pr. 30.09.2022 var:

	Ordinære	Eierandel
TK Elevator Europe Africa GmbH	1 000	100 %
Totalt antall aksjer	1 000	100 %

Selskapet har benyttet seg av unntaket i regnskapsloven §3-7 med hensyn til å utarbeide konsernregnskap. Selskapet inngår i konsernet Vertical Topco III GmbH, ThyssenKrupp Allee 1, c/o TK Elevator GmbH, 45143 Essen, Tyskland. Konsernregnskapet kan fås utlevert av det tyske morselskapet.



Til generalforsamlingen i TK Elevator Norway Holding AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert TK Elevator Norway Holding AS' årsregnskap som består av balanse per 30. september 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 30. september 2022, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerelskap



Uavhengig revisors beretning - TK Elevator Norway Holding AS



Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

Oslo, 13. desember 2022
PricewaterhouseCoopers AS

Øystein Sandvik
Statsautorisert revisor
(elektronisk signert)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Sandvik, Øystein Blåka	BANKID_MOBILE	2022-12-13 19:00

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of the document.



CONSOLIDATED FINANCIAL STATEMENTS

for the financial year as of September 30, 2022

for TK Elevator Topco GmbH, Essen



TK Elevator Topco GmbH – Consolidated Statements of Financial Position

Assets

million €	Note	Sept. 30, 2021	Sept. 30, 2022
Intangible assets	05	18,921	20,442
Property, plant and equipment	06	1,088	1,146
Other financial assets	11	437	727
Other non-financial assets	12	28	50
Deferred tax assets	30	46	55
Total non-current assets		20,521	22,421
Inventories	08	602	697
Trade accounts receivable	09	1,366	1,539
Contract assets	10	399	522
Other financial assets	11	76	49
Other non-financial assets	12	308	272
Current income tax assets		130	122
Cash, cash equivalents and time deposits		369	436
Total current assets		3,252	3,637
Total assets		23,773	26,058

Equity and liabilities

million €	Note	Sept. 30, 2021	Sept. 30, 2022
Capital stock ¹⁾		0	0
Additional paid-in capital		2,731	2,731
Retained earnings		1,680	1,405
Cumulative other comprehensive income		523	1,573
Equity attributable to the TK Elevator Topco GmbH's shareholders		4,934	5,709
Non-controlling interest		28	31
Total equity	13	4,963	5,739
Accrued pension and similar obligations	14	331	257
Provisions for other employee benefits	15	43	41
Other provisions	15	288	216
Deferred tax liabilities	30	2,404	2,417
Financial debt	16	11,476	12,575
Other financial liabilities	18	1	1
Other non-financial liabilities	19	1	0
Total non-current liabilities		14,545	15,506
Provisions for current employee benefits	15	181	206
Other provisions	15	434	425
Current income tax liabilities		127	138
Financial debt	16	107	125
Trade accounts payable	17	743	958
Other financial liabilities	18	259	273
Contract liabilities	10	1,732	2,033
Other non-financial liabilities	19	683	654
Total current liabilities		4,265	4,812
Total liabilities		18,810	20,318
Total equity and liabilities		23,773	26,058

See accompanying notes to the Consolidated Financial Statements.

¹⁾ Capital stock contains initial capital in the amount of €25 thousand.



TK Elevator Topco GmbH – Consolidated Statements of Profit or Loss

million €	Note	2020/2021	2021/2022
Sales	24	7,959	8,531
Cost of sales		(6,348)	(6,826)
Gross margin		1,611	1,705
Research and development cost		(103)	(111)
Selling expenses		(494)	(518)
General and administrative expenses		(793)	(780)
Other income	25	49	161
Other expenses	26	(105)	(49)
Other gains/(losses), net	27	(0)	(1)
Income from operations		165	407
Income from companies accounted for using the equity method		0	-
Finance income		79	415
Finance expense		(861)	(1,176)
Financial expense, net	28	(781)	(761)
Loss before tax		(617)	(353)
Income tax (expense)/income	30	176	8
Net loss		(440)	(346)
Thereof:			
Shareholders of TK Elevator Topco GmbH		(442)	(347)
Non-controlling interest		2	1
Net loss		(440)	(346)

See accompanying notes to the Consolidated Financial Statements.



TK Elevator Topco GmbH – Consolidated Statements of Comprehensive Income

million €	2020/2021	2021/2022
Net loss	(440)	(346)
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:		
Other comprehensive income from remeasurements of pensions and similar obligations		
Change in unrealized gains/(losses), net	16	99
Tax effect	(4)	(28)
Other comprehensive income from remeasurements of pensions and similar obligations, net	13	71
Share of unrealized gains/(losses) of investments accounted for using the equity-method	-	-
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	13	71
Items of other comprehensive income that could be reclassified to profit or loss in future periods:		
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	356	1,055
Net realized (gains)/losses	-	0
Net unrealized gains/(losses)	356	1,055
Unrealized gains/(losses) from fair value measurement of securities		
Change in unrealized gains/(losses), net	-	-
Net realized (gains)/losses	-	-
Tax effect	0	-
Net unrealized gains/(losses)	0	-
Unrealized gains/(losses) on cash flow hedges		
Change in unrealized gains/(losses), net	(1)	2
Net realized (gains)/losses	0	(1)
Tax effect	1	(0)
Net unrealized gains/(losses)	(1)	1
Share of unrealized gains/(losses) of investments accounted for using the equity-method	-	-
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	355	1,055
Other comprehensive income	368	1,126
Total comprehensive income	(72)	780
Thereof:		
Shareholders of TK Elevator Topco GmbH	(79)	774
Non-controlling interest	6	6

See accompanying notes to the Consolidated Financial Statements.



TK Elevator Topco GmbH –

Consolidated Statements of Changes in Equity

million €	Equity attributable to the TK Elevator Topco GmbH's shareholders										
	Cumulative other comprehensive income								Total	Non-controlling interest	Total equity
	Cash flow hedges										
	Capital stock ¹⁾	Additional paid-in capital	Retained earnings	Foreign currency translation adjustment	Fair value measurement of debt instruments	Designated risk component	Hedging costs	Share of investments accounted for using the equity method			
Balance as of September 30, 2020	0	2,727	2,110	171	(0)	1	(0)	0			
Net income/(loss)			(442)						(442)	2	(440)
Other comprehensive income			13	352	0	(1)	0	(0)	364	4	368
Total comprehensive income	-	-	(430)	362	0	(1)	0	(0)	(79)	6	(72)
Dividends paid to non-controlling interest										(3)	(3)
Capital increase ²⁾		4							4		4
Other changes		(0)	0						0	0	0
Balance as of September 30, 2021	0	2,731	1,680	523	0	(0)	0	-	4,934	28	4,963
Balance as of October 1, 2021	0	2,731	1,680	523	0	(0)	0	-	4,934	28	4,963
Net income/(loss)			(347)						(347)	1	(346)
Other comprehensive income			71	1,049		1	(0)	-	1,121	5	1,126
Total comprehensive income	-	-	(276)	1,049	-	1	(0)	-	774	6	780
Dividends paid to non-controlling interest										(4)	(4)
Capital increase											
Other changes			0			(0)			0	(0)	0
Balance as of September 30, 2022	0	2,731	1,405	1,573	0	1	(0)	-	5,709	31	5,739

See accompanying notes to the Consolidated Financial Statements.

¹⁾ Capital stock contains initial capital in the amount of €25 thousand.

²⁾ Cf. Note 13.



TK Elevator Topco GmbH – Consolidated Statements of Cash Flows

million €	2020/2021	2021/2022
Net loss	(440)	(346)
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	(360)	(183)
Depreciation, amortization and impairment of non-current assets	754	610
Income/(loss) from companies accounted for using the equity method, net of dividends received	(0)	-
(Gain)/loss on disposal of non-current assets	2	4
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
- Inventories	26	(52)
- Trade accounts receivable	16	(34)
- Contract assets	80	(82)
- Accrued pension and similar obligations	13	23
- Other provisions	5	(139)
- Trade accounts payable	58	149
- Contract liabilities	(33)	94
- Other assets/liabilities not related to investing or financing activities	234	216
Operating cash flows	355	261
Purchase of investments accounted for using the equity method and non-current financial assets	(2)	(0)
Expenditures for acquisitions of consolidated companies net of cash acquired	(70)	(29)
Capital expenditures for property, plant and equipment (inclusive of advance payments)	(87)	(72)
Capital expenditures for intangible assets (inclusive of advance payments)	(55)	(74)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	(0)	1
Proceeds from disposals of property, plant and equipment	4	18
Proceeds from disposals of intangible assets	2	0
Cash flows from investing activities	(208)	(156)
Proceeds from liabilities to financial institutions	46	177
Repayments of liabilities to financial institutions	(420)	(200)
Repayments of lease liabilities	(90)	(99)
Proceeds from bonds and other loans	3,701	-
Repayments on bonds and other loans	(3,589)	(27)
Proceeds from capital increase	4	-
Dividends paid to non-controlling interest	(3)	(4)
Other financing activities	10	88
Cash flows from financing activities	(341)	(65)
Net increase/(decrease) in cash and cash equivalents	(194)	40
Effect of exchange rate changes on cash and cash equivalents	11	27
Cash and cash equivalents at beginning of the period	552	369
Cash and cash equivalents at end of the period	369	436
Additional information regarding cash flows from interest and income taxes which are included in operating cash flows:		
Interest received	4	5
Interest paid	(492)	(508)
Income taxes paid	(255)	(154)

See accompanying notes to the Consolidated Financial Statements.



TK Elevator Topco GmbH – Notes to the Consolidated Financial Statements

01 Introductory remarks and general information

TK Elevator Topco GmbH (hereinafter referred to as “TK Elevator Topco” or “Company”) is a corporation with its headquarters in Essen and its registered business address at E-Plus-Str. 1, 40472 Düsseldorf. The Company is recorded in the Commercial Register with the local court in Essen under the number HRB 31007. The sole shareholder is Vertical Topco II SA, Luxembourg. The accompanying set of consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as “Group” or “TK Elevator”) has been prepared by the executive directors on January 9, 2023 and approved for publication.

The TK Elevator Group is under the control of TK Elevator Topco, which, as the parent company, prepares the consolidated financial statements for the largest and smallest group of companies. The Group is primarily engaged in the development, design, production, installation, maintenance and modernization of elevators, escalators, moving walkways, chair and platform lifts, flight passenger boarding bridges and other means of transport for persons and cargo, as well as related services and service businesses. TK Elevator GmbH has the operational management over the Group.

02 Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with Section 315e of the German Commercial Code (Handelsgesetzbuch: HGB) (hereinafter referred to as “consolidated financial statements according to international accounting standards”) in accordance with the International Financial Reporting Standards (IFRS) and the related Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union according to Regulation No. 1606/2002 of the European Parliament and the Council on the application of international accounting standards in the European Union.

Assets and liabilities have been classified by maturity. They are classified as current if they are due within one year or within the normal operating cycle of the companies and operations belonging to the Group, or if the asset is held primarily for trading purposes. Liabilities are also classified as current if there is no unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Inventories, trade accounts receivable and trade accounts payable are generally classified as current. Deferred tax assets, deferred tax liabilities and pension provisions are reported as non-current.

The consolidated statement of profit or loss has been prepared using the cost-of-sales method.

The consolidated statement of changes in equity shows the changes of the entire equity attributable to the shareholders of the Company and the changes of equity attributable to the non-controlling interests in the financial year.

The consolidated statement of cash flows is prepared using the indirect method.



03 Summary of significant accounting policies

All amounts are presented in millions of euros (million €) unless otherwise stated. Deviations may result compared to the unrounded figures. The financial year 2021/2022 stated in the consolidated financial statements covers the financial year from October 1, 2021 to September 30, 2022. The financial year 2020/2021 stated in the consolidated financial statements covers the financial year from October 1, 2020 to September 30, 2021. Negative figures are shown in brackets in the consolidated financial statements, while positive figures are always shown without brackets.

Consolidation

The consolidated financial statements include the accounts of the Company and all significant entities which are directly or indirectly controlled (subsidiaries). This typically occurs when the Company holds more than half of the voting rights of a company.

The financial statements are included in the consolidated financial statements from the date when control is obtained until the date when control ceases. Capital consolidation is performed by offsetting the carrying amounts of investments against the Group's attributable equity. On acquisition, all identifiable assets, liabilities and contingent liabilities of the acquired subsidiary are measured at their fair values at the date of acquisition.

Minority interests (non-controlling interests) are recognized at the minority's proportion of their share in the fair values of the identifiable assets, liabilities and contingent liabilities.

All receivables and payables, revenue, expenses and income, as well as intercompany profits and losses between Group companies are eliminated in the consolidation process.

Joint arrangements where two or more parties jointly control an activity either classify as a joint operation or a joint venture. Joint ventures are accounted for using the equity method of accounting. Where the Group transacts with a joint operation or joint venture, any resulting unrealized gains or losses are eliminated to the extent of the Group's interest in the joint operation or joint venture.

Subsidiaries and joint ventures with immaterial influence on the net assets, financial position and results of operations of the Group are measured at fair value and reported under the "Other financial assets, non-current". Goodwill arising from a business combination is recognized as an asset and tested annually for impairment, unless there are indications or triggering events that indicate a possible impairment.

Goodwill arising from the acquisition of a joint venture is included in the respective amortized carrying amount of the joint venture. Goodwill arising from the acquisition of subsidiaries or joint operations is presented separately in the statement of financial position.

Foreign currency translation

The functional and reporting currency of the Company and its relevant European subsidiaries is the euro (€). Transactions denominated in foreign currency are translated into the functional currency using the exchange rate at the date of the transaction. Monetary assets and liabilities nominally denominated in foreign currency at the reporting date are translated using the closing rate. Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated at the exchange rate prevailing at the date when the fair value was determined. Any resulting translation differences are recognized in profit or loss.

The assets and liabilities of the foreign subsidiaries included in the consolidated financial statements whose functional currency is not the euro are translated from the functional currency, which is generally the local currency, into the Group currency, the euro, at the closing rate on the reporting date. Income and expenses from



foreign subsidiaries are translated using the average exchange rates for the corresponding period. Currency translation differences are recognized in other comprehensive income, and the net gains or losses from currency translation are aggregated and reported within equity. If the respective subsidiary is deconsolidated, these translation differences are reversed through profit or loss.

For companies that do not conduct most of their sales, purchases, and financing in the local currency, the functional currency is the currency of their primary economic environment. In these cases, the financial statements prepared in the local currency are translated into the functional currency using the temporal method. Any translation differences incurred are recognized in profit or loss under other income or expenses. The financial statements in the functional currency are then translated into the reporting currency using the closing rate method.

The exchange rates of those currencies significant to the Group have developed as follows:

Currencies

Basis €1	Exchange rate as of	Exchange rate as of	Average exchange rate for the period ended	Average exchange rate for the period ended
	Sept. 30, 2021	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2022
US Dollar	1.16	0.97	1.20	1.09
Chinese Renminbi Yuan	7.48	6.94	7.78	7.10
South Korean Won	1,371.58	1,400.69	1,348.99	1,349.76
Canadian Dollar	1.48	1.34	1.51	1.38
Brazilian Real	6.26	5.26	6.40	5.70

The Russian Ruble exchange rate was subject to significant fluctuations in the financial year 2021/2022 and the European Central Bank (ECB) suspended publication of the euro reference rate for the Ruble (RUB) with effect from March 2, 2022. Accordingly, the exchange rate was generated via Bloomberg and the Russian company was thus included in the consolidated financial statements at a closing rate of RUB 59.33 and an average rate of RUB 78.89 (Basis: € 1).

Intangible assets

Intangible assets with finite useful lives are measured at cost and amortized on a straight-line basis over their estimated useful lives. The useful life is examined on an annual basis and, if necessary, adjusted corresponding with future expectations. The amortization expense of intangible assets is primarily included in cost of sales in the consolidated statement of profit or loss.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, whereby the following periods are used:

- Concessions, patents, purchased software and similar rights as well as licenses to such rights and assets: 3 to 15 years
- Customer relationships: 1.5 to 40 years, with useful lives of 12 to 40 years applicable to acquired customer relationships in the service business and 1.5 years for order backlog acquired in the new installations and modernization business
- Development costs, internally developed software and website: The useful life generally corresponds to the expected selling period of the products or services generated by the development activities or the expected useful life of the production process or other internally used assets generated by the development activities.

Intangible assets with indefinite useful lives are measured at cost and tested for impairment annually, or additionally if there are indications of possible impairment at other dates. Goodwill is always considered to have an indefinite useful life. In addition, the useful life of trademarks or brands is also essentially indefinite. Impairment



losses on goodwill are recognized in other expenses, whereas impairment losses on other intangible assets are recognized in cost of sales.

Property, plant and equipment

Depreciable property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Capitalized production costs for self-constructed assets include direct material and production costs as well as attributable material and production overheads. Where it takes a substantial period of time to get an asset ready for its intended use, directly attributable borrowing costs incurred until the asset is ready for its intended use are capitalized as part of the cost of the asset. Administrative costs are capitalized only if such costs are directly attributable to production. On-going maintenance and repair costs are expensed as incurred. The costs for the replacement of components or for general overhaul of property, plant and equipment are capitalized if it is probable that the future economic benefits will flow to the Group and the costs can be measured reliably. Where depreciable items of property, plant and equipment consist of significant identifiable components, each with a different useful life, these components are depreciated separately over their respective useful lives.

Depreciable property, plant and equipment are depreciated over the customary useful life using the straight-line method. The following useful lives are used as a basis for calculating depreciation:

	Useful lives
Buildings	10 to 50 years
Land improvements, fixtures in buildings	15 to 25 years
Technical machinery and equipment	8 to 25 years
Other plant and office equipment	3 to 10 years

Impairment of non-financial assets

At each reporting date and in case of a triggering event, the Group reviews the carrying amounts of goodwill and intangible assets with indefinite useful lives, or intangible assets with finite useful lives and property, plant and equipment in case of a triggering event, to determine whether there is any indication that an impairment loss has been incurred. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss to be recognized. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the smallest identifiable group of assets (cash-generating unit) to which the asset can be allocated.

Goodwill arising from acquisitions is allocated to the cash-generating units that are expected to benefit from the synergies of the acquisition. Such groups represent the lowest reporting level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of the cash-generating unit containing goodwill is regularly tested for impairment annually as of September 30, and on such other occasions that events or changes in circumstances indicate that it might be impaired. For further details, please refer to Note 05.

If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognized immediately in profit or loss.

Regarding impairment losses related to cash-generating units containing goodwill, the existing goodwill is reduced first. If the amount of impairment losses exceeds the carrying amount of goodwill, the difference is generally allocated proportionately to the remaining non-current assets of the cash-generating units.

If, after an impairment loss has been recognized, the recoverable amount of the asset or cash-generating unit becomes higher at a later date, the impairment loss is reversed up to a maximum of the recoverable amount. The reversal cannot exceed the amortized carrying amount that would have been determined had no impairment loss been recognized in the past. The reversal of an impairment loss is recognized to profit or loss. Reversals of impairment losses recognized for goodwill are not permitted.



Leases

In accordance with IFRS 16, the rights and obligations arising from leases must be recognized as a right-of-use asset and a corresponding lease liability in the lessee's statement of financial position.

This results in the following accounting and valuation principles:

A contract constitutes a lease if the contract entitles the lessee to:

- the use of an identified asset (the leased asset)
- for a specific period of time
- in exchange for a payment of a consideration.

As lessee, the Group generally recognizes an asset for the right-of-use asset and a liability for the lease payment obligations at the present value for all leases in the statement of financial position. The right-of-use assets under property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Payments for non-lease components are not included when determining the lease liability.

The lease liabilities reported under financial liabilities reflect the present value of the outstanding lease payments at the time the asset is made available for use. Lease payments are discounted at the interest rate implicit in the lease if it can be readily determined. Otherwise, they are discounted at the lessee's incremental borrowing rate. The derivation of the interest rate assumes that an adequate amount of funds equivalent to an asset comparable to the right-of-use asset will be raised over a reasonable period of time, taking into account the economic environment and comparable collateral.

The lease liabilities include the following lease payments:

- fixed payments, less lease incentives to be received,
- variable lease payments that are based on an index or (interest) rate,
- expected amounts to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise it, and
- payment of penalties for the termination of the lease, if the lease term reflects that the lessee will exercise an option to terminate the lease.

Right-of-use assets are measured at cost, which are comprised as follows:

- Lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- initial direct costs, and
- estimated costs to dismantle and remove the asset.

Subsequent measurement is carried out at amortized cost. Right-of-use assets are amortized on a straight-line basis over the lease term, unless the useful life of the underlying asset is shorter. If the lease agreement contains a purchase option that is exercised with reasonable certainty, the right-of-use is amortized over the economic useful life of the underlying asset.

For subsequent measurement, the lease liability is compounded, and the corresponding interest expense is recognized in the financial result. The lease payments made reduce the carrying amount of the lease liability.

In accordance with the recognition exemptions, low-value leases and short-term leases (less than twelve months) are recognized in the statement of profit or loss. The Group has identified certain asset classes (e.g. PCs, telephones, printers, copiers) which regularly contain leased assets of low value. Outside these asset classes, only leased assets with a value of up to € 5,000 are classified as low-value leased assets. Furthermore, the regulations are not applied to leases of intangible assets. For contracts comprising both a non-lease component and a lease component, each lease component must be accounted for separately from non-lease component as



a lease. The lessee must allocate the contractually agreed payment to the separate lease components based on the relative standalone selling price of the lease component and the aggregated standalone selling price of the non-lease components. In addition, intragroup leases are presented as current expenses in the segment reporting according to IFRS 8.

The term of the lease is determined based on the non-cancellable lease term. Real estate leases in particular contain extension and termination options. Such contractual conditions offer the greatest possible operational flexibility to the Group. In determining the lease term, all facts and circumstances are considered that provide an economic incentive to exercise renewal options or not to exercise termination options. Lease term modifications from the exercise or non-exercise of such options are only considered in the lease term if they are reasonably certain and are based on an event that is within the control of the lessee.

Inventories

Inventories are measured at the lower of acquisition/manufacturing cost or net realizable value. In general, inventories are valued using the average cost method. Manufacturing cost includes direct material and production costs, material and manufacturing overhead attributable to normal operating capacity utilization.

Financial instruments

A financial instrument is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the Group becomes a contracting party to the financial instrument. If the trade date and settlement date do not coincide, the settlement date is applicable for initial recognition or derecognition of non-derivative financial instruments; while derivative financial instruments are recognized at the trade date. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when an unconditional right to set-off exists at that time and there is an intention to settle on a net basis.

Financial assets

Financial assets mostly include trade accounts receivable, cash, cash equivalents and time deposits, derivative financial assets, as well as equity and debt instruments held. Financial assets are initially recognized at fair value. This includes any transaction costs directly attributable to the acquisition of financial assets, which are not measured at fair value through profit or loss in subsequent periods. The fair values recognized on the statement of financial position usually reflect the market prices of the financial assets.

Cash, cash equivalents and time deposits include cash on hand and demand deposits as well as financial assets that are readily convertible to cash and which are only subject to an insignificant risk of change in value. Cash equivalents and time deposits have a maximum term of three months. Cash, cash equivalents and time deposits are measured at amortized cost.

The classification and measurement of financial assets are based on the financial asset's cash flow characteristics and on the Group's business model for managing the financial assets. Different business models can apply for separate portfolios of similar debt instruments.

If a debt instrument is held with the objective of collecting contractual cash flows and if the cash flows are solely payments of principal and interest, the instrument is measured at amortized cost. For the Group, this mainly concerns trade accounts receivable, contract assets, and cash, cash equivalents and time deposits.

Regarding equity instruments not held for trading, future changes in fair value are recognized at fair value through profit or loss. Derivatives that do not qualify for hedge accounting are also recognized at fair value through profit or loss.



Debt instruments measured at amortized cost or at fair value through other comprehensive income, trade accounts receivable and contract assets are measured according to the expected loss model. Using forward-looking information, the expected credit loss is generally calculated by multiplying the three parameters of the carrying value of the financial asset, the probability of default and the loss rate. The Group applies the simplified impairment model under IFRS 9 and considers the losses expected over the total term from all trade accounts receivable and active contract assets. For all other financial assets, the expected credit loss to be expected within the next twelve months is to be recognized. Owing to the short maturities, these generally correspond to the expected losses in the Group over the entire term.

In order to determine the expected credit losses, especially to determine the expected default rates for the trade accounts receivable, the Group developed a model that is generally applied. The Group determines the probability of credit loss on the basis of historical default rates taking forward-looking information into account. Consideration is also given to the respective business model, customer groups and economic environment of the region. A credit loss is generally assumed after 360 days.

Financial assets are fully or partially written-down on the basis of individual valuation allowances if it is reasonable to assume that they can no longer be fully realized, e.g. due to long overdue periods, or due to insolvency or similar proceedings.

Interest-free or low-interest bearing receivables with an expected term of more than one year are discounted. The discount amount is recognized in interest income on a pro rata basis until the receivable is due.

Financial liabilities

Financial liabilities are liabilities that must be settled in cash or other financial assets. Financial liabilities are initially measured at fair value. This includes any transaction costs directly attributable to the acquisition of financial liabilities, which are not carried at fair value through profit or loss in subsequent periods. Subsequent measurement is at amortized cost using the effective interest method.

Trade accounts payable and other non-derivative financial liabilities

Trade accounts payable and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method. For liabilities to financial institutions, transaction costs including premiums payable on redemption or settlement, are accrued periodically using the effective interest method and increase the carrying amount of the liability unless they have already been realized in the period in which they were incurred.

Financial liabilities measured at fair value through profit or loss

At initial recognition, the Group has chosen not to exercise its option of recognizing financial liabilities at fair value through profit or loss.

Derivative financial instruments

Derivative financial instruments, mainly forward exchange contracts and interest rate derivatives, are generally used to reduce the currency risk and interest rate risk arising from floating-rate bonds and liabilities to financial institutions. Such derivative financial instruments and so-called "embedded derivatives", which are an integral part of certain contracts and must be accounted for separately, are measured initially and subsequently at fair value. If the fair value is positive, they are recognized as financial assets, otherwise as financial liabilities. If they do not qualify for hedge accounting, they are recognized at fair value through profit or loss, and gains or losses due to fluctuations in fair value are recognized immediately in profit or loss.

On-balance sheet hedging relationships are mainly used to hedge foreign currency risks of firm commitments and future receivables and liabilities denominated in foreign currency. In the case of cash flow hedges, the



fluctuations in fair value are divided into an effective and an ineffective portion. The effective portion of fluctuations in fair value is recognized initially directly in equity within cumulative other comprehensive income. The Group also exercises the option to initially recognize hedging costs incurred from designated foreign currency derivatives separately in other comprehensive income under equity as costs of the hedge. Both components are reclassified to profit or loss when the hedged item is recognized in profit or loss. The ineffective portion of fluctuations in fair value is recognized directly in profit or loss.

The presentation of changes in the fair value of derivative financial instruments in the statement of profit or loss is similar to the presentation of the hedged items. Foreign currency or commodity forward contracts used to hedge sales risks are presented under net sales. Hedging instruments used to hedge procurement risks are presented under cost of sales, and hedging instruments used to hedge financing risks are presented under the financial result.

More information about derivative financial instruments can be found in Note 21.

Income taxes

Income taxes comprise all current and deferred taxes based on taxable profit. They are calculated taking into account the statutory provisions applying in the countries in which the Group operates. Interest and other surcharges related to income taxes are not recognized in the income tax expense.

In this context, judgements are required to be made by management that could differ from the interpretations of local tax authorities. If this results in changes to income taxes for the past, these are reported in the period in which sufficient information is available. In principle, income taxes are calculated on the basis of the profits reported for the financial year.

To the extent that items are credited or charged directly to other comprehensive income under equity, the corresponding income tax is also recognized directly under equity.

Current income taxes are recognized in the amount in which it is expected that they will have to be paid to the tax authorities in the future.

Deferred taxes are recognized for temporary differences between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax bases. They also include valuations for tax loss carryforwards and tax credits. Where deferred tax assets occur, they are measured and adjusted according to an assessment of their future recoverability. Deferred taxes are measured using the tax rates applicable in future years to the extent that they have already been enacted by law or the legislative process is substantially complete.

Cumulative other comprehensive income

This line item includes changes in the equity not recognized in profit or loss, except those resulting from capital transactions with the shareholders. These include the foreign currency translation adjustment, unrealized gains and losses from the fair value measurement of debt instruments and derivative financial instruments in cash flow hedges, hedging costs related to designated foreign currency derivatives, impairment losses on financial instruments recognized to the fair value through other comprehensive income category, and the share of other comprehensive income attributable to joint ventures accounted for using the equity method. The remeasurement component of pensions and similar obligations is recognized under retained earnings in the period in which it is recognized as other comprehensive income.



Accrued pension and similar obligations

Provisions for pensions and similar obligations for defined benefit plans are measured at the reporting date using the projected unit credit method.

Where payment obligations exist for plan assets due to minimum funding requirements for benefits already earned, this may also lead to the recognition of an additional provision if the economic benefit to the entity of a funding surplus resulting from taking into account the minimum funding requirements yet to be paid is limited. The limit is determined by the present value of any future refunds from the plan or reductions in future contributions to the plan asset (asset ceiling).

With the exception of net interest expense, all income and expenses related to defined benefit plans are recognized under the operating result. The net interest expense included in net periodic pension cost is recognized in the financial result in the consolidated statement of profit or loss.

The Group's obligations for contributions to defined contribution plans are recognized in profit or loss as part of the operating result.

Changes in value arising from the remeasurement of pensions and similar obligations are recognized in other comprehensive income and reported in retained earnings. They consist of actuarial gains and losses, the return on plan assets and changes in the effects of asset ceiling excluding amounts already included in net interest expense in each case. Deferred taxes relating to changes in value from the remeasurement are also recognized in other comprehensive income.

The Group also maintains multi-employer plans, which are held jointly by non-affiliated companies. In principle, these multi-employer plans contain both defined benefit plans and defined contribution plans. Where the necessary information is available in connection with multi-employer defined benefit plans, these plans are accounted for in the same way as any other defined benefit plan. Otherwise, they are accounted for in the same way as defined contribution plans. In particular, there are jointly maintained defined benefit plans in the USA and the Netherlands that are accounted for as defined contribution plans, because it is not possible to allocate the pension obligations and plan assets to the participating employers.

Other provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which will result in a probable outflow of resources embodying economic benefits that will be required to settle the obligation and a reliable estimate can be made of the obligation amount. The amount of the provision represents the best estimate of the settlement amount of the present obligation as of the balance sheet date. Expected reimbursements from third parties are not offset but recognized as a separate asset if it is virtually certain that the reimbursements will be realized. If the interest effect is material, the provisions are discounted using a market interest rate.

A provision for warranties is recognized at the time of the sale of the underlying goods or the rendering of the relevant services. The provision amount is based on the historical development of warranties and the consideration of all possible future warranty cases weighted against their probability of occurrence.

Provisions for restructuring measures are recognized to the extent that a detailed formal restructuring plan has been prepared and the parties concerned have been notified.

A provision for anticipated losses for onerous contracts is recognized when the expected economic benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.



Revenue recognition

Revenue from contracts with customers is recognized when the identifiable performance obligations, i.e. the distinct goods or services promised in the contract are transferred to the customer. The transfer takes place when the customer obtains control of the promised goods or services. This is generally the case when the customer has the ability to direct the use of the transferred goods or services and obtain substantially all of the remaining benefits. Revenue from contracts with customers corresponds to the transaction price. The transaction price includes variable consideration only to the extent it is highly probable that actual occurrence of the variable consideration will not result in a significant revenue reversal. Variable consideration can include for example volume discounts, penalties for missed deadlines, early completion incentives or credits in connection with bonus agreements. The transaction price is not adjusted for a financing component, mainly because the period between the transfer of goods and services and the date of payment by the customer is generally less than 12 months.

Where a contract with a customer has several separately identifiable performance obligations, the transaction price is allocated to the performance obligations by reference to their relative standalone selling prices. The standalone selling prices are determined on the basis of directly observable market prices or using recognized estimation methods.

Revenue from the sale of goods and commodities is recognized at the point in time at which control is transferred to the customer. The time of transfer of control is determined partly on the basis of the delivery clauses agreed with the customer.

Revenue from contracts with customers in the new installation and modernization business is recognized over time by the percentage-of-completion method. The percentage-of-completion is generally determined by the ratio of contract costs incurred up to the reporting date to the total estimated contract costs as of the reporting date. Contract losses are recognized as an expense immediately and reported in the statement of financial position under other provisions. Revenue from the rendering of services is generally recognized over the period in which the services are rendered by allocating the transaction price on a straight-line basis over the period in which the services are rendered.

Incremental costs of obtaining a contract with a customer are capitalized under non-current non-financial assets only if they relate to contracts with an original term of more than 12 months. They are amortized on a straight-line basis over the term of the contract. Costs for contract performance bonds, advance payment guarantees and comparable guarantees in connection with customer contracts are recognized as finance expenses and therefore do not reduce the EBITDA.

If the performance obligations fulfilled for the customer exceed the payments received or outstanding from the customer, contract assets are recognized in the statement of financial position on a net basis insofar as the right to receive payment from the customer is still conditional. Unconditional rights to receive payment are recognized under trade accounts receivable and from this point payment automatically becomes due with the passage of time. If the payments received or outstanding from the customer exceed the performance obligations fulfilled, contract liabilities are recognized in the statement of financial position on a net basis. Provisions are recognized for warranty and product liability obligations; also refer to Note 15. A warranty obligation exists for the seller's assumption of liability for shortages, defects or deficiencies with respect to the quality of a product, whereby the future costs arising from a warranty obligation are uncertain with respect to the amount, the date of occurrence and the respective customer. These warranty obligations do not constitute separate performance obligations under IFRS 15. A provision is recognized if it can be estimated reliably. The amount of the provision is based on an estimate of all costs that may be incurred after sale and delivery to rectify any defects. Product liability obligations relate to potential future payments for damages to third parties arising from the use of defective products. A provision is recognized if specific knowledge of corresponding claims is available.



Research and development costs

Research expenses are recognized immediately to profit or loss.

Development costs that relate to the significant further development of a product or process are capitalized if the product or process is technically and commercially feasible, it is intended to complete the development, the development is marketable, the attributable expenditure can be measured reliably, and the Group has sufficient resources to complete development project. All other development costs are immediately expensed as incurred. Capitalized development costs of completed projects are stated at cost less accumulated amortization and impairment losses.

Segment reporting

In accordance with the management approach, segment reporting of the Group is based on the internal organizational and reporting structure. The data used to determine the internal performance indicators are derived from the IFRS Consolidated Financial Statements, with the exemption of intragroup leases that are classified as current expenses.

Estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates, judgements and assumptions that affect the Group's application of accounting policies and reported amounts of assets and liabilities, income and expenses.

All estimates and assumptions are made to the best of management's knowledge and belief in order to fairly present the Group's net assets, financial position and results of operations; they are reviewed on an ongoing basis. This applies in particular to the possible impacts of the current global COVID-19 pandemic, the war in the Ukraine, and macroeconomic conditions (e.g. with respect to rising interest rates and inflation). Actual results may differ from these estimates.

Accounting estimates and judgments undertaken by management in the application of IFRS that have a significant impact on the consolidated financial statements are required, in particular, for the following matters:

Accounting of business combinations

As a result of acquisitions, goodwill is recognized in the consolidated statement of financial position. In the initial consolidation of a business combination, all identifiable assets, liabilities and contingent liabilities are recognized at their respective fair value at the date of acquisition. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities at the acquisition date. Land, buildings and equipment are usually independently appraised while marketable securities are measured at their quoted market price. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Group either consults with an independent external valuation expert or develops the fair value internally, using an appropriate valuation technique which is generally based on a forecast of the total expected future cash flows. These evaluations are linked closely to the assumptions made by management regarding the future development of the value of the assets concerned and the assumed changes in the discount rate to be applied. For further details, refer to Note 04.

Recoverability of goodwill

The Group tests goodwill for impairment annually and in addition if an indicator exists that goodwill may be impaired. If there is an indication, the recoverable amount of the cash-generating unit is estimated, which is the greater of the fair value less costs to sell and the value in use. The determination of the value in use involves making adjustments and estimates related to the projection and discounting of future cash flows (cf. Note 05). Although management concluded that the assumptions used to calculate the recoverable amount are



appropriate, any unforeseen changes in these assumptions could result in an impairment loss, which could adversely impact the net assets, financial position and results of operations. This approach is also applied to other assets with indefinite useful lives.

Recoverability of assets

In the event of certain events or external circumstances, the Group assesses whether there is any indication that the carrying amounts of its property, plant and equipment or intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In assessing the value in use, discounted future cash flows from the related assets have to be determined. Estimating the discounted future cash flows involves significant assumptions, in particular those regarding future sale prices and sale volumes, costs and discount rates (cf. Notes 05 and 06). Although management believes that its estimates of the relevant expected useful lives, its assumptions concerning the economic environment and developments in the industries in which the Group operates and its estimations of the discounted future cash flows are appropriate, changes in the assumptions or circumstances could require changes in the analysis. This could lead to additional impairment losses in the future or to reversal of impairments if the trends identified by management reverse or the assumptions or estimates prove incorrect.

Other provisions

The recognition and measurement of other provisions are based on the estimation of the probability of a future outflow of resources as well as on the basis of past experience and the circumstances known at the reporting date. This means that the outflow of benefits actually occurring at a later date may differ from the other provisions, cf. also the description under Note 15.

Revenue recognition from contracts with customers

Certain Group entities, in the field of new installations and modernization, report some of their business transactions as construction contracts, in which revenue is recognized over time using the percentage-of-completion method. Under this method, sales are recognized according to the percentage-of-completion. This method requires an accurate estimate of the extent of contract progress. Depending on the method used to determine the stage of completion, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks and other judgments. The management of the operating units continually reviews all estimates involved in such construction contracts and adjust them as necessary.

The expected variable consideration amount is estimated at the inception of a contract with a customer. The estimate is made using either the probability-weighted expected value or the most likely amount. The estimation method giving the better forecast for the respective contract is consistently used. The variable consideration amount estimated at contract inception is reviewed at each reporting date and adjusted as necessary.

In the case of contracts with customers involving multiple distinct performance obligations, the required allocation of the transaction price to the distinct performance obligations is carried out by reference to the relative standalone selling prices. The relative standalone selling prices used generally correspond to directly observable market prices at which the Group company separately sells the performance obligations to other customers. If the standalone selling price is not directly observable, a best estimate of the standalone selling price is made. In these cases, an adjusted market assessment approach, the cost method, or the residual value method are used.

Leases

The measurement of lease liabilities and significant assumptions made about the lease term and the exercise of renewal and purchase options is carried out based on all available facts and circumstances that provide an economic incentive to exercise renewal options or not to exercise termination options. Changes in the lease term due to the exercise or non-exercise of such options are included in the lease term only if they are considered



reasonably certain. Where facts and circumstances change over time, a reassessment of the exercise of the options is undertaken.

Income taxes

The recognition and measurement of current and deferred tax assets and liabilities depend on management's assessment of tax uncertainties and future business performance. This includes both the interpretation of existing tax regulations and the testing of deferred tax assets for impairment. These estimates are adjusted when there is sufficient evidence of the need for such adjustment.

The necessary exercise of discretion in determining the global income tax positions takes into account the respective individual circumstances of the facts and the existing national legal systems including the applicable tax laws and our interpretation of the same.

We are subject to regular tax audits from German and foreign tax authorities.

Tax liabilities are recognized if it is probable that the amounts reported in the tax returns cannot be realized (uncertain tax positions). The amount is determined from the best possible estimate of the expected tax payment (expected value/most probable value). Tax assets from uncertain tax positions are recognized when it is probable that they can be realized. The estimate of the tax treatment and the measurement of the positions are reviewed regularly. Sufficient provisions have been made for years not yet finally assessed for tax purposes. Nevertheless, tax payments in excess of these provisions cannot be ruled out.

Employee benefits

Pensions and similar obligations are recognized in line with actuarial assessments. These assessments are based on statistical and other factors in order to anticipate future events. These factors include actuarial assessments such as discount rate, changes in salary and mortality. These actuarial assumptions may differ significantly from actual developments due to changes in market and economic conditions and therefore lead to a substantial change in pensions and similar obligations, equity and the related future expense (cf. Note 14 for further information).

Legal risks

The Group companies are parties to legal disputes related to a number of litigations. The outcome of these litigations may have a material effect on the Group's net assets, financial position and results of operations. Management regularly analyzes current information about these matters and provides provisions for probable liabilities including the estimate of legal expense to resolve the matters. Internal and external lawyers are engaged for the assessments. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a lawsuit or formal assertion of a claim against the Group companies or the disclosure of any such lawsuit or assertions, does not automatically indicate that a provision of a loss may be appropriate. In connection with the acquisition of thyssenkrupp Elevator, contingent liabilities - including those in connection with legal disputes - are recognized at fair value.

Impact of the COVID-19 Pandemic and the war in the Ukraine

Due to the COVID-19 pandemic, uncertainties remain with respect to the assessment of the impact on the Group's net assets, financial position and results of operations. The effects arising from the COVID-19 pandemic have impacted our Business Units Asia/Pacific, Americas and Europe/Africa, which encompass our elevator and escalator business, to varying degrees. The effects of the COVID-19 pandemic were felt particularly in the Business Unit Asia/Pacific due to regional lockdowns in China. In the Business Unit Access Solutions, the effects of the COVID-19 pandemic were particularly felt in the Airport Solutions division due to reduced passenger volumes at the beginning of the financial year 2021/2022, which led to a decline in new installation and service activities



due to postponements and suspension of some projects. The regional lockdowns also adversely impacted the Chinese business in the Home Solutions division of the Business Unit Access Solutions.

Moreover, the outbreak of war in the Ukraine in February 2022, impacts the global economy and leads to an additional increase in raw material and energy prices, among other items. The potential impact has been assessed on an ongoing basis in the financial year 2021/2022. In addition to the direct impact on the Operating Unit Russia, Eastern Europe and Turkey (RET) within the Business Unit Europe/Africa, the indirect effects on the business development of the Group, such as rising or in some cases highly volatile energy, material and raw material prices, remain very uncertain as of the present time. A possible gas shortage due to a lack of Russian gas supplies and its economic impact are currently not considered to be a significant risk to the business development of the Group as a whole, although certain regions, especially in the Business Unit Europe/Africa, could be more severely affected. The estimates of the effects on business development are characterized by the increased uncertainties concerning the economic environment and possible recessionary developments.

Especially given the circumstances under the COVID-19 pandemic, the war in the Ukraine and macroeconomic conditions (increased capital costs and higher energy and raw material prices), the critical items of goodwill, other intangible assets and property, plant and equipment (cf. Notes 05 and 06), deferred tax assets (cf. Note 30), trade receivables and contract assets (cf. Notes 09 and 10) have been subject to impairment testing during the year and at the reporting date. The impairment testing resulted in impairment losses on intangible assets and property, plant and equipment, in particular of the Operating Unit RET, and on trade receivables and contract assets.

For the customer relationships, the termination rate of the service units as of the date of the purchase price allocation of thyssenkrupp Elevator was compared with the termination rate for the financial year 2021/2022. Furthermore, the adjusted gross margin of the services of the last 12 months as of September 30, 2021, was compared with the financial year 2021/2022 and the development of the cost of capital of the cash-generating units was reviewed. There were indications of a possible impairment at the level of the cash-generating units beyond the impairments already recognized for the Operating Unit RET within the Business Unit Europe/Africa as of March 31, 2022, but which did not lead to any additional impairment in the financial year 2021/2022.

As of March 31, 2022, the impairment test performed due to the immediate impact of the war in the Ukraine and the related expected future business development, resulted in an impairment loss of the Russian assets in the amount of € 21 million, which was recognized within the cost of sales of the Operating Unit RET. Thereof, € 20 million relate to the customer relationships and € 1 million relate to property, plant and equipment. The continued development of the impairment loss on customer relationships due to exchange rate fluctuations amounts to € 23 million as of September 30, 2022. An additional impairment loss of € 2 million was not recognized due to the lower value limits prescribed in IAS 36.105. This largely relates to the capitalized right-of-use assets prescribed in IFRS 16. The recoverable amount relevant for the determination of the impairment loss corresponds to the value in use, which is € 1 million and was determined based on a discount rate (after taxes) of 26% (the corresponding pre-tax discount rate is 32%). Furthermore, write-downs in the amount of € 1 million were recognized on the inventories of the German escalator manufacturing unit within the Business Unit Europe/Africa. The impairment losses recognized during the year as described above in connection with the war in the Ukraine continued to be assessed as appropriate as of September 30, 2022, and accordingly, no write-up was made for these impairment losses. As of September 30, 2022, write-downs in the amount of € 1 million were also made to inventories of the German elevator manufacturing unit for Russian orders within the Business Unit Europe/Africa. Moreover, a provision in the amount of € 12.5 million was recognized in Q3 of the financial year 2021/2022 for potential contractual penalties due to the sanction-related termination of contracts at the Russian company within the Business Unit Europe/Africa.

Accounting pronouncements applied for the first time

In the financial year 2021/2022, the Group has applied the following amendments to the existing standards for the first time, which however have no material impact on the presentation of the financial statements:



- Amendments to IFRS 4 “Insurance Contracts – deferral of IFRS 9”, publication in June 2020
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”, publication in August 2020

The Group does not apply the amendment to IFRS 16 “Leases: Covid-19-Related Rent Concessions beyond 30 June 2021” published in March 2021, because the previous amendment, which gives lessees an option to simplify the accounting for concessions, such as deferral of rental payments or rent reductions, granted in connection with the outbreak of the COVID-19 pandemic, is also not applied.

Accounting pronouncements issued but not yet applicable in financial year 2021/2022

The IASB has issued the following interpretations and amendments to standards and interpretations whose application is not yet effective and some of which require EU endorsement before they are applied. The Group does not currently anticipate that the application of these standards, interpretations and amendments will have a material impact on the presentation of the financial statements:

- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures (2011)”: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”, publication in September 2014, initial application deferred indefinitely
- Amendments to IAS 1 “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”, publication in January 2020 and in October 2022, subject to EU endorsement, expected first-time application in the financial year 2024/2025
- Amendments to IFRS 16 “Leases: Lease liability in a Sale and Leaseback”, publication in September 2022, subject to EU endorsement, expected first-time application in the financial year 2024/2025
- IFRS 17 “Insurance Contracts”, publication in May 2017, including amendments to IFRS 17 “Amendments to IFRS 17”, publication in June 2020, first-time application in the financial year 2023/2024
- Amendments to IFRS 17 “Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information”, publication in December 2021, first-time application in the financial year 2023/2024
- Amendments to IAS 1 “Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies”, publication in February 2021, expected first-time application in the financial year 2023/2024
- Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”, publication in February 2021, expected first-time application in the financial year 2023/2024
- Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”, publication in May 2021, expected first-time application in the financial year 2023/2024
- Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements Process 2018-2020 cycle, publication in May 2020, expected first-time application in the financial year 2022/2023



04 Consolidated companies and equity interest

Scope of consolidation

The following table shows the scope of consolidation in the financial years 2021/2022 and 2020/2021, respectively:

Acquisitions/divestitures of businesses

Number of consolidated companies	Germany	Abroad	Total
Balance as of Sept. 30, 2020	18	106	124
Additions	-	7	7
Disposals	2	7	9
Balance as of Sept. 30, 2021	16	106	122
Additions	4	6	10
Disposals	3	6	9
Balance as of Sept. 30, 2022	17	106	123

The additions in financial year 2021/2022 essentially relate to acquisitions and the disposals mainly relate to mergers.

The company TK Elevator Management Ltd., based in Israel, of which 100% of the shares are held, is not consolidated because it has an immaterial influence on the net assets, financial position and results of operations of the Group. The company's revenue amounts to € 0 thousand (prior year: € 0 thousand), the net result amounts to € (3) thousand (prior year: € (3) thousand) and equity amounts to € (70) thousand (prior year: € (62) thousand). There are no other companies that are not consolidated.

The complete list of the Group's shareholdings is presented below.

No.	Name and registered office	Share in capital (%)	Held via No.	Holding in %
Argentina				
1	TK Elevadores Argentina S.A., Buenos Aires, Argentina	100	89 15	94.98 5.02
Australia				
2	TK Elevator Australia Pty. Ltd., Sydney/New South Wales, Australia	100	3	100
3	TK Elevator Pacific Pty. Ltd., Alexandria/New South Wales, Australia	100	41	100
Austria				
4	TK Aufzüge Gesellschaft m.b.H., Vienna, Austria	100	69	100
5	TK Elevator Eastern Europe GmbH, Vienna, Austria	100	37 89 4	74 15 11
Bahrain				
6	TK Elevator Almoayyed W.L.L., Manama, Bahrain	70	41	70
Bangladesh				
7	TK Elevator Bangladesh Private Limited, Dhaka, Bangladesh	100	50	100
Belgium				
8	TK Elevator Belgium N.V./S.A., Brussels, Belgium	100	37	100
9	TK Home Solutions N.V., Gent, Belgium	100	71 46	99.93 0.07



Brazil				
10	TK Elevadores Brasil LTDA, Guaíba, Brazil	100	89	100
Cambodia				
11	TK Elevator (Cambodia) Co., Ltd., Phnom Penh, Cambodia	100	41	100
Canada				
12	TK Elevator Canada Holding, Inc., Calgary/Alberta, Canada	100	69	100
13	TK Elevator Canada Ltd., Toronto/Ontario, Canada	100	14	100
14	TK Northern Elevator Corp., Scarborough/Ontario, Canada	100	12	100
Chile				
15	TK Elevadores Chile S.A., Santiago de Chile-Nunoa, Chile	100	89	98.84
			1	1.16
China				
16	Marohn TK Elevator Co. Ltd., Shanghai, China	51	69	51
17	TK Access Solutions (Shanghai) Co. Ltd., Shanghai, China	100	19	100
18	TK Airport Solutions Co, Ltd., Zhongshan/Guangdong, China	100	19	100
19	TK Elevator (China) Co., Ltd., Zhongshan, Guangdong Province, China	100	41	100
20	TK Elevator (Shanghai) Co. Ltd., Shanghai, China	100	19	100
21	TK Escalator Co. Ltd., Zhongshan, Guangdong Province, China	100	19	100
Colombia				
22	TK Elevadores Colombia S.A., Bogota, Colombia	100	89	94
			1	1.5
			15	1.5
			47	1.5
			79	1.5
Denmark				
23	TK Elevator A/S, Glostrup, Denmark	100	37	100
Egypt				
24	TK Elevator Egypt S.A.E, Cairo, Egypt	100	89	57.74
			41	42.26
France				
25	Drieux-Combaluzier S.A.S., Les Lilas, France	100	29	100
26	MGTI S.A.S., Rungis, France (formerly MGTI S.A.S., Ivry-sur-Seine, France)	100	29	100
27	Proxi-Line S.a.r.l., Angers Cédex, France	100	28	100
28	TK Elevator France Holding S.A.S., Rueil-Malmaison, France	100	69	100
29	TK Elevator France S.A.S., Angers Cédex, France	100	28	100
Germany				
30	ELEG Europäische Lift + Escalator GmbH, Düsseldorf, Germany	100	41	100
31	LiftEquip GmbH Elevator Components, Neuhausen a.d.F., Germany	100	37	100
32	Rheinstahl Union Gesellschaft mit beschränkter Haftung, Düsseldorf, Germany	100	41	100
33	Tepper Aufzüge GmbH, Münster, Germany	100	37	100
34	TK Aufzüge GmbH, Neuhausen a. d. Fildern, Germany	100	37	100
35	TK Aufzugswerke GmbH, Neuhausen a.d.F., Germany	99.5	37	99.5
36	TK Aufzugswerke Newco GmbH, Stuttgart, Germany	99.5	35	99.5
37	TK Elevator Europe Africa GmbH, Essen, Germany	100	41	100
38	TK Elevator GmbH, Essen, Germany	100	40	100



39	TK Elevator Holdco GmbH, Essen, Germany	100	44	100
40	TK Elevator Holding GmbH, Essen, Germany	100	43	100
41	TK Elevator Innovation and Operations GmbH, Düsseldorf, Germany	100	38	100
42	TK Elevator Midco GmbH, Essen, Germany	100	39	100
43	TK Elevator Newco GmbH, Essen, Germany	100	42	100
44	TK Elevator Topco GmbH, Essen, Germany ¹			
45	TK Fahrtreppen GmbH, Hamburg, Germany	100	37	100
46	TK Home Solutions GmbH, Essen, Germany	100	41	100
Guatemala				
47	TK Elevadores Centroamerica S.A., Guatemala, Guatemala	100	89	97.54
			1	2.46
Hong Kong				
48	TK Elevator Hong Kong Limited, Hong Kong, Hong Kong	100	41	100
Hungary				
49	TK Elevator Solution Center Europe Kft., Budapest, Hungary	100	37	100
India				
50	TK Elevator India Private Limited, Maharashtra, India	100	41	100
Indonesia				
51	PT. TKE Elevator Indonesia, Jakarta, Indonesia	94.67	41	94.67
Ireland				
52	TK Elevator Ireland, Ltd., Sword, Co Dublin, Ireland	100	113	100
Israel				
53	TK Elevator Israel Holding LP, Rishon Le'zion, Israel	100	89	49.9
			30	49.9
			54	0.2
54	TK Elevator Management Ltd., Rishon Le'zion, Israel ²	100	30	50
			89	50
Italy				
55	TK Elevator Italia S.p.A., Cologno Monzese, Italy	100	69	100
56	TK Home Solutions S.r.l., Pisa, Italy	100	55	100
Japan				
57	TK Home Solutions Japan Co., Ltd., Tokyo, Japan	100	41	100
Jordan				
58	TK Elevator Innovation and Operations GmbH/Jordan Co. Ltd., Amman, Jordan	100	41	100
Korea				
59	TK Elevator Korea Ltd., Seoul, Korea	100	41	100
Kuwait				
60	TK Elevator Kuwait for General Trading and Contracting Co WLL, Kuwait, Kuwait (formerly thyssenkrupp Elevator Kuwait Trading Co. WLL., Kuwait, Kuwait)	100	41	100
Luxembourg				
61	TK Elevator Luxembourg S.à.r.l., Contern, Luxembourg	100	37	100
Malaysia				
62	TK Elevator Malaysia Sdn. Bhd., Selangor Darul Ehsan, Malaysia	100	41	100

¹Parent company

²Immaterial, unconsolidated company



63	TK Lif & Eskalator Sdn. Bhd., Shah Alam, Malaysia	100	41 62	70 30
Mexico				
64	TK Elevadores Mexico S.A. de C.V., Mexico City, Mexico	100	89 1	99.98 0.02
Monaco				
65	Compagnie des Ascenseurs et Elevateurs S.A.M. 'CASEL SAM', Monaco, Monaco	100	29	100
Morocco				
66	thyssenkrupp Elevator Maroc S.A.R.L., Casablanca. Marruecos, Morocco	100	89	100
Myanmar				
67	TKE Elevator Myanmar Limited, Yangon, Myanmar	100	69	100
Netherlands				
68	SkyLift B.V., Barneveld, Netherlands	100	71 70	99.94 0.06
69	TK Elevator International Holding B.V., Roermond, Netherlands	100	38	100
70	TK Elevator Netherlands B.V., Capelle aan den IJssel, Netherlands	100	71	100
71	TK Elevator Netherlands Holding B.V., Capelle aan den IJssel, Netherlands	100	69	100
72	TK Home Solutions B.V., Krimpen aan den IJssel, Netherlands	100	71	100
New Zealand				
73	TK Elevator New Zealand Ltd., Auckland, New Zealand	100	2	100
Norway				
74	TK Elevator Norway AS, Oslo, Norway	100	75	100
75	TK Elevator Norway Holding AS, Oslo, Norway	100	37	100
76	TK Rulletrapper AS, Oslo, Norway	100	75	100
Panama				
77	TK Elevadores Panama S.A., Panama, Panama	100	89	100
Paraguay				
78	TK Elevadores Paraguay SRL, Asunción, Paraguay (formerly thyssenkrupp Elevadores, S.R.L., Asunción, Paraguay)	100	89	100
Peru				
79	TK Elevadores Peru S.A.C., Lima, Peru	100	89 1	99.81 0.19
Portugal				
80	TK Elevadores Portugal Unipessoal Lda., Lisbon, Portugal	100	89	100
Puerto Rico				
81	TK Elevator Inc., San Juan, Puerto Rico	100	119	100
Qatar				
82	TK Elevator W.L.L., Doha, Qatar	100	41	100
Russia				
83	OOO TK Elevator, Moscow, Russia	100	37	100
Saudi Arabia				
84	TK Elevator Saudi Arabia Limited, Riyadh, Saudi Arabia	100	37 32	90 10
Singapore				
85	TK Elevator Singapore Pte. Ltd., Singapore, Singapore	100	69	100



Slovenia			
86	thyssenkrupp dvigala d.o.o., Trzin, Slovenia	100	4 100
South Africa			
87	thyssenkrupp Elevator (South Africa) (Pty.) Ltd., Johannesburg, South Africa	100	41 100
Spain			
88	TK Airport Solutions, S.A., Mieres, Spain	100	89 100
89	TK Elevadores España S.L.U., Madrid, Spain	100	90 100
90	TK Elevator Ibérica Holding S.L.U., Madrid, Spain	100	69 100
91	TK Elevator Manufacturing Spain Newco, S.L., Móstoles (Madrid), Spain	100	92 100
92	TK Elevator Manufacturing Spain S.L.U., Mostoles, Spain	100	89 100
93	TK Escalator Norte S.A., Mieres (Asturias), Spain	100	90 66.30
			89 33.70
Sweden			
94	Globus TT AB, Södermanlands län, Nyköping kommun, Sweden	100	96 100
95	Hissteknik i Göteborg AB, Göteborg, Sweden	100	96 100
96	Nordic Lift Holding AB, Göteborg, Sweden	100	101 100
97	RC Hisservice AB, Varberg, Sweden	100	96 100
98	Rikshiss Service AB, Västra Götlands län, Göteborg kommun, Sweden	100	96 100
99	S:t Eriks Hiss AB, Stockholm, Sweden	100	101 100
100	Stockholms Hiss- & Elteknik AB, Stockholm, Sweden	100	101 100
101	TK Elevator Sweden AB, Stockholm, Sweden	100	75 100
Switzerland			
102	TK Aufzüge AG, Rümlang, Switzerland	100	37 85.84
			29 14.16
103	Trapo Küng AG, Zwingen, Switzerland	100	102 100
Taiwan			
104	Sun Rich Elevator Co., Ltd., Taichung, Taiwan (formerly Sun Rich Elevator Co., Ltd., Taipei, Taiwan)	100	41 100
105	TK Elevator Taiwan Co., Ltd., New Taipei City, Taiwan (formerly TK Elevator Taiwan Co., Ltd., Taipei, Taiwan)	100	41 100
Thailand			
106	TK Elevator (Thailand) Co., Ltd., Bangkok, Thailand	100	41 100
Turkey			
107	TK Asansör Sanayi ve Tic. A.Ş., Ümraniye / Istanbul, Turkey	100	89 47.35
	(formerly TK Asansör Sanayi ve Tic. A.Ş., Atasehir – Istanbul, Turkey)		37 35.55
			41 17.10
United Arab Emirates			
108	TK Elevator L.L.C., Abu Dhabi, United Arab Emirates	49	41 49
109	TK Elevator UAE LLC, Dubai, United Arab Emirates	100	41 100
United Kingdom, Great Britain and North Ireland			
110	Lift & Engineering Services Ltd., Cradley Heath, West Midlands, United Kingdom, Great Britain and North Ireland	100	69 100
111	SDV Escalators Ltd. (UK), Lenton, Nottingham, United Kingdom, Great Britain and North Ireland	100	69 100
112	TK Access Solutions Ltd., Stockton-on-Tees, United Kingdom, Great Britain and North Ireland	100	69 100



113	TK Elevator UK Holding Ltd., Hucknall Nottingham, United Kingdom, Great Britain and North Ireland (formerly TK Elevator UK Holding Ltd., Lenton, Nottingham, United Kingdom, Great Britain and North Ireland)	100	69	100
114	TK Elevator UK Ltd., Hucknall, Nottingham, United Kingdom, Great Britain and North Ireland (formerly TK Elevator UK Ltd., Lenton, Nottingham, United Kingdom, Great Britain and North Ireland)	100	113	100
Uruguay				
115	TK Elevadores Uruguay SRL, Montevideo, Uruguay	100	89	99.42
			1	0.58
USA				
116	TK Access Solutions Corp., Kansas City/Missouri, USA	100	123	100
117	TK Airport Solutions Inc., Wilmington, Delaware, USA	100	123	100
118	TK Elevator Americas Corporation, Wilmington/Delaware, USA	100	123	100
119	TK Elevator Corporation, Wilmington/Delaware, USA	100	118	100
120	TK Elevator Manufacturing Inc., Wilmington/Delaware, USA	100	119	100
121	TK Elevator Real Estate USA, LLC, Chicago, Il, USA	100	123	100
122	TK Elevator U.S. Newco, Inc., New York, USA	100	43	100
123	TK Elevator USA Holding, Inc., Chicago/ Il., USA	100	122	100
Vietnam				
124	TK Elevator Vietnam Co., Ltd., Hanoi, Vietnam (formerly thyssenkrupp Elevator Vietnam Co., Ltd., Hanoi, Vietnam)	100	41	100

Acquisitions

In the financial year 2021/2022, the Group executed minor acquisitions which individually and in aggregate are not material. The following companies/assets were acquired:

- Maintenance portfolio of Instalacion de Aparatos Elevadores, S.A. in Madrid, Spain, on December 3, 2021,
- Maintenance and emergency call contracts of BOS-Aufzüge GmbH, Nörten-Hardenberg, Germany, on January 1, 2022,
- 100% of the shares in MW-Aufzüge GmbH, in Bad Tennstedt, Germany, on January 5, 2022,
- 100% of the shares in MS Aufzugsbau und -service GmbH, in Wuppertal, Germany, on January 13, 2022,
- 100% of the shares in Syrotec GmbH, in Kaiserslautern, Germany, on May 27, 2022, and
- 100% of the shares in Nordic Lift Holding AB, Göteborg, Sweden, on September 7, 2022

These acquisitions comprise of asset and share deals. Based on the purchase price allocations, of which some are preliminary, the acquisitions have the following impact on the consolidated financial statements:



Acquisitions

million €	
Goodwill	20
Other intangible assets	14
Property, plant and equipment	2
Other non-current financial assets	1
Other non-current non-financial assets	0
Deferred tax assets	1
Inventories	2
Trade accounts receivable	4
Contract assets	1
Other current financial assets	0
Other current non-financial assets	1
Current income tax assets	0
Cash, cash equivalents and time deposits	2
Total assets	46
Other non-current provisions	2
Deferred tax liabilities	2
Non-current financial debt	1
Provisions for current employee benefits	0
Other current provisions	0
Current financial debt	0
Trade accounts payable	3
Other current financial liabilities	2
Contract liabilities	1
Other current non-financial liabilities	4
Total liabilities	16
Net assets	30
Non-controlling interest	-
Purchase prices (100% stake)	30
Thereof: paid in cash and cash equivalents	26

The acquisitions were undertaken in order to strengthen the Group's market positions in Germany and abroad.



Notes to the Consolidated Statements of Financial Position

05 Intangible assets

Changes in the intangible assets of the Group are as follows:

Changes in intangible assets

million €	Development costs, self-developed software and website	Brands	Customer relationships	Franchises, patents, acquired software and similar rights and values as well as licenses thereto	Goodwill	Total
Gross amounts						
Balance as of Oct. 01, 2020	48	889	5,736	285	12,094	19,052
Currency differences	(0)	1	107	2	296	405
Acquisitions/divestitures of businesses	-	0	49	0	63	113
Additions	40	-	0	16	-	56
Transfers	(1)	-	(0)	1	-	0
Disposals	(1)	-	(0)	(4)	-	(5)
Balance as of Sept. 30, 2021	87	890	5,892	301	12,452	19,621
Currency differences	(0)	3	674	8	1,257	1,942
Acquisitions/divestitures of businesses	0	0	13	(0)	23	36
Additions	51	-	-	16	-	67
Transfers	(0)	-	-	3	-	3
Disposals	(0)	-	(2)	(2)	-	(4)
Balance as of Sept. 30, 2022	138	893	6,577	326	13,732	21,665
Accumulated amortization and impairment losses						
Balance as of Oct. 01, 2020	(1)	(0)	(90)	(6)	-	(98)
Currency differences	(0)	-	(16)	(0)	-	(16)
Acquisitions/divestitures of businesses	-	-	(1)	(0)	(0)	(1)
Amortization expense	(5)	(0)	(540)	(41)	-	(586)
Impairment losses	-	-	(0)	-	-	(0)
Reversals of impairment losses	-	-	-	0	-	0
Transfers	-	-	-	-	-	-
Disposals	0	-	-	3	-	3
Balance as of Sept. 30, 2021	(7)	(0)	(648)	(45)	(0)	(699)
Currency differences	0	0	(101)	(2)	-	(103)
Acquisitions/divestitures of businesses	-	-	(0)	0	-	(0)
Amortization expense	(7)	(0)	(353)	(35)	-	(396)
Impairment losses	(4)	-	(23)	-	-	(27)
Reversals of impairment losses	-	-	-	-	-	-
Transfers	-	-	-	0	-	0
Disposals	-	-	0	2	-	2
Balance as of Sept. 30, 2022	(18)	(1)	(1,126)	(80)	(0)	(1,223)
Net amounts						
Balance as of Oct. 01, 2020	47	889	5,645	279	12,094	18,954
Balance as of Sept. 30, 2021	80	889	5,244	256	12,452	18,921
Balance as of Sept. 30, 2022	120	892	5,451	247	13,732	20,442

Brands

The "TK Elevator" brand was transferred for an indefinite period and is recognized as an intangible asset in the context of the purchase price allocation in the amount of € 821 million. Additional brands ("Tepper", "Skylift", "O'Keefe", "Sänfte" and "Marohn") were also acquired as part of the acquisition of thyssenkrupp Elevator in the short financial year 2020. For the purpose of determining whether the useful life of the brand is indefinite or finite, the following main aspects were considered from the perspective of a hypothetical acquirer:



- the expected use of the brand by the Group,
- typical product life cycles for this type of brand and estimates of the economic useful lives of comparable assets used in a similar manner,
- the level of maintenance expenditure required to obtain the expected future benefits from the brand and the Group's ability and intention to achieve that level,
- the period of control over the brand and any legal or similar restrictions on the use of the brand.

The identified brands are not amortized primarily due to their indefinite useful lives, but are tested for impairment in conformity with IAS 38.108 and IAS 36. Since the brands are allocated to the same level as goodwill, the same assumptions apply as for the impairment testing of goodwill.

Customer relationships

As of September 30, 2022, the value for customer relationships amounts to € 5,451 million (prior year: € 5,244 million), which largely arose from the valuation as part of the purchase price allocation from the acquisition of thyssenkrupp Elevator in the short financial year 2020, and were amortized over the economic useful life. Due to the immediate effects of the war in the Ukraine and the related expected future business development, an impairment loss was recognized on customer relationships within the Operating Unit RET in the amount of € 20 million as of March 31, 2022; also refer to the explanations under Note 03. The continued development of the impairment loss on customer relationships due to the exchange rate fluctuations amounts to € 23 million as of September 30, 2022.

Impairment of other intangible assets

In the financial year 2021/2022, impairment losses in the amount of € 4 million were recognized within development costs due to the discontinuation of projects.

Goodwill

Goodwill (excluding goodwill of investments accounted for at equity) has been allocated to the cash-generating units (CGUs) of all business units. The higher of value in use and fair value less costs to sell determine the recoverable amount of a CGU in accordance with IFRS. In the scope of the consolidated financial statements, the higher value for the CGUs was determined on the basis of the value in use using the discounted cash flow method. The planned after-tax cash flow projections from the bottom-up three-year plan which were approved by the Company's management are applied. For two additional planning years, an extrapolation by the Company's management was taken into account. The last year of the extrapolation is basically used to determine the cash flows for the perpetual annuity and is modified taking into account further parameters for the perpetual annuity. A business-specific sustained growth rate is taken into account. The growth rate applied is between 1.36% and 1.62% for all CGUs (prior year: 1.25%). The total cost of capital used for discounting is based on a risk-free interest rate of 1.5% (prior year: 0.1%) and a market risk premium of 7.5% (prior year: 7.5%). Moreover, for each CGU the beta factor, the cost of debt and the capital structure is derived individually from the relevant peer group. In addition, CGU-specific tax rates and country risk premiums are applied. In the financial year 2021/2022, a change in estimate was made in accordance with IAS 8 with regard to the determination of country risk premiums as part of the derivation of the cost of capital, as the derivation of the country risk premium now applied is based on capital market parameters as of the reporting date. If the previous method of deriving the country risk premiums had been continued, there would also have been no need to recognize impairment losses for any of the CGUs. The cash flows are discounted using after-tax discount rates. Based on an iterative calculation, the following pre-tax discount rates are derived from the after-tax discount rates:

Pre-tax discount rates

in %	Ranges	
	Sept. 30, 2021	Sept. 30, 2022
TK Elevator Topco Group	7.0 - 10.3	9.2 - 10.4



The values in use for the CGUs are determined based on both historical data and expected market performance; also refer to the general information in Note 03. The values assigned to the key assumptions are generally consistent with external information sources.

A total of five groups of CGUs were identified within the Group. A goodwill is allocated to all CGUs. As of September 30, 2022, total goodwill amounts to € 13,732 million (prior year: € 12,452 million). The increase in goodwill is mainly attributable to the exchange rate fluctuations. The majority of the total goodwill is attributable to the CGUs Americas, Europe/Africa and Asia/Pacific, which are shown in the following table:

Material goodwill amounts as of September 30, 2022:

Carrying amount of goodwill allocated to CGU (Segment) in € million	Share in total goodwill in %	Carrying value of the assets with indefinite useful life allocated to the CGU (Segment) in € million	Pre-tax discount rate in %	Growth rate in %	Descriptions of key assumptions for the business plans	Procedure used to determine key assumptions	
Americas	6,793	49	360	9.2	1.6	- Market growth rates - Business cycles - Exchange and interest rates - Changes to the product portfolio	Consideration of economic assumptions set by TK Elevator Topco GmbH
Europe/ Africa	2,497	18	220	9.2	1.5	- Market growth rates - Business cycles - Changes to the product portfolio	Consideration of economic assumptions set by TK Elevator Topco GmbH
Asia/ Pacific	4,059	30	270	9.4	1.4	- Market growth rates - Business cycles - Exchange and interest rates	Consideration of economic assumptions set by TK Elevator Topco GmbH

Material goodwill amounts as of September 30, 2021:

Carrying amount of goodwill allocated to CGU (Segment) in € million	Share in total goodwill in %	Carrying value of the assets with indefinite useful life allocated to the CGU (Segment) in € million	Pre-tax discount rate in %	Growth rate in %	Descriptions of key assumptions for the business plans	Procedure used to determine key assumptions	
Americas	5,773	46	343	7.0	1.25	- Market growth rates - Business cycles - Exchange and interest rates	Consideration of economic assumptions set by TK Elevator Topco GmbH and external market studies
Europe/ Africa	2,449	20	227	7.8	1.25	- Market growth rates - Business cycles	Consideration of economic assumptions set by TK Elevator Topco GmbH and external market studies
Asia/ Pacific	3,847	31	277	8.0	1.25	- Market growth rates - Business cycles - Exchange and interest rates	Consideration of economic assumptions set by TK Elevator Topco GmbH and external market studies

The annual goodwill impairment test did not arise in an impairment requirement for any CGU, because the recoverable amount was above the carrying amount of the CGU in all cases.

Even in the event of a change in the key valuation assumptions, no CGU would be impaired.

Goodwill impairment

No impairment losses have been recognized in the financial year 2021/2022 and in financial year 2020/2021.



O6 Property, plant and equipment

The Group's property, plant and equipment developed as follows:

Changes in property, plant and equipment

million €	Land, leasehold rights and buildings including buildings on third-party land	Technical machinery and equipment	Other equipment, factory and office equipment	Right-of-use assets	Assets under operating lease	Construction in progress	Total
Gross amounts							
Balance as of Oct. 01, 2020	393	93	158	305	2	81	1,033
Currency differences	7	2	4	7	-	1	22
Acquisitions/divestitures of businesses	(0)	1	1	1	0	-	3
Additions	46	11	29	157	1	8	251
Transfers	0	1	6	(0)	0	(3)	4
Disposals	(0)	(2)	(7)	(20)	0	(1)	(31)
Balance as of Sept. 30, 2021	446	105	192	451	2	86	1,284
Currency differences	33	13	11	51	-	6	114
Acquisitions/divestitures of businesses	-	0	0	2	-	-	2
Additions	14	13	24	140	1	17	211
Transfers	79	12	(8)	-	(0)	(85)	(2)
Disposals	(33)	(5)	(8)	(45)	(0)	(3)	(94)
Balance as of Sept. 30, 2022	539	140	212	600	3	21	1,514
Accumulated depreciation and impairment losses							
Balance as of Oct. 01, 2020	3	3	6	16	0	-	28
Currency differences	0	0	1	2	(0)	-	3
Acquisitions/divestitures of businesses	(0)	(0)	1	0	-	-	0
Depreciation expense	18	20	34	97	1	-	170
Impairment losses	-	-	-	-	-	-	-
Reversals of impairment losses	-	-	(0)	-	-	-	(0)
Transfers	-	(0)	0	-	-	-	-
Disposals	(0)	(2)	(5)	(1)	-	-	(8)
Balance as of Sept. 30, 2021	20	22	38	113	1	-	195
Currency differences	2	4	3	16	(0)	-	25
Acquisitions/divestitures of businesses	-	0	0	-	-	-	0
Depreciation expense	23	21	31	110	1	-	186
Impairment losses	-	0	1	-	-	-	1
Reversals of impairment losses	-	-	-	-	-	-	-
Transfers	-	1	(1)	-	(0)	-	0
Disposals	(16)	(4)	(7)	(14)	(0)	-	(40)
Balance as of Sept. 30, 2022	30	44	66	225	2	-	368
Net amounts							
Balance as of Oct. 01, 2020	390	90	152	289	2	81	1,005
Balance as of Sept. 30, 2021	425	83	154	338	1	86	1,088
Balance as of Sept. 30, 2022	509	95	146	374	1	21	1,146

In the financial year 2021/2022, buildings and land in the Business Unit Europe/Africa, mainly in the Operating Unit France, were sold, which resulted in a loss on disposal.

In addition, impairment losses, mainly in the Operating Unit RET, were recognized in the amount of € 1 million in the financial year 2021/2022, due to the immediate impact of the war in the Ukraine and the related expected future business development; cf. also Note 03.

Leases – for lessees (IFRS 16)

Property, plant and equipment also include right-of-use assets, the composition and development of which are presented below:



Changes in right-of-use assets

million €	Land	Buildings	Technical machinery and equipment	Other equipment, factory and office equipment	Total
Gross amounts					
Balance as of Oct. 1, 2020	2	204	1	98	305
Currency differences	0	5	0	2	7
Acquisitions/divestitures of businesses	-	1	0	1	1
Additions	0	111	0	46	157
Transfers	-	-	(0)	-	(0)
Disposals	-	(15)	-	(5)	(20)
Balance as of Sept. 30, 2021	3	305	1	142	451
Currency differences	0	34	0	17	51
Acquisitions/divestitures of businesses	-	1	-	1	2
Additions	-	85	0	56	140
Transfers	-	1	(1)	1	-
Disposals	(1)	(33)	(0)	(11)	(45)
Balance as of Sept. 30, 2022	2	392	0	205	600
Accumulated depreciation and impairment losses					
Balance as of Oct. 1, 2020	0	9	0	7	16
Currency differences	0	1	0	1	2
Acquisitions/divestitures of businesses	-	(0)	0	0	0
Depreciation expense	-	55	0	41	97
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	-	(2)	-	0	(1)
Balance as of Sept. 30, 2021	0	64	0	49	113
Currency differences	0	10	(0)	6	16
Acquisitions/divestitures of businesses	-	-	-	-	-
Depreciation expense	0	65	0	45	110
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Transfers	-	-	-	0	-
Disposals	-	(8)	(0)	(6)	(14)
Balance as of Sept. 30, 2022	0	130	0	95	225
Net amounts					
Balance as of Oct. 1, 2020	2	195	1	91	289
Balance as of Sept. 30, 2021	2	241	1	93	338
Balance as of Sept. 30, 2022	2	262	0	110	374

As a lessee, the Group predominantly leases buildings and other equipment, factory and office equipment. The lease liabilities arising from the lease are reported under financial debt (cf. Note 16).

07 Investments accounted for using the equity method

One joint venture was accounted for using the equity method until December 1, 2020, which was immaterial. Since December 1, 2020, this company has been fully consolidated as a wholly-owned subsidiary following the acquisition of the remaining shares.

The aggregated financial information of the immaterial investment accounted for using the equity method is presented in the table below. The information stated represents the Group's share in the investment. The



financial information stated for the financial year 2020/2021 relates only to the period in which it was still represented as a joint venture.

Summarized financial information of investments accounted for using the equity method

	Joint ventures	
million €	2020/2021	2021/2022
Income/(loss) from continuing operations (net of tax)	0	-
Other comprehensive income	-	-
Total comprehensive income	0	-

08 Inventories

Inventories	Sept. 30, 2021	Sept. 30, 2022
million €		
Raw materials	187	239
Supplies	24	25
Work in process	268	292
Finished products, merchandise	123	141
Total	602	697

In total, inventories in the amount of € 3,166 million (prior year: € 2,788 million) are recognized as cost of sales in the reporting period. Before intra-Group sales consolidation, the cost of materials amounted to € 5,324 million (prior year: € 5,023 million). In the financial year 2021/2022, the write-downs of inventories amounted to € 14 million (prior year: € 10 million).

09 Trade accounts receivable

Trade accounts receivable in the amount of € 2 million (prior year: € 0 million) have a remaining term of more than one year. As of September 30, 2022, the total impairments for receivables amount to € 187 million (prior year: € 157 million); for more details refer to disclosures in Note 21 Financial instruments.

10 Assets and liabilities from contracts with customers

As of September 30, 2022, the Group reports contract assets in the amount of € 522 million under current assets (prior year: € 399 million); of which € 268 million (prior year: € 198 million) have a remaining term of more than one year. In the financial year 2021/2022 impairment losses on contract assets in the amount of € 6 million (prior year: € 7 million) are recognized under selling expenses. The cumulative adjustment to revenue impacting the related contract assets amounts to € (22) million (prior year: € (8) million) for the financial year 2021/2022.

As of September 30, 2022, the Group's current liabilities include contract liabilities in the amount of € 2,033 million (prior year: € 1,732 million); of which € 1,236 million (prior year: € 990 million) have a remaining term of more than one year. In the financial year 2021/2022, revenue of € 1,451 million (prior year: € 1,126 million) was recognized, which had been included in the net balance of contract liabilities at the beginning of the financial year. The cumulative adjustment to revenue impacting the related contract liability amounts to € 2 million (prior year: € 2 million) for the financial year 2021/2022.



Costs of initiating/fulfilling contracts with customers amount to € 19 million as of September 30, 2022 (prior year: € 12 million). No impairment losses were recognized for those items in the financial year 2021/2022 as well as in the financial year 2020/2021.

The total transaction price allocated to performance obligations that were unfulfilled or partially unfulfilled as of September 30, 2022, and have an original maturity of more than 12 months – making appropriate use of the relief provision under IFRS 15.121a – amounts to € 3,985 million (prior year: € 3,100 million). The expected recognition of the corresponding future revenue by period is as follows:

Future sales from contracts with customers: Sept. 30, 2022

million €	
(for financial years)	
2022/2023	2,535
2023/2024 – 2026/2027	1,416
after 2026/2027	35
Total	3,985

In the prior year, the expected future revenue was as follows:

Future sales from contracts with customers: Sept. 30, 2021

million €	
(for financial years)	
2021/2022	1,446
2022/2023 – 2025/2026	1,502
after 2025/2026	153
Total	3,100

11 Other financial assets

Other financial assets

million €	Sept. 30, 2021		Sept. 30, 2022	
	current	non-current	current	non-current
Other miscellaneous financial assets	64	434	41	441
Equity instruments	-	0	-	0
Debt instruments	0	3	0	3
Derivatives not qualifying for hedge accounting	10	-	5	284
Derivatives qualifying for hedge accounting	2	-	3	-
Total	76	437	49	727

Other financial assets in the amount of € 727 million (prior year: € 437 million) have a remaining term of more than one year. There were no impairment losses on other financial assets as of September 30, 2022, and in the previous year.

In the financial year 2021/2022, interest rate caps denominated in US Dollar and interest rate swaps denominated in euros were concluded, which result in the recognition of non-current derivatives without hedge accounting in the amount of € 284 million; cf. also Note 21.

Miscellaneous other non-current financial assets mainly comprise restricted cash, cash equivalents and time deposits of € 412 million as of September 30, 2022 (prior year: € 407 million). This item also includes compensation claims in the amount of € 25 million (prior year: € 26 million), which relate to the Elevator cartel and are therefore also shown under provisions; also refer to the description in Note 15. The remaining amount of other financial assets is comprised of a large number of individual items.



12 Other non-financial assets

Other non-financial assets

million €	Sept. 30, 2021		Sept. 30, 2022	
	current	non-current	current	non-current
Advance payments on intangible assets	-	1	-	1
Advance payments on property, plant and equipment	-	1	-	4
Advance payments on right-of-use assets		0		0
Advance payments to suppliers of inventories and to other current non-financial assets	48	-	51	-
Prepayments	38	-	55	-
Miscellaneous	222	26	166	45
Total	308	28	272	50

Other non-financial assets in the amount of € 50 million (prior year: € 28 million) have a remaining term of more than one year. As of September 30, 2022, and in the previous year, there were no impairment losses on other non-financial assets.

Miscellaneous other non-financial current assets include tax refund claims in the amount of € 96 million as of September 30, 2022 (prior year: € 142 million). Miscellaneous other non-financial non-current assets include € 19 million (prior year: € 12 million) of contract initiation costs and € 18 million (prior year: € 13 million) to offset the reimbursement claim for liabilities from insurance in the Business Unit Americas. The remaining amount of other non-financial assets is comprised of a large number of individual items.

13 Equity

Capital stock

The capital stock amounts to € 25 thousand as of September 30, 2022 (prior year: € 25 thousand).

Additional paid-in capital

The Group's additional paid-in capital amounts to € 2,731 million as of September 30, 2022 (prior year: € 2,731 million). In the preceding year, an additional payment made by Vertical Topco II SA, Luxembourg, in the amount of € 4 million to the equity of the parent company was recognized within additional paid-in capital.

Retained earnings

Retained earnings include the consolidated net profit and other comprehensive income from the remeasurement of pensions and similar obligations for the financial year.

Capital management disclosures

As of September 30, 2022, the equity ratio was 22.0% (prior year: 20.9%). The Group's most important financial objectives include a sustainable increase in the company value and an ensured solvency at all times. In this context, the creation of sufficient liquidity reserves is of great importance. Capital management consistently strives to ensure that the Group companies have an equity base that meets local requirements. Statutory requirements are taken into account in implementing and reviewing the Group's capital and liquidity.



Capital is monitored on the basis of net debt, which is based on current and non-current financial debt less cash, cash equivalents and time deposits. In this context, net debt is broken down as follows (according to carrying amounts):

million €	Sept. 30, 2021	Sept. 30, 2022
Non-current financial debt	11,476	12,575
Current financial debt	107	125
Gross financial debt	11,583	12,700
Cash, cash equivalents and time deposits	369	436
Net financial debt	11,214	12,264

A financial covenant exists for a portion of the debt financing, which relates to the ratio of senior secured net debt to so-called pro-forma EBITDA. This comprises adjusted EBITDA taking into account certain future EBITDA improvements, such as cost reductions. In the case of non-compliance with the covenant, the revolving credit facility and the revolving guarantee facility would not be available until the covenant is complied with again. The Group has complied with this covenant during the reporting period.

14 Accrued pension and similar obligations

The basic assumptions and procedures underlying the measurement and presentation of the provisions for pensions and similar obligations are outlined in Note 03.

Accrued pension and similar obligations

million €	Sept. 30, 2021	Sept. 30, 2022
Accrued pension obligations	318	243
Partial retirement	7	6
Other accrued pension-related obligations	6	8
Total	331	257

Accrued pension liability

The Group provides pension benefits arranged as defined benefit plans or defined contribution plans in various countries around the world. These plans are either company-specific or organized as multi-employer plans.

Defined contribution plans are regularly funded by the (legally/contractually) compulsory or voluntary provision of contributions paid by the employer and/or the employee. The contributions are transferred to an entity that is legally separate from the employer. With this type of plan, the employer does not bear any risks beyond the payment of contributions into the plan. The contributions are recognized as personnel expense.

Defined benefit plans are generally granted under consideration of country-specific regulations (e.g. local legislation) or on a voluntary basis. The pension benefits under this plan are funded either by pension assets held separately by the employer ("plan assets") or by pension provisions. The pension provision recognized in the statement of financial position reflects the value of the defined benefit obligations already reduced by the respective plan assets.

The major obligations arising from the defined benefit plans exist in Germany, South Korea and Switzerland. These countries cover about 87% (prior year: 86%) of the Group-wide total defined benefit obligation and 90% (prior year: 90%) of the corresponding plan assets.

Germany has historically had a wide variety of pension systems based on voluntary benefit plans with different risk profiles. As a rule, such plans provide benefits in the event of disability and/or death or on reaching a



specified age limit. The plans are mainly based on individual or collective legal arrangements. In the past, the employer-funded pension commitments in Germany were regularly offered in the form of annuity pension payments based on defined benefits.

These pension commitments (including final-salary plans, career-average plans, etc.) were closed before the acquisition of thyssenkrupp Elevator and replaced at the turn of the millennium by defined contribution plans with a risk-optimized form of payment (lump sum or installment payments instead of lifelong pension payments). The "flexplan" was introduced mostly for newly recruited professionals and managers. The "flexplan" is arranged as a securities-linked pension commitment in which a minimum annual interest rate of 1% is guaranteed by the employer.

A key element in providing more personal responsibility in the company pension plan is deferred compensation, which is promoted as an incentive via employer-funded matching contributions and offered in all currently open pension plans. With regard to the funding of the company pension plans, particularly the "flexplan" is funded by the Group's own Contractual Trust Agreement (CTA), which has a positive effect on the funding ratio.

The majority of the Group companies outside Germany also provide pension plans for their employees. These plan commitments are in some cases based on statutory requirements or collective bargaining agreements, but in other cases they are provided by the companies of the Group on a voluntary basis. The range of benefits provided under the plans differs widely depending on country-specific arrangements and basis, which ranges from defined contribution plans to final-salary defined-benefit schemes with annuity payments. Due to legal obligations, employees in South Korea receive a one-time severance payment upon leaving the company, while employees in the Swiss companies receive a life-long pension.

In addition to the defined contribution plans, the Group companies in the USA participate in a union-organized multi-employer plan (National Elevator Industry Pension Plan - "NEIPP") for their unionized employees on the basis of a collective bargaining agreement. This plan is a defined benefit plan, but is accounted for as a defined contribution plan due to insufficient information about the allocation of assets. The risks arising from the NEIPP differ from company-specific plans with regard to the jointly managed pension assets, which can potentially also be used to cover obligations of other participating employers. When participating plan sponsors stop making ongoing contributions, the remaining plan sponsors collectively make up the unfunded funding deficit, with withdrawal from the plan is regularly linked to the payment of a withdrawal amount to limit the risk to the remaining plan sponsors.

To safeguard the payments of benefits outside Germany, the commitments are funded to a much greater extent by externally separated assets. This is due in part to legal minimum funding requirements, which require full external funding of the obligations or a financing under a capital funding system. For further information regarding the composition and investment strategy, please refer to the disclosures of the plan assets.

Besides financial risks, material risks associated with the different types of pension plans are regularly identified in the areas of inflation and biometrics. There are potential inflation risks which could lead to an increase in benefit obligations under defined benefit plans, because some plans are (final) salary-based and some are annual pension modules that are directly linked to current salaries (defined contribution plans). To this extent, a rise in salaries above the salary/career trends assumed in the measurement of the obligation would also require a direct increase in the provisions (past service effect in the case of (final) salary payments) or the future service costs (defined contribution plans).

On the one hand, further charges could result from the need for an actual inflation adjustment during the pension payment phase that is higher than the assumed pension trend, which would lead to an immediate increase in the provision. A corresponding obligation to compensate for the loss of purchasing power exists as part of a statutory regulation for significant parts of the pension commitments in Germany. However, the obligation to compensate for inflation may also be regulated under (collective bargaining) contractual agreements or agreed on a voluntary/discretionary basis.



On the other hand, biometric risks can result either from early benefit claims (risk of sudden changes to the statement of financial position after death or disability) or from underestimated life expectancies (longevity risk) and could likewise result in costs to the company due to unexpected increases in provisions and, if applicable, early cash outflows.

Risks arising from changes to the discount rate are purely related to the statement of financial position, i.e. the provisions are adjusted directly against equity without affecting profit or loss. However, cash outflows are not affected therefrom.

Under the pension plans in Germany, individual beneficiaries are in part counted more than once due to entitlements under different components of the pension systems. The total number of pension commitments is broken down as follows:

Breakdown of the total of pension plans by beneficiaries

	Sept. 30, 2021			Sept. 30, 2022		
	Outside		Total	Outside		Total
	Germany	Germany		Germany	Germany	
Active employees	10,046	5,595	15,641	9,764	5,502	15,266
Terminated employees with vested benefits	2,558	503	3,061	2,898	599	3,497
Pensioners	1,855	43	1,898	1,752	52	1,804
Total	14,459	6,141	20,600	14,414	6,153	20,567

Change in the defined benefit obligation and plan assets

The changes in the present value of the defined benefit obligations and the fair value of plan assets are as follows:



Change in defined benefit obligations and plan assets

million €	Sept. 30, 2021			Sept. 30, 2022		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Change in defined benefit obligations (DBO):						
DBO at beginning of financial year	263	186	450	272	185	457
Service cost	13	15	28	12	14	26
Interest expense	3	2	5	4	3	7
Remeasurement: Actuarial (gains)/losses from experience adjustments	2	(0)	1	4	5	9
Remeasurement: Actuarial (gains)/losses from changes in demographic assumptions	-	(3)	(3)	-	0	0
Remeasurement: Actuarial (gains)/losses from changes in financial assumptions	(2)	(10)	(12)	(67)	(43)	(110)
Past service cost (inclusive of curtailments)	0	(0)	0	-	(1)	(1)
Settlements	-	(0)	(0)	-	-	-
Currency differences	-	0	0	-	3	3
Participant contributions	-	1	1	-	1	1
Benefit payments	(7)	(7)	(14)	(7)	(11)	(19)
Settlement payments	-	(1)	(1)	-	-	-
Post-employment benefits	-	0	0	-	0	0
Acquisitions/divestitures of businesses	1	0	1	-	-	-
Others	-	(0)	(0)	-	-	-
DBO at end of financial year	272	185	457	217	156	373
Change in plan assets:						
Fair value of plan assets at beginning of financial year	11	120	131	14	130	144
Interest income	0	2	2	0	3	3
Remeasurement: Actuarial gains/(losses) on plan assets, excluding amounts included in interest income	2	0	2	(1)	(1)	(1)
Currency differences	-	0	0	-	2	2
Employer contributions	2	12	14	1	3	3
Participant contributions	-	1	1	-	1	1
Benefit payments	-	(5)	(5)	-	(9)	(9)
Settlement payments	-	(0)	(0)	-	-	-
Acquisitions/divestitures of businesses	0	(0)	0	-	-	-
Administration cost	-	(0)	(0)	-	(0)	(0)
Others	-	(0)	(0)	-	(0)	(0)
Fair value of plan assets at end of financial year	14	130	144	15	128	143

As of the balance sheet date, defined benefit obligations of € 373 million (prior year: € 457 million) in total related to plans that are wholly unfunded in the amount of € 135 million (prior year: € 173 million) and to plans that are wholly or partly funded in the amount of € 238 million (prior year: € 284 million).

Change in the net defined liability

The net defined benefit liability changed as follows:



Change in net defined benefit liability

million €	Sept. 30, 2021			Sept. 30, 2022		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Net defined benefit liability at beginning of financial year	252	67	319	258	55	313
Service cost plus net interest income/(expense)	16	15	31	15	14	30
Remeasurements	(2)	(13)	(15)	(63)	(36)	(99)
Currency differences	-	0	0	-	1	1
Past service cost (inclusive of curtailments)	0	(0)	0	-	(1)	(1)
Settlements	-	(0)	(0)	-	-	-
Employer contributions	(2)	(12)	(14)	(1)	(3)	(3)
Participant contributions	-	-	-	-	-	-
Benefit payments	(7)	(2)	(9)	(7)	(2)	(10)
Settlement payments	-	(1)	(1)	-	-	-
Acquisitions/divestitures of businesses	1	0	1	-	-	-
Administration cost	-	0	0	-	0	0
Others	-	(0)	(0)	-	0	0
Net defined benefit liability at end of financial year	258	55	313	202	29	230
thereof: accrued pension liability	258	61	318	202	42	243
thereof: other non-financial assets	(0)	(6)	(6)	(0)	(13)	(13)

Net periodic pension cost

The net periodic pension cost for the defined benefit plans is as follows:

Net periodic pension cost

million €	Sept. 30, 2021			Sept. 30, 2022		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Service cost (Present value of additional pension entitlements earned in the financial year)	13	15	28	12	14	26
Net interest cost	3	1	3	3	0	4
Administration cost	-	0	0	-	0	0
Past service cost (inclusive of curtailments)	0	(0)	0	-	(1)	(1)
Settlement loss/(gain)	-	(0)	(0)	-	-	-
Termination benefit expense	-	0	0	-	0	0
Net periodic pension cost	16	15	31	15	14	29

Measurement parameters

The parameters for discount rates, the rates of compensation increase and the rates of pension progression used to calculate the defined benefit obligation are derived in accordance with standard principles and established for each country depending on their respective economic conditions. Discount rates are generally derived from the market yields of fixed-interest corporate bonds with matching maturities and currencies, which are rated as "AA" by the rating agencies. As of September 30, 2022, the discount rate for pension obligations in Germany was 3.7% (prior year: 1.4%). For the first time in the financial year 2021/2022, a new method was used to determine the discount rates in Germany. The calculation of the yield curve was modified in the upper maturity range due to the volatile situation on the financial markets. According to the previous method, the discount rate would have amounted to 3.6% and the pension obligation would have amounted to € 219 million. In comparison, based on a discount rate of 3.7%, the pension obligation in Germany amounts to € 217 million.

The following weighted-average assumptions to calculate the benefit obligations have been applied:



Weighted average assumptions

in %	Sept. 30, 2021			Sept. 30, 2022		
	Outside		Total	Outside		Total
	Germany	Germany		Germany	Germany	
Discount rate	1.40	1.72	1.53	3.70	3.89	3.80
Rate of compensation increase	2.50	3.51	2.89	3.00	3.30	3.13
Rate of pension progression	1.80	0.47	1.41	2.44	0.50	1.81

The measurement of the pension obligations in Germany is based on the “2018 G Life Expectancy tables” of Prof. Dr. Klaus Heubeck. In the other countries, the following biometric tables were generally used: Switzerland: BVG_2015_G_CMI_2016. Since a lump-sum payment is made in South Korea, there is no mortality assumption for the period after retirement.

Alternative assumptions (in each case weighted-average rate of all domestic and foreign pension obligations) would result in the following changes in the defined benefit obligation and the corresponding reverse changes in equity. The table shows the effects of the change in one assumption with all other assumptions remaining unchanged:

Sensitivity analysis

€ million		Sept. 30, 2021		Sept. 30, 2022	
		Change of defined benefit obligation		Change of defined benefit obligation	
		Germany	Outside Germany	Germany	Outside Germany
Discount rate	Increase by 0.5 percentage points	(19)	(12)	(12)	(9)
	Decrease by 0.5 percentage points	21	13	13	9
Rate of compensation increase	Increase by 0.5 percentage points	0	6	0	4
	Decrease by 0.5 percentage points	(0)	(5)	(0)	(4)
Rate of pension progression	Increase by 0.25 percentage points	2	0	1	0
	Decrease by 0.25 percentage points	(2)	(0)	(1)	(0)
Mortality probability	Decrease by 10.0 percentage points	5	0	4	0

To test the sensitivity of the defined benefit obligation due to a change in the mortality and life expectancy assumptions, an alternative analysis was carried out on the basis of 10% lower mortality probabilities from retirement age. For beneficiaries currently aged 63 to 65, this roughly corresponds to a one-year increase in life expectancy on entering retirement.

Plan assets

In the Group, the majority of the reported plan assets are held in companies in South Korea, Switzerland and Germany, and to a lesser extent in companies in Belgium, France, UK and some other European countries.

As of the reporting date, the asset class “others” stated in the table “Asset allocation of major plan assets” mainly consists of insurance contracts, insurance-based pension funds or fixed-income products with less risk exposure directly invested in capital market products.

The portfolio of these major plan assets contains the following asset categories as of the reporting date:



Asset allocation of major plan assets

Asset categories	Sept. 30, 2021				Sept. 30, 2022			
	Fair value (€ million)				Fair value (€ million)			
	Total	Quoted	No quoted	Portion of	Total	Quoted	No quoted	Portion of
		price in an	price in an			price in an	price in an	
active	active	active	major plan	active	active	active	major plan	
market	market	market	assets	market	market	market	assets	
(in %)	(in %)	(in %)	(in %)	(in %)	(in %)	(in %)	(in %)	
Equity securities	18	17	1	13	20	18	2	14
Bonds	15	15	-	10	16	16	-	11
Others	111	2	109	77	107	2	105	75
Total	144	34	110	100	143	36	107	100

The Group generally only contributes to plan assets that are needed to fulfil the minimum statutory contribution requirements of the respective country. In addition, the Group makes additional contributions from time to time at its own discretion. For the financial year 2022/2023, the Group anticipates employers will make contributions of € 12 million (prior year: € 7 million) to the plan assets.

Pension benefit payments

In the financial year 2021/2022, pension benefit payments for plans in Germany of € 7 million (prior year: € 7 million) were predominately taken from provisions and for plans outside Germany of € 11 million (prior year: € 7 million), mainly from plan assets. The estimated future pension benefits to be paid by the Group's defined benefit pension plans in the next ten financial years are as follows:

Estimated future pension benefit payments

million €	Germany	Outside Germany	Total
(for financial year)			
2022/2023	13	9	22
2023/2024	10	9	19
2024/2025	11	13	24
2025/2026	12	11	23
2026/2027	13	14	27
2027/2028 – 2031/2032	69	80	148
Total	128	135	264

The weighted-average duration of the defined benefit plans is 12 years (prior year: 15 years) in Germany and 12 years (prior year: 13 years) for the other countries.

Defined contribution plans

The Group also maintains domestic and foreign defined contribution plans based on company pension schemes via pension funds and comparable pension institutions. Amounts contributed by the Group under such plans are based upon a percentage of the employees' salary or the amount of contributions made by the employees. The total cost of pension plans accounted for as defined contribution plans in the financial year was € 97 million (prior year: € 80 million). In addition, contributions paid to public/state pension insurance institutions amounted to € 172 million (prior year: € 140 million).

Multi-employer plans

In addition to the National Elevator Industry Pension Plan (NEIPP), some Group companies in a few other countries also participate in multi-employer plans (e.g. Netherlands), although the NEIPP is by far the most important plan of this kind.



Unless otherwise indicated, the assessment of risk (“zone status”) under Internal Revenue Code Section 432 and the Multi-Employer Pension Reform Act 2014 relates to the reporting date as of June 30, 2022, respectively. The NEIPP was not in a critical or at-risk status at any time. The zone status is based on data provided by the NEIPP and certified by the plan’s actuary. The NEIPP is currently classified as a “green zone” with a funding level of at least 80%. Due to the sufficient level of funding, there has been no need for either a financial improvement plan or a rehabilitation plan in recent years. Based on current assumptions, there is no risk concerning a supplementary funding exceeding the contributions of future amounts.

The Group is one of the four largest plan sponsors of the NEIPP, paying more than 5% of total annual contributions to the NEIPP. Contributions to the National Elevator Industry Pension Fund are made on all hours worked by all benefit eligible employees at a fixed hourly rate of USD 10.71 in 2022 and USD 10.76 in 2023. For the financial year 2021/2022, the Group paid a contribution of € 96 million (prior year: € 86 million) to NEIPP. The expected contributions for financial year 2022/2023 amount to € 106 million (prior year: € 93 million).

Partial retirement

German companies, in particular, have obligations resulting from partial retirement agreements. Under these agreements, employees make contributions in the form of overtime prior to retirement, which is subsequently compensated in installments after retirement. In addition, employees receive a supplement on top of their remuneration paid. For these obligations, provisions were recognized in accordance with IAS 19 “Employee Benefits”.



15 Provisions for employee benefits and other provisions

Provisions for employee benefits and other provisions

million €	Employee benefits	Product warranties and product defects	Other sales and procurement market risks	Restructuring	Litigation risks	Others	Total
Balance as of Sept. 30, 2021	224	138	61	69	129	324	946
Currency differences	25	8	6	1	9	29	77
Acquisitions/divestitures of businesses	3	5	1	(3)	3	5	15
Additions	587	31	171	27	16	225	1,056
Accretion	0	(0)	-	(1)	-	(0)	(1)
Amounts utilized	(567)	(20)	(75)	(29)	(21)	(167)	(878)
Reversals	(25)	(40)	(103)	(4)	(42)	(113)	(327)
Balance as of Sept. 30, 2022	247	122	61	61	93	304	888
Current	206	122	61	34	44	164	631
Non-current	41	-	-	27	49	140	258
Balance as of Sept. 30, 2022	247	122	61	61	93	304	888

Provisions for employee benefits primarily comprise anniversary awards and obligations from employee bonuses as well as from management incentive plans. Selected executives are included in the management incentive plans. For these plans, annual tranches are established, each with a performance period of three years, which are subsequently settled in cash. The Group expects to settle the accrued employee benefit amounts primarily in the next year. Obligations similar to pensions, such as partial retirement agreements and early retirement programs, some of which are attributable to restructuring measures, are part of the accrued pension and similar obligations.

The provision for warranty and product liability obligations includes both the Group's responsibility for the proper functioning of the goods sold (product warranty) and the obligation to compensate the buyer for any damages caused by the use of the products sold (product liability). The Group expects to settle the warranty and product liability obligations in the next year.

The provision for other sales and procurement market risks primarily relates to anticipated losses from pending transactions. A material portion of the reversal with respect to other sales and procurement market-related risks arises from the constant remeasurement of the provision and the resulting additions and deductions made during the year. The Group expects to settle the remaining obligations from the sales and procurement risks in the next year and to utilize the remaining provisions.

The restructuring provision includes provisions for personnel restructuring measures in the amount of € 61 million (prior year: € 65 million) and additional provisions in the context of restructuring measures in the amount of € 0 million (prior year: € 4 million), which are recognized in connection with the discontinuation of operations. The restructuring provisions mainly relate to the Business Unit Europe/Africa. The Group expects to settle more than half of the restructuring provisions in the next financial year.

Other provisions essentially include accruals for other risks arising from individual items not allocable to other positions and a minor portion arises from environmental obligations. The Group expects to settle the majority of the other provisions in the next year. Other provisions are largely attributable to the Business Unit Americas and include, in particular, provisions for general insurance in the USA ("self-insurance General liability") in the amount of € 68 million (prior year: € 56 million) and for workers' compensation in the amount of € 29 million (prior year: € 24 million).

In addition, provisions for onerous contracts at certain locations are particularly included in the Business Unit Europe/Africa. The reversals and additions also include monthly recalculations of provisions, which are reported on a gross basis.

The following items are included in provisions for litigation risks:



In connection with the elevator cartel, potentially injured parties asserted claims for damages against the subsidiaries of TK Elevator in and out of court. The court proceedings are currently only pending in Belgium and Austria and are at various stages of proceedings; in some cases, the court proceedings have already been settled, lawsuits have been withdrawn or dismissed. All proceedings in Germany or the Netherlands have been concluded. The Group recognized provisions for the current lawsuits, which were reduced (€ 4 million) in the financial year 2021/2022 due to the advanced stages of the proceedings. On the basis of a contractual agreement with thyssenkrupp, a corresponding reimbursement right has also been recognized in the amount of € 25 million (prior year: € 26 million), which is slightly below the risk recognized as a provision.

As of September 30, 2021, there was a contingent liability in connection with data protection risks, which was recognized as a provision as part of the purchase price allocation of thyssenkrupp Elevator. Since individual obligations ceased to exist in the reporting period, the provisions recognized were derecognized income-effective (also cf. Note 23).

In connection with a purchase agreement from the acquisition of thyssenkrupp Elevator, a provision for repayment obligations recognized in the previous financial year based on a court ruling was completely derecognized income-effective due to a final settlement (also cf. Note 23).

As of September 30, 2021, a contingent liability in the amount of € 2 million was reported for a legal dispute in Germany, which was recognized as a provision as part of the purchase price allocation of thyssenkrupp Elevator. This legal dispute was successfully settled in the financial year 2021/2022.

As of September 30, 2022, there is also a provision for potential contractual penalties due to sanction-related contract terminations at the Russian company within the Business Unit Europe/Africa; cf. also Note 03.

As of September 30, 2022, the amount of contingent liabilities recognized in connection with the thyssenkrupp Elevator transaction amounts to € 83 million.

There were no other significant changes as of September 30, 2022, compared with the preceding year.

Management incentive plans

The Group's Long-Term Incentive plan (LTI) represents a long-term remuneration component in accordance with IAS 19. Its participants include the Managing Directors and other selected executives. In the short financial year 2020, the Group had introduced two different long-term incentive plans. On the one hand, a global LTI was set up for eligible executives worldwide and on the other hand a regional LTI was established for middle management. In principle, four key performance indicators, for which a respective target value is defined, are included in the assessment of LTI performance. In addition to financial performance indicators, the global LTI also takes into account the Sustainability Index when assessing the performance of executives. Annual tranches with a term of three years are planned, commencing with the short financial year 2020. The first planned cash payout will take place in financial year 2022/2023.

As of September 30, 2022, a provision in the amount of € 5 million (prior year: € 5 million) was recognized for the global LTI and a provision in the amount of € 6 million (prior year: € 5 million) for the regional LTI.



16 Financial debt

Financial debt

Carrying amounts in million €	Sept. 30, 2021	Sept. 30, 2022
Bonds	4,424	4,839
Liabilities to financial institutions	4,263	4,676
Lease liabilities	265	300
Shareholder loan	2,523	2,757
Other loans	2	2
Non-current financial debt	11,476	12,575
Liabilities to financial institutions	25	31
Lease liabilities	81	94
Shareholder loan	-	-
Other loans	1	1
Current financial debt	107	125
Financial debt	11,583	12,700

Current financial debt includes financial debt with a remaining term up to one year, whereas non-current financial debt has a remaining term of more than one year.

Current liabilities to financial institutions in the financial year 2021/2022 include € 2 million in liabilities from a currency derivative that has not been settled in full.

The carrying amount of financial liabilities includes bonds in the amount of € 4,839 million (prior year: € 4,424 million), liabilities to financial institutions and other loans in the amount of € 4,709 million (prior year: € 4,290 million) and a subordinated shareholder loan in the amount of € 2,757 million (prior year: € 2,523 million). The increase in the carrying amounts of the bonds and liabilities to financial institutions mainly relates to a translation effect from the stronger USD and the increase in the shareholder loan is due to compounding using the effective interest method. Due to the non-market interest rate of the shareholder loan, the difference between the fair value of the shareholder loan recognized at initial recognition (€ 2,272 million) and its nominal amount (€ 5,501 million) was recognized in retained earnings in the amount of € 3,229 million. The same loan relationship for such a shareholder loan exists between the downstream Group companies. While the term of the loan is unchanged, the interest rate and hence the amount transferred to retained earnings differs in a Group relationship. As part of the Group's financing of the acquisition of thyssenkrupp Elevator in the short financial year 2020, the shares of significant Group companies were pledged (so-called share pledges). These are freely available under the acquisition financing until a reason for termination arises. In the financial year 2020/2021, additional Group companies joined the financing as guarantors. Hereby, corresponding share pledges and, in sections of the Group, "all Asset Pledges" were provided as collateral. These are also freely available under the acquisition financing until a reason for termination arises.



The following bonds are outstanding as of September 30, 2022:

Bonds

	Carrying amount in million € as of Sept. 30, 2021	Carrying amount in million € as of Sept. 30, 2022	Notional amount in million € as of Sept. 30, 2022	Fair value in million € as of Sept. 30, 2022	Maturity
TK Elevator Midco GmbH bond (€1,100 million) 2020/2027	1,100	1,100	1,100	927	07/15/2027
TK Elevator Midco GmbH bond (€500 million) 2020/2027	498	498	500	467	07/15/2027
Vertical US Newco Inc. bond (\$1,560 million) 2020/2027	1,347	1,600	1,600	1,359	07/15/2027
TK Elevator Holdco GmbH bond (€650 million) 2020/2028	585	585	585	463	07/15/2028
TK Elevator Holdco GmbH bond (€50 million) 2020/2028	44	44	45	44	07/29/2028
TK Elevator Holdco GmbH bond (\$445 million) 2020/2028	346	411	411	347	07/15/2028
TK Elevator Holdco GmbH bond (\$666 million) 2020/2028	504	601	615	601	07/29/2028
Total	4,424	4,839	4,857	4,207	

As of September 30, 2022, the financing structure of the material liabilities to financial institutions is as follows:

Liabilities to financial institutions

	Carrying amount in million € as of Sept. 30, 2021	Carrying amount in million € as of Sept. 30, 2022	thereof in €	thereof in other currencies	Fair value in million € as of Sept. 30, 2022	Notional amount in million € as of Sept. 30, 2022
Syndicated loan (at variable interest rates)	3,775	4,217	1,265	2,952	3,988	4,217
Syndicated revolving credit facility (at variable interest rates)	178	153	153	-	153	153
Credits at fixed interest rates	335	335	335	-	317	335
Total	4,288	4,705	1,753	2,952	4,459	4,705

Maturity of financial debt is allocated to the next five years and thereafter as follows:

Maturity of financial debt (excluding lease liabilities and shareholder loan)

million € (for financial year)	Total financial debt (excluding lease liabilities)	Thereof: Bonds	Thereof: Liabilities to financial institutions	Thereof: Other Loans
2022/2023	31	-	31	1
2023/2024	30	-	29	1
2024/2025	364	-	364	1
2025/2026	29	-	29	0
2026/2027	7,455	3,200	4,254	-
after 2026/2027	1,656	1,656	-	-
Total	9,565	4,857	4,707	2

Furthermore, there are liabilities arising from leases in the amount of € 394 million (prior year: € 345 million). Regarding the undiscounted payments relating to lease liabilities, refer to Note 21.



17 Trade accounts payable

Trade accounts payable in the amount of € 46 million (prior year: € 1 million) have a remaining term of more than one year.

18 Other financial liabilities

Other financial liabilities

million €	Sept. 30, 2021		Sept. 30, 2022	
	current	non-current	current	non-current
Financial liabilities measured at amortized cost	252	1	257	1
Derivatives not qualifying for hedge accounting	5	-	14	-
Derivatives qualifying for hedge accounting	2	-	2	-
Total	259	1	273	1

Other financial liabilities amounting to € 1 million (prior year: € 1 million) have a remaining term of more than one year.

19 Other non-financial liabilities

Other non-financial liabilities

million €	Sept. 30, 2021		Sept. 30, 2022	
	current	non-current	current	non-current
Sales and procurement related liabilities	166	-	173	-
Liabilities to the employees	296	-	286	-
Liabilities for social security	32	-	23	-
Deferred income	5	-	6	-
Tax liabilities (without income taxes)	99	-	81	-
Miscellaneous	84	1	86	0
Total	683	1	654	0

Other non-financial liabilities amounting to € 7 million (prior year: 6 million) have a remaining term of more than one year.

20 Contingent liabilities

Contingent liabilities

The obligations presented in the table below depict contingent liabilities where the principal debtor is not a consolidated company:



Contingencies

million €	Maximum potential amount of future payments as of	
	Sept. 30, 2021	Sept. 30, 2022
Advance payment guarantees	1	0
Performance/warranty guarantee	1	1
Other guarantees	0	0
Total	3	2

The economic terms of these guarantees range from six months to five years.

The basis for a possible claim by the beneficiary is the non-performance of tax obligations by the principal debtor towards the local tax authorities and the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of goods not in conformity with the contract or non-performance with regard to the guaranteed quality.

All contingencies are issued as instructed by a subsidiary, at the request of the principal debtor, at the request of the local tax authorities or on the basis of the underlying contractual relationship and are largely subject to recourse claims against the principal debtor in the case of a claim being made.

The warranty and performance guarantee and the advance payment guarantee in the total amount of € 1.9 million relate to a contractual agreement in China. The Group has issued guarantees in favor of a customer in order to secure its performance as well as the performance of an external partner. As collateral, the Group has received guarantees from the partner in the amount of € 241 thousand (an advance payment guarantee of € 53 thousand and a warranty and performance guarantee of € 188 thousand), which can be drawn in the event of default by the contractual partner.

No provision is recognized in the case that recourse is possible. If there is no recourse, a corresponding provision (applicable only for a guarantee in the amount of € 312 thousand) is recognized to cover the potential outflow of resources. As of September 30, 2022, no further provisions have been recognized because no recourse is expected under the other guarantees.

Since thyssenkrupp Elevator was acquired by the Group as of July 31, 2020, a provision was recognized for the contingent liabilities acquired based on IFRS 3.23 – irrespective of the probability of the outflow of resources. With respect to changes in the acquired contingent liabilities recognized as a provision as of July 31, 2020, refer to Notes 15 and 23 as well as Note 25.

Moreover, there were no material changes with respect to other contingent liabilities in the financial year.

21 Financial instruments

The following table presents the carrying values, measurement categories in accordance with IFRS 9 and fair values of the financial assets and liabilities by classes. Lease receivables and lease liabilities, contract assets and derivatives that qualify for hedge accounting are also included although they are not part of any IFRS 9 measurement category.



Financial instruments as of September 30, 2022

million €	Carrying amount on balance sheet as of Sept. 30, 2022	Measurement in accordance with IFRS 9			Measurement in accordance with IFRS 16/IFRS 15	Fair value as of Sept. 30, 2022
		(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity (with recycling)	Amortized cost	
Trade accounts receivable (excluding leasing)	1,539	1,539		-		1,539
Contract assets	522				522	522
Lease receivables	-				-	-
Other financial assets	776	481	289	6		776
Other miscellaneous financial assets		481				481
Equity instruments			0			0
Debt instruments				3		3
Derivatives not qualifying for hedge accounting			289			289
Derivatives qualifying for hedge accounting				3		3
Cash, cash equivalents and time deposits	436	436				436
Total of financial assets	3,273					
Financial debt (excluding leasing)	12,306	12,306				11,427
Lease liabilities	394				394	394
Trade accounts payable	958	958				958
Other financial liabilities	274	258	14	2		274
Other miscellaneous financial liabilities		258				258
Derivatives not qualifying for hedge accounting			14			14
Derivatives qualifying for hedge accounting				2		2
Total of financial liabilities	13,932					



Financial instruments as of September 30, 2021

million €	Carrying amount on balance sheet as of Sept. 30, 2021	Measurement in accordance with IFRS 9			Measurement in accordance with IFRS 16/IFRS 15	
		(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity (with recycling)	Amortized cost	Fair value as of Sept. 30, 2021
Trade accounts receivable (excluding leasing)	1,366	1,366	-	-	-	1,366
Contract assets	399	-	-	-	399	399
Lease receivables	0	-	-	-	0	0
Other financial assets	513	499	10	5	-	513
Other miscellaneous financial assets	-	499	-	-	-	499
Equity instruments	-	-	0	-	-	0
Debt instruments	-	-	-	-	3	3
Derivatives not qualifying for hedge accounting	-	-	10	-	-	10
Derivatives qualifying for hedge accounting	-	-	-	2	-	2
Cash, cash equivalents and time deposits	369	369	-	-	-	369
Total of financial assets	2,647					
Financial debt (excluding leasing)	11,238	11,238	-	-	-	11,456
Lease liabilities	345	-	-	-	345	345
Trade accounts payable	743	743	-	-	-	743
Other financial liabilities	260	253	5	2	-	260
Other miscellaneous financial liabilities	-	253	-	-	-	253
Derivatives not qualifying for hedge accounting	-	-	5	-	-	5
Derivatives qualifying for hedge accounting	-	-	-	2	-	2
Total of financial liabilities	12,586					

The carrying amounts of trade accounts receivable measured at amortized cost, other current receivables as well as cash, cash equivalents and time deposits are equivalent to their fair values due to the short remaining terms.

Equity and debt instruments are in general measured at fair value, which is based on quoted market prices as of the reporting date. When no quoted market prices in an active market are available, equity and debt instruments are measured by discounting the future cash flows based on current market interest rates over the remaining term of the financial instruments.

The fair value of forward exchange contracts (derivatives) is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. The fair value of interest rate swaps is determined by discounting the expected cash flows on the basis of the market interest rates applicable for the remaining term of the contract, taking into account any currency translation at the reporting date. Common methods for calculating option prices are used for foreign currency options and interest rate option contracts. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base interest rate.

Listed bonds measured at amortized cost with a carrying amount of € 4,194 million (prior year: € 3,876 million) have a fair value of € 3,562 million (prior year: € 4,066 million). The fair value of the listed bonds (Level 1) is determined using quoted bond prices as of the reporting date.



The fair value of loans with fixed interest rates (fair value: € 317 million (prior year: € 351 million); carrying amount: € 335 million (prior year: € 335 million)) is determined using a net present value (Level 2). This is calculated using discounting factors derived from current market interest rates. The fair value of the shareholder loan (fair value: € 2,757 million (prior year: € 2,523 million); nominal value: € 5,503 million (prior year: € 5,502 million)) is measured as the present value of all future cash outflows discounted at a market interest rate (Level 3).

The fair value of syndicated loans in the amount of € 3,988 million (prior year: € 3,787 million) is determined using observable market prices as of the reporting date.

The carrying amounts of trade accounts payables and other financial liabilities are equivalent to their fair values. The fair value of bonds not quoted on a market and liabilities to financial institutions is also determined using the carrying amount due to the variable interest rate of the instruments.

Financial assets and financial liabilities measured at fair value can be classified in the following three-level measurement hierarchy:

Fair value hierarchy as of September 30, 2022

million €	Sept. 30, 2022	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	289	-	289	-
Fair value recognized in equity				
Debt instruments	3	0	3	-
Derivatives qualifying for hedge accounting	3	-	3	-
Total	294	0	294	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	14	-	14	-
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	2	-	2	-
Total	16	-	16	-

Fair value hierarchy as of September 30, 2021

million €	Sept. 30, 2021	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	10	-	10	-
Fair value recognized in equity				
Debt instruments	3	-	3	-
Derivatives qualifying for hedge accounting	2	-	2	-
Total	15	-	15	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	5	-	5	-
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	2	-	2	-
Total	7	-	7	-

The fair value hierarchy reflects the importance of the factors used to determine fair values. Financial instruments with fair value measurements based on quoted prices in active markets are disclosed in Level 1. In Level 2, determination of fair value is based on observable market data, for example currency exchange rates. Level 3 comprises financial instruments for which fair value measurement is based on unobservable market data using the discounted cash flow model.



Netting of financial assets and financial liabilities

Master agreements with netting arrangements exist only for derivative financial instruments with external banking partners, that however, do not meet the offsetting criteria under IAS 32 either in full or in part.

In such cases a right of offsetting is enforceable only if the termination of the contract is based on a major breach of contract or insolvency of one of the contractual parties. The gross amounts for these derivatives are therefore presented separately in the statement of financial position. Potential offsetting exists in the amount of € 4 million (prior year: € 6 million).

The following table shows the net result from financial instruments by measurement categories in accordance with IFRS 9:

Net result from financial instruments

million €	2020/2021	2021/2022
Financial assets at amortized cost	(24)	1
Financial assets / liabilities at fair value recognized in profit or loss	16	280
Financial liabilities at amortized cost	(753)	(978)

The net result stated under "Financial assets at amortized cost" mainly comprises interest income from financial receivables, allowances for trade accounts receivable as well as gains and losses on foreign currency receivables.

Gains and losses arising from changes in the fair value of foreign currency and interest rate derivatives that do not comply with the hedge accounting requirements under IFRS 9 are included in the category "Financial assets/liabilities at fair value through profit or loss". The amount of € 280 million (prior year: € 16 million) is attributable to financing income of € 394 million (prior year: € 69 million) and the offsetting financing expense of € 114 million (prior year: € 53 million). Furthermore, income and expenses from equity instruments are also shown in this category.

The category "Financial liabilities at amortized cost" mainly comprises interest expenses on financial liabilities as well as gains and losses on foreign currency liabilities.

The net result from financial instruments includes total translation differences in the amount of € (276) million (prior year: € (29) million) for the financial year 2021/2022.

Impairment of financial assets

For financial assets (including contract assets) measured at amortized cost or at fair value recognized in equity, an impairment loss is recognized for expected losses.

The gross carrying amounts and the impairment losses on trade accounts receivable measured at amortized cost and contract assets developed as follows:



Impairment of trade accounts receivable recognized at amortized cost as well as contract assets

million €	Gross carrying amount	Expected credit loss	Individual allowances	Total of impairments	Carrying amount
Balance as of Oct. 1, 2020	1,988	(32)	(146)	(178)	1,810
Currency differences	43	(1)	(3)	(4)	40
Acquisitions/divestitures of businesses	12	(0)	(0)	(0)	11
Additions		9	(35)	(26)	(26)
Amounts utilized		4	11	15	15
Reversals		(12)	10	(2)	(2)
Transfer between impairment stages		0	(0)	-	-
Other changes	(83)	-	-	-	(83)
Balance as of Sept. 30, 2021	1,961	(31)	(164)	(195)	1,766
Currency differences	177	(3)	(14)	(17)	160
Acquisitions/divestitures of businesses	9	(0)	(0)	(0)	9
Additions		(4)	(22)	(27)	(27)
Amounts utilized		0	18	18	18
Reversals		4	7	10	10
Transfer between impairment stages		16	(16)	-	-
Other changes	125	-	-	-	125
Balance as of Sept. 30, 2022	2,273	(19)	(193)	(212)	2,061

There were no significant changes in impairment losses on other financial assets measured at amortized cost or at fair value recognized in equity in the financial year 2021/2022 and in the financial year 2020/2021.

To determine expected credit losses, in particular expected default rates for trade accounts receivable, the Group has developed the following model:

The probability of default is determined on the basis of historical default rates taking into account forward-looking information, which includes current expectations regarding the COVID-19 pandemic and the war in the Ukraine. Consideration is also given to the respective business model, customer groups and economic environment of the region. Actual default is generally assumed after 360 days.

The gross carrying amounts, allowances and average probabilities of default are presented in the table below:

Aging matrix of contract assets and trade accounts receivable as of September 30, 2022

million €	Gross carrying amount	Expected credit loss	Individual allowances	Total of impairments	Carrying amount	Average probability of default (in %)
Contract Assets	531	(4)	(6)	(9)	522	1.7%
Trade Accounts Receivable	1,741	(15)	(187)	(202)	1,539	
Not Overdue	1,106	(5)	(10)	(15)	1,091	0.6%
Overdue 0-30 days	206	(1)	(4)	(5)	201	1.5%
Overdue 31-60 days	82	(1)	(2)	(3)	79	1.9%
Overdue 61-90 days	53	(1)	(5)	(5)	48	2.1%
Overdue 91-180 days	99	(2)	(9)	(11)	88	5.6%
Overdue 180-360 days	67	(5)	(30)	(35)	32	19.8%
Overdue > 360 days	127	-	(127)	(127)	-	-



Aging matrix of contract assets and trade accounts receivable as of September 30, 2021

million €	Gross carrying amount	Expected credit loss	Individual allowances	Total of impairments	Carrying amount	Average probability of default (in %)
Contract Assets	410	(4)	(7)	(11)	399	1.7%
Trade Accounts Receivable	1,551	(28)	(157)	(185)	1,366	
Not Overdue	1,027	(1)	(12)	(23)	1,004	0.5%
Overdue 0-30 days	174	(1)	(3)	(5)	169	0.8%
Overdue 31-60 days	72	(1)	(1)	(2)	69	1.5%
Overdue 61-90 days	47	(2)	(1)	(3)	44	1.4%
Overdue 91-180 days	68	(4)	(4)	(8)	60	3.5%
Overdue 180-360 days	60	(9)	(31)	(40)	20	12.9%
Overdue > 360 days	104	-	(104)	(104)	-	-

Derivative financial instruments

The Group uses various derivative financial instruments, primarily forward exchange contracts and interest derivatives. Derivative financial instruments are generally used to hedge existing or anticipated underlying transactions and to reduce foreign currency risks. In some cases, the derivatives are designated as hedging instruments for hedge accounting purposes. Interest derivatives are used to hedge interest rate risks arising from floating-rate bonds and liabilities to financial institutions. No hedge accounting is applied to the interest rate derivatives.

The following table shows the notional amounts and fair values of derivative financial instruments used within the Group:

Derivative financial instruments

million €	Notional amount as of Sept. 30, 2021	Carrying amount as of Sept. 30, 2021	Notional amount as of Sept. 30, 2022	Carrying amount as of Sept. 30, 2022
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	599	10	371	5
Foreign currency derivatives qualifying as cash flow hedges	60	2	65	3
Interest rate derivatives that do not qualify for hedge accounting	-	-	3,765	284
Total	659	12	4,201	291
Equity and liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	343	5	533	14
Foreign currency derivatives qualifying as cash flow hedges	61	2	49	2
Interest rate derivatives that do not qualify for hedge accounting	-	-	-	-
Total	405	7	582	16

In the financial year 2021/2022, interest rate caps denominated in US Dollar and interest rate swaps denominated in euros with a term until 2027 were concluded. These interest rate derivatives were concluded to hedge the interest rate risks arising from the floating-rate US Dollar and euro bonds and liabilities to financial institutions. The interest rate caps amount to a notional amount of € 2,565 million (\$ 2,500 million) and have a fair value of € 220 million as of September 30, 2022. The interest rate swaps amount to a notional amount of € 1,200 million and have a fair value of € 64 million as of September 30, 2022.



Derivates with hedging relationship

Cash flow hedges

Cash flow hedges are essentially used to hedge future cash flows against foreign currency risks arising from future sales and procurement transactions as well as foreign currency risks from long-term financing. In the case of cash flow hedges, the earnings effect of the hedging instruments is generally recognized in the same profit or loss item as the hedged item.

The following table shows the carrying amounts of derivatives designated as hedging instruments, the designated portion of the hedging instruments and the changes in the fair value of the hedged items by hedged risk type and hedge type. Derivative assets and liabilities are reported under other financial assets and liabilities:

Information on hedging instruments in the context of cash flow hedges

million €	Carrying amount on balance sheet as of Sept. 30, 2022		Designated portion of hedging instruments	Fair value change of hedged item
	Derivative assets	Derivative liabilities		
Hedging of foreign currency risk	3	2	1	(1)
Foreign currency derivatives qualifying as cash flow hedges	3	2	1	(1)

Information on hedging instruments in the context of cash flow hedges

million €	Carrying amount on balance sheet as of Sept. 30, 2021		Designated portion of hedging instruments	Fair value change of hedged item
	Derivative assets	Derivative liabilities		
Hedging of foreign currency risk	2	2	(0)	0
Foreign currency derivatives qualifying as cash flow hedges	2	2	(0)	0

For the financial year ending September 30, 2022, the designated portion of the hedging instrument amounting to € 2 million before tax (prior year: € (1) million) has been recognized as unrealized gains or losses directly in equity. For the financial year ending September 30, 2022, the change of the fair value of the hedged item amounts to € (2) million (prior year: € 1 million). Foreign currency derivative contracts usually have terms of twelve months or less. In individual cases, these can also amount to two years.

During the current financial year, € 0 million (prior year: € 0 million) of cumulative other comprehensive income was reclassified to sales in profit or loss as a result of the underlying transactions being realized during the year. In addition, € 1 million (prior year: € 1 million) of cumulative other comprehensive income was reclassified to decrease the cost of inventories, because the hedged raw materials were recognized on the balance sheet, but the hedged item had not yet been recognized within profit or loss. This resulted in a decrease of expenses of € 1 million (prior year: € 0 million). Moreover, € 0 million (prior year: € 1 million) will have an effect on profit or loss due to an increase in expenses in the financial year 2022/2023.

The table below shows the development of other comprehensive income from cash flow hedges by type of risk:



Development of other comprehensive income from cash flow hedges by risk type

million €	Foreign currency risk	
	Total	risk
Balance as of Oct. 01, 2020	1	
Net unrealized (gains)/losses on designated risk component	(2)	(2)
Net unrealized (gains)/losses on hedging costs	0	0
Net realized (gains)/losses	0	0
Tax effect	0	
Balance as of Sept. 30, 2021	(1)	
Net unrealized (gains)/losses on designated risk component	2	2
Net unrealized (gains)/losses on hedging costs	(0)	(0)
Net realized (gains)/losses	(1)	(1)
Tax effect	(0)	
Balance as of Sept. 30, 2022	1	

As of September 30, 2022, net income from the ineffective portions of derivative financial instruments designated as cash flow hedges amount to € 0 million (prior year: € 0 million).

Expenses expected in the subsequent financial year arising from fluctuations in the fair values of derivatives included in cumulative other comprehensive income as of the reporting date amount to € 0 million (prior year: € 0 million).

The hedging rates and remaining terms for the major derivatives qualifying for hedge accounting at the end of the year are shown in the following table.

Hedging rates and remaining terms of derivatives qualifying for hedge accounting as of September 30, 2022

million €	Remaining term up to 1 year	Remaining term 1 to 2 years	Remaining term above 2 years	Notional amount as of Sept. 30, 2022	Average hedging rate
thereof:					
Foreign currency forward contracts USD/CAD	39	-	-	39	1,30 USD/CAD

Hedging rates and remaining terms of derivatives qualifying for hedge accounting as of September 30, 2021

million €	Remaining term up to 1 year	Remaining term 1 to 2 years	Remaining term above 2 years	Notional amount as of Sept. 30, 2021	Average hedging rate
thereof:					
Foreign currency forward contracts USD/CAD	54	-	-	54	1,26 USD/CAD

Derivatives that do not qualify for hedge accounting

If a hedging relationship does not meet the requirements for hedge accounting in accordance with the conditions under IFRS 9 or hedge accounting is economically not reasonable, the derivative financial instrument is recognized as a derivative without a hedging relationship. The resulting impact on profit or loss is shown in the table on net gains and losses from financial instruments by measurement category.

Financial risk

Being a global business, the Group is exposed to financial risks in the form of credit risks (default risk), liquidity risks and market risks (foreign currency and interest rate risks) during the course of ordinary business activities. The aim of financial risk management is to mitigate the risks arising from operating activities and associated financing requirements by applying selected derivative and non-derivative hedging instruments. Within the framework of risk management, financial risks and credit risks must be avoided as far as possible, compensated for by a risk portfolio, passed on to third parties or limited (principle of risk aversion).

Credit risk

Credit risk (default risk) is the risk of the Group incurring financial losses due to the non-fulfillment or partial fulfillment of existing debt obligations. Credit risk management is governed by a corporate guideline. Business units and Group companies are required to implement credit risk management in accordance with these guidelines.

In general, default risks are hedged with suitable instruments. Only in individual cases, when a credit risk analysis indicates a higher default risk, letters of credit and payment guarantees from banks, insurance companies and management companies are requested. In order to further minimize default risks from operating activities, the corporate guideline is provided for the assessment of default risk based on the risk profile of the business partner using suitable internal and, where available, external information, such as ratings and credit reports. The Group undertakes a credit decision for each business transaction with each business partner using the aforementioned approach. Taking into account the individual characteristics of their customer structures and business models, clear process rules are defined regarding the measures in the event of deteriorating creditworthiness or default in order to mitigate the maximum default risk as far as possible.

Transactions, whose value exceeds specified materiality thresholds, especially in the area of major projects, also require prior approval at higher management levels inside the Group. Among other things, the amount and hedging of default risks are assessed.

Maturity analysis

Liquidity risk is the risk that the Group is unable to meet its existing or future payment obligations due to insufficient availability of cash or cash equivalents.

To ensure solvency, the Group has both a short-term rolling liquidity plan covering a period of 13 weeks and a medium-term rolling liquidity plan covering the next 18 months, as well as a multi-year financial plan. Based on the planning, potential liquidity bottlenecks can be identified at an early stage and remedied by appropriate measures.

Cash inflows generated by operating activities are centralized as far as possible via cash pools and made available to the Group companies as required. The main payment transaction accounts are generally equipped with an overdraft limit.

In addition, the Group has entered into a committed revolving credit line of € 992 million (prior year: € 992 million), which can be drawn at short notice. At the reporting date, € 153 million (prior year: € 178 million) of this credit line had been drawn.



The following table shows future undiscounted cash outflows from financial liabilities based on contractual agreements:

Future undiscounted cash outflows as of September 30, 2022

million €	Carrying amount Sept. 30, 2022	Cash flows in 2022/2023	Cash flows in 2023/2024	Cash flows between 2024/2025 and 2026/2027	Cash flows after 2026/2027
Financial debt (excluding finance lease liabilities)	12,306	(647)	(682)	(9,752)	(7,315)
Thereof bonds	4,839	(310)	(318)	(4,150)	(1,804)
Thereof liabilities to financial institutions	4,707	(336)	(363)	(5,604)	-
Thereof shareholder loan	2,757	-	-	-	(5,512)
Thereof other loans	2	(1)	(1)	(1)	-
Lease liabilities	394	(111)	(91)	(150)	(120)
Trade accounts payable	958	(912)	(46)	(0)	(0)
Derivative financial liabilities not qualifying for hedge accounting	14	519	-	-	-
		(533)	-	-	-
Derivative financial liabilities qualifying for hedge accounting	2	47	-	-	-
		(49)	-	-	-
Other financial liabilities	258	(258)	(0)	(0)	(0)

Future undiscounted cash outflows as of September 30, 2021

million €	Carrying amount Sept. 30, 2021	Cash flows in 2021/2022	Cash flows in 2022/2023	Cash flows between 2023/2024 and 2025/2026	Cash flows after 2025/2026
Financial debt (excluding finance lease liabilities)	11,238	(433)	(433)	(1,619)	(14,289)
Thereof bonds	4,424	(252)	(251)	(753)	(4,802)
Thereof liabilities to financial institution	4,288	(181)	(181)	(865)	(3,975)
Thereof shareholder loan	2,523	-	-	-	(5,512)
Thereof other loans	3	(1)	(1)	(1)	-
Lease liabilities	345	(95)	(74)	(131)	(115)
Trade accounts payable	743	(742)	(0)	(0)	(0)
Derivative financial liabilities not qualifying for hedge accounting	5	328	-	-	-
		(333)	-	-	-
Derivative financial liabilities qualifying for hedge accounting	2	56	-	-	-
		(58)	-	-	-
Other financial liabilities	253	(253)	(0)	(0)	(0)

Cash flows from derivative financial instruments are offset by cash flows from hedged underlying transactions, which have not been considered in the analysis of maturities. If cash flows from the hedged underlying transactions were also considered, the cash flows shown in the table would be accordingly lower.

The cash flows from floating-rate bonds and liabilities to financial institutions are offset by cash flows from interest rate derivatives, which are not included in the maturity analysis. If the cash inflows from interest rate derivatives (€ 304 million up to and including the financial year 2026/2027) were taken into account, the cash outflows shown in the table would be correspondingly lower.

Sensitivity analysis

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Among market risks relevant to the Group are foreign currency and interest rate risks. Associated with these risks are fluctuations in income, equity and cash flows.

The following analyses and amounts determined by means of sensitivity analyses represent hypothetical, forward-looking data that can differ from actual outcomes because of unforeseeable developments in financial markets. Moreover, non-financial or non-quantifiable risks, such as business risks, are not considered here.

Foreign currency risk exposure – The objective of foreign currency hedging is to fix prices on the basis of hedging rates as protection against any unfavorable exchange rate fluctuations in the future. Hedging periods are



generally based on the maturities of underlying transactions. Foreign currency derivative contracts usually have maturities of twelve months or less and can be up to two years in individual exceptional cases.

The US dollar is the only relevant risk variable for sensitivity analyses under IFRS 7, since the vast majority of foreign currency cash flows occurs in US dollars. As hedging transactions are generally used to hedge underlying transactions, opposite effects in the underlying and hedging transactions are almost entirely offset over the total period. Thus, the currency risk exposure described here results from hedging relationships with off-balance sheet underlying transactions, i.e. hedges of firm commitments and forecasted sales.

Interest rate risk – Variable-interest financial instruments, refinancing and interest rate derivatives without underlying transactions are subject to a cash flow risk which reflects the uncertainty in respect to future interest payments. Cash flow risk is measured using a cash flow sensitivity that simulates the effect on the profit or loss.

The interest rate analysis assumes a parallel shift of the yield curves across all currencies by + 100/ (100) basis points for a period of twelve months from the reporting date as of September 30, 2022. The table below shows the opportunities (positive figures) and risks (negative figures):

Interest analysis

million €	Changes in all yield curves as of			
	Sept. 30, 2021 by ¹⁾		Sept. 30, 2022 by	
	+ 100 BP	(100) BP	+ 100 BP	(100) BP
Interest risk from variable financial instruments	(17)	-	(18)	18

¹⁾ The presentation of the parallel shift of prior year's interest curve was adjusted to the actual developments.

The Group is not exposed to any material commodity price risks.

22 Relationships with related companies and persons (related parties)

Related companies and persons

Related companies and persons include the direct shareholder, which has significant influence on the Company. In addition, the intermediate and ultimate controlling parties as well as key management personnel are included.

The following companies and persons are identified as related parties:

- Advent GPE IX Fonds with the direct subsidiary AI Vertical (Luxembourg) S.à r.l. (Luxembourg)
- Seventh Cinven Fond (No. 1) LP with the direct subsidiary Cinvert S.à r.l. (Luxembourg)
- Vertical Topco S.à r.l. (Luxembourg)
- Vertical Midco S.à r.l. (Luxembourg)
- Vertical TopCo I SA (Luxembourg)
- Vertical TopCo II SA (Luxembourg)
- thyssenkrupp Group; and
- the managing directors and supervisory board members of TK Elevator GmbH as well as the aforementioned companies (if applicable) and their immediate family members.

thyssenkrupp AG has an investment in Vertical TopCo I SA (Luxembourg) of 18.95% in the form of ordinary shares with voting rights, which give rise to a significant influence on the part of thyssenkrupp AG.

Direct, intermediate and ultimate controlling parties

The Company is the direct subsidiary of Vertical Topco II SA (Luxembourg).



Advent GPE IX Fund and Seventh Cinven Fund (No. 1) LP are the ultimate controlling parties of the Group structure.

The direct and indirect subsidiaries of AI Vertical (Luxembourg) S.à r.l. (Luxembourg) and Cinvert S.à r.l. (Luxembourg) are intermediate parent companies of the Company.

Executives in key positions

The management of the Company in the reporting period consists of the following persons:

- Uday Yadav, Managing Director (since May 16, 2022)
- Ercan Keles, Managing Director
- Dr. Philipp Voet van Vormizeele, Managing Director (since October 1, 2021)
- Hans-Hermann Lotter, Managing Director (until August 31, 2022) and
- Peter Walker, Managing Director (until May 15, 2022).

Business relationships with the direct, intermediate and ultimate controlling parties

The immediate parent company of TK Elevator Topco GmbH, Vertical Topco II SA, granted TK Elevator Topco GmbH a loan of € 5,500 million in the short financial year 2020 at an interest rate of 0.02% and a maturity of 10 years; cf. also refer to the further explanations in Note 16. As of September 30, 2022, the loan has not yet been repaid. The interest expense arising from the loan for the financial year 2021/2022 amounts to € 235 million (prior year: € 215 million); of which € 1 million (prior year: € 1 million) is attributable to current interest and € 234 million (prior year: € 214 million) is attributable to the use of the effective interest method.

In the financial year 2021/2022, TK Elevator GmbH granted a loan in the amount of € 550 thousand to Vertical Topco II SA. The interest rate for the loan is 8.84% and the loan has a term of four years.

In the financial year 2020/2021, Vertical Topco II SA Luxembourg, made a payment to the equity of the parent company in the amount of € 4 million; also refer Note 13.

In addition, TK Elevator Holding GmbH was invoiced service provider costs by Advent International Corporation in the amount of € 1 million in the financial year 2021/2022. In addition, costs for service providers for which invoices have not yet been received have been included in the form of an accrual with a net value of € 1 million. In the financial year 2020/2021, TK Elevator Holding GmbH reimbursed consulting fees in the amount of € 1 million to Advent International Corporation. Advent International Corporation is the ultimate controlling parent company of Advent GPE IX Fonds, which is a direct subsidiary of AI Vertical (Luxembourg) S.à r.l. (Luxembourg) and is thus considered as a related company.

There were no other business transactions with the superordinated parties in the financial year 2021/2022.

Business relationships with the thyssenkrupp Group

The Group maintains business relationships with thyssenkrupp AG and the other companies of the thyssenkrupp Group.

The following table shows the operating business relationships with subsidiaries of the thyssenkrupp Group for the financial year ending September 30, 2022:

Related party transactions with thyssenkrupp Group								
million €	Sales		Supplies and services		Receivables		Liabilities	
	2020/ 2021	2021/ 2022	2020/ 2021	2021/ 2022	Sept. 30, 2021	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2022
thyssenkrupp Group	3	3	61	84	1	0	12	1



The Group realized sales with subsidiaries of the thyssenkrupp Group. Those sales relate predominantly to construction, modernization and servicing of elevators and escalators. The Group purchases materials from subsidiaries of the thyssenkrupp Group in the course of ordinary operating activities. The purchases largely relate to raw materials from the Materials Services business of the thyssenkrupp Group.

In addition to operating business transactions, the Group entered into further transactions with subsidiaries of the thyssenkrupp Group. In the previous financial year 2020/2021, there were still receivables/payables due from/to the thyssenkrupp Group resulting from the previous inclusion of thyssenkrupp Elevator in the tax groups of thyssenkrupp Group as well as from further purchase price mechanisms in connection with the acquisition of thyssenkrupp Elevator. These receivables and liabilities were essentially reversed in the financial year 2021/2022 by a mutual agreement and thus resulted in a change in consideration; cf. Note 23. The other transactions with subsidiaries of the thyssenkrupp Group are as follows:

Other services

There are Transitional Service Agreements (TSAs) with the thyssenkrupp Group which result in thyssenkrupp AG providing services to the Group. The agreements are anticipated to predominantly end in the middle of 2023. However, early service terminations and extensions of services are possible in principle. With the functions being established within the Group, key elements of the services already ended in the middle of 2021. The agreed services relate primarily to IT and HR. For the financial year 2021/2022, the costs for the TSAs between the Group and the thyssenkrupp Group amounted to € 1 million (prior year: € 8 million).

The "TK Elevator" brand was transferred for an indefinite period and recognized as an intangible asset in the amount of € 821 million (prior year: € 821 million) as part of the purchase price allocation.

Others

In the previous financial year 2020/2021, there were obligations not yet paid and refund claims not yet received from purchase agreement compensation obligations, which were settled in financial year 2021/2022, cf. explanations in Note 23.

Compensation of active management and supervisory board

The remuneration of key management personnel which must be disclosed in line with IAS 24 consisted of the remuneration of the Company's Managing Directors and the Supervisory Board of TK Elevator GmbH. These disclosures also include the mandatory disclosures pursuant to Art. 314 (1) No. 6 of the German Commercial code (HGB).

The remuneration of the Company's managing directors is as follows:

Compensation of management

thousand €	2020/ 2021	2021/ 2022
Short-term benefits	5,041	2,742
Post-employment benefits	396	204
Termination benefits	771	-
Long term incentive	1,092	128
Total	7,300	3,074

The service cost and past service cost arising from the pension provisions for the active managing directors are reported as post-employment benefits. The long-term compensation components primarily comprise benefits from the management incentive plans; cf. also Note 15. The amount stated relates to the additional management expenses incurred in the period.



Selected executives and members of management (collectively designated as: managers) as well as their close relatives were granted an indirect investment in the amount of approximately 4% (prior year: 4%) in TK Elevator Topco GmbH by the ultimate shareholders of TK Elevator Topco GmbH. Of which, key management personnel account for 1% (prior year: 1%). Two participation programs were established for this purpose, under which the managers can participate indirectly in the performance of TK Elevator Topco GmbH. The investments were acquired at fair value. In the case of an exit (e.g. sale or regulated capital market listing of TK Elevator Topco GmbH), the managers can be obligated or the managers have the right to sell the shares to the acquirer on the same terms as the other investors. If a manager leaves before an exit occurs, the investment can be repurchased by the investors. The purchase price in the case of a self-resignation corresponds to the lower of the acquisition price of the investment and the fair value of the investment at the time of exit. Since TK Elevator Topco GmbH has not entered into any obligations with the managers under the participation program, the participation program is accounted for as an equity-settled plan in accordance with IFRS 2. At the respective grant date, the fair value of the investment is zero within the meaning of IFRS 2. The fair value is determined using a recognized option pricing model based on market values or a company valuation. Therefore, no expense is recognized for the investment.

Short-term benefits include € 0 million (prior year: € 2 million) not yet paid as of September 30, 2022.

Pension commitments exist for some of the active management board members as well as inactive management board members; the respective present value of the defined benefit obligation amounts to € 8 million (prior year: € 11 million). In addition, there are provisions from the management incentive plans for key management personnel in the amount of € 1 million (prior year: € 2 million).

There is an outstanding receivable in the amount of € 1 million due from a former member of the Executive Board as of September 30, 2022, as a result of an advance payment concerning a contractual agreement. In addition, the Managing Directors had not been granted any loans or advances as of September 30, 2022; no contingencies were assumed for the benefit of the Managing Directors.

The active members of the Supervisory Board of the TK Elevator GmbH were remunerated as follows:

Compensation of Supervisory Board members

thousand €	2020/ 2021	2021/ 2022
Short-term benefits (inclusive of meeting attendance fees)	820	1,003

The amount shown has not yet been paid as of September 30, 2022.

As of September 30, 2022, members of the Supervisory Board had not been granted any loans or advances; no contingencies were assumed for the benefit of members of the Supervisory Board.

The employee representatives on the Supervisory Board of TK Elevator GmbH also receive a regular salary from their respective employment in the Group, whereby the amount corresponds to an appropriate remuneration for the function or activity performed in the Group.

23 Segment reporting

The Group offers global urban passenger transportation systems throughout the entire lifecycle. The business units are in line with the internal organizational and reporting structure and represent the segments in accordance with IFRS 8.



Europe/Africa

The Business Unit Europe/Africa comprises the design, manufacture, installation, modernization and maintenance of passenger and freight elevators and escalators for countries in Europe and Africa.

Americas

The Business Unit Americas comprises the design, manufacture, installation, modernization and maintenance of passenger and freight elevators and escalators for countries in North America and South America.

Asia/Pacific

The Business Unit Asia/Pacific comprises the design, manufacture, installation, modernization and maintenance of passenger and freight elevators and escalators the Middle East, Asia, Australia and New Zealand.

These three reportable segments mainly comprise the elevator and escalator business.

Access Solutions

This business unit manages globally customized mobility solutions for private households, i.e., the design, manufacture, installation and maintenance of chairlifts, home elevators and platform lifts as well as passenger boarding bridges primarily for aircraft access.

Corporate

Additionally, the Business Unit Corporate provides certain functions and services to the operating businesses, e.g., Financing, R&D, Recruiting, IT, etc. These are provided predominately by the central holding companies. Expenses in connection with the transitional service agreements described in Note 22 are also incurred in the Business Unit Corporate.

Consolidation

Consolidation chiefly comprises the elimination of intercompany sales and the elimination of intercompany profits in inventories.

The accounting principles of the segments are the same as those described for the Group in the accounting policies, except that intragroup leases are accounted as current expense. Sales transactions between the segments are made at arm's length transfer prices.

The key earnings performance indicators for the individual segments are EBITDA (earnings before interest, taxes, depreciation and amortization) or adjusted EBITDA, and EBIT (earnings before interest and taxes) or adjusted EBIT. The definition of EBIT and EBITDA is aligned to economic criteria and is independent of IFRS regulations. EBIT provides information on the profitability of the relevant units and contains all components of the statement of profit or loss relating to operating performance. This also applies to EBITDA with the difference that it does not include depreciation and amortization. Adjusted EBIT / adjusted EBITDA is EBIT / EBITDA before special items. This is more suitable for comparing the operating performance across several accounting periods.

Operating net working capital is the main indicator used to measure the efficiency of net working capital required for business operations. It mainly consists of inventories, contract assets and contract liabilities, trade accounts receivable, trade accounts payable and advance payments.



Segment information 2021/2022

million €	Europe/ Africa	Americas	Asia/ Pacific	Access Solutions	Corporate	Consoli- dation	Total
Financial year 2021/2022							
Sales	2,131	3,541	2,466	392	1	1	8,531
Internal sales within the Group	87	1	28	10	97	(221)	-
Total sales	2,218	3,541	2,494	402	97	(220)	8,531
Income from companies accounted for using the equity method							
EBITDA	253	525	275	58	(95)	3	1,019
Adjusted EBITDA	296	587	282	64	(87)	3	1,145
EBIT	109	262	131	37	(133)	3	409
Adjusted EBIT	177	324	137	43	(122)	3	564
Operating net working capital	185	(266)	(101)	29	(25)	(3)	(181)
Depreciation and amortization expense	119	264	144	21	35	0	582
Impairment losses of intangible assets, property, plant and equipment	25	-	-	-	4	0	29
Non-cash effects in provisions	(88)	(460)	(118)	20	(3)	(0)	(648)

Segment information 2020/2021

million €	Europe/ Africa	Americas	Asia/ Pacific	Access Solutions	Corporate	Consoli- dation	Total
Financial year 2020/2021							
Sales	2,086	3,095	2,387	383	8	0	7,959
Internal sales within the Group	98	2	29	12	85	(226)	-
Total sales	2,184	3,097	2,416	395	94	(226)	7,959
Income from companies accounted for using the equity method							
EBITDA	278	540	277	61	(131)	2	1,027
Adjusted EBITDA	325	551	287	65	(94)	2	1,136
EBIT	126	217	14	32	(165)	2	228
Adjusted EBIT	173	229	25	36	(128)	2	337
Operating net working capital	216	(185)	(109)	41	(22)	1	(59)
Depreciation and amortization expense (incl. Inventories)	152	322	262	29	34	1	799
Non-cash effects in provisions	(111)	(400)	(151)	0	(31)	(0)	(693)

In connection with repayment obligations arising from a court ruling in the previous financial year, other income of € 11 million was allocated to the Business Unit Americas within the context of a purchase agreement relating to the acquisition of thyssenkrupp Elevator.

In the financial year 2021/2022, other income in the amount of € 70 million and other expenses in the amount of € 27 million arising from changes in the consideration were allocated to different business units within the context of the above-mentioned purchase agreement arrangements. Thereof, other income in the amount of € 68 million was allocated to the Business Unit Americas. And other income in the amount of € 2 million was allocated to the Business Unit Europe/Africa. In addition, other expenses in the amount of € 12 million was allocated to the Business Unit Asia/Pacific, € 2 million to the Business Unit Access Solutions and € 10 million to the Business Unit Americas.

In connection with the adjustment of the contingent liability related to data protection risks (also cf. Note 15), other income in the amount of € 6 million was allocated to the Business Unit Americas, € 4 million to the Business Unit Europe Africa, € 5 million to the Business Unit Asia Pacific and € 1 million to the Business Unit Access Solutions.

The reconciliation of the adjusted EBITDA earnings figure to EBIT and to EBT in line with the consolidated statement of profit or loss is shown in the table below:



Reconciliation Adjusted EBITDA to EBT

million €	2020/2021	2021/2022
Adjusted EBITDA as presented in segment reporting	1,136	1,145
+/- Special items without impairment/reversals	(109)	(126)
EBITDA as presented in segment reporting	1,027	1,019
- Depreciation, amortization and impairments	(799)	(610)
EBIT as presented in segment reporting	228	409
- thyssenkrupp brand charges	(63)	(0)
+ Finance income	79	415
- Finance expense	(861)	(1,176)
EBT (income/(loss) before tax as presented in the statement of profit or loss)	(617)	(353)

Special items are disposal losses/gains from M&A transactions, restructuring expenses, and other non-operating expenses and income, among other items. A materiality threshold relevant to management applies.

For the financial year ended September 30, 2022, the special items break down as follows:

Special items

million €	2020/2021	2021/2022
Restructuring expenses	(38)	(23)
Disposal losses/gains from M&A transactions and from disposals of PPE	1	(2)
Other non-operating expenses and income	(72)	(101)
Special items without impairment/reversals	(109)	(126)
Impairment/reversals	-	(29)
Special items including impairment/reversals	(109)	(155)

Other non-operating expenses and income consist of project-related consulting and implementation costs with a particular focus on operating efficiency and performance as well as adjustments in connection with potential contractual penalties for sanction-related contract terminations at our Russian company, cf. Note 03.

The total assets according to the statement of financial position can be reconciled to the operating net working capital as follows:

Reconciliation total assets to operating net working capital

million €	Sept. 30, 2021	Sept. 30, 2022
Total assets	23,773	26,058
Total non-current assets	(20,521)	(22,421)
Other financial assets, current	(76)	(49)
Other non-financial assets, current	(308)	(272)
Current income tax assets	(130)	(122)
Cash, cash equivalents and time deposits	(369)	(436)
Advance payments to suppliers of inventories and to other current non-financial assets	48	51
Trade accounts payable	(743)	(958)
Contract Liabilities	(1,732)	(2,033)
Operating Net Working Capital	(59)	(181)

In the following presentation of information stated by region, the country allocation of sales is based on the location of the customer, while the allocation of segment assets and capital expenditure is based on the respective location.



There are no relationships with individual customers that generate sales values that are material to the net sales of the Group.

External sales by regions

million €	Germany	USA	China	Rest of world	Total
External sales (location of customer)					
2020/2021	699	2,482	1,425	3,353	7,959
2021/2022	683	2,754	1,397	3,697	8,531

Non-current assets by regions

million €	Germany	USA	China	Rest of world	Total
Non-current assets (intangible assets, property, plant and equipment and other non-financial assets) (location of assets)					
Sept. 30, 2021	2,939	7,463	3,242	6,393	20,037
Sept. 30, 2022	2,954	8,705	3,428	6,551	21,638



Notes to the Consolidated Statements of Profit or Loss

24 Sales

Breakdown of sales and sales from contracts with customers:

Sales

million €	Europe/ Africa	Ameri- cas	Asia/ Pacific	Access Solutions	Corporate	Consoli- dation	Total
2021/2022							
Sales from sale of finished products	109	119	47	25	-	(96)	204
Sales from sale of merchandise	54	-	62	-	-	(1)	115
Sales from rendering of services	1,587	1,831	488	67	1	(13)	3,960
Sales from construction contracts	376	1,591	1,863	312	-	(17)	4,124
Other sales from contracts with customers	92	-	32	-	94	(94)	124
Subtotal sales from contracts with customers	2,217	3,541	2,492	404	95	(222)	8,528
Other sales	0	-	2	(2)	2	1	3
Total	2,218	3,541	2,494	402	97	(220)	8,531

2020/2021

Sales from sale of finished products	153	84	36	32	8	(127)	186
Sales from sale of merchandise	39	-	51	-	-	(0)	89
Sales from rendering of services	1,525	1,562	395	55	1	(13)	3,524
Sales from construction contracts	377	1,451	1,906	309	-	(2)	4,040
Other sales from contracts with customers	91	-	25	-	83	(83)	116
Subtotal sales from contracts with customers	2,184	3,097	2,412	396	92	(225)	7,956
Other sales	0	-	4	(1)	2	(1)	4
Total	2,184	3,097	2,416	395	94	(226)	7,959

Sales from contracts with customers by customer group

million €	Europe/ Africa	Ameri- cas	Asia/ Pacific	Access Solutions	Corporate	Consoli- dation	Total
2021/2022							
Trading	231	1,878	367	109	1	(5)	2,582
Engineering	112	20	74	13	94	(215)	99
Construction	921	1,602	1,693	148	-	(2)	4,362
Public sector	252	5	21	-	-	-	278
Other customer groups	701	37	335	134	1	-	1,207
Total	2,217	3,541	2,492	404	95	(222)	8,528

2020/2021

Trading	248	1,360	305	81	0	(5)	1,990
Engineering	131	48	549	13	84	(221)	602
Construction	910	1,654	1,159	169	-	-	3,893
Public sector	234	4	27	-	8	-	273
Other customer groups	662	31	372	133	0	(0)	1,198
Total	2,184	3,097	2,412	396	92	(226)	7,956



Sales from contracts with customers by region

million €	Europe/ Africa	Ameri- cas	Asia/ Pacific	Access Solutions	Corporate	Consoli- dation	Total
2021/2022							
German-speaking area	850	-	-	-	95	(158)	787
Rest of Europe	1,319	-	-	326	-	(36)	1,609
North America	-	3,197	-	55	-	(1)	3,251
South America	-	344	-	-	-	-	344
Greater China	-	-	1,503	19	-	(24)	1,498
Rest of Asia / Pacific & Africa	49	-	988	4	-	(2)	1,039
Total	2,217	3,541	2,492	404	95	(222)	8,528
2020/2021¹⁾							
German-speaking area	854	-	-	-	84	(158)	780
Rest of Europe	1,291	-	-	307	-	(37)	1,561
North America	-	2,824	-	62	-	(2)	2,884
South America	-	273	-	-	-	-	273
Greater China	-	-	1,516	24	-	(27)	1,513
Rest of Asia / Pacific & Africa	40	-	896	4	8	(2)	945
Total	2,184	3,097	2,412	396	92	(226)	7,956

¹⁾ The presentation has been adjusted.

Of the sales from contracts with customers, an amount of € 1,208 million (prior year: € 1,287 million) relates to long-term contracts and € 7,320 million (prior year: € 6,668 million) from short-term contracts, € 6,774 million (prior year: € 6,732 million) relates to sales that are realized over time and € 1,754 million (prior year: € 1,224 million) relates to sales that are realized at a point in time.

25 Other income

Other income

million €	2020/2021	2021/2022
Gains from premiums and from grants	3	3
Insurance compensation	2	2
Miscellaneous	45	157
Total	49	161

Income from allowances and grants includes reimbursements of social security contributions relating to the claiming of short-time working allowances in Germany, which the Group received from the government.

Miscellaneous other income predominantly arises from the effects explained in Notes 15 and 23. In addition, miscellaneous other income results in particular from the expiration of further contingent liabilities recognized as part of the purchase price allocation of thyssenkrupp Elevator, which comprise of operating risks and legal risks.



26 Other expenses

Other expenses

million €	2020/2021	2021/2022
Additions to/reversals of provisions	(0)	(2)
Miscellaneous	105	51
Total	105	49

Miscellaneous other expenses for the financial year 2021/2022 decreased compared to other expenses in the financial year 2020/2021, largely in connection with the brand fee for the thyssenkrupp brand, for which the respective contractual agreement expired in the financial year 2020/2021.

In addition, expenses relating to the purchase agreement for the acquisition of thyssenkrupp Elevator (cf. Note 23) are included. These were partly offset by income arising from an adjustment to a repayment obligation relating to a court ruling in the previous financial year (cf. Note 23).

27 Other gains and losses

Other gains and losses mainly comprise gains and losses resulting from the disposal of property, plant and equipment and intangible assets.

28 Financial income / (expense), net

Financial income/(expense), net

million €	2020/2021	2021/2022
Income from companies accounted for using the equity method	0	-
Interest income from financial receivables	4	5
Income from investments	(0)	-
Other finance income	75	410
Finance income	79	415
Interest expense from financial debt	(727)	(700)
Net interest cost of pensions and similar obligations	(3)	(4)
Expense from investments	(0)	(0)
Other finance expenses	(131)	(472)
Finance expense	(861)	(1,176)
Total	(781)	(761)

Regarding the investments accounted for using the equity method of accounting also refer to Note 07.

Other finance income mainly arises from income from hedging exchange rate fluctuations and interest rate risks; cf. also Note 21. Interest income from financial assets and other finance income include interest income from financial assets not measured at fair value through profit or loss in the amount of € 8 million (prior year: € 7 million). Interest expenses from financial liabilities and other finance expenses include interest expenses from financial liabilities not measured at fair value through profit or loss in the amount of € 703 million (prior year: € 733 million).

Other finance expenses contain settlements of foreign currency and interest rate derivatives in the amount of € 93 million (prior year: € 51 million) and changes in foreign exchange rates in the amount of € 291 million (prior



year: € 35 million). The preceding financial year 2020/2021 included additional expenses relating to refinancing in the amount of € 5 million. Furthermore, other finance expenses also include guarantee expenses.

29 Leases in the consolidated statements of profit or loss

The following table shows the expenses and income attributable to leases:

Leases in the statement of profit or loss

million €	2020/2021	2021/2022
Lease expense		
Expense from short-term leases	6	3
Expense from leases for low-value assets	5	7
Expense from variable payments	0	0
Depreciation and amortization expense		
Depreciation of right-of-use assets	97	110
Impairment of right-of-use assets	-	-
Other gains/(losses), net		
(Gain)/loss on disposal of right-of-use assets	0	(1)
Financial income/(expense), net		
Interest expense from lease liabilities	14	18

There was no income from subleases or gains and losses on sale and leaseback transactions.

30 Income taxes

Income tax expense/(benefit) of the Group consists of the following:

Breakdown of income tax expense/(benefit)

million €	2020/2021	2021/2022
Current income tax expense	183	175
Deferred income tax expense/(benefit)	(359)	(183)
Total	(176)	(8)

The breakdown of taxes recognized in equity is as follows:

Income taxes recognized in total invested equity

million €	2020/2021 ¹⁾	2021/2022
Income tax expense/(benefit) as presented on the statement of profit or loss	(176)	(8)
Income non-effective tax effect on other components of equity	5	33
Total	(171)	25

¹⁾ The value for financial year 2020/2021 was adjusted.

As of September 30, 2022, taxable temporary differences from retained earnings of subsidiaries in the Group for which no deferred tax liability is recognized, because such earnings are not expected to be distributed in the foreseeable future, amount to € 787 million (prior year: € 749 million).

Components of the deferred tax assets and liabilities are as follows:



Inventory of deferred tax assets and liabilities

million €	Sept. 30, 2021		2021/2022		Sept. 30, 2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax benefit (+) / expense (-)	Miscellaneous	Deferred tax assets	Deferred tax liabilities
Deferred income taxes on non-current items						
Intangible assets	23	1,870	9	(173)	8	2,019
Property, plant and equipment	5	106	20	7	7	81
Financial assets	7	7	(69)	6	64	127
Non-current non-financial assets	35	-	-	7	42	-
Accrued pension and similar obligations	49	6	9	(24)	61	33
Other provisions	47	1	4	(31)	20	1
Non-current liabilities	17	949	202	3	166	893
Deferred income taxes on current items						
Inventories	48	1	(1)	(5)	42	1
Other assets	88	65	75	(47)	105	54
Other provisions	92	3	(13)	2	84	6
Current liabilities	147	33	(57)	67	196	72
Valuation allowance - temporary differences	(3)	-	(2)	-	(5)	-
Subtotal	555	3,041	177	(188)	790	3,287
Tax loss carried forward etc.	140	-	55	1	196	-
Tax credits	-	-	-	-	-	-
Valuation allowance - tax loss carried forward etc.	(12)	-	(49)	-	(61)	-
Subtotal	128	-	6	1	135	-
Gross amount before offsetting	683	3,041	183	(187)	925	3,287
Offsetting	(637)	(637)			(870)	(870)
Balance sheet amount	46	2,404			55	2,417

The deferred taxes recognized in the "Miscellaneous" column were recognized directly in equity. They result from pension provisions recognized in other comprehensive income (OCI), and currency translation.

The item "non-current liabilities" comprises various financial and non-financial liabilities. The main portion of the deferred taxes on this item results from the fair value measurement of a shareholder loan. The deferred taxes on the item "current liabilities" result from various trade payables and other financial and non-financial liabilities. Current other assets include trade receivables, leases, and other financial and non-financial assets.

As of September 30, 2022, tax loss carryforwards for the Group amount to € 45 million (prior year: € 50 million) and tax interest carryforwards of € 181 million (prior year: € 0 million) for which no deferred tax asset is recognized. According to enacted tax legislation, an amount of € 45 million (prior year: € 29 million) of the tax loss carryforwards and € 181 million (prior year: € 0 million) of the tax interest carryforwards can be carried forward indefinitely and in unlimited amounts.

As of September 30, 2022, the following deferred tax assets based on existing loss carryforwards, are recognized among others, because there is substantial evidence that sufficient future taxable income will be available for their recognition: TK Airport Solutions S.A. in the amount of € 2 million (prior year: € 2 million) and TK Elevadores Chile S.A. in the amount of € 1 million (prior year: € 0 million).

As of September 30, 2022, transaction-related tax risks, non-deductible foreign withholding taxes, transfer pricing risks and the deductibility of certain expenses have been recognized as provisions in the amount of € 51 million (prior year: € 34 million).



The German corporate income tax law applicable for the financial year 2021/2022 stipulates a statutory income tax rate of 30.8% (prior year: 30.6%) taking into account the different German municipal tax rates. The applicable tax rates for companies outside Germany range from between 9.0% (prior year: 9.0%) and 37.5% (prior year: 37.5%).

Changes in the current and deferred tax rates of the German fiscal tax group relate to fluctuations in the trade tax assessment rates of the operating establishments. Regarding the foreign companies, changes in tax rates arise mainly from statutory adjustments related to the corporate income tax.

Tax rate reconciliation

million €	2020/2021	in %	2021/2022	in %
Expected income tax expense/(benefit)	(189)	30.6	(109)	30.8
Tax rate differentials to the German combined income tax rate	1	(0.2)	(0)	0.1
Changes in tax rates or laws	2	(0.3)	5	(1.4)
Change in valuation allowance	(1)	0.3	59	(16.6)
Permanent items	12	(1.9)	7	(2.0)
Income/(loss) from companies accounted for using the equity method	-	-	-	-
Non-creditable withholding taxes	11	(1.8)	10	(3.0)
Tax expense/(benefit) related to prior periods	(14)	2.2	20	(5.6)
Others	2	(0.3)	0	(0.1)
Income tax expense/(benefit) as presented on the statement of profit or loss	(176)	28.6	(8)	2.2

31 Additional disclosures on the consolidated statements of profit or loss

Cost of sales include expenses for materials of € 3,166 million (prior year: € 2,788 million).

Breakdown of personnel expenses included in the consolidated statements of profit or loss:

Personnel expenses

million €	2020/2021	2021/2022
Wages and salaries	2,410	2,541
Social security taxes	361	384
Net periodic pension cost – defined benefit ¹⁾	28	25
Net periodic pension costs – defined contribution	165	193
Other expenses for pensions and retirements	39	69
Related fringe benefits	80	210
Total	3,082	3,422

¹⁾ Excluding net interest that is recognized as part of financial expenses.

The average number of employees in the Group during the year is as follows:



Annual average number of employees

	2020/2021	2021/2022
Europe/Africa	13,791	13,644
Americas	16,143	16,393
Asia/Pacific	18,291	18,951
Access Solutions	1,889	1,964
Corporate Elevator	451	573
Total	50,565	51,526

The average number of employees is calculated as an average over the number of employees in the quarters.

Audit fees and services

The fee for the auditor of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, recognized as an expense in the financial year is broken down as follows:

Fees of Group auditor

	2020/2021	2021/2022
million €	Total	Total
Audit fees	3	3
Audit-related fees	0	0
Tax fees	0	-
Fees for other services	0	-
Total	3	3

The category "Audit fees" comprises the fees for the audit of the consolidated financial statements, for the review of the interim financial statements and for the audit of the annual financial statements of TK Elevator Topco and its German subsidiaries.

Notes to the Consolidated Statements of Cash Flows
32 Additional information on the consolidated statements of cash flows

The liquid funds reported in the consolidated statements of cash flows correspond to the “Cash, cash equivalents and time deposits” line item in the consolidated statements of financial position.

Interest received and interest paid are reported/accrued under the “Other current financial assets” and “Other current financial liabilities”, respectively. In the statements of cash flows, the interest cash flow is calculated from the expenses and income included in the consolidated net income/ (net loss) for the year less non-cash transactions. The interest payments, which are reported in the operating cash flow, amount to € 504 million (prior year: € 488 million).

Non-cash investing activities

There is a non-cash investment of € 140 million (prior year: € 154 million) from right-of-use assets in accordance with IFRS 16.

Changes of liabilities/assets from financing activities

The following table shows the changes of liabilities/assets from financing activities including the changes of cash flows and non-cash items:

Reconciliation in accordance with IAS 7 for 2021/2022

million €	Sept. 30, 2021	Cash changes	Non-cash changes				Sept. 30, 2022	
			Acquisitions/ divestitures of businesses	Currency differences	Fair value changes	Interest from effective interest rate method		Other changes
Liabilities from thyssenkrupp Group financing	0	(0)	(0)	0	-	-	-	0
Bonds / other loans ¹⁾	10,725	(27)	(0)	882	-	237	-	11,815
Liabilities to financial institutions	513	(23)	0	-	-	-	-	490
Lease liabilities ²⁾	345	(117)	1	37	-	18	109	394
Total financial debt	11,583	(168)	1	919	-	255	109	12,700

¹⁾ Loan notes/other loans also contain cash flows from a syndicated loan which are shown amongst Liabilities to financial institutions from note 16.

²⁾ The interest component of the recognized leases amounting to €18 mio is reported in the consolidated statement of cash flows under operating cash flows.

Reconciliation in accordance with IAS 7 for 2020/2021

million €	Sept. 30, 2020	Cash changes	Non-cash changes				Sept. 30, 2021	
			Acquisitions/ divestitures of businesses	Currency differences	Fair value changes	Interest from effective interest rate method		Other changes
Liabilities from thyssenkrupp Group financing	(0)	0	-	0	-	-	-	0
Bonds / other loans ¹⁾	10,282	112	(0)	52	-	278	(0)	10,724
Liabilities to financial institutions	888	(374)	(1)	(0)	-	-	-	513
Lease liabilities ²⁾	291	(104)	2	6	-	14	137	345
Total financial debt	11,461	(366)	1	58	-	292	137	11,583

¹⁾ Loan notes/other loans also contain cash flows from a syndicated loan which are shown amongst Liabilities to financial institutions from note 16.

²⁾ The interest component of the recognized leases amounting to €14 mio is reported in the consolidated statement of cash flows under operating cash flows.



Leases in the statements of cash flows

In the statements of cash flows, the interest component of the leases carried in the statement of financial position is shown under the operating cash flows and the repayment component under cash flows from financing activities. In the financial year 2021/2022, the total cash outflows of the Group as lessee amounted to € 130 million (prior year: € 117 million).

The following potential cash outflows with the lessee have not been included in the lease liability and will only be included in the statement of cash flows if they actually result in cash outflows in future periods:

Potential future lease payments

million €	Sept. 30, 2021	Sept. 30, 2022
Extension and/or termination options as well as call options	(37)	(132)
Residual value guarantees	(0)	(0)
Variable payments	-	-
Lease commitments	(2)	(0)
Total	(38)	(132)

Possible future lease payments by the lessee from the exercise of options were not included in the lease liability if the exercise of the corresponding options was not considered to be sufficiently certain. These options include lease payments from lease extension options, penalty payments from the exercise of termination options and payments from purchase options. The options are only deemed to be exercisable and recognized as a lease liability if there is a high probability that the options will be exercised. If facts and circumstances change, a reassessment of the exercise of the options is undertaken.

If, in individual cases, there are infinite revolving lease extension options for ground leases, their payments are not included in the potential future lease payments. An estimate of the term was made when determining the corresponding lease liability.

Individual lease agreements can contain several options. The Group uses options in order to maintain the greatest possible operational flexibility. Such options can generally only be exercised by the Group as lessee. Furthermore, the leases entered into do not contain any clauses that significantly restrict the Group by requiring compliance with certain covenants.



Other Information

33 Financial information regarding TK Elevator Holdco GmbH and TK Elevator Midco GmbH

To supplement the TK Elevator Topco consolidated financial statements, the consolidated statements of financial position, the consolidated statements of profit or loss and the consolidated statements of cash flows of the TK Elevator Holdco GmbH and TK Elevator Midco GmbH subgroups are also presented in the notes to the consolidated financial statements. They are presented as a reconciliation, based on the figures of TK Elevator Topco. The following financial figures exist only in the form of a reconciliation.



The reconciliation of the corresponding consolidated statements of financial position as of September 30, 2022, and September 30, 2021, is shown below:

Consolidated Statement of Financial Position September 30, 2022

Assets million €	Sept. 30, 2022		Sept. 30, 2022		Sept. 30, 2022	
	TK Elevator Topco GmbH	Recon- ciliation	TK Elevator Holdco GmbH	Recon- ciliation	TK Elevator Midco GmbH	
Intangible assets	20,442	-	20,442	-	20,442	
Property, plant and equipment	1,146	-	1,146	-	1,146	
Other financial assets	727	-	727	563	1,290	
Other non-financial assets	50	-	50	-	50	
Deferred tax assets	55	-	55	(0)	55	
Total non-current assets	22,421	-	22,421	562	22,983	
Inventories	697	-	697	-	697	
Trade accounts receivable	1,539	-	1,539	-	1,539	
Contract assets	522	-	522	-	522	
Other financial assets	49	8	56	534	590	
Other non-financial assets	272	(0)	272	-	272	
Current income tax assets	122	-	122	(0)	122	
Cash, cash equivalents and time deposits	436	(0)	436	(0)	436	
Total current assets	3,637	8	3,644	534	4,178	
Total assets	26,058	8	26,065	1,096	27,161	
Equity and liabilities						
million €						
Capital stock	0	-	0	-	0	
Additional paid-in capital	2,731	(1)	2,730	1,652	4,382	
Retained earnings	1,405	24	1,428	579	2,007	
Cumulative other comprehensive income	1,573	-	1,573	-	1,573	
Equity attributable to shareholders	5,709	23	5,732	2,231	7,962	
Non-controlling interest	31	-	31	-	31	
Total equity	5,739	23	5,762	2,231	7,993	
Accrued pension and similar obligations	257	-	257	-	257	
Provisions for other employee benefits	41	-	41	-	41	
Other provisions	216	-	216	(0)	216	
Deferred tax liabilities	2,417	(11)	2,406	5	2,410	
Financial debt	12,575	(1)	12,574	(1,123)	11,450	
Other financial liabilities	1	-	1	-	1	
Other non-financial liabilities	0	-	0	-	0	
Total non-current liabilities	15,506	(12)	15,494	(1,118)	14,376	
Provisions for current employee benefits	206	-	206	-	206	
Other provisions	425	(4)	421	-	421	
Current income tax liabilities	138	-	138	(15)	123	
Financial debt	125	-	125	-	125	
Trade accounts payable	958	-	958	(0)	958	
Other financial liabilities	273	0	273	(1)	272	
Contract liabilities	2,033	-	2,033	-	2,033	
Other non-financial liabilities	654	-	654	(0)	654	
Total current liabilities	4,812	(4)	4,809	(16)	4,792	
Total liabilities	20,318	(16)	20,303	(1,135)	19,168	
Total equity and liabilities	26,058	8	26,065	1,096	27,161	



Consolidated Statement of Financial Position September 30, 2021

Assets

million €	Sept. 30, 2021		Sept. 30, 2021		Sept. 30, 2021	
	TK Elevator Topco GmbH	Recon-ciliation	TK Elevator Holdco GmbH	Recon-ciliation	TK Elevator Midco GmbH	
Intangible assets	18,921	-	18,921	-	18,921	
Property, plant and equipment	1,088	-	1,088	-	1,088	
Other financial assets	437	-	437	563	1,000	
Other non-financial assets	28	-	28	-	28	
Deferred tax assets	46	-	46	28	74	
Total non-current assets	20,521	-	20,521	590	21,111	
Inventories	602	-	602	-	602	
Trade accounts receivable	1,366	-	1,366	0	1,366	
Contract assets	399	-	399	-	399	
Other financial assets	76	6	82	308	390	
Other non-financial assets	308	(2)	307	-	307	
Current income tax assets	130	-	130	(0)	130	
Cash, cash equivalents and time deposits	369	(0)	369	(0)	369	
Total current assets	3,252	4	3,256	308	3,563	
Total assets	23,773	4	23,777	898	24,674	

Equity and liabilities

million €

Capital stock	0	-	0	-	0	
Additional paid-in capital	2,731	(1)	2,730	1,652	4,382	
Retained earnings	1,680	21	1,701	181	1,882	
Cumulative other comprehensive income	523	-	523	-	523	
Equity attributable to shareholders	4,934	20	4,955	1,832	6,787	
Non-controlling interest	28	-	28	-	28	
Total equity	4,963	20	4,983	1,832	6,816	
Accrued pension and similar obligations	331	-	331	-	331	
Provisions for other employee benefits	43	-	43	-	43	
Other provisions	288	-	288	(0)	288	
Deferred tax liabilities	2,404	(13)	2,390	16	2,407	
Financial debt	11,476	(0)	11,476	(998)	10,478	
Other financial liabilities	1	-	1	-	1	
Other non-financial liabilities	1	-	1	-	1	
Total non-current liabilities	14,545	(13)	14,531	(982)	13,549	
Provisions for current employee benefits	181	-	181	-	181	
Other provisions	434	(3)	431	-	431	
Current income tax liabilities	127	-	127	(2)	125	
Financial debt	107	-	107	-	107	
Trade accounts payable	743	0	743	1	744	
Other financial liabilities	259	-	259	49	308	
Contract liabilities	1,732	-	1,732	-	1,732	
Other non-financial liabilities	683	(1)	682	(0)	682	
Total current liabilities	4,265	(3)	4,262	48	4,310	
Total liabilities	18,810	(16)	18,793	(934)	17,859	
Total equity and liabilities	23,773	4	23,777	898	24,674	



The reconciliation of the corresponding consolidated statements of profit or loss for the financial years 2021/2022 and 2020/2021 is shown below:

Consolidated Statements of Profit or Loss 2021/2022

million €	2021/2022		2021/2022		2021/2022	
	TK Elevator Topco GmbH	Recon- ciliation	TK Elevator Holdco GmbH	Recon- ciliation	TK Elevator Midco GmbH	
Sales	8,531	-	8,531	-	8,531	
Cost of sales	(6,826)	-	(6,826)	(0)	(6,826)	
Gross margin	1,705	-	1,705	(0)	1,705	
Research and development cost	(111)	-	(111)	-	(111)	
Selling expenses	(518)	-	(518)	-	(518)	
General and administrative expenses	(780)	4	(776)	0	(775)	
Other income	161	(0)	161	1	162	
Other expenses	(49)	-	(49)	-	(49)	
Other gains/(losses), net	(1)	-	(1)	-	(1)	
Income from operations	407	4	412	1	413	
Income from companies accounted for using the equity method	-	-	-	-	-	
Finance income	415	0	415	238	653	
Finance expense	(1,176)	1	(1,175)	163	(1,012)	
Financial expense, net	(761)	1	(760)	401	(359)	
Loss before tax	(353)	5	(348)	402	53	
Income tax (expense)/income	8	(2)	5	(3)	2	
Net income/(loss)	(346)	3	(343)	398	55	
Thereof:						
Shareholders of TK Elevator Topco GmbH/TK Elevator Holdco GmbH/TK Elevator Midco GmbH						
	(347)	3	(344)	398	55	
Non-controlling interest	1	-	1	-	1	
Net income/(loss)	(346)	3	(343)	398	55	



Consolidated Statements of Profit or Loss 2020/2021

million €	2020/2021		2020/2021		2020/2021	
	TK Elevator Topco GmbH	Recon- ciliation	TK Elevator Holdco GmbH	Recon- ciliation	TK Elevator Midco GmbH	
Sales	7,959	-	7,959	-	7,959	
Cost of sales	(6,348)	-	(6,348)	(0)	(6,348)	
Gross margin	1,611	-	1,611	(0)	1,611	
Research and development cost	(103)	-	(103)	-	(103)	
Selling expenses	(494)	-	(494)	-	(494)	
General and administrative expenses	(793)	6	(788)	(1)	(788)	
Other income	49	(0)	49	1	51	
Other expenses	(105)	(1)	(106)	(1)	(107)	
Other gains/(losses), net	(0)	-	(0)	-	(0)	
Income from operations	165	5	169	(1)	169	
Income from companies accounted for using the equity method	0	-	0	-	0	
Finance income	79	0	79	311	391	
Finance expense	(861)	(0)	(861)	18	(843)	
Financial expense, net	(781)	0	(781)	329	(452)	
Loss before tax	(617)	5	(612)	329	(283)	
Income tax (expense)/income	176	(3)	174	(66)	107	
Net income/(loss)	(440)	2	(438)	262	(176)	
Thereof:						
Shareholders of TK Elevator Topco GmbH/TK Elevator Holdco GmbH/TK Elevator Midco GmbH						
	(442)	2	(440)	262	(178)	
Non-controlling interest	2	-	2	-	2	
Net income/(loss)	(440)	2	(438)	262	(176)	



The reconciliation of the corresponding consolidated statements of cash flows for the financial years 2021/2022 and 2020/2021 is shown below:

Consolidated Statement of Cash Flows 2021/2022

million €	2021/2022		2021/2022		2021/2022	
	TK Elevator Topco GmbH	Recon- ciliation	TK Elevator Holdco GmbH	Recon- ciliation	TK Elevator Midco GmbH	
Net income/(loss)	(346)	3	(343)	398		55
Adjustments to reconcile net income/(loss) to operating cash flows:						
Deferred income taxes, net	(183)	2	(180)	17		(164)
Depreciation, amortization and impairment of non-current assets	610	-	610	-		610
Income/(loss) from companies accounted for using the equity method, net of dividends received	-	-	-	-		-
(Gain)/loss on disposal of non-current assets	4	-	4	-		4
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes						
- Inventories	(52)	-	(52)	-		(52)
- Trade accounts receivable	(34)	-	(34)	0		(33)
- Contract assets	(82)	-	(82)	-		(82)
- Accrued pension and similar obligations	23	-	23	-		23
- Other provisions	(139)	(1)	(140)	(0)		(140)
- Trade accounts payable	149	(0)	149	(1)		147
- Contract liabilities	94	-	94	-		94
- Other assets/liabilities not related to investing or financing activities	216	(2)	214	(361)		(147)
Operating cash flows	261	2	262	53		315
Purchase of investments accounted for using the equity method and non-current financial assets	(0)	-	(0)	-		(0)
Expenditures for acquisitions of consolidated companies net of cash acquired	(29)	-	(29)	-		(29)
Capital expenditures for property, plant and equipment (inclusive of advance payments)	(72)	-	(72)	-		(72)
Capital expenditures for intangible assets (inclusive of advance payments)	(74)	-	(74)	-		(74)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	-	1	-		1
Proceeds from disposals of property, plant and equipment	18	-	18	-		18
Proceeds from disposals of intangible assets	0	-	0	-		0
Cash flows from investing activities	(156)	-	(156)	-		(156)
Proceeds from liabilities to financial institutions	177	-	177	-		177
Repayments of liabilities to financial institutions	(200)	-	(200)	-		(200)
Repayments of lease liabilities	(99)	-	(99)	-		(99)
Proceeds from bonds and other loans	-	-	-	-		-
Repayments on bonds and other loans	(27)	(0)	(27)	0		(27)
Proceeds from the capital increase	-	-	-	-		-
Dividends paid to non-controlling interest	(4)	-	(4)	-		(4)
Other financing activities	88	(2)	87	(53)		33
Cash flows from financing activities	(65)	(2)	(67)	(53)		(119)
Net increase/(decrease) in cash and cash equivalents	40	0	40	0		40
Effect of exchange rate changes on cash and cash equivalents	27	-	27	-		27
Cash and cash equivalents at beginning of year	369	(0)	369	(0)		369
Cash and cash equivalents at end of the year	436	(0)	436	(0)		436
Additional information regarding cash flows from interest, dividends, and income taxes which are included in operating cash flows:						
Interest received	5	(1)	4	(84)		(81)
Interest paid	(508)	1	(507)	137		(370)
Income taxes paid	(154)	-	(154)	(0)		(154)



Consolidated Statement of Cash Flows 2020/2021

million €	2020/2021		2020/2021		2020/2021
	TK Elevator Topco GmbH	Recon- ciliation	TK Elevator Holdco GmbH	Recon- ciliation	TK Elevator Midco GmbH
Net income/(loss)	(440)	2	(438)	262	(176)
Adjustments to reconcile net income/(loss) to operating cash flows:					
Deferred income taxes, net	(360)	3	(357)	67	(290)
Depreciation, amortization and impairment of non-current assets	754	-	754	-	754
Income/(loss) from companies accounted for using the equity method, net of dividends received	(0)	-	(0)	-	(0)
(Gain)/loss on disposal of non-current assets	2	-	2	-	2
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes					
- Inventories	26	-	26	-	26
- Trade accounts receivable	16	-	16	1	18
- Contract assets	80	-	80	-	80
- Accrued pension and similar obligations	13	-	13	-	13
- Other provisions	5	(1)	4	0	5
- Trade accounts payable	58	(10)	48	2	50
- Contract liabilities	(33)	-	(33)	-	(33)
- Other assets/liabilities not related to investing or financing activities	234	2	236	(202)	34
Operating cash flows	355	(4)	351	130	481
Purchase of investments accounted for using the equity method and non-current financial assets					
	(2)	-	(2)	-	(2)
Expenditures for acquisitions of consolidated companies net of cash acquired					
	(70)	-	(70)	-	(70)
Capital expenditures for property, plant and equipment (inclusive of advance payments)					
	(87)	-	(87)	-	(87)
Capital expenditures for intangible assets (inclusive of advance payments)					
	(55)	-	(55)	-	(55)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets					
	(0)	-	(0)	-	(0)
Proceeds from disposals of property, plant and equipment					
	4	-	4	-	4
Proceeds from disposals of Intangible assets					
	2	-	2	-	2
Cash flows from investing activities	(208)	-	(208)	-	(208)
Proceeds from liabilities to financial institutions					
	46	-	46	-	46
Repayments of liabilities to financial institutions					
	(420)	-	(420)	-	(420)
Repayments of lease liabilities					
	(90)	-	(90)	-	(90)
Proceeds from bonds and other loans					
	3,701	-	3,701	-	3,701
Repayments on bonds and other loans					
	(3,589)	0	(3,589)	162	(3,427)
Proceeds from the capital increase					
	4	-	4	-	4
Dividends paid to non-controlling interest					
	(3)	-	(3)	-	(3)
Other financing activities					
	10	5	15	(292)	(277)
Cash flows from financing activities	(341)	5	(336)	(130)	(466)
Net increase/(decrease) in cash and cash equivalents					
	(194)	1	(193)	(0)	(193)
Effect of exchange rate changes on cash and cash equivalents					
	11	-	11	-	11
Cash and cash equivalents at beginning of year					
	552	(1)	551	(0)	551
Cash and cash equivalents at end of the year	369	(0)	369	(0)	369
Additional information regarding cash flows from interest, dividends, and income taxes which are included in operating cash flows:					
Interest received	4	0	4	(0)	4
Interest paid	(492)	(0)	(492)	124	(368)
Income taxes paid	(255)	-	(255)	0	(255)



34 Special events after the reporting date

The global economic development continues to be influenced by the COVID-19 pandemic. The number of cases in the greater China region in particular is rising more strongly again, because the measures to contain the COVID-19 pandemic in this region have been greatly scaled back. Management continuously assesses all significant planning assumptions, taking into account the business development since the reporting date. There are currently no indications triggering a need to recognize impairment losses.

In December 2022, the Group decided and announced an extensive restructuring of the plant in Neuhausen. The restructuring concept intends a reorganization of the production site in Neuhausen, which will be accompanied by a higher focus on production. The restructuring will impact around 500 jobs, for which a reconciliation of interests and a social plan are to be agreed with the employee representatives in the coming weeks.



35 Application of exemption regulations

The following domestic subsidiaries in the legal form of a corporation pursuant to Section 264a of the German Commercial Code (HGB) have made partial use of the exemption provision pursuant to Section 264 (3) of the German Commercial Code (HGB):

- ELEG Europäische Lift + Escalator GmbH, Düsseldorf, Germany
- LiftEquip GmbH Elevator Components, Neuhausen auf den Fildern, Germany
- Tepper Aufzüge GmbH, Münster, Germany
- TK Home Solutions GmbH, Essen, Germany
- TK Aufzüge GmbH, Neuhausen auf den Fildern, Germany
- TK Aufzugswerke GmbH, Neuhausen auf den Fildern, Germany
- TK Aufzugswerke Newco GmbH, Neuhausen auf den Fildern, Germany
- TK Elevator Europe Africa GmbH, Essen, Germany
- TK Elevator Innovation and Operations GmbH, Düsseldorf, Germany
- TK Fahrtreppen GmbH, Hamburg, Germany
- TK Elevator GmbH, Essen, Germany
- TK Elevator Holding GmbH, Essen, Germany
- TK Elevator Holdco GmbH, Essen, Germany
- TK Elevator Midco GmbH, Essen, Germany
- TK Elevator Newco GmbH, Essen, Germany

The following domestic companies, which make use of the exemption provisions pursuant to Section 291 of the German Commercial Code (HGB), are included with their subsidiaries in the consolidated financial statements of TK Elevator Topco, and are exempt from the obligation to prepare consolidated financial statements and a group management report:

- ELEG Europäische Lift + Escalator GmbH, Düsseldorf, Germany
- TK Aufzugswerke GmbH, Neuhausen auf den Fildern, Germany
- TK Elevator Europe Africa GmbH, Essen, Germany
- TK Elevator Innovation and Operations GmbH, Düsseldorf, Germany
- TK Elevator GmbH, Essen, Germany
- TK Elevator Holding GmbH, Essen, Germany
- TK Elevator Holdco GmbH, Essen, Germany
- TK Elevator Midco GmbH, Essen, Germany
- TK Elevator Newco GmbH, Essen, Germany

Düsseldorf, January 9, 2023

TK Elevator Topco GmbH

The Managing Directors

Uday Yadav

Ercan Keles

Dr. Philipp Voet van Vormizeele



Short-Form Audit Report

TK Elevator Topco GmbH
Essen

Consolidated Financial Statements for the Period Ending
September 30, 2022 and the Group Management Report for Financial
Year 2022

INDEPENDENT AUDITOR'S REPORT

(Translation – the German text is authoritative)

Engagement: DEE00069584.1.1







INDEPENDENT AUDITOR'S REPORT

To: TK Elevator Topco GmbH, Essen

Audit Opinions

We have audited the consolidated financial statements of TK Elevator Topco GmbH, Essen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at September 30, 2022 the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from October 1, 2021 to September 30, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.. In addition, we have audited the group management report of TK Elevator Topco GmbH for the financial year from October 1, 2021 to September 30, 2022.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at September 30, 2022 and of its financial performance for the financial year from October 1, 2021 to September 30, 2022 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

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



The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.



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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.



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

Essen, January 9, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Michael Preiß
Wirtschaftsprüfer

(German Public Auditor)

sgd. Philip Meyer zu Spradow
Wirtschaftsprüfer

(German Public Auditor)