FORWARD THINKING

Annual Report 2024

Add value.
Inspire trust.

The Group at a glance

Key figures

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Business development (in € million)		2024	2023	2022	2021	2020
Revenue		3,429.0	3,139.3	2,863.3	2,667.3	2,486.0
Personnel expenses		2,056.1	1,875.9	1,734.1	1,630.5	1,542.9
Cash flow from operating activities		361.3	369.6	292.7	342.7	417.1
Free cash flow[1]		201.9	186.9	150.1	228.1	302.4
Capital expenditures		150.5	180.5	153.8	106.3	110.7
EBIT[2]		216.6	217.7	195.0	225.2	172.0
Income before taxes		225.0	225.1	182.7	215.1	158.2
Consolidated net income		159.9	176.8	132.6	154.5	111.0
ROCE	(in %)	10.1	11.5			
EBIT margin	(in %)	6.3	6.9	6.8	8.4	6.9
EBIT margin, adjusted	(in %)	6.9	7.6	7.7	8.8	8.3
EBT margin	(in %)	6.6	7.2	6.4	8.1	6.4
EBT margin, adjusted	(in %)	7.1	7.9	7.1	8.4	7.8
Assets						
Non-current assets		2,383.8	1,961.7	1,970.0	1,722.3	1,692.4
Current assets		1,199.5	1,339.5	1,103.9	945.0	926.4
Total assets		3,583.3	3,301.2	3,073.9	2,667.3	2,618.8
Equity ratio	(in %)	54.7	54.7	54.6	48.2	36.5
Employees						
Full-time equivalents (annual average)		26,529	25,023	23,957	23,220	22,803
Headcount						
As of December 31		29,989	27,905	26,595	25,538	25,196

1 Free cash flow: Cash flow from operating activities less cash paid for investments in intangible assets, property, plant and equipment and investment property.
2 EBIT: Earnings before interest, before other financial result and before income tax, but after income / loss from participations.

€ 3,429.0
million revenue

€ 150.5
million capital expenditures

€ 225.0
million income before taxes

FORWARD THINKING

Add value. Inspire trust.

In 1866, our founders had a bold vision to enable progress by protecting people, the environment and assets from technology-related risks. Almost 160 years on, sustainability and safety continue to be the backbone of our mission and services.

We work progressively towards being the trusted partner of choice for safety, security and sustainability solutions, adding tangible value to our clients globally. As we look towards the future, we believe that sustainability and digitalization will continue to shape the narrative of commerce and society.

United by the belief that technology should better people's lives, we work alongside our customers to anticipate and capitalise on technological developments. Going beyond regulatory compliance, we inspire trust in a physical and digital world to create a safer and more sustainable future.

Dive into the digital world of this report

www.annualreport.tuvsud.com

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MANAGEMENT AND SUPERVISORY BOARDS

The Board of Management

From left to right:

JOHANNES BUSSMANN
Chairman of the Board of Management / CEO
TÜV SÜD AG

SABINE NITZSCHE
Member of the Board of Management / CFO
TÜV SÜD AG

ISHAN PALIT
Member of the Board of Management / COO
TÜV SÜD AG

Message from the Board of Management

Ladies and Gentlemen,

FORWARD >> THINKING: Shaping the Future at TÜV SÜD! At TÜV SÜD, we're charting a clear course for the future. In 2024, we achieved significant milestones, launching major initiatives and completing key projects to become more customer-focused, efficient, and successful. Our FORWARD initiative is aimed at optimizing and better coordinating our internal processes. As part of our new Strategy 2030 process, we launched a structured approach to modernize and strengthen our strategic guiding principles. This includes OPEn, one of the largest projects in TÜV SÜD's history, which will lay the foundation for a more resilient and future-proof IT infrastructure across the company.

This is a bold investment in our vision of a modern and sustainable company, particularly in a world challenged by global crises. Geopolitical tensions, military conflicts, rising protectionism, and the escalating effects of climate change are all testing global trade and economic stability. At the same time, competition for skilled labor is intensifying, and industries are being transformed by rapid technological change.

Despite these challenges, we remain optimistic. Our projects, especially those focused on environmental and climate protection, demonstrate this optimism. Sustainability remains a global priority, even in the face of competing concerns. We're committed to advancing this cause, as evidenced by our enhanced efforts in 2024. One of our key objectives is to increase TÜV SÜD's recognition as a provider of sustainability solutions, building connections with stakeholders worldwide. Additionally, we aim to make our entire value chain sustainable, which was recognized by an EcoVadis Gold sustainability rating in 2024. TÜV SÜD is also committed to achieving net-zero emissions in line with the SBTi Net-Zero Standard, positioning us as a leader in the TIC industry. Our emissions reduction target for 2030 and net-zero climate goal for 2050 are backed by the latest scientific research and validated by the German National Climate Initiative 2024.

Digitalization is another key focus for TÜV SÜD. We're digitizing our processes and services across the entire value chain, from remote audits for recurring inspections to online seminars at TÜV SÜD Academy. Another example of this is the use of drones and data analytics in our wind turbine inspections.

Through our Cyber Security Services, we're helping clients mitigate risks to their businesses. The rapid adoption of artificial intelligence (AI) presents another opportunity for growth. A new legal framework for AI is emerging, particularly in Europe. At TÜV SÜD, we're working closely with the TÜV AI.Lab to develop robust testing methods and measurable conformity criteria for AI systems, supporting the development of global AI standards and norms.

Our investments are driven by a position of strength. In 2024, TÜV SÜD achieved close to 9% growth, with revenues reaching € 3.4 billion and EBIT totaling € 216 million. Strong contributions came from our highly standardized and scalable inspection business in Germany, as well as our key international markets – China and the US – where targeted investments began generating sustainable revenue.

We continued to modernize our technical service centers and testing facilities while expanding our global footprint. Notable acquisitions in 2024 included the Swedish vehicle inspection company Carspect Group (with subsidiaries in Latvia and Estonia), the Danish Domutech A/S (specializing in building inspections and energy certificates), and US-based Sustainable Investment Group, LLC and Green Building Education Systems, LLC, both focusing on sustainability services. These acquisitions have strengthened our position in strategically important markets, particularly in the US and Europe.

TÜV SÜD's success is built on the dedication and expertise of our nearly 30,000 employees. However, many companies – especially in Europe – are facing a wave of retirements in the coming years. To continue thriving, we must attract top talent and ensure knowledge is passed on to the next generation.

TÜV SÜD remains an attractive employer with a stable business model, secure jobs, competitive compensation, and meaningful work. As part of our strategy, we'll continue to set clear targets for employee satisfaction. While we face tough competition for skilled employees and the challenges of an aging workforce, we are confident that TÜV SÜD is well-equipped to meet these challenges head-on.

On behalf of the Board of Management, we extend our deepest thanks to all our colleagues. Their knowledge, commitment, and innovative ideas have been essential to TÜV SÜD's continued success.

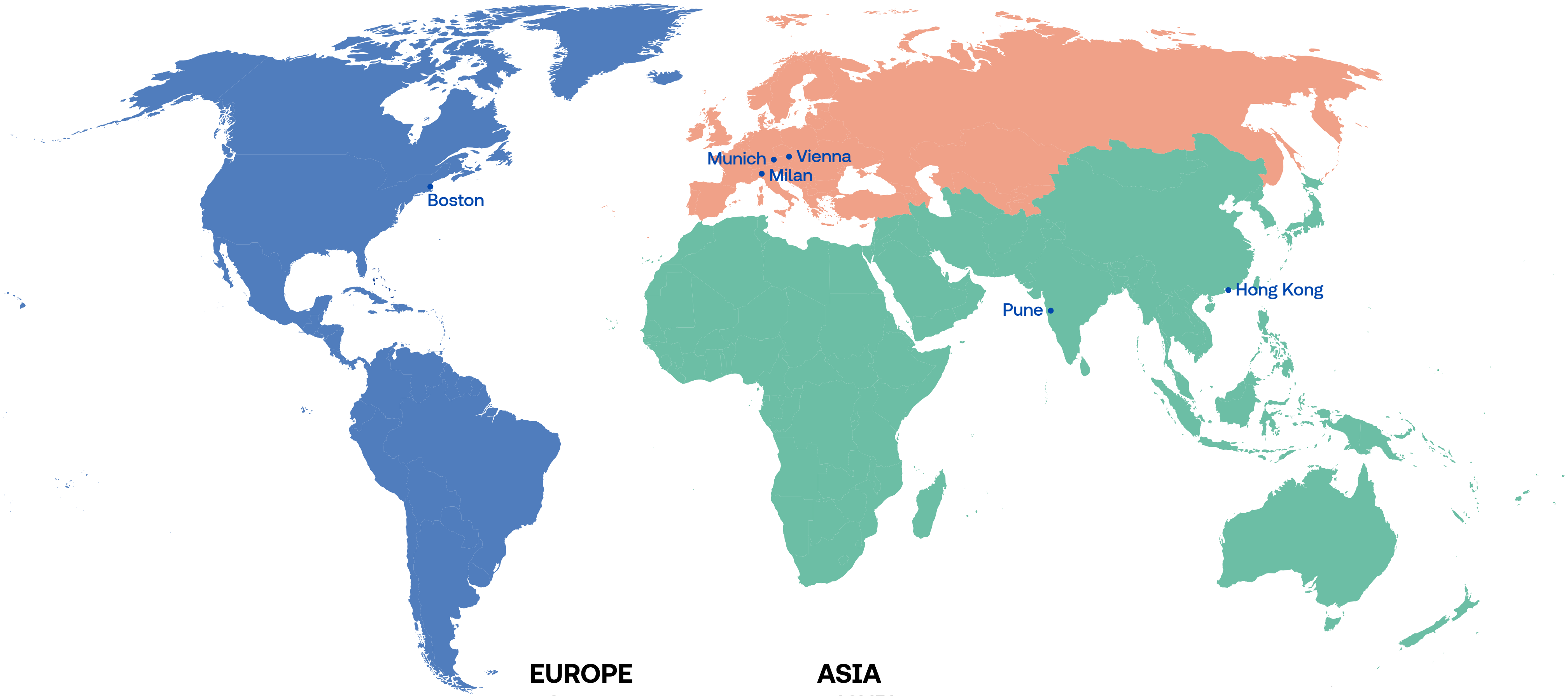
The motto of this annual report, FORWARD >> THINKING, reflects the spirit of our initiatives in 2024: We are optimistic about the future and confident that we are prepared for the years ahead.

Munich, March 28, 2025

The Board of Management of TÜV SÜD AG

DR. JOHANNES BUSSMANN | **SABINE NITZSCHE** | **ISHAN PALIT**

On site worldwide



AMERICAS

- **Americas**
  Headquarters: Boston

EUROPE

- **Germany**
  Corporate headquarters: Munich
- **Western Europe**
  Headquarters: Milan
- **Central & Eastern Europe**
  Headquarters: Vienna

ASIA

- **ASMEA**
  (South & South East Asia, Middle East & Africa)
  Headquarters: Pune
- **North Asia**
  Headquarters: Hong Kong

WOLFGANG DEHEN

Report of the Supervisory Board

Ladies and Gentlemen,

In an economic environment that continues to be uncertain and dynamic, TÜV SÜD performed well in the financial year 2024 and continued its successful business development. The company was able to further expand its market position and at the same time made important progress in its ongoing transformation process.

TÜV SÜD generated revenue of € 3.4 billion in the financial year 2024, EBIT amounted to € 216 million and the consolidated net income for the year stood at € 160 million. This is thanks above all to the commitment of the company's almost 30,000 employees.

In the reporting year, the Supervisory Board performed the tasks required of it by law and the articles of incorporation and bylaws with the utmost care. It monitored the Board of Management in its leadership of the company and assisted it by providing advice on the strategic advancement of the Group and significant current measures. It also addressed the succession planning of the Board of Management and the Supervisory Board.

Cooperation between the Board of Management and the Supervisory Board

Cooperation with the Board of Management was characterized by intensive dialog from a position of trust. The Board of Management regularly provided the Supervisory Board with comprehensive and timely written and oral reports on the general situation of the TÜV SÜD Group, current business development and business planning. These reports dealt in particular with business development against the backdrop of overall economic development and the risk situation, in particular as a consequence of the dam collapse in Brazil. The flow of information was supplemented by a half-year report and regular reporting on the financial performance and position. Variances from planning and the forecasts were explained to the Supervisory Board in detail.

Topics in the plenary sessions

Of the four ordinary meetings of the Supervisory Board held in 2024, three were hybrid meetings and one was held in person. A further extraordinary meeting of the Supervisory Board was held as a virtual meeting. In the meetings, the Supervisory Board discussed topics including the annual and consolidated financial statements 2023, the 2023 compliance report and planning for 2025. A strategy workshop was held to discuss various strategic “FORWARD initiatives” and strategy implementation in detail. The new Corporate Sustainability Office and its strategic planning for the area of sustainability were presented to the Supervisory Board at two meetings. In addition, after careful examination and deliberation, the Supervisory Board granted its approval for the business transactions that are subject to its approval, including financial and investment planning along with several large-volume contracts and transactions. The Supervisory Board also received reports from the Chief Compliance Officer on the compliance management system, compliance prevention measures, the provision of compliance resources and the auditing of the compliance management system.

In the reporting year 2024, the Supervisory Board received intensive training on current developments in the field of artificial intelligence, including presentations on the impact of generative artificial intelligence (GenAI) on work in the TIC industry, the organizational impact of GenAI, the cornerstones for the responsible use of AI, activities in the field of AI quality management and the use of analytics and AI in internal processes.

On its own behalf, the Supervisory Board decided on the requirements profile for its members, the publication of the resumes of all Supervisory Board members on the company’s website and the re-evaluation of the work of the Supervisory Board at the beginning of 2025. With the revision of the rules of procedure for the Supervisory Board, Audit Committee and Board of Management by the Supervisory Board and the revision of the articles of incorporation and bylaws of TÜV SÜD AG by the annual general meeting, important corporate governance documents were also updated in the summer of 2024.

In its deliberations and decisions, the Supervisory Board ensures that conflicts of interest are avoided. There were no conflicts of interest in the past reporting year. According to the Supervisory Board’s own assessment, all shareholder representatives are independent.

Attendance at the meetings of the Supervisory Board was over 90 percent in 2024 and at the committee meetings of the Supervisory Board almost 100 percent across the board. At only three committee meetings was the attendance rate 75 percent due to one member being excused in each case.

One-on-one meetings were also held on a regular basis between the Chairman of the Supervisory Board and the Chairman of the Board of Management, the key findings of which were reported by the Chairman of the Supervisory Board to the Supervisory Board. This ensured that the Supervisory Board was always kept informed in detail about the company’s situation and plans.

Committee work

In 2024, the four ordinary and two extraordinary meetings of the **Audit Committee** took place as physical meetings. At the ordinary meetings, it dealt with topics including the annual financial statements 2023, the sustainability report 2023 and the half-year report as of June 30, 2024. In addition, the Audit Committee dealt with the preparation for the group audit, the areas of audit focus, the quality of the audit and the independence of the auditor. It also discussed the remuneration of the Board of Management with the auditors. The Audit Committee also discussed internal audit findings for 2024, the effectiveness of the internal control system and further internal audit planning. In addition, it also received regular updates on the effectiveness of the governance systems. Specifically, it addressed technical compliance and quality management. The Audit Committee also dealt with acquisitions and divestitures, investments as well as the TÜV SÜD Pension Trust’s investment and hedging strategy. The Audit Committee informed itself about the sustainability management, sustainability reporting and progress made towards key sustainability targets. The Audit Committee also dealt with the risks associated with the dam collapse in Brazil and received reports from the lawyers that have been retained. At the two extraordinary meetings, the Audit Committee dealt with various corporate transactions.

The **Special Committee** for assisting with the internal and external handling of the incident in Brazil met in person a total of four times. The Special Committee Brazil is advised by independent technical experts and reputable lawyers and provides a detailed report to the Supervisory Board at each meeting on the current status of the proceedings, the status of internal investigations and those carried out by authorities as well as the effect of the measures that have been introduced.

The **Personnel Committee** met a total of nine times in the reporting year, four of which were hybrid meetings, two of which were held in person and three of which were virtual meetings. It discussed matters relating to the Board of Management, including the extension of COO Ishan Palit's mandate on the Board of Management, the departure of CFO Prof. Dr. Matthias J. Rapp as of September 30, 2024 and the departure of Dr. Johannes Bussmann as CEO in 2025. In view of these developments, the Personnel Committee dealt intensively with succession planning for the Board of Management and recommended Ms. Sabine Nitzsche to the Supervisory Board as the successor for the role of CFO at TÜV SÜD AG. In addition, the Personnel Committee addressed the appropriateness of the remuneration of the Board of Management and the target achievement of the individual members of the Board of Management and recommended that the Supervisory Board set the variable remuneration for the financial year 2024, subject to the approval of the annual financial statements.

The **Nomination Committee** held three meetings in the financial year, two of which were held virtually and one of which was a hybrid meeting. The Nomination Committee worked intensively on the further development of the Supervisory Board succession planning for 2024 and 2025. As part of the succession planning for Prof. Dr. Rudolf Staudigl, who stepped down from the Supervisory Board at the end of the 2024 annual general meeting, Mr. Frank Hyldmar was recommended to the Supervisory Board as a candidate for election to the Supervisory Board following an intensive search and interviews with suitable candidates. Succession planning for Mr. Wolfgang Dehen, who will leave the Supervisory Board in 2025, and Dr. Jörg Matthias Grossmann, Chairman of the Audit Committee, has also been initiated and interviews have already been conducted with potential candidates.

The **Strategy Committee** convened four hybrid meetings, at which various current transformation projects, targets for the digitalization of processes and the sustainability strategy, including the expansion of the ESG product portfolio, were discussed. The Strategy Committee also discussed the robustness of the existing business model and the strategic transformation initiative "Transform 2035."

Changes to the Board of Management and Supervisory Board

Prof. Dr. Matthias J. Rapp stepped down from the Board of Management as of September 30, 2024. As Chief Financial Officer, Prof. Dr. Rapp has made a significant contribution to the financial stability and growth of TÜV SÜD in recent years. The Supervisory Board would like to thank Prof. Dr. Rapp for his many years of commitment to the company and his professional and constructive work as Chief Financial Officer of TÜV SÜD AG. On the recommendation of the Personnel Committee, the Supervisory Board appointed Ms. Sabine Nitzsche as Chief Financial Officer and member of the Board of Management from March 1, 2025.

Dr. Johannes Bussmann has announced that he will not be renewing his contract as Chairman of the Board of Management at the end of 2024. Until the term of office of a successor begins, he will continue to perform his duties as before and ensure a smooth transition.

Prof. Dr. Rudolf Staudigl stepped down from the Supervisory Board at the end of the annual general meeting on July 3, 2024, after six years in office. On behalf of the Supervisory Board and the Board of Management of TÜV SÜD AG, I would like to thank Prof. Dr. Staudigl for his many years of commitment to the Supervisory Board. Mr. Frank Hyldmar was elected to the Supervisory Board as his successor at the annual general meeting on July 3, 2024.

Effective from the end of September 30, 2024, Mr. Thomas Eder stepped down from his position as a member of the Supervisory Board and employee representative and left the Supervisory Board. On behalf of the Supervisory Board and the Board of Management of TÜV SÜD AG, I would like to thank Mr. Eder for his many years of commitment to the Supervisory Board and its committees. Mr. Alexander Tilly was appointed by the court as his successor on December 12, 2024.

Annual and consolidated financial statements

The annual financial statements of TÜV SÜD AG, the consolidated financial statements and combined management report were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch, and an unqualified auditor's report was issued. These documents and the audit reports prepared by the auditors were available to all members of the Supervisory Board. At its meeting on March 20, 2025, the Audit Committee initially discussed and reviewed these documents in detail. The Chairman of the Audit Committee reported on this at the Supervisory Board meeting to discuss the financial statements on March 28, 2025. The auditor attended both meetings and reported on the material findings of their audit, providing detailed answers to the questions from the members of the Supervisory Board.

The Supervisory Board conducted an extensive review of the financial statements of TÜV SÜD AG, the consolidated financial statements and the combined management report. It agreed with the findings of the independent auditor and has no objections following the final result of the review. The Supervisory Board approved the separate financial statements of TÜV SÜD AG which are herewith ratified. It also approved the consolidated financial statements and the proposal of the Board of Management to the annual general meeting for the appropriation of retained earnings.

On behalf of the Supervisory Board, I would like to thank the members of the Board of Management, executives and employees for their successful work and look to the future with confidence thanks to their personal commitment in the past financial year.

Munich, March 28, 2025

WOLFGANG DEHEN
Chairman of the Supervisory Board of TÜV SÜD AG

COMBINED MANAGEMENT REPORT

Group information

As a technical service provider TÜV SÜD provides services in the areas of testing and certification, inspection, auditing and system certification, technical consulting, and training. With their extensive sector-specific knowledge, our experts support technological change. They optimize technology and systems, take advantage of the opportunities of digitalization and impart knowledge and skills – always with the aim of ensuring optimal safety and enabling companies to operate efficiently and sustainably along the entire value chain. This results in tailored solutions – for retail customers and for industry, trade and government.

World map see page 10

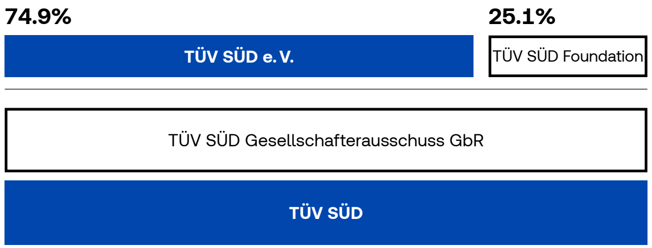
Legal structure guarantees independence

TÜV SÜD stands for independence and impartiality, on the basis of our specific structure of the Group. In its capacity as management holding company, the parent company TÜV SÜD AG with registered offices in Munich, manages its subsidiaries around the world. The beneficial owners of TÜV SÜD shares are TÜV SÜD e. V., Munich, and the TÜV SÜD Foundation, Munich. Both have transferred their rights to the independent TÜV SÜD Gesellschafterausschuss GbR, a shareholder committee with registered offices in Munich. The purpose of the civil law association is to hold and manage this shareholding under stock corporation law.

The governing bodies of TÜV SÜD e. V., the TÜV SÜD Foundation and TÜV SÜD Gesellschafterausschuss GbR, are largely independent of the supervisory bodies of TÜV SÜD AG.

The TÜV SÜD Foundation publishes its own report annually.

Legal structure 01



Clearly defined management structure

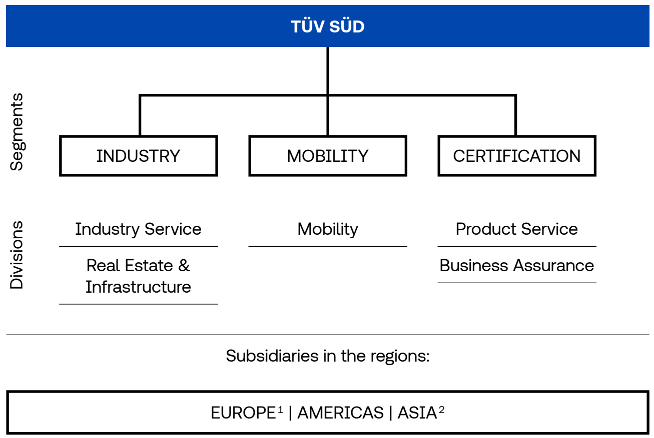
The Board of Management of TÜV SÜD consists of three members: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Chief Operating Officer (COO).

The Leadership Council supports the Board of Management in the implementation of overarching topics such as strategy, employee development, innovation and digitalization as well as implementing the sustainability commitment. The Council consists of the Board of Management and the heads of the divisions and key regions.

TÜV SÜD is managed as a matrix organization. While the divisions are responsible for implementing global strategies, local business development is the responsibility of the regions. The divisional and regional structure of our activities remained unchanged in the financial year 2024.

TÜV SÜD's services are grouped into three segments: INDUSTRY, MOBILITY and CERTIFICATION. The INDUSTRY Segment comprises the Industry Service and Real Estate & Infrastructure Divisions. The MOBILITY Segment contains the Mobility Division. The Product Service and Business Assurance Divisions make up the CERTIFICATION Segment.

TÜV SÜD structure 02



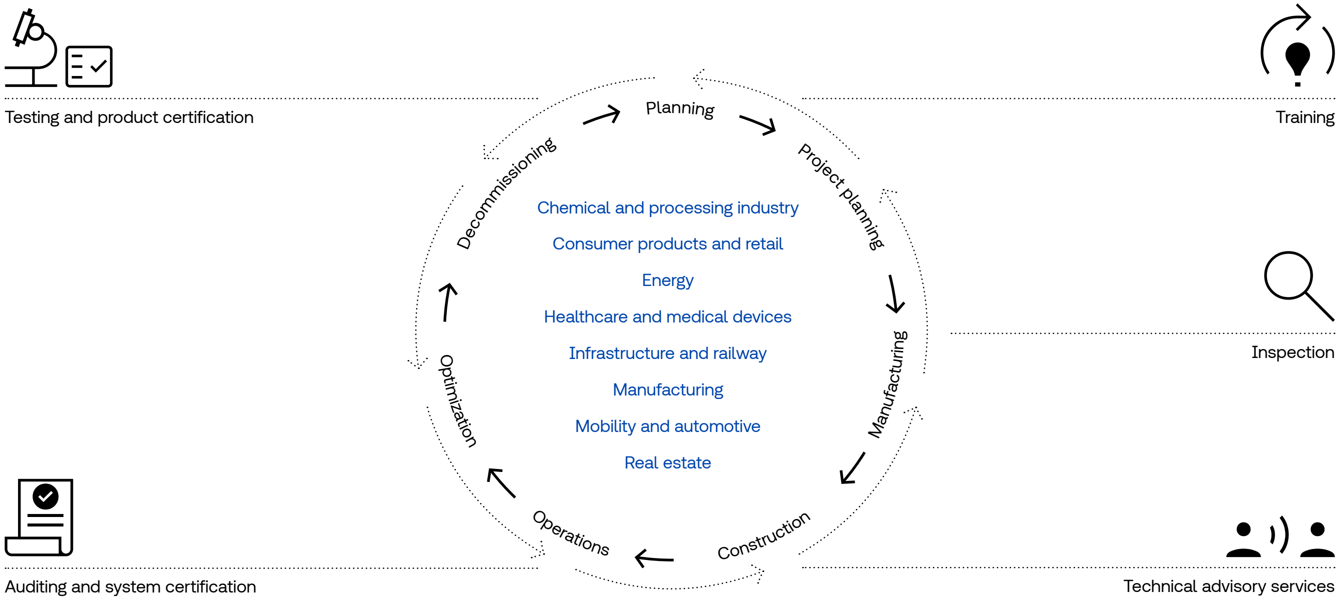
1 Germany, Western Europe, Central & Eastern Europe.
2 North Asia, ASMEA (South & South East Asia, Middle East & Africa).

Business model

As a reliable and trustworthy partner for improved safety and sustainability, we create measurable added value for our customers with our portfolio of services – in the physical and digital world.

We support our customers with testing and product certification. Through extensive testing, we identify deviations from regulatory, statutory and other requirements that would prevent products from being placed on the market.

Add value across the entire business cycle 03



With the auditing, assessment, validation and certification of management systems in virtually all specialist fields and industries, we ensure reliability, safety, quality and cost-effectiveness along the entire value chain.

We support learning and personal development with global training programs for individuals and organizations in the areas of management, technology, health and sustainability.

In our capacity as an independent third party, we ensure that the systems, business processes and methods of our customers comply with the applicable requirements, guidelines and standards. Our services include the inspection of infrastructure and buildings, production facilities and plants.

We offer technical consulting and risk analyses to optimize safety, quality and environmental protection programs and thus reduce risks. These services range from supporting infrastructure and construction projects to providing consulting services in the areas of energy management and business process optimization, thus creating the conditions for plant safety, process efficiency and sustainable business decisions.

The market for technical services

The market for TIC services (technical services for Testing, Inspection, Certification) currently has an estimated volume of around € 110 billion. Experts expect the market volume to grow to around € 150 billion in 2030. Key growth drivers are services relating to sustainability, digitalization and cybersecurity. At the same time, TIC activities are increasingly being outsourced.

Both large international companies and many small specialists are active in the TIC market. Other market players include regulatory authorities, accreditation and standardization authorities, research and development institutions, manufacturers, retailers and systems operators. They all provide services such as inspection, verification, validation, certification, testing, technical consulting, technical support, and training – including in areas such as environmental quality, safety, health, as well as Asset Integrity Management (AIM) and project management. Some market participants are highly specialized, but often also highly diversified, as many technical services can also be transferred to other product areas, processes or industries.

The largest markets for technical services are the US, China and Germany. The growth of the US TIC market is being driven by overall economic development, although the market is highly fragmented and highly regulated, particularly in the food and pharmaceutical sectors.

China is the world's second largest TIC market. The high level of regulation in the domestic market, in which primarily Chinese companies are active, and increasing customer awareness with regard to safety, quality and sustainability are driving market growth.

In Germany, the market is growing in a stagnating economic environment, particularly in the food industry and the life science sector. The development of the market is roughly in line with the expected growth of the global TIC market. Three of our largest competitors are also based here, in the world's third-largest TIC market.

After Germany, the UK and Türkiye are major TIC markets in Europe. The Turkish TIC market is growing faster than the market as a whole due to increasing regulation and the requirements arising from compliance with international standards. Growth is primarily being driven by the consumer goods and automotive sectors.

We are seeing strong market growth in the Indian market in particular, where our services are in demand in the life science and food sectors.

TÜV SÜD is active in all major TIC markets, especially in those with high market growth, with a particular focus on Germany, China, the US, India, the UK, Spain and Italy. Our direct competitors include national testing service providers as well as large, internationally active companies.

Increasing macroeconomic uncertainty and escalating geopolitical tensions are currently affecting the development of the TIC market. This trend is set to continue in the coming years. Increasing levels of protectionism and the associated de-globalization of supply chains are weighing on the global economy. The new US government's strained relations with international organizations is creating a further factor of uncertainty. At the same time, regulations such as the European Green Deal, on climate change mitigation, and the EU AI Act, on artificial intelligence (AI), offer opportunities for the TIC industry to support business and society in managing the associated transformation processes.

Industry-specific environment

Since it was established almost 160 years ago, TÜV SÜD has made use of technological advances and the challenges these present to realize the company's purpose: to make technological progress attainable, safe and sustainable for people and the environment.

The pursuit of greater sustainability and advancing digitalization in almost all areas of life are driving social change. We see these changes as challenging, but also and above all as opportunities for the further development of TÜV SÜD.

The market for sustainability-related services is highly fragmented and currently characterized by a high level of political uncertainty. Nevertheless, it is growing significantly faster than the overall TIC market. The drivers for the sustainability-related services business are increasing government regulation and efforts by companies to improve their own sustainability performance. At the same time, investors and society are calling on companies to invest in sustainable business models, to make their commitment transparent and to avoid greenwashing. It remains to be seen how far efforts to achieve greater sustainability will be scaled back due to a watered-down EU regulation.

With this in mind, we offer our customers comprehensive services that cover a wide range of sustainability and climate-related aspects. In this way, our experts provide support in determining and verifying carbon footprints at a product or company level. They offer comprehensive auditing and certification services – ranging from environmental management systems in accordance with ISO 14001 to the safe and compliant implementation of wind farms or photovoltaic systems through to respect for human rights in global supply chains. We are constantly expanding our portfolio of sustainability-related services as part of our strategy in line with emerging market needs.

At the same time, we have set ourselves specific goals as a company so as to integrate the topic of sustainability in our value chain. We report on the achievement of our targets in a separate sustainability report.

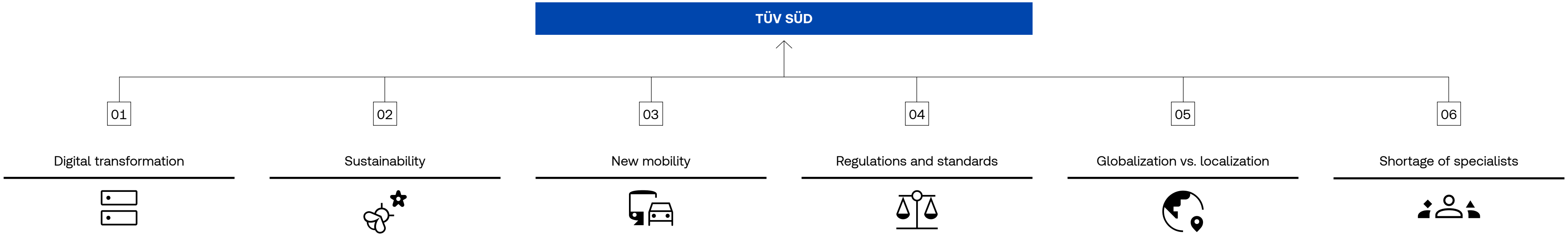
Technological change is currently being shaped primarily by the ever-increasing pace of digitalization. The digital transformation is changing the economy and society, giving rise to new business areas and opening up new opportunities for services, products and processes. Government regulations are also increasingly taking effect in this sensitive area. At a European level, these include the new European legal framework for digital business models, that is to say the Digital Markets Act, the Digital Services Act, the Data Act and the EU AI Act. Sustainable and digital mobility, software-defined vehicles (SDV) and the further development of biological and medical technologies are examples of current trends on the market in the financial year.

With new processes and services, we support our customers in responding to the changed requirements and underlying conditions and complying with regulatory requirements. With our cybersecurity services, we help to reduce the security risks associated with the ever increasing digitalization of products, processes and transactions. At the same time, we use digital solutions to provide services such as remote audits and online training as efficiently as possible. We develop concepts to digitize our processes along the entire value chain, also to make interaction with our customers even simpler and more productive. In this context, we are increasingly making use of artificial intelligence and data models, for example to improve inspection and quality assurance processes.

Our business is shaped by these trends and challenges:

Challenges and trends for TÜV SÜD

04



01 Digital transformation
Digitalization is giving rise to new demands, business models and partnerships in the TIC industry. At the same time, new competitors are also moving into the market. The development of digital technologies is gathering pace, particularly in the field of analytics and artificial intelligence (AI). This opens up many opportunities for our customers and ourselves for new services and processes as well as for the way in which technical services will be provided efficiently in the future; for example, with the digitalization of customer interaction or the use of AI-based analyses to increase efficiency and customer satisfaction.

Success factor innovation, see pages 22 – 24

02 Sustainability
Many companies are facing increasing demands with regard to the sustainability of their business model in terms of factors relating to the environment, people and corporate governance. Stricter regulations and regulatory requirements, but also a change in the mindset of society are accelerating this trend. This is also shifting the focus for the TIC industry. Skills and services relating to sustainability are becoming increasingly important. This also applies to the associated reporting, where we support our customers in determining and verifying sustainability information. In addition to the established TIC service providers, other participants are also active on the market.

Success factor innovation, see pages 22 – 24

03 New mobility
The future of mobility is connected and highly automated. More and more vehicles are being powered by batteries, and in the near future, large means of transport such as trucks, ships and trains will also be powered by hydrogen-based batteries. These developments go hand-in-hand with higher demands for physical safety and digital security and sustainable vehicle operation. This will present new challenges for the testing of vehicles, driver assistance systems and the entire charging and fueling infrastructure.

04 Regulations and standards
Regulations and standards must be constantly adapted to keep up with rapid technological developments if they are to continue to offer security and value to society. Nevertheless, regulation may lag behind technical progress or different regional standards may apply. To support this process, we contribute our experts' wealth of experience in the development process and are involved in the relevant organizations worldwide. These include international standardization bodies such as the International Electrotechnical Commission (IEC) and the International Organization for Standardization (ISO).

05 Globalization vs. localization
Companies operate globally with closely intertwined supply chains. This requires an understanding of and compliance with the various different national and international standards in effect at any point in time. At the same time, the importance of local markets is growing in the face of rising protectionism. As recent years have shown, global supply chains are fragile. As a consequence, manufacturers are looking for location-specific alternative sources of supply and local suppliers to reduce dependencies or customs duties. Local know-how and representation are required in order to serve these markets.

The market for technical services, see pages 17 – 18

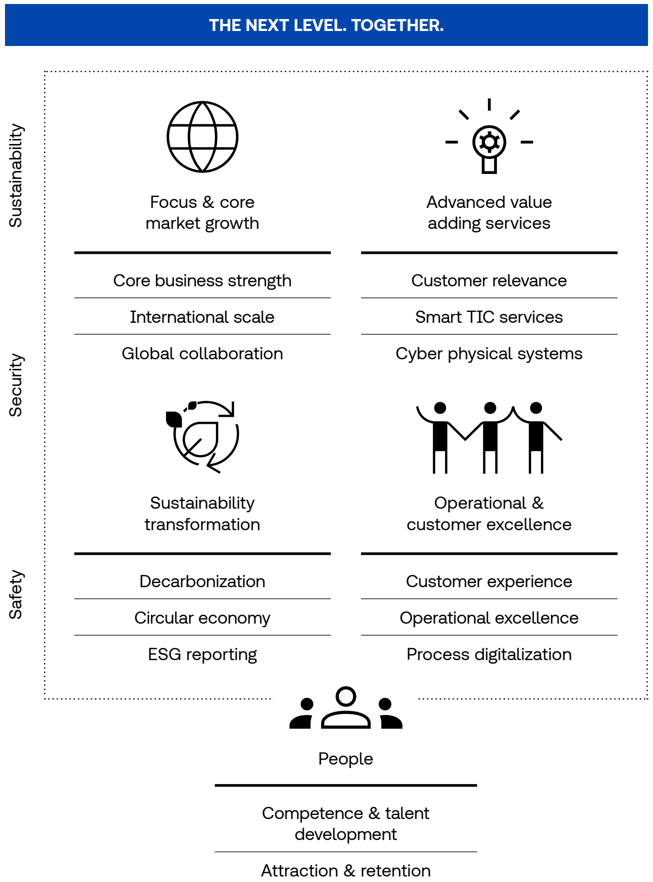
06 Shortage of specialists
Both today and in the future, the TIC market needs well-trained experts who are also capable of operating in an internationally networked environment. Continuous growth will only be achieved by those companies that are successful in attracting and retaining such employees. Specialists are in high demand and keenly sought after around the world. In addition, demographic change is making it more difficult to recruit experts in many countries. Consequently, the success of our company's digital transformation is important for its future success.

Employee report, see pages 57 – 58

Strategy

With our strategy "The Next Level. Together.", we want to take advantage of the opportunities that new trends and developments present to our company. We have combined our activities and measures into five strategic pillars.

Pillars of our Group strategy 05



Our five strategic pillars are:

1. Focus and core market growth
Our core products are and will remain the basis of our success. We want to strengthen this business in the future and systematically exploit existing growth opportunities, for instance in the areas of medical technology, mobility and consumer goods. Our goal is to be among the market leaders in our focus countries. At the same time, we are focusing on scaling our business internationally driving it forward through intensive collaboration worldwide.

2. Advanced value adding services
Based on our expertise in our core business, we want to expand our range of services to include new and innovative solutions. Our expertise in almost every industry, combined with knowledge of the possibilities of digitalization, enables us to develop smart digital testing services as well as standards and services for new technologies.

3. Sustainability transformation
With the targeted expansion of the product portfolio as well as newly developed tests, TÜV SÜD enables its customers to make their activities more sustainable and provide proof of this. This is complemented by extensive training courses on sustainability at the TÜV SÜD Academy. As a company we also want to become increasingly sustainable and win over our stakeholders through our actions. Our objective is and remains: TÜV SÜD will continue to lead the way as an independent expert in all matters relating to sustainability.

4. Operational and customer excellence
We want to impress our customers with operational excellence and thus become the partner of choice for them in the TIC market. We are constantly looking for ways to provide our services faster and more efficiently in the interest of our customers. We use the opportunities offered by digitalization and implement innovative processes, systems and solutions. For example, we are offering more and more customers worldwide access to selected services via a central platform. We also want to reduce the complexity of our processes and systems in order to be able to perform our tasks even more efficiently.

5. People
The fifth pillar of our strategy concerns our nearly 30,000 employees around the world. The success of our company is based on their performance, experience and commitment. We want to be an attractive employer and offer them a modern working environment with a wide range of opportunities for individual development. This applies equally to the existing workforce and to new joiners at TÜV SÜD.
Employee report, see pages 57 – 58

Numerous initiatives for greater impact and speed

Just as many of our customers are currently being faced with extensive transformation processes, we must also continue to develop and shape our growth in a sustainable manner.

We are focusing on a lean organizational structure, expansion through acquisitions and efficiency in our global organization in order to respond to challenges such as the shortage of skilled labor and to seize the opportunities arising from digitalization. To do this, we rely on standardized processes, agile management and the use of interdisciplinary synergies. We are also accelerating our digital transformation using optimized processes and a strong focus on innovation management in order to meet the rising expectations of our customers.

With this in mind, we have launched the FORWARD transformation program consisting of a series of 15 initiatives designed to act as an internal catalyst for change in our organization. Lean, agile and in rigorous strategic alignment, we want to enable greater impact and speed worldwide.

By establishing a unit for IT and digitalization, we have also laid the foundation for the use of modular systems and applications. In the optimized organization, we will pool the skills of the relevant experts, which are in short supply, and create the basis for rapid decision-making and the prompt implementation of projects.

In implementing our strategy, we will also rely on targeted corporate acquisitions in focus and core markets. In 2024, we made several acquisitions in order to extend our market reach – for example in the MOBILITY Segment – or to expand our service portfolio, including in the INDUSTRY Segment.

With further growth, we want to sustainably improve the revenue and profitability of our business in the future. But above all, we want to live up to the claim that we have been pursuing for nearly 160 years: To protect people, assets and the environment against technical risks and thus to facilitate technological progress.

Success factor innovation

The ability to properly evaluate the potential of the latest technological developments, implement them in customer-relevant services and also use them in our own processes and systems is decisive for the success of our strategy. To this end, we engage in active innovation management, which includes the development of new products and process innovations.

Here, too, we want to take advantage of the opportunities arising from technological change, customer preferences and regulations. With a clear focus on the requirements of our customers, we want to bring individual innovation projects to market maturity even faster.

We have already taken a first step in this direction: The TÜV SÜD Innovation Board was established at the end of 2023 to evaluate and promote cross-divisional innovation. It is made up of the CEO and the heads of selected divisions, regions and corporate functions.

With the ongoing transformation and FORWARD projects, we are investing in the future of TÜV SÜD. The development of innovative services and processes is also part of these extensive investments in the future. In the financial year, we invested € 18.9 million (prior year: € 26.3 million) directly in research and development. An additional amount of around € 3.0 million (prior year: € 2.7 million) was capitalized in connection with development projects.

Shaping the digital transformation – within and outside the company

Most of our innovations are helping to actively shape the digital transformation. We are benefiting more and more from the groundwork that we have laid. Examples include our cybersecurity services or our activities in the field of artificial intelligence, which we are systematically expanding.

Cybersecurity

In an increasingly networked world, the demands on operators of critical infrastructure and systems, which need to be monitored, in order to ensure cybersecurity, are also growing. TÜV SÜD supports them with comprehensive testing and consulting services, from cyber risk assessments and cyber security training to the implementation of security certification projects.

Our experts assess the cyber resilience of equipment and systems across all industries based on a structured approach that combines many years of experience, domain-specific and regulatory expertise. The aim is to provide our customers with the best possible support in creating security and resilience against cyber attacks and thus safeguarding their business operations.

Artificial intelligence (AI)

As a company, we want to actively contribute to the responsible and safe design of AI applications across virtually all areas of application. To this end, our experts are involved in a whole range of organizations and associations, such as TÜV AI.Lab GmbH, Berlin, which was founded by various TÜV organizations. The TÜV AI.Lab aims to translate into practice the technical and regulatory requirements for the use of artificial intelligence and develop requirements for the testing of AI applications that are critical for safety.

Furthermore, TÜV SÜD and the standard-setting Institute of Electrical and Electronics Engineers Standards Association (IEEE Standards Association) have pooled their knowledge and capacities relating to artificial intelligence. For example, we have integrated the first global AI ethics standard from the IEEE Standards Association into our AI services.

To support our customers in the development and use of high-quality, market-driven and standards-compliant AI applications, we have developed a quality framework that includes training programs, quality analyses, risk assessments and conformity assessments relating to the use of AI, as required by the EU AI Act.

Indeed, TÜV SÜD is already one of the leading bodies for the assessment of AI in medical products and medical applications. Manufacturers who want to use AI in their medical products and improve the quality of healthcare worldwide can rely on the comprehensive technical expertise of our experts. With their knowledge of the regulatory requirements regarding safety and performance, they can assess whether manufacturers are meeting the state of the art with their AI-based medical products. This helps minimize potential problems regarding regulatory compliance in certification and monitoring audits and in technical documentation.

In order to be able to test new vehicle technologies as part of the roadworthiness test in the future and to further optimize the customer experience we set up a laboratory-like technical service center. There our experts are testing digital tools to carry out roadworthiness tests and for the digitalization of processes a voice-based assistant that supports the documentation and preparation of the test report.

In areas where the technical inspection of systems involves a great deal of cost and effort, we make use of the opportunities that AI presents in order to reduce risks and cut costs. For example, we rely on artificial intelligence and the use of drones to make visual inspections of wind power systems more efficient. Whereas several specialized teams were previously deployed in parallel, the entire wind turbine can now be inspected by a single team in a much shorter time. Wind farm operators in particular will benefit from Industrial Drone Inspections IDI^{AI} in the future. AI-based navigation and analysis software and special hardware for sensors and drones, which was developed by an external software and drone specialist, form the core of the offering.

We also make use of the possibilities offered by AI in our internal processes. A focus is on the analysis of the extensive information required for inspections and certifications. For example, AI can automatically check documents for completeness and plausibility. This increases speed and efficiency in processing, while at the same time relieving the experts of routine work.

Supporting the sustainability transformation

New opportunities are also increasingly emerging in the area of sustainability to support our customers with innovative services. TÜV SÜD’s Supply Chain Navigator, for example, offers a self-assessment to check whether a company meets the requirements of the LkSG [“Lieferkettensorgfaltspflichtengesetz”: German Act on Corporate Due Diligence in Supply Chains]. The Lime Dashboard provides investors with a decision-making basis for sustainable real estate and supports designers, construction companies and operators in making real estate sustainable and fit for the future.

The “Sustainability Software Evaluation” by TÜV SÜD offers an innovative evaluation service that combines software and sustainability standards to provide clear processes and boundaries in a non-standardized area. The aim is to support companies in providing more trustworthy, automatically generated sustainability data.

Together with SustainCERT, an independent validation and verification body for climate impact, we are enhancing the SustainCERT platform, a digital solution for companies, auditors and certification bodies to validate and verify carbon certificates. To this end, the verification processes are being digitized and machine learning, data analytics and AI are being used to check emissions data in an efficient manner. The aim is to ensure the accuracy and trustworthiness of each climate report and to promote credible climate protection measures in all carbon markets, while always taking into account data protection, transparency and compliance with established standards.

The "SustainMobility" initiative, which we launched together with the IEEE Standards Association, focuses on achieving the United Nations' Sustainable Development Goals (SDGs) in the area of climate protection by developing a holistic assessment framework for sustainable mobility. This was presented at the UN Science Summit in New York, USA, in September 2024.

Hydrogen plays a crucial role in combating climate change and fostering the energy transition. In addition to green hydrogen, low-carbon (blue) hydrogen – with carbon capture and storage – serves as an interim solution to meet the growing demand. The new CMS77 standard published by TÜV SÜD, certifies low-carbon (blue) hydrogen and its derivatives (currently ammonia) in accordance with international standards. Certification creates a transparent and reliable basis for global trade.

Our management system

TÜV SÜD's management system is based on the integrated controlling system and strategic corporate planning. Various performance indicators serve to measure the company's performance and to manage the Group accordingly.

We have defined organic revenue growth and earnings before interest, before other financial result and before income tax, but after income/loss from participations (EBIT) and the EBIT margin as key financial performance indicators for the Group.

The key value-based performance indicator for the company's success is the return on capital employed (ROCE). It reflects the profitability of the capital employed.

At Group level, we also use free cash flow and earnings before taxes (EBT) as additional financial indicators. The free cash flow shows the extent to which we generate long-term cash flows from our operating activities.

We also use a number of non-financial performance indicators to assess the quality, diversity and growth of our organization. These include operational metrics such as the capacity utilization of our technical service centers and testing facilities as well as the productivity of our experts. These operational key figures are incorporated into a large number of management processes, such as the assessment of investments. We also analyze key personnel metrics such as the number – as a key performance indicator – and average age of our employees. Furthermore, we measure the proportion of women in the workforce, the number of training hours completed and the average retention period of our employees in the company.

Definition of financial performance indicators at TÜV SÜD ≡ 02

Key indicator	Definition
EBIT	Earnings before interest, before other financial result and before income tax, but after income/loss from participations
ROCE	**NOPAT / average capital employed** **Net operating profit after taxes (NOPAT)** = EBIT – income tax (flat rate of 30%); without repeated taxation of the at-equity result **Capital employed** = non-current operating assets + inventories and receivables – non-interest bearing liabilities and provisions[1]
Free cash flow	**Cash flow from operating activities** – Cash outflow for investments in intangible assets, property, plant and equipment and investment properties

1 Non-interest bearing liabilities and provisions include current provisions and tax liabilities.

Around 30 other non-financial performance indicators from the areas of environmental, social and corporate governance complete the picture within the framework of internal sustainability controlling. These performance indicators are recorded and processed centrally as part of separate sustainability reporting.

Integrated controlling system as the basis for value-based management

TÜV SÜD's value-based management is implemented in our integrated controlling system. It is based on a group-wide management information system, a harmonized global finance function, and accounting and reporting in accordance with International Financial Reporting Standards (IFRSs).

All performance indicators are determined as part of our planning and monitoring processes for the respective levels of the Group (segments, divisions, regions and legal entities) and are made available in a standardized format via our internal reporting system.

Strategic planning sets goals

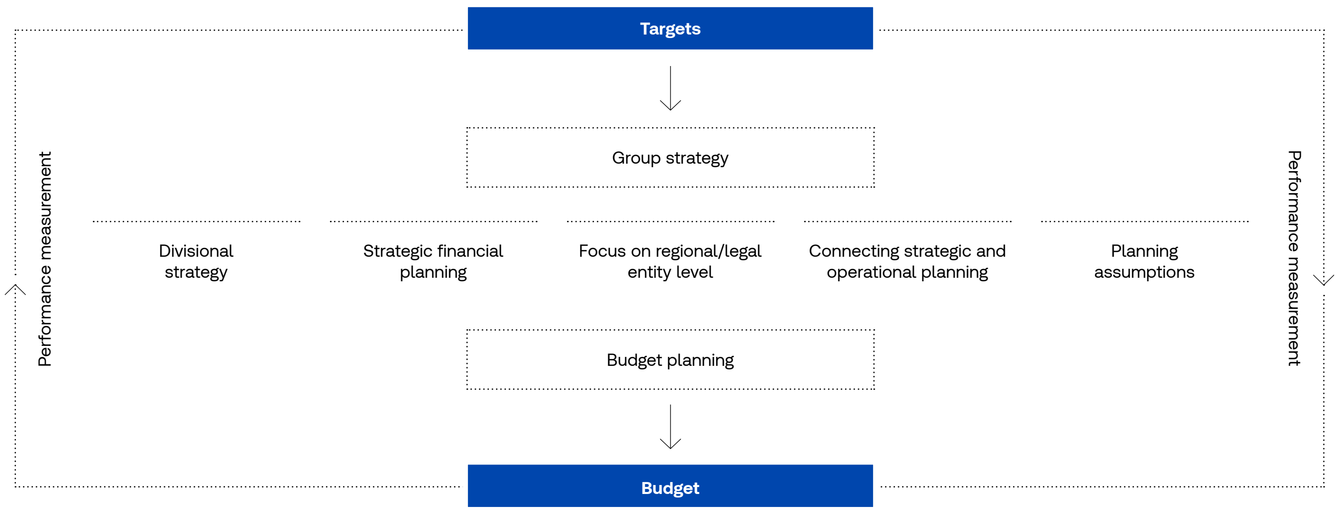
The starting point for our planning and control processes is strategic planning. This aims to achieve profitable and sustainable growth and a continuous increase in the value of the company.

In addition to quantitative factors and hitting operating targets, the reputation of the TÜV SÜD brand as well as sustainable business are at the forefront of everything we do. To achieve this, the expertise and performance of our employees, the quality of the services we provide and the satisfaction of our customers are crucial.

The Group's strategy, which is broken down into the respective divisional strategies, is derived from the long-term strategic goals. The divisions' targets are incorporated into the strategic financial planning and are specified in more detail at a regional level. The planning for the next year that is derived in this way, and three forecasts during the year in progress, combined with prompt monthly financial statements, form the basis for our evaluations which we use to measure the implementation of strategic goals and analyze deviations from the plan.

Strategic and operational planning

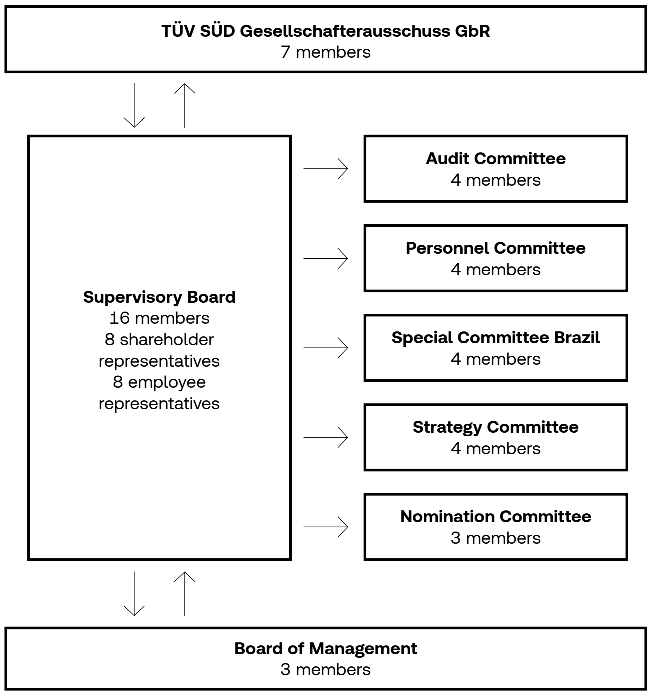
06



Corporate governance report

TÜV SÜD AG and its boards are guided by the principles, recommendations and suggestions of the German Corporate Governance Code for capital market-oriented companies. We consider good corporate governance to mean responsible, transparent, sustainable and values-based management. It is explained in greater detail in clear guidelines and regulations that apply throughout the company. These principles are reviewed regularly and adapted in line with new findings, changed legal provisions, and national and international standards.

Overview of the bodies and committees of TÜV SÜD AG 07



Composition and operation of the Supervisory Board

In accordance with German law, shareholder and employee representatives are equally represented on the Supervisory Board of TÜV SÜD AG. It has 16 members, half of whom are employee representatives and half are shareholder representatives. The employee representatives are elected by the employees of the Group's German operations and the shareholder representatives are elected at the Annual General Meeting.

The Supervisory Board regulates the principles of cooperation in its rules of procedure, which are based on the principles and recommendations of the German Corporate Governance Code. It meets at least four times a year. The Chairperson of the Supervisory Board, who is elected by the Supervisory Board from among its members, convenes and presides over the meetings. The Supervisory Board meets regularly, at times without the Board of Management, in order to deal with agenda items that relate either to the Board of Management itself or to internal Supervisory Board matters. Unless otherwise stipulated by law, the Supervisory Board passes resolutions by a simple majority vote; this also applies to decisions or recommendations made within the committees. The Supervisory Board as a whole is regularly informed by the respective committee chairs of the activities of the respective committees.

Skills profile and diversity concept

In order to ensure the qualified and independent monitoring of and advice to the TÜV SÜD AG Board of Management by the Supervisory Board, a requirements profile – consisting of a skills profile and a diversity concept – specifies concrete targets for the composition of the full Supervisory Board. These include the independence, availability and diversity of the members of the Supervisory Board.

More than half of the shareholder representatives should be independent of the company, the Board of Management and a controlling shareholder. Each member of the Supervisory Board must ensure that they have sufficient time available to perform their duties and that there is no excessive accumulation of Supervisory Board mandates. The Supervisory Board should also make sure that there is diversity in its composition. Special consideration is given to sufficient generational diversity, an appropriate gender balance, different educational and professional backgrounds, predominantly the business experience of the shareholder representatives and the international nature of the Supervisory Board, either through the international experience or origin of its members.

The requirements profile is intended to ensure that the members of the Supervisory Board as a whole have the knowledge, skills and professional experience required to properly perform their duties. At least one shareholder representative on the Supervisory Board should be available as a competent contact person for each aspect of the Supervisory Board's activities, so that the Supervisory Board members as a whole have the necessary broad knowledge and experience. The members of the Supervisory Board should be open to innovation and new technologies and promote their involvement in the company's processes.

Based on the requirements profile, the Supervisory Board has drawn up the following overview of its qualifications ("qualification matrix"). ≡ 03

Qualification matrix TÜV SÜD AG

03

	Wolfgang Dehen	Marcel Rath	Matthias Andreesen Viegas	Dr. Christine Bortenlänger	Manuela Dietz	Prof. Dr. Hermann Eul	Dr. Jörg Grossmann	Frank Hyldmar
Independence and time available								
Independence within the meaning of C.6 – C.12 GCGC	•	n/a	n/a	•	n/a	•	•	•
Time available[1] within the meaning of C.4, C.5 GCGC	•	•	•	•	•	•	•	•
Diversity								
Age	71	44	56	58	48	66	67	63
Member since	2003	2020	2020	2011	2022	2023	2015	2024
Age limit for membership		•	•	•	•	•	•	•
Retirement age not reached		•	•	•	•	•		•
Gender	Male	Male	Male	Female	Female	Male	Male	Male
Educational and professional background	Degree in business administration	Degree in business administration	Degree in history and German language and literature	Vocational training as a bank clerk; degree in business administration	Vocational training as a nurse	Degree in electrical engineering	Vocational training as a bank clerk; degree in economics	Degree in economics
Entrepreneurial experience	•			•	•	•	•	•
International work experience	•					•	•	•
Nationality	German	German	German	German	German	German	German	Danish
Competencies[2]								
Relevant markets and customer segments	•	•	•	•	•	•	•	•
Testing, Inspection and Certification (TIC)		•	•			•		•
Engineering and manufacturing	•					•		•
R&D and innovation (management)	•				•	•	•	•
Marketing, sales and customers	•		•	•	•	•		•
Strategy, M&A, capital market and transformation management	•	•	•	•	•	•	•	•
Financial corporate management and risk management	•	•		•	•	•	•	•
Accounting		•					•	
Audit		•		•			•	•
Sustainability (ESG)	•		•		•	•	•	•
Sustainability reporting			•	•			•	•
Human resources management and corporate culture	•	•	•	•	•	•	•	•
Digitalization and AI						•	•	•
Legal, corporate governance, compliance and/or internal audit	•	•		•			•	•
Organization, politics, association work and science			•	•	•	•		•

1 Avoidance of overboarding.
2 Criterion met, based on a self-assessment by the member of the Supervisory Board. A dot indicates the member in question has at least a “good knowledge” and thus the ability to understand the relevant issues and make informed decisions on the basis of existing qualifications or the knowledge and experience gained as a Supervisory Board member (e.g., many years of service on the Audit Committee).

▷| Qualification matrix continued on next page

Qualification matrix TÜV SÜD AG

03

	Jens Krause	Angelique Renkhoff-Mücke	Matthias Schemmel	Dr. Nathalie von Siemens	Alexander Tilly	Dr. Eberhard Veit	Katrin Volkmann	Dr. Katharina Wagner
Independence and time available								
Independence within the meaning of C.6 – C.12 GCGC	n/a	•	n/a	•	n/a	•	n/a	n/a
Time available[1] within the meaning of C.4, C.5 GCGC	•	•	•	•	•		•	•
Diversity								
Age	50	62	49	53	51	62	66	46
Member since	2020	2015	2024	2020	2024	2006	2023	2022
Age limit for membership	•	•	•	•	•		•	•
Retirement age not reached	•	•	•	•	•	•		•
Gender	Male	Female	Male	Female	Male	Male	Female	Female
Educational and professional background	Degree in business administration, economics and law	Degree in business administration	Degree in industrial engineering	Degree and doctorate in philosophy	Vocational training as a qualified car mechanic	Degree in mechanical engineering and precision mechanics	Vocational training as an industrial clerk; degree in law	Degree in general and comparative literature, philosophy and Hispanic studies
Entrepreneurial experience		•		•		•		
International work experience				•		•		
Nationality	German	German	German	German	German	German	German	German
Competencies[2]								
Relevant markets and customer segments			•	•		•		
Testing, Inspection and Certification (TIC)			•		•	•		
Engineering and manufacturing			•			•		
R&D and innovation (management)						•		
Marketing, sales and customers			•		•	•		
Strategy, M&A, capital market and transformation management		•		•		•		
Financial corporate management and risk management	•	•	•			•		
Accounting	•						•	
Audit	•		•					
Sustainability (ESG)		•		•	•	•		
Sustainability reporting		•		•		•		
Human resources management and corporate culture		•	•	•		•		•
Digitalization and AI				•		•		
Legal, corporate governance, compliance and/or internal audit			•				•	
Organization, politics, association work and science		•	•	•		•	•	•

1 Avoidance of overboarding.
2 Criterion met, based on a self-assessment by the member of the Supervisory Board. A dot indicates the member in question has at least a “good knowledge” and thus the ability to understand the relevant issues and make informed decisions on the basis of existing qualifications or the knowledge and experience gained as a Supervisory Board member (e.g., many years of service on the Audit Committee).

It is the responsibility of the members of the Supervisory Board, with the company's support, to participate in the training required to properly carry out their duties.

Self-assessment of the Supervisory Board

The Supervisory Board regularly reviews the efficiency of its activities and those of its committees. The various aspects of committee work are analyzed and evaluated by all Supervisory Board members and, if applicable, other stakeholders. The Supervisory Board then deals with the results and identifies any possible need for change and improvement.

Committees of the supervisory board

The **Audit Committee** deals primarily with monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, the compliance management system and the internal audit system. In particular, it receives reports on the Group's risk situation, the findings of internal audits, including possible compliance breaches, as well as planned investment and portfolio measures. In addition, it examines material accounting issues and, as part of the year-end statutory audit, discusses the assessment of audit risk, audit strategy and planning, and audit results together with the appointed auditor. It also deals with the independence of the auditors, the additional services provided by the auditors, the awarding of the audit engagement and the definition of audit focus areas and the agreement of fees.

The main tasks of the **Personnel Committee** include preparing appointments and the removal of members of the Board of Management. The selection process for the appointment of members of the Board of Management takes into account various aspects such as the desired competence profile and the promotion of diversity within the company. In addition, the Personnel Committee is responsible for drafting recommendations on the remuneration of the individual members of the Board of Management as well as designing and regularly reviewing the remuneration system. The Personnel Committee meets at least once a year.

The **Special Committee Brazil** is tracking the internal and external handling of the dam collapse in Brazil. It receives regular status updates, also from independent technical experts and law firms engaged for this purpose.

The **Strategy Committee** primarily addresses topics relating to corporate strategy, technologies and innovations, digitalization, sustainable corporate governance, business activities in the areas of environment, social and governance (ESG criteria) as well as significant projects for TÜV SÜD AG. In particular, the Strategy Committee has the task of discussing the company's strategy based on the overall strategy, which is discussed by the Supervisory Board, and advising the Board of Management on these matters.

The **Nomination Committee** is primarily tasked with identifying suitable candidates for the Supervisory Board in the context of succession planning and preparing related proposals of the Supervisory Board for the Annual General Meeting. The Nomination Committee is also responsible for the onboarding of new Supervisory Board members, for which the Nomination Committee has drawn up and approved a checklist. The Nomination Committee is also responsible for regularly reviewing the skills profile and preparing a qualification matrix for the Supervisory Board.

Committees of the Supervisory Board

≡ 04

	Affiliation	Supervisory Board	Audit Committee	Personnel Committee	Special Committee Brazil	Strategy Committee	Nomination Committee
Shareholder representatives							
Dr. Christine Bortenlänger	May 13, 2011 – present	Member					Member
Wolfgang Dehen	Nov. 20, 2003 – present	Chair	Member	Chair	Chair		Chair
Prof. Dr. Hermann Eul	Jul. 7, 2023 – present	Member					
Dr. Jörg Matthias Grossmann	Jul. 15, 2015 – present	Member	Chair		Member		
Frank Hyldmar	Jul. 3, 2024 – present	Member					
Angelique Renkhoff-Mücke	Jul. 15, 2015 – present	Member				Deputy chair	
Dr. Nathalie von Siemens	Jul. 10, 2020 – present	Member					Member
Prof. Dr. Rudolf Staudigl	Jul. 13, 2018 – Jul. 3, 2024	Member					
Dr. Eberhard Veit	May 12, 2006 – present	Member		Member		Member	
Employee representatives							
Matthias Andreesen Viegas	Jul. 10, 2020 – May 9, 2022[1]/Jun. 9, 2022[2] – present	Member		Member (since Jan. 1, 2024)	Member	Chair	
Manuela Dietz	Mar. 31, 2022[2] – present	Member					
Thomas Eder	Aug. 1, 2006 – May 9, 2022[1]/Jun. 9, 2022[2] – Sep. 30, 2024	Member			Member (until Sep. 30, 2024)		
Jens Krause	Jul. 10, 2020 – May 9, 2022[1]/Jun. 9, 2022[2] – present	Member	Member			Member	
Marcel Rath	Jul. 10, 2020 – May 9, 2022[1]/Jun. 9, 2022[2] – present	Deputy chair	Member	Member	Member (since Oct. 1, 2024)		
Matthias Schemmel	Mar. 25, 2024[2] – present	Member					
Alexander Tilly	Dec. 12, 2024[2] – present	Member					
Katrin Volkmann	Aug. 16, 2023[2] – present	Member					
Dr. Katharina Wagner	Jun. 9, 2022[2] – present	Member					
Number of meetings							
		5	6	9	4	4	3

1 Election challenge legally binding; pursuant to the decision of the Munich Higher Labor Court from October 13, 2021 (became legally effective as of May 10, 2022) no employee representatives on the Supervisory Board; pursuant to the decision of the Munich Registry Court from June 2, 2022 (served on June 9, 2022)
2 Legally mandated substitute appointment

Supervisory Board remuneration

The Supervisory Board receives solely fixed remuneration. Members of the Supervisory Board who have only been on the Supervisory Board for part of the financial year receive one twelfth of the remuneration for each month of service commenced. The remuneration of the Supervisory Board is approved by the Annual General Meeting and its appropriateness is regularly reviewed.

Composition and operation of the Board of Management

The Board of Management of TÜV SÜD AG has three members who are appointed by the Supervisory Board. Board of Management meetings are held regularly. The Board of Management carries out its management duties as a collegial body with joint responsibility. It conducts business in accordance with the law, the articles of incorporation and bylaws and its rules of procedure. It is thus bound to act in the interest of the company and to increase the long-term value of the company. The Board of Management plans and implements the strategic orientation of the company taking into account aspects of sustainability, climate and environmental protection as well as social factors within the company's sphere of interests. In addition, the Board of Management ensures compliance with statutory reporting obligations and an appropriate and effective governance structure. This comprises an internal control and risk management system, including an internal audit system and a compliance management system geared towards the company's risk situation. In addition, the Board of Management ensures long-term succession planning by regularly engaging with the company's talented and promising executives.

Clearly defined management structure, see page 16

Remuneration of the Board of Management

The remuneration system of the Board of Management consists of fixed basic remuneration along with variable remuneration components aligned to the long-term successful, sustainable development of the company. The achievement of specific ESG targets is taken into account when calculating variable remuneration. The ESG targets include an absolute carbon reduction target, excluding carbon offsets, and targets relating to various personnel-related metrics and an ESG rating. The remuneration system for the Board of Management was approved by the Supervisory Board and acknowledged by the TÜV SÜD Gesellschafterausschuss GbR. Information on the total remuneration of the Board of Management and the Supervisory Board can be found in the notes to the consolidated financial statements.

Cooperation between the Board of Management and the Supervisory Board

As a stock corporation under German law, TÜV SÜD AG is subject to a two-tier management and supervisory structure with a Board of Management and a Supervisory Board. The two bodies are strictly separated from one another in terms of both their membership and their competencies.

The Supervisory Board monitors and advises the Board of Management on business operations, in particular in respect of sustainability-related aspects. TÜV SÜD's strategic direction is coordinated closely between the Board of Management and Supervisory Board of TÜV SÜD AG. The boards jointly discuss the status of strategy implementation at regular intervals. The Board of Management informs the Supervisory Board regularly, comprehensively and without delay about all relevant matters for the company, in particular strategy, planning, business development, the risk situation, risk management, compliance and sustainability. The Supervisory Board's Strategy Committee also advises the Board of Management on the topics of sustainable corporate governance and business activities in the areas of environment, social and governance (ESG criteria).

Further information on collaboration between the Board of Management and Supervisory Board of TÜV SÜD AG can be found in the report of the Supervisory Board. The members of the Board of Management and Supervisory Board are listed in the Boards of TÜV SÜD AG section.

Boards of TÜV SÜD AG, see page 132

Corporate values

Add value. Inspire trust: That is TÜV SÜD's promise. To live up to this promise, we at TÜV SÜD combine technological excellence with independence, integrity and compliance with the law in our daily work. These are also the guiding principles of the TÜV SÜD Code of Conduct, which reflects TÜV SÜD's corporate values and provides the framework for our actions. It contains fundamental principles and rules for our conduct within our company and in relation to our external partners and the public. The TÜV SÜD Code of Conduct deals in particular with compliance with the law, TÜV SÜD's responsibility for people and the environment, the integrity and legality of our conduct in business dealings as well as the handling of compliance reports and the protection of whistleblowers.

www.tuvsud.com/en/about-us/code-of-ethics

Corporate social responsibility

Companies bear responsibility for the sustainable design of the economy, environment and society. This is particularly true for TÜV SÜD. In line with our company's purpose – the protection of people, the environment and property from technology-related risks – we ensure that the risks associated with the latest technologies are minimized so that innovations in science and technology can be accepted by society and have a positive impact for the benefit of people and the environment. At the same time, we also assess the impact of our business activities on society and the environment, and derive measures to ensure careful use of existing resources as well as a balanced organization of our supply chains from a social perspective. The Board of Management and the Supervisory Board regularly address sustainable corporate strategy and corporate planning, taking into account not only financial targets but also, above all, ecological and social objectives as well as the impact of TÜV SÜD's business activities on the environment and society.

Diversity

As an internationally active company, TÜV SÜD views open-mindedness and diversity as being essential to economic success. When filling management positions, TÜV SÜD focuses on the professional and personal suitability of the candidate. In addition, diversity is considered as part of the evaluation and selection process.

When selecting and appointing members of the Board of Management, the Supervisory Board pays attention to their professional and personal qualifications, in addition to diversity and other company-specific requirements.

Declaration on the equal representation of women and men in management positions

In 2022, the Supervisory Board and Board of Management of TÜV SÜD AG decided on the following targets for the proportion of women on the Supervisory Board, Board of Management and the first two levels of management below the Board of Management by December 31, 2026.

Women in management positions ≡ 05

	Target rate	Share already achieved (Dec. 31, 2024)	Implementation deadline
Supervisory Board	25%	37.5%	Dec. 31, 2026
Board of Management	1 woman	0%	Dec. 31, 2026
First management level	30%	29%	Dec. 31, 2026
Second management level	50%	41%	Dec. 31, 2026

The target of 25% for the proportion of women on the Supervisory Board of TÜV SÜD AG set by the Supervisory Board was achieved with at present six out of the 16 members being women, giving a proportion of women of 37.5% (prior year: 37.5%). Three thereof represent the shareholders and three represent the employees on the Supervisory Board.

With regard to the proportion of women on the Board of Management of TÜV SÜD AG, the Supervisory Board decided that one woman should be a member of the Board of Management of TÜV SÜD AG by December 31, 2026. This target will be achieved when Ms. Nitzsche succeeds Prof. Dr. Rapp on March 1, 2025.

At the end of the financial year, there were also more women in the first management level below the Board of Management of TÜV SÜD AG than in the prior year (27%). The number of women in the second management level also increased, but the general increase in the number of employees resulted in a percentage decrease from 43% to 41%. For the coming years, the Board of Management is adhering to its goal of further increasing the proportion of women in top management levels. Against the backdrop of an increasingly difficult situation on the skilled labor market, various measures were initiated to achieve the defined targets.

In addition to TÜV SÜD AG, four further German Group companies are also subject to the regulations for the equal representation of women and men in management positions. Targets have also been set for these German Group companies and implementation deadlines set.

Compliance

Compliance with international rules and dealing fairly with our business partners and competitors are among our company's most important principles. Integrity and compliance with rules and regulations are an integral part of our corporate culture and our actions. TÜV SÜD takes a preventive approach to compliance and endeavors to achieve a corporate culture that proactively prevents potential breaches by raising employee awareness and educating the workforce. The compliance culture is shaped by the "tone from the top" and our brand message: "Add value. Inspire trust."

The TÜV SÜD Compliance Management System (TÜV SÜD CMS) forms the organizational framework for all established compliance measures, structures and processes to comply with applicable law and internal rules. It follows the guiding principle of independence, integrity and legality of our actions and encompasses all hierarchical levels. The TÜV SÜD CMS has been prepared taking into account the principles of the IDW AsS 980 assurance standard and is constantly monitored and further developed. The objective of the TÜV SÜD CMS is to make compliant conduct universal among the employees of TÜV SÜD and third parties commissioned by us to perform our services.

The TÜV SÜD compliance organization is based on the principle of separation of responsibility and executive activities. Overall responsibility is held by the Chief Compliance Officer (CCO), who reports directly to the Chairman of the Board of Management and acts independently of instructions in this function.

A regular group-wide risk analysis is used to determine TÜV SÜD's compliance risks. The content of the risk analysis focuses on the key compliance topics; at the same time, compliance risks outside the core compliance topics are also identified. The analysis of compliance risks gives TÜV SÜD an overview of high-risk activities, thus enabling it to manage them. In addition, compliance measures can be improved and implemented in a more targeted manner.

At the heart of the compliance program are the TÜV SÜD Code of Conduct and compliance-based guidelines. They include, among other things, requirements for the avoidance of conflicts of interest and corruption, compliance with antitrust law, embargo and trade control provisions and also for compliance with human rights and human-rights-related environmental protection obligations. These guidelines are reviewed regularly and adapted in line with new findings, changed legal provisions and national and international standards. www.tuvsud.com/en/about-us/code-of-ethics

Through comprehensive compliance training, including an e-learning program tailored to the company's specific requirements, we train employees on the practical application of our compliance requirements in the company and thereby prevent potential compliance breaches.

TÜV SÜD trust channel

Integrity and transparency are top priorities for TÜV SÜD. In order to meet this requirement, it is essential that we become aware of any compliance breaches in order to remedy them and continuously improve our TÜV SÜD CMS. It is particularly important to us that we learn of breaches of international and local laws, regulations and standards as well as of our internal compliance requirements such as the TÜV SÜD Code of Conduct. The electronic whistleblowing system, TÜV SÜD Trust Channel, enables employees and third parties worldwide to report, also anonymously if desired, breaches or suspected cases. This option was also used by employees and external parties in 2024. In the majority of cases, no breach of legal compliance was identified. In cases where there were breaches of the law or internal policies, these were sanctioned appropriately and, if necessary, resulted in consequences under labor law.

Risk management

Dealing responsibly with business risks for the company is part of good corporate governance. The early identification and minimization of risks, including environmental and social risks, is therefore of great importance to the Board of Management and Supervisory Board. We therefore attach great importance to risk management in our day-to-day work. Details of TÜV SÜD's risk management system are explained in the opportunity and risk report.

Opportunity and risk report, see pages 59 – 65

Quality management

Quality management is a mandatory prerequisite for TÜV SÜD to obtain and maintain all necessary national, European and international accreditations as a testing, inspection and certification organization. It is based on regulatory and official requirements as well as the requirements of the ISO/IEC 17000 family of international standards. On the TÜV SÜD AG Board of Management, the COO is responsible for ensuring efficient quality management. The quality management organization is responsible for managing and monitoring the accreditations at Group level and at the subsidiaries. It ensures compliance with technical guidelines and methods (technical compliance) that have been defined within the company and are in line with the requirements of the regulatory, accreditation and standard-setting authorities. This is also regularly monitored externally.

Monitoring and further development of governance systems

The adequacy and effectiveness of our governance systems are continuously monitored, reviewed and optimized through improvement processes. The responsible corporate functions are supported in this regard by internal and external stakeholders, such as the Group's Internal Audit function. In this way, we take equal account of internal and external requirements for good corporate governance. The results form part of regular and ad hoc reports to the Board of Management, Audit Committee and Supervisory Board of TÜV SÜD AG.

The Internal Audit function regularly conducts special compliance audits, for which the Internal Audit function and the Global Compliance Office coordinate to determine areas of audit focus.

If breaches are suspected, special audits are also carried out by the Internal Audit function and by external auditors where necessary. Breaches of law or internal policies will be appropriately sanctioned and may result in consequences for our employees under labor law, up to and including termination of employment.

Globally uniform framework

Key business processes are defined in Group guidelines and form a globally uniform framework: the TÜV SÜD Corporate Management Manual. The corporate functions, divisions and regions can supplement these group-wide guidelines with their own requirements and detailed regulations. The guidelines are regularly reviewed and updated as necessary.

Accounting and auditing

The consolidated financial statements of TÜV SÜD AG are prepared in accordance with the provisions of the International Financial Reporting Standards (IFRSs), the annual financial statements and combined management report of TÜV SÜD AG in accordance with the German Commercial Code.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has been appointed as an independent auditor. The auditors inform the Audit Committee in a timely manner of all findings and events of significance for their duties that arise during the audit of the annual financial statements and reports to the Supervisory Board.

Economic report

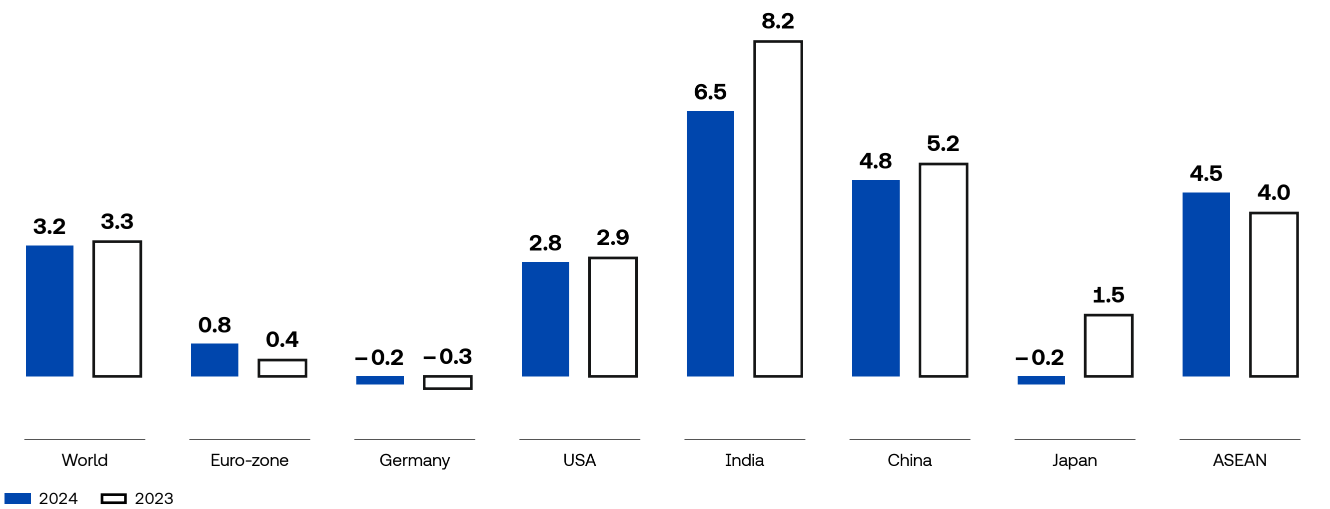
Macroeconomic conditions

The global economy continued to grow in 2024 despite the ongoing geopolitical tensions and macroeconomic uncertainty, with global economic output growing by 3.2%.

However, the differences in economic momentum between the regions continued to increase. In the major economies, the easing of inflationary pressure allowed monetary policy to be relaxed and led to a positive boost to investment, which was further strengthened by national support programs. On the other hand, protectionist measures and an increase in trade conflicts made global trade more difficult. In addition, extreme weather events led to considerable economic damage in some regions.

Economic growth in key markets worldwide[1] 08

In %



1 IMF World Economic Outlook January 2025 (prior-year forecast updated with actual figures).

Weak growth in Europe

The European Economic Area experienced a modest economic recovery in 2024, but continues to be impacted by ongoing geopolitical tensions and high financing costs. Corporate investment declined on the whole, burdened by the unfavorable financing conditions. Public spending on sustainable and green technologies increased in order to drive decarbonization. At the same time, extensive funds were invested in infrastructure and strengthening Europe's security and independence. Private consumer demand also picked up as falling inflation led to an increase in purchasing power and higher disposable incomes. The lowering of reference interest rates by the ECB in the second half of the year and the robust labor market continued to support this trend. Overall, gross domestic product in the euro-zone increased by 0.8%, following growth of 0.4% in the prior year.

Contrary to this trend, the German economy slipped into recession. Gross domestic product fell for the second year in a row, by 0.2% in the financial year (prior year: down 0.3%). German industry in particular suffered from increasing international competition and location-specific competitive disadvantages, especially high energy prices, a shortage of skilled workers and excessive bureaucracy. Foreign demand was weak, with exports to China and other European countries continuing to decline. As a result, industrial companies were reluctant to invest and scaled back their production capacities. The labor market remained relatively stable and private consumption also grew moderately due to rising real wages.

Many countries in the euro-zone benefited from stronger domestic demand and stable exports, which curbed economic activity to a lesser extent than in Germany. In Italy, the economy grew by 0.6%, while growth in Spain was as high as 3.1%. In the UK, extensive investment programs by the new government in public services and infrastructure as well as stable consumer demand boosted the economic recovery. Economic output continued to stabilize and increased by 0.9% (prior year: 0.3%).

Strong growth in the US

At 2.8% (prior year: 2.9%), the growth of the US was significantly stronger than in other advanced economies. Growth was based on private consumption as well as government support programs and investments in infrastructure. In the areas of technology and renewable energies in particular, programs such as the Inflation Reduction Act and the CHIPS Act promoted corporate investment in the development and production of semiconductors and green technologies. The labor market developed positively with a low unemployment rate and rising wages. As a result, private consumption remained robust; demand was particularly strong for services and durable goods.

Emerging markets grow steadily

The Chinese economy benefited from rising corporate investment, growing domestic demand and targeted government support measures. As a result, the Chinese economy grew by 4.8% in 2024 (prior year: 5.2%). However, the still unresolved real estate crisis and the ongoing debt problems of individual local governments hampered the domestic recovery, while punitive tariffs on electric cars, solar panels and steel made exports to Europe and the US more difficult. Exports rose at year-end due to orders brought forward ahead of the expected additional US tariffs.

Emerging markets around the world showed steady, albeit slower, growth. The continuing low growth rates in China and the resulting low increase in demand from China dampened economic development. In most emerging markets, economic momentum was therefore driven by domestic demand. In India, the post-pandemic upturn came to an end, while at the same time sharply rising consumer prices dampened private consumption. The Indian economy grew by 6.5% in the financial year 2024 (prior year: 8.2%), making it the fastest growing major economy in the world.

Interest rate cuts dominate global monetary policy

The central banks of the major economies relaxed their monetary policy again slightly in 2024 and lowered interest rates following signs of a reduction in inflation.

The euro depreciated against the US dollar in the course of the financial year 2024 and stood at US 1.04 dollar (prior year: US 1.10 dollar) at the end of the year. The development of the most important reference currencies is shown in the notes to the consolidated financial statements.

Notes to the consolidated financial statements, currency translation, see page 81

Business and economic environment

These conditions also shaped TÜV SÜD's business development, as our business activities in individual areas and markets are dependent on economic developments and government regulation.

Our company's success is based on the high level of commitment of our employees, their expertise and their flexibility. It is thanks to them that we have a global presence with our range of services, which is appreciated by our customers. TÜV SÜD's broad-based business model enables our company to achieve stable growth and implement the necessary price adjustments, even in a market environment that is characterized by uncertainty. Our business development is also influenced by challenges and trends on the TIC market. This applies in particular to the shortage of skilled workers in various countries and regions, additional expenses for digitalization and the sustainable orientation of our business processes as well as the ongoing transformation and FORWARD projects which will make TÜV SÜD fit for the future. We can also see that new market participants are seeking to establish themselves in individual areas of the TIC market against the backdrop of new regulations and standards.

In order to defend and further expand our competitive position, we are concentrating on our core competencies and focus markets. To this end, we regularly review our product portfolio and our regional business activities. Key criteria in this regard are the strategic significance of the services offered and their relevance on the TIC market.

In the financial year 2024, we expanded our portfolio by acquiring companies and parts of businesses.

In January, we expanded our competencies in the inspection and testing of lifts, escalators and their components with the acquisition of A-Reliance Engineers Pte. Ltd. (A-Reliance) in Singapore. In April, we expanded our market presence in the area of sustainable building certification with the acquisition of Sustainable Investment Group (SIG), LLC, Atlanta, and Green Building Education Systems (GBES), LLC, Atlanta, in the US. In Denmark, we acquired Domutech A/S and Domutech Solutions P/S (Domutech), Copenhagen, in July. The providers of building inspections, energy certificates and technology-driven solutions for residential and commercial properties strengthen our market presence in sustainable building construction.

With the acquisition of the Swedish company Carspect Group Holding AB (Carspect Group), Stockholm, in August 2024, we were able to drive forward the internationalization of our MOBILITY Segment. The group carries out roadworthiness tests and related vehicle inspection services in Sweden, Estonia and Latvia.

During the year, we also expanded our business activities in Spain, Italy, Germany and Sweden through a number of small acquisitions.

In November, we also acquired the remaining shares in TÜV SÜD Battery Testing GmbH, Garching, in order to be able to make targeted investments in growth areas such as highly complex safety testing for batteries. In December, we completed the purchase of additional shares in TUV SUD Middle East LLC, Abu Dhabi. In the financial year 2024, we also continued to invest extensively in building infrastructure and expanded our network of testing facilities.

We also made adjustments to our portfolio in the financial year by means of write-downs and impairments. In Germany we wrote down the shares in a non-consolidated subsidiary due to the dampened earnings prospects. Due to a lack of capacity utilization, impairment losses had to be recognized on various assets at testing facilities in China, Thailand and Hungary. We also recognized an impairment loss on the remaining goodwill from testing activities in the area of the inspection of rail infrastructure in China.

Overall statement on business development

The financial year 2024 was satisfactory for TÜV SÜD. We were able to grow worldwide and achieve, and in some cases exceed, all the targets defined in the 2024 forecast.

Targets and results ≡ 06

	2023	2024 Outlook	2024
Revenue	€ 3,139.3 million	€ 3,220 million to € 3,360 million	€ 3,429.0 million
Development compared to prior year	9.6%	4% to 5%	9.2%
EBIT	€ 217.7 million	€ 200 million to € 250 million	€ 216.6 million
Development compared to prior year	11.6%		– 0.5%
EBIT margin	6.9%	Mid- to upper-single-digit percentage range	6.3%
ROCE	11.5%		10.1%
Employees	25,023		26,529
Development compared to prior year	4.4%	up to 5%	6.0%

The forecast of business development for the financial year is always derived from the existing service business at the time of planning. This is defined as the starting point for organic revenue growth.

The significant revenue growth in the financial year exceeded our expectations. We recorded positive revenue development across all segments and regions. Organic growth fully compensated for the marginal negative currency translation effects. In addition, positive portfolio effects reinforced the development.

In the INDUSTRY Segment, revenue growth and the EBIT-related target figures reached the targeted corridor. The good business performance fully compensated for the increase in personnel expenses as well as the negative impact of the impairment of goodwill and restructuring provisions.

The MOBILITY Segment clearly exceeded its defined revenue target. The positive trend continued into earnings and led to an increase in EBIT of just under 5% compared to the prior year to € 106.8 million. However, EBIT growth in some business areas was below our expectations as various effects had a negative impact on the overall positive development. This includes higher amortization, depreciation and impairment losses and higher expenses for innovation projects as well as expenses for the market development in Slovakia and the loss of earnings in connection with the legalization of cannabis in Germany. However, the EBIT margin reached the forecast target figure.

Revenue in the CERTIFICATION Segment developed satisfactorily. A further delay in the introduction of the European Medical Devices Directive led to weakening demand, while at the same time the upcoming repeat audits and audits in the areas of sustainability and information security resulted in a significant increase in revenue. Overall, revenue growth was recorded in the segment, albeit below the expected figure. The development of earnings was stable, following the considerable negative impact of the impairment of goodwill in the prior year. Consequently, the forecast EBIT target was achieved in the financial year. The EBIT margin, on the other hand, did not reach the forecast figure.

Satisfactory earnings development

The positive revenue trend in the Group was burdened by higher expenses from operating activities. In addition to higher personnel expenses, the Group's transformation and future projects were the main expense drivers. In addition, amortization and depreciation was significantly higher than in the prior year, due in particular to the acquired right-of-use assets from leases and new intangible assets identified in the course of a purchase price allocation. Impairment losses were also recognized on property, plant and equipment and on a non-consolidated subsidiary, as well as on goodwill, albeit to a much lesser extent than in the prior year. Income from investments accounted for using the equity method led to an improvement. At € 216.6 million, EBIT was at the lower end of the forecast target corridor, despite the significantly higher revenue, and just below the prior-year figure. At 6.3%, the EBIT margin was also in line with expectations, although it remained below the prior-year level (6.9%).

The higher operating performance (up 9.5%) was not carried through to net operating profit after tax (NOPAT). At € 158.8 million, this was almost (up 0.2%) on a par with the prior-year figure of € 158.5 million. Adjusted EBIT reached € 236.7 million in the financial year, and was thus 1.1% or € 2.6 million below the prior-year figure (€ 239.3 million). The adjusted EBIT margin reached 6.9% (prior year: 7.6%). The one-off effects underlying the adjustments are presented in detail in the financial performance.
One-off effects, see page 42

At € 225.0 million consolidated earnings before taxes (EBT) reached the prior-year figure of € 225.1 million. As no additional adjustments for one-off effects were made to EBT, adjusted EBT amounted to € 245.1 million (prior year: € 246.7 million). At 6.6% and 7.1% respectively, the EBT margin and the adjusted EBT margin are both below the prior-year level (7.2% and 7.9% respectively).

Given the large number of transformation and FORWARD projects and the acquisitions in important focus markets, we are satisfied with the development of earnings. Once again, we have used the strength we currently have to invest in our future business development and thus paved the way for a successful future for TÜV SÜD.

At € 1,577.8 million, average capital employed was up € 195.5 million on the prior-year figure of € 1,382.3 million, due to the acquisitions and the increase in assets as a result of numerous investment projects. This was counterbalanced by an increase in other non-interest-bearing liabilities, which was not fully offset by the increase in working capital. As of the reporting date, capital employed likewise showed an increase compared to the prior year (up € 328.8 million).

ROCE is calculated as the ratio of NOPAT to average capital employed. This reached 10.1% (prior year: 11.5%) in the financial year, as the largely stable NOPAT compared to the prior year was offset by a significant increase in average capital employed.

The lower consolidated net income and cash outflow in working capital had a negative impact on cash flow from operating activities. The numerous acquisitions and extensive investment projects were financed from cash flow from operating activities and existing cash and cash equivalents. Cash and cash equivalents at the end of the period were € 219.2 million below the prior-year level. TÜV SÜD continues to enjoy a good credit standing and a good level of liquidity, secured by the syndicated credit line that runs until July 2027.

The average number of employees (FTE average) grew by 6.0%, more than assumed in the 2024 forecast, increasing from 25,023 to 26,529 employees. The increase is due to both the creation of new jobs and the transfer of staff as part of the acquisitions.

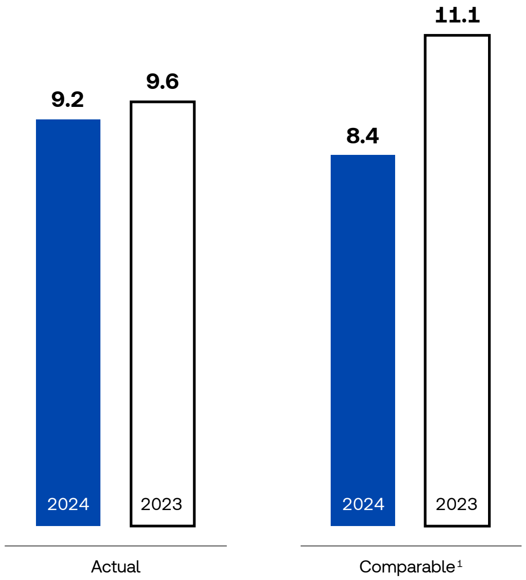
The planning and management of the TÜV SÜD Group is based on International Financial Reporting Standards (IFRSs). The key financial performance indicators defined for the TÜV SÜD Group are not relevant for TÜV SÜD AG in its function as a management holding company and have therefore no informative value.

For explanations in connection with the dam collapse in Brazil, reference is made to the statements in the sections “Compliance and other risks” and “Overall evaluation of the Group’s risk situation”.
Opportunity and risk report, see pages 59 – 65

Financial performance

TÜV SÜD generated **revenue** of € 3,429.0 million in the financial year 2024; this corresponds to an increase of € 289.7 million or 9.2% compared to the prior year. The forecast targets of revenue growth of 4% to 5% and revenue of between € 3,220 million and € 3,360 million were thus significantly exceeded.

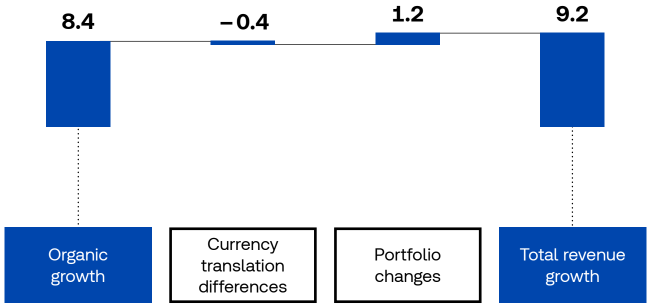
Revenue growth comparable 09
in %



1 Adjusted for exchange rate and portfolio effects.

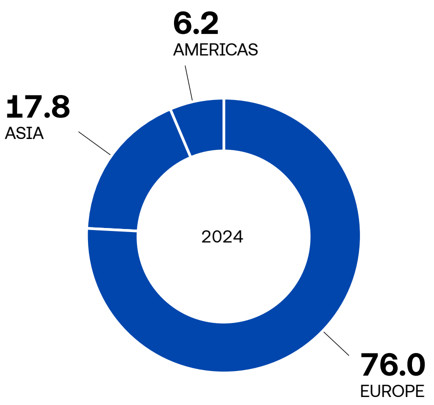
In the existing services business, TÜV SÜD generated organic growth of € 263.4 million or 8.4%. In addition, acquisitions in the financial year boosted revenue growth; the positive contribution from portfolio effects amounted to € 39.3 million or 1.2%. On the other hand, negative currency effects had a negative impact of € 13.0 million (down 0.4%) on revenue development.

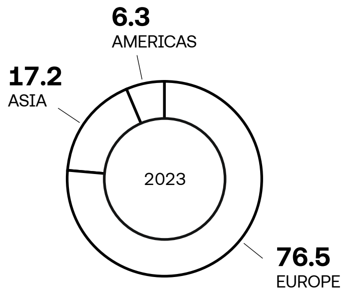
Revenue growth 2024 10
in %



The German companies contributed € 133.2 million to revenue growth, which corresponds to a 46.0% share of total growth (prior year: 70.2%). The larger share of the revenue increase was attributable to the companies based outside Germany, which generated € 156.5 million or 54.0% (prior year: 29.8%) of the revenue increase. The foreign subsidiaries contributed a total of 36.2% (prior year: 36.5%) to the Group’s revenue. Our European home market remains the strongest region in terms of revenue.

Revenue by region 2023/2024 11
in %





Purchased service cost increased by 7.4% or € 31.9 million to € 465.1 million. In Germany, the increase resulted from the positive development of our vehicle management services in the MOBILITY Segment, which are heavily dependent on purchased services. In addition, business development in Türkiye, China and the US led to an increase in subcontracting. The first-time inclusion of the acquired companies in the consolidated financial statements also increased expenses. However, the increase was lower than the growth in revenue so that the ratio of purchased services to revenue fell from 13.8% in the prior year to 13.6%.

Personnel expenses increased from € 1,875.9 million to € 2,056.1 million, which corresponds to an increase of € 180.2 million or 9.6%. The ratio of personnel expenses to operating performance stands at 69.3%, almost the same as in the prior year (69.2%). Expenses for wages and salaries including social security contributions rose by 9.3% compared to the prior year. The increase in the workforce across the Group, collectively bargained wage increases in Germany and the first-time inclusion of the companies acquired in the financial year contributed to this development.

Retirement benefit costs increased in line with the increase in personnel expenses by 9.6% to € 126.4 million (prior year: € 115.3 million). Due to the increase in the workforce in Germany, the employer's contribution to the state pension insurance scheme and the benefits paid to the defined contribution pension funds increased.

The focus on training and development for all employees irrespective of their length of service led to an increase in incidental personnel expenses from € 36.4 million to € 45.6 million.

In the financial year, **amortization, depreciation and impairment losses of intangible assets, right-of-use assets from leases, property, plant and equipment and investment property** reached € 201.2 million, an increase of € 17.8 million compared to the prior year (€ 183.4 million). Amortization and depreciation of € 193.1 million exceeded the prior-year level by 10.3% or € 18.1 million (prior year: € 175.0 million). Of this amount, € 83.8 million (prior year: € 75.7 million) is attributable to the depreciation of right-of-use assets from leases. Due to the lack of capacity utilization of individual testing facilities in China, Thailand and Hungary, one-off impairment losses on property, plant and equipment were required.

In the financial year 2024, **impairment losses on goodwill** of € 2.3 million (prior year: € 15.3 million) were recognized relating to testing activities in the area of the inspection of rail infrastructure in China. In the prior year impairment losses related to our cloud services and digital vehicle valuations in Germany.

Other expenses increased by 6.3% to € 602.3 million (prior year: € 566.6 million). The cost drivers were the transformation and digitalization projects in IT costs and external administrative services, which also include the use of temporary staff. The good order situation and the presence of our employees on site at our customers led to a renewed increase in travel. In addition, travel expenses also increased due to the first time consolidation of the acquired companies in the financial year.

Other income decreased by 30.3% or € 128.0 million to € 89.2 million. The main items are income from currency translation, income from the reversal of provisions – in particular from the reversal of personnel provisions in the financial year – and rental and lease income. The proceeds from the sale of two properties in Germany are also recognized here. At € 8.6 million, government grants received were almost on a par with the prior year (prior year: € 8.5 million).

The **financial result** increased to € 29.9 million in the financial year (prior year: € 28.4 million); this corresponds to an increase of € 1.5 million or 5.3%. In addition to the positive contribution to earnings from investments accounted for using the equity method, this development was supported by the positive net interest income.

Income from investments accounted for using the equity method increased by € 3.5 million to € 23.9 million and was therefore above the prior-year level (€ 20.4 million). The contribution to earnings (€ 22.9 million) from the joint ventures TÜVTÜRK in Türkiye was € 2.7 million above the prior-year figure. The development of earnings reflects the Group's good business performance. Our investment in France, which is accounted for using the equity method, also made a positive contribution to earnings.

Other income/loss from participations decreased by € 3.0 million to € – 2.4 million (prior year: € 0.6 million). This item includes impairment losses on a German non-consolidated subsidiary and dividend distributions.

The interest result improved in the financial year by € 1.5 million to € 8.8 million. At € 7.3 million, the financing balance from pension provisions continues to be positive and was € 2.2 million below the prior-year figure of € 9.5 million. At the same time, additional investments in securities led to higher interest income, while interest expenses from lease liabilities rose to € 13.8 million (prior year: € 11.6 million).

The other financial result amounted to € – 0.4 million in the financial year. This item includes the expenses from the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” to our fully consolidated Turkish subsidiaries as well as currency translation gains/losses from financing measures and the other financial result.

The **income tax expense** increased by € 16.8 million or 34.8% to € 65.1 million. The effective tax rate stood at 28.9% and was thus in line with the expected income tax expense. In the prior year, the effective tax rate (21.5%) was influenced by various one-off effects.

In the financial year, net negative **one-off effects** totaling € 20.1 million (prior year: € 21.6 million) had an impact on the development of earnings. Adjusted EBIT and EBT figures as well as the corresponding margins are more suitable for assessing earnings over time.

One-off effects ≡ 07

in € million	2024	2023
PPA amortization and impairment losses	14.3	13.5
One-off effects, provisions and reversals of impairments	1.1	1.2
Gain/loss on disposal, result from deconsolidation	0.0	-8.4
Impairment of goodwill	2.3	15.3
One-off effects in income from investments accounted for using the equity method and in income/loss from participations	2.4	0.0
With EBIT effect	**20.1**	**21.6**
With EBT effect	**20.1**	**21.6**

We have adjusted the provisions made for the agreed restructuring of a business division in Germany and agreed severance payments as one-off effects in **personnel expenses**.

We adjusted **amortization, depreciation and impairment losses** of € 6.6 million on assets, which we identified in the course of a purchase price allocation (PPA amortization). This item also includes one-off impairment losses on property, plant and equipment of € 7.7 million, which were recognized due to the lack of capacity utilization of individual testing facilities. In the prior year, one-off impairment losses totaled € 8.1 million.

The reversal of provisions recognized for completed restructuring measures and subsequent costs for the disposal of a joint venture were corrected as non-recurring effects in **other income**.

In addition, we adjusted the **impairment losses on goodwill** relating to testing activities in the area of the inspection of rail infrastructure in China. In the prior year, corrections were made for cloud services and digital vehicle valuations.

The non-recurring effect from the impairment of a non-consolidated subsidiary in Germany was eliminated in **income / loss from participations**.

At € 216.6 million, **EBIT** was 0.5% below the prior-year figure of € 217.7 million in the financial year. The EBIT margin fell by 0.6 percentage points to 6.3% compared to the prior year (6.9%), as the significant revenue growth was offset by considerably higher operating expenses. The adjustments of € 20.1 million (prior year: € 21.6 million) resulted in an adjusted EBIT of € 236.7 million. This was 1.1% or € 2.6 million below the prior-year figure (€ 239.3 million) with similar levels of adjustments in terms of value. As a result, the adjusted EBIT margin fell to 6.9% (prior year: 7.6%).

The financial result stood at € 29.9 million in the financial year 2024 and was thus slightly up on the prior-year level (€ 28.4 million). Consequently, **EBT** increased to € 225.0 million and almost reached the prior-year figure (€ 225.1 million). No additional adjustments affecting EBT were carried out in the financial year. Adjusted earnings before taxes decreased by 0.6% or € 1.6 million to € 245.1 million (prior year: € 246.7 million). The return on sales, calculated in proportion to EBT, came to 6.6% in the financial year (prior year: 7.2%). As no additional adjustments were made, it developed in line with the EBT margin and decreased to 7.1% (prior year: 7.9%).

In the financial year 2024, **consolidated net income** amounted to € 159.9 million, falling short of the prior-year figure of € 176.8 million by € 16.9 million or 9.6%.

For further analyses of significant items of the consolidated income statement, we refer to the notes to the consolidated financial statements.

Notes to the consolidated financial statements, notes to the consolidated income statement, see pages 88 – 93

Financial position

Principles of finance management and financial strategy

With our financing activities, we maintain a sound financial profile and ensure that TÜV SÜD has sufficient liquidity reserves to meet its payment obligations at all times. Further objectives of our corporate Treasury function include managing the foreign exchange risk effectively and optimizing interest rates on an ongoing basis. Due to the significant volume of assets outsourced to cover pension obligations, the investment and risk management of these positions is of very great importance to us.

We strive to maintain TÜV SÜD's credit rating firmly in investment grade.

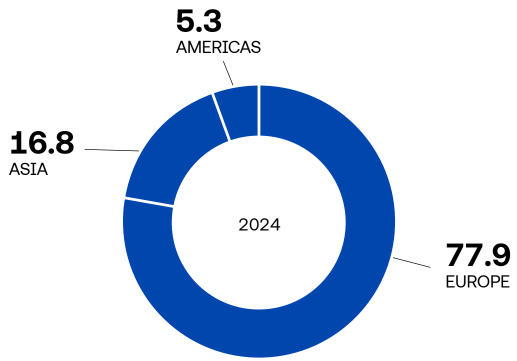
Capital structure

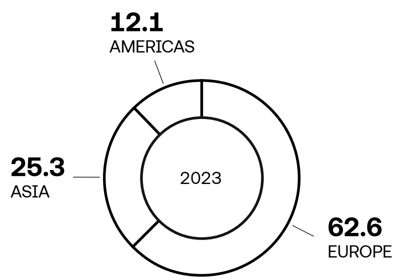
TÜV SÜD finances itself with cash flows from operating activities. The available cash and cash equivalents are supplemented by a syndicated credit line of € 300.0 million, with a term until July 2027, to give us the financial flexibility necessary to reach our growth targets. With this credit facility, the available cash and the annual free cash flow, the company has sufficient liquidity to finance its planned organic and external growth.

Capital expenditures

Excluding business combinations, financial assets and securities, capital expenditures amounted to € 150.5 million in the financial year 2024 (prior year: € 180.5 million).

Capital expenditures 12
in %





In our home market of Germany, we invested € 92.0 million or 61.1% of total capital expenditures, in particular to construct our new "Algorithmus" building on the site of our Group headquarters and to begin modernizing our head office in Munich. We also acquired properties in Filderstadt and Straubing. Further funds were invested in the maintenance of the technical service centers, including the installation of photovoltaic systems. We also invested in the technical equipment of these technical service centers, in the expansion of testing facilities and in furniture and fixtures.

In Europe (excluding Germany), investment activity of € 25.2 million in 2024 focused primarily on expanding the network of technical service centers in Slovakia as well as on equipping testing facilities and on furniture and fixtures at our locations in the UK, Italy and Spain. Resources were also invested in various IT application systems in the UK and in software projects at Domutech in Denmark.

We invested € 25.2 million or 16.8% of the total capital expenditure volume in the ASIA Region. The resources were primarily used to set up and expand testing facilities for electromagnetic compatibility (EMC) in China, Taiwan and India. In India, investments were made in the further expansion of the "Bengaluru Campus." The campus offers testing facilities for electrical safety and EMC as well as for biocompatibility, toxicity and the microbiological testing of medical devices. We also invested in software projects in the Product Service Division in Singapore.

In the AMERICAS Region, we invested around € 8.0 million or 5.3% of our capital expenditures. Here, too the focus was on expanding and modernizing laboratory and testing facilities, particularly capacity for testing batteries for electric vehicles and for EMC and biochemical tests.

A total of € 31.8 million was invested in financial assets in 2024 (prior year: € 2.7 million). These funds mainly comprise loans to TÜV SÜD Pension Trust e. V.

As of the reporting date, there were no material investment obligations.

Liquidity

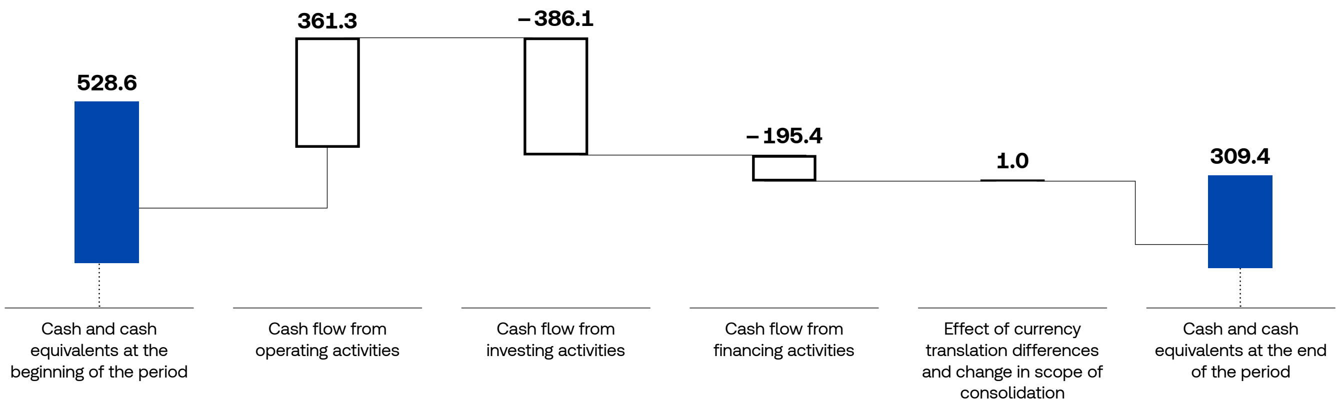
Cash and cash equivalents decreased by € 219.2 million or 41.5% to € 309.4 million by the end of the financial year. This corresponds to 8.6% (prior year: 16.0%) of total assets. The development of cash and cash equivalents in the financial year is presented in detail in the consolidated statement of cash flows.

Notes to the consolidated financial statements, consolidated statement of cash flows, see page 75

The starting point for the cash flow statement is the consolidated net income for the year. This amounted to € 159.9 million in the financial year and was therefore € 16.9 million lower than the prior-year figure (€ 176.8 million).

Losses due to disposals or sales of property, plant and equipment and financial assets or deconsolidations lowered the starting point only slightly (down € 0.2 million). In the prior year, adjustments of € 8.2 million were made, in particular due to the disposal of securities and a subsidiary. The non-cash items amortization, depreciation, impairment losses and reversals of impairments totaled € 205.9 million and were thus € 7.7 million higher than the prior-year figure of € 198.2 million. In addition to amortization and depreciation, impairment losses were recognized on goodwill and property, plant and equipment. An impairment loss was also recognized on a non-consolidated German subsidiary. Other non-cash income and expenses primarily originate from the subsequent measurement of the investments accounted for using the equity method.

Liquidity 13
in € million



In the financial year, changes in the working capital and other assets and liabilities resulted in a cash outflow of € 13.9 million (prior year: cash inflow of € 19.3 million). The favorable business performance led to a higher level of capital tied up in current assets, primarily in trade receivables and contract assets in Germany and China. The liabilities side recorded a slight cash inflow. The decline in trade payables was fully offset by the increase in contract liabilities – particularly in the CERTIFICATION Segment in China – as well as the increase in other provisions and other liabilities. **Cash flow from operating activities** totaled € 361.3 million. This was € 8.3 million or 2.2% below the prior-year figure of € 369.6 million.

Cash outflow from investing activities increased by € 264.5 million to € 386.1 million in the financial year.

Cash paid for investments in intangible assets, property, plant and equipment and investment property of € 159.4 million were € 23.3 million lower than in the prior year (€ 182.7 million). Investments were made mainly in the new “Algorithmus” building in Munich, in technical service centers and testing facilities. Proceeds from the disposal of assets (€ 4.2 million) mainly relate to the sale of property in Germany and the sale of a testing facility in France.

There was a net cash outflow in financial assets due in particular to the granting of various loans, mainly to TÜV SÜD Pension Trust e. V.

While in particular TÜV SÜD AG and its subsidiaries in South Korea and the US invested in securities, money market funds and time deposits, in China and the Middle East money market funds and time deposits were liquidated, resulting in a net cash outflow of € 33.4 million. In the prior year, there was a net cash inflow (€ 56.9 million), after securities in a special fund were liquidated.

The main factor behind the sharp rise in cash outflow from investing activities was the corporate acquisitions during the year of € 160.7 million. The cash paid for the acquisitions in Europe, the US and Singapore in the INDUSTRY and MOBILITY Segments were not offset by any cash received from the disposals of companies.

The external financing of pension obligations increased to € 5.6 million (prior year: € 4.9 million). No extraordinary cash-effective contributions have been made to TÜV SÜD Pension Trust e. V., Munich, and TÜV Hessen Trust e. V., Darmstadt, since 2022, as these pension plans were overfunded.

In the financial year 2024, **free cash flow** – defined as cash flow from operating activities less cash paid for investments in intangible assets, property, plant and equipment and investment property – stood at € 201.9 million (prior year: € 186.9 million). This represents an increase of 8.0% on the prior year. Investments in intangible assets, property, plant and equipment and investment property were financed entirely from the cash flow from operating activities.

Cash outflow from financing activities increased by € 108.7 million to € 195.4 million (prior year: € 86.7 million). The change resulted from the repayment of loans that were transferred as part of the acquisitions in Sweden and the US. Cash paid for the acquisition of additional shares in two consolidated subsidiaries in Germany and the Middle East further increased the cash outflow from financing activities. In addition, repayments of lease liabilities increased due to a larger lease portfolio, including the lease liabilities assumed as part of the acquisition in Sweden. The distribution to TÜV SÜD Gesellschafterausschuss GbR remained unchanged on the prior year, while payments to non-controlling interests increased compared to the prior year due to the improved earnings situation at the corresponding entities.

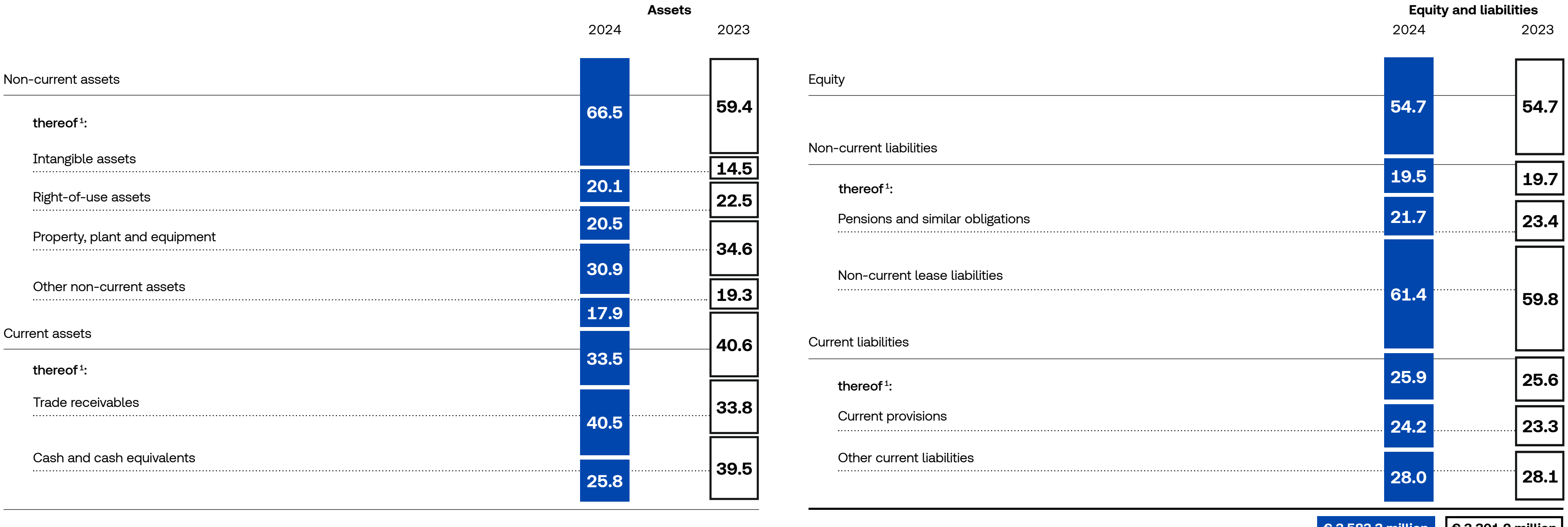
The value of cash and cash equivalents – consisting of checks, cash in hand, bank balances and securities with an original term of less than three months – stood at € 309.4 million as of the reporting date. Including the securities disclosed in other financial assets and in current assets which can be liquidated at any time, TÜV SÜD has cash and cash equivalents totaling € 432.1 million (prior year: € 615.9 million). Further headroom is provided by the syndicated credit line of € 300.0 million, with a term until July 2027.

Financial position

Asset and capital structure

in %

14



1 As a percentage of current or non-current item, not of total assets.

Total assets increased by € 282.1 million or 8.5% to € 3,583.3 million in the financial year 2024 (prior year: € 3,301.2 million).

Non-current assets rose by € 422.1 million to € 2,383.8 million, with the increase being attributable in particular to intangible assets. At the same time, investments in right-of-use assets, property, plant and equipment and financial assets as well as assets from overfunded pension plans increased. **Current assets** decreased by € 140.0 million to € 1,199.5 million, primarily due to lower balances of cash and cash equivalents.

Intangible assets increased by € 194.4 million to € 478.1 million. The increase was primarily due to the acquisitions in Sweden and Denmark and is mainly attributable to goodwill and other intangible assets. In the case of goodwill, we recognized impairment losses of € 2.3 million on testing activities in China.

Right-of-use assets from leases increased by € 46.3 million to € 488.5 million. The total also includes additions from the newly acquired companies of € 26.5 million. Depreciation amounted to € 83.8 million in the financial year (prior year: € 75.7 million).

Additions to **property, plant and equipment** related to investments in the construction, expansion and modernization of buildings and testing facilities in Germany, Slovakia, China and Taiwan, India and the US, with a significant portion of ongoing projects being recorded as assets under construction. An additional increase resulted from the acquired companies, including in Latvia, where we now own a network of technical service centers. At € 15.5 million, investment property is € 10.0 million above the level of the prior year.

Investments accounted for using the equity method increased by € 14.5 million to € 51.2 million. The increase is mainly due to the subsequent measurement of earnings at our Turkish joint ventures TÜVTÜRK taking into account the dividend distributions received.

Other financial assets increased by € 74.3 million to € 86.7 million, in particular due to the acquisition of non-current securities. The effect was further strengthened by the loan to TÜV SÜD Pension Trust e. V. and the acquisition of shares in a non-consolidated subsidiary in Singapore. This was offset by an impairment loss on the shares in a non-consolidated subsidiary in Germany.

Other non-current assets mainly comprise assets from overfunded pension plans (€ 415.7 million).

The decrease in **deferred tax assets** of € 23.1 million to € 101.3 million primarily stemmed from the change in the temporary differences in net pension obligations.

Contract assets increased by € 34.7 million or 21.0% to € 199.6 million. The increase is primarily due to ongoing major projects in the INDUSTRY and CERTIFICATION Segments, particularly in China and Germany. This increase outpaced the increase in revenue.

Trade receivables increased by € 32.9 million or 7.3% to € 485.7 million in 2024. They thus increased at a proportionately lower rate than revenue, which increased by 9.2%. The change was due to the positive development of business, in particular at companies in Germany and China. Days sales outstanding (DSO) averages 54 days (prior year: 55 days) throughout the Group.

Other current assets increased by € 12.8 million to € 172.5 million (prior year: € 159.7 million), in particular due to an advance payment of the usage fee for a software contract in Germany. In addition, advance payments for commissioned fleet management services in Germany also increased. By contrast, money market funds in China and investments in time deposits decreased.

Cash and cash equivalents decreased by € 219.2 million to € 309.4 million. This is thus equivalent to 8.6% of total assets (prior year: 16.0%).

Equity increased by € 154.1 million (up 8.5%) to € 1,958.7 million in the financial year. The increase resulted from the consolidated net income for the year of € 159.9 million (prior year: € 176.8 million), from actuarial gains after taking deferred taxes into account and from the effects of currency translation, including the hyperinflationary effects of our fully consolidated Turkish subsidiaries. Equity, on the other hand, was reduced by the acquisition of minority interests in subsidiaries that were already consolidated and by distributions. The equity ratio remains unchanged compared to the prior year at 54.7%.

Non-current liabilities increased by € 46.7 million and amount to € 697.0 million, largely due to the increase in non-current lease liabilities. **Current liabilities** increased by € 81.3 million to € 927.6 million as a result of the increase in current provisions, contract liabilities and other current liabilities.

At € 151.4 million (prior year: € 152.4 million), **provisions for pensions and similar obligations** remained at the prior-year level. This item includes those defined benefit pension plans whose net pension obligation – i. e., the balance of the present value of the defined benefit obligations and the fair value of the plan assets – was underfunded as of the reporting date (underfunded pension plans). The overfunded pension plans of € 415.7 million (prior year: € 367.3 million) are shown under non-current assets.

In order to extend the external financing of pension obligations in Germany, TÜV SÜD has outsourced operating assets to TÜV SÜD Pension Trust e.V. and TÜV Hessen Trust e.V. under a contractual trust agreement (CTA). The funds are administered by these two associations in a fiduciary capacity, and serve solely to finance pension obligations. The transferred trust funds are to be treated as plan assets, and are therefore offset against pension obligations.

As of the reporting date, the plan assets totaled € 1,859.6 million, of which € 1,643.7 million consists of the assets held in trust by TÜV SÜD Pension Trust e.V., and € 71.5 million of the assets held in trust by TÜV Hessen Trust e.V. The remaining plan assets of € 144.4 million consist mainly of policy reserves of employer's pension liability insurance and assets for pension plans in other countries. Across the entire Group, plan assets increased by € 17.8 million. The increase is attributable in particular to actual gains of € 94.3 million recorded in Germany and other countries, exceeding the pension payments of € 85.4 million. This is counterbalanced by additions to plan assets of € 5.6 million.

On account of the decrease in the defined benefit obligation and the increase in plan assets, the percentage of pension obligations funded by plan assets increased from 113.2% in the prior year to 116.6% as of the reporting date. In Germany, coverage stood at 118.5% (prior year: 115.0%).

For a detailed presentation of the development of pension obligations and plan assets, please refer to the notes to the consolidated financial statements.

Notes to the consolidated financial statements, provisions for pensions and similar obligations, see pages 102 – 109

Other non-current provisions fell by € 5.3 million to € 74.3 million. They include provisions for long-service bonuses and medical benefits. These also include the non-current portion of the provisions in connection with the dam collapse in Brazil.

The € 39.2 million increase in **non-current lease liabilities** to € 428.0 million resulted primarily from additions to real estate contracts from the newly acquired companies of € 21.7 million and, in particular, from additions to leases for buildings in Germany and China.

Other non-current liabilities include agreed long-term purchase price components and retention bonuses for employees in connection with the acquisitions of the financial year.

Deferred tax liabilities increased by € 7.7 million to € 27.3 million. They mainly relate to intangible assets that are recognized as part of purchase price allocations. The change in the financial year was largely due to the acquisitions in Denmark and Sweden during the year.

Current provisions mainly relate to bonus obligations to employees, provisions for legal and advisory costs as well as provisions for restructuring and severance payments in Germany.

Almost half of the € 8.4 million increase in **current lease liabilities** to € 78.2 million is attributable to the property rental contracts of the acquired companies.

The reduction in **trade payables** due to invoicing date effects, particularly in Germany, led to a lower level of trade payables. At € 88.4 million, these are € 13.5 million below the prior-year level (€ 101.9 million).

Contract liabilities increased by € 33.8 million to € 224.5 million, mainly in the CERTIFICATION Segment in China. This development was reinforced by the increase in advance payments received for services still to be rendered for building inspections in the insurance-driven market environment.

Other current liabilities increased by € 22.0 million to € 259.5 million. Among other things, these include obligations to employees for vacation and overtime, as well as obligations for outstanding invoices and current purchase price components. Liabilities from other taxes and liabilities for social security are also included in this item.

Comments on TÜV SÜD AG

In addition to reporting on the TÜV SÜD Group, the financial performance and position of TÜV SÜD AG's annual financial statements in accordance with German GAAP are explained below.

TÜV SÜD AG is the management holding company of TÜV SÜD Group. In the financial year 2024, the Group comprised a total of 39 (prior year: 43) German and 113 international entities (prior year: 103). In addition to providing support to the subsidiaries, TÜV SÜD AG provides other shared services, in particular in the areas of legal, HR, finance and controlling, innovation, organization, sustainability, as well as sales and marketing. Thus, the economic development of TÜV SÜD AG depends on dividend distributions and profit and loss transfer agreements of the subsidiaries, income from the leased real estate, income from investments, income from charges relating to trademarks, offsetting between divisions and regions, charges of company-specific holding services, as well as management and other services.

Financial performance

Income statement of TÜV SÜD AG ≡ 08

in € million	2024	2023
Revenue	**189.2**	**161.7**
Total operating performance	189.2	161.7
Other operating income	19.7	48.5
Cost of materials	– 77.2	– 66.4
Personnel expenses	– 50.7	– 43.8
Amortization, depreciation and impairment losses	– 11.0	– 11.1
Other operating expenses	– 126.2	– 110.8
Financial result	236.9	362.6
Income taxes	– 11.2	– 19.8
Earnings after taxes = net income for the year	**169.5**	**320.9**
Profit carried forward	639.1	320.3
Retained earnings	**808.6**	**641.2**

TÜV SÜD AG's total operating performance increased by € 27.5 million or 17.0% to € 189.2 million in the financial year 2024. The increase is primarily attributable to the cross charging of higher prepaid expenses and income received from trademarks.

Other operating income fell to € 19.7 million, which corresponds to a decrease of 59.4% or € 28.8 million, mainly due to lower reversals of provisions. This item also includes income from insurance reimbursements, currency translation and forward exchange transactions as well as gains from the sale of properties.

The cost of materials includes rental expenses and incidental costs from the real estate portfolio, the costs of operating IT applications as well as insurance premiums and other purchased services. In particular, costs for the operation of IT applications led to an increase in the cost of materials by € 10.8 million or 16.3% to € 77.2 million.

Personnel expenses increased by € 6.9 million or 15.8% to € 50.7 million. This is mainly due to the increase in the number of employees, a collectively bargained wage increase and higher expenses for statutory social security contributions and retirement benefits.

Expenses for amortization and depreciation are at the prior-year level.

Other operating expenses increased by € 15.4 million or 13.9% to € 126.2 million. This was due to increased legal and consulting expenses, including expenses for ongoing transformation and future projects, as well as higher expenses for basic and advanced training. This item also includes maintenance costs, currency translation expenses and operating and administrative costs.

The financial result fell by € 125.7 million or 34.7% to € 236.9 million. This is mainly due to lower earnings contributions from subsidiaries with profit and loss transfer agreements, lower dividend income and the decrease in the result from plan assets.

The lower earnings contributions from subsidiaries with profit and loss transfer agreements (€ 146.0 million; prior year: € 188.9 million) and the likewise lower income from profit distributions of € 35.7 million (prior year: € 120.1 million) reduced income/loss from participations compared to the prior year. The lower expenses (€ 8.9 million; prior year: € 9.2 million) from the absorption of losses and lower impairment losses on shares in affiliated companies were unable to compensate for this development. Our Turkish joint ventures, TÜVTÜRK, once again made a positive contribution to earnings (€ 13.4 million; prior year: € 10.8 million).

Income and expenses related to the CTA are presented net in the interest result. CTA investments generated income of € 49.7 million (prior year: income of € 80.6 million) in the financial year. Expenses of € 0.7 million were realized from currency hedging transactions in the financial year.

The operating result, defined as earnings before taxes and the financial result, totaled € –56.2 million and was thus below the prior-year figure of € –21.9 million.

Income tax expenses amounted to € 11.2 million (prior year: € 19.8 million). The decrease is mainly due to the lower profit contributions from subsidiaries with profit and loss transfer agreements.

Overall, this resulted in net income for the year of € 169.5 million, compared to net income for the year of € 320.9 million in the prior year.

The TÜV SÜD Group is managed on the basis of performance indicators. The underlying data were determined in accordance with IFRS and are therefore not relevant for the separate financial statements of TÜV SÜD AG as the parent company of the Group. Financial and non-financial performance indicators and forecasts of these indicators are of lesser significance to TÜV SÜD AG as the parent company of the Group. However, this does not affect the need to comply with the relevant legal requirements.

TÜV SÜD AG's net result for the year in accordance with German GAAP is primarily influenced by the financial result, which depends on the interest rate as well as on the profit distributions from subsidiaries.

Financial position

Statement of financial position of TÜV SÜD AG ≡ 09

in € million	December 31, 2024	December 31, 2023
Assets		
Intangible assets	12.5	17.6
Property, plant and equipment	182.8	136.6
Financial assets	1,215.5	967.0
Fixed assets	**1,410.8**	**1,121.2**
Receivables and other assets	135.4	78.7
Securities	148.3	368.2
Cash and cash equivalents	32.0	39.2
Current assets	**315.7**	**486.1**
Prepaid expenses	**14.7**	**4.4**
Excess of covering assets over pension and similar obligations	**181.3**	**135.8**
Total assets	**1,922.5**	**1,747.5**
Equity and liabilities		
Capital subscribed	26.0	26.0
Capital reserve	124.4	124.4
Revenue reserves	405.1	405.1
Retained earnings	808.6	641.2
Equity	**1,364.1**	**1,196.7**
Tax provisions	30.1	30.3
Miscellaneous provisions	72.3	71.1
Provisions	**102.4**	**101.4**
Liabilities	**456.0**	**449.4**
Total equity and liabilities	**1,922.5**	**1,747.5**

In fixed assets, the value of intangible assets decreased due to the amortization of a software license agreement. Property, plant and equipment increased significantly due to investments in land, buildings and assets under construction. The resources were mainly invested in a new administration building in Westendstrasse, Munich, as well as in technical service centers. In addition, properties were acquired in Germany in Filderstadt and Straubing. The acquisitions made in Denmark and Sweden during the financial year mainly increased financial assets. Investments in securities and the granting of a loan contributed further to this increase.

Receivables and other assets increased by € 56.7 million to € 135.4 million, mainly on account of receivables from affiliated companies arising from in-house cash transactions (cash pool) as well as from current loans and trade receivables.

The portfolio of securities held as current assets decreased after the funds were partly used to finance the acquisitions and investments were also made in securities held as fixed assets.

Prepaid expenses include in particular the advance payment of the usage fee for a software contract.

The excess of covering assets over pension and similar obligations amounted to € 181.3 million and was therefore € 45.5 million higher than in the prior year.

At € 30.1 million, tax provisions were almost at the prior-year level (€ 30.3 million).

At € 72.3 million, other provisions remained almost unchanged compared the prior-year figure of € 71.1 million. This includes provisions for various liability risks as well as for advisory and legal costs.

Liabilities increased by € 6.6 million and stood at € 456.0 million at the end of the financial year, mainly as a result of higher liabilities to affiliated companies as a result of in-house cash transactions (cash pool). By contrast, loan liabilities were reduced by repayments. Trade payables also decreased by € 15.1 million to € 13.0 million.

Cash flows and capital structure

The financial management of TÜV SÜD AG aims to maintain solvency and continuously optimize liquidity.

At € 32.0 million, cash and cash equivalents are € 7.2 million below the prior-year level (€ 39.2 million). At year-end, securities held as current assets amounted to € 148.3 million (prior year: € 368.2 million). In the financial year, the existing cash and cash equivalents, the liquidity from the sale of securities held as current assets and the current income from operating activities were mainly used for acquisitions and investments in securities held as fixed assets. Cash received stems from payments from subsidiaries from current business, which flowed to TÜV SÜD AG via the cash pool, as well as pension reimbursements from TÜV SÜD Pension Trust e. V.

Equity increased by € 167.4 million to € 1,364.1 million. This increase corresponds to the net income for the year of € 169.5 million less the dividend payment of € 2.1 million to TÜV SÜD Gesellschafterausschuss GbR, Munich. Together with the profit brought forward from the prior year, retained earnings come to € 808.6 million.

Total assets increased by € 175.0 million to € 1,922.5 million. The equity ratio increased from 68.5% to 71.0%.

Overall statement on TÜV SÜD AG's situation

The Board of Management's expectations regarding the development of plan assets were roughly achieved in the 2024 reporting year. The general business development of TÜV SÜD AG was satisfactory.

Going forward, TÜV SÜD AG will continue to depend on the business development of its subsidiaries. In addition, TÜV SÜD AG's earnings are influenced by external factors such as the discount rate for pension obligations and covering assets. The Board of Management of TÜV SÜD AG expects the financial position and cash flows to remain stable in the future. The dividend distribution in the same amount is considered to be secured for the coming years.

Segment report

All of TÜV SÜD's segments continued to grow and contributed almost as much to revenue as the prior year – a development with which we are particularly satisfied.

INDUSTRY

We combine a wide range of services in the INDUSTRY Segment ranging from plant safety and services for the chemical and petrochemical industries to technical risk analysis and assessment and the inspection of buildings and rail vehicles. Organizationally, the functional safety inspection of lifts also belongs here.

The key topics of the segment are digitalization and sustainability. We are therefore continuously expanding our range of services to include digital inspection services and asset integrity management solutions, as well as services that cover the entire lifecycle of buildings. As systems become more interconnected, functional safety and cybersecurity are becoming increasingly important. At the same time, sustainability-related services are gaining in importance for our customers. These services focus on decarbonization and climate protection, the challenges of the energy transition and the use of renewable energies, particularly hydrogen. There is also a focus on sustainability certifications, for example for buildings. We are also continuing to develop our customer portals to improve the digital customer experience.

Geopolitical tensions, economic policy uncertainty, the increasing shortage of skilled workers and location-specific problems in our home market Germany continued to pose challenges for many of our customers in the financial year. The number of insolvencies increased in sectors with high energy and raw material consumption and strong international dependencies in the supply chains. Due to the political and economic uncertainty, the reluctance to invest persisted. However, catch-up effects were also seen, such as in the rail sector, where projects had been postponed in the prior year.

The aforementioned factors influenced business activities in the INDUSTRY Segment and the development of our business models. This once again shows how important it is to continuously review and develop our service portfolio. We are countering the effects of the difficult underlying conditions on our business using cost optimization programs and the targeted use of digital solutions. We were also able to push through price increases in selected market areas in 2024. We also benefited from the acquisitions in the financial year. These include A-Reliance, a provider of inspection services for lifts and escalators, and Domutech, a provider of building inspections, energy certificates and AI-driven solutions for property owners and the real estate industry. We also strengthened our sustainability certification offering in the US.

The INDUSTRY Segment's 7,884 employees (FTE average) generated revenue of € 1,138.2 million in the financial year, equivalent to a third of consolidated revenue. The 10.2% increase in revenue, or € 105.2 million, was in line with our expectations.

With a share of revenue of just under 60%, the **Industry Service Division** made the largest contribution to segment revenue. A revenue increase of nearly 8% was achieved in the financial year. Our range of services relating to renewable energies, our traditional environmental technology business and our sustainability-related services showed the strongest percentage growth in the division. Demand was particularly strong for services relating to carbon management, hydrogen and energy efficiency with the majority of growth seen in Asia. Revenue from independent technical risk assessments and analyses continued to grow worldwide. Our plant safety services also recorded above-average growth and thus made the largest contribution to the division's revenue growth in absolute terms. Business in services for the chemical and petrochemical industry as well as services for technical construction supervision, energy generation and quality management showed stable revenue growth in a market environment impacted by high energy prices. Positive momentum came in particular from the Asian region and Türkiye, where we supported international investment projects and major customers.

The **Real Estate & Infrastructure Division** generated around 40% of the segment revenue. A revenue increase of around 14% was achieved in the financial year. The division thus generated the largest share of the segment's sales growth, both in percentage and absolute terms. The strongest revenue growth in percentage terms was once again recorded by the lift inspection business. Digital products such as the Lift Manager and cybersecurity services are a growth area. The newly acquired company A-Reliance, with which we have strengthened our capacity for lift and escalator inspections in Singapore, also contributed to this growth.

Our building appraisal services contributed the highest revenue share in the division in absolute terms. Growth was driven by building inspections in the insurance-driven market environment. The acquisition of the Danish company Domutech enabled us to open up Northern Europe as a further market in addition to the Middle East. The international revenue generated from sustainability certifications for new and existing buildings became even more important due to the acquisition of two companies in the US market. There was also good demand for the other services offered in the building sector. The project and inspection business in the rail sector also recorded revenue growth, primarily in the European market. Revenue from validation and inspection services for rail vehicles also increased in India, while business in the Chinese market remained stable on the whole.

The higher revenue base was offset by increased personnel expenses. In addition, the Real Estate & Infrastructure Division recognized an impairment loss on goodwill from testing activities in the area of the inspection of rail infrastructure in China. Personnel expenses increased in particular due to the increase in personnel in the segment as well as the collectively bargained wage increases agreed in Germany and provisions for the restructuring of a business area in Germany. Despite these factors, EBIT in the INDUSTRY Segment amounted to € 106.5 million, and was thus up 5.3% on the prior-year figure of € 101.1 million. Our expectations for EBIT development were therefore met and the EBIT margin was also in line with expectations at 9.4% (prior year: 9.8%).

Segment assets increased by € 117.4 million to € 633.6 million (prior year: € 516.2 million). The increase resulted from the acquisitions in Singapore, Denmark and the US during the year. This development was also bolstered by the higher level of trade receivables as of the reporting date, which is attributable to the positive business development.

Investments of € 15.0 million were made in the expansion and equipping of testing facilities, the development of technology-supported solutions for residential and commercial properties and the further digitalization of our testing services, among other things.

MOBILITY

The automotive industry is going through a period of profound change. The challenge facing the industry is to manage the technological transition from the internal combustion engine to alternative drive technologies and highly automated vehicles and to create competitive products and solutions. The main driver of this development is China, where the technology shift to battery electric vehicles in particular is progressing rapidly. While digitalization and the use of AI in vehicles place high demands on the use and security of vehicle and customer data, the production, maintenance, use and disposal of vehicles must be as sustainable as possible. Regulatory requirements are being introduced for both aspects – digitalization and sustainability – in the various production and sales markets. Geopolitical uncertainty and rising protectionism are also weighing on the market.

The MOBILITY Segment supports customers in successfully managing this transformation process. The focus of our services remains on making mobility safe. In order to be able to continue to guarantee safety, we are optimizing and digitalizing our inspection processes and expanding and internationalizing our service portfolio.

The core business includes services relating to roadworthiness tests and exhaust-gas analyses, driver's license tests and damage assessment reports for corporate and private customers. We perform these activities in Germany, Austria, Spain, Slovakia and Türkiye in a government-regulated environment. The acquisition of the Swedish Carspect Group, which provides vehicle inspection services in Sweden, Estonia and Latvia, continued the internationalization of our core business in the financial year.

The range of services for the automotive industry is aimed at manufacturers, suppliers, car dealers and lease companies as well as insurance companies, and includes, among other things, services relating to homologation, remarketing and highly automated driving.

In the MOBILITY Segment, the 6,971 employees (FTE average) generated revenue of € 1,181.5 million, corresponding to slightly more than a third of consolidated revenue. The overall revenue increase amounted to € 108.5 million or 10.1%, exceeding our expectations. Significant drivers of this development were the fee increases in the regulated core business in Germany and the acquisition of the Swedish Carspect Group.

In addition to the increase in fees in the regulated market for roadworthiness tests in Germany, volume effects also contributed to revenue growth. For example, 6.3 million roadworthiness tests were carried out in Germany. A revenue increase was also realized in driving license tests due to fee increases.

We only offer medical-psychological services in the field of human diagnostics in Germany. A decline in demand was recorded here due to the partial legalization of cannabis in April 2024.

Outside Germany, we benefited from the acquisition of the Swedish Carspect Group, which provides vehicle inspections in Sweden, Estonia and Latvia. The acquisition significantly increased the international market share in this area. In Türkiye, our activities continued to be heavily impacted by hyperinflation; the number of roadworthiness tests carried out nevertheless continued to rise and led to an increase in revenue. The expansion of our network of technical service centers in Slovakia provided further impetus for growth. The number of roadworthiness tests carried out on the Spanish market also continued to rise.

Our services in the industrial sector continued to experience good demand in Germany, while we recorded strong growth in China. Revenue drivers were in particular our services relating to highly automated driving and electric vehicles, which were in demand from Chinese car manufacturers for vehicles intended for the European market.

The positive revenue trend continued into earnings, but was reduced by higher expenses for purchased services and personnel along with higher amortization and depreciation. The higher personnel expenses were due to the increase in the workforce in the segment and the agreed collective wage increases in Germany. In certain regions, a partner office network (PTI partner model) is used in the MOBILITY Segment for the provision of roadworthiness tests and exhaust-gas analyses services. The ratio of purchased services to revenue in the segment therefore stands at 19.6% (prior year: 19.5%), which is above the group-wide average of 13.6%. The increase in amortization and depreciation was mainly due to the hyperinflation impact in fixed assets in Türkiye and the depreciation of right-of-use assets from leases and assets identified as part of a purchase price allocation at the Carspect Group. Likewise, higher expenses for setting up the technical service centers in Slovakia and the loss of earnings in connection with the partial legalization of cannabis in Germany reduced earnings. An impairment recognized on a non-consolidated subsidiary in Germany also had a negative impact on earnings. By contrast, the further increase in income from investments accounted for using the equity method, which includes the business development of our joint ventures TÜVTÜRK, had a positive effect on EBIT development. Total EBIT amounted to € 106.8 million. This corresponds to an increase of 4.6% or € 4.7 million compared to the prior year. The expected corridor was therefore not reached; however, the EBIT margin was in line with expectations.

Segment assets increased by € 215.7 million to € 715.4 million (prior year: € 499.7 million), mainly due to the acquisition in Sweden, capital expenditures and higher trade receivables.

In 2024, € 32.2 million was invested in the modernization of the technical service centers in Germany and the expansion of the network of technical service centers in Slovakia. Funds were also invested in a new training center and a laboratory-like technical service center in Germany.

CERTIFICATION

We have pooled our standardized testing and certification services for consumer and industrial goods and for medical products in the CERTIFICATION Segment. The services for the certification of management systems and cybersecurity as well as the Academy business are also organized here.

The digital transformation and the efforts for greater sustainability are changing the business models of our customers and therefore also the basis of our business. Connected and sustainable products, developments in the field of medical products, alternative powertrains or renewable energies are opening up additional areas of growth for us. This is especially true as systems and business models become increasingly connected, resulting in turn in more and more sensitive data and growing cyber threats. New regulations – for example on supply chains, sustainability reporting or information security – need to be understood, complied with and verified. We have responded to these market requirements with various services. We offer training, consulting and, in certain areas and regions, verification and confirmation services.

We support our customers worldwide in transforming their business models and enabling them to access global markets with efficient and optimized processes, the use of digital solutions, and the development of innovative services for greater sustainability and cybersecurity. We render our services in our testing facilities and training centers, virtually or on site at our customers.

The CERTIFICATION Segment was also not immune to the difficult underlying geopolitical conditions. The resulting shifts in supply chains and the focus on local value creation led to changes in customer requirements, combined with general consumer restraint. The determining factors for economic success in the segment are the introduction of new rules and regulations as well as the high rate of repeat audits in the area of management systems due to the audit cycle.

We are using our international orientation and comprehensive range of services to focus even more firmly on the requirements of local customers despite the existing challenges in the regional markets. The significantly expanded offering of online and remote services, which continued to be in high demand in the financial year, has provided us with additional support in this endeavor.

There were 9,280 employees (FTE average) in the CERTIFICATION Segment in the financial year. They generated € 1,122.2 million, almost a third of consolidated revenue. Revenue growth came to € 71.6 million or 6.8% and thus fell short of our expectations.

The **Product Service Division** generated revenue growth of around 8% in the financial year and contributed a total of 70% to segment revenue. A renewed increase in demand was seen for consumer goods services, following a decrease in revenue in the prior year. In Germany and the European Economic Area in particular, the easing of inflationary pressure had a positive effect on customer demand. As a result, imports from China picked up again, which benefited our local business. The positive sales trend received additional impetus from the realignment of the business in terms of customers and services as well as our focus on the requirements of the regional Chinese, Indian and South East Asian markets. The testing and certification services business for industrial goods also recorded revenue growth. Revenue drivers here in particular were the future topics of electromobility (with the testing of batteries for electric vehicles) and renewable energies. The latter focuses in particular on services for components for hydrogen systems, photovoltaic and storage technology. The key markets here are Germany, the US and Northern Asia. Following the expiry of government subsidies to promote electromobility in Germany, German battery testing facilities have seen a noticeable decrease in revenue, while demand in China has risen. Our services relating to machine safety and cybersecurity products were also in high demand, not least because TÜV SÜD is the first notified body for the new EU Machinery Directive. By contrast, demand for medical device certifications cooled noticeably after the transitional periods for the introduction of the European Medical Device Directive (MDR) were extended. At the same time, our testing services for biocompatibility, chemical characterization, electrical and electromagnetic compatibility and cybersecurity of medical devices gained in importance.

The **Business Assurance Division** recorded a revenue increase of around 4% in the financial year, accounting for 30% of segment revenue. Our services relating to quality, environmental, energy and IT security management systems continued to account for the majority of the division's revenue. A significant increase in revenue resulted from the recurring audits pursuant to ISO 9001, ISO 14001 and ISO 45001, which were due to be carried out in the financial year. The certification of energy management systems in accordance with ISO 50001 and information security standards such as TISAX and ISO 27001 was increasingly in demand around the world in order to document the implementation of the changed requirements. Demand for ancillary certification services developed well in the food sector, but fewer supplier audits were commissioned. Cyber Security Services recorded the highest percentage growth in the division with services such as data protection consulting, cybersecurity audits and penetration tests. The academy business, on the other hand, was unable to continue the growth trajectory seen in the prior year, in which pandemic-related catch-up effects due to the resumption of face-to-face training had an impact. The international training business in the US, India, China, Italy and Singapore developed positively. The expansion of the digital offering, including e-learning and subscription-based knowledge services, was continued, and the range of training courses on the topic of sustainability was also significantly expanded.

The segment's positive revenue trend continued into earnings despite higher expenses for personnel and purchased services as well as increased amortization, depreciation and impairment losses. The hiring of external speakers to conduct training courses, which is common in the academy business, has a significant impact on the development of purchased services in the segment. In the financial year, purchased services developed at a slower rate than revenue; the ratio of purchased services to revenue fell slightly to 14.0% (prior year: 14.1%). Personnel expenses increased due to the general increase in the workforce in the segment and as a result of collective wage increases in Germany. Necessary impairments on testing facilities led to an increase in amortization, depreciation and impairment losses. However, in contrast to the prior year, the further development of earnings was not burdened by significant impairment losses on goodwill.

EBIT in the CERTIFICATION Segment significantly exceeded the targeted corridor at € 64.1 million corresponding to an increase of 56.3%. Nevertheless, the EBIT margin did not reach the expected range.

The € 12.2 million increase in segment assets to € 652.7 million was due entirely to the development of contract assets and trade receivables; fixed assets in the segment remained almost unchanged.

The investment volume in the segment amounted to € 40.6 million. The focus was on the establishment and expansion of testing facilities, for example in Italy and India, while facility capacities in Germany, Taiwan and China, for example for EMC testing and charging infrastructure, were expanded.

OTHER

The corporate functions are combined in OTHER. Revenue amounted to € 42.1 million in the financial year.

EBIT of the OTHER Segment amounted to € – 61.7 million in the financial year and was therefore below the prior-year figure (€ – 25.1 million), as the increase in revenue was fully offset by higher personnel expenses. Segment assets grew by € 69.8 million in 2024, reaching € 614.7 million (prior year: € 544.9 million). This is attributable in particular to ongoing construction projects at the group headquarters in Munich.

For an overview of the development of revenue in the segments, including OTHER, and in the regions, please refer to the segment reporting in the notes to the consolidated financial statements.

Notes to the consolidated financial statements, segment reporting, see pages 122 – 123

Non-financial performance indicators

Employee report

The motivation, expertise and individual skills of our employees lay the foundation for TÜV SÜD's success, both today and in the future.

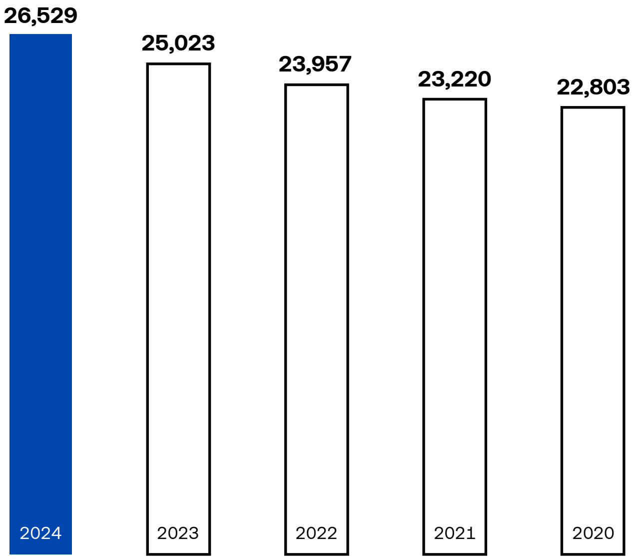
Personnel strategy

With our HR strategy, we are creating the conditions for continued successful development in future. The three main strategic initiatives focus on attracting and developing talent, improving the daily work experience for employees, and creating and fostering the competencies of our specialist staff and managers. In order to support these initiatives, we rely on the digitalization of standard processes as well as the close and trusting cooperation of HR employees with their internal business partners. At the same time, we are developing instruments to attract and retain employees and enable their achievements to be recognized. Last but not least, we are developing key competencies in the area of human resources and are constantly working on simplifying internal structures. In this way, we want to create the conditions for prevailing over the global competition and attracting the best talent so as to successfully master the challenges facing TÜV SÜD arising from new technologies and market developments.

Changes in headcount

At year-end 2024, TÜV SÜD employed nearly 30,000 people (prior year: almost 28,000), of which more than half worked outside Germany.

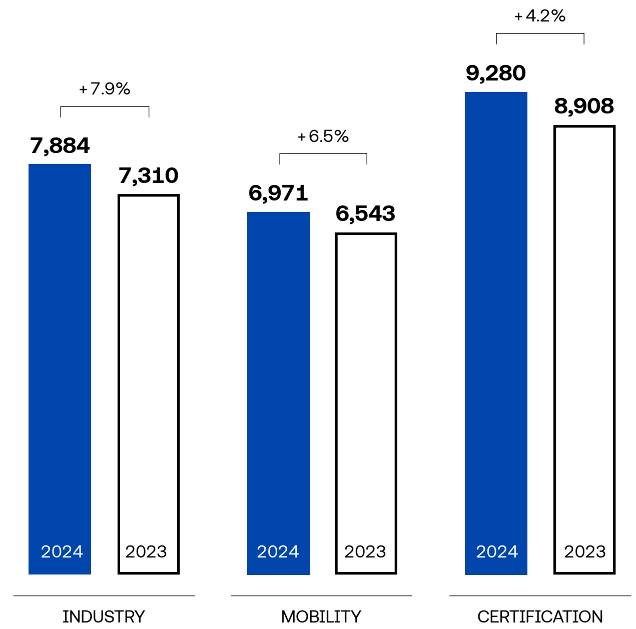
Changes in headcount 15
Employee capacity on an annual average



The average headcount in 2024 was 26,529 (FTE average), up 6.0% on the prior year (25,023 FTEs). Growth therefore exceeded the expected range. There was an increase of 4.3% in Germany, while outside Germany the increase was 7.6%.

As of December 31, 2024, TÜV SÜD employed 27,640 people (FTE average; prior year: 25,728). Employment capacity in Germany increased by 488 jobs and there were an additional 1,424 jobs created outside Germany as of the reporting date. No jobs or capacity were cut in 2024 (prior year: 36 jobs on disposal of a company).

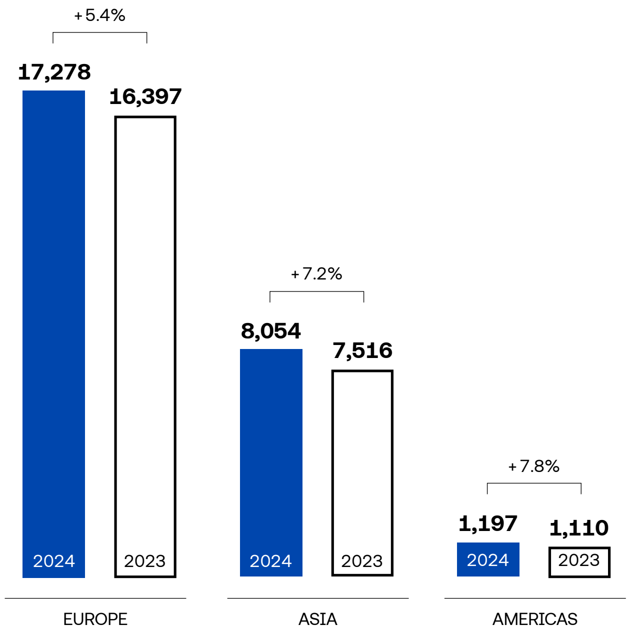
Changes in employee capacity 2023/2024 by segment[1] 16
on an annual average



1 Excludes OTHER.

The INDUSTRY Segment continued to expand its workforce in 2024, particularly in Germany, India and South Africa. The new acquisitions in Singapore and Denmark also contributed to the increase in personnel. The rise in headcount in the MOBILITY Segment resulted predominantly from new hires in Germany and the acquisitions in Sweden. The CERTIFICATION Segment continues to have the most employees and continued to expand capacity in testing facilities as well as in the area of medical devices with a focus on Germany, China and India.

Changes in employee capacity 2023/2024 by region 17
on an annual average



Looking at the regions, there has been a general increase in the number of employees. The EUROPE Region employed 5.4% more people than in the prior year (3.2%). Our home market of Germany accounted for most of the new hires. In the ASIA Region, the increase in headcount was largely stable compared to the prior year (prior year: 7.0%), while the AMERICAS Region recorded strong growth at 7.8% (prior year: 6.4%).

Further relevant non-financial indicators

The group-wide proportion of women at the first level of management below the Board of Management rose to 12.5% (prior year: 7.5%). At 15.2%, the proportion of women one management level below was also above the prior-year level of 14.9%. Group-wide, the proportion of women increased slightly to 33% (prior year: 32%), with the proportion at TÜV SÜD's international locations of 35% (prior year: 35%) again higher than in Germany (30%; prior year: 30%).

A balanced age structure of the workforce is also crucial for TÜV SÜD in order to retain knowledge in the company and build up experience. The average age of our employees in Germany is around 44 (prior year: 44), making them older than their colleagues in other countries (40; prior year: 39). At eleven years (prior year: eleven years), the average period of service in the company is also higher in Germany than the seven years in other countries (prior year: seven years).

At 13.3%, the employee turnover across the Group was higher in 2024 than in the prior year (12.6%). In Germany, employee turnover decreased to 8.3% (prior year: 9.5%). By contrast, an increase to 18.2% was recorded outside Germany (prior year: 15.7%).

In line with our expectations, most non-financial indicators remained virtually stable in the financial year. The share of female employees and women in managerial positions continued to increase. The number of hours spent on training in 2024 was approximately at the prior-year level. In the financial year 2024, our employees attended a total of around 129,237 days of basic and advanced training (prior year: approx. 131,100 days), corresponding to an average of around 34 hours of training per employee (prior year: 38 hours of training). We have thus almost achieved the target of an average of 35 hours of training per employee by 2026 despite the sharp increase in personnel in the financial year 2024.

Opportunity and risk report

Dealing responsibly with risks and opportunities is key to our success. For this reason, TÜV SÜD Group uses an internal control system and a comprehensive risk management system to identify and proactively manage the risks and opportunities arising from our business activities.

Integrated internal control and risk management system for the financial reporting process

The financial reporting internal control and risk management system plays a decisive role in the financial statements of TÜV SÜD AG and the TÜV SÜD Group. It comprises measures designed to ensure complete, correct and timely submission of the information necessary to prepare the separate financial statements of TÜV SÜD AG and the consolidated financial statements and combined group management report. These measures are intended to minimize the risk of material misstatement in the books and records as well as in external reporting.

The TÜV SÜD Group has a decentralized accounting organization. Affiliated companies handle accounting tasks independently and at their sole responsibility or transfer them to regional shared service centers.

The TÜV SÜD IFRS accounting guidelines ensure uniform recognition and measurement of transactions and the exercise of options on the basis of the rules applicable to the parent company. These include in particular specific instructions on applying statutory provisions and dealing with industry-specific matters. They also detail the components and contents of the financial reporting packages to be prepared by the Group companies, as well as the guidelines for reporting and processing internal transactions.

Control activities at Group level include analyzing the financial reporting in the reporting packages prepared by the subsidiaries. This takes into account the reports presented by the independent auditor and the results of the closing discussions with representatives of the individual affiliated companies. During the closing meetings, the plausibility of the separate financial statements and critical individual matters at selected subsidiaries are discussed. In addition to plausibility checks used in the preparation of the separate and consolidated financial statements of TÜV SÜD AG, other control mechanisms include the clearly defined segregation of responsibilities and the dual control principle. Moreover, the financial reporting internal control system is also independently audited by the Group's Internal Audit function in Germany and abroad and assessed by the Group's independent auditor.

Risk management system

As an operational component of the business processes, the risk management of the Group is geared toward identifying potential risks at an early stage and in a structured manner and assessing their extent. Along with the impact on the financial performance and liquidity, the impact on non-financial indicators such as strategic goals or the company's reputation are also taken into account in the risk analysis. Bids are reviewed of the basis of a set of criteria, including potential reputational risks, during the contract acceptance process. In this way, appropriate countermeasures can be taken in a timely manner against pending damage to the company and any potential risk to the company's ability to continue as a going concern can be identified at an early stage where possible.

As part of the continuous development of our risk management system, risks relating to sustainability and climate change are also analyzed and taken into account. In doing so, we also recognize the impact of our business activities on society and the environment. However, as a service company, we are affected by transformation risks to a far lesser extent than industry and manufacturing companies.

The aim of our risk management process is to optimize TÜV SÜD's opportunity and risk profile by creating transparency and using active management. The risk management process forms a connection between the strategic and financial targets and is described in greater detail in the risk management policies. The transparent presentation and ongoing monitoring of the cause-and-effect cycle of the risks that have been identified and the measures that have been taken allow us to take manageable risks. The risk-bearing capacity, risk tolerance and risk appetite of TÜV SÜD set the framework for this.

Risk management process 18

Risk management process

We identify risks and opportunities based on commonly used standards. The categories for risks and opportunities have been adapted to suit the needs of TÜV SÜD. The risks are assessed on a standardized basis throughout the Group according to the potential loss amounts and likelihood of occurrence. When assessing qualitative risks, we also take into account, among other things, their potential impact on the achievement of corporate goals, TÜV SÜD's reputation as well as the sustainability goals targeted by TÜV SÜD.

The risk situation of the company is continuously recorded, evaluated and documented as part of the risk management system. Events that could give rise to a risk are identified and assessed during regular surveys and local risk workshops in the divisions, regions as well as in the subsidiaries. Suitable countermeasures are initiated without delay and their impact assessed over time. Risk Committees have been set up at the division level, and there is also a Corporate Risk Committee for group-wide issues. These committees convene every quarter to analyze and evaluate the situation with respect to risks and opportunities, and to discuss corresponding measures. Local implementation of the measures is monitored by those responsible for the measures.

The results of risk management are factored into budgeting and controlling. The strategic risks relevant for TÜV SÜD are addressed and assessed as a part of the internal processes for strategy implementation. Together with targets agreed in the planning discussions, these are subject to ongoing review during the revolving revisions to planning. At the same time, the results of the measures already implemented for risk management are promptly included into the forecasts for further business development. In this way, the Board of Management also receives an overall picture of the current risk situation during the year via transparent reporting channels.

Reporting on identified risks and implemented counter-measures is firmly anchored in the Group's leadership process. Risk and opportunity reports are submitted to the Board of Management, the Audit Committee and Supervisory Board on a quarterly basis. Over and above these standardized reporting processes, significant issues are communicated via internal ad hoc reports.

The procedural rules, guidelines and instructions are recorded systematically and are available in a digital format for all TÜV SÜD employees. Compliance with these regulations is ensured by internal controls and must be confirmed annually by executives. Training is also available for employees involved in the risk management process. This is regularly adapted to the changing environment and new requirements.

The independent auditor annually verifies the procedures and processes implemented for the early warning system for the detection of risks.

Risk report

The main risks to which TÜV SÜD is exposed in its business activities are addressed in the internal reporting to the Board of Management, Audit Committee and Supervisory Board. Significant risks affecting earnings or cash are always reported here, but at least the top 10 risks. Qualitative risks are also considered in the analysis as soon as the net risk position is deemed to be worthy of reporting.

The top 10 risks arising from the largest risks affecting earnings add up to a weighted net risk of around € 48 million, a manageable risk position for the size of the company in relation to equity and earnings. By weighted net risks, we mean the gross value of a risk less identified counter-measures, weighted by its probability of occurrence. In the prior year, the weighted net risk of the top 10 risks amounted to around € 12 million.

The MOBILITY Segment has six top 10 risks with a weighted net risk of € 20 million. Two top 10 risks with a weighted net risk of € 16 million are managed in the Group. There are also two top 10 risks in the CERTIFICATION Segment with a weighted net risk of € 12 million.

Significant qualitative risks with a potential risk volume of more than € 5 million could arise from our activities in areas that are no longer attractive to our customers in the future. This may be the case, for example, if economic, regulatory and political conditions in the market change. Further risks may arise if investments made to date cannot be recouped as a result of new market developments or if new business areas cannot be tapped due to conflicts of interest with the existing accredited business. Macroeconomic and geopolitical risks can also affect us indirectly, particularly via our customers.

Industry and systemic risks

Risks from changes to regulations

Risks from changes to the regulatory environment can negatively impact revenue and earnings. This includes sales risks from liberalization and deregulation, but also protectionist measures in our core markets as well as new regulations on such matters as the use of artificial intelligence, supply chains or climate and environmental protection. We successfully mitigate these risks by continuously optimizing our business processes and models, developing and implementing sales and marketing concepts and diversifying the portfolio of products and services.

The business development of our segments is also influenced by changing legal and regulatory conditions. We therefore monitor the markets closely and take an active role in the public debate on relevant topics. In this way, we seek to identify risks at an early stage and counteract their effects. This also enables us to leverage the opportunities arising as a result of changes in the business environment for our company.

Our customers are establishing new industry standards and demand that their business partners provide prompt documentation of the implementation of and compliance with these standards, for example in the form of new accreditations or assessments. A delay in obtaining new accreditations or not having the requisite accreditation or inadequate assessment could lead to being excluded from invitations to tender or contract award processes.

Significant industry and systemic risks:
The concession agreement governing the implementation of regular vehicle inspections in Türkiye expires in 2027. The current economic and political environment in Türkiye and the uncertainty surrounding the outcome of the current tender process give rise to uncertainty regarding the nature of the future continuation of the business activities of the TÜVTÜRK joint ventures.

Intensive marketing activities by our competitors could lead to a loss of market share in the MOBILITY Segment for mobile regular vehicle inspections. In addition, demand for roadworthiness tests and exhaust gas analyses may decline due to the current challenging economic situation in Germany. An additional drop in demand could be caused by garages with their own particle measuring devices, which offer these measurements as an additional service.

The structural challenges in the German automotive sector are leading to extensive restructuring in the industry. Indirectly, this could also have an impact on our services in the MOBILITY Segment, for example in price negotiations with automotive manufacturers, as a result of the general trend in demand or the postponement and relocation of projects.

A further delay in the introduction of the European Medical Device Directive (MDR) or uncertainties regarding its final form could have an additional negative impact on the CERTIFICATION Segment if the capacity created for this purpose is not fully utilized.

Operating risks

Technological risks and risks from digitalization

As a technical service provider, TÜV SÜD has a global presence with various business models. Changes in the technology used, shorter innovation cycles along with digitalization and global connectivity have a direct impact on our customers' needs and the way we work. We meet these challenges by developing innovative services, also in the framework of strategic partnerships, with research institutes or our customers. We focus on the digitalization and automation of our internal processes and sales channels along with the use of artificial intelligence.

IT risks
The IT security measures implemented at TÜV SÜD serve to protect the systems against risks and threats, as well as to avoid damage, and are designed to reduce risks to an acceptable level. However, even in an intact IT environment, IT risks can never be completely ruled out.

Our internal IT security policies are based on national and international standards. We monitor the regulations and compliance on an ongoing basis in order to guarantee the target level of security. Our IT security organization is led by the Chief Information Security Officer. Implementation of further technical IT safeguards and the recruitment of additional capacity are progressing as scheduled in light of the growing cybersecurity threats.

The central IT systems of TÜV SÜD are monitored and regularly tested in such a way as to enable a swift response to any disruption. Our corporate data are protected by adequate measures according to the level of protection required for the respective data. To protect our IT system against cyber attacks and malware, we maintain security mechanisms which we keep up to date at all times. The current incident response processes are tested and improved on a regular basis.

Extensive contingency measures are in place to ensure that we remain operative in the event of extensive damage to our IT infrastructure – for example, through fire, environmental influences or by force majeure. Comprehensive and regular backups of the central systems also ensure that we can resume operations within an acceptable time frame for the respective applications.

Data protection risks
As a globally active Group, we face the challenge of complying with a large number of different data protection laws and regulatory requirements around the world. Violations of regulations such as the General Data Protection Regulation (GDPR) or other locally applicable regulations can result in significant fines as well as other sanctions and jeopardize our reputation. At the same time, technological developments as part of digitalization, in particular the use of artificial intelligence, herald new data protection risks, as non-transparent data processing can make it more difficult to control personal data. In addition, there are cybersecurity threats such as hacker attacks, data theft or ransomware attacks that put sensitive information at risk. Data transfers to third countries with lower data protection standards also pose both legal and operational risks. There is also a risk of data protection breaches due to internal errors as well as by third-party partners.

In order to respond effectively to these challenges, we rely on a comprehensive data protection strategy. Regular training courses raise awareness among our employees worldwide to data protection guidelines and best practices in order to avoid misconduct. This is supplemented by targeted IT security measures, including encryption technology, multi-factor authentication and regular penetration tests to identify and eliminate vulnerabilities at an early stage. A central component of our data protection management is the implementation of a Data Protection Management System (DPMS), which ensures the transparent and legally compliant processing of personal data.

In the event of data protection incidents, we have established a structured procedure that sets out clear reporting obligations and rapid response mechanisms. This integrative approach ensures that data protection risks are actively managed and that a high level of protection for personal data is guaranteed at a global level.

Recruitment risks
With their commitment, motivation and skills, our employees are key success factors for TÜV SÜD. We see our experts' training and international orientation as well as their ability to translate innovations into customer benefits as personnel-related opportunities.

However, risks arise if we are unable to recruit suitable staff or retain high performers. We also perceive there to be a risk of the loss of competency and experience stemming from the age structure of our workforce in some business divisions.

We have implemented a large number of measures to ensure the appeal of TÜV SÜD as an employer and support the long-term retention of employees within the Group.

Significant operating risks:
Collective bargaining agreements could lead to higher than previously assumed salary increases at some German subsidiaries.

In the CERTIFICATION Segment, a delay in the expansion of existing testing facility capacities could result in a loss of market share in the area of battery testing.

Financial risks

Interest rate and price risks

Interest rate risks arise from interest-bearing items and items that are directly linked to interest rates. For securities, transaction risks arise from the market prices of the various interest-bearing investment instruments. In principle, a distinction is made between the risk from the pensions portfolio and that from the operations of the TÜV SÜD Group.

With regard to operating activities, we use financial derivatives exclusively to hedge underlying transactions. Forward exchange transactions are the main currency hedging instrument.

The risk strategy in the pensions portfolio is designed to limit some of the market risk from pension obligations by means of structured, dedicated financial assets. The objective is to compensate for the interest cost of the hedged pension obligations by means of a corresponding asset allocation wherever possible and to maintain coverage over time. This is to be achieved through a net return on assets structured on the basis of the maturity pension payments.

The pension obligations are covered by financial assets that are for the most part segregated from operating assets through the CTA. In this way, the risks associated with pension liabilities are reduced and we ensure that the investment policy reflects the obligations. A very high percentage of the German segregated pension assets is managed in trust by TÜV SÜD Pension Trust e.V. These assets are invested by external investment companies in accordance with specific investment principles. Interest rate risks, currency risks and price risks relating to investment funds for non-current capital investment are partly hedged by derivative financial instruments. The portfolio's market value is subject to fluctuations resulting from changes in interest, currency and credit spread levels.

A reduction in the discount rate should only have a moderate impact on the Group's equity position with regard to the measurement of pension obligations due to the chosen strategies for cash flow matching (cash flow-driven investment; CDI) and liability-driven investment (LDI).

The focus at TÜV SÜD Pension Trust e.V. remained firmly on a sustainable investment strategy in 2024. The primary goal of the sustainability strategy is among other things to reduce the potential risk of loss and damage to reputation by avoiding risky investments and investments that are not sustainable.

Significant financial risks:
At Group level in Germany, there is a risk of increased costs for the liquidation of a company if its intended sale cannot be realized. However, due to the advanced stage of sales negotiations, this risk is now only considered to be low.

Compliance and other risks

Risks from accreditations and designations

In the regulated business, we carry out our activities based on accreditations and designations from authorities and other government bodies. Non-compliance, quality defects or breaches of regulatory requirements could lead to a restriction, temporary suspension or revocation of the accreditation or designation. This can give rise to significant costs, for example for training or process adjustments in quality management in order to regain the authorization. Along with a drop in revenue and earnings, the suspension or revocation of accreditations and designations can also lead to reputational damage. To limit risks, we regularly analyze the legal environment in the regulated business, ensure compliance with TÜV SÜD compliance requirements and ensure adherence to technical guidelines and methods (technical compliance) through quality management measures. We also systematically provide training to our employees in the relevant divisions.

Liability risks

Potential damage events and liability risks could lead to significant indemnification claims, loss of reputation and costs for defense against damages. A contractual limitation of liability is generally agreed with the customer in order to mitigate the risk. Contracts without a contractually agreed limitation of liability are continuously monitored. In addition, TÜV SÜD has also taken out insurance policies to the extent that is customary in the industry. However, the possibility cannot be ruled out that the available insurance coverage is not sufficient in individual cases.

Climate and environmental risks

Climate change is a challenge for society as a whole. It is particularly important for TÜV SÜD's business development with regard to regulatory changes to climate-related certification and accreditation standards. Risks may arise from the potential failure to meet the climate targets and customer-specific requirements.

While an increasing number of extreme weather events or rising sea levels have little direct impact on our core business, rising average temperatures lead to increased energy consumption for cooling our operating facilities. This leads to higher operating costs and an increase in greenhouse gas emissions. At the same time, TÜV SÜD's services support the implementation of sustainable technologies that help to mitigate the effects of climate change and develop adaptation strategies. As a company, we attach great importance to protecting our globally active employees from climate-related hazards. We have implemented measures to ensure their health and safety, including the installation of effective heat and sun protection systems at our sites, the adjustment of working hours and break regulations during heat waves and the implementation of information programs on how to deal with extreme climatic situations.

Other significant risks:
The Group's structures are complex, not least because of TÜV SÜD's international orientation. There are currently no significant tax risks that would have to be taken into account through additional provisions over and above those already recognized. However, it cannot be ruled out that additional risks may arise in the course of tax field audits.

Risks from legal proceedings
As of the end of the reporting period, several legal proceedings were still pending in connection with services rendered by TÜV SÜD which are not related to the dam collapse in Brazil. Due to the existing global insurance coverage, no material financial risks arise from these proceedings. Sufficient provisions were recognized to cover these residual risks.

On January 25, 2019, the tailings dam of a retention basin for an iron ore mine belonging to mining company Vale S.A. close to the village of Brumadinho, Brazil, collapsed. The dam had been inspected by TÜV SÜD BRASIL CONSULTORIA LTDA. (TÜV SÜD BRASIL), São Paulo, Brazil, in September 2018. This has resulted in various legal risks based on the pending and threatened proceedings in Brazil and Germany. Along with bases for claims under civil law, especially relating to the assertion of indemnification claims, there are also claims under Brazilian environmental law and aspects relating to criminal law.

If these legal risks materialize, the financial implications for TÜV SÜD BRASIL, TÜV SÜD SFDK Laboratório de Análise de Produtos Ltda. (TÜV SÜD SFDK), São Paulo, Brazil, and possibly TÜV SÜD AG may be substantial and have a significant impact on our financial performance and position for the financial year 2025 and future financial years. The risks mainly stem from various possible liability claims as well as technical appraisal and consulting fees. There may also be risks from loss of reputation. These risks cannot be quantified at this time due to the expected duration of the proceedings.

Overall statement on the risks faced by the group

From a Group perspective, we pay particular attention to strategic risks.

There continue to be risks in connection with the dam collapse in Brazil. Based on the current estimate, there may be further negative effects on current business activities in Brazil and significant negative financial implications for TÜV SÜD, in particular from legal risks. Should the outcome of the ongoing legal proceedings associated with the dam collapse find to the detriment of TÜV SÜD, this may result in substantial damages or other payments that could have a significant negative impact upon the Group's financial performance and position for the financial year 2025 and future financial years and its reputation.

There are material uncertainties related to the dam collapse in Brazil, which may cast doubt on the ability of the two subsidiaries TÜV SÜD BRASIL and its direct shareholder TÜV SÜD SFDK to continue as a going concern. Therefore, the subsidiaries may not be able to realize their assets and settle their debts in the ordinary course of business. In this respect, the continued existence of the Brazilian subsidiaries is threatened if these companies are deemed to be liable for the damages resulting from the dam collapse and no further financial support is provided by the shareholders. In this regard, we refer to our comments in the notes to the consolidated financial statements under pending and imminent legal proceedings.

Looking ahead at the next two years and based on the information available to us in accordance with the risk management system that is in place, there are no apparent risks that could jeopardize the continuing existence of other TÜV SÜD entities. All organizational preconditions necessary to recognize developing risks at an early stage have been met.

Opportunity report

Thanks to our global presence, global economic growth generally provides positive impetus for business in our segments, while an increase in geopolitical and global economic risks can have a negative impact on our business activities.

Significant opportunities for the favorable business development of TÜV SÜD result from the implementation of strategic planning, the business outlook and the individual opportunities of the divisions and segments. In the following, the main opportunities are presented in accordance with the risk categories mentioned above.

Industry and systemic opportunities

Continued favorable business development of an entity sold in 2019 may lead to an additional purchase price payment in our favor.

If the German Federal Ministry of Transport and Digital Infrastructure approves a larger increase in fees for roadworthiness tests, this will improve the earnings prospects in the MOBILITY Segment. Market acceptance of higher fees for damage assessment reports could also have a favorable effect on revenue trends.

We see additional growth potential for the Chinese market if new regulations for “Navigate on Autopilot” (NOA) and highly automated driving come into force there. We see opportunities in the awarding of contracts by European automotive manufacturers and see potential in participating in tenders for vehicle inspections by large automotive customers.

Operating opportunities

The planned future sale of non-core activities of the INDUSTRY Segment in the Middle East and of the MOBILITY Segment in Italy and Austria could have a positive impact on the respective segment result.

We expect an inflow of liquidity from the application for public funds for research and development projects under the Research Allowance Act [FZulG: “Forschungszulagengesetz”] in the coming years.

Opportunities from compliance and other opportunities

In Spain, we could be awarded further damage payments from legal proceedings. The proceedings were suspended in the financial year 2024 and will be continued in 2025.

Risk report of TÜV SÜD AG

TÜV SÜD AG is an investment and management holding company. As such, its risk situation is primarily determined by the economic situation of the subsidiaries.

There are financial risks in the form of interest rate risks, currency risks and price risks. Interest rate risks arise in connection with the disposition of liquidity and refinancing. To hedge these risks, derivative financial instruments in the form of interest rate swaps are also used, if required. Foreign currency risks can arise from every existing or forecast receivable or liability denominated in foreign currency. They are mainly hedged using forward exchange contracts. Price risks arise from changes in the market price of held securities.

Industry and systemic risks arising from changes in the market conditions in the segments and regions are recorded on the basis of market and competitive analyses. Possible measures are discussed in strategy meetings.

Please refer to the explanations on Group risks in respect of the dam collapse in Brazil.

Subsequent events

Please refer to the comments under “Events after the reporting date” in the notes to the consolidated financial statements.

Notes to the consolidated financial statements, events after the reporting date, see page 126

Outlook

Forecast for the overall economic development

We anticipate restrained global economic growth in 2025. Geopolitical conflicts and structural problems in individual economies continue to dominate the situation and, combined with rising protectionism worldwide, are making global trade more difficult. Regional differences in economic development are continuing to increase. Growth in advanced economies is once again expected to lag behind that of the emerging and developing countries. In addition, the global increase in extreme weather events as a result of climate change is having a negative impact on economic growth. Even if these events are only regional in nature, they cause significant economic damage at a local level. Against this backdrop, uncertainty will remain high for companies and consumers in the forecast year 2025.

The Kiel Institute for the World Economy (IfW) expects global economic growth of 3.1% for the forecast period, following an increase of 3.2% in 2024. A growth rate of 3.1% is also expected for 2026.

Development of the global economy: Forecast for 2025 ≡ 10

Global	Restrained growth
Euro-zone	Weak recovery
Germany	Stagnating development
USA	Reduced growth
Emerging markets	Moderate growth

Supported by the stable labor market and rising real wages, private consumption remains the mainstay of economic development in the euro-zone. At the same time, the expected easing of monetary policy could improve financing conditions for companies. However, changes in the political landscape in some European countries and potential trade conflicts with the US and China could increase economic policy uncertainty. Overall, the economy in the euro-zone could still experience a weak recovery. Ensuring Europe's competitiveness depends on driving innovation in a politically volatile environment, making appropriate investments – both green and digital – and financing necessary infrastructure improvement projects.

Location-specific factors, such as high energy and production costs, and a possible decline in exports, particularly to China and the US, will continue to weigh on the German economy in the forecast year. Added to this is the uncertainty surrounding the future direction of the economic policy of the new federal government. Companies' willingness to invest is therefore likely to be correspondingly restrained. The structural difficulties in key industries such as the automotive, chemical, steel and plant engineering sectors are likely to continue. As a result, the unemployment rate is expected to rise, while demand from private households will fall. The German economy will therefore continue to stagnate and remain in its weak phase.

In the UK, rising demand from private households and increasing corporate investment – facilitated by an expansion of investment in public infrastructure and the gradual easing of monetary policy – should lead to a weak economic recovery.

The US economy is expected to continue its growth trajectory, albeit with reduced momentum. The implementation of the economic policy measures announced by the new government will be a key influencing factor. In addition to reducing bureaucracy in public administration, tax relief and investment incentives for companies, these also include protectionist measures, in particular tariffs.

Foreign trade factors, in particular increasing trade barriers and tariffs, as well as the ongoing real estate crisis could further slow the moderate growth of the Chinese economy. The Chinese government has already announced fiscal and monetary measures to strengthen domestic demand in order to offset the dampening factors.

The major Asian emerging markets and India will continue to be among the drivers of global economic growth in the forecast year. In some cases, they should be able to benefit from the trade conflicts between the US and China. The Indian economy will also continue on its growth trajectory, albeit at a slower pace, as private consumption will be noticeably dampened by rising food prices.

Future development of the TÜV SÜD Group

The following statements on the outlook for the development of TÜV SÜD in the next financial year are based on the planning for 2025. This was prepared by the Board of Management and approved by the Supervisory Board in December 2024.

The 2025 forecast is derived from the strategic plan. Further developments are factored into regular scenario analyses and their influence on TÜV SÜD's future business development is reviewed and evaluated.

In the 2025 forecast, we assume that the TIC market will generally experience a stable level of growth in a moderate global economic environment and that there will be no significant deterioration in the global political situation. However, the prevailing geopolitical conflicts and macroeconomic uncertainties, for example potential trade conflicts, in some markets and sectors may have an unfavorable impact on future developments. The shortage of skilled workers could also have a negative impact.

We want to continue to grow organically. To achieve this, we are focusing on our core competencies and are aligning ourselves with future-oriented developments, particularly in the areas of digitalization and sustainability. In addition, we are also investing in the expansion of our workforce and in their training and development. We are concentrating our global activities from which we expect long-term growth on markets that exhibit stable economic growth and reliable framework conditions.

Revenue growth: Forecast for 2025 ≡ 11

Group	5% to 7% € 3,590 million to € 3,690 million
INDUSTRY Segment	Growth in the upper single-digit percentage range
MOBILITY Segment	Growth in the upper single-digit percentage range
CERTIFICATION Segment	Growth in the upper single-digit percentage range

Based on the above assumptions and developments, we expect TÜV SÜD to achieve organic revenue growth of 5% to 7% in the forecast period. The Group's revenue from its existing entities is therefore expected to range between € 3,590 million and € 3,690 million.

INDUSTRY

We expect revenue growth in the upper single-digit percentage range for the INDUSTRY Segment in the forecast year. The Industry Service Division should generate almost 60% of segment revenue, while the Real Estate & Infrastructure Division will contribute around 40% to segment revenue.

Around 45% of segment revenue will be generated outside Germany in 2025, with the Industry Service Division contributing the largest share.

The **Industry Service Division** will generate around half of its revenue outside Germany. The recurring testing and inspection services in the areas of plant safety and independent technical risk assessment will continue to develop and enable moderate revenue growth in the forecast year. We expect positive growth impetus from the increasing demand for services relating to renewable energies and sustainability.

Plant safety services account for the largest share of revenue in the division. The existing range of services is constantly being supplemented by modern testing methods, such as the permanent monitoring of critical systems using “Asset Health Monitoring”, and sustainable technologies such as the verification of low-carbon hydrogen and ammonia in accordance with the new CMS77 standard. Demand for our technical construction supervision, energy generation and quality management services will develop stably. We are concentrating on the internationalization of our core services for conventional power plants and the international project business. The independent technical risk assessment and analysis business will continue to grow in the forecast year, particularly in the US market. We expect the highest growth rates worldwide in services relating to renewable energies and sustainability. We want to achieve global growth in the hydrogen business and in carbon footprint certification. By contrast, we expect a decline in demand for our services for the chemical and petrochemical industry, as this sector is burdened by structural location-specific problems and high energy prices, particularly in Germany.

The **Real Estate & Infrastructure Division** will show significant revenue growth in the forecast year, driven primarily by the company acquisitions in Denmark, Singapore and the US. The share of revenue coming from abroad will therefore increase to around 35%, while revenue in the German core market is expected to remain at the prior-year level.

Our core business with safety-related services for lifts will enjoy robust growth. Our services for lift manufacturers and operators in regulated markets will continue to drive growth. Digital services, which also include cybersecurity services for lifts, are likely to become ever more important. Consulting services in the non-regulated area, such as ESG consulting for buildings with green building certifications or simulation-based decarbonization roadmaps, should also be in greater demand in Western Europe and Singapore. In addition, building inspections in the insurance-driven market environment will record significant revenue growth in the Middle East and Western Europe, where we were able to expand our market share through the acquisition of the Danish company Domutech. In the construction sector, we expect additional growth momentum from sustainability services, particularly decarbonization and sustainability certifications, as well as from digitalization with the building lifecycle approach. Revenue development in the rail industry will benefit from the technical harmonization of the rail sector in Europe and the implementation of the European sustainability goals.

MOBILITY

In the **MOBILITY Segment**, we expect growth in the upper single-digit percentage range in the forecast year, driven primarily by growth in the core business and the acquisition of the Swedish Carspect Group. Around 15% of the segment’s revenue will be generated outside Germany in the future.

The core business in the MOBILITY Segment includes roadworthiness tests and exhaust gas analyses, but also damage and valuation reports, as well as driver’s license tests. We offer these to private and business customers in Germany, Austria, Spain, Slovakia and Türkiye as well as in Sweden, Estonia and Latvia as a result of the expansion of our market share in the financial year.

The German market will remain our core market for roadworthiness tests and exhaust gas analyses in the forecast year; we will see a moderate increase in demand here. Further revenue growth is planned for the damage and valuation reports business. Due to the demographic trend, we expect business in driver’s license tests to remain constant. Demand for medical/psychological examinations should recover slowly in the forecast year.

We offer a comprehensive range of services for our customers in the automotive industry. We aim to achieve revenue growth with homologation and services for highly automated driving – particularly outside Germany – provided that international business is not negatively impacted by external economic factors. Our business with services for car dealers, manufacturers, suppliers and lease companies as well as insurance companies should develop steadily at the level seen in the prior year.

CERTIFICATION

The CERTIFICATION Segment should achieve revenue growth in the upper single-digit percentage range in the forecast year. The Product Service Division will contribute around 70% to segment revenue, while the Business Assurance Division will generate the remaining revenue of just under 30%.

The segment has an international focus: Around 60% of revenue will be generated outside Germany in 2025, primarily in the Product Service Division and in the certification and audit business of the Business Assurance Division.

The **Product Service Division** will continue its growth in the forecast year. We expect the highest growth rates in Germany and Western Europe. The largest share of revenue will continue to come from China in the coming year, followed by Germany. Geopolitical uncertainty and changes in supply chains are leading to shifts in demand for testing and certification services for consumer goods. We expect challenges in traditional export markets such as China, but opportunities in alternative markets such as Southeast Asia. New regulations in the EU, such as the EU Cyber Resilience Act and the EU Battery Regulation, which require an independent third party to be involved in product launches, are providing positive impetus for growth. Our services for quality assurance in the supply chain and the sustainability of consumer goods remain a key revenue driver.

Technological change and new regulations, including those relating to sustainability, are boosting demand for testing and certification services for industrial goods. We anticipate further growth in our business relating to hydrogen and fuel cells, batteries and other energy storage systems as well as networked systems, including cybersecurity or sustainability certification of such systems. We also see growth opportunities for our testing services in the field of electromobility as the European car manufacturers are looking to close the technology gap with non-European competitors. We expect legislators to make further amendments to the European Medical Device Directive (MDR) and the In Vitro Diagnostics Regulation (IVDR) and, as a result, anticipate reduced market momentum for medical device services in the forecast year. By contrast, we envisage further growth for our range of biological and chemical tests, particularly in the US market.

For the forecast year 2025, we expect steady revenue growth in the **Business Assurance Division**. Around 40% of revenue is generated abroad, primarily in Europe and the ASIA Region. The business with certifications and ancillary certification services will continue to grow, particularly in the US, India and China. Growth drivers include the certification of information security management systems, including TISAX, as well as audit services for the Supply Chain Due Diligence Act and sustainability issues. The training business will record the highest absolute increase in revenue in the division in the forecast year. Internationalization and the expansion of digital training formats are the main growth drivers. We are also seeing an increase in demand for personal certifications and sustainability training, particularly for sustainability reporting in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD). Cyber Security Services will record a robust increase in revenue. We expect growth to be driven by data protection services and new regulatory requirements, such as the European NIS2 directive (Network and Information Security Directive). The expansion of existing technical services such as penetration tests will enable additional growth on an international level.

Development of earnings remains stable

TÜV SÜD's business success is derived from the economic development of the markets, but also from regulatory and political decisions as well as global trends and events. Our recognized competence in our core markets, a balanced customer base and our global presence make us less susceptible to temporary and localized market volatility. The focus of our business activities lies on sectors and markets where stable and profitable growth is anticipated.

We support the development of the operating business using transparent and harmonized cost and process structures. We regularly analyze our business processes and derive measures to improve quality and efficiency in order to optimize internal processes and make them more sustainable. At the same time, we are driving forward the digitalization of our business and sales processes, always with an eye to continuous earnings and profit development.

EBIT should reach a range of € 195 million to € 240 million in the forecast year. The development takes into account the transformation projects that have been initiated in the Group as well as collective wage increases in Germany. However, EBIT development may be lower if geopolitical conflicts and macroeconomic uncertainty increase or additional, unforeseeable burdens arise in connection with the dam collapse in Brazil. The EBIT margin is expected to be in the mid-single-digit percentage range. EBT will follow the forecast EBIT development.

We expect positive EBIT development in the INDUSTRY and CERTIFICATION Segments. The INDUSTRY Segment should achieve an increase in EBIT just about in the upper-single-digit percentage range with an EBIT margin in the upper-single-digit percentage range. In the CERTIFICATION Segment, we anticipate an EBIT increase in the low double-digit percentage range and an EBIT margin in the mid-single-digit percentage range. For the MOBILITY Segment, we anticipate a slight decline in EBIT in the single-digit percentage range. The EBIT margin is expected to be in the mid-range to high single-digit percentage range.

The return on capital employed (ROCE) is a key indicator used to measure the profitability of TÜV SÜD's capital employed. Based on the forecast EBIT development, which is directly reflected in the NOPAT development, and an increase in average capital employed, we expect a ROCE of 9% to 9.5% for the forecast year 2025.

For the forecast year 2025, we have earmarked a total investment framework of up to € 180 million for future-oriented projects, the expansion of our testing facility capacity and the modernization of existing facilities and buildings. Our investment activities focus on forward-looking projects, particularly in the areas of digitalization and sustainability, IT transformation projects and the expansion of our core and focus markets. Derived from the statement of cash flows and taking into account the planned investment volume, free cash flow should be roughly at the level of 2024.

Our headcount should continue to grow in 2025, and we are aiming for an increase of 5% per year over the medium term. Depending on the needs at the individual locations and expected growth, we want to recruit well qualified and committed people for our company. At the same time, we want to increase the share of women in management positions to 30% across the Group by 2026. We also intend to invest in the further training of our employees, setting ourselves the target of achieving an average of 35 hours of training per employee per year by 2026.

We expect the development of other non-financial operational indicators to be stable to slightly positive compared to the prior year.

Proximity to our customers, our expertise in technical services and above all the trust that our customers place in TÜV SÜD form the foundation for TÜV SÜD's successful business development in the years to come.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

≡ 12

in € million	Note	2024	2023
Revenue	(6), (35)	**3,429.0**	**3,139.3**
Own work capitalized		3.9	3.8
Purchased services		– 465.1	– 433.2
Operating performance		**2,967.8**	**2,709.9**
Personnel expenses	(7)	– 2,056.1	– 1,875.9
Amortization, depreciation and impairment losses	(8)	– 201.2	– 183.4
Other expenses	(9)	– 602.3	– 566.6
Other income	(10)	89.2	128.0
Impairment of goodwill	(14)	– 2.3	– 15.3
Operating result		**195.1**	**196.7**
Income from investments accounted for using the equity method	(11)	23.9	20.4
Other income/loss from participations	(11)	– 2.4	0.6
Interest income	(11)	25.0	21.1
Interest expenses	(11)	– 16.2	– 13.8
Other financial result	(11)	– 0.4	0.1
Financial result		**29.9**	**28.4**
Income before taxes		**225.0**	**225.1**
Income taxes	(12)	– 65.1	– 48.3
Consolidated net income		**159.9**	**176.8**
Attributable to:			
Owners of TÜV SÜD AG		136.5	156.4
Non-controlling interests	(13)	23.4	20.4

Consolidated statement of comprehensive income

≡ 13

in € million	Note	2024	2023
Consolidated net income		**159.9**	**176.8**
Remeasurement of defined benefit pension plans			
Changes from unrealized gains and losses	(23)	48.9	–29.0
Tax effect	(12)	–8.1	18.0
		40.8	**–11.0**
Equity instruments at fair value			
Changes from unrealized gains and losses		0.1	0.2
Tax effect	(12)	0.0	–0.1
		0.1	**0.1**
Total amount of items in other comprehensive income that will not be reclassified to the income statement		**40.9**	**–10.9**
Debt instruments at fair value			
Changes from unrealized gains and losses		0.1	0.1
Changes from realized gains and losses		0.0	–1.7
Tax effect	(12)	0.0	0.5
		0.1	**–1.1**

in € million	Note	2024	2023
Currency translation differences			
Changes from unrealized gains and losses		19.4	–16.4
		19.4	**–16.4**
Investments accounted for using the equity method			
Changes from unrealized gains and losses		6.1	0.9
Tax effect	(12)	0.0	–0.2
		6.1	**0.7**
Total amount of items in other comprehensive income that will be reclassified to the income statement in future periods		**25.6**	**–16.8**
Other comprehensive income	**(12)**	**66.5**	**–27.7**
Total comprehensive income		**226.4**	**149.1**
Attributable to:			
Owners of TÜV SÜD AG		201.7	140.0
Non-controlling interests		24.7	9.1

Consolidated statement of financial position

≡ 14

in € million	Note	Dec. 31, 2024	Dec. 31, 2023
Assets			
Intangible assets	(3), (14)	478.1	283.7
Right-of-use assets	(28)	488.5	442.2
Property, plant and equipment	(15)	736.7	677.9
Investment property	(16)	15.5	5.5
Investments accounted for using the equity method	(17)	51.2	36.7
Other financial assets	(18)	86.7	12.4
Other non-current assets	(21)	425.8	378.9
Deferred tax assets	(12)	101.3	124.4
Non-current assets		**2,383.8**	**1,961.7**
Inventories		9.2	6.0
Contract assets	(19)	199.6	164.9
Trade receivables	(20)	485.7	452.8
Income tax receivables		23.1	27.4
Other current assets	(21)	172.5	159.7
Cash and cash equivalents	(34)	309.4	528.6
Non-current assets and disposal groups held for sale		0.0	0.1
Current assets		**1,199.5**	**1,339.5**
Total assets		**3,583.3**	**3,301.2**

in € million	Note	Dec. 31, 2024	Dec. 31, 2023
Equity and liabilities			
Capital subscribed	(22)	26.0	26.0
Capital reserve	(22)	128.2	128.2
Revenue reserves	(22)	1,724.9	1,581.4
Other reserves	(22)	– 13.6	– 38.7
Equity attributable to the owners of TÜV SÜD AG		**1,865.5**	**1,696.9**
Non-controlling interests	(13)	93.2	107.7
Equity		**1,958.7**	**1,804.6**
Provisions for pensions and similar obligations	(23)	151.4	152.4
Other non-current provisions	(24)	74.3	79.6
Non-current financial debt	(25), (33)	8.4	9.0
Non-current lease liabilities	(28), (33)	428.0	388.8
Other non-current liabilities	(27), (33)	7.6	0.9
Deferred tax liabilities	(12)	27.3	19.6
Non-current liabilities		**697.0**	**650.3**
Current provisions	(24)	224.1	197.0
Income tax liabilities		51.8	48.8
Current financial debt	(25)	1.1	0.6
Current lease liabilities	(28)	78.2	69.8
Trade payables		88.4	101.9
Contract liabilities	(26)	224.5	190.7
Other current liabilities	(27)	259.5	237.5
Current liabilities		**927.6**	**846.3**
Total equity and liabilities		**3,583.3**	**3,301.2**

Consolidated statement of cash flows

≡15

in € million	Note	2024	2023
Consolidated net income		159.9	176.8
Amortization, depreciation, impairment losses and reversals of impairment losses	(8)	201.2	183.3
Impairment of goodwill	(14)	2.3	15.3
Impairment losses and reversals of impairment losses on financial assets	(33)	2.4	– 0.4
Change in deferred tax assets and liabilities recognized in the income statement	(12)	15.5	– 3.3
Gain/loss on disposal of intangible assets, right-of-use assets, property, plant and equipment and financial assets		0.2	– 5.7
Gain/loss from the sale of shares in fully consolidated entities and business units	(2)	0.0	– 2.5
Other non-cash income/expenses		– 11.3	– 15.4
Change in inventories, contract assets, receivables and other assets		– 78.0	– 43.1
Change in liabilities, contract liabilities and provisions		69.1	64.6
Cash flow from operating activities		**361.3**	**369.6**
Cash paid for investments in			
intangible assets, property, plant and equipment and investment property		– 159.4	– 182.7
financial assets		– 31.8	– 2.7
securities		– 47.2	– 34.6
business combinations (net of cash acquired)	(3)	– 160.7	– 4.3
Cash received from disposals of			
intangible assets and property, plant and equipment		4.2	13.2
financial assets		0.6	0.5
securities		13.8	91.5
shares in fully consolidated entities and business units (net of cash transferred)		0.0	2.4
Contribution to pension plans	(34)	– 5.6	– 4.9
Cash flow from investing activities		**– 386.1**	**– 121.6**
Dividends paid to owners of TÜV SÜD AG		– 2.1	– 2.1
Dividends paid to non-controlling interests		– 26.9	– 20.0
Repayments of loans including currency translation differences	(34)	– 46.8	– 1.0
Proceeds from loans including currency translation differences		1.7	7.7
Repayments of lease liabilities		– 82.3	– 71.3
Other cash received and paid	(34)	– 39.0	0.0
Cash flow from financing activities		**– 195.4**	**– 86.7**
Net change in cash and cash equivalents		**– 220.2**	**161.3**
Effect of currency translation differences and change in scope of consolidation on cash and cash equivalents		1.0	– 3.4
Cash and cash equivalents at the beginning of the period		528.6	370.7
Cash and cash equivalents at the end of the period	(34)	**309.4**	**528.6**
Additional information on cash flows included in cash flow from operating activities:			
Interest paid		– 13.6	– 11.4
Interest received		14.0	10.4
Income taxes paid (–)/received (+)		– 42.0	– 55.3
Dividend payments received		15.3	12.7

Consolidated statement of changes in equity[1]

≡16

			Revenue reserves		Other reserves						
in € million	Capital subscribed	Capital reserve	Remeasurement of defined benefit pension plans	Other revenue reserves	Currency translation	Equity instruments	Debt instruments	Investments accounted for using the equity method	**Equity attributable to the owners of TÜV SÜD AG**	Non-controlling interests	**Total equity**
Balance as of January 1, 2023	**26.0**	**128.2**	**36.9**	**1,392.6**	**8.9**	**0.1**	**1.0**	**−34.7**	**1,559.0**	**118.6**	**1,677.6**
Consolidated net income				156.4					**156.4**	20.4	**176.8**
Other comprehensive income			−2.4		−13.7	0.1	−1.1	0.7	**−16.4**	−11.3	**−27.7**
Dividends paid				−2.1					**−2.1**	−20.0	**−22.1**
Balance as of December 31, 2023	**26.0**	**128.2**	**34.5**	**1,546.9**	**−4.8**	**0.2**	**−0.1**	**−34.0**	**1,696.9**	**107.7**	**1,804.6**
Balance as of January 1, 2024	**26.0**	**128.2**	**34.5**	**1,546.9**	**−4.8**	**0.2**	**−0.1**	**−34.0**	**1,696.9**	**107.7**	**1,804.6**
Consolidated net income				136.5					**136.5**	23.4	**159.9**
Other comprehensive income			40.1		18.8	0.1	0.1	6.1	**65.2**	1.3	**66.5**
Dividends paid				−2.1					**−2.1**	−26.9	**−29.0**
Other changes				−31.0					**−31.0**	−12.3	**−43.3**
Balance as of December 31, 2024	**26.0**	**128.2**	**74.6**	**1,650.3**	**14.0**	**0.3**	**0.0**	**−27.9**	**1,865.5**	**93.2**	**1,958.7**

1 Further disclosures on equity items can be found in note 22.

Notes to the consolidated financial statements

General Information

1 / Basis of preparation

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

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

TÜV SÜD AG prepared its consolidated financial statements as of December 31, 2024 in accordance with the International Financial Reporting Standards (IFRSs) by exercising the option under Article 315e (3) HGB ["Handelsgesetzbuch": German Commercial Code]. All IFRSs that are binding for the financial year 2024 and the pronouncements issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) have been applied to the extent that these have been adopted by the European Union.

On March 20, 2025, TÜV SÜD AG's Board of Management approved the consolidated financial statements for the financial year 2024 for submission to the Supervisory Board.

2 / Scope and principles of consolidation

All material entities and structured entities over which the Group has control as defined by IFRS 10 are included in the consolidated financial statements as of December 31, 2024. The separate financial statements of the subsidiaries included in consolidation and prepared in accordance with uniform accounting policies serve as a basis.

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

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

Scope of consolidation ≡17

Number of entities	Dec. 31, 2024	Dec. 31, 2023
Fully consolidated entities	109	97
Entities accounted for using the equity method	5	6
thereof joint ventures	4	5
thereof associated companies	1	1
Total number of consolidated entities	**114**	**103**

In the financial year 2024, twelve newly acquired foreign entities were included in the scope of consolidation for the first time. The sale of a joint venture in Germany accounted for using the equity method and recognized in accordance with IFRS 5 as of the prior-year reporting date was completed in June 2024 after the closing conditions of the sale agreement were met. This disposal had no effect on earnings. In the prior year, the disposal of a joint venture resulted in a loss of € 0.2 million, which was included in income/loss from participations. In addition, the deconsolidation of a fully consolidated entity led to a gain of € 2.5 million, which was reported under other income.

The affiliated companies, associated companies and joint ventures included in the consolidated financial statements are listed in note 40 "Consolidated entities" along with the consolidation method applied. The list of the Group's entire shareholdings is published in the Company Register (Unternehmensregister) as an integral part of the notes to the financial statements.

Consolidation decisions based on contractual arrangements

The TÜV SÜD Group holds 50% of the shares in TÜV SÜD Car Registration & Services GmbH, Munich, and 49% of the shares in TUV SUD Middle East LLC (Qatar), Doha, Qatar. The entities are fully consolidated in the Group, as the TÜV SÜD Group has economic control of the entities on the basis of the contractual arrangements and can thus make decisions regarding the relevant activities of the entities.

Risks from structured entities

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

3 / Business combinations

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

The following significant acquisitions were completed in the financial year 2024:

Domutech

On July 11, 2024, TÜV SÜD acquired all of the shares in Domutech A/S (since November 7, 2024: TÜV SÜD Domutech A/S), Copenhagen, Denmark, including its two subsidiaries (Domutech). Domutech is a leading provider of building inspections, energy certificates and technology-driven solutions for residential and commercial properties in Denmark.

With this acquisition, TÜV SÜD is further expanding its services and market presence in the field of sustainable building construction.

The acquisition of Domutech had the following effect on the consolidated financial statements at the time of acquisition:

Net assets acquired, goodwill and purchase price of Domutech ≡ 18

in € million	Carrying amount before remeasurement	Fair value at the time of initial consolidation
Intangible assets, right-of-use assets and property, plant and equipment	3.1	22.2
Other assets (excluding cash and cash equivalents)	4.7	4.7
Cash and cash equivalents	1.4	1.4
Current liabilities	6.1	6.1
Non-current liabilities	0.0	4.2
Total net assets acquired	**3.1**	**18.0**
Goodwill		31.1
Purchase price of the business combination in the form of cash and cash equivalents		**49.1**
Less: fair value of contingent purchase price components		– 1.3
Less: cash and cash equivalents acquired		– 1.4
Plus: agreed purchase price reimbursement		0.9
Net cash paid for the business combination		**47.3**

At Domutech, hidden reserves in customer relationships, software and ongoing development projects totaling € 19.1 million were identified. Customer relationships, software and ongoing development projects are amortized over useful lives of 3 to 15 years.

The goodwill resulting from the acquisition includes in particular the fair value of Domutech's workforce, which cannot be recognized as an independent asset, the expected expansion of market shares and expected sales synergies from the combination of the business activities of Domutech and the TÜV SÜD Group. The goodwill from the transaction was allocated to the Real Estate & Infrastructure Division. It is not tax deductible.

The earn-out agreement entered into as part of the acquisition is based on aggregated EBITDA for the years 2025 and 2026. Depending on this figure, the earn-out can range between € 0.0 million and € 2.5 million. The fair value of the earn-out obligation was calculated as the present value of probability-weighted payout scenarios.

The acquired assets include trade receivables with an acquisition date fair value of € 4.1 million. The gross amount of the contractual receivables amounted to € 4.7 million.

Acquisition-related costs of € 0.6 million were incurred as part of this transaction, which were recognized through profit and loss in other expenses in the reporting year.

In the past financial year, Domutech contributed € 13.4 million to the revenue and € 0.8 million to the operating result of TÜV SÜD. Had the acquisition taken place as of January 1, 2024, Domutech would have made a contribution of € 29.4 million to consolidated revenue and of € 2.3 million to the consolidated operating result for the twelve months ended December 31, 2024.

Carspect Group

On August 13, 2024, TÜV SÜD acquired 100% of the shares in Carspect Group Holding AB, Stockholm, Sweden, including its five subsidiaries (Carspect Group) in Sweden, Latvia and Estonia. The Carspect Group carries out roadworthiness tests and related vehicle inspection services. It has 118 technical service centers with more than 300 employees in Sweden and 34 technical service centers in Latvia and Estonia with more than 150 employees. With this acquisition, TÜV SÜD is continuing its internationalization strategy and has gained access to three important markets in the field of periodical technical inspection of vehicles (PTI).

The acquisition of the Carspect Group had the following effect on the consolidated financial statements at the acquisition date:

Net assets acquired, goodwill and purchase price of the Carspect Group

≡ 19

in € million	Carrying amount before remeasurement	Fair value at the time of initial consolidation
Intangible assets, right-of-use assets and property, plant and equipment	37.1	64.4
Other assets (excluding cash and cash equivalents)	2.8	2.8
Cash and cash equivalents	3.0	3.0
Current liabilities	24.9	24.9
Non-current liabilities	53.7	55.4
Total net assets acquired	**–35.7**	**–10.1**
Goodwill		103.0
Purchase price of the business combination in the form of cash and cash equivalents		**92.9**
Less: cash and cash equivalents acquired		–3.0
Net cash paid for the business combination		**89.9**

At the Carspect Group, hidden reserves totaling € 27.3 million have been identified in customer relationships, expertise, brands and property, plant and equipment. These are amortized over useful lives of 1 to 20 years.

The goodwill resulting from the acquisition includes in particular the fair value of the Carspect Group's workforce, which cannot be recognized as an independent asset, future growth potential and location-related advantages. The goodwill from the transaction was allocated to the Mobility Division. It is not tax deductible.

The acquired assets include trade receivables with a acquisition date fair value of € 1.0 million.

Acquisition-related costs of € 1.0 million were incurred as part of this transaction, which were recognized through profit and loss in other expenses in the reporting year.

In the past financial year, the Carspect Group contributed € 16.9 million to the revenue and € 2.0 million to the operating result of TÜV SÜD. Had the acquisition taken place as of January 1, 2024, the Carspect Group would have made a contribution of € 48.1 million to consolidated revenue and of € 5.7 million to the consolidated operating result for the twelve months ended December 31, 2024.

Further business combinations

In addition, TÜV SÜD acquired further entities and business operations in the reporting year. Considered individually, these acquisitions were not material and on aggregate, based on the figures as of the respective acquisition dates, had the following impact on the consolidated financial statements:

Net assets acquired, goodwill and purchase prices of other business combinations ≡ 20

in € million	Carrying amount before remeasurement	Fair value at the time of initial consolidation
Intangible assets, right-of-use assets and property, plant and equipment	1.2	10.6
Other assets (excluding cash and cash equivalents)	2.6	2.6
Cash and cash equivalents	2.4	2.4
Current liabilities	5.2	5.2
Non-current liabilities	0.5	1.0
Total net assets acquired (100%)	**0.5**	**9.4**
Pro rata net assets acquired		**9.4**
Goodwill		16.6
Purchase prices of the business combinations in the form of cash and cash equivalents		**26.0**
Less: fair value of contingent purchase price components		– 0.2
Less: cash and cash equivalents acquired		– 2.4
Net cash paid for other business combinations in 2024		**23.4**
Cash paid for contingent purchase price components from prior years (earn-outs)		0.1
Net cash paid for the business combinations		**23.5**

Hidden reserves in intangible assets totaling € 9.4 million with useful lives of 6 to 15 years were taken into account.

The goodwill resulting from other business combinations contains value drivers that cannot be recognized independently, in particular the value of the acquired workforce, future growth potential, location-related advantages and expected synergy effects.

Acquisition-related costs of € 0.6 million were incurred in these transactions, which were recognized through profit and loss in other expenses in the reporting year.

It is expected that the goodwill resulting from other business combinations in the amount of € 10.4 million will be tax deductible.

In the past financial year, other business combinations contributed € 12.0 million to the revenue and € – 0.4 million to the operating result of TÜV SÜD. The operating result does not contain any synergies that have been incurred at the existing legal entities of the TÜV SÜD Group on account of the business combinations. Had the acquisitions taken place as of January 1, 2024, the units acquired would have made a contribution of € 16.7 million to consolidated revenue and of € – 1.4 million to the operating result for the twelve months ended December 31, 2024.

4 / Currency translation

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

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

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

Selected exchange rates

≡ 21

	Closing rate		Annual average rate	
	Dec. 31, 2024	Dec. 31, 2023	2024	2023
Chinese renminbi (CNY)	7.5833	7.8509	7.7863	7.6591
Pound sterling (GBP)	0.8292	0.8691	0.8466	0.8699
Singapore dollar (SGD)	1.4164	1.4591	1.4457	1.4524
Turkish lira (TRY)	36.7372	32.6531	35.5653	25.7487
US dollar (USD)	1.0389	1.1050	1.0821	1.0816

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

Türkiye has been classified as a hyperinflationary economy since June 2022. Consequently, IAS 29 was applied retrospectively for the first time as of January 1, 2022, for the Turkish subsidiaries and the Turkish joint ventures accounted for using the equity method. The financial statements of the Turkish entities are based on the concept of historical cost. The adjustment to purchasing power in the reporting year led to a negative result of € 1.3 million (prior year: € 0.2 million). Income from investments accounted for using the equity method contains a negative effect of € 1.6 million (prior year: € 2.1 million) from ongoing inflation. The consumer price index published by the Turkish Statistical Institute was used as a suitable price index. As of January 1, 2024, this stood at 1,859 basis points and increased to 2,685 basis points as of December 31, 2024.

5 / Material accounting policies

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

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

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

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

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

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

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

Other intangible assets acquired for a consideration are measured at acquisition cost, **internally generated intangible assets** at production cost. Production cost comprises the costs directly and indirectly allocable to the development process. Intangible assets with finite useful lives are amortized using the straight-line method over a period of 1 to 20 years. If necessary, impairment losses are taken into account. Intangible assets with indefinite useful lives are not amortized but rather tested for impairment annually and if there are any indications of an impairment.

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

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

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

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

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

Property, plant and equipment and **investment property** are recognized at cost less depreciation or impairment. Depreciation generally takes place using the straight-line method over the respective expected useful life. Buildings and parts of buildings are depreciated over a maximum period of 50 years, technical equipment over a period of 4 to 20 years, and furniture and fixtures over a period of 3 to 23 years.

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

Asset impairment is tested by comparing the carrying amount of an asset with its recoverable amount. If an asset does not generate future cash inflows that are largely independent of those from other assets, the value has to be tested on the basis of the next higher aggregated cash-generating unit (CGU). The recoverable amount is the higher of fair value less costs to sell and value in use derived from the planning for 2025 prepared and approved by management, with the aid of the discounted cash flow method. The key assumptions made in determining fair value are the growth rates of the cash flows in the planning period, the CGU-specific cost of capital and the forecast sustainable growth rate after the end of the planning period. The planning period consists of the planning year 2025 and an extrapolation for the years 2026 and 2027. The planned cash flows are based mainly on estimates by the management of TÜV SÜD of the current and future market environment. Cost of capital is based on the weighted average cost of capital (WACC) of the TÜV SÜD Group adjusted for the specific risk profile inherent in the cash flows budgeted for the cash generating unit in question. The sustainable growth rate used is the forecast long-term rate of the cash generating unit's market growth. Goodwill is tested for impairment at the level of a group of cash-generating units, generally represented by a division.

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

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

The amount recognized under **provisions for pensions and similar obligations** for defined benefit plans corresponds to the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. If there is a surplus of plan assets for a pension plan, the corresponding asset is recognized under other non-current assets, taking into account the asset ceiling. The defined benefit obligation (DBO) is determined annually by an independent actuary using the projected unit credit method taking into account biometric assumptions. Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding interest on the net pension obligation) as well as the change of the effects of the asset ceiling are recognized in full in the financial year in which they occur. They are charged directly against revenue reserves, taking deferred taxes into account, and reported outside of the income statement as a component of other comprehensive income. The net interest expense is obtained by multiplying the discount rate for the respective financial year by the net defined benefit obligation (defined benefit obligation less plan assets) as of the reporting date for the prior financial year. It is reported in the financial result.

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

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

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

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

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

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

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

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

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

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

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

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

Assumptions, estimation uncertainties and judgments

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

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

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

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

The **defined benefit obligations** and the pension expenses for the subsequent year are calculated using the actuarial parameters specified in note 23. However, a change in parameters would not have an impact on the consolidated net income for the reporting year, as remeasurements are recognized in equity with no effect on income.

The recognition and measurement of **provisions** and **contingent liabilities** in connection with **pending and imminent legal proceedings** are based to a significant extent on estimations made by TÜV SÜD. Assumptions must be made regarding their probability of occurrence, maturity and level of risk, which are subject to significant estimation uncertainty. This applies, in particular, to the estimation regarding the probability of utilization, the level of the potential liability risks and the amount of the legal and advisory costs associated with the dam collapse in Brazil depending on how long legal proceedings carry on. TÜV SÜD evaluates the matters using internal and external experts based on the circumstances prevailing as of the reporting date and knowledge gained prior to the preparation of the financial statements. Note 31 presents the Group's pending and imminent legal proceedings, the outcome of which could have a significant impact on the Group's financial performance and position for the financial year 2025 and future financial years.

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

TÜV SÜD operates in an increasingly uncertain macro-economic and geopolitical environment, which is influenced by trade disputes and armed conflicts, inflation, higher interest rates, regulatory developments and climate change. These uncertainties could have an impact on the Group's financial performance and position. TÜV SÜD has made its estimates and assumptions on the basis of current knowledge and the best available information.

Accounting standards applied for the first time in the financial year 2024

Amendments to standards, which are applicable for the first time in the financial year 2024, did not have any impact on TÜV SÜD AG's consolidated financial statements.

New standards and interpretations that are not yet mandatory

In April 2024, the IASB published the standard IFRS 18 "Presentation and Disclosure in Financial Statements", which is mandatory for financial years from January 1, 2027, subject to EU endorsement. IFRS 18 regulates the presentation of financial statement information and will replace IAS 1 "Presentation of Financial Statements" in the future. IFRS 18 will primarily lead to a restructuring of the income statement, changes to the statement of cash flows and additional disclosures in the notes. TÜV SÜD is currently examining which changes in presentation need to be made and which extended disclosures will be required.

The IASB has issued a further standard and amendments to standards, but their application is not yet mandatory. These new regulations are not expected to have any significant effects on TÜV SÜD AG's consolidated financial statements.

Prior-year information

Individual prior-year figures have been aligned with the current presentation.

Notes to the consolidated income statement

6 / Revenue

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

Revenue ≡22

in € million	2024	2023
INDUSTRY	1,138.2	1,033.0
MOBILITY	1,181.5	1,073.0
CERTIFICATION	1,122.2	1,050.6
OTHER	42.1	37.6
Less intragroup revenue	– 55.0	– 54.9
Revenue	**3,429.0**	**3,139.3**

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

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

For further information on the segments, please refer to the segment reporting in note 35.

Future revenue from long-term performance obligations not yet satisfied as of December 31, 2024 is expected to be recognized in the income statement as follows:

Revenue expected in the future from long-term contract assets ≡23

in € million	2025	2026	From 2027
Range of revenue expected	from 77.8 to 97.9	from 101.6 to 125.9	up to 33.7

All other performance obligations relate to contracts with an original term of one year or less. As permitted by IFRS 15.121, the expected settlement period for these contracts is not disclosed.

Revenue of € 118.1 million (prior year: € 104.6 million) was recognized in the financial year, which was included in contract liabilities as of December 31, 2023.

7 / Personnel expenses

Personnel expenses ≡24

in € million	2024	2023
Wages and salaries	1,654.9	1,513.6
Social security contributions and other benefit costs	229.2	210.6
Retirement benefit costs	126.4	115.3
Incidental personnel costs	45.6	36.4
Personnel expenses	**2,056.1**	**1,875.9**

The increase in wages and salaries including social security contributions and other benefit costs is a result of the group-wide increase in headcount, collectively bargained wage increases in Germany and the first-time consolidation of the entities acquired in the financial year.

Retirement benefit costs also include employer contributions to state pensions.

The TÜV SÜD Group had an average of 26,529 employees (full-time equivalents) in the reporting year (prior year: 25,023 employees). The majority of employees are salaried employees.

8 / Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses ≡ 25

in € million	2024	2023
Amortization and depreciation		
of intangible assets	28.6	24.7
of right-of-use assets	83.8	75.7
of property, plant and equipment	80.6	74.5
of investment property	0.1	0.1
	193.1	**175.0**
Impairment losses		
on intangible assets	0.0	4.5
on property, plant and equipment	8.1	3.9
	8.1	**8.4**
Amortization, depreciation and impairment losses	**201.2**	**183.4**

9 / Other expenses

Other expenses ≡ 26

in € million	2024	2023
Travel expenses	101.3	96.0
IT expenses	83.1	72.2
Rental and maintenance expenses	74.9	73.1
Expenses for purchased administrative services	68.8	62.8
Fees, contributions, consulting and audit costs	64.4	71.0
Expenses for equipment maintenance	27.4	25.4
Marketing expenses	25.3	21.9
Insurance expenses	22.8	18.0
Telecommunication expenses	18.8	17.9
Currency translation losses	18.2	21.1
Impairment losses on trade receivables (including amounts derecognized)	13.0	12.2
Other taxes	6.5	7.0
Miscellaneous other expenses	77.8	68.0
Other expenses	**602.3**	**566.6**

Miscellaneous other expenses include various business transactions, such as expenses for consumables and materials for testing facilities, gifts and entertainment as well as office supplies.

10 / Other income

Other income ≡ 27

in € million	2024	2023
Currency translation gains	17.0	20.6
Income from the reversal of provisions	15.0	45.0
Government grants	8.6	8.5
Income from other transactions not typical for the company	7.4	7.6
Income from the reversal of impairment losses on trade receivables	4.4	3.7
Income from the disposal of non-current assets	2.6	6.5
Miscellaneous other income	34.2	36.1
Other income	**89.2**	**128.0**

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

Miscellaneous other income includes a large number of different items, each of which is immaterial when considered individually.

11 / Financial result

Financial result

≡ 28

in € million	2024	2023
Income from investments accounted for using the equity method	**23.9**	**20.4**
Financial income from participations	0.1	0.8
Finance costs from participations	–2.4	–0.2
Income/loss from participations	–2.3	0.6
Finance costs from loans	–0.1	0.0
Income/loss from loans	–0.1	0.0
Other income/loss from participations	**–2.4**	**0.6**
Financing balance from pension provisions	7.3	9.5
Interest income from securities	11.6	1.9
Interest income from loans	0.3	0.3
Other interest and similar income	5.8	9.4
Interest income	**25.0**	**21.1**
Interest expenses from lease liabilities	–13.8	–11.6
Other interest and similar expenses	–2.4	–2.2
Interest expenses	**–16.2**	**–13.8**
Currency translation gains	8.6	5.0
Currency translation losses	–7.4	–5.8
Currency translation gains/losses from financing measures	1.2	–0.8
Gains/losses from the net monetary position pursuant to IAS 29	–1.3	–0.2
Sundry financial income	0.3	4.7
Sundry finance costs	–0.6	–3.6
Sundry financial result	–0.3	1.1
Other financial result	**–0.4**	**0.1**
Financial result	**29.9**	**28.4**

The income from investments accounted for using the equity method of € 23.9 million (prior year: € 20.4 million) contains a figure of € 22.9 million (prior year: € 20.2 million) from the proportionate net income generated by the Turkish joint ventures TÜVTÜRK.

Excluding the financing balance from pension provisions, total interest income from assets not measured at fair value through profit or loss amounted to € 17.7 million in the financial year 2024 (prior year: € 11.6 million) and total interest expenses amounted to € 16.2 million (prior year: € 13.8 million).

12 / Income taxes

Income taxes

≡ 29

in € million	2024	2023
Current taxes for the reporting year	48.7	52.9
Current tax adjustments for prior years	0.9	–1.3
Current taxes	**49.6**	**51.6**
Deferred taxes from temporary differences	16.1	0.8
Deferred taxes from tax loss carryforwards and tax credits	–0.6	–4.1
Deferred taxes	**15.5**	**–3.3**
Income tax expense	**65.1**	**48.3**

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

Tax reconciliation

≡ 30

in € million	2024	2023
Income before taxes	225.0	225.1
Expected tax rate	30.6%	30.6%
Expected income tax expense	**68.9**	**68.9**
Tax rate differences	–3.0	–4.5
Tax reductions due to tax-free income	–10.4	–22.4
Tax increases due to non-deductible expenses	7.2	8.4
Tax increases due to income taxes and withholding taxes neither creditable nor deductible	7.0	5.6
Tax effect from investments accounted for using the equity method	–6.4	–5.6
Tax increases on account of non-deductible impairment of goodwill	0.6	4.7
Current and deferred taxes for prior years	–1.0	–2.4
Tax credits, valuation allowances and adjustments to carrying amounts of deferred tax assets	1.3	–4.5
Effect of changes in tax rates	0.1	0.6
Other differences	0.8	–0.5
Reported income tax expense	**65.1**	**48.3**
Effective tax rate	**28.9%**	**21.5%**

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

Deferred taxes by item of the statement of financial position

≡ 31

in € million	Deferred tax assets Dec. 31, 2024	Deferred tax assets Dec. 31, 2023	Deferred tax liabilities Dec. 31, 2024	Deferred tax liabilities Dec. 31, 2023
Non-current assets	10.9	10.1	194.9	181.2
Current assets	0.4	0.8	13.6	17.5
Non-current liabilities				
Net defined benefit obligation	107.1	140.7	0.0	0.0
Other non-current liabilities	112.9	106.0	0.8	0.8
Current liabilities	48.7	43.3	5.2	4.4
Deferred taxes from temporary differences (gross)	**280.0**	**300.9**	**214.5**	**203.9**
Netting per company/tax group	– 187.2	– 184.3	– 187.2	– 184.3
Deferred taxes from temporary differences (net)	**92.8**	**116.6**	**27.3**	**19.6**
Deferred taxes from tax loss carryforwards and tax credits	**8.5**	**7.8**		
Deferred taxes reported in the statement of financial position	**101.3**	**124.4**	**27.3**	**19.6**

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

Development of the net balance of deferred tax assets and liabilities

≡ 32

in € million	2024	2023
Net balance as of January 1	**104.8**	**84.4**
Currency translation differences	– 0.2	– 0.1
Changes in scope of consolidation	– 6.8	– 0.4
Income (+)/expense (–) in the income statement	– 15.5	3.3
Deferred taxes recognized in other comprehensive income	– 8.1	18.2
Deferred taxes recognized in the financial result pursuant to IAS 29	– 0.2	– 0.6
Net balance as of December 31	**74.0**	**104.8**

In Germany, no deferred tax assets were recognized on corporate income tax loss carryforwards of € 23.6 million (prior year: € 23.6 million) and trade tax loss carryforwards of € 22.3 million (prior year: € 22.3 million) because at present it is not likely that the tax benefits will be realized. These tax loss carryforwards can be carried forward indefinitely. Outside of Germany, no deferred tax assets were recognized on tax loss carryforwards of € 43.5 million (prior year: € 36.3 million). Of these tax loss carryforwards, € 21.2 million (prior year: € 24.2 million) can be used indefinitely and € 18.9 million (prior year: € 11.8 million) will expire within the next five years. Furthermore, no deferred tax assets were recognized for deductible temporary differences of € 6.4 million (prior year: € 8.1 million). Valuation allowances on deferred tax assets from tax loss carryforwards of the prior year were reversed in the amount of € 0.9 million (prior year: € 3.4 million), resulting in a corresponding reduction in the deferred tax expense.

Differences on investments in subsidiaries totaling € 21.9 million (prior year: € 17.3 million) did not give rise to deferred tax liabilities because the differences are not expected to reverse in the foreseeable future by way of realization (distribution or sale of the entity).

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

Income taxes recognized directly in other comprehensive income ≡33

in € million	2024 Before tax	2024 Deferred tax effect	2024 After tax	2023 Before tax	2023 Deferred tax effect	2023 After tax
Remeasurement of defined benefit pension plans	48.9	– 8.1	40.8	– 29.0	18.0	– 11.0
Equity instruments at fair value	0.1	0.0	0.1	0.2	– 0.1	0.1
Debt instruments at fair value	0.1	0.0	0.1	– 1.6	0.5	– 1.1
Currency translation of foreign subsidiaries	19.4	0.0	19.4	– 16.4	0.0	– 16.4
Investments accounted for using the equity method	6.1	0.0	6.1	0.9	– 0.2	0.7
Other comprehensive income	**74.6**	**– 8.1**	**66.5**	**– 45.9**	**18.2**	**– 27.7**

In December 2021, the Organization for Economic Co-operation and Development (OECD) published Pillar 2 model rules for the introduction of global minimum taxation. It was transposed into national law in Germany by the MinStG [“Mindeststeuergesetz": German Minimum Tax Act], which was published in December 2023 and is applicable to all financial years beginning after December 30, 2023.

TÜV SÜD falls within the scope of application of the MinStG. Consequently, in each country in which the Group operates, TÜV SÜD must pay a top-up tax equal to the difference between the effective tax rate determined pursuant to Article 53 (1) MinStG and the minimum tax rate of 15%. Utilizing the safe harbor rules that apply up to and including the financial year 2026, TÜV SÜD has identified two countries that could be subject to a top-up tax. A current tax expense of € 0.7 million was recognized in the consolidated financial statements for these obligations.

In accordance with IAS 12, deferred taxes were not recognized in connection with Pillar 2 income taxes.

13 / Non-controlling interests

Financial data of companies with significant non-controlling interests

≡ 34

	TÜV Technische Überwachung Hessen GmbH, Germany		TUV SUD Certification and Testing (China) Co., Ltd., China	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Non-controlling interest	**45.0%**	**45.0%**	**49.0%**	**49.0%**
in € million				
Non-current assets	118.9	116.4	79.4	69.0
Current assets	93.1	74.1	163.6	145.5
Non-current liabilities	29.1	29.0	25.9	16.4
Current liabilities	35.6	33.5	180.2	144.5
Net assets	**147.3**	**128.0**	**36.9**	**53.6**
Carrying amount of non-controlling interests	66.3	57.6	17.9	26.0
	2024	2023	2024	2023
Revenue	**196.8**	**186.3**	**321.8**	**274.3**
Net income for the year	20.7	16.6	27.3	21.0
Other comprehensive income	1.5	–19.1	1.4	–4.0
Total comprehensive income	**22.2**	**–2.5**	**28.7**	**17.0**
Net income attributable to non-controlling interests	9.3	7.4	13.4	10.3
Other comprehensive income attributable to non-controlling interests	0.7	–8.6	0.7	–2.0
Dividends paid to non-controlling interests	1.3	1.2	22.2	16.0
Cash flow from operating activities	26.3	25.5	55.7	62.6
Cash flow from investing activities	–2.9	–6.2	1.1	–28.1
Cash flow from financing activities	–6.5	–6.6	–56.5	–42.5
Net change in cash and cash equivalents	**16.9**	**12.7**	**0.3**	**–8.0**

Notes to the consolidated statement of financial position

14 / Intangible assets

Development of intangible assets

≡ 35

in € million	Goodwill	Licenses and similar rights and customer relationships	Internally generated intangible assets	Other intangible assets	Advance payments and intangible assets under development	Total
Gross carrying amount as of January 1, 2024	**246.7**	**180.0**	**67.9**	**124.8**	**10.9**	**630.3**
Currency translation differences	4.7	7.2	0.7	0.1	0.1	**12.8**
Additions from business combinations	150.7	48.3	6.5	4.9	1.3	**211.7**
Additions	0.0	0.0	4.0	2.1	4.9	**11.0**
Disposals	– 0.1	– 1.6	– 3.7	– 48.5	0.0	**– 53.9**
Reclassifications	0.0	0.0	4.0	2.9	– 6.5	**0.4**
Gross carrying amount as of December 31, 2024	**402.0**	**233.9**	**79.4**	**86.3**	**10.7**	**812.3**
Accumulated amortization and impairment losses	– 54.5	– 148.3	– 58.4	– 69.4	– 3.6	**– 334.2**
Carrying amount as of December 31, 2024	**347.5**	**85.6**	**21.0**	**16.9**	**7.1**	**478.1**
Amortization and impairment losses in the financial year 2024	**– 2.3**	**– 8.5**	**– 9.7**	**– 10.4**	**0.0**	**– 30.9**
Gross carrying amount as of January 1, 2023	**243.2**	**169.4**	**64.8**	**117.7**	**10.6**	**605.7**
Currency translation differences	– 1.5	4.1	– 0.4	– 0.2	0.0	**2.0**
Additions from business combinations	3.2	2.6	0.0	0.0	0.0	**5.8**
Other changes in scope of consolidation	1.8	3.7	– 0.4	– 0.3	0.0	**4.8**
Additions	0.0	0.2	2.2	7.1	5.5	**15.0**
Disposals	0.0	0.0	0.0	0.0	– 3.0	**– 3.0**
Reclassifications	0.0	0.0	1.7	0.5	– 2.2	**0.0**
Gross carrying amount as of December 31, 2023	**246.7**	**180.0**	**67.9**	**124.8**	**10.9**	**630.3**
Accumulated amortization and impairment losses	– 52.7	– 135.6	– 50.7	– 104.0	– 3.6	**– 346.6**
Carrying amount as of December 31, 2023	**194.0**	**44.4**	**17.2**	**20.8**	**7.3**	**283.7**
Amortization and impairment losses in the financial year 2023	**– 15.3**	**– 8.3**	**– 7.8**	**– 10.3**	**– 2.8**	**– 44.5**

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

Goodwill ≡ 36

in € million	Dec. 31, 2024	Dec. 31, 2023
Mobility	139.0	36.6
Industry Service	99.4	92.5
Real Estate & Infrastructure	69.0	26.6
Product Service	36.5	34.7
Business Assurance	3.6	3.6
Goodwill	**347.5**	**194.0**

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

Internally generated intangible assets essentially comprise software and development costs.

As of the reporting date, the carrying amount of concessions, accreditations and trademark rights with indefinite useful lives comes to € 7.5 million (prior year: € 7.4 million), of which € 2.4 million (prior year: € 2.3 million) relates to the group of CGUs Industry Service and € 5.1 million (prior year: € 5.1 million) to the group of CGUs Mobility.

In the course of the annual impairment test of intangible assets, no need to recognize an impairment loss was identified in the reporting year. In the prior year, impairment losses of € 2.8 million were recognized on advance payments on intangible assets and of € 1.7 million on concessions, customer relationships, brands and similar rights. Of the impairment losses in the prior year, € 2.8 million was attributable to the CERTIFICATION Segment, € 1.0 million to the INDUSTRY Segment and € 0.7 million to the MOBILITY Segment.

Impairment losses of € 2.3 million were recognized for goodwill in the INDUSTRY Segment (prior year: € 13.9 million in the CERTIFICATION Segment and € 1.4 million in the MOBILITY Segment).

For the individual groups of CGUs to which goodwill is allocated, fair value less costs to sell was determined based on a discount rate of between 7.9% and 8.7% taking income taxes into account (prior year: between 8.1% and 9.0%). The sustainable growth rate stood unchanged compared to the prior year at 1.5% for all CGUs.

For intangible assets with indefinite useful lives, fair value less costs to sell was determined based on discount rates ranging from 7.7% to 8.9% taking income taxes into account (prior year: 8.8%). The sustainable growth rate ranged between 1.0% and 1.5% (prior year: 1.5%).

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

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

Research and development expenses of € 18.9 million (prior year: € 26.3 million) were recognized through profit or loss in the reporting year.

15 / Property, plant and equipment

Development of property, plant and equipment

≡ 37

in € million	Land and buildings	Technical equipment and machinery	Other equipment, furniture and fixtures	Advance payments and assets under construction	Total
Gross carrying amount as of January 1, 2024	**627.4**	**373.3**	**386.2**	**69.1**	**1,456.0**
Currency translation differences	6.3	9.6	1.3	0.2	**17.4**
Additions from business combinations	9.8	13.6	4.4	1.0	**28.8**
Additions	22.0	22.6	35.3	50.2	**130.1**
Disposals	–3.2	–12.7	–33.6	–1.2	**–50.7**
Reclassifications	11.9	10.4	1.7	–25.1	**–1.1**
Gross carrying amount as of December 31, 2024	**674.2**	**416.8**	**395.3**	**94.2**	**1,580.5**
Accumulated depreciation and impairment losses	–324.2	–253.3	–266.3	0.0	**–843.8**
Carrying amount as of December 31, 2024	**350.0**	**163.5**	**129.0**	**94.2**	**736.7**
Depreciation and impairment losses in the financial year 2024	**–20.0**	**–33.8**	**–34.9**	**0.0**	**–88.7**
Gross carrying amount as of January 1, 2023	**592.1**	**352.9**	**359.1**	**56.8**	**1,360.9**
Currency translation differences	–5.2	–10.0	–1.5	–0.6	**–17.3**
Additions from business combinations	0.5	0.0	1.2	0.0	**1.7**
Other changes in scope of consolidation	0.0	0.0	0.9	0.0	**0.9**
Additions	29.7	33.3	40.8	61.7	**165.5**
Disposals	–18.7	–13.7	–21.6	0.0	**–54.0**
Reclassifications to “held for sale”	–0.5	0.0	0.0	0.0	**–0.5**
Reclassifications	29.5	10.8	7.3	–48.8	**–1.2**
Gross carrying amount as of December 31, 2023	**627.4**	**373.3**	**386.2**	**69.1**	**1,456.0**
Accumulated depreciation and impairment losses	–298.9	–219.1	–260.1	0.0	**–778.1**
Carrying amount as of December 31, 2023	**328.5**	**154.2**	**126.1**	**69.1**	**677.9**
Depreciation and impairment losses in the financial year 2023	**–17.3**	**–28.1**	**–33.0**	**0.0**	**–78.4**

Impairment losses to the lower fair value of € 8.1 million (prior year: € 3.9 million) were recognized. Of this amount, € 2.1 million (prior year: € 1.6 million) is attributable to land and buildings, € 5.2 million (prior year: € 2.0 million) to technical equipment and machinery and € 0.8 million (prior year: € 0.3 million) to other equipment, furniture and fixtures.

16 / Investment property

Development of investment property ≡ 38

in € million	2024	2023
Gross carrying amount as of January 1	**7.5**	**6.3**
Additions	9.4	0.0
Reclassifications	0.7	1.2
Gross carrying amount as of December 31	**17.6**	**7.5**
Accumulated depreciation	– 2.1	– 2.0
Carrying amount as of December 31	**15.5**	**5.5**
Depreciation in the financial year	**– 0.1**	**– 0.1**

As of December 31, 2024, investment properties had a market value of € 22.3 million (prior year: € 12.1 million).

Measurement at fair value of the investment property is classified as level 3 in the fair value hierarchy. If current market data is not available, the fair value is calculated on the basis of a capitalized earnings method pursuant to the ImmoWertV ["Immobilienwertermittlungsverordnung": German Ordinance on the Valuation of Property] and derived from the standard land values as well as the expected rental income. Essential input factors in the valuation that are not directly observable on the market include property yield, which is significantly influenced by property location and type. The property yield used in the valuation remained unchanged compared to the prior year at 3.2%.

A total of € 0.4 million (prior year: € 0.3 million) in rental income was generated from investment property in the financial year 2024. This income is offset by expenses for repairs and maintenance of € 0.1 million (prior year: € 0.1 million). In addition, expenses of € 0.3 million (prior year: € 0.0 million) were incurred in connection with investment property that did not generate any rental income.

17 / Investments accounted for using the equity method

Investments accounted for using the equity method ≡ 39

in € million	Dec. 31, 2024	Dec. 31, 2023
Investments in joint ventures	47.8	33.7
Investment in an associated company	3.4	3.0
Investments accounted for using the equity method	**51.2**	**36.7**

Joint ventures

TÜV SÜD holds 33.33% of the shares in each of the two Turkish companies TÜVTURK Güney Tasit Muayene Istasyonlari Yapim ve Isletim A.S. (TÜVTÜRK Güney), Istanbul, and TÜVTURK Kuzey Tasit Muayene Istasyonlari Yapim ve Isletim A.S. (TÜVTÜRK Kuzey), Istanbul. The other venturers of the companies are the Dogus Group, Istanbul, Türkiye, and Test A.S., Istanbul, Türkiye, a company from the Bridgepoint Group, London, UK, which each also hold one third of the shares. The joint arrangements are structured as separate vehicles. TÜV SÜD has a right to the net assets of the companies. As a result, the joint arrangements are classified as joint ventures and accounted for using the equity method.

In 2007, the TÜVTÜRK companies concluded a concession agreement with the Turkish government, governing the implementation of regular vehicle inspections throughout Türkiye. Using different contractual partners, the joint venture is the exclusive provider of vehicle inspections in Türkiye for the 20-year term of the contract. In 2024, 12.6 million (prior year: 12.2 million) vehicle inspections were performed, generating revenue of TRY 23,315.6 million or € 634.7 million (prior year: TRY 15,988.5 million or € 489.6 million).

Other joint ventures are ITV de Levante, S.A. (ITV Levante), Valencia, Spain, and TDB Kalibrasyon Hizmetleri A.S. (TDB Calibration), Istanbul, Türkiye, which are each accounted for using the equity method.

There are no quoted market prices for any of the joint ventures.

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

As with the structure at TÜVTÜRK, the shareholders of TDB Calibration are the Dogus Group, the Bridgepoint Group and TÜV SÜD AG, each with a stake of 33.33%. The company offers all services related to vehicle testing equipment in Türkiye, such as calibration, evaluation, certification and maintenance.

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

Financial data of the joint ventures (100%)

≡ 40

in € million	Consolidated financial statements TÜVTÜRK, Türkiye		Other joint ventures	
	Dec. 31, 2024	Dec. 31, 2023[1]	Dec. 31, 2024	Dec. 31, 2023[1]
Non-current assets	208.1	167.8	11.1	5.4
Current assets	76.0	53.4	9.5	5.0
thereof cash and cash equivalents	45.8	28.8	3.7	1.4
Non-current liabilities	49.6	65.5	7.4	2.8
thereof financial liabilities	5.5	6.7	2.0	1.1
Current liabilities	110.0	73.4	14.9	6.5
thereof financial liabilities	83.9	53.5	2.1	1.0
Net assets	**124.5**	**82.3**	**– 1.7**	**1.1**
	2024	2023	2024	2023
Revenue	634.7	489.6	14.2	9.2
Amortization and depreciation	– 17.8	– 12.9	– 1.5	– 0.7
Interest income	19.2	8.4	0.2	0.1
Interest expenses	– 1.9	– 2.1	– 4.0	– 1.0
Income taxes	– 13.1	– 3.6	0.5	0.5
Net income/loss for the year	**68.8**	**60.7**	**– 2.5**	**– 2.0**
Other comprehensive income	– 0.5	– 0.3	0.0	0.0
Total comprehensive income	**68.3**	**60.4**	**– 2.5**	**– 2.0**
Dividends received	14.6	11.6	0.0	0.2

1 Prior-year figures adjusted in line with the final closing figures.

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

Reconciliation to the carrying amount of TÜV SÜD's interest in the joint ventures ≡ 41

	Consolidated financial statements TÜVTÜRK, Türkiye		Other joint ventures	
in € million	2024	2023	2024	2023
Net assets (100%) as of January 1	**82.3**	**53.4**	**1.1**	**22.4**
Net assets from changes in participations/reclassifications	0.0	0.0	0.0	– 19.0
Total comprehensive income	68.3	60.4	– 2.5	– 2.0
Dividends paid	– 43.9	– 34.7	0.0	– 0.3
Currency translation differences and adjustments pursuant to IAS 29	17.9	3.2	– 0.3	0.0
Net assets (100%) as of December 31	**124.6**	**82.3**	**– 1.7**	**1.1**
Attributable to TÜV SÜD Group	41.6	27.5	0.5	1.5
Restructuring and consolidation effects	4.9	4.9	0.0	0.0
Group adjustments and impairment losses	0.0	0.0	0.8	– 0.2
Carrying amount as of December 31	**46.5**	**32.4**	**1.3**	**1.3**

There are unrecognized losses in connection with shares in other joint ventures of € 1.1 million (prior year: € 0.3 million).

18 / Other financial assets

Other financial assets ≡ 42

in € million	Dec. 31, 2024	Dec. 31, 2023
Non-current securities	46.3	1.2
Shares in non-consolidated subsidiaries	3.8	4.8
Other participations	3.1	3.1
Loans to non-consolidated subsidiaries	1.3	1.3
Loans to other participations	0.2	0.0
Loans to related parties	30.0	0.0
Other loans	1.9	1.9
Share of policy reserve from employer's pension liability insurance	0.1	0.1
Other financial assets	**86.7**	**12.4**

TÜV SÜD AG invested € 45.1 million in non-current securities in the reporting year.

In addition, an amount of € 1.1 million (prior year: € 1.1 million) of the securities is pledged under a trust agreement concluded to secure the value of the settlement claims for employees in the block model of the phased retirement scheme (Altersteilzeit).

19 / Contract assets

Contract assets

≡ 43

in € million	Dec. 31, 2024	Dec. 31, 2023
Contract assets (gross)	232.3	196.1
Project-related advance payments received	– 19.0	– 20.5
Valuation allowances on contract assets	– 13.7	– 10.7
Contract assets	**199.6**	**164.9**

€ 199.7 million (prior year: € 166.5 million) of the contract assets will be realized within one year. Of the contract assets with a term of longer than one year, € 4.8 million (prior year: € 4.5 million) is impaired and € 5.0 million (prior year: € 6.0 million) is secured by advance payments received.

20 / Trade receivables

The maturity profile of trade receivables is as follows:

Maturity profile of trade receivables

≡ 44

in € million	Dec. 31, 2024	Dec. 31, 2023
Not due	285.1	266.1
Past due by 1–30 days	117.1	113.0
Past due by 31–60 days	34.7	32.0
Past due by 61–90 days	17.8	14.7
Past due by 91–180 days	23.6	20.6
Past due by 181–360 days	14.8	13.6
Past due by more than 360 days	18.0	19.8
Gross carrying amount	**511.1**	**479.8**
Valuation allowances	– 25.4	– 27.0
Net carrying amount	**485.7**	**452.8**

The development of valuation allowances on trade receivables is presented in note 33.

21 / Other assets

Other assets

≡ 45

in € million	Dec. 31, 2024 Non-current	Dec. 31, 2024 Current	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current
Securities	0.0	68.6	0.0	73.7
Time deposits	0.0	16.8	0.0	19.8
Security deposits	5.0	6.2	5.0	5.6
Receivables from other participations	0.0	3.3	0.0	5.3
Receivables from non-consolidated subsidiaries	0.0	0.7	0.0	0.6
Fair values of derivative financial instruments	0.0	0.6	0.0	0.5
Receivables from related parties	0.0	0.0	0.0	0.7
Miscellaneous financial assets	3.6	20.4	4.6	19.6
Other financial assets	**8.6**	**116.6**	**9.6**	**125.8**
Assets from overfunded pension plans	415.7	0.0	367.3	0.0
Prepaid expenses	0.0	28.8	0.0	16.3
Refund claims against insurance companies	0.0	7.2	0.0	6.3
Receivables from other taxes	0.0	1.9	0.0	1.6
Miscellaneous non-financial assets	1.5	18.0	2.0	9.7
Other non-financial assets	**417.2**	**55.9**	**369.3**	**33.9**
Other assets	**425.8**	**172.5**	**378.9**	**159.7**

For more information on assets from overfunded pension plans, please refer to note 23 “Provisions for pensions and similar obligations”.

Miscellaneous non-current financial assets include a receivable of € 1.2 million (prior year: € 1.4 million), which relates to the funds of the subsidiary TÜV SÜD BRASIL CONSULTORIA LTDA. (TÜV SÜD BRASIL), São Paulo, Brazil, which have been seized by the Brazilian authorities. A corresponding provision was recognized for this amount.

Further information on other financial assets can be found in note 32.

22 / Equity

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

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

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

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

The Group manages its capital with the aim of ensuring that all group companies are able to continue as a going concern and achieving an adequate return in excess of the cost of capital in order to increase the value of the company in the long term. The Group's overall strategy has remained unchanged compared to 2023.

23 / Provisions for pensions and similar obligations

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

Defined contribution plans

In the case of defined contribution plans, the company pays contributions to state or private pension funds on a legal, contractual or voluntary basis. Ongoing premium payments (including contributions to state pension insurance) are stated as pension expenses for the respective year; in the financial year 2024, they totaled € 109.1 million (prior year: € 97.6 million). In Germany, all new pension commitments entered into are only defined contribution plans.

Defined benefit plans

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

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

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

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

There is a defined benefit pension plan in the UK based, among other things, on salary and on length of service. This pension plan is closed for new hires. In September 2024, the plan was frozen. Employees who were still active at the time the plan was closed therefore cannot acquire any further increases through their years of service.

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

Funding the pension plans

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

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

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

As of December 31, 2024, the plan assets comprise fixed-interest securities, real estate, alternative investments, derivatives, cash and cash equivalents and other assets.

Until the coverage shortfall was remedied, TÜV SÜD Pension Trust e. V. was funded such that the pension payments reimbursed by TÜV SÜD Pension Trust e. V. were recontributed to the CTA by the relevant domestic companies and additional funds were made available by the Board of Management of TÜV SÜD AG in the form of new allocations. Due to the funding ratio, the refunded pension payments have not been recontributed since 2022.

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

To fully fund the obligations, in the UK there is a company-based pension plan according to which the fund assets can only be used to settle the pension obligations. If, calculated in accordance with actuarial principles, there is a deficit in these pension plans, the member employer TÜV SÜD (UK) Ltd., Fareham, UK, and the trustee must agree on a financing plan that is renewed every three years and has to be presented to The Pensions Regulator (TPR) for approval. To finance the deficit of around GBP 4.5 million determined at the end of 2022, the member employer agreed to make an annual contribution of GBP 2.5 million until May 2025 in addition to the regular employer's contribution. The next actuarial review is due in January 2026 and will be submitted to the supervisory authorities once it has been completed.

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

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

Recognition of the net defined benefit obligation in the statements of financial position ≡ 46

	Dec. 31, 2024			Dec. 31, 2023		
in € million	Germany	Other countries	Total	Germany	Other countries	Total
Defined benefit obligation	143.8	31.5	175.3	144.1	101.8	245.9
Fair value of plan assets	– 5.9	– 18.0	– 23.9	– 6.0	– 87.5	– 93.5
Provisions for pensions and similar obligations	**137.9**	**13.5**	**151.4**	**138.1**	**14.3**	**152.4**
Defined benefit obligation	1,350.5	69.5	1,420.0	1,378.0	3.0	1,381.0
Fair value of plan assets	– 1,764.4	– 71.3	– 1,835.7	– 1,744.9	– 3.4	– 1,748.3
Assets from overfunded pension plans (recognition under other non-current assets)	**– 413.9**	**– 1.8**	**– 415.7**	**– 366.9**	**– 0.4**	**– 367.3**
Defined benefit obligation	1,494.3	101.0	1,595.3	1,522.1	104.8	1,626.9
Fair value of plan assets	– 1,770.3	– 89.3	– 1,859.6	– 1,750.9	– 90.9	– 1,841.8
Net defined benefit obligation	**– 276.0**	**11.7**	**– 264.3**	**– 228.8**	**13.9**	**– 214.9**

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

Development of funded status ≡ 47

in € million	2024	2023	2022	2021	2020
Defined benefit obligation	1,595.3	1,626.9	1,564.6	2,187.9	2,308.2
Fair value of plan assets	– 1,859.6	– 1,841.8	– 1,806.2	– 2,003.2	– 1,822.2
Effects of the asset ceiling	0.0	0.0	0.7	0.0	0.0
Funded status as of December 31	**– 264.3**	**– 214.9**	**– 240.9**	**184.7**	**486.0**

In the financial year 2025, the Group intends to make payments of € 5.5 million to plans that are not yet fully funded. An amount of € 5.6 million was contributed to plan assets in the financial year 2024.

Change in net defined benefit obligation

Development of defined benefit obligation

≡ 48

in € million	2024 Germany	2024 Other countries	2024 Total	2023 Germany	2023 Other countries	2023 Total
Defined benefit obligation as of January 1	**1,522.1**	**104.8**	**1,626.9**	**1,464.4**	**100.2**	**1,564.6**
Current service cost	13.3	3.5	16.8	13.4	2.8	16.2
Interest cost	47.3	4.0	51.3	52.4	4.1	56.5
Benefits paid	−82.9	−7.5	−90.4	−80.7	−8.0	−88.7
Contributions by the beneficiaries	0.0	0.5	0.5	0.0	0.5	0.5
Plan curtailments and settlements	0.0	0.1	0.1	0.0	0.0	0.0
Gains (−)/losses (+) from remeasurements						
Actuarial gains and losses from demographic assumptions	0.0	0.0	0.0	0.0	−1.3	−1.3
Actuarial gains and losses from financial assumptions	−41.1	−7.2	−48.3	80.5	4.4	84.9
Actuarial gains and losses from experience adjustments	35.6	−0.5	35.1	−7.7	0.4	−7.3
Past service cost	0.0	0.2	0.2	0.0	0.0	0.0
Changes in scope of consolidation	0.0	0.1	0.1	−0.2	0.0	−0.2
Currency translation differences and other	0.0	3.0	3.0	0.0	1.7	1.7
Defined benefit obligation as of December 31	**1,494.3**	**101.0**	**1,595.3**	**1,522.1**	**104.8**	**1,626.9**
thereof unfunded	110.3	12.2	122.5	111.3	10.4	121.7
thereof partially funded	1,384.0	88.8	1,472.8	1,410.8	94.4	1,505.2

Around 67% (prior year: 66%) of the defined benefit obligation is allocable to pensioners, and 33% (prior year: 34%) to active employees and vested beneficiaries. The weighted average duration of the obligations is 11.9 years (prior year: 12.4 years).

The main factor influencing the development of the defined benefit obligation is the underlying discount rate, which in Germany increased by 20 base points from 3.2% to 3.4% in a year-on-year comparison and resulted in actuarial gains from financial assumptions of € 36.0 million (prior year: losses of € 83.2 million) in the financial year. Due to the development of the capital markets, the discount rate in the UK also increased by 95 base points to 5.5% with resulting actuarial gains of € 8.6 million (prior year: losses of € 2.4 million).

Pension payments totaling € 91.0 million are expected for the financial year 2025. Of this amount, € 88.0 million, will be funded from plan assets.

Development of plan assets

≡ 49

in € million	2024 Germany	2024 Other countries	2024 Total	2023 Germany	2023 Other countries	2023 Total
Fair value of plan assets as of January 1	**1,750.9**	**90.9**	**1,841.8**	**1,717.7**	**88.5**	**1,806.2**
Interest income	54.9	3.7	58.6	62.1	3.9	66.0
Gains (+)/losses (–) from remeasurements						
Return (+)/losses (–) on plan assets excluding interest income	42.5	–6.8	35.7	47.6	–1.0	46.6
Contributions by the employer	1.0	4.6	5.6	1.0	3.9	4.9
Contributions by the beneficiaries	0.0	0.5	0.5	0.0	0.5	0.5
Benefits paid	–79.0	–6.4	–85.4	–77.5	–7.1	–84.6
Currency translation differences and other	0.0	2.8	2.8	0.0	2.2	2.2
Fair value of plan assets as of December 31	**1,770.3**	**89.3**	**1,859.6**	**1,750.9**	**90.9**	**1,841.8**
Actual return (+)/losses (–) on plan assets	97.4	–3.1	94.3	109.7	2.9	112.6

The net defined benefit obligation thus changed as follows:

Development of the net defined benefit obligation

≡ 50

in € million	2024 Germany	2024 Other countries	2024 Total	2023 Germany	2023 Other countries	2023 Total
Net defined benefit obligation as of January 1	**– 228.8**	**13.9**	**– 214.9**	**– 253.3**	**12.4**	**– 240.9**
Current service cost	13.3	3.5	16.8	13.4	2.8	16.2
Net interest cost	– 7.6	0.3	– 7.3	– 9.7	0.2	– 9.5
Contributions by the employer	– 1.0	– 4.6	– 5.6	– 1.0	– 3.9	– 4.9
Benefits paid	– 3.9	– 1.1	– 5.0	– 3.2	– 0.9	– 4.1
Plan curtailments and settlements	0.0	0.1	0.1	0.0	0.0	0.0
Gains (–)/losses (+) from remeasurements						
Actuarial gains and losses from demographic assumptions	0.0	0.0	0.0	0.0	– 1.3	– 1.3
Actuarial gains and losses from financial assumptions	– 41.1	– 7.2	– 48.3	80.5	4.4	84.9
Actuarial gains and losses from experience adjustments	35.6	– 0.5	35.1	– 7.7	0.4	– 7.3
Return (–)/losses (+) on plan assets excluding interest income	– 42.5	6.8	– 35.7	– 47.6	1.0	– 46.6
Change of the effects of the asset ceiling	0.0	0.0	0.0	0.0	– 0.7	– 0.7
Past service cost	0.0	0.2	0.2	0.0	0.0	0.0
Changes in scope of consolidation	0.0	0.1	0.1	– 0.2	0.0	– 0.2
Currency translation differences and other	0.0	0.2	0.2	0.0	– 0.5	– 0.5
Net defined benefit obligation as of December 31	**– 276.0**	**11.7**	**– 264.3**	**– 228.8**	**13.9**	**– 214.9**

Plan assets

Composition of plan assets

≡ 51

in € million	Dec. 31, 2024	Dec. 31, 2023
Fixed-interest securities	883.0	968.7
Share in investment company for infrastructure projects and private debt	518.8	474.1
Real estate and similar assets – used by third parties or under construction	277.0	235.1
Real estate and similar assets – used by the TÜV SÜD Group	71.6	67.6
Other (including cash and cash equivalents)	109.2	96.3
Fair value of plan assets	**1,859.6**	**1,841.8**

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

The investment strategy for plan assets aims to ensure that future obligations from pension commitments can be satisfied in a timely and complete manner.

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

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

Defined benefit obligation

Actuarial assumptions for determining the defined benefit obligation

≡52

in %	Dec. 31, 2024 Germany	Dec. 31, 2024 Other countries	Dec. 31, 2023 Germany	Dec. 31, 2023 Other countries
Discount rate	3.40	4.30	3.20	3.77
Salary increase rate	2.75	2.71	2.75	2.47
Pension increase rate	2.20	2.41	2.20	2.35

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

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

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

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

A change in the aforementioned assumptions used to determine the defined benefit obligation as of December 31, 2024 would lead to a corresponding change in this figure. The respective effects from such a change in measurement are presented on the assumption that all other parameters remain constant.

Sensitivity analyses

≡53

in € million	Defined benefit obligation as of Dec. 31, 2024 Increase	Defined benefit obligation as of Dec. 31, 2024 Decrease	Defined benefit obligation as of Dec. 31, 2023 Increase	Defined benefit obligation as of Dec. 31, 2023 Decrease
Discount rate (0.5% variation)	–88.6	97.7	–93.9	103.9
Salary increase rate (0.5% variation)	11.6	–10.5	14.0	–13.4
Pension increase rate (0.5% variation)	83.4	–76.4	85.4	–82.4
Life expectancy (5.3% increase for all persons[1])	89.7	–	91.4	–

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

Net pension expense

The assumptions made to calculate the defined benefit obligation as of the respective measurement date (December 31) apply to both the calculation of the interest cost and the current service cost as well as to the interest income on plan assets in the following financial year. The assumptions used to calculate the pension expenses for the financial year 2024 were therefore already defined as of the reporting date December 31, 2023.

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

Actuarial assumptions for determining pension expenses

≡54

in %	2024 Germany	2024 Other countries	2023 Germany	2023 Other countries
Discount rate	3.20	3.77	3.70	4.15
Salary increase rate	2.75	2.47	2.75	2.32
Pension increase rate	2.20	2.35	2.20	2.38

The expenses for defined benefit plans recognized in total comprehensive income for the financial years 2024 and 2023 break down as follows:

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

≡55

in € million	2024 Germany	2024 Other countries	2024 Total	2023 Germany	2023 Other countries	2023 Total
Current service cost	13.3	3.5	16.8	13.4	2.8	16.2
Net interest cost	–7.6	0.3	–7.3	–9.7	0.2	–9.5
Past service cost	0.0	0.2	0.2	0.0	0.0	0.0
Gains (–) and losses (+) from plan curtailments and settlements	0.0	0.1	0.1	0.0	0.0	0.0
Expenses for defined benefit plans recognized in the consolidated income statement	**5.7**	**4.1**	**9.8**	**3.7**	**3.0**	**6.7**
Return (–)/losses (+) on plan assets excluding interest income	–42.5	6.8	–35.7	–47.6	1.0	–46.6
Gains (–)/losses (+) from remeasurements of the defined benefit obligation	–5.5	–7.7	–13.2	72.8	3.5	76.3
Change of the effects of the asset ceiling	0.0	0.0	0.0	0.0	–0.7	–0.7
Remeasurements of defined benefit plans recognized in other comprehensive income	**–48.0**	**–0.9**	**–48.9**	**25.2**	**3.8**	**29.0**
Expenses (+)/income (–) recognized for defined benefit plans in total comprehensive income	**–42.3**	**3.2**	**–39.1**	**28.9**	**6.8**	**35.7**

24 / Other provisions

Development of other provisions

≡ 56

in € million	Personnel provisions	Litigation, damages and similar obligations	Restructuring provisions	Miscellaneous provisions	Total
Balance as of January 1, 2024	**174.0**	**61.7**	**14.9**	**26.0**	**276.6**
thereof non-current	**27.4**	**43.2**	**0.0**	**9.0**	**79.6**
Currency translation differences	1.7	0.1	0.0	0.3	**2.1**
Changes in scope of consolidation	0.4	0.7	0.0	0.0	**1.1**
Additions	158.8	13.7	0.6	5.1	**178.2**
Utilization	–127.0	–10.2	–1.6	–3.5	**–142.3**
Reversals	–10.6	–1.7	–1.6	–4.0	**–17.9**
Interest effect	0.6	0.0	0.0	0.0	**0.6**
Balance as of December 31, 2024	**197.9**	**64.3**	**12.3**	**23.9**	**298.4**
thereof non-current	**27.6**	**37.1**	**0.0**	**9.6**	**74.3**

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

Provisions for litigation costs, damages and similar obligations largely include legal defense costs and other provisions in connection with the dam collapse in Brazil, which are counterbalanced by contingent assets from insurance benefits in the single-digit million euro range. Please refer to the comments in note 31 “Pending and imminent legal proceedings”.

Overall, obligations are counterbalanced by reimbursement claims from insurance companies amounting to € 7.2 million (prior year: € 6.3 million), which were recognized as current assets.

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

25 / Financial debt

Financial debt ≡57

in € million	Dec. 31, 2024 Non-current	Dec. 31, 2024 Current	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current
Liabilities to banks	8.4	0.1	7.6	0.3
Cash pool liabilities to related parties	0.0	1.0	0.0	0.3
Loan liabilities to third parties	0.0	0.0	1.4	0.0
Financial debt	**8.4**	**1.1**	**9.0**	**0.6**

26 / Contract liabilities

As of December 31, 2024, contract liabilities amount to € 224.5 million (prior year: € 190.7 million) and contain advance payments received of € 87.6 million (prior year: € 78.4 million). Of these liabilities, € 97.3 million (prior year: € 76.2 million) will be settled within one year.

27 / Other liabilities

Other liabilities

≡ 58

in € million	Dec. 31, 2024 Non-current	Dec. 31, 2024 Current	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current
Outstanding invoices	0.0	67.6	0.0	64.6
Purchase price liabilities	5.4	7.8	0.1	4.7
Liabilities to employees	0.0	6.8	0.0	6.5
Fair values of derivative financial instruments	0.0	3.4	0.0	1.0
Liabilities to other participations	0.0	0.4	0.0	1.8
Liabilities to non-consolidated subsidiaries	0.0	0.3	0.0	0.1
Miscellaneous financial liabilities	2.2	23.6	0.8	20.2
Other financial liabilities	**7.6**	**109.9**	**0.9**	**98.9**
Vacation claims, flexitime and overtime credits	0.0	51.8	0.0	49.1
Other taxes	0.0	50.5	0.0	47.2
Deferred income	0.0	15.5	0.0	14.5
Social security liabilities	0.0	8.8	0.0	7.1
Miscellaneous non-financial liabilities	0.0	23.0	0.0	20.7
Other non-financial liabilities	**0.0**	**149.6**	**0.0**	**138.6**
Other liabilities	**7.6**	**259.5**	**0.9**	**237.5**

Further information on other financial liabilities can be found in note 32.

28 / Leases

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

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

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

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

Right-of-use assets

≡ 59

	2024			2023		
in € million	Additions	Depreciation and impairment losses	Carrying amount as of Dec. 31	Additions	Depreciation and impairment losses	Carrying amount as of Dec. 31
Land and buildings	93.7	60.2	439.9	73.1	58.6	404.7
Technical equipment and machinery	0.0	0.4	1.0	0.2	0.4	1.4
Other equipment, furniture and fixtures	34.9	23.2	47.6	31.0	16.7	36.1
Total	**128.6**	**83.8**	**488.5**	**104.3**	**75.7**	**442.2**

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

Lease liabilities

≡ 60

in € million	Dec. 31, 2024	Dec. 31, 2023
Non-current lease liabilities	428.0	388.8
Current lease liabilities	78.2	69.8
Carrying amount of the lease liabilities	**506.2**	**458.6**

The maturity analysis of undiscounted lease liabilities is presented in note 33 “Financial risks”.

Possible future cash outflows of € 36.2 million (prior year: € 28.6 million) were not included in the lease liabilities as it is not reasonably certain that the agreements will be extended. Leases into which the Group has entered into as a lessee, but which have not yet commenced, result in possible future cash outflows of € 1.6 million (prior year: € 14.9 million).

In 2024, payments for leases recognized pursuant to IFRS 16 amounted to € 96.1 million (prior year: € 82.9 million). The non-cash increases of lease liabilities (additions, interest, disposals, currency translation effects) amounted to € 143.7 million (prior year: € 107.4 million).

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

Lease expenses with effect on income

≡ 61

in € million	2024	2023
Depreciation of and impairment losses on right-of-use assets	83.8	75.7
Interest expenses from lease liabilities	13.8	11.6
Expenses for short-term leases	8.6	8.6
Expenses for leases of low-value assets	4.2	3.3

29 / Contingent assets and liabilities

There are contingent assets from insurance benefits for expenses in 2024 in the single-digit million euro range. The contingent assets for expenses in 2023 disclosed in a similar amount in the prior year were collected and recognized with effect on income in the reporting year.

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

Contingent liabilities ≡ 62

in € million	Dec. 31, 2024	Dec. 31, 2023
Guarantee obligations	51.4	46.9
Contingent liabilities arising from litigation risks	0.6	0.5
Miscellaneous contingent liabilities	0.4	0.2
Contingent liabilities	**52.4**	**47.6**

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

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

There are guarantee obligations of € 6.3 million (prior year: € 5.1 million) for a joint venture sold in the reporting year.

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

Please refer to note 31 for information on the contingent liabilities in association with pending and imminent legal proceedings.

30 / Other financial obligations

There are other financial obligations in an amount of € 86.1 million (prior year: € 18.0 million) and these largely relate to software and service agreements.

31 / Pending and imminent legal proceedings

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

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

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

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

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

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

Other notes

32 / Additional disclosures on financial instruments

The Group holds the following financial instruments:

Carrying amounts by measurement category pursuant to IFRS 9 ≡ 63

in € million	Dec. 31, 2024	Dec. 31, 2023
Debt instruments at amortized cost (AC assets)	736.2	677.6
Debt instruments at fair value through other comprehensive income (FVOCI (DI))	4.5	4.1
Financial assets at fair value through profit or loss (FVTPL)	256.7	437.3
Equity instruments at fair value through other comprehensive income (FVOCI (EI))	5.7	5.3
Financial assets	**1,003.1**	**1,124.3**
Financial liabilities measured at amortized cost (AC liabilities)	198.8	205.5
Financial liabilities at fair value through profit or loss (FVTPL)	16.6	5.8
Financial liabilities	**215.4**	**211.3**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by classes of financial instruments, including their levels in the fair value hierarchy. They do not contain any information on the fair value of financial assets and financial liabilities that are not measured at fair value if the carrying amount represents a reasonable approximation of the fair value. Non-financial assets and liabilities that do not fall under the scope of application of IFRS 9 are not reported here. A reconciliation with the statement of financial position item is therefore not possible. ≡ 64/65

Carrying amounts and fair values of financial assets

≡ 64

in € million	Measurement category pursuant to IFRS 9	Dec. 31, 2024					Dec. 31, 2023				
				Fair value hierarchy					Fair value hierarchy		
		Carrying amount	Fair value	thereof level 1	thereof level 2	thereof level 3	Carrying amount	Fair value	thereof level 1	thereof level 2	thereof level 3
Other financial assets		**82.8**	**84.6**	**46.3**	**35.2**	**3.1**	**7.5**	**7.5**	**1.2**	**3.2**	**3.1**
Loans	AC assets	33.4	35.2		35.2		3.2	3.2		3.2	
Other participations	FVOCI (EI)	3.1	3.1			3.1	3.1	3.1			3.1
Non-current securities	FVOCI (DI)	0.2	0.2	0.2			0.1	0.1	0.1		
Non-current securities	FVOCI (EI)	1.1	1.1	1.1			1.1	1.1	1.1		
Non-current securities	FVTPL	45.0	45.0	45.0			0.0				
Other non-current assets		**8.6**	**8.6**	**0.0**	**8.6**	**0.0**	**9.6**	**9.6**	**0.0**	**9.6**	**0.0**
Other non-current assets	AC assets	8.6	8.6		8.6		9.6	9.6		9.6	
Non-current assets		**91.4**	**93.2**	**46.3**	**43.8**	**3.1**	**17.1**	**17.1**	**1.2**	**12.8**	**3.1**
Trade receivables[1]	AC assets	**485.7**					**452.8**				
Other current assets		**116.6**	**69.2**	**64.3**	**4.9**	**0.0**	**125.8**	**74.2**	**69.7**	**4.5**	**0.0**
Receivables from participations[1]	AC assets	4.0					5.9				
Security deposits[1]	AC assets	6.2					5.6				
Miscellaneous receivables[1]	AC assets	20.4					19.6				
Derivatives	FVTPL	0.6	0.6		0.6		0.5	0.5		0.5	
Securities	FVOCI (DI)	4.3	4.3		4.3		4.0	4.0		4.0	
Securities	FVOCI (EI)	1.5	1.5	1.5			1.1	1.1	1.1		
Securities	FVTPL	62.8	62.8	62.8			68.6	68.6	68.6		
Other loans[1]	AC assets	0.0					0.7				
Time deposits[1]	AC assets	16.8					19.8				
Cash and cash equivalents		**309.4**	**148.3**	**148.3**	**0.0**	**0.0**	**528.6**	**368.2**	**368.2**	**0.0**	**0.0**
Money market funds	FVTPL	148.3	148.3	148.3			368.2	368.2	368.2		
Bank balances[1]	AC assets	161.1					160.4				
Current assets		**911.7**	**217.5**	**212.6**	**4.9**	**0.0**	**1,107.2**	**442.4**	**437.9**	**4.5**	**0.0**
Total financial assets		**1,003.1**	**310.7**	**258.9**	**48.7**	**3.1**	**1,124.3**	**459.5**	**439.1**	**17.3**	**3.1**

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

Carrying amounts and fair values of financial liabilities

≡ 65

in € million	Measurement category pursuant to IFRS 9	Dec. 31, 2024 Carrying amount	Dec. 31, 2024 Fair value	Dec. 31, 2024 Fair value hierarchy thereof level 1	Dec. 31, 2024 Fair value hierarchy thereof level 2	Dec. 31, 2024 Fair value hierarchy thereof level 3	Dec. 31, 2023 Carrying amount	Dec. 31, 2023 Fair value	Dec. 31, 2023 Fair value hierarchy thereof level 1	Dec. 31, 2023 Fair value hierarchy thereof level 2	Dec. 31, 2023 Fair value hierarchy thereof level 3
Non-current financial debt		**8.4**	**9.5**	**0.0**	**9.5**	**0.0**	**9.0**	**10.2**	**0.0**	**10.2**	**0.0**
Liabilities to banks	AC liabilities	8.4	9.5		9.5		7.6	8.8		8.8	
Other loan liabilities	AC liabilities	0.0					1.4	1.4		1.4	
Other non-current liabilities		**7.6**	**7.6**	**0.0**	**2.2**	**5.4**	**0.9**	**0.9**	**0.0**	**0.8**	**0.1**
Other non-current liabilities	AC liabilities	2.2	2.2		2.2		0.8	0.8		0.8	
Purchase price liabilities	FVTPL	5.4	5.4			5.4	0.1	0.1			0.1
Non-current liabilities		**16.0**	**17.1**	**0.0**	**11.7**	**5.4**	**9.9**	**11.1**	**0.0**	**11.0**	**0.1**
Current financial debt		**1.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**	**0.0**	**0.0**	**0.0**
Liabilities to banks[1]	AC liabilities	0.1					0.3				
Other interest-bearing liabilities[1]	AC liabilities	1.0					0.3				
Trade payables[1]	AC liabilities	**88.4**					**101.9**				
Other current liabilities		**109.9**	**11.2**	**0.0**	**3.4**	**7.8**	**98.9**	**5.7**	**0.0**	**1.0**	**4.7**
Outstanding invoices[1]	AC liabilities	67.6					64.6				
Liabilities to participations[1]	AC liabilities	0.7					1.9				
Derivatives	FVTPL	3.4	3.4		3.4		1.0	1.0		1.0	
Security deposits[1]	AC liabilities	0.1					0.1				
Other non-interest-bearing liabilities[1]	AC liabilities	30.3					26.6				
Purchase price liabilities	FVTPL	7.8	7.8			7.8	4.7	4.7			4.7
Current liabilities		**199.4**	**11.2**	**0.0**	**3.4**	**7.8**	**201.4**	**5.7**	**0.0**	**1.0**	**4.7**
Total financial liabilities		**215.4**	**28.3**	**0.0**	**15.1**	**13.2**	**211.3**	**16.8**	**0.0**	**12.0**	**4.8**

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

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

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

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

Reconciliation of financial instruments in level 3

≡ 66

	Purchase price receivables		Purchase price liabilities	
in € million	2024	2023	2024	2023
Net balance as of January 1	**0.0**	**0.0**	**4.8**	**5.2**
Currency translation differences	0.0	0.0	0.2	–0.6
Additions	0.0	0.0	8.3	0.2
Changes recognized with an effect on income	0.0	0.6	0.0	0.0
Changes recognized with an effect on cash and cash equivalents	0.0	–0.6	–0.1	0.0
Net balance as of December 31	**0.0**	**0.0**	**13.2**	**4.8**

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

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

Net gains and losses by measurement category pursuant to IFRS 9 ≡ 67

in € million	2024	2023
Debt instruments at amortized cost	2.9	–2.9
Debt instruments at fair value through other comprehensive income	0.0	3.6
Financial assets/liabilities at fair value through profit or loss	10.6	0.6
Equity instruments at fair value through other comprehensive income	–2.3	0.8
Financial liabilities measured at amortized cost	–6.4	0.4

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

Dividend income from other participations totals € 0.1 million (prior year: € 0.3 million).

33 / Financial risks

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

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

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

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

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

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

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

Development of valuation allowances on financial assets ≡ 68

in € million	Other financial assets	Trade receivables	Other current assets	Total
Valuation allowances as of January 1, 2023	**17.0**	**24.2**	**3.0**	**44.2**
Currency translation differences	– 0.2	– 0.4	0.0	**– 0.6**
Additions	0.0	9.2	0.0	**9.2**
Utilization	– 2.6	– 2.2	0.0	**– 4.8**
Reversals	– 0.4	– 3.8	– 0.6	**– 4.8**
Valuation allowances as of December 31, 2023/ January 1, 2024	**13.8**	**27.0**	**2.4**	**43.2**
Currency translation differences	0.2	0.3	0.0	**0.5**
Changes in scope of consolidation	0.0	0.6	0.0	**0.6**
Additions	2.4	8.3	0.0	**10.7**
Utilization	– 6.8	– 7.3	0.0	**– 14.1**
Reversals	0.0	– 3.5	0.0	**– 3.5**
Valuation allowances as of December 31, 2024	**9.6**	**25.4**	**2.4**	**37.4**
Impairment losses 2024	**2.4**	**13.0**	**0.0**	**15.4**
Impairment losses 2023	0.0	12.1	0.0	**12.1**

In order to manage **liquidity risks**, the TÜV SÜD Group always has up-to-date liquidity planning and sufficient liquidity reserves. This consists of cash funds, securities and a syndicated credit facility of € 300.0 million, which was concluded in July 2021 with a term of five years. After exercising a corresponding one-year extension option, the credit facility is now available until July 2027. The credit facility has not yet been utilized.

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

Maturity analysis of financial liabilities

≡ 69

	Dec. 31, 2024			Dec. 31, 2023		
in € million	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Financial debt	1.1	7.9	0.5	0.6	6.7	2.3
Lease liabilities	85.5	219.6	342.4	78.8	188.5	326.8
Trade payables	88.4	0.0	0.0	101.9	0.0	0.0
Other financial liabilities	109.9	7.6	0.0	98.9	0.9	0.0
Financial liabilities	**284.9**	**235.1**	**342.9**	**280.2**	**196.1**	**329.1**

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

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

With regard to trade receivables and payables, a 10% increase or decrease in the value of the euro against all other currencies as of December 31, 2024 would only have an immaterial effect on consolidated net income for the year. In the event of a 10% decrease in value of the euro, the market value of forward exchange transactions would fall by € 13.1 million (prior year: € 8.7 million) and in the event of a 10% increase in the value of the euro, the market value would increase by € 10.7 million (prior year: € 7.1 million). Only derivatives that are open as of the reporting date are taken into account in the sensitivity analysis. The currency effects realized on hedges due to prolongation chains are recognized through profit or loss.

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

34 / Notes to the statement of cash flows

The cash and cash equivalents presented in the statement of cash flows contain all highly liquid items shown in the statement of financial position. This includes cash in hand, checks and bank balances as well as current securities that are available within three months from the date of acquisition. Cash of € 2.0 million (prior year: € 1.2 million) is pledged.

Of the other non-cash income and expenses reported in the reconciliation of consolidated net income for the year to cash flow from operating activities, € 15.2 million (prior year: € 13.3 million) relates to the Group's share of earnings from financial assets accounted for using the equity method.

The contribution to pension plans is presented as a component of cash flow from investing activities. In the financial year 2024, this contained additions to plan assets of € 5.6 million (prior year: € 4.9 million).

Repayments of loans including currency translation differences of € 45.2 million relate to loans that were taken over in 2024 as part of business combinations and subsequently repaid.

Payments for the acquisition of non-controlling interests in one German and one foreign fully consolidated entity are shown in other cash paid within cash flow from financing activities.

35 / Segment reporting

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

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

- **MOBILITY** This segment comprises all services for automobiles, which are offered by the Mobility Division. Services provided for the automotive industry and automotive trade include homologation, claims assessment, remarketing and product and process improvements, such as highly automated driving. Roadworthiness tests and exhaust gas analyses, driver's license tests and medical-psychological examinations, in particular for the recovery or retention of a driver's license, are aimed primarily at private customers.

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

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

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

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

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

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

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

≡ 70/71

Segment information from January 1 to December 31, 2024 and as of December 31, 2024

≡ 70

in € million	INDUSTRY	MOBILITY	CERTIFICATION	OTHER	Reconciliation	Group
External revenue	1,130.4	1,180.2	1,116.8	3.6	–2.0	**3,429.0**
thereof EUROPE	887.7	1,149.8	567.9	2.4	–2.0	**2,605.8**
thereof AMERICAS	97.5	1.0	113.8	0.0	0.0	**212.3**
thereof ASIA	145.2	29.4	435.1	1.2	0.0	**610.9**
Intersegment revenue	7.8	1.3	5.4	38.5	–53.0	**0.0**
Total revenue	1,138.2	1,181.5	1,122.2	42.1	–55.0	**3,429.0**
Personnel expenses	–645.5	–597.2	–569.5	–248.4	4.5	**–2,056.1**
Amortization, depreciation and impairment losses	–36.0	–50.9	–65.0	–49.3	0.0	**–201.2**
Income from investments accounted for using the equity method	0.0	23.9	0.0	0.0	0.0	**23.9**
EBIT	106.5	106.8	64.1	–61.7	0.9	**216.6**
Capital expenditures	15.0	32.2	40.6	62.7	0.0	**150.5**
Segment assets as of December 31, 2024	633.6	715.4	652.7	614.7	–25.0	**2,591.4**

Total revenue in the home market of Germany amounts to € 2,122.8 million (prior year: € 1,993.8 million), of which € 646.4 million (prior year: € 607.0 million) was generated by the INDUSTRY Segment, € 1,038.1 million (prior year: € 967.7 million) by the MOBILITY Segment and € 440.1 million (prior year: € 420.9 million) by the CERTIFICATION Segment.

Segment assets in Germany come to € 1,215.0 million (prior year: € 1,126.8 million).

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

≡ 71

in € million	INDUSTRY	MOBILITY	CERTIFICATION	OTHER	Reconciliation	Group
External revenue	1,026.9	1,071.9	1,040.2	2.2	– 1.9	**3,139.3**
thereof EUROPE	817.5	1,053.6	533.2	0.2	– 1.9	**2,402.6**
thereof AMERICAS	84.4	1.0	112.3	0.0	0.0	**197.7**
thereof ASIA	125.0	17.3	394.7	2.0	0.0	**539.0**
Intersegment revenue	6.1	1.1	10.4	35.4	– 53.0	**0.0**
Total revenue	1,033.0	1,073.0	1,050.6	37.6	– 54.9	**3,139.3**
Personnel expenses	– 579.5	– 551.8	– 528.9	– 224.0	8.3	**– 1,875.9**
Amortization, depreciation and impairment losses	– 33.8	– 42.2	– 58.3	– 49.1	0.0	**– 183.4**
Income from investments accounted for using the equity method	0.0	20.4	0.0	0.0	0.0	**20.4**
EBIT	101.1	102.1	41.0	– 25.1	– 1.4	**217.7**
Capital expenditures	11.6	44.0	70.6	54.3	0.0	**180.5**
Segment assets as of December 31, 2023	516.2	499.7	640.5	544.9	– 18.3	**2,183.0**

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

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

Segment performance is evaluated based on EBIT.

Reconciliation of EBIT to income before taxes

≡ 72

in € million	2024	2023
EBIT according to segment reporting	**216.6**	**217.7**
Interest income	25.0	21.1
Interest expenses	– 16.2	– 13.8
Other financial result	– 0.4	0.1
Income before taxes according to consolidated income statement	**225.0**	**225.1**

Reconciliation of segment assets to total assets

≡ 73

in € million	Dec. 31, 2024	Dec. 31, 2023
Segment assets	**2,591.4**	**2,183.0**
Interest-bearing financial assets	79.9	4.5
Deferred tax assets	101.3	124.4
Cash and cash equivalents	309.4	528.6
Other interest-bearing assets	501.3	460.7
Total assets	**3,583.3**	**3,301.2**

Non-current assets based on geographic segment

≡ 74

in € million	Dec. 31, 2024	Dec. 31, 2023[1]
EUROPE	1,160.7	893.3
AMERICAS	194.6	174.9
ASIA	348.0	335.6
Reconciliation	680.5	557.9
Non-current assets	**2,383.8**	**1,961.7**

1 Prior-year figures adjusted.

The non-current assets of the geographic segments include intangible assets, right-of-use assets and property, plant and equipment. € 719.1 million (prior year: € 684.8 million) thereof is attributable to the German entities. Non-current assets are allocated according to their geographic location.

36 / Related parties

Related companies

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

Within the framework of an agency contract, the activities under the accreditation to operate the road vehicle technical inspectorate in Baden-Württemberg are carried out by the group company TÜV SÜD Auto Service GmbH, Stuttgart, for TÜV SÜD e. V., as the principal and recognized contractor. Business from the activities under the accreditation to operate the road vehicle technical inspectorate in Baden-Württemberg is conducted on behalf of, at the instruction of and in the name of TÜV SÜD e. V. All transactions and business processes are carried out in the TÜV SÜD Group. TÜV SÜD Auto Service GmbH maintains personnel and material on the scale necessary for its activities and operations. From the cost center accounting, the revenue allocable to TÜV SÜD e. V. is calculated and transferred. 98.5% of revenue from the business officially mandated is invoiced by the operating entity as a lump-sum payment for agency services. In the financial year 2024, a total volume of € 133.8 million (prior year: € 125.6 million) was charged to TÜV SÜD e. V. From this source, TÜV SÜD e. V. recorded revenue of € 135.8 million (prior year: € 127.5 million).

As of the reporting date, there are cash pool liabilities of € 1.0 million to TÜV SÜD e. V. (prior year: € 0.3 million).

In the financial years 2024 and 2023, the TÜV SÜD Group had business relationships with non-consolidated subsidiaries, associated companies and joint ventures that qualify as related parties. In the course of ordinary operations, all service transactions with these entities were carried out at arm's length conditions. In 2024, transactions were carried out with material related parties that led to the following items in the consolidated financial statements:

Items of the statement of financial position from transactions with non-consolidated subsidiaries, associated companies and joint ventures ≡ 75

	Non-consolidated subsidiaries		Associated companies		Joint ventures	
in € million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Loans	1.3	1.3	0.0	0.0	0.0	0.0
Receivables	0.7	0.6	0.0	0.0	1.1	3.0
Liabilities	0.3	0.1	0.0	0.0	0.0	0.2

Receivables from non-consolidated subsidiaries include valuation allowances amounting to € 2.1 million (prior year: € 2.1 million).

Income and expenses from transactions with non-consolidated subsidiaries, associated companies and joint ventures ≡ 76

	Non-consolidated subsidiaries		Associated companies		Joint ventures	
in € million	2024	2023	2024	2023	2024	2023
Income	1.3	1.0	0.0	0.0	5.3	10.8
Expenses	3.2	0.8	0.0	0.0	4.5	3.0

An amount of € 4.4 million (prior year: € 10.0 million) of the income from joint ventures relates to a joint venture that was sold in June 2024 and largely results from the operational provision of fleet services at foreign subsidiaries. The expenses primarily relate to charges for lease vehicles that are managed by this company.

Income of € 0.9 million (prior year: € 0.8 million) resulted from expense allowances for mandate activities in the Turkish joint ventures.

The business relationships with the Turkish joint ventures are based primarily on a license agreement between TÜVTÜRK Kuzey and TÜVTÜRK Güney (both licensors) and TÜV SÜD Bursa Tasit Muayene Istasyonlari Isletim A.S., Kestel-Bursa, Türkiye (licensee). In 2024, there were commission fees of € 4.1 million (prior year: € 2.8 million). For 2023, the distribution of the Turkish joint ventures totaled € 13.3 million (prior year: € 10.8 million), of which € 5.2 million (prior year: € 4.4 million) was collected as an advance distribution in the prior year. In addition, there was an advance dividend distribution for the current financial year of € 6.5 million (prior year: € 5.2 million). In the prior year, the Spanish joint venture ITV Levante had still made a dividend distribution of € 0.2 million.

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

TÜV SÜD AG issued a letter of comfort for a related company. It is assumed that the company can pay its current obligations itself. Claims are therefore not expected.

Relationships with pension funds

TÜV SÜD Pension Trust e. V. and TÜV Hessen Trust e. V. hold the assets to cover the pension obligations in Germany under contractual trust agreements. These offsettable plan assets include properties that are leased to entities of the TÜV SÜD Group. As of the reporting date, these rental agreements resulted in right-of-use assets of € 133.1 million (prior year: € 134.5 million) and lease liabilities of € 143.8 million (prior year: € 142.9 million). In 2024, the group companies repaid lease liabilities of € 3.4 million (prior year: € 3.6 million) and made interest payments of € 4.2 million (prior year: € 4.1 million).

In December 2024, TÜV SÜD AG granted TÜV SÜD Pension Trust e. V. a loan of € 30.0 million. The loan was used to finance the increase in the atypical silent participation in ARMAT Südwest GmbH & Co. KG and has a term until December 31, 2030. Interest is charged at the market interest rate (three-month EURIBOR plus 1.0%). Interest is due for payment at the end of each calendar quarter.

Since September 2023, Pension Real Estate Singapore Pte. Ltd., Singapore (a participation of TÜV SÜD Pension Trust e. V.), has had a credit line with TUV SUD Asia Pacific Pte. Ltd, Singapore (a subsidiary of TÜV SÜD AG), in the amount of SGD 2.0 million, which can be drawn down on a monthly basis subject to the liquidity requirements. This did not result in any liabilities as of December 31, 2024 (prior year: € 0.7 million).

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

Total remuneration of active members of the Board of Management in the reporting period (short-term employee benefits) amounted to € 4.3 million in the financial year 2024 (prior year: € 4.1 million). This includes variable salary components based on financial and non-financial indicators totaling € 2.8 million (prior year: € 1.9 million), which had in part not yet been paid out as of December 31. As in the prior year, no additional service cost was incurred for defined benefit obligations (post-employment benefits) in the financial year.

The active members of the Supervisory Board received total remuneration of € 1.6 million in the financial year 2024 (prior year: € 1.2 million).

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

The total remuneration of former members of the Board of Management and their surviving dependents including pension payments and other payments amounted to € 3.4 million (prior year: € 2.0 million). Defined benefit obligations amounting to € 16.5 million (prior year: € 17.7 million) exist for former members of the Board of Management and their surviving dependents.

37 / Proposal for the appropriation of profit

The Board of Management and Supervisory Board will propose to the annual general meeting to distribute € 2.1 million from the retained earnings under German GAAP of TÜV SÜD AG totaling € 808.6 million, equivalent to € 0.08 per share (prior year: € 0.08). The remaining amount of € 806.5 million is to be carried forward to new account.

38 / Auditor's fees

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

Auditor's fees ≡77

in € million	2024	2023
Audit services	1.4	1.1
Other assurance services	0.1	0.1
Tax advisory services	0.2	0.2
Auditor's fees	**1.7**	**1.4**

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

39 / Events after the reporting date

The concession agreements of the joint ventures TÜVTÜRK Güney and TÜVTÜRK Kuzey for the provision of vehicle inspection services in Türkiye expire in August 2027. In October 2024, the relevant Turkish authorities launched a tender process for a new concession period from mid-2027 to 2047, in which TÜV SÜD is participating with a bidder consortium. At the auction on February 24, 2025, the TÜV SÜD consortium submitted the second highest bid for both concession areas. However, the tender process is not completed until the final award of the concessions by the authorities. Nevertheless, the auction has increased the likelihood that TÜVTÜRK will not be able to continue its business activities in its current role as concession holder for vehicle inspection services beyond August 2027. This may have a negative impact on TÜV SÜD's future financial performance and position. Based on current knowledge and information, the assessment of the carrying amount of the joint ventures did not indicate any need for impairment during the preparation period of the financial statements.

40 / Consolidated entities

Consolidated entities

≡ 78

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

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

▷| Continuation of the table, see next page

Name and registered office of the entity		Share in capital in %
Fully consolidated entities – Other countries		
A-Ülevaatus OÜ, Maardu, Estonia	F	100.00
ARISE Boiler Inspection and Insurance Company Risk Retention Group, Louisville, USA		100.00
ARISE Inc., Wilmington, USA		100.00
ATISAE de Castilla y León, S.A.U., Miranda de Ebro, Spain		100.00
Bytest S.r.l., Volpiano, Italy		100.00
Carspect AB, Stockholm, Sweden	F	100.00
Carspect Group AB, Stockholm, Sweden	F	100.00
Carspect Group Holding AB, Stockholm, Sweden	F	100.00
Carspect Sweden Holding AB, Stockholm, Sweden	F	100.00
Changzhou Jin Biao Rail Transportation Technical Service Co., Ltd., Changzhou, China		100.00
CTVA Ingenieria de Seguridad, S.L., Burgos, Spain	F	100.00
Domutech Solutions P/S, Copenhagen, Denmark	F	100.00
Dunbar & Boardman Partnership Ltd., Fareham, UK		100.00
ÉMI-TÜV SÜD Minőségügyi és Biztonságtechnikai Korlátolt Felelősségű Társaság, Szentendre, Hungary		62.13
Fleet Logistics Italia S.r.l., Milan, Italy		100.00
Fleet Logistics UK Ltd., Birmingham, UK		100.00
Global Risk Consultants (Australia) Pty Ltd, Melbourne, Australia		100.00
Global Risk Consultants (Guangzhou) Co. Ltd., Guangzhou, China		100.00
Global Risk Consultants Corp., Wilmington, USA		100.00
Global Risk Consultants Ltd., Fareham, UK		100.00
Global Risk Consultores (Brasil) Ltda., Barueri, Brazil		100.00
Green Building Education Systems, LLC, Atlanta, USA	F	100.00
Magyar TÜV SÜD Műszaki Szakértői Korlátolt Felelősségű Társaság, Szentendre, Hungary		100.00
National Association of Boiler and Pressure Vessel Owners and Operators, Inc., Louisville, USA		100.00
Nuclear Technologies plc., Fareham, UK		100.00
P.H. S.r.l., Tavarnelle Val di Pesa, Italy		100.00
PT. TUV SUD Indonesia, Jakarta Pusat, Indonesia		94.96
SIA Scantest, Grobina, Latvia	F	100.00
Sustainable Investment Group, LLC, Atlanta, USA	F	100.00

Continuation of the table, see next page

Name and registered office of the entity		Share in capital in %
TÜV Italia S.r.l., Milan, Italy		100.00
TUV SUD (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia		100.00
TUV SUD (Thailand) Ltd., Bangkok, Thailand		100.00
TÜV SÜD (UK) Ltd., Fareham, UK		100.00
TUV SUD A-Reliance Pte. Ltd., Singapore	F	100.00
TÜV SÜD America de México, S.A. de C.V., San Pedro Garza Garcia, Mexico		100.00
TÜV SÜD America Inc., Boston, USA		100.00
TÜV SÜD AMT, S.A.U., Madrid, Spain		100.00
TUV SUD Asia Ltd., Hong Kong, China		100.00
TUV SUD Asia Pacific Pte. Ltd., Singapore		100.00
TÜV SÜD ATISAE, S.A.U., Madrid, Spain		100.00
TUV SUD BABT Unltd., Fareham, UK		100.00
TUV SUD Bangladesh (Pvt.) Ltd., Dhaka, Bangladesh		100.00
TÜV SÜD Benelux B.V., Boortmeerbeek, Belgium		100.00
TÜV SÜD BRASIL CONSULTORIA LTDA., São Paulo, Brazil		100.00
TÜV SÜD Bursa Tasit Muayene Istasyonlari Isletim A.S., Kestel-Bursa, Türkiye		100.00
TÜV SÜD Canada Inc., Newmarket, Canada		100.00
TÜV SÜD Central Eastern Europe s.r.o., Prague, Czech Republic		100.00
TUV SUD Certification and Testing (China) Co., Ltd., Wuxi, China		51.00
TUV SUD China Holding Ltd., Hong Kong, China		100.00
TÜV SÜD Czech s.r.o., Prague, Czech Republic		100.00
TÜV SÜD Danmark ApS, Hellerup, Denmark		100.00
TÜV SÜD Domutech A/S, Copenhagen, Denmark	F	100.00
TUV SUD for Safety Engineering LLC, Khobar City, Saudi Arabia		100.00
TÜV SÜD France S.A.S., Écully, France		100.00
TUV SUD Hong Kong Ltd., Hong Kong, China		100.00
TÜV SÜD Iberia, S.A.U., Barcelona, Spain		100.00
TUV SUD Inspection Authority (Pty) Ltd., Middelburg, South Africa		66.20
TÜV SÜD Japan Ltd., Tokyo, Japan		100.00
TUV SUD Korea Ltd., Seoul, South Korea		100.00

▷| Continuation of the table, see next page

Name and registered office of the entity	Share in capital in %
TÜV SÜD Landesgesellschaft Österreich GmbH, Wiesing, Austria	100.00
TUV SUD Ltd., Glasgow, UK	100.00
TUV SUD Middle East Co. LLC, Muscat, Oman	70.00
TUV SUD Middle East LLC, Abu Dhabi, United Arab Emirates	80.00
TUV SUD Middle East LLC (Qatar), Doha, Qatar	49.00
TÜV SÜD Nederland B.V., Ede, Netherlands	100.00
TÜV SÜD New Energy Testing (Guangdong) Co., Ltd., Guangzhou, China	100.00
TÜV SÜD New Energy Vehicle Testing (Jiangsu) Co., Ltd., Changzhou, China	52.00
TÜV SÜD Polska Sp. z.o.o., Warsaw, Poland	100.00
TÜV SÜD Products Testing (Shanghai) Co., Ltd., Shanghai, China	100.00
TÜV SÜD PSB Philippines Inc., Pasig City, Philippines	99.99
TUV SUD PSB Pte. Ltd., Singapore	100.00
TÜV SÜD Romania S.R.L., Bucharest, Romania	100.00
TÜV SÜD Sava d.o.o., Ljubljana, Slovenia	100.00
TÜV SÜD Schweiz AG, Zurich, Switzerland	100.00
TUV SUD Services (UK) Ltd., Fareham, UK	100.00
TÜV SÜD SFDK Laboratório de Análise de Produtos Ltda., São Paulo, Brazil	100.00
TÜV SÜD Slovakia s.r.o., Bratislava, Slovakia	100.00
TUV SUD South Africa (Pty) Ltd., Middelburg, South Africa	74.00
TUV SUD South Asia Pvt. Ltd., Mumbai, India	100.00
TÜV SÜD Sverige AB, Malmö, Sweden	100.00
TÜV SÜD SW Rail Transportation Technology (Jiangsu) Co., Ltd., Changzhou, China	52.00
TÜV SÜD Teknik Güvenlik ve Kalite Denetim Ticaret Ltd. Sirketi (TGK), Istanbul, Türkiye	100.00
TUV SUD Vietnam Co. Ltd., Ho Chi Minh City, Vietnam	100.00
TÜVSÜD Portugal, unipessoal Lda., Lisbon, Portugal	100.00

▷| Continuation of the table, see next page

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

F = First-time consolidation

Munich, March 20, 2025

TÜV SÜD AG

The Board of Management

DR. JOHANNES BUSSMANN | **SABINE NITZSCHE** | **ISHAN PALIT**

Boards of TÜV SÜD AG

Supervisory Board

WOLFGANG DEHEN
Chairman of the Supervisory Board
Member of various Supervisory Boards

MARCEL RATH[1]
Deputy Chairman of the Supervisory Board
HR Officer
TÜV SÜD AG

MATTHIAS ANDREESEN VIEGAS[1]
CSR Representative
TÜV SÜD AG

DR. CHRISTINE BORTENLÄNGER
Member of various Supervisory Boards

MANUELA DIETZ[1]
Regional Head of ver.di Bayern
Ver.di union representative

THOMAS EDER[1]
Third Deputy Chairman
of the works council Region of South-Eastern Bavaria
TÜV SÜD Auto Service GmbH
(until September 30, 2024)

PROF. DR. HERMANN EUL
Member of various Supervisory Boards

DR. JÖRG MATTHIAS GROSSMANN
Member of various Supervisory Boards

FRANK HYLDMAR
Member of various Supervisory Boards
(since July 3, 2024)

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

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

MATTHIAS SCHEMMEL[1]
Member of the works council
Market region of Lower Franconia
TÜV SÜD Auto Service GmbH
(since March 25, 2024)

DR. NATHALIE VON SIEMENS
Member of various Supervisory Boards

PROF. DR. RUDOLF STAUDIGL
Member of various Supervisory Boards
(until July 3, 2024)

ALEXANDER TILLY[1]
Chairman of the group works council
TÜV SÜD Auto Service GmbH
(since December 12, 2024)

DR. EBERHARD VEIT
General Partner
Robert Bosch Industrietreuhand KG

KATRIN VOLKMANN[1]
Member of the group works council
TÜV SÜD Product Service GmbH

DR. KATHARINA WAGNER[1]
Trade Union Secretary
Ver.di union representative

Board of Management

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

SABINE NITZSCHE
Member of the Board of Management/CFO
(since March 1, 2025)

ISHAN PALIT
Member of the Board of Management/COO

PROF. DR. MATTHIAS J. RAPP
Member of the Board of Management/CFO
(until September 30, 2024)

1 Employee representative.

Independent auditor's report

To TÜV SÜD Aktiengesellschaft, Munich

Audit Opinions

We have audited the consolidated financial statements of TÜV SÜD Aktiengesellschaft, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, as well as notes to the consolidated financial statements, including significant information on accounting policies. In addition, we have audited the group management report of TÜV SÜD Aktiengesellschaft, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB ["Handelsgesetzbuch": German Commercial Code] (disclosures on the quota for women in management positions).

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards published by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

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

Basis for the Audit Opinions

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

Information on an Issue of Particular Concern – Dam Collapse in Brazil

Please refer to the comments by the executive directors in the sections "Assumptions, estimation uncertainties and judgments" and "Pending and imminent legal proceedings" in the notes to the consolidated financial statements and the sections "Economic report" and "Opportunity and risk report" in the group management report, which describe the effects of the dam collapse in Brazil in January 2019, the stability of which was certified by the Brazilian subsidiary TÜV SÜD BRASIL CONSULTORIA LTDA. in September 2018, and the provisions that have been recognized in this regard. In connection with the pending and imminent legal proceedings, the executive directors note considerable estimation uncertainty regarding assumptions on the probability of occurrence, the time of payment and the amount of the risk, with the result that the outcome of the pending and imminent legal proceedings could have a significant influence on the Group's assets, liabilities, financial position and financial performance for the financial year 2025 and future financial years. Our audit opinions on the consolidated financial statements and group management report are not modified in this regard.

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

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

Other Information

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

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

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

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

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

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards 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.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

- 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 IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

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

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

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

Munich, March 20, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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

Glossary

AI	Artificial intelligence
AIM	Asset integrity management The management of an asset with the aim to ensure the effective and efficient functionality. This ensures that the people, systems, processes and resources which enable the asset to deliver its function are in place over the life cycle of the asset while, at the same time, complying with the health and safety, and environmental regulations.
BetrAVG	“Betriebsrentengesetz” (Engl.: German Company Pension Act) German Law on the Improvement of Company Pension Plans
CDI strategy	Cash flow-driven investment strategy Strategy which invests in assets that provide income that matches the future expected cash flow requirements of the pension scheme for a specified period
CDS spread	Credit default swap spread Credit markup for the pricing of credit derivatives to hedge the default risk
CGU	Cash generating unit
CO_2	Carbon dioxide
Credit spread	Difference between high-risk and risk-free benchmark interest rate with the same term. Defines the risk premium that an investor receives as compensation for the credit risk entered into.
CSRD	Corporate Sustainability Reporting Directive
CTA	Contractual trust agreement Legally structured trust agreement to cover the capital required for direct pension commitments with separate and outsourced assets, and to also provide extended protection for these commitments in the event of insolvency
Data Act	Regulation of the European Union, which aims to facilitate and promote the exchange and use of data within the European Economic Area
DCGK	“Deutscher Corporate Governance Kodex” (Engl.: German Corporate Governance Code)
Digital Markets Act	Regulation of the European Union to make the markets in the digital sector fairer and more competitive
Digital Services Act	Regulation of the European Union on uniform European liability and security rules for digital platforms, services and products
DSO	Days sales outstanding
EBIT	Earnings before interest and taxes Earnings before interest, before other financial result and before income tax, but after income/loss from participations
EBITDA	Earnings before interest and taxes, depreciation and amortization
EBT	Earnings before taxes
EMC	Electromagnetic compatibility
ESG	Environment, Social and Governance The pillars represent the three main areas that companies, administrative authorities and organizations are expected to report on.
EU AI Act	European Artificial Intelligence Act European regulation to determine harmonized rules on artificial intelligence
Free cash flow	Cash flow from operating activities less cash paid for investments in intangible assets, property, plant and equipment and investment property
FTE	Full-time equivalent
FZulG	“Forschungszulagengesetz” (Engl.: German Research Allowance Act)
GbR	“Gesellschaft bürgerlichen Rechts” (Engl.: Partnership under the Civil Code)
GDPR	European General Data Protection Regulation
HR	Human resources
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IDW	“Institut der Wirtschaftsprüfer” (Engl.: Institute of Public Auditors in Germany)
IDW AsS 980	IDW Auditing Standard: Principles for the Proper Performance of Audits of Compliance Management Systems The standard provides for three types of engagements, test of design, of appropriateness test and of operating effectiveness, which vary in terms of their subject, objective and scope.
IEC	International Electrotechnical Commission
IEEE Standards Association	Institute of Electrical and Electronics Engineers Standards Association
IFRS	International Financial Reporting Standard
IFRS IC	International Financial Reporting Standards Interpretations Committee
IfW	“Institut für Weltwirtschaft” (Engl.: Institute for the World Economy)
IMF	International Monetary Fund
Incremental borrowing rate of the lessee	The rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment
Interest rate swap	Interest derivative where two counterparties agree to exchange interest payments at fixed nominal amounts at a specific point in the future
ISO	International Organization for Standardization
IVDR	In-vitro Diagnostic Regulation
LDI strategy	Liability-driven investment strategy Strategy which invests in assets that reflect the interest and inflation risks of the liabilities
LkSG	“Lieferkettensorgfaltspflichtengesetz” (Engl.: German Act on Corporate Due Diligence in Supply Chains)
MDR	Medical Device Regulation
NOPAT	Net operating profit after taxes
Notified Body/ NoBo	Neutral and independent private organization designated by the state to assess conformity (auditing/certifying body)
OECD	Organisation for Economic Co-operation and Development
PPA	Purchase price allocation

PTI	Periodical technical inspection
Remote Audit	Efficient and resource-saving performance of an audit without the auditor being physically present on site
ROCE	Return on capital employed
SDGs	Sustainable Development Goals Global sustainability goals for sustainable social, economic and ecological development
SDV	Software-defined vehicles
TIC	Testing, Inspection, Certification
TISAX	Trusted information security assessment exchange
TPR	The Pensions Regulator British regulatory agency for pensions

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