Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.10.2023 - 30.09.2024

Konsern

Morselskap 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:	21.03.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert

År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 13.08.2025

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Revenue	1, 2	25 135 601	21 996 779
Sum inntekter		**25 135 601**	**21 996 779**
Kostnader			
Employee benefits expense	3, 4	8 913 464	8 341 258
Depreciation and amortisation expenses	5	33 161	98 027
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		
Other expenses	2	15 133 443	12 956 388
Sum kostnader		**24 080 068**	**21 395 673**
Driftsresultat		**1 055 533**	**601 106**
Finansinntekter og finanskostnader			
Income from subsidiaries	6	47 520 000	
Annen renteinntekt	2	2 322 300	1 461 442
Other financial income		432	41 212
Sum finansinntekter		**49 842 732**	**1 502 654**
Annen rentekostnad		158 953	3 424
Other financial expenses		120 324	49 009
Sum finanskostnader		**279 277**	**52 433**
Netto finans		**49 563 455**	**1 450 221**
Resultat før skattekostnad		**50 618 989**	**2 051 327**
Income tax expense	7	681 777	452 013
Årsresultat	8	**49 937 212**	**1 599 314**
Årsresultat etter minoritetsinteresser		**49 937 212**	**1 599 314**
Totalresultat		**49 937 212**	**1 599 314**
Overføringer og disponeringer			

Resultatregnskap

Beløp i: NOK	Note	2024	2023
Ordinært utbytte		19 120 000	
Tilleggsutbytte		30 800 000	
Other equity		17 212	1 599 314
Sum overføringer og disponeringer		**49 937 212**	**1 599 314**

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Development	5		
Concessions, patents, licences, trademarks, and similar rights	5		
Utsatt skattefordel	5, 7	938 360	851 309
Goodwill	5		
Sum immaterielle eiendeler		**938 360**	**851 309**
Varige driftsmidler			
Buildings and land	5		
Machinery and equipment	5	20 794	53 954
Ships	5		
Equipment and other movables	5		
Sum varige driftsmidler		**20 794**	**53 954**
Finansielle anleggsmidler			
Investering i datterselskap	6		
Investering i annet foretak i samme konsern	6	90 161 375	90 161 375
Lån til foretak i samme konsern	2, 9		
Lån til tilknyttet selskap og felles kontrollert virksomhet	2		
Sum finansielle anleggsmidler		**90 161 375**	**90 161 375**
Sum anleggsmidler		**91 120 529**	**91 066 638**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	9		
Other short-term receivables		497 272	400 233
Konsernfordringer	9	56 789 497	39 282 000
Sum fordringer		**57 286 769**	**39 682 233**
Investeringer			
Aksjer og andeler i foretak i samme konsern	6		

Balanse

Beløp i: NOK	Note	2024	2023
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	7 803 520	5 180 089
Sum bankinnskudd, kontanter og lignende		**7 803 520**	**5 180 089**
Sum omløpsmidler		**65 090 290**	**44 862 321**
SUM EIENDELER		**156 210 818**	**135 928 960**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	11	5 200 000	5 200 000
Annen innskutt egenkapital	8		
Sum innskutt egenkapital		**5 200 000**	**5 200 000**
Opptjent egenkapital			
Reserve for valuation variances	8		
Other equity	8	123 460 256	123 552 434
Udekket tap	8		
Sum opptjent egenkapital		**123 460 256**	**123 552 434**
Sum egenkapital		**128 660 256**	**128 752 434**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4	4 029 604	3 627 538
Utsatt skatt	7		
Sum avsetninger for forpliktelser		**4 029 604**	**3 627 538**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**4 029 604**	**3 627 538**
Kortsiktig gjeld			
Leverandørgjeld	9	1 720 237	1 473 559
Tax payable	7	945 846	480 370

Balanse

Beløp i: NOK	Note	2024	2023
Public duties payable		393 766	306 737
Utbytte	8	19 120 000	
Other current liabilities	9	1 341 109	1 288 321
Sum kortsiktig gjeld		**23 520 958**	**3 548 987**
Sum gjeld		**27 550 562**	**7 176 525**
SUM EGENKAPITAL OG GJELD		**156 210 818**	**135 928 960**

CONSOLIDATED FINANCIAL STATEMENTS

for the financial year as of September 30, 2023

for TK Elevator Topco GmbH, Essen

TK Elevator Topco GmbH – Consolidated Statements of Financial Position

Assets

million €	Note	Sept. 30, 2022	Sept. 30, 2023
Intangible assets	06	20,442	19,109
Property, plant and equipment	07	1,146	1,026
Other financial assets	11	727	710
Other non-financial assets	12	50	34
Deferred tax assets	30	55	54
Total non-current assets		**22,421**	**20,934**
Inventories	08	697	737
Trade accounts receivable	09	1,539	1,584
Contract assets	10	522	520
Other financial assets	11	49	52
Other non-financial assets	12	272	223
Current income tax assets		122	119
Cash, cash equivalents and time deposits		436	421
Assets held for sale	05	-	66
Total current assets		**3,637**	**3,721**
Total assets		**26,058**	**24,655**

Equity and liabilities

million €	Note	Sept. 30, 2022	Sept. 30, 2023
Capital stock[1]		0	0
Additional paid-in capital		2,731	2,731
Retained earnings		1,405	1,142
Cumulative other comprehensive income		1,573	779
Equity attributable to the TK Elevator Topco GmbH's shareholders		5,709	4,653
Non-controlling interest		31	24
Total equity	13	**5,739**	**4,677**
Accrued pension and similar obligations	14	257	250
Provisions for other employee benefits	15	41	42
Other provisions	15	216	201
Deferred tax liabilities	30	2,417	2,202
Financial debt	16	12,575	12,461
Other financial liabilities	18	1	1
Other non-financial liabilities	19	0	0
Total non-current liabilities		**15,506**	**15,157**
Provisions for current employee benefits	15	206	212
Other provisions	15	425	458
Current income tax liabilities		138	151
Financial debt	16	125	268
Trade accounts payable	17	958	997
Other financial liabilities	18	273	170
Contract liabilities	10	2,033	2,031
Other non-financial liabilities	19	654	535
Total current liabilities		**4,812**	**4,821**
Total liabilities		**20,318**	**19,978**
Total equity and liabilities		**26,058**	**24,655**

See accompanying notes to the Consolidated Financial Statements.

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

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TK Elevator Topco GmbH – Consolidated Statements of Profit or Loss

million €	Note	2021/2022	2022/2023
Sales	24	8,531	8,924
Cost of sales		(6,826)	(6,859)
Gross margin		**1,705**	**2,065**
Research and development cost		(111)	(119)
Selling expenses		(518)	(531)
General and administrative expenses		(780)	(835)
Other income	25	161	60
Other expenses	26	(49)	(70)
Other gains/(losses), net	27	(1)	(8)
Income from operations		**407**	**560**
Finance income		415	353
Finance expense		(1,176)	(1,108)
Financial expense, net	28	**(761)**	**(755)**
Income/(loss) before tax		**(353)**	**(194)**
Income tax (expense)/income	30	8	(72)
Net loss		**(346)**	**(267)**
Thereof:			
Shareholders of TK Elevator Topco GmbH		(347)	(269)
Non-controlling interest		1	2
Net loss		**(346)**	**(267)**

See accompanying notes to the Consolidated Financial Statements.

TK Elevator Topco GmbH – Consolidated Statements of Comprehensive Income

million €	2021/2022	2022/2023
Net loss	**(346)**	**(267)**
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	99	8
Tax effect	(28)	(2)
Other comprehensive income from remeasurements of pensions and similar obligations, net	71	6
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**71**	**6**
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	1,055	(800)
Net realized (gains)/losses	0	(0)
Net unrealized gains/(losses)	1,055	(800)
Unrealized gains/(losses) from fair value measurement of securities		
Change in unrealized gains/(losses), net	-	-
Net realized (gains)/losses	-	-
Tax effect	-	-
Net unrealized gains/(losses)	-	-
Unrealized gains/(losses) on cash flow hedges		
Change in unrealized gains/(losses), net	2	(2)
Net realized (gains)/losses	(1)	1
Tax effect	(0)	0
Net unrealized gains/(losses)	1	(0)
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	**1,055**	**(800)**
Other comprehensive income	**1,126**	**(795)**
Total comprehensive income	**780**	**(1,061)**
Thereof:		
Shareholders of TK Elevator Topco GmbH	774	(1,057)
Non-controlling interest	6	(5)

See accompanying notes to the Consolidated Financial Statements.

TK Elevator Topco GmbH –

Consolidated Statements of Changes in Equity

million €	Capital stock[1]	Additional paid-in capital	Retained earnings	Foreign currency translation adjustment	Fair value measurement of debt instruments	Designated risk component	Hedging costs	Total	Non-controlling interest	Total equity
	Equity attributable to the TK Elevator Topco GmbH's shareholders									
				Cumulative other comprehensive income						
						Cash flow hedges				
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**
Balance as of October 1, 2022	**0**	**2,731**	**1,405**	**1,573**	**0**	**1**	**(0)**	**5,709**	**31**	**5,739**
Net income/(loss)			(269)					(269)	2	(267)
Other comprehensive income		(0)	6	(793)	(0)	(1)	0	(788)	(7)	(795)
Total comprehensive income	**-**	**(0)**	**(263)**	**(793)**	**(0)**	**(1)**	**0**	**(1,057)**	**(5)**	**(1,061)**
Dividends paid to non-controlling interest								-	(2)	(2)
Capital increase								-		-
Other changes		(0)	1					1	0	1
Balance as of September 30, 2023	**0**	**2,731**	**1,142**	**779**	**-**	**(0)**	**0**	**4,653**	**24**	**4,677**

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 Cash Flows

million €	2021/2022	2022/2023
Net loss	**(346)**	**(267)**
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	(183)	(144)
Depreciation, amortization and impairment of non-current assets	610	465
(Gain)/loss on disposal of non-current assets	4	3
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
– Inventories	(52)	(67)
– Trade accounts receivable	(34)	(152)
– Contract assets	(82)	(51)
– Accrued pension and similar obligations	23	1
– Other provisions	(139)	63
– Trade accounts payable	149	83
– Contract liabilities	94	144
– Other assets/liabilities not related to investing or financing activities	216	145
Operating cash flows	**261**	**224**
Purchase of investments accounted for using the equity method and non-current financial assets	(0)	(0)
Expenditures for acquisitions of consolidated companies net of cash acquired	(29)	(23)
Capital expenditures for property, plant and equipment (inclusive of advance payments)	(72)	(71)
Capital expenditures for intangible assets (inclusive of advance payments)	(74)	(86)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	(0)
Proceeds from disposals of property, plant and equipment	18	5
Proceeds from disposals of intangible assets	0	0
Cash flows from investing activities	**(156)**	**(175)**
Proceeds from issuance of bonds	-	-
Repayments of bonds	-	-
Proceeds from liabilities to financial institutions[1]	177	1,324
Repayments of liabilities to financial institutions[1]	(227)	(1,230)
Repayments of lease liabilities	(99)	(101)
Proceeds from other loans[1]	-	1
Repayments on other loans[1]	(0)	(0)
Proceeds from capital increase	-	-
Dividends paid to non-controlling interest	(4)	(2)
Other financing activities	88	(22)
Cash flows from financing activities	**(65)**	**(31)**
Net increase/(decrease) in cash, cash equivalents and time deposits	40	18
Effect of exchange rate changes on cash, cash equivalents and time deposits	27	(33)
Cash, cash equivalents and time deposits at beginning of the period	369	436
Cash, cash equivalents and time deposits at end of the period	**436**	**421**
Additional information regarding cash flows from interest and income taxes which are included in operating cash flows:		
Interest received	5	14
Interest paid	(508)	(633)
Income taxes paid	(154)	(203)

[1] The presentation has been adjusted, also refer to the description in Note 02.

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 the "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 the "Group" or "TK Elevator") has been prepared by the managing directors on January 18, 2024 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, stair 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.

The following reclassifications were performed for the statement of financial position, statement of profit or loss, and statement of cash flows in the consolidated financial statements for the financial year ending September 30, 2023.

– Changes in the presentation of the income effect from the impairment of trade accounts receivable and contract assets, which amounted to € 37 million in the financial year 2022/2023 (prior year:

€ 14 million). These were reclassified from selling expenses to other expenses. The prior year's presentation was not adjusted. This change in presentation was undertaken to align it with standard market practice.

- Change in presentation of the interest liabilities, which amounted to € 126 million in the financial year 2022/2023 (prior year: € 107 million). These were reclassified from other financial liabilities to financial debt. The prior year's presentation was not adjusted.
- Change in presentation of the proceeds/repayments of liabilities to financial institutions and other loans in the statement of cash flows. The presentation was amended to ensure the separate disclosure of bonds and liabilities to financial institutions in the statement of cash flows and the reconciliation in accordance with IAS 7 (also refer to Note 32) which corresponds to the recognition within the financial debt (in this context, also refer to the separate disclosure in Note 16). The prior year's presentation was adjusted.

03 Summary of significant accounting policies

All amounts are presented in millions of euros (million €) unless stated otherwise. Deviations may result compared to the unrounded figures. The financial year 2022/2023 stated in the consolidated financial statements covers the financial year from October 1, 2022, to September 30, 2023. The financial year 2021/2022 stated in the consolidated financial statements covers the financial year from October 1, 2021, to September 30, 2022. 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 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.

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, 2022	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023
US Dollar	0.97	1.06	1.09	1.07
Chinese Renminbi Yuan	6.94	7.74	7.10	7.53
South Korean Won	1,400.69	1,425.26	1,349.76	1,404.40
Canadian Dollar	1.34	1.42	1.38	1.44
Brazilian Real	5.26	5.31	5.70	5.41

The Russian Ruble exchange rate was subject to significant fluctuations, and the European Central Bank 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 103.11 (prior year: RUB 59.33) and an average rate of RUB 83.49 (prior year: 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 to 1.5 year(s) for order backlog acquired in the new installation and modernization business
- Development costs, self-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 assets which are used in-house. As a rule, this period is between 5 and 8 years.

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. Ongoing 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 (CGUs) 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, also refer to Note 06.

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, e-bikes) 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. The first-time recognition of financial assets is performed at fair value, with the exception of trade accounts receivable. 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 in the statement of financial position usually reflect the market prices of the financial assets. The first-time recognition of trade accounts receivable is performed at the transaction price, unless there are significant financing components.

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, 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.

In the financial year 2022/2023, a change in presentation was undertaken for the income effect from the impairment of trade accounts receivable and contract assets, also refer to the explanations in Note 02.

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.

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 future cash flows against foreign currency risks arising from future sales and procurement transactions. 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, judgments 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 recognized to the fair value through other comprehensive income category less impairments and of financial instruments in the cash flow hedge, hedging costs incurred from designated foreign currency derivatives, 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 of the assets. 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 twelve 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. A warranty assurance in excess of the statutory requirements is considered a service warranty and thus a separate benefit obligation. Furthermore, contracts with customers can contain the rendering of maintenance services. If these maintenance services do not contain any material integration, they should be considered additional distinct benefit obligations within the customer's contract. If the rendering of the maintenance services represents a material integration in connection with other services to be rendered arising from the customer's contract, the individual services are to be handled as one single benefit obligation.

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.

Individual non-current assets held for sale

A non-current asset is recognized as "held for sale" if the corresponding carrying amount will be recovered principally through a sale transaction rather than through continued use. Individual non-current assets held for sale are recognized separately in the statement of financial position as "Assets held for sale". When they are classified as "held for sale" for the first time, non-current assets are recognized at the lower of carrying amount and fair value less costs to sell, and scheduled amortization and depreciation is no longer performed. Impairments which arise from the first-time classification as "held for sale" are taken into account like subsequent impairment losses and reversals at the maximum value of the cumulative impairment loss in the consolidated statement of profit or loss.

Estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates, judgments 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 war in Ukraine, other geopolitical and trade policy conflicts, 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, also refer to Note 04.

Recoverability of goodwill

The Group tests goodwill for impairment annually and in addition if there is an indication that goodwill may be impaired. Then, the recoverable amount of the cash-generating unit must be estimated. This 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 06). 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 06 and 07). 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.

Valuation of individual non-current assets held for sale

Assets held for sale are recognized at the lower value of carrying amount and fair value less costs to sell. Estimates and assumptions on the part of management, which inherently entail a certain amount of uncertainty, may be necessary to determine the fair value less costs to sell.

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 in individual cases, 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 macroeconomic framework conditions

The outbreak of the war in Ukraine in February 2022 as well as other geopolitical and trade policy conflicts continue to influence the global economy. The potential impact has been assessed on an ongoing basis in the financial year 2022/2023. In addition to the direct implications on the Operating Unit Greater Europe in the Business Unit Europe/Africa, the indirect repercussions for the Group's business development remain very uncertain as of the present time.

In particular against the background of the war in Ukraine, ongoing geopolitical and trade policy conflicts, continuing economic fluctuations especially within the construction industry and the macroeconomic conditions (increased capital costs, higher inflation rates, and higher energy and raw material prices), the critical items of goodwill, other intangible assets and property, plant and equipment (cf. Notes 06 and 07), deferred tax assets (cf. Note 30), trade accounts receivable and contract assets (cf. Notes 09 and 10) have been subject to impairment testing during the year and at the reporting date. This resulted in no impairment being recognized.

The need for impairment of customer relationships was reviewed at the level of each cash generating unit by performing an impairment test for the financial year 2022/2023. This did not result in an impairment in any cash-generating unit.

Accounting pronouncements applied for the first time

In the financial year 2022/2023, 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 3 "Business Combinations", amendments to IAS 16 "Property, Plant and Equipment", amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and annual improvements process project for the 2018-2020 cycle, publication in May 2020

Accounting pronouncements issued but not yet applicable in the financial year 2022/2023

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
- 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, 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, 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, first-time application in the financial year 2023/2024

- Amendments to IAS 12 "Income Taxes: International Tax Reform – Pillar Two Model Rules", publication in May 2023, first-time application in the financial year 2023/2024
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures: Supplier Finance Arrangements", publication in May 2023, subject to EU endorsement, expected first-time application in the financial year 2024/2025
- Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", publication in January 2020 and in October 2022, 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, first-time application in the financial year 2024/2025
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability", publication in August 2023, subject to EU endorsement, expected first-time application in the financial year 2025/2026

04 Consolidated companies and equity interest

Scope of consolidation

The following table shows the scope of consolidation in the financial years 2022/2023 and 2021/2022, respectively:

Acquisitions/divestitures of businesses

Number of consolidated companies	Germany	Outside Germany	Total
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**
Additions	1	2	3
Disposals	1	5	6
Balance as of Sept. 30, 2023	**17**	**103**	**120**

The additions in the financial year 2022/2023 essentially relate to acquisitions and the disposals mainly relate to mergers and liquidations.

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 € (4) thousand (prior year: € (3) thousand) and equity amounts to € (64) thousand (prior year: € (70) thousand). The company TK Home Stairlifts Inc., based in the USA, 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 sales, earnings, and equity amount to € 0 thousand. The company Fieldfisher LLC, based in the USA, of which 100% of the shares are held, is not consolidated because it also has an immaterial influence on the net assets, financial position, and results of operations of the Group. The company's equity amounts to € 3 thousand, while the sales and earnings are € 0 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	87	94.98
			15	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	40	100
Austria				
4	TK Aufzüge Gesellschaft m.b.H., Vienna, Austria	100	68	100
5	TK Elevator Eastern Europe GmbH, Vienna, Austria	100	36	74
			87	15
			4	11
Bahrain				
6	TK Elevator Almoayyed W.L.L., Manama, Bahrain	70	40	70

Bangladesh				
7	TK Elevator Bangladesh Private Limited, Dhaka, Bangladesh	100	49	100
Belgium				
8	TK Elevator Belgium N.V./S.A., Brussels, Belgium	100	36	100
9	TK Home Solutions N.V., Gent, Belgium	100	70	99.93
			45	0.07
Brazil				
10	TK Elevadores Brasil LTDA, Guaiba, Brazil	100	87	100
Cambodia				
11	TK Elevator (Cambodia) Co., Ltd., Phnom Penh, Cambodia	100	40	100
Canada				
12	TK Elevator Canada Holding, Inc., Calgary/Alberta, Canada	100	68	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	87	97.63
			1	2.37
China				
16	Marohn TK Elevator Co. Ltd., Shanghai, China	51	68	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	40	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	87	94
			1	1.5
			15	1.5
			46	1.5
			78	1.5
Denmark				
23	TK Elevator A/S, Glostrup, Denmark	100	36	100
Egypt				
24	TK Elevator Egypt S.A.E, Cairo, Egypt	100	87	57.74
			40	42.26
France				
25	Drieux-Combaluzier S.A.S., Les Lilas, France	100	28	100
26	MGTI S.A.S., Rungis, France	100	28	100
27	Proxi-Line S.a.r.l., Angers, France	100	28	100
28	TK Elevator France S.A.S., Angers, France	100	68	100
Germany				
29	ELEG Europäische Lift + Escalator GmbH, Düsseldorf, Germany	100	40	100
30	LiftEquip GmbH Elevator Components, Neuhausen a.d.F., Germany	100	36	100
31	Rheinstahl Union Gesellschaft mit beschränkter Haftung, Düsseldorf, Germany	100	40	100
32	Tepper Aufzüge GmbH, Münster, Germany	100	36	100
33	TK Aufzüge GmbH, Neuhausen a. d. Fildern, Germany	100	36	100

34	TK Aufzugswerke GmbH, Neuhausen a.d.F., Germany	99.5	36	99.5
35	TK Aufzugswerke Newco GmbH, Neuhausen a. d. Fildern, Germany (formerly TK Aufzugswerke Newco GmbH, Stuttgart, Germany)	99.5	34	99.5
36	TK Elevator Europe Africa GmbH, Essen, Germany	100	40	100
37	TK Elevator GmbH, Essen, Germany	100	39	100
38	TK Elevator Holdco GmbH, Essen, Germany	100	43	100
39	TK Elevator Holding GmbH, Essen, Germany	100	42	100
40	TK Elevator Innovation and Operations GmbH, Düsseldorf, Germany	100	37	100
41	TK Elevator Midco GmbH, Essen, Germany	100	38	100
42	TK Elevator Newco GmbH, Essen, Germany	100	41	100
43	TK Elevator Topco GmbH, Essen, Germany[1]			
44	TK Fahrtreppen GmbH, Hamburg, Germany	100	36	100
45	TK Home Solutions GmbH, Essen, Germany	100	40	100
Guatemala				
46	TK Elevadores Centroamerica S.A., Guatemala, Guatemala	100	87	97.54
			1	2.46
Hong Kong				
47	TK Elevator Hong Kong Limited, Hong Kong, Hong Kong	100	40	100
Hungary				
48	TK Elevator Solution Center Europe Kft., Budapest, Hungary	100	36	100
India				
49	TK Elevator India Private Limited, Pune, Maharashtra, India	100	40	100
Indonesia				
50	PT. TKE Elevator Indonesia, Jakarta, Indonesia	94.67	40	94.67
Ireland				
51	TK Elevator Ireland, Ltd., Sword, Co Dublin, Ireland	100	111	100
Israel				
52	TK Elevator Israel Holding LP, Rishon Le'zion, Israel	100	87	49.9
			29	49.9
			53	0.2
53	TK Elevator Management Ltd., Rishon Le'zion, Israel[2]	100	29	50
			87	50
Italy				
54	TK Elevator Italia S.p.A., Cologno Monzese, Italy	100	68	100
55	TK Home Solutions S.r.l., Pisa, Italy	100	54	100
Japan				
56	TK Home Solutions Japan Co., Ltd., Tokyo, Japan	100	40	100
Jordan				
57	TK Elevator Innovation and Operations GmbH/Jordan Co. Ltd., Amman, Jordan	100	40	100
Korea				
58	TK Elevator Korea Ltd., Seoul, Korea	100	40	100
Kuwait				
59	TK Elevator Kuwait for General Trading and Contracting Co WLL, Kuwait, Kuwait	100	40	100

[1] Parent company
[2] Immaterial, unconsolidated company

Luxembourg				
60	TK Elevator Luxembourg S.à.r.l., Contern, Luxembourg	100	36	100
Malaysia				
61	TK Elevator Malaysia Sdn. Bhd., Selangor Darul Ehsan, Malaysia	100	40	100
Mexico				
62	TK Elevadores Mexico S.A. de C.V., Mexico City, Mexico	100	87	99.99
			1	0.01
Monaco				
63	Compagnie des Ascenseurs et Elevateurs S.A.M. 'CASEL SAM', Monaco, Monaco	100	28	100
Morocco				
64	thyssenkrupp Elevator Maroc S.A.R.L., Casablanca, Marruecos, Morocco	100	87	100
Myanmar				
65	TKE Elevator Myanmar Limited, Yangon, Myanmar	100	68	100
Netherlands				
66	H&K Lift Quality B.V., Doorn, Netherlands	100	67	100
67	SkyLift B.V., Barneveld, Netherlands	100	70	99.94
			69	0.06
68	TK Elevator International Holding B.V., Roermond, Netherlands	100	37	100
69	TK Elevator Netherlands B.V., Capelle aan den IJssel, Netherlands	100	70	100
70	TK Elevator Netherlands Holding B.V., Capelle aan den Ijssel, Netherlands	100	68	100
71	TK Home Solutions B.V., Krimpen aan den Ijssel, Netherlands	100	70	100
New Zealand				
72	TK Elevator New Zealand Ltd., Auckland, New Zealand	100	2	100
Norway				
73	TK Elevator Norway AS, Oslo, Norway	100	74	100
74	TK Elevator Norway Holding AS, Oslo, Norway	100	36	100
75	TK Rulletrapper AS, Oslo, Norway	100	74	100
Panama				
76	TK Elevadores Panama S.A., Panama, Panama	100	87	100
Paraguay				
77	TK Elevadores Paraguay SRL, Asunción, Paraguay	100	87	100
Peru				
78	TK Elevadores Peru S.A.C., Lima, Peru	100	87	99.81
			1	0.19
Portugal				
79	TK Elevadores Portugal Unipessoal Lda., Lisbon, Portugal	100	87	100
Puerto Rico				
80	TK Elevator Inc., San Juan, Puerto Rico	100	118	100
Qatar				
81	TK Elevator W.L.L, Doha, Qatar	100	40	100
Russia				
82	OOO TK Elevator, Moscow, Russia	100	36	100
Saudi Arabia				
83	TK Elevator Saudi Arabia Limited, Riyadh, Saudi Arabia	100	36	90
			31	10

Singapore				
84	TK Elevator Singapore Pte. Ltd., Singapore, Singapore	100	68	100
Slovenia				
85	thyssenkrupp dvigala d.o.o., Trzin, Slovenia	100	4	100
Spain				
86	TK Airport Solutions, S.A., Mieres, Spain	100	87	100
87	TK Elevadores España S.L.U., Madrid, Spain	100	88	100
88	TK Elevator Ibérica Holding S.L.U., Madrid, Spain	100	68	100
89	TK Elevator Manufacturing Spain Newco, S.L., Móstoles (Madrid), Spain	100	90	100
90	TK Elevator Manufacturing Spain S.L.U., Mostoles, Spain	100	87	100
91	TK Escalator Norte S.A., Mieres (Asturias), Spain	100	88	66.30
			87	33.70
Sweden				
92	Globus TT AB, Södermanlands län, Nyköping kommun, Sweden	100	94	100
93	Hissteknik i Göteborg AB, Gothenburg, Sweden	100	94	100
94	Nordic Lift Holding AB, Gothenburg, Sweden	100	99	100
95	RC Hisservice AB, Varberg, Sweden	100	94	100
96	Rikshiss Service AB, Västra Götlands län, Gothenburg municipality, Sweden	100	94	100
97	S:t Eriks Hiss AB, Stockholm, Sweden	100	99	100
98	Stockholms Hiss- & Elteknik AB, Stockholm, Sweden	100	99	100
99	TK Elevator Sweden AB, Stockholm, Sweden	100	74	100
Switzerland				
100	TK Aufzüge AG, Rümlang, Switzerland	100	36	85.84
			28	14.16
101	Trapo Küng AG, Zwingen, Switzerland	100	100	100
Taiwan				
102	Sun Rich Elevator Co., Ltd., Taichung, Taiwan	100	40	100
103	TK Elevator Taiwan Co., Ltd., New Taipei City, Taiwan	100	40	100
Thailand				
104	TK Elevator (Thailand) Co., Ltd., Bangkok, Thailand	100	40	100
Turkey				
105	TK Asansör Sanayi ve Tic. A.Ş., Ümraniye / Istanbul, Turkey	100	87	47.35
			36	35.55
			40	17.10
United Arab Emirates				
106	TK Elevator L.L.C., Abu Dhabi, United Arab Emirates	49	40	49
107	TK Elevator UAE LLC, Dubai, United Arab Emirates	100	40	100
United Kingdom, Great Britain and North Ireland				
108	Lift & Engineering Services Ltd., Cradley Heath, West Midlands, United Kingdom, Great Britain and North Ireland	100	68	100
109	SDV Escalators Ltd. (UK), Lenton, Nottingham, United Kingdom, Great Britain and North Ireland	100	68	100
110	TK Access Solutions Ltd., Stockton-on-Tees, United Kingdom, Great Britain and North Ireland	100	68	100
111	TK Elevator UK Holding Ltd., Hucknall Nottingham, United Kingdom, Great Britain and North Ireland	100	68	100
112	TK Elevator UK Ltd., Hucknall, Nottingham, United Kingdom, Great Britain and North Ireland	100	111	100

Uruguay				
113	TK Elevadores Uruguay SRL, Montevideo, Uruguay	100	87	99.42
			1	0.58
USA				
114	Fieldfisher, LLC, Wilmington/Delaware, USA[3]	100	37	100
115	TK Access Solutions Corp., Kansas City/Missouri, USA	100	121	100
116	TK Airport Solutions Inc., Wilmington/Delaware, USA	100	121	100
117	TK Elevator Americas Corporation, Wilmington/Delaware, USA	100	121	100
118	TK Elevator Corporation, Wilmington/Delaware, USA	100	117	100
119	TK Elevator Manufacturing Inc., Wilmington/Delaware, USA	100	118	100
120	TK Elevator U.S. Newco, Inc., New York, USA	100	42	100
121	TK Elevator USA Holding, Inc., Chicago/ Il., USA	100	120	100
122	TK Home Stairlifts Inc., Delaware, USA[4]	100	110	100
Vietnam				
123	TK Elevator Vietnam Co., Ltd., Hanoi, Vietnam	100	40	100

Acquisitions

In the financial year 2022/2023, the Group executed minor acquisitions which individually and in aggregate did not have a material impact on the consolidated financial statements. The following companies/assets were acquired:

- Service agreements of ASN Aufzug Service Nord GmbH, in Hamburg, Germany on January 1, 2023 (asset deal)
- 100% of the shares in Grädler Fördertechnik GmbH, in Trebbin, Germany, on February 14, 2023
- 100% of the shares in H&K Lift Quality B.V., in Utrecht, Netherlands, on August 28, 2023

The purchase price for the asset deal comprises goodwill of € 2 million and other intangible assets of € 0 million, which primarily contain customer relationships. The purchase price for the share deals for which the purchase price allocation is partially still preliminary amounts to € 22 million. The purchase price largely relates to goodwill in the amount of € 13 million and other intangible assets, including in particular customer relationships, totaling € 9 million.

05 Assets held for sale

In the consolidated statement of financial position as of September 30, 2023, property, plant and equipment valued at € 66 million has been reclassified to "Assets held for sale". This relates to the properties and buildings at our production site in Neuhausen in the Europe/Africa segment which are held for sale within the scope of restructuring the location. The first-time classification as "held for sale" did not result in any need for impairment for the respective assets. They are expected to be sold during the next financial year 2023/2024.

[3] Immaterial, unconsolidated company
[4] Immaterial, unconsolidated company

Notes to the Consolidated Statements of Financial Position

06 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, aquired software and similar rights and values as well as licenses thereto	Goodwill	Total
Gross amounts						
Balance as of Oct. 01, 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**
Currency differences	(0)	(2)	(387)	(6)	(857)	(1,252)
Acquisitions/divestitures of businesses	-	-	9	0	16	25
Additions	68	-	-	17	-	85
Transfers	1	-	-	4	-	5
Disposals	(0)	-	(0)	(2)	-	(2)
Balance as of Sept. 30, 2023	**207**	**890**	**6,199**	**339**	**12,891**	**20,526**
Accumulated amortization and impairment losses						
Balance as of Oct. 01, 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**
Currency differences	0	(0)	(88)	(1)	-	(89)
Acquisitions/divestitures of businesses	-	-	(0)	0	-	(0)
Amortization expense	11	0	239	34	-	284
Impairment losses	-	-	-	-	-	-
Reversals of impairment losses	-	-	-	(0)	-	(0)
Transfers	0	-	-	0	-	0
Disposals	(0)	-	-	(2)	-	(2)
Balance as of Sept. 30, 2023	**29**	**1**	**1,276**	**110**	**0**	**1,417**
Net amounts						
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
Balance as of Sept. 30, 2023	**178**	**889**	**4,923**	**228**	**12,891**	**19,109**

Brands

The "TK Elevator" brand was transferred for an indefinite period and was 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, 2023, the value for customer relationships amounts to € 4,923 million (prior year: € 5,451 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 are amortized over the economic useful life. In the prior year, an impairment in the amount of € 23 million was undertaken on customer relationships in the Operating Unit Greater Europe owing to the direct repercussions of the war in Ukraine and the associated expected business development. No impairment was recognized on customer relationships in the financial year 2022/2023.

Impairment of other intangible assets

In the financial year 2022/2023, no impairment was recognized on other intangible assets (prior year: € 4 million within development costs).

Goodwill

Goodwill is assigned to the CGUs of all business units. The higher of value in use and fair value less costs to sell determines the recoverable amount of a CGU in accordance with IFRS. Within the scope of the consolidated financial statements, the value for the CGUs was measured for the first time on the basis of the fair value less costs to sell, which was determined by means of historical data and the expected market performance (cf. Note 03). This represents the higher value of the value in use and the fair value less costs to sell because a longer planning period can be considered for the fair value less costs to sell. Thus, the transformation of the product portfolio can be included appropriately. The fair value less costs to sell is classified to Level 3 of the measurement hierarchy pursuant to IFRS 13 and was determined by means of the discounted cash flow method. For this purpose, the planned after-tax cash flow projections from the bottom-up three-year plan which were approved by the Group's management are applied. For four additional planning years, an extrapolation by the Group'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, sustainable growth rate (1.54% - 1.70% (prior year: 1.36% - 1.62%)) is taken into account for corporate planning. The total cost of capital used for discounting is based on a risk-free interest rate of 2.5% (prior year: 1.5%) and a market risk premium of 7.0% (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.

A total of five groups of CGUs were identified within the Group. Goodwill is allocated to all CGUs. As of September 30, 2023, total goodwill amounts to € 12,891 million (prior year: € 13,732 million). Goodwill declined as a result of exchange rate changes which were minimally offset by new acquisitions. The majority of the total goodwill is attributable to the CGUs Americas, Europe/Africa, and Asia/Pacific, which are shown in the following table:

30

Material goodwill amounts as of September 30, 2023:

CGU (Segment)	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	Discount rate after taxes in %	Growth rate in %	Descriptions of key assumptions for the business plans	Procedure used to determine key assumptions
Americas	6,306	49%	364	7.9%	1.6%	- Market growth rates - Business cycles - Exchange and interest rates - Transformation of the product portfolio	Consideration of economic assumptions set by TK Elevator Topco GmbH and external market studies
Europe/ Africa	2,482	19%	233	7.9%	1.5%	- Market growth rates - Business cycles - Transformation of the product portfolio	Consideration of economic assumptions set by TK Elevator Topco GmbH and external market studies
Asia/ Pacific	3,719	29%	249	8.2%	1.5%	- Market growth rates - Business cycles - Exchange and interest rates	Consideration of economic assumptions set by TK Elevator Topco GmbH and external market studies

Material goodwill amounts as of September 30, 2022:

CGU (Segment)	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

The annual goodwill impairment test did not result in a need for impairment for any CGU, because the recoverable amount was above the carrying amount of the CGU in all cases.

All the potential changes to the material assumptions are reviewed, and no instances were identified which would cause an overshooting of the carrying amounts of the cash-generating units in excess of their recoverable amounts.

07 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, 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)
Reclassification due to the presentation as assets held for sale	-	-	-	-	-	-	-
Balance as of Sept. 30, 2022	**539**	**140**	**212**	**600**	**3**	**21**	**1,514**
Currency differences	(25)	(8)	(10)	(34)	-	(0)	(77)
Acquisitions/divestitures of businesses	0	0	0	1	-	-	2
Additions	20	21	31	130	2	21	224
Transfers	(4)	6	6	-	(0)	(11)	(3)
Disposals	(2)	(9)	(23)	(61)	-	(0)	(95)
Reclassification due to the presentation as assets held for sale	(72)	-	(0)	-	-	-	(72)
Balance as of Sept. 30, 2023	**455**	**150**	**217**	**635**	**5**	**29**	**1,491**
Accumulated depreciation and impairment losses							
Balance as of Oct. 01, 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)
Reclassification due to the presentation as assets held for sale	-	-	-	-	-	-	-
Balance as of Sept. 30, 2022	**30**	**44**	**66**	**225**	**2**	**-**	**366**
Currency differences	(2)	(3)	(3)	(13)	(0)	(0)	(21)
Acquisitions/divestitures of businesses	0	0	0	0	-	-	0
Depreciation expense	36	23	35	108	1	-	204
Impairment losses	-	-	-	-	-	0	0
Reversals of impairment losses	-	-	-	-	-	-	-
Transfers	0	-	(0)	-	(0)	-	(0)
Disposals	(1)	(7)	(17)	(53)	-	-	(79)
Reclassification due to the presentation as assets held for sale	(6)	-	(0)	-	-	-	(6)
Balance as of Sept. 30, 2023	**57**	**58**	**80**	**268**	**2**	**0**	**465**
Net amounts							
Balance as of Oct. 01, 2021	425	83	154	338	1	86	1,088
Balance as of Sept. 30, 2022	**509**	**95**	**146**	**374**	**1**	**21**	**1,146**
Balance as of Sept. 30, 2023	**399**	**92**	**136**	**367**	**3**	**29**	**1,026**

During the prior year, there were losses on disposals in connection with buildings and properties, while various disposals were recognized in the asset class for factory and office equipment in the financial year 2022/2023; however, these losses did not have a material effect on the consolidated financial statements individually or as an aggregate. Furthermore, in the prior year, adjustments in the amount of € 1 million were undertaken in the Operating Unit Greater Europe owing to the direct repercussions of the war in Ukraine and the associated expected business development. No impairment was recognized on property, plant and equipment in the financial year 2022/2023.

In the financial year 2022/2023, insurance damage compensation in connection with property, plant and equipment amounted to € 2 million (prior year: € 1 million).

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
Balance as of Oct. 01, 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**
Currency differences	(0)	(23)	(0)	(11)	(34)
Acquisitions/divestitures of businesses	-	1	-	0	1
Additions	0	57	2	71	130
Transfers	-	(0)	(0)	(0)	-
Disposals	-	(33)	(0)	(28)	(61)
Balance as of Sept. 30, 2023	**2**	**393**	**2**	**238**	**635**
Accumulated depreciation and impairment losses					
Balance as of Oct. 01, 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**
Currency differences	(0)	(8)	(0)	(4)	(13)
Acquisitions/divestitures of businesses	-	0	-	0	0
Depreciation expense	0	62	0	46	108
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Transfers	-	-	(0)	(0)	-
Disposals	-	(29)	(0)	(24)	(53)
Balance as of Sept. 30, 2023	**0**	**155**	**1**	**112**	**268**
Net amounts					
Balance as of Oct. 01, 2021	2	**241**	**1**	**93**	**338**
Balance as of Sept. 30, 2022	2	**262**	**0**	**110**	**374**
Balance as of Sept. 30, 2023	2	**238**	**1**	**126**	**367**

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).

08 Inventories

Inventories	Sept. 30, 2022	Sept. 30, 2023
million €		
Raw materials	239	269
Supplies	25	22
Work in process	292	312
Finished products, merchandise	141	134
Total	**697**	**737**

In total, inventories in the amount of € 3,309 million (prior year: € 3,166 million) are recognized as cost of sales in the reporting period. Before intragroup sales consolidation, the cost of materials amounted to € 5,649 million (prior year: € 5,324 million). In the financial year 2022/2023, the write-downs of inventories amounted to € 17 million (prior year: € 14 million).

09 Trade accounts receivable

Trade accounts receivable in the amount of € 9 million (prior year: € 2 million) have a remaining term of more than one year. As of September 30, 2023, the total impairments for receivables amount to € 185 million (prior year: € 187 million). For more details, refer to the explanation in Note 21 "Financial instruments", and for more information regarding recognition in the statement of profit or loss, refer to the explanations in Note 02.

10 Assets and liabilities from contracts with customers

As of September 30, 2023, the Group reports contract assets in the amount of € 520 million under current assets (prior year: € 522 million); of which € 257 million (prior year: € 268 million) have a remaining term of more than one year. In the financial year 2022/2023, cumulative impairment losses on contract assets in the amount of € 9 million (prior year: € 6 million) are disclosed, for which the effect on profit or loss from the financial year 2022/2023 is recognized under other expenses, whereas the effect on profit or loss in the prior year was still recognized under selling expenses, cf. the explanations in Note 02. The cumulative adjustment to revenue impacting the related contract assets amounts to € (26) million (prior year: € (22) million) for the financial year 2022/2023.

As of September 30, 2023, the Group's current liabilities include contract liabilities in the amount of € 2,031 million (prior year: € 2,033 million); of which € 1,391 million (prior year: € 1,236 million) have a remaining term of more than one year. In the financial year 2022/2023, revenue of € 1,499 million (prior year: € 1,451 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 € 3 million (prior year: € 2 million) for the financial year 2022/2023.

Costs of initiating/fulfilling contracts with customers amount to € 18 million as of September 30, 2023 (prior year: € 19 million). No impairment losses were recognized for those items in the financial year 2022/2023 as well as in the financial year 2021/2022.

The total transaction price allocated to performance obligations that were unfulfilled or partially unfulfilled as of September 30, 2023, and have an original maturity of more than 12 months – making appropriate use of the relief provision under IFRS 15.121a – amounts to € 3,991 million (prior year: € 3,985 million). The expected recognition of the corresponding future revenue by period is as follows:

Future sales from contracts with customers: Sept. 30, 2023

million €	
(for financial years)	
2023/2024	2,707
2024/2025 – 2027/2028	1,229
after 2027/2028	55
Total	**3,991**

In the prior year, the expected future revenue was 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**

11 Other financial assets

Other financial assets

	Sept. 30, 2022		September 30, 2023	
million €	current	non-current	current	non-current
Other miscellaneous financial assets	41	441	44	418
Equity instruments	-	0	-	0
Debt instruments	0	3	0	3
Derivatives not qualifying for hedge accounting	5	284	7	290
Derivatives qualifying for hedge accounting	3	-	1	-
Total	**49**	**727**	**52**	**710**

Other financial assets in the amount of € 710 million (prior year: € 727 million) have a remaining term of more than one year. There were no impairment losses on other financial assets as of September 30, 2023, and in the previous year.

In the previous year, 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 € 290 million (prior year: € 284 million); cf. also Note 21.

Other miscellaneous non-current financial assets mainly comprise restricted cash, cash equivalents and time deposits of € 374 million as of September 30, 2023 (prior year: € 412 million). This item also includes compensation claims in the amount of € 22 million (prior year: € 25 million), which relate to the Elevator cartel and are therefore also shown under provisions; also refer to the description in Note 15. Other miscellaneous current financial assets comprise a number of minor items which include for example current entitlements to bonuses and discounts.

12 Other non-financial assets

Other non-financial assets

	Sept. 30, 2022		Sept. 30, 2023	
million €	current	non-current	current	non-current
Advance payments on intangible assets	-	1	-	0
Advance payments on property, plant and equipment	-	4	-	3
Advance payments on right-of-use assets	-	0	-	0
Advance payments to suppliers of inventories and to other current non-financial assets	51	-	35	-
Prepayments	55	-	52	-
Miscellaneous	166	45	136	30
Total	**272**	**50**	**223**	**34**

Other non-financial assets in the amount of € 34 million (prior year: € 50 million) have a remaining term of more than one year. As of September 30, 2023, 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 € 72 million as of September 30, 2023 (prior year: € 96 million). Furthermore, miscellaneous other non-financial non-current assets include € 18 million (prior year: € 19 million) of contract initiation costs. 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, 2023 (prior year: € 25 thousand).

Additional paid-in capital

The Group's additional paid-in capital amount to € 2,731 million as of September 30, 2023 (prior year: € 2,731 million).

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, 2023, the equity ratio was 19.0% (prior year: 22.0%). The decrease in the equity ratio largely results from the foreign currency translation adjustment in the amount of € (793) million (prior year: € 1,049 million) which is stated in the other comprehensive income in the consolidated statements of changes in equity. 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, 2022	Sept. 30, 2023
Non-current financial debt	12,575	12,461
Current financial debt	125	268
Gross financial debt	**12,700**	**12,729**
Cash, cash equivalents and time deposits	436	421
Net financial debt	**12,264**	**12,309**

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, 2022	Sept. 30, 2023
Accrued pension obligations	243	243
Partial retirement	6	2
Other accrued pension-related obligations	8	6
Total	**257**	**250**

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 expenses.

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 88% (prior year: 87%) of the Group-wide total defined benefit obligation and 91% (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. However, there is de facto no funding deficit, which is why no withdrawal amount is assumed even in case of a theoretical withdrawal.

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, 2022			Sept. 30, 2023		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Active employees	9,764	5,502	15,266	9,561	5,464	15,025
Terminated employees with vested benefits	2,898	599	3,497	3,334	594	3,928
Pensioners	1,752	52	1,804	1,668	43	1,711
Total	**14,414**	**6,153**	**20,567**	**14,563**	**6,101**	**20,664**

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

	Sept. 30, 2022			Sept. 30, 2023		
million €	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Change in defined benefit obligations (DBO):						
DBO at beginning of the financial year	272	185	457	217	156	373
Service cost	12	14	26	9	11	20
Interest expense	4	3	7	8	6	13
Remeasurement: Actuarial (gains)/losses from experience adjustments	4	5	9	2	1	3
Remeasurement: Actuarial (gains)/losses from changes in demographic assumptions	-	0	0	-	(0)	(0)
Remeasurement: Actuarial (gains)/losses from changes in financial assumptions	(67)	(43)	(110)	(10)	(1)	(11)
Past service cost (inclusive of curtailments)	-	(1)	(1)	-	(1)	(1)
Settlements	-	-	-	-	0	0
Currency differences	-	3	3	-	(2)	(2)
Participant contributions	-	1	1	-	1	1
Benefit payments	(7)	(11)	(19)	(9)	(11)	(20)
Settlement payments	-	-	-	-	(1)	(1)
Post-employment benefits	-	0	0	-	0	0
Acquisitions/divestitures of businesses	-	-	-	0	(0)	-
Others	-	-	-	-	(0)	(0)
DBO at end of the financial year	**217**	**156**	**373**	**216**	**159**	**376**
Change in plan assets:						
Fair value of plan assets at beginning of the financial year	14	130	144	15	128	143
Interest income	0	3	3	1	5	6
Remeasurement: Actuarial gains/(losses) on plan assets, excluding amounts included in interest income	(1)	(1)	(1)	0	(1)	(1)
Currency differences	-	2	2	-	(2)	(2)
Employer contributions	1	3	3	2	2	4
Participant contributions	-	1	1	-	1	1
Benefit payments	-	(9)	(9)	(0)	(9)	(9)
Settlement payments	-	-	-	-	(1)	(1)
Acquisitions/divestitures of businesses	-	-	-	-	-	-
Administration cost	-	(0)	(0)	-	(0)	(0)
Others	-	(0)	(0)	-	-	-
Fair value of plan assets at end of the financial year	**15**	**128**	**143**	**17**	**124**	**142**

As of the balance sheet date, defined benefit obligations of € 376 million (prior year: € 373 million) in total related to plans that are wholly unfunded in the amount of € 131 million (prior year: € 135 million) and to plans that are wholly or partly funded in the amount of € 244 million (prior year: € 238 million).

Change in the net defined liability

The net defined benefit liability changed as follows:

Change in net defined benefit liability

	Sept. 30, 2022			Sept. 30, 2023		
million €	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Net defined benefit liability at beginning of the financial year	258	55	313	202	29	230
Service cost plus net interest income/(expense)	15	14	30	16	11	27
Remeasurements	(63)	(36)	(99)	(8)	(0)	(8)
Currency differences	-	1	1	-	(0)	(0)
Past service cost (inclusive of curtailments)	-	(1)	(1)	-	(1)	(1)
Settlements	-	-	-	-	0	0
Employer contributions	(1)	(3)	(3)	(2)	(2)	(4)
Participant contributions	-	-	-	-	-	-
Benefit payments	(7)	(2)	(10)	(9)	(2)	(11)
Settlement payments	-	-	-	-	-	-
Acquisitions/divestitures of businesses	-	-	-	0	(0)	0
Administration cost	-	0	0	-	0	0
Others	-	0	0	-	(0)	(0)
Net defined benefit liability at end of the financial year	**202**	**29**	**230**	**199**	**35**	**234**
thereof: accrued pension liability	202	42	243	200	43	243
thereof: other non-financial assets	(0)	(13)	(13)	(1)	(8)	(8)

Net periodic pension cost

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

Net periodic pension cost

	Sept. 30, 2022			Sept. 30, 2023		
million €	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Service cost	12	14	26	9	11	20
Net interest cost	3	0	4	7	1	8
Administration cost	-	0	0	-	0	0
Past service cost (inclusive of curtailments)	-	(1)	(1)	-	(1)	(1)
Settlement loss/(gain)	-	-	-	-	0	0
Termination benefit expense	-	0	0	-	0	0
Net periodic pension cost	**15**	**14**	**29**	**16**	**11**	**27**

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. In Germany, the country with the highest pension obligations, the pension trend is derived using the Aon Eurozone Yield Curve. The derived value as of September 30, 2023, was 2.60%. Furthermore, an addition in the amount of 0.10% must be taken into account for the inflation in Germany (difference between Germany and the Eurozone). In addition to the estimated pension trend increase amounting to 2.70%, for the pension adjustments scheduled over the next two years as of October 1, 2024, and October 1, 2025, a further lump sum compensation of 8.90% is being applied to the obligations relating to current beneficiaries (excluding beneficiaries whose adjustments are determined in line with the decisions of the Essen association and for example have an annual firmly pledged pension adjustment of 1.00% p.a.). 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, 2023, the discount rate for pension obligations in Germany was 4.2% (prior year: 3.7%).

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

Weighted average assumptions

in %	Sept. 30, 2022 Germany	Sept. 30, 2022 Outside Germany	Sept. 30, 2022 Total	Sept. 30, 2023 Germany	Sept. 30, 2023 Outside Germany	Sept. 30, 2023 Total
Discount rate	3.70	3.89	3.80	4.20	4.11	4.16
Rate of compensation increase	3.00	3.30	3.13	3.00	3.34	3.14
Rate of pension progression	2.44	0.50	1.81	2.70	3.09	2.72

The measurement of the pension obligations in Germany is based on the "2018 G Life Expectancy tables" of Prof. Dr. Klaus Heubeck. The following biometric tables were used in Switzerland: Switzerland:BVG_2020. 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:

€ million		Sept. 30, 2022 Change of defined benefit obligation Germany	Sept. 30, 2022 Change of defined benefit obligation Outside Germany	Sept. 30, 2023 Change of defined benefit obligation Germany	Sept. 30, 2023 Change of defined benefit obligation Outside Germany
Discount rate	Increase by 0.5 percentage points	(12)	(9)	(11)	(9)
	Decrease by 0.5 percentage points	13	9	12	10
Rate of compensation increase	Increase by 0.5 percentage points	0	4	0	5
	Decrease by 0.5 percentage points	(0)	(4)	(0)	(5)
Rate of pension progression	Increase by 0.25 percentage points	1	0	1	0
	Decrease by 0.25 percentage points	(1)	(0)	(1)	(0)
Mortality probability	Decrease by 10.0 percentage points	4	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 than 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

	Sept. 30, 2022				Sept. 30, 2023			
	Fair value (€ million)				Fair value (€ million)			
Asset categories	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)
Equity securities	**20**	18	2	14	**22**	20	1	15
Bonds	**16**	16	-	11	**16**	16	-	11
Others	**107**	2	105	75	**104**	3	101	73
Total	**143**	**36**	**107**	**100**	**142**	**40**	**102**	**100**

The Group generally only contributes amounts to plan assets that are needed to fulfill 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 2023/2024, the Group anticipates employers will make contributions of € 15 million (prior year: € 12 million) to the plan assets.

Pension benefit payments

In the financial year 2022/2023, pension benefit payments for plans in Germany of € 9 million (prior year: € 7 million) were predominately taken from provisions and for plans outside Germany of € 11 million (prior year: € 11 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 the financial year)			
2023/2024	14	7	21
2024/2025	11	10	21
2025/2026	12	11	23
2026/2027	14	13	27
2027/2028	14	13	27
2028/2029 – 2032/2033	72	79	150
Total	**137**	**133**	**270**

The weighted-average duration of the defined benefit plans is 11 years (prior year: 12 years) in Germany and 12 years (prior year: 12 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 € 102 million (prior year: € 97 million). In addition, contributions paid to public/state pension insurance institutions amounted to € 200 million (prior year: € 172 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, 2023, 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 10.76 in 2023 and USD 10.86 in 2024. For the financial year 2022/2023, the Group paid a contribution of € 97 million (prior year: € 96 million) to NEIPP. The expected contributions for the financial year 2023/2024 amount to € 105 million (prior year: € 106 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	Restruc-turing	Litigation risks	Others	Total
Balance as of Sept. 30, 2022	**247**	**122**	**61**	**61**	**93**	**304**	**888**
Currency differences	(12)	(9)	(4)	(1)	(7)	(20)	**(52)**
Acquisitions/divestitures of businesses	(2)	1	5	(0)	(1)	6	**9**
Additions	624	55	142	158	24	147	**1,150**
Accretion	0	(0)	-	(1)	-	(0)	**(0)**
Amounts utilized	(593)	(15)	(99)	(79)	(10)	(114)	**(910)**
Reversals	(11)	(27)	(41)	(1)	(33)	(59)	**(172)**
Balance as of Sept. 30, 2023	**254**	**128**	**64**	**137**	**66**	**264**	**913**
Current	212	128	64	69	33	163	**670**
Non-current	42	-	-	68	33	101	**243**
Balance as of Sept. 30, 2023	**254**	**128**	**64**	**137**	**66**	**264**	**913**

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 pension such as partial retirement provisions are a component of the provision for pensions and similar obligations. Early retirement provisions arising within the scope of restructuring measures are recognized as part of the restructuring provisions.

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 that the warranty and product liability obligations relating to products which have already been sold will fundamentally be handled in the subsequent financial 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 generally expects to settle the already existing obligations which remained on the reference date from the sales and procurement risks in the next financial year and to utilize the remaining provisions.

The restructuring provision primarily includes provisions for personnel restructuring measures in the amount of € 137 million (prior year: € 61 million). The restructuring provisions mainly arose in the Business Unit Europe/Africa and are largely due to the restructuring of the Neuhausen production site there. The Group expects to settle around 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. The Group expects to settle the majority of the other provisions in the next financial 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 € 51 million (prior year: € 68 million) and for workers' compensation in the amount of € 32 million (prior year: € 29 million).

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 and the Netherlands have been concluded. The pending proceedings in Austria and Belgium were reassessed as of September 30, 2023, and the provision for these proceedings was adjusted accordingly. This resulted in an increased provision in Belgium, while the provision in Austria was also reassessed due to settlements being reached, resulting in a lower provision. The reassessment of the situation regarding the proceedings and the settlements reached resulted in a reduction in the provision overall. On the basis of a contractual agreement with thyssenkrupp, a corresponding reimbursement right has also been recognized in the amount of € 22 million (prior year: € 25 million), which is approximately on the same level as the risk recognized as a provision.

There is a construction-related dispute in Germany with a provision amounting to € 2 million.

Several claims for damages have been filed against TK Elevator in the USA. All these cases are covered by the general liability insurance with a deductible of USD 1.5 million each.

As of September 30, 2022, 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 for this purpose were derecognized income-effective (also cf. Note 23).

As of September 30, 2023, 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.

As of September 30, 2023, the amount of contingent liabilities recognized in connection with the thyssenkrupp Elevator transaction amounts to € 49 million. Besides the aforementioned adjustment to the contingent liabilities recognized in connection with data protection risks, the further reduction primarily results from the development of the contingent liabilities recognized in the Business Unit Access Solutions.

There were no other significant changes as of September 30, 2023, 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. Target achievement for the financial indicators is measured using target curves (on the basis of the minimal value, target value, and maximum value). Annual tranches with a term of three years are planned, commencing with the short financial year 2020. The first cash payout took place in the financial year 2022/2023.

As of September 30, 2023, a provision in the amount of € 6 million (prior year: € 5 million) was recognized for the global LTI and a provision in the amount of € 5 million (prior year: € 6 million) for the regional LTI.

16 Financial debt

Financial debt

Carrying amounts in million €	Sept. 30, 2022	Sept. 30, 2023
Bonds	4,839	4,633
Liabilities to financial institutions	4,676	4,515
Lease liabilities	300	298
Shareholder loan	2,757	3,014
Other loans	2	2
Non-current financial debt	**12,575**	**12,461**
Liabilities to financial institutions	31	46
Lease liabilities	94	95
Shareholder loan	-	-
Other loans	1	1
Interest liabilities[1)]		126
Current financial debt	**125**	**268**
Financial debt	**12,700**	**12,729**

[1)] Interest liabilities were part of other financial liabilities in FY 2021/2022 and amounted to € 107 mio. The presentation of interest liabilities was adjusted within FY 2022/2023, also refer to the description in Note 02. Interest liabilities for bonds amount to € 65 mio and interest liabilities for liabilities to financial institutions amount to € 61 mio in FY 2022/2023.

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 2022/2023 include € 6 million (prior year: € 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 € 4,633 million (prior year: € 4,839 million), liabilities to financial institutions and other loans in the amount of € 4,564 million (prior year: € 4,709 million) and a subordinated shareholder loan in the amount of € 3,014 million (prior year: € 2,757 million). The decrease in the carrying amounts of bonds is based on a translation effect due to the weaker USD. The decrease in the carrying amounts of liabilities to financial institutions arising from the same translation effect is largely offset by taking up working capital loans. The increase of the shareholder loan is owing to the compounding under application of 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 notional 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, 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.

The following bonds are outstanding as of September 30, 2023:

Bonds

	Carrying amount in million € as of Sept. 30, 2022	Carrying amount in million € as of Sept. 30, 2023	Notional amount in million € as of Sept. 30, 2023	Fair value in million € as of Sept. 30, 2023	Maturity
TK Elevator Midco GmbH bond (€1,100 million) 2020/2027[1]	1,100	1,100	1,100	999	07/15/2027
TK Elevator Midco GmbH bond (€500 million) 2020/2027[1]	498	499	500	501	07/15/2027
Vertical US Newco Inc. bond ($1,560 million) 2020/2027[1]	1,600	1,473	1,473	1,353	07/15/2027
TK Elevator Holdco GmbH bond (€650 million) 2020/2028[1]	585	585	585	513	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[1]	411	378	378	346	07/15/2028
TK Elevator Holdco GmbH bond ($666 million) 2020/2028	601	554	566	554	07/29/2028
Total	**4,839**	**4,633**	**4,647**	**4,312**	

[1] Listed bonds.

As of September 30, 2023, 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, 2022	Carrying amount in million € as of Sept. 30, 2023	thereof in €	thereof in other currencies	Fair value in million € as of Sept. 30, 2023	Notional amount in million € as of Sept. 30, 2023
Syndicated loan (at variable interest rates)	4,217	3,954	1,265	2,689	3,946	3,954
Syndicated revolving credit facility (at variable interest rates)	153	138	138	-	138	138
Credits at variable interest rates	-	127	-	127	127	127
Credits at fixed interest rates	335	335	335	-	318	335
Total	**4,705**	**4,554**	**1,738**	**2,816**	**4,529**	**4,554**

Three variable interest bearing working capital loans were concluded in the second and third quarter of the financial year 2022/2023.

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

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

million € (for the financial year)	Total financial debt (excluding lease liabilities)	Thereof: Bonds	Thereof: Liabilities to financial institutions	Thereof: Other Loans
2023/2024	46	-	46	1
2024/2025	376	-	374	1
2025/2026	128	-	128	-
2026/2027	7,083	3,071	4,012	-
2027/2028	1,562	1,562	-	1
after 2027/2028	-	-	-	-
Total	**9,195**	**4,633**	**4,561**	**2**

Furthermore, there are liabilities arising from leases in the amount of € 393 million (prior year: € 394 million). Regarding the undiscounted payments relating to lease liabilities refer to Note 21.

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17 Trade accounts payable

Trade accounts payable in the amount of € 5 million (prior year: € 46 million) have a remaining term of more than one year.

18 Other financial liabilities

Other financial liabilities

	Sept. 30, 2022		Sept. 30, 2023	
million €	current	non-current	current	non-current
Financial liabilities measured at amortized cost[1]	257	1	158	1
Derivatives not qualifying for hedge accounting	14	-	10	-
Derivatives qualifying for hedge accounting	2	-	1	-
Total	**273**	**1**	**170**	**1**

[1] Financial liabilities measured at amortized cost contained interest liabilities in FY 2021/2022 which are contained within financial debt as of FY 2022/2023, also refer to Note 02 and Note 16.

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

In the financial year 2022/2023, the financial liabilities measured at amortized cost with a carrying amount of € 158 million (prior year: €257 million) mainly include cash inflows for receivables which were sold.

19 Other non-financial liabilities

Other non-financial liabilities

	Sept. 30, 2022		Sept. 30, 2023	
million €	current	non-current	current	non-current
Sales and procurement related liabilities	173	-	70	-
Liabilities to the employees	286	-	264	-
Liabilities for social security	23	-	23	-
Deferred income	6	-	8	-
Tax liabilities (without income taxes)	81	-	87	-
Miscellaneous	86	0	82	0
Total	**654**	**0**	**535**	**0**

Other non-financial liabilities amounting to € 6 million (prior year: € 7 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

	Maximum potential amount of future payments as of	
million €	**Sept. 30, 2022**	**Sept. 30, 2023**
Advance payment guarantees	0	0
Performance/warranty guarantee	1	1
Other guarantees	0	0
Total	2	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 € 1.7 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 € 216 thousand (an advance payment guarantee of € 48 thousand and a warranty and performance guarantee of € 169 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 € 320 thousand) is recognized to cover the potential outflow of resources. As of September 30, 2023, 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 Sept. 30, 2023

		Measurement in accordance with IFRS 9			Measurement in accordance with IFRS 16/IFRS 15	
million €	**Carrying amount on balance sheet as of Sept. 30, 2023**	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity (with recycling)	Amortized cost	**Fair value as of Sept. 30, 2023**
Trade accounts receivable (excluding leasing)	1,584	1,584		-		1,584
Contract assets	520				520	
Lease receivables	-				-	
Other financial assets	762	462	297	4		762
Other miscellaneous financial assets		462				462
Equity instruments			0			0
Debt instruments				3		3
Derivatives not qualifying for hedge accounting			297			297
Derivatives qualifying for hedge accounting				1		1
Cash, cash equivalents and time deposits	421	421				421
Total of financial assets	**3,287**					
Financial debt (excluding leasing)	12,336	12,336				11,385
Lease liabilities	393				393	
Trade accounts payable	997	997				997
Other financial liabilities	170	159	10	1		170
Other miscellaneous financial liabilities		159				159
Derivatives not qualifying for hedge accounting			10			10
Derivatives qualifying for hedge accounting				1		1
Total of financial liabilities	**13,897**					

Financial instruments as of Sept. 30, 2022

million €	Carrying amount on balance sheet as of Sept. 30, 2022	Measurement in accordance with IFRS 9 (Amortized) cost	Measurement in accordance with IFRS 9 Fair value recognized in profit or loss	Measurement in accordance with IFRS 9 Fair value recognized in equity (with recycling)	Measurement in accordance with IFRS 16/IFRS 15 Amortized cost	Fair value as of Sept. 30, 2022
Trade accounts receivable (excluding leasing)	1,539	1,539		-		1,539
Contract assets	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	
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**					

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 value 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 € 4,034 million (prior year: € 4,194 million) have a fair value of € 3,713 million (prior year: € 3,562 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 syndicated loans in the amount of € 3,946 million (prior year: € 3,988 million) is determined using observable market prices as of the reporting date (Level 1).

The fair value of fixed interest rate loans in the amount of € 318 million (prior year: € 317 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: € 2,410 million (prior year: € 2,757 million); notional value: € 5,504 million (prior year: € 5,503 million) is measured as the present value of all future cash outflows discounted at a market interest rate (Level 3).

The carrying amounts of trade payables, interest liabilities, and other financial liabilities are equivalent to their fair values because of their short residual terms. The fair value of bonds not quoted on a market, of the syndicated revolving credit facility, and of working capital loans 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 Sept. 30, 2023

million €	Sept. 30, 2023	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	297	-	297	-
Fair value recognized in equity				
Debt instruments	3	0	3	-
Derivatives qualifying for hedge accounting	1	-	1	-
Total	**301**	**0**	**301**	**-**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	10	-	10	-
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	1	-	1	-
Total	**12**	**-**	**12**	**-**

Fair value hierarchy as of Sept. 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**	**-**

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 € 7 million (prior year: € 4 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 €	2021/2022	2022/2023
Financial assets at amortized cost	1	(10)
Financial assets / liabilities at fair value recognized in profit or loss	280	(13)
Financial liabilities at amortized cost	(978)	(754)

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 € (13) million (prior year: € 280 million) is attributable to financing income of € 106 million (prior year: € 394 million) and the offsetting financing expense of € 119 million (prior year: € 114 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 € 151 million (prior year: € (276) million) for the financial year 2022/2023.

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, 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**
Currency differences	(171)	2	16	17	(154)
Acquisitions/divestitures of businesses	1	(0)	(0)	(0)	1
Additions		(7)	(42)	(49)	(49)
Amounts utilized		0	17	17	17
Reversals		4	11	15	15
Transfer between impairment stages		0	(0)	-	-
Other changes	215	-	(2)	(2)	213
Balance as of Sept. 30, 2023	**2,317**	**(20)**	**(194)**	**(214)**	**2,104**

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 2022/2023 and in the financial year 2021/2022.

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 war in Ukraine and other geopolitical and trade policy conflicts. 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 receiveble as of Sept. 30, 2023

million €	Gross carrying amount	Expected credit loss	Individual allowances	Total of impairment	Carrying amount	Average probability of default (in %)
Contract Assets	**532**	**(3)**	**(9)**	**(12)**	**520**	**2.0%**
Trade Accounts Receivable	**1,785**	**(17)**	**(185)**	**(202)**	**1,584**	
Not Overdue	1,179	(4)	(6)	(10)	1,168	0.5%
Overdue 0-30 days	154	(1)	(9)	(10)	144	0.9%
Overdue 31-60 days	70	(0)	(1)	(1)	69	0.7%
Overdue 61-90 days	51	(1)	(1)	(1)	50	1.8%
Overdue 91-180 days	88	(2)	(2)	(4)	84	3.6%
Overdue 180-360 days	100	(10)	(22)	(32)	68	17.9%
Overdue > 360 days	143	-	(143)	(143)	-	-

Aging matrix of contract assets and trade accounts receiveble as of Sept. 30, 2022

million €	Gross carrying amount	Expected credit loss	Individual allowances	Total of impairment	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)	-	-

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, 2022	Carrying amount as of Sept. 30, 2022	Notional amount as of Sept. 30, 2023	Carrying amount as of Sept. 30, 2023
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	371	5	442	7
Foreign currency derivatives qualifying as cash flow hedges	65	3	59	1
Interest rate derivatives that do not qualify for hedge accounting	3,765	284	3,560	290
Total	**4,201**	**291**	**4,061**	**298**
Equity and liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	533	14	579	10
Foreign currency derivatives qualifying as cash flow hedges	49	2	82	1
Interest rate derivatives that do not qualify for hedge accounting	-	-	-	-
Total	**582**	**16**	**661**	**12**

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 € 2,360 million and have a fair value of € 215 million as of September 30, 2023. The interest rate swaps amount to a notional amount of € 1,200 million and have a fair value of € 74 million as of September 30, 2023.

Derivates with hedging relationship

Cash flow hedges

Cash flow hedges are mainly used to hedge future cash flows against foreign currency risks arising from future sales and procurement transactions. 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

	Carrying amount on balance sheet as of Sept. 30, 2023			
million €	Derivative assets	Derivative liabilities	Designated portion of hedging instruments	Fair value change of hedged item
Hedging of foreign currency risk	**1**	**1**	**(0)**	**0**
Foreign currency derivatives qualifying as cash flow hedges	1	1	(0)	0

Information on hedging instruments in the context of cash flow hedges

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

For the financial year ending September 30, 2023, the designated portion of the hedging instrument amounting to € (2) million before tax (prior year: € 2 million) has been recognized as unrealized gains or losses directly in equity. For the financial year ending September 30, 2023, the change of the fair value of the hedged item amounts to € 2 million (prior year: € (2) 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, € (1) 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 increase the cost of inventories (prior year: 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 the realization of the underlying transaction through profit or loss as an increase in expenses (prior year: decrease in expenses) in the amount of € 1 million (prior year: € 1 million). Moreover, € 0 million (prior year: € 0 million) will have an effect on profit or loss due to an increase in expenses in the financial year 2023/2024.

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 €	Total	Foreign currency risk
Balance as of Oct. 01, 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	
Net unrealized (gains)/losses on designated risk component	(2)	(2)
Net unrealized (gains)/losses on hedging costs	1	1
Net realized (gains)/losses	1	1
Tax effect	0	
Balance as of Sept. 30, 2023	0	

As of September 30, 2023, 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, 2023

million €	Remaining term up to 1 year	Remaining term 1 to 2 years	Remaining term above 2 years	Notional amount as of Sept. 30, 2023	Average hedging rate
Hedging of foreign currency risk	138	3	-	142	
thereof:					
Foreign currency forward contracts USD/CAD	59	-	-	59	1.34 USD/CAD

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
Hedging of foreign currency risk	113	1	-	114	
thereof:					
Foreign currency forward contracts USD/CAD	39	-	-	39	1.30 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 risks

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 derivate 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, € 138 million (prior year: € 153 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 Sept. 30, 2023

million €	Carrying amount Sept. 30, 2023	Cash flows in 2023/2024	Cash flows in 2024/2025	Cash flows between 2025/2026 and 2027/2028	Cash flows after 2027/2028
Financial debt (excluding lease liabilities)	12,336	(883)	(1,049)	(10,157)	(5,512)
Thereof bonds	4,633	(314)	(308)	(5,391)	-
Thereof liabilities to financial institutions	4,561	(442)	(740)	(4,766)	-
Thereof shareholder loans	3,014	-	-	-	(5,512)
Thereof other loans	2	(1)	(1)	(1)	-
Thereof interest liabilities	126	(126)	-	-	-
Lease liabilities	393	(116)	(93)	(166)	(99)
Trade accounts payable	997	(992)	(5)	(0)	(0)
Derivative financial liabilities not qualifying for hedge accounting	10	532	2	-	-
		(542)	(2)	-	-
Derivative financial liabilities qualifying for hedge accounting	1	79	3	-	-
		(80)	(3)	-	-
Other financial liabilities	159	(158)	(0)	(0)	(0)

Future undiscounted cash outflows as of Sept. 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 lease liabilities)	12,306	(647)	(682)	(9,752)	(7,315)
Thereof bonds	4,839	(310)	(318)	(4,150)	(1,804)
Thereof liabilities to financial institution	4,707	(336)	(363)	(5,604)	-
Thereof shareholder loans	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)

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 (€ 315 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 exceed that in 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.

This does not apply to cash flows arising from the bonds and liabilities to financial institutions denominated in US Dollars. Because the concluded interest rate derivatives only mitigate the interest rate risk and not the foreign currency risk, there is a cash flow risk due to the fluctuating US Dollar exchange rate. Cash flow risk is measured using a cash flow sensitivity that simulates the effect on the profit or loss.

The FX analysis assumes a change in the US Dollar exchange rate of +10%/-10% as of September 30, 2023. The table below shows the opportunities (positive figures) and risks (negative figures):

FX analysis

	Changes of the USD exchange rate as of			
	Sept. 30, 2022 by		**Sept. 30, 2023 by**	
million €	+10%	(10)%	+10%	(10)%
FX risk from US-Dollar financial instruments	24	(29)	30	(37)

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, 2023. The table below shows the opportunities (positive figures) and risks (negative figures):

Interest analysis

	Changes in all yield curves as of			
	Sept. 30, 2022 by		**Sept. 30, 2023 by**	
million €	+100 BP	(100) BP	+100 BP	(100) BP
Interest risk from variable financial instruments	(18)	18	(12)	12

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 (Luxemburg) 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 (Luxemburg) 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
- Ercan Keles, Managing Director
- Dr. Philipp Voet van Vormizeele, Managing Director (until July 15, 2023)

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, 2023, the loan has not yet been repaid. The interest expense arising from the loan for the financial year 2022/2023 amounts to € 256 million (prior year: € 235 million); of which € 1 million (prior year: € 1 million) is attributable to current interest and € 255 million (prior year: € 234 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, which was increased to € 1,063 thousand in the financial year 2022/2023 (of this amount, € 450 thousand relates to the increase of the notional amount and € 63 thousand relates to capitalized interest). The interest rate for the loan is 8.84% and the loan has a term of four years.

Furthermore, TK Elevator Holding GmbH reports liabilities to Advent International Corporation in the amount of € 1 million in connection with costs for service providers. 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 € 2 million. Advent International Corporation is the ultimate controlling parent company of Advent GPE IX Fonds, which is a direct subsidiary of AI Vertical (Luxemburg) 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 2022/2023.

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, 2023:

Related party transactions with thyssenkrupp Group

	Sales		Supplies and services		Receivables		Total liabilities	
million €	2021/ 2022	2022/ 2023	2021/ 2022	2022/ 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023
thyssenkrupp Group	3	3	84	84	0	0	1	3

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 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. 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 predominantly ended in mid-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 2022/2023, the costs for the TSAs between the Group and the thyssenkrupp Group amounted to € 0 million (prior year: € 1 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.

There is a reimbursement right from the thyssenkrupp Group in connection with the elevator cartel, cf. also the explanations in Note 15.

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 €	2021/ 2022	2022/ 2023
Short-term benefits	2,742	3,754
Post-employment benefits	204	146
Termination benefits	-	-
Long term incentive	128	272
Total	**3,074**	**4,172**

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; also refer to 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%). In the financial year 2022/2023, the share in the entire investment was influenced by a 1% granting of new shares and 1% of disposed shares, whereas 0.2% of these acquired shares were acquired back by withdrawal. 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 € 2 million (prior year: € 0 million) not yet paid as of September 30, 2023.

There are pension commitments in place for a portion of the active and inactive members of management. The respective present value for the active members of management amounts to € 4 million (prior year: € 4 million), and the respective present value for the inactive members of management totals € 4 million (prior year: € 4 million). In addition, there are provisions from the management incentive plans for key management personnel in the amount of € 1 million (prior year: € 1 million).

In addition, the Managing Directors had not been granted any loans or advances as of September 30, 2023; 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 €	2021/ 2022	2022/ 2023
Short-term benefits (inclusive of meeting attendance fees)	1,003	1,083

The amount shown has not yet been paid as of September 30, 2023.

As of September 30, 2023, 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 stair lifts, 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 mainly 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 2022/2023

million €	Europe/ Africa	Americas	Asia/ Pacific	Access Solutions	Corporate Elevator	Consoli-dation	Total
Financial year 2022/2023							
Sales	2,255	3,835	2,402	432	1	(1)	**8,924**
Internal sales within the Group	99	1	33	14	108	(255)	**-**
Total sales	2,354	3,835	2,436	446	109	(256)	**8,924**
EBITDA	193	601	284	59	(107)	(2)	**1,027**
Adjusted EBITDA	343	661	294	68	(60)	(2)	**1,304**
EBIT	73	378	216	42	(145)	(2)	**562**
Adjusted EBIT	223	438	226	51	(97)	(2)	**839**
Operating net working capital	226	(301)	(59)	15	(34)	1	**(152)**
Depreciation and amortization expense	120	223	68	17	37	0	**465**
Impairment losses of intangible assets, property, plant and equipment	-	-	0	-	-	-	**0**
Non-cash effects in provisions	(162)	(583)	(173)	(13)	(45)	(2)	**(978)**

In connection with the adjustment of the contingent liability related to data protection risks (also refer to Note 15), other income in the amount of € 3 million (prior year: € 6 million) was allocated to the Business Unit Americas, € 2 million (prior year: € 4 million) to the Business Unit Europe/Africa, € 2 million (prior year: € 5 million) to the Business Unit Asia/Pacific, and € 0 million (prior year: € 1 million) to the Business Unit Access Solutions.

Segment information 2021/2022

million €	Europe/ Africa	Americas	Asia/ Pacific	Access Solutions	Corporate Elevator	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**
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 inclusive of investment property	25	-	-	-	4	0	**29**
Non-cash effects in provisions	(88)	(460)	(118)	20	(3)	(0)	**(648)**

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 €	2021/2022	2022/2023
Adjusted EBITDA as presented in segment reporting	**1,145**	**1,304**
+/- Special items without impairment/reversals	(126)	(277)
EBITDA as presented in segment reporting	**1,019**	**1,027**
- Depreciation, amortization and impairments	(610)	(465)
EBIT as presented in segment reporting	**409**	**562**
+ Finance income	415	353
– Finance expense	(1,176)	(1,108)
EBT (income/(loss) before tax as presented in the statement of profit or loss)	**(353)**	**(194)**

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, 2023, the special items break down as follows:

Special items

million €	2021/2022	2022/2023
Restructuring expenses	(23)	(156)
Disposal losses/gains from M&A transactions	(2)	-
Other non-operating expenses and income	(101)	(121)
Special items without impairment/reversals	**(126)**	**(277)**
Impairment (charges)/reversals	(29)	-
Special items including impairment/reversals	**(155)**	**(277)**

Other non-operating expenses and income mainly consist of project-related consulting and implementation costs with a particular focus on operating efficiency and performance, as well as the transformation of the product portfolio.

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, 2022	Sept. 30, 2023
Total assets	26,058	24,655
Total non-current assets	(22,421)	(20,934)
Other financial assets, current	(49)	(52)
Other non-financial assets, current	(272)	(223)
Current income tax assets	(122)	(119)
Cash, cash equivalents and time deposits	(436)	(421)
Assets held for sale	-	(66)
Advance payments to suppliers of inventories and to other current non-financial assets	51	35
Trade accounts payable	(958)	(997)
Contract Liabilities	(2,033)	(2,031)
Operating Net Working Capital	**(181)**	**(152)**

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)					
2021/2022	683	2,754	1,397	3,697	8,531
2022/2023	769	2,989	1,298	3,868	8,924

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, 2022	2,954	8,705	3,428	6,551	21,638
Sept. 30, 2023	2,925	7,896	3,046	6,302	20,169

Notes to the Consolidated Statements of Profit or Loss

24 Sales

Sales are presented below:

Sales by customer groups

million €	Europe/ Africa	Ameri- cas	Asia/ Pacific	Access Solutions	Corporate Elevator	Consoli- dation	Total
2022/2023							
Commercial	904	2,622	910	107	-	(1)	**4,542**
Residential	936	845	1,146	166	-	-	**3,093**
Infrastructure/Transport	235	137	262	154	-	-	**788**
Others	179	231	85	4	1	-	**500**
External sales	**2,255**	**3,835**	**2,402**	**432**	1	(1)	**8,924**
Internal sales within the Group	99	1	33	14	108	(255)	**0**
Total	**2,354**	**3,835**	**2,436**	**446**	**109**	**(256)**	**8,924**
2021/2022							
Commercial	812	2,347	927	104	-	0	**4,191**
Residential	823	538	1,179	141	-	-	**2,680**
Infrastructure/Transport	157	123	251	142	-	-	**673**
Others	339	532	109	6	1	-	**987**
External sales	**2,131**	**3,541**	**2,466**	**392**	**1**	**0**	**8,531**
Internal sales within the Group	87	1	28	10	97	(221)	**0**
Total	**2,218**	**3,541**	**2,494**	**402**	**97**	**(220)**	**8,531**

Sales by line of business

million €	Europe/ Africa	Ameri- cas	Asia/ Pacific	Access Solutions	Corporate Elevator	Consoli- dation	Total
2022/2023							
New Installation	521	1,214	1,615	364	-	(114)	**3,600**
Modernization	456	597	183	3	-	(11)	**1,228**
Service	1,376	2,024	637	79	-	(22)	**4,094**
Other Sales	0	(0)	1	-	109	(108)	**2**
Total	**2,354**	**3,835**	**2,436**	**446**	**109**	**(256)**	**8,924**
2021/2022							
New Installation	524	1,158	1,736	333	-	(99)	**3,652**
Modernization	391	552	147	5	-	(5)	**1,090**
Service	1,304	1,831	610	63	-	(22)	**3,787**
Other Sales	(1)	0	0	-	97	(95)	**2**
Total	**2,218**	**3,541**	**2,494**	**402**	**97**	**(220)**	**8,531**

In line with standard market practice and to enable better comparability with other companies, the presentation of sales in the current financial year 2022/2023 and the comparative period has been adjusted to outline a more industry-specific breakdown of sales.

Of the sales, an amount of € 1,248 million (prior year: € 1,208 million) relates to long-term contracts and € 7,675 million (prior year: € 7,323 million) from short-term contracts, € 7,169 million (prior year: € 6,774 million) relates to sales that are realized over time and € 1,755 million (prior year: € 1,758 million) relates to sales that are realized at a point in time.

25 Other income

Other income

million €	2021/2022	2022/2023
Gains from premiums and from grants	3	3
Insurance compensation	2	3
Miscellaneous	157	54
Total	**161**	**60**

Miscellaneous other income predominantly arises from the effects explained in Notes 15 and 23.

26 Other expenses

Other expenses

million €	2021/2022	2022/2023
Additions to/reversals of provisions	(2)	(3)
Impairments on financial assets[1]	-	37
Miscellaneous	51	36
Total	**49**	**70**

[1] Impairments on financial assets were part of selling expenses in FY 2021/2022 and amounted to € 14 mio. The disclosure of impairments on financial assets was adjusted within FY 2022/2023, also refer to the description in Note 02.

In the prior year, expenses in connection with a purchase agreement arrangements from the acquisition of thyssenkrupp Elevator were included in the other expenses. Some of these expenses were offset by income from the adjustment of the repayment obligation in connection with a court ruling in the financial year 2020/2021.

27 Other gains and losses

Other gains and losses mainly comprise gains and losses resulting from exchange rate differences in connection with receivables and liabilities denominated in foreign currencies.

28 Financial income/(expense), net

Financial income/(expense), net		
million €	2021/2022	2022/2023
Interest income from financial receivables	5	12
Income from investments	-	-
Other finance income	410	340
Finance income	**415**	**353**
Interest expense from financial debt	(700)	(901)
Net interest cost of pensions and similar obligations	(4)	(8)
Expense from investments	(0)	(0)
Other finance expenses	(472)	(199)
Finance expense	**(1,176)**	**(1,108)**
Total	**(761)**	**(755)**

Other finance income mainly arises from positive exchange rate effects of the bonds and loans denominated in US Dollars, as well as income from hedging exchange rate fluctuations; cf. also Note 21. This item also includes income from the hedging of interest rate risks in the amount of € 77 million (prior year: € 284 million). Interest income from financial receivables and other finance income include interest income from financial assets not measured at fair value through profit or loss in the amount of € 13 million (prior year: € 8 million). Interest expense from financial debt and other finance expenses include interest expenses from financial liabilities not measured at fair value through profit or loss in the amount of € 902 million (prior year: € 703 million).

The decrease in other finance expenses is mainly due to exchange rate effects relating to the weaker US Dollar.

Furthermore, other finance expenses 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 €	2021/2022	2022/2023
Lease expense		
Expense from short-term leases	3	3
Expense from leases for low-value assets	7	8
Expense from variable payments	0	1
Depreciation and impairment expense		
Depreciation of right-of-use assets	110	108
Impairment of right-of-use assets	-	-
Other gains/(losses), net		
(Gain)/loss on disposal of right-of-use assets	(1)	1
Financial income/(expense), net		
Interest expense from lease liabilities	18	23

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:

71

Breakdown of income tax expense/(benefit)

million €	2021/2022	2022/2023
Current income tax expense	175	216
Deferred income tax expense/(benefit)	(183)	(144)
Total	**(8)**	**72**

The breakdown of taxes recognized in equity is as follows:

Income taxes recognized in total invested equity

million €	2021/2022	2022/2023
Income tax expense/(benefit) as presented on the statement of profit or loss	(8)	72
Income non-effective tax effect on other components of equity	33	35
Total	**25**	**107**

As of September 30, 2023, 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 € 724 million (prior year: € 787 million).

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

Inventory of deferred tax assets and liabilities

million €	Sept. 30, 2022[1]		2022/2023		Sept. 30, 2023	
	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	8	2,019	61	97	7	1,860
Property, plant and equipment	7	81	11	6	23	80
Financial assets	63	127	(1)	(9)	11	85
Non-current non-financial assets	42	-	(10)	3	-	26
Accrued pension and similar obligations	61	33	(3)	(3)	57	35
Other provisions	20	1	(10)	1	10	-
Non-current liabilities	165	893	125	(1)	177	781
Deferred income taxes on current items						
Inventories	42	1	20	(7)	57	3
Other assets[2]	104	54	(96)	(1)	42	89
Other provisions	83	6	15	(4)	95	7
Current liabilities	195	72	(34)	(5)	171	87
Subtotal	**790**	**3,287**	**78**	**77**	**650**	**3,053**
Tax loss / Interest carried forward[2]	135	-	65	(6)	255	-
Subtotal	**135**	**-**	**65**	**(6)**	**255**	**-**
Gross amount before offsetting	**925**	**3,287**	**143**	**71**	**905**	**3,053**
Offsetting	(870)	(870)			(851)	(851)
Balance sheet amount	**55**	**2,417**			**54**	**2,202**

[1] The presentation of the prior year has been adjusted to increase the informative value and shows deferred tax assets after valuation allowances. In the prior year, deferred tax assets were presented before valuation allowances.

[2] The presentation of the DTAs on US interest cap was adjusted from "Other assets" to "Tax loss / Interest carried forward" for the prior year to present the situation more adequately. The procedure was retained for the current financial year.

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, 2023, tax loss carryforwards for the Group amount to € 43 million (prior year: € 45 million) and tax interest carryforwards of € 506 million (prior year: € 181 million) for which no deferred tax asset is recognized. According to enacted tax legislation, an amount of € 43 million (prior year: € 45 million) of the tax loss carryforwards and € 506 million (prior year: € 181 million) of the tax interest carryforwards can be carried forward indefinitely and in unlimited amounts.

As of September 30, 2023, 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 Elevadores Peru S.A.C. € 2 million (prior year: € 0 million) and TK Elevadores Chile S.A. in the amount of € 1 million (prior year: € 0 million).

As of September 30, 2023, 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 € 41 million (prior year: € 51 million).

The German corporate income tax law applicable for the financial year 2022/2023 stipulates a statutory income tax rate of 30.7% (prior year: 30.8%) 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 €	2021/2022	in %	2022/2023	in %
Expected income tax expense/(benefit)	(109)	30.8	(60)	30.7
Tax rate differentials to the German combined income tax rate	(0)	0.1	(1)	0.6
Changes in tax rates or laws	5	(1.4)	1	(0.3)
Change in valuation allowance	59	(16.6)	111	(56.9)
Permanent items	7	(2.0)	2	(0.8)
Non-creditable withholding taxes	10	(3.0)	20	(10.4)
Tax expense/(benefit) related to prior periods	20	(5.6)	(1)	0.5
Others	0	(0.1)	1	(0.6)
Income tax expense/(benefit) as presented on the statement of profit or loss	**(8)**	**2.2**	**72**	**(37.2)**

On December 20, 2021, the framework for international minimum taxation was published with OECD's Model Rules (Pillar 2). The implementation of these rules is regulated within the EU by means of the Directive 2022/2523 of December 14, 2022. The regulations of Pillar 2 are applied within the Group of TK Elevator Topco GmbH and in accordance with the EU Directive's specifications shall be applied for the first time for the financial year 2024/2025, beginning on October 1, 2024. As of the reporting date, the Pillar 2 legislation had not been finalized in Germany, the member state of the ultimate parent company within the meaning of Pillar 2, or in other countries significant for the Group. Therefore, there are no consequences relating to the accounting of actual or deferred taxes as of the reporting date.

The Group is currently making an assessment of the impact after the legislation has been enacted. According to preliminary analyses, there are currently no material added tax burdens.

31 Additional disclosures on the consolidated statements of profit or loss

Cost of sales include expenses for materials of € 3,309 million (prior year: € 3,166 million).

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

Personnel expenses

million €	2021/2022	2022/2023
Wages and salaries	2,541	2,647
Social security taxes	384	419
Net periodic pension cost – defined benefit[1)]	25	20
Net periodic pension costs – defined contribution	193	199
Other expenses for pensions and retirements	69	208
Related fringe benefits	210	215
Total	**3,422**	**3,707**

[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

	2021/2022	2022/2023
Europe/Africa	13,644	13,694
Americas	16,393	15,907
Asia/Pacific	18,951	18,932
Access Solutions	1,964	2,082
Corporate Elevator	573	563
Total	**51,526**	**51,178**

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

	2021/2022	2022/2023
million €	**Total**	**Total**
Audit fees	3	3
Audit-related fees	0	0
Tax fees	-	-
Fees for other services	-	-
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 which do not relate to financial debt 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 € 619 million (prior year: € 504 million).

Non-cash investing activities

There is a non-cash investment of € 130 million (prior year: € 140 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 the year ended September 30, 2023

million €	Sept. 30, 2022	Cash changes	Non-cash changes: Acquisitions/ divestitures of businesses	Currency differences	Fair value changes	Interest from effective interest rate method	Other changes	Sept. 30, 2023
Bonds	4,839	-	-	(209)	-	2	-	4,633
Liabilities to financial institutions	4,707	94	-	(239)	-	-	-	4,561
Lease liabilities[1]	394	(124)	1	(23)	-	23	122	393
Shareholder loan	2,757	-	-	-	-	256	-	3,014
Other loans	2	0	-	-	-	(0)	-	2
Interest liabilities[2]	107	(592)	-	(8)	-	-	620	126
Total financial debt	**12,806**	**(622)**	**1**	**(479)**	**-**	**281**	**742**	**12,729**

[1] The interest component of the recognized leases amounting to €23 mio is reported in the consolidated statement of cash flows under operating cash flows.
[2] The presentation of interest liabilities was adjusted within FY 2022/2023.

Reconciliation in accordance with IAS 7 for the year ended September 30, 2022[1]

million €	Sept. 30, 2021	Cash changes	Non-cash changes: Acquisitions/ divestitures of businesses	Currency differences	Fair value changes	Interest from effective interest rate method	Other changes	Sept. 30, 2022
Bonds	4,424	-	-	413	-	2	-	4,839
Liabilities to financial institutions	4,288	(50)	-	469	-	-	-	4,707
Lease liabilities[2]	345	(117)	1	37	-	18	109	394
Shareholder loan	2,523	-	-	-	-	235	-	2,757
Other loans	3	(0)	-	-	-	-	-	2
Total financial debt	**11,583**	**(168)**	**1**	**919**	**-**	**255**	**109**	**12,700**

[1] The presentation has been adjusted, also refer to the footnote for the consolidated statement of cash flows.
[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.

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 2022/2023, the total cash outflows of the Group as lessee amounted to € 128 million (prior year: € 130 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, 2022	Sept. 30, 2023
Extension and/or termination options as well as call options	(132)	(156)
Residual value guarantees	(0)	(0)
Variable payments	-	-
Lease commitments	0	(80)
Total	**(132)**	**(236)**

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. The annual liabilities arising from infinite revolving leases amount to € 3 million.

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, 2023, and September 30, 2022, is shown below:

Consolidated Statements of Financial Position

Assets

million €	Sept. 30, 2023 TK Elevator Topco GmbH	Recon-ciliation	Sept. 30, 2023 TK Elevator Holdco GmbH	Recon-ciliation	Sept. 30, 2023 TK Elevator Midco GmbH
Intangible assets	19,109	-	19,109	-	19,109
Property, plant and equipment	1,026	-	1,026	-	1,026
Other financial assets	710	-	710	-	710
Other non-financial assets	34	-	34	-	34
Deferred tax assets	54	-	54	0	54
Total non-current assets	**20,934**	**-**	**20,934**	**0**	**20,934**
Inventories	737	-	737	-	737
Trade accounts receivable	1,584	-	1,584	-	1,584
Contract assets	520	-	520	-	520
Other financial assets	52	9	61	1,314	1,375
Other non-financial assets	223	(0)	222	-	222
Current income tax assets	119	-	119	(0)	119
Cash, cash equivalents and time deposits	421	(0)	421	(0)	421
Assets held for sale	66	-	66	-	66
Total current assets	**3,721**	**9**	**3,730**	**1,314**	**5,044**
Total assets	**24,655**	**9**	**24,664**	**1,314**	**25,978**

Equity and liabilities

million €					
Capital stock	0	-	0	-	0
Additional paid-in capital	2,731	(1)	2,730	1,652	4,382
Retained earnings	1,142	26	1,168	849	2,017
Cumulative other comprehensive income	779	-	779	-	779
Equity attributable to shareholders	**4,653**	**25**	**4,678**	**2,500**	**7,178**
Non-controlling interest	24	-	24	-	24
Total equity	**4,677**	**25**	**4,702**	**2,500**	**7,202**
Accrued pension and similar obligations	250	-	250	-	250
Provisions for other employee benefits	42	-	42	-	42
Other provisions	201	-	201	(0)	201
Deferred tax liabilities	2,202	(9)	2,193	(70)	2,123
Financial debt	12,461	(3)	12,458	(1,099)	11,358
Other financial liabilities	1	-	1	-	1
Other non-financial liabilities	0	-	0	-	0
Total non-current liabilities	**15,157**	**(13)**	**15,144**	**(1,169)**	**13,976**
Provisions for current employee benefits	212	-	212	-	212
Other provisions	458	(2)	455	-	455
Current income tax liabilities	151	-	151	(9)	142
Financial debt	268	-	268	(30)	238
Trade accounts payable	997	(1)	996	0	996
Other financial liabilities	170	0	170	21	191
Contract liabilities	2,031	-	2,031	-	2,031
Other non-financial liabilities	535	(0)	534	0	534
Total current liabilities	**4,821**	**(3)**	**4,818**	**(18)**	**4,800**
Total liabilities	**19,978**	**(16)**	**19,962**	**(1,187)**	**18,776**
Total equity and liabilities	**24,655**	**9**	**24,664**	**1,314**	**25,978**

Consolidated Statements of Financial Position

Assets

million €	Sept. 30, 2022 TK Elevator Topco GmbH	Recon-ciliation	Sept. 30, 2022 TK Elevator Holdco GmbH	Recon-ciliation	Sept. 30, 2022 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**

The reconciliation of the corresponding consolidated statements of profit or loss for the financial years 2022/2023 and 2021/2022 is shown below:

Consolidated Statements of Profit or Loss

million €	2022/2023		2022/2023		2022/2023
	TK Elevator Topco GmbH	Recon-ciliation	TK Elevator Holdco GmbH	Recon-ciliation	TK Elevator Midco GmbH
Sales	8,924	-	8,924	-	8,924
Cost of sales	(6,859)	-	(6,859)	-	(6,859)
Gross margin	**2,065**	**-**	**2,065**	**-**	**2,065**
Research and development cost	(119)	-	(119)	-	(119)
Selling expenses	(531)	-	(531)	-	(531)
General and administrative expenses	(835)	3	(832)	0	(832)
Other income	60	0	60	(0)	59
Other expenses	(70)	(0)	(71)	0	(70)
Other gains/(losses), net	(8)	-	(8)	-	(8)
Income from operations	**560**	**3**	**563**	**0**	**563**
Finance income	353	1	353	174	527
Finance expense	(1,108)	0	(1,108)	24	(1,083)
Financial expense, net	**(755)**	**1**	**(754)**	**198**	**(556)**
Income/(loss) before tax	**(194)**	**3**	**(191)**	**198**	**7**
Income tax (expense)/income	(72)	(2)	(74)	72	(2)
Net income/(loss)	**(267)**	**2**	**(265)**	**270**	**5**

Thereof:					
Shareholders of TK Elevator Topco GmbH/TK Elevator Holdco GmbH/TK Elevator Midco GmbH	(269)	2	(267)	270	3
Non-controlling interest	2	-	2	-	2
Net income/(loss)	**(267)**	**2**	**(265)**	**270**	**5**

Consolidated Statements of Profit or Loss

million €	2021/2022 TK Elevator Topco GmbH	Recon-ciliation	2021/2022 TK Elevator Holdco GmbH	Recon-ciliation	2021/2022 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**
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)**
Income/(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**

The reconciliation of the corresponding consolidated statements of cash flows for the financial years 2022/2023 and 2021/2022 is shown below:

Consolidated Statements of Cash Flows

million €	2022/2023 TK Elevator Topco GmbH	Recon-ciliation	2022/2023 TK Elevator Holdco GmbH	Recon-ciliation	2022/2023 TK Elevator Midco GmbH
Net income/(loss)	**(267)**	**2**	**(265)**	**270**	**5**
Adjustments to reconcile net income/(loss) to operating cash flows:					
Deferred income taxes, net	(144)	2	(142)	(75)	(217)
Depreciation, amortization and impairment of non-current assets	465	-	465	-	465
(Gain)/loss on disposal of non-current assets	3	-	3	-	3
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes				-	
- Inventories	(67)	-	(67)	-	(67)
- Trade accounts receivable	(152)	-	(152)	(0)	(152)
- Contract assets	(51)	-	(51)	-	(51)
- Accrued pension and similar obligations	1	-	1	-	1
- Other provisions	63	2	64	0	64
- Trade accounts payable	83	(1)	83	0	83
- Contract liabilities	144	-	144	-	144
- Other assets/liabilities not related to investing or financing activities	145	(1)	143	(78)	65
Operating cash flows	**224**	**3**	**227**	**117**	**344**
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	(23)	-	(23)	-	(23)
Capital expenditures for property, plant and equipment (inclusive of advance payments)	(71)	-	(71)	-	(71)
Capital expenditures for intangible assets (inclusive of advance payments)	(86)	-	(86)	-	(86)
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	5	-	5	-	5
Proceeds from disposals of intangible assets	0	-	0	-	0
Cash flows from investing activities	**(175)**	**-**	**(175)**	**-**	**(175)**
Proceeds from bonds	-	-	-	-	-
Repayments on bonds	-	-	-	-	-
Proceeds from liabilities to financial institutions	1,324	-	1,324	-	1,324
Repayments of liabilities to financial institutions	(1,230)	-	(1,230)	-	(1,230)
Repayments of lease liabilities	(101)	-	(101)	-	(101)
Proceeds from other loans	1	-	1	-	1
Repayments on other loans	(0)	-	(0)	-	(0)
Procceds from the capital increase	-	-	-	-	-
Dividends paid to non-controlling interest	(2)	-	(2)	-	(2)
Other financing activities	(22)	(3)	(25)	(117)	(142)
Cash flows from financing activities	**(31)**	**(3)**	**(34)**	**(117)**	**(151)**
Net increase/(decrease) in cash, cash equivalents and time deposits	18	0	18	(0)	18
Effect of exchange rate changes on cash, cash equivalents and time deposits	(33)	-	(33)	-	(33)
Cash, cash equivalents and time deposits at beginning of year	436	(0)	436	(0)	436
Cash, cash equivalents and time deposits at end of the year	**421**	**(0)**	**421**	**(0)**	**421**
Additional information regarding cash flows from interest, dividends, and income taxes which are included in operating cash flows:					
Interest received	14	(1)	13	(83)	(70)
Interest paid	(633)	1	(632)	196	(436)
Income taxes paid	(203)	-	(203)	4	(199)

Consolidated Statements of Cash Flows

million €	2021/2022 TK Elevator Topco GmbH	Recon-ciliation	2021/2022 TK Elevator Holdco GmbH	Recon-ciliation	2021/2022 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
(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 bonds	-	-	-	-	-
Repayments on bonds	-	-	-	-	-
Proceeds from liabilities to financial institutions[1]	177	-	177	-	177
Repayments of liabilities to financial institutions[1]	(227)	-	(227)	-	(227)
Repayments of lease liabilities	(99)	-	(99)	-	(99)
Repayments on other loans[1]	(0)	-	(0)	-	(0)
Procceds from the capital increase	-	-	-	-	-
Dividends paid to non-controlling interest	(4)	-	(4)	-	(4)
Other financing activities	88	(2)	86	(53)	34
Cash flows from financing activities	**(65)**	**(2)**	**(67)**	**(53)**	**(119)**
Net increase/(decrease) in cash, cash equivalents and time deposits	40	0	40	0	40
Effect of exchange rate changes on cash, cash equivalents and time deposits	27	-	27	-	27
Cash, cash equivalents and time deposits at beginning of year	369	(0)	369	(0)	369
Cash, cash equivalents and time deposits 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)

[1] The presentation has been adjusted, also refer to the description in Note 02.

34 Special events after the reporting date

In December 2023, the Group acquired all the shares in Regional Elevator. The acquisition of this Company located in Ottawa, Canada, is intended to strengthen the Group's market position in the region. The purchase price was € 14 million (subject to subsequent purchase price adjustments). The purchase price allocation for the acquisition of Regional Elevator is currently being prepared.

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 a.d. Fildern, Germany
- Tepper Aufzüge GmbH, Münster, Germany
- TK Home Solutions GmbH, Essen, Germany
- TK Aufzüge GmbH, Neuhausen a.d. Fildern, Germany
- TK Aufzugswerke GmbH, Neuhausen a.d. Fildern, Germany
- TK Aufzugswerke Newco GmbH, Neuhausen a.d. 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 a.d. 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 18, 2024

TK Elevator Topco GmbH

The Managing Directors

Uday Yadav Ercan Keles

Short-Form Audit Report

TK Elevator Topco GmbH
Essen

Consolidated Financial Statements for the Period Ending September 30, 2023 and the Group Management Report for Financial Year 2023

INDEPENDENT AUDITOR'S REPORT

(Translation – the German text is authoritative)

Engagement: DEE00105432.1.2

pwc

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, 2023 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, 2022 to September 30, 2023, 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, 2022 to September 30, 2023.

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, 2023 and of its financial performance for the financial year from October 1, 2022 to September 30, 2023 and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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 (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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 18, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Michael Preiß Wirtschaftsprüfer	sgd. Philip Meyer zu Spradow Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

TKE

Årsregnskap 2024
TK Elevator Norway Holding AS

Resultatregnskap
Balanse
Kontantstrøm
Noter til regnskapet

Org.nr.: 948 236 907

Resultatregnskap

TK Elevator Norway Holding AS

Driftsinntekter og driftskostnader	**Note**	**2023/2024**	**2022/2023**
Salgsinntekt	1, 2	25 135 601	21 996 779
Sum driftsinntekter		**25 135 601**	**21 996 779**
Lønnskostnad	3, 4	8 913 464	8 341 258
Avskrivning av driftsmidler og immaterielle eiendeler	5	33 161	98 027
Annen driftskostnad	2	15 133 443	12 956 388
Sum driftskostnader		**24 080 068**	**21 395 673**
Driftsresultat		**1 055 533**	**601 106**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	6	47 520 000	0
Annen renteinntekt	2	2 322 300	1 461 442
Annen finansinntekt		432	41 212
Annen rentekostnad		158 953	3 424
Annen finanskostnad		120 324	49 009
Resultat av finansposter		**49 563 455**	**1 450 221**
Resultat før skattekostnad		50 618 989	2 051 327
Skattekostnad på resultat	7	681 777	452 013
Årsresultat	**8**	**49 937 212**	**1 599 314**
Overføringer			
Avsatt til utbytte		19 120 000	0
Tilleggsutbytte		30 800 000	0
Avsatt til annen egenkapital		17 212	1 599 314
Sum overføringer		**49 937 212**	**1 599 314**

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Balanse

TK Elevator Norway Holding AS

Eiendeler	**Note**	**30.09.2024**	**30.09.2023**
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5, 7	938 360	851 309
Sum immaterielle eiendeler		**938 360**	**851 309**
Varige driftsmidler			
Maskiner og anlegg	5	20 794	53 954
Sum varige driftsmidler		**20 794**	**53 954**
Finansielle anleggsmidler			
Investeringer i annet foretak i samme konsern	6	90 161 375	90 161 375
Sum finansielle anleggsmidler		**90 161 375**	**90 161 375**
Sum anleggsmidler		**91 120 529**	**91 066 638**
Omløpsmidler			
Fordringer			
Andre kortsiktige fordringer		497 272	400 233
Konsernfordringer	9	56 789 497	39 282 000
Sum fordringer		**57 286 769**	**39 682 233**
Investeringer			
Bankinnskudd, kontanter o.l.	10	7 803 520	5 180 089
Sum omløpsmidler		**65 090 290**	**44 862 321**
Sum eiendeler		**156 210 818**	**135 928 960**

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Balanse

TK Elevator Norway Holding AS

Egenkapital og gjeld	Note	30.09.2024	30.09.2023
Egenkapital			
Innskutt egenkapital			
Aksjekapital	11	5 200 000	5 200 000
Sum innskutt egenkapital		**5 200 000**	**5 200 000**
Opptjent egenkapital			
Annen egenkapital	8	123 460 256	123 552 434
Sum opptjent egenkapital		**123 460 256**	**123 552 434**
Sum egenkapital		**128 660 256**	**128 752 434**
Gjeld			
Avsetning for forpliktelser			
Pensjonsforpliktelser	4	4 029 604	3 627 538
Sum avsetning for forpliktelser		**4 029 604**	**3 627 538**
Kortsiktig gjeld			
Leverandørgjeld	9	1 720 237	1 473 559
Betalbar skatt	7	945 846	480 370
Skyldig offentlige avgifter		393 766	306 737
Utbytte	8	19 120 000	0
Annen kortsiktig gjeld	9	1 341 109	1 288 321
Sum kortsiktig gjeld		**23 520 958**	**3 548 987**
Sum gjeld		**27 550 562**	**7 176 525**
Sum egenkapital og gjeld		**156 210 818**	**135 928 960**

21.03.2025
Styret i TK Elevator Norway Holding AS

Özgür Aren
styreleder

Geir Johannes Hansen
styremedlem/daglig leder

Inga Engel
styremedlem

TKE

Kontantstrømoppstilling

TK Elevator Norway Holding AS

	Note	2023/2024	2022/2023
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		50 618 989	2 051 327
Periodens betalte skatt		480 370	272 499
Ordinære avskrivninger		33 161	98 027
Endring i leverandørgjeld		246 678	-87 885
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsor(		105 839	240 397
Endring i andre tidsavgrensningsposter		-17 462 455	25 982 319
Netto kontantstrøm fra operasjonelle aktiviteter		**33 061 841**	**28 011 687**
Kontantstrømmer fra investeringsaktiviteter			
Utbetalinger ved kjøp av varige driftsmidler		0	34 028
Netto endring i konsernkontoordning		361 590	979 755
Netto kontantstrøm fra investeringsaktiviteter		**361 590**	**945 727**
Kontantstrømmer fra finansieringsaktiviteter			
Utbetalinger av utbytte		30 800 000	27 150 000
Netto kontantstrøm fra finansieringsaktiviteter		**-30 800 000**	**-27 150 000**
Netto endring i kontanter og kontantekvivalenter		2 623 431	1 807 414
Beh. av kont. og kontantekvivalenter ved per. begynnel:		5 180 089	3 372 675
Beh. av kont. og kontantekvivalenter ved per. slutt		**7 803 520**	**5 180 089**

TK≡

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Bruk av estimater
I utarbeidelse av årsregnskapet har man brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen i henhold til god regnskapsskikk. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Valuta
Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på måletidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

Inntekter
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.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

Klassifisering av balanseposter
Eiendeler bestemt til varig eie eller bruk klassifiseres som anleggsmidler. Eiendeler som er tilknyttet varekretsløpet klassifiseres som omløpsmidler. Fordringer for øvrig klassifiseres som omløpsmidler hvis de skal tilbakebetales innen ett år. For gjeld legges analoge kriterier til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.

Anskaffelseskost
Anskaffelseskost for eiendeler omfatter kjøpesummen, med fradrag for bonuser, rabatter og lignende, og med tillegg for kjøpsutgifter (frakt, toll, offentlige avgifter som ikke refunderes og andre direkte kjøpsutgifter). Ved kjøp i utenlandsk valuta balanseføres eiendelen til kursen på transaksjonstidspunktet. For varige driftsmidler og immaterielle eiendeler omfatter anskaffelseskost også direkte utgifter for å klargjøre eiendelen for bruk, for eksempel utgifter til testing av eiendelen.

Varige driftsmidler
Tomter avskrives ikke. Andre varige driftsmidler balanseføres og avskrives lineært til restverdi over driftsmidlenes forventede utnyttbare levetid. Ved endring i 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. Skillet mellom vedlikehold og påkostning/forbedring regnes i forhold til driftsmidlets stand på anskaffelsestidspunktet. Leide (leasede) driftsmidler balanseføres som driftsmidler hvis leiekontrakten anses som finansiell.

Datterselskap og tilknyttet selskap
Datterselskap og tilknyttede selskaper 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.

TKE

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
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. For øvrige kundefordringer utføres en uspesifisert avsetning for å dekke forventet tap på krav.

Pensjoner - Ytelsesordning
Pensjonsforpliktelser finansiert over driften (ytelsesbaserte pensjonsordninger) vurderes til nåverdien av de fremtidige pensjonsytelser som regnskapsmessig anses opptjent på balansedagen. Pensjonsmidler vurderes til virkelig verdi. Pensjonsordninger finansiert via sikrede ordninger er ikke balanseført. Pensjonspremien anses i disse tilfeller som pensjonskostnad og klassifiseres sammen med lønnskostnader.

Pensjonskostnader og pensjonsforpliktelser beregnes etter lineær opptjening, basert på forutsetninger om diskonteringsrente, fremtidig regulering av lønn, pensjoner og ytelser fra folketrygden, fremtidig avkastning på pensjonsmidler samt aktuarmessige forutsetninger om dødelighet, frivillig avgang, osv. Ved estimatavvik anvendes en korridorløsning. Estimatavvik som overstiger 10% av det høyeste av forpliktelse og verdier amortiseres over gjennomsnittlig opptjeningstid. Pensjonsmidler er vurdert til virkelig verdi og fratrukket i netto pensjonsforpliktelser i balansen.

Ved regnskapsføring av pensjon er lineær opptjeningsprofil og forventet sluttlønn som opptjeningsgrunnlag lagt til grunn.

Pensjoner - Innskuddsbasert ordning
Kostnaden til innskuddsbasert pensjonsordning tilsvarer periodens premie til forsikringsselskapet.

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Note 1 Driftsinntekter

Fordeling på virksomhetsområde	**2023/2024**	**2022/2023**
Administrasjonsinntekter	25 135 601	21 996 779
Sum	**25 135 601**	**21 996 779**
Geografisk fordeling		
Norge	14 681 328	15 256 487
Andre land	10 454 273	6 652 292
Sum	**25 135 601**	**21 908 779**

Note 2 Transaksjoner med nærstående

Ytelser til ledende ansatte er omtalt i note 3, og mellomværende med konsernselskaper er omtalt i note 9.

Selskapets transaksjoner med nærstående parter:	**2023/2024**	**2022/2023**
Salg av administrative tjenester til datterselskap	25 223 601	21 908 779
Kjøp av administrative tjenester fra konsernselskap	1 645 229	1 111 100
Renteinntekter konsernkonto	1 854 639	1 352 639

TKE

Note 3 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Lønnskostnader	**2023/2024**	**2022/2023**
Lønninger	7 076 158	6 438 603
Arbeidsgiveravgift	1 265 199	1 060 555
Pensjonskostnader	516 738	805 849
Andre ytelser	55 369	36 251
Sum	**8 913 464**	**8 341 258**

Sysselsatte årsverk	7	8

Ytelser til ledende personer	**Daglig leder**	**Styret**
Lønn/styrehonorar	859 133	0
Pensjonsutgifter	75 697	0
Annen godtgjørelse	101 172	0
Sum	**1 036 002**	**0**

Daglig leder har en tillegggspensjonsavtale (ytelsesavtale) i selskapet som dekker pensjon tilsvarende 66% av lønn også for lønn over 12 G, samt en førtidspensjon. Det henvises til note 4 for regnskapsførte kostnader til denne avtalen i 2023/2024. Utover dette har daglig leder de samme avtale vilkår som de øvrige i selskapet.

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

Kostnadsført godtgjørelse til revisor	**2023/2024**	**2022/2023**
Lovpålagt revisjon (inkl. teknisk bistand med årsregnskap)	118 777	105 403
Andre attestasjonstjenester	0	0
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	0	0
Sum	**118 777**	**105 403**

Beløpene er eks. mva.

Note 4 Pensjoner

Selskapet har pensjonsordninger som omfatter 1 personer. Selskapet har en kollektiv lukket pensjonsordning etter Lov om foretakspensjon og en innskuddsordning for de øvrige ansatte. Ledende ansatte har også en tilleggspensjonsordning. Forpliktelsene knyttet til den kollektive ordningen er dekket gjennom et forsikringsselskap. Tilleggspensjonsordningen finansieres over selskapets drift. Innskuddspensjonen inklusive arbeidsgiveravgift kostnadsføres løpende.

Selskapets pensjonsordninger tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

Resultatregnskap	**2023/2024**	**2022/2023**
Nåverdi av årets pensjonsopptjening	105 839	107 330
Rentekostnad av pensjonsforpliktelsen	155 984	133 067
Avkastning på pensjonsmidler	0	0
Resultatførte planavvik/estimatendringer	0	0
Netto pensjonskostnad ytelsesordning	**261 823**	**240 397**
Sum netto pensjonskostnad	**261 823**	**240 397**

TKE

Balansen	2023/2024	2022/2023
Opptjente pensjonsforpliktelser	4 029 604	3 627 538
Beregnet eff. av fremtidig lønnsreg.	0	0
Brutto pensjonsforpliktelse	**4 029 604**	**3 627 538**
Pensjonsmidler (til markedsverdi)	0	0
Ikke resultatført estimatavvik/planendring	0	0
Netto pensjonsforpliktelse /-midler	**4 029 604**	**3 627 538**

Endringer i innregnet pensjonsforpliktelse i balansen	2023/2024	2022/2023
Netto pensjonsforpliktelser per 01.10	3 627 538	3 596 415
Pensjonskostnad	261 824	240 397
Aktuarielle gevinster/tap	140 242	-209 274
Netto pensjonsforpliktelse 30.09	**4 029 604**	**3 627 538**

Økonomiske forutsetninger	2023/2024	2022/2023
Diskonteringsrente	3,80%	4,30%
Forventet lønnsregulering	3,80%	3,00%
Forventet pensjonsregulering	3,25%	3,00%
Forventet G-regulering	3,25%	3,00%
Levealder-tariff	K2013	K2013
Arbeidsgiveravgift	14,10%	14,10%

Note 5 Varige driftsmidler og immaterielle eiendeler

	Driftsløsøre	Totalt
Anskaffelseskost 01.10.2023	3 527 178	3 527 178
Tilgang	0	0
Avgang	0	0
Anskaffelseskost 30.09.2024	3 527 178	3 527 178
Akkumulerte avskrivninger	3 473 224	3 473 224
Årets ordinære avskrivinger	33 161	33 161
Bokført verdi 30.09.2024	**20 794**	**20 794**

Forventet økonomisk levetid	3-5 år
Avskrivningsplan	Lineær

TKE

Note 6 Datterselskap, tilknyttet selskap og felleskontrollert virksomhet

Investeringene i datterselskap, tilknyttet selskap og felleskontrollert virksomhet regnskapsføres etter kostmetoden.

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

	Forretnings-kontor	Eier-/ stemme andel	Egenkapital siste år (100%)	Resultat siste år (100 %)	Balanseført verdi
Datterselskap					
TK Elevator Norway AS	Oslo	100%	129 056 650	-2 380 535	39 256 934
TK Rulletrapper AS	Oslo	100%	99 154 971	18 320 199	100 000
TK Elevator Sweden AB	Stockholm	100%	92 827 589	20 728 599	50 804 441
Balanseført verdi 30.09.2024					**90 161 375**

Tallene for TK Elevator Sweden AB er regnet om til NOK ved å bruke snittkursen for året på 101,56 for resultatet og sluttkurs 30.09.2024 på 104,11 for egenkapitalen.

Selskapet har resultatført totalt 47 520 000 som inntekt på investering i datterselskap i løpet av året. Dette består av tilleggsutbytter fra TK Rulletrapper AS og TK Elevator Norway AS på henholdsvis 15 600 000 og 13 600 000, samt avsatt utbytte i TK Rulletrapper AS på 18 320 000.

Note 7 Skatt

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav tilutsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2023/2024	2022/2023	Endring
Varige driftsmidler	-158 156	-187 050	-28 894
Avsetninger mv	-77 512	-55 000	22 512
Pensjonspremie/- forpliktelse	-4 029 604	-3 627 538	402 066
Sum	**-4 265 272**	**-3 869 588**	**395 684**
Grunnlag for beregning av utsatt skatt	**-4 265 272**	**-3 869 588**	**395 684**
Utsatt skattefordel (22 %)	**-938 360**	**-851 309**	**87 051**

Årets skattekostnad	**2023/2024**	**2022/2023**
Skattepliktig inntekt:		
Ordinært resultat før skatt	50 618 989	2 051 327
Permanente forskjeller	-47 660 242	212 548
Endring i midlertidige forskjeller	395 684	-80 376
Skattepliktig inntekt	**3 354 431**	**2 183 499**
Resultatført skatt på ordinært resultat:		
Betalbar skatt	768 828	480 370
Endring i utsatt skattefordel	-87 051	-28 357
Skattekostnad ordinært resultat	**681 777**	**452 013**

TKE

Beregning av effektiv skattesats		
Resultat før skatt	50 618 989	2 051 327
Beregnet skatt av resultat før skatt	11 136 177	451 292
Skatteeffekt av permanente forskjeller	-10 485 253	46 761
Skatte av estimat avvik ført direkte mot egenkapitalen	30 853	-46 040
Sum	**681 777**	**452 012**
Effektiv skattesats	1,3 %	22,0 %
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	737 975	480 370
Skyldig ilignet skatt fra tidligere år	207 871	0
Sum betalbar skatt i balansen	**945 846**	**480 370**

Note 8 Egenkapital

	Aksjekapital	Annen egenkapital	Sum egenkapital
Egenkapital 01.10.2023	5 200 000	123 552 434	128 752 434
Årets resultat	0	49 937 212	49 937 212
Avsatt utbytte	0	-19 120 000	-19 120 000
Utbetalt tilleggsutbytte	0	-30 800 000	-30 800 000
Estimatavvik ført mot egenkapital (netto etter skatt)	0	-109 389	-109 389
Egenkapital 30.09.2024	**5 200 000**	**123 460 257**	**128 660 257**

Note 9 Mellomværende med selskap i samme konsern m.v.

	Kundefordringer		Andre fordringer	
	2023/2024	2022/2023	2023/2024	2022/2023
Foretak i samme konsern	0	0	56 789 497	39 282 000
Sum	**0**	**0**	**56 789 497**	**39 282 000**

	Leverandørgjeld		Øvrig gjeld	
	2023/2024	2022/2023	2023/2024	2022/2023
Foretak i samme konsern	1 118 744	645 788	0	0
Sum	**1 118 744**	**645 788**	**0**	**0**

Note 10 Bundne bankinnskudd, trekkrettigheter

Bundne bankinnskudd	**2023/2024**	**2022/2023**
Skattetrekkskonto	183 384	171 201

Note 11 Aksjekapital og aksjonærinformasjon

Aksjekapitalen på kr. 5 200 000 består av 1 000 aksjer à kr. 5 200.

TK Elevator Europe Africa GmbH eier samtlige aksjer.

Alle aksjer er eid av morselskapet TK Elevator Europe Africa GmbH. Selskapet inngår i konsernet Vertical Topco III GmbH med forretningsadresse ThyssenKrupp Allee 1, c/o TK Elevat,45143 Essen. Der kan konsernregnskapet som inkluderer TK Elevator Norway Holding AS fås utlevert.

TK Elevator Norway Holding AS

Styrets årsberetning for regnskapsåret 01.10.23 - 30.09.24

Selskapet driver sin virksomhet fra leide lokal i Oslo. TK Elevator Norway Holding AS er et rent administrasjonsselskap som leverer administrative tjenester til 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 rettvisende 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. Styret anser at forutsetningen for fortsatt drift er til stede og regnskapet er utarbeidet under denne forutsetning.

Selskapet driver ikke med forskning og utvikling.

Finansiell situasjon

Selskapets finansielle situasjon ved regnskapsårets slutt viser en arbeidskapital på 41,6 mill. NOK og en egenkapitalandel på 82,4% som ansees som meget tilfredsstillende. Egenkapitalen er på 128,7 mill. NOK. Driftsinntektene ble økt fra 22,0 mill. NOK i 22/23 til 25,1 mill. NOK i 23/24. Selskapets årsresultat i 23/24 ble 49,9 mill. NOK mot 1,6 mill. NOK i 22/23. Hovedårsaken til endringer er at det i 22/23 ikke er inntektsført utbytte fra datterselskapene. Samlet kontantstrøm fra operasjonelle aktiviteter ble på 33,1 mill. NOK, mens driftsresultatet for selskapet utgjorde 1,06 mill. NOK. Grunnen er hovedsakelig finansinntekt i form av mottatte utbytter, samt reduksjon i andre tidsavgrensningsposter (konserninterne fordringer).

Regnskapet 23/24 er påvirket av økte priser og inflasjon i Norge. Med dagens situasjon forventer ledelsen at disse faktorene også påvirker kommende regnskapsår. 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.

Likestilling, personal og arbeidsmiljø

Antall sykedager i perioden har vært 157 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 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, avstamming, hudfarge, språk, religion og livssyn etc.

TKE

Det arbeider 3 kvinner og 4 menn i selskapet. I styret er det 2 menn og 1 kvinne.

I de norske selskapene i konsernet arbeider 22 kvinner og 188 menn. Kvinneandelen i administrasjon på konsernet er 26% og blant montører 2%. Dette gjenspeiler dagens rekruttering til heisfaget. Det arbeides gjennom bransjeorganisasjoner for å endre denne situasjonen.

Kjønnsbalanse		midlertidig ansatte		Foreldrenepermisjon gjennomsnitt antall uker		faktisk deltid		ufrivillig deltid	
Kvinner	Menn	Kvinner	Menn	Kvinner	Menn	Kvinner	Menn	Kvinner	Menn
22	188	1	1	-	15	3	3	0	0

Det er ikke foretatt lønnskartlegging på konsernnivå i regnskapsåret 23/24.

Ytre miljø

Selskapet forurenser ikke det ytre miljø.

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 signering av årsregnskapet per 30.09.2024 har styret også signert en oppdatert rapporten i samsvar med lovens bestemmelser.

Ansvarsforsikring

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

Resultatdisponering

Årets overskudd på NOK 49.937.212,- er disponert som følger:

- Overført til annen egenkapital:	NOK 17.212,-
- Tilleggsutbytte til konsernet:	NOK 30.800.000,-
- Avsatt til utbytte:	NOK 19.120.000,-

Oslo, 21. Mars 2025

Styret i TK Elevator Norway Holding AS

Özgür Aren Styrets leder	Geir Hansen Daglig leder/Styremedlem	Inga Engel Styremedlem

Til generalforsamlingen i TK Elevator Norway Holding AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for TK Elevator Norway Holding AS som består av balanse per 30. september 2024, 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 rettvisende bilde av selskapets finansielle stilling per 30. september 2024, 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 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 i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av 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.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende 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 avviklet.

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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet. For videre beskrivelse av revisors oppgaver og plikter vises det til: https://revisorforeningen.no/revisjonsberetninger

Oslo, 30. juni 2025
PricewaterhouseCoopers AS

Audun Bakke Andersen
Statsautorisert revisor
(elektronisk signert)

Securely signed with Brevio

Revisjonsberetning - TK Holding

Signers:

Name	*Method*	*Date*
Andersen, Audun Bakke	BANKID	2025-07-01 17:33

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